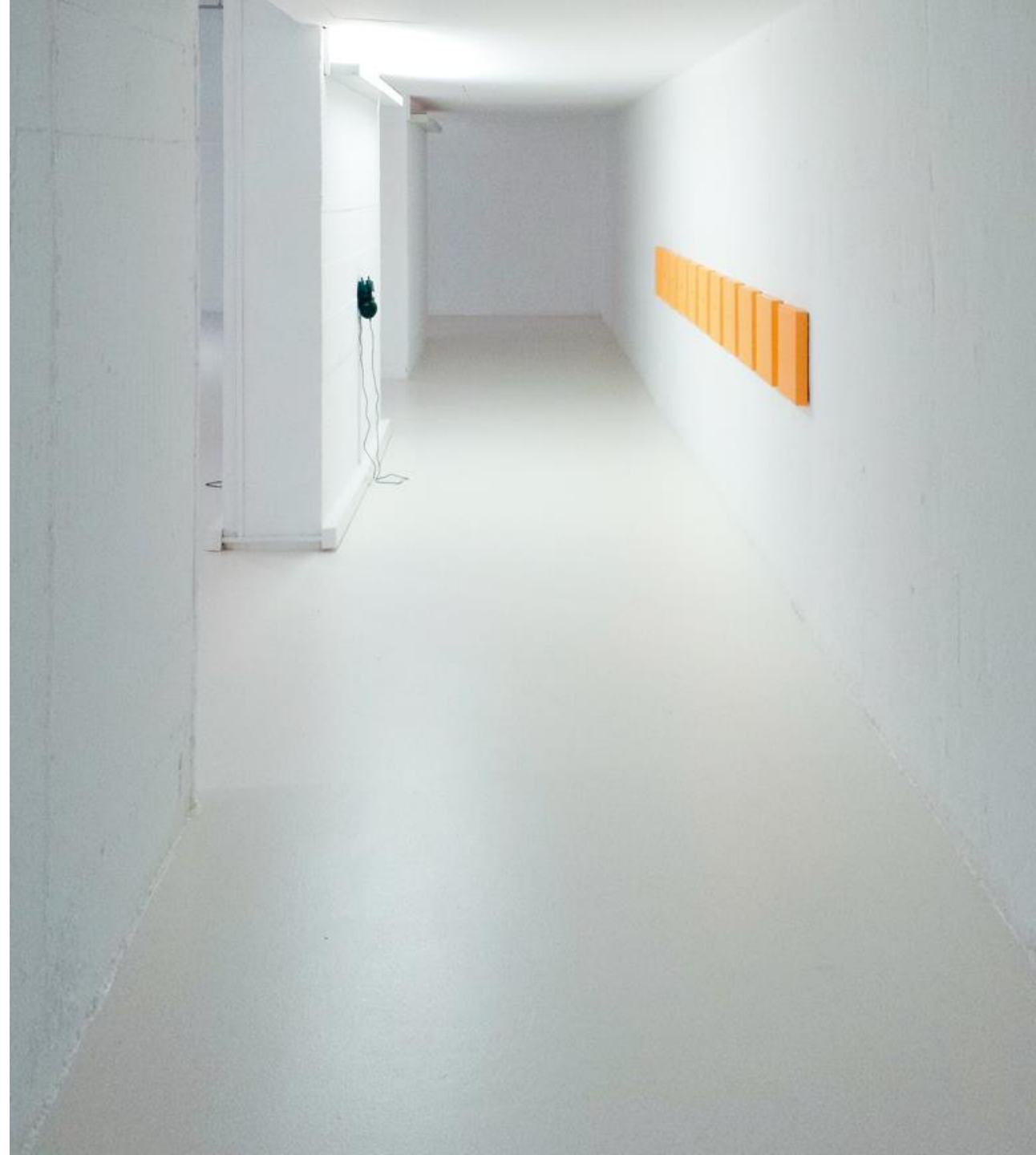


ANTIVIRUS EMPLOYMENT SUPPORT – who is eligible for state contributions, and what are the conditions?

Status as of 3 April, 2020

Please visit our webpages - link for regular updates:

www.kinstellar.com/covid-19



On 1 April 2020, the Government of the Czech Republic approved, via Resolution No. 353, a targeted employment support program called “Antivirus” (hereinafter referred to as the “Antivirus Program”). The aim of the Antivirus Program is to help businesses protect jobs by providing employers with a contribution by way of a partial reimbursement of remuneration costs (hereinafter referred to as the “Contribution”) paid to employees as a result of an inability to allocate work due to certain barriers on the part of the employer or the employee from 12 March 2020 onwards.

The Antivirus Program introduces two schemes for employer Contributions:

Type of obstacle	Compensation of wages paid by the employer	Contribution for employers	Specific circumstances
<p>Mode A: Forced traffic restrictions and quarantine</p> <ul style="list-style-type: none"> ▪ Quarantine ordered on the employee ▪ Closure or restriction of an employer’s operations due to crisis resolutions by the Government of the Czech Republic and emergency measures by the public health authorities in connection with the COVID-19 virus. 	<p>60% of average reduced wages in the case of a quarantine</p> <p>100 % of the average wages when traffic is restricted / closed</p>	<p>80% of wage compensation paid, including levies</p> <p>Maximum monthly contribution per employee: CZK 39,000</p>	<p>Mode A – closures as a result of crisis resolutions by the Government of the Czech Republic and extraordinary measures by the public health protection authorities will affect e.g. owners of restaurants, bars, clothing stores, hairdressing and beauty salons, etc.</p>
<p>Mode B: Related economic difficulties (a causal relationship with COVID-19 is assumed)</p> <ul style="list-style-type: none"> ▪ Care of a child in a significant proportion of employees, or the inability of an employee to come to work due to the closure of a certain area (must cover 30% of employees or more) ▪ Limitations on the availability of sources necessary for the operation of the employer ▪ Reduction of demand for services / products 	<p>60 - 100% of the average wages according to the type of particular obstacle</p>	<p>60 % of wage compensation paid, including levies</p> <p>Maximum monthly contribution per employee: CZK 29,000</p>	<p>Mode B – for companies that have been forced to declare partial unemployment due to reduced sales of their products or demand for services as a result of COVID-19 and related measures, or due to reduced availability of sources necessary for the operation of the company.</p>

When should an employer apply for a contribution?

The Antivirus Program is effective from 6 April 2020. From this time, it will be possible to submit applications. Applications will be electronically submitted and our team is here for you to assist in their preparation and submission.

The Antivirus Program allows for the payment of a contribution for the reimbursement of eligible costs incurred by employers from 12 March 2020 inclusive. The support is set up so that the employer can request a refund of wage compensation to be paid after the reporting period, i.e. after the end of the calendar month for which the employer will apply for a contribution for a specific employee.

Conditions for drawing contributions:

- i. the employer must follow the Labour Code;
- ii. the employee must not be subject to a termination notice and not be dismissed (except in cases under Section 52 (g) and (h) of the Labour Code, i.e. disciplinary reasons, poor work results);
- iii. the employee must be employed (applies to companies in the business sector) and must participate in health and pension insurance schemes;
- iv. the employer has paid the employee wage compensation for the period for which it is applying for the contribution and has duly deducted all mandatory levies;
- v. the obstacle to work arose in connection with the COVID-19 virus.

Entitlement for contributions does not apply:

- i. to pay wage compensation;
- ii. to cover costs incurred on the basis of contracts on work or contracts for services;
- iii. if the employer dismissed an employee or the employment relationship was terminated;
- iv. the employer received another contribution from the Employment Department of the Czech Republic for its employees;
- v. if the wage compensation is covered by other public programmes;
- vi. an employer in liquidation or bankruptcy proceedings;
- vii. an employer who has been fined for illegal work 3 years prior to the date of submission of the application.

Who will pay the contributions and for how long?

The contributions will be paid to the employer's bank account by the locally competent Employment Department, according to the registered seat of the employer.

The amount and duration of the provision will depend on the reason for the obstacle to work. It will be necessary to distinguish the reason for the obstacle to work for each employee. The period of costs eligibility covers 12 March 2020 to 30 April 2020. The extension of the period until May 2020 is being discussed by the Czech government.

For more information about the impact of the Antivirus Program and the possibility of receiving state contributions, please contact our dedicated COVID-19 action team through our Legal HotSpot (e-mail: coronavirus_hotline@kinstellar.com).