

New obligations from 1 July 2024 regarding DPP workers and the proposed flexible amendment to the Czech Labor Code

Dentons Newsletter

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Significant changes to Czech labour law are on the way. From July 1, 2024, employers will be subject to new obligations in relation to employees who perform work based on an agreement to complete a job. Other changes are expected in connection with the recently published draft amendment to the Labor Code aimed at improving flexibility in employment relationships.

With the summer already upon us, employers must pay particular attention to the **new obligations in relation to employees who perform work under an agreement to complete a job** (in Czech: *dohoda o provedení práce - DPP*). As of July 1, 2024, the following changes apply:

- Employers are now obliged to register in the CSSA's register of insured persons those employees who perform work on the basis of a DPP contract without participation in sickness and pension insurance;
- Employers, which have so far employed only uninsured employees on a DPP basis, must register in the CSSA Employer Register by July 31, 2024 at the latest;
- As of August 1, 2024, employers are obliged to regularly report the income of all individual employees performing work based on a DPP contract to the local social security administration office;
- The amount of insurance contributions and taxation for employees working on DPP contracts will remain unchanged until the end of 2024; they are still subject to sickness and pension insurance only in those calendar months when their countable income exceeds CZK 10,000.

From January 1, 2025, employers will be able to apply the “notified agreement scheme”, under which a higher limit for participation in insurance and payment of premiums can be used for DPP contracts. Otherwise, similar conditions will apply to the DPP as for employment or agreements on working activity.

The **proposed flexible amendment to the Labor Code** aims to **bring greater flexibility to labor relations and to respond to the current needs and development of the market**. Changes are expected in relation to probationary periods, notice periods, the employment of parents and child carers, and the employment of minors. You can find a more detailed overview of selected proposed (not yet approved) changes below.

Longer probationary period

- The maximum probationary period is extended from 3 to 4 months (from 6 to 8 months for managerial employees).
- There is a new possibility of an additional extension of the probationary period during its duration (up to the maximum limit).

Shortening of the notice period and termination of employment in connection with the long-term medical disability

- The notice period will now start on the date on which the notice is served to the other party.
- The notice period is reduced to 1 month in the event of termination due to unsatisfactory work performance or breach of legal regulations.
- When an employment relationship is terminated due to an occupational injury or disease, the employer will no longer pay severance payment; instead, the insurance company with which the employer has compulsory insurance will pay compensation.

Employment of child carers

- Employees returning from parental leave before the child reaches the age of 2 will be guaranteed a return to the same position and workplace.
- During the period of parental leave, employees will now be able to conclude an agreement to complete a job (DPP) or an agreement on working activity (DPČ) with the same employer for the same type of work as in their employment agreement.

Employment of minors aged 14 and over

- Minors aged 14 and over, who have not completed compulsory schooling, will now be able to do light work during the summer holidays, provided that it is not detrimental to their health or moral development.
- The maximum shift for these employees will be 7 hours and the maximum weekly working time will be 35 hours.

Other changes

In addition to the changes above, **other changes** are proposed:

- Possibility of employees to **schedule their own working hours**
- New rules for payment of **wages in foreign currency**
- New rules for the **delivery of wage slips** to employees

Please do not hesitate to contact us if you have any questions regarding the implementation of changes related to agreements to complete a job or the proposed amendment to the Czech Labor Code. We are closely monitoring the legislative process of the proposed amendment to the Labor Code and will keep you informed.

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