

Amendment to the Labor Code 2023

Dentons Newsletter

March 2023

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The highly anticipated amendment to the Labor Code has passed through the comment procedure as it works its way towards becoming a law. This amendment is expected to fundamentally impact the HR processes of the vast majority of employers.

We previously informed you about the initial draft and its key points. But significant changes have been made by the Ministry of Labor and Social Affairs, the submitter of the draft, following the large number of comments from various stakeholders. These changes concern, in particular, the proposed **new regulation of the rules on working from home (home office)**, as the initial draft provisions were heavily criticized by both professionals as well as the general public.

Thus, the current version of the draft no longer includes the problematic list of mandatory provisions on the elements of a work-from-home agreement; this gives more room for autonomous regulation, which has in fact already crystallized into established standards on the market.

The draft still retains the employer's right to unilaterally order home office if a public authority determines it necessary, but—presumably to the relief of employers—has had removed the obligation to allow home office at the request for certain protected groups of employees (e.g., parents caring for children).

Regarding the important issue of reimbursement of costs associated with home office, under the current draft they will be reimbursed in one of two ways: either to the extent that the employee has demonstrably incurred them or by a lump sum reimbursement. Which one to use will either need to be agreed by the parties or determined by the employer in an internal regulation. For the time being, the proposal stipulates for a lump sum reimbursement to be CZK 2.80 per hour of work. The Ministry of Labor and Social Affairs will be entitled to change the amount by decree, based on data published by the Czech Statistical Office.

In addition to the home office rules described above, the amendment also includes the following:

- A modification of the regime of agreements for work outside an employment relationship—agreements on performance of work (*dohoda o provedení práce* (DPP)) and on working activity (*dohoda o pracovní činnosti* (DPČ))—whereby workers are granted some of the protections of employees in employment relationships (e.g., annual holiday leave);
- A fundamental change to the rules on sending and distributing documents, which greatly simplifies the electronic service of documents;
- Explicitly allowing the electronic conclusion of employment contracts, DPPs, DPČs and other employment documents.

Given that the amendment is still in the early stages of the legislative process and the controversial nature of some of its points, it could still undergo further changes and be subject to more discussions. We are therefore closely monitoring its progress and modifications and will keep you informed of its ultimate fate in due course. Even so, don't hesitate to contact us should you already have any questions on this or other issues.

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