



GMS Flash Alert

Employment Law

2023-115 | June 7, 2023



Czech Republic - Major Changes to Remote Work Rules

A draft amendment to the Labour Code is currently being discussed by the Czech parliament, after the approval of the Czech government. The amendment brings changes that would require written agreements addressing remote work and address reimbursement for remote work costs, among other things. The bill has undergone significant changes since it was first published last autumn.¹

In this *GMS Flash Alert* we provide an overview of key changes.

WHY THIS MATTERS

From an employers' perspective, the changes to the rules for working from home are very favorable. Compared to the original draft, mandatory remote working agreements are likely to be much simpler. The employer's obligation to allow employees caring for children to work from home wherever possible has been significantly mitigated and there is an option for the employer to not reimburse the employee for costs incurred in connection with remote working, if agreed with the employee. These changes reduce the extensive administrative costs employers may face.

Right to Work from Home

One of the most discussed areas was the entitlement to work from home for employees caring for children under 15 or other dependents and for pregnant employees. While the amendment still favours these employees, they currently are no longer entitled to work from home. Under the wording of the proposed amendment, they would only have the right to apply for remote work, and employers not granting their request would have to provide the reasons for their refusal in writing.

Another significant change is the lowering of the age limit for children the employee is caring for – only employees with children under 9 years of age will fall within this category of parents who would have the right to apply for remote work.

© 2023 KPMG Česká republika, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Printed in the U.S.A.. NDPPS 530159

2023-115 | June 7, 2023

Mandatory Agreements

As mentioned above, under the draft amendment, it will still be necessary to conclude a written agreement on remote work with each employee who works from home (even on a one-off basis). However, the extensive list of mandatory conditions such an agreement must include has been omitted.

KPMG INSIGHTS

It is recommended that, at a minimum, the remote work agreement establish how the employee and the employer will communicate, how work will be assigned and checked, and how costs will be reimbursed. Most importantly, the agreement should address occupational health and safety rules, as Czech law lacks any regulation for remote workers.

Reimbursement of Employees' Costs

Reimbursement of employees' costs related to working at home has been the most controversial point of the amendment. Since an initial proposal that would have required employers to pay employees an "energy compensation lump sum" of CZK 2.80 for each hour of remote work,² the amendment has changed significantly. The proposed amendment would provide three options for the reimbursement of costs for employees working from home:

- Reimbursement of actual incurred costs;
 - Provision of a lump sum for increased energy costs in an amount stipulated by a decree of the Ministry of Labour; or
 - Agreement that the employee is not entitled to any or only a partial reimbursement of costs.
-

KPMG INSIGHTS

The change addressing costs reimbursement is very positive for employers. The government has understood the requirements of the practice, as many employees and employers perceive work from home as a benefit that saves employees in terms of time and costs.

After the first draft was published, there was concern that the proposed wording would mean a significant administrative and financial burden for employers, which could ultimately lead to limiting remote work. The question remains as to what the final wording of the amendment will be once the legislative process is completed and the bill enters into effect, probably in September of this year.

If questions and/or issues (potential or actual) arise, feel free to reach out to a qualified tax professional or a member of the GMS/People Services team with KPMG in the Czech Republic (see the Contacts section).

FOOTNOTES:

1 For prior coverage, see "[Working from home: practical information for employers](#)" (24 February 2023), a publication of the KPMG International member firm in the Czech Republic.

2 Id.

* * * *

RELATED RESOURCES:

The text was adapted, with permission, from the April 2023 *Tax and Legal Update, Daňovky: Daňové a právní aktuality* (www.danovky.cz) and "[Amendment to Labour Code: major changes to remote work rules](#)" (15 May 2023) published by KPMG in the Czech Republic.

Contact us

For additional information or assistance, please contact your local GMS or People Services professional* or one of the following professionals with the KPMG International member firm in Czech Republic:



Barbora Cvinerová
Tel. + 420 222 123 867
bcvinerova@kpmg.cz



Veronika Halalová
Tel. + 420 222 123167
vhalalova@kpmg.cz

** Please note the KPMG International member firm in the United States does not provide immigration or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.*

The information contained in this newsletter was submitted by the KPMG International member firm in Czech Republic.

© 2023 KPMG Česká republika, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

www.kpmg.com

kpmg.com/socialmedia



© 2023 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

GMS Flash Alert is a publication of the KPMG LLP Washington National Tax practice.