TPA Newsletter, Special Edition 12/2020

1. New reliefs for employers

Below, we present an overview of newly proposed measures which are to aid employers affected by coronavirus to maintain work positions.

1.1. Extension of the ANTIVIRUS (salary compensation) program – passed

The government of the CR passed an extension of the Antivirus program to protect employment until 31. 5. 2020, i.e. employers affected by coronavirus will, by means of the Employment Office, be paid out expenses incurred for compensating the salaries of employees, including obligatory payments, also for the month of May.

We informed you of the ANTIVIRUS program in more detail in our special Newsletter No. 4; we are now processing accounting and requests for our clients. The most frequently-asked questions and practical cases to which we are currently attending will be summarized in the next edition of our newsletter.

1.2. Postponement of social insurance payments – the proposal by the Ministry of Labour and Social Affairs has been presented to the government

Recently, the Minister of Labour and Social Affairs presented a new proposal for postponement of employer's contribution to social insurance. The postponement is to concern only payments of the employer's contribution (24.8 % of gross salary) for the period from May to July 2020. The employer will be obliged to make payments for employee's contribution on the standard terms.

Any employer can utilize the postponement. The balance of the owed sum will have to be paid by 20. 9. 2020 at the latest, including interest. Pursuant to the proposal, the interest will amount to 4 % p.a. of the owed amount. If the stated term is not kept, an increased interest amounting to 18 % p.a. would apply.

Currently, the act is subject to legislation procedure in the Czech parliament.

1.3. Deferral of payment of tax deposits from earned income and tax at source – passed

The Directorate General for Finance issued a methodological instruction which enables employment tax payers to request a deferral of advance payments for individual income tax for the period of February to July 2020 in selected cases (e.g. from contracts for work, from non-resident income from self-employment, interest from loans and credits etc.)

Deferral has to be requested separately for each month and the impact of special measures from the coronavirus title has to be proved. Deferral is possible until 30. 9. 2020 at the latest.
An obligation to pay interest from the deferred amount (repo rate CNB + 7 %) arises for the deferral period,

the pardoning of which can likewise be requested.

We will be pleased to discuss the above-mentioned measures with you in greater detail and, as the case may be, help you to prepare the requests.

1.4. Increase of care-giver's allowance – passed

Care-giver's allowance has been increased from 60 % to 80 % of the average contribution basis per calendar day. The increase of the care-giver's allowance will take place automatically with retroactive effect from 1. 4. 2020 to 30. 6. 2020.

Newly, people working on the basis of contracts and work-performance agreements (DPP and DPČ) will also be entitled to a care-givers allowance; it has to apply to unfinished agreements. These people will be able to request the care-giver's allowance retroactively from the declaration of the state of emergency on 12. 3. 2020, even if the agreement had been closed prior to that date.

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Kind regards

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