TPA Newsletter, Special Edition 21/2020

Compensation bonus for contractors

On 6. 8. 2020, the Fourth Amendment to Act No. 159/2020 Coll. on the compensation bonus in connection with the crisis measures in connection with the incidence of coronavirus SARS CoV-2 took effect. The amendment enables employees who perform work in the basis of agreements outside of employment situations, i.e. on the basis of work performance agreements (hereinafter to be referred to as DPČ – dohoda o pracovní činnost) and labour agreements (hereinafter to be referred to as DPČ – dohoda o provedeni práce) to draw a bonus..

Who is entitled:

- Employees who have worked on DPP and DPČ and paid sickness insurance (a so-called insured agreement, DPČ from CZK 3,000 and DPP over CZK 10,000 monthly) and at the same time
- worked on an insured agreement for at least 4 out of 6 months prior to the crisis during the so-called vesting period (1. 10 2019 to 31. 3. 2020) – the concurrency of several agreements for the vesting period can be combined and participation only at one employer is not required; and at the same time
- performance of this activity was limited or rendered entirely impossible due to the coronavirus crisis (termination of cooperation, quarantine, childcare or care of another family member).
- Persons who perform other work (are otherwise employed) besides by DPP and DPČ are excluded.

Bonus amount:

- CZK 350 for every calendar day – the maximum amount for the whole period is CZK 31,150.

It is possible to apply for the following periods:

- For the first bonus period 12. 3. 2020 – 30. 4. 2020 (max. amount CZK 17,500).
- For the second bonus period 1. 5. 2020 – 8. 6. 2020 (max. amount CZK 13,650).

Applications for payment of the compensation bonus for both bonus periods can be filed until 30th November 2020 at the latest.

NOTE: Entitlement to the compensation bonus does not arise for the days of the bonus period when the applicant received unemployment benefits and for those days during which they already received a compensation bonus for a certain period under a title other than what is stated in the application (e.g. compensation bonus for self-employed persons or the partners of small limited liability firms).

Where and how to file the application:

The application is filed by employees at their pertinent financial authority, via a data box, e-mail, personally, EPO application or via post.

Form and content of the application:

The application is filed in the form of a form available on the Financial Administration pages, together with obligatory supplements which the employees receive from their employers or, more precisely, from those who process their salaries. The obligatory supplements are:

- copies of agreements (agreements) for the vesting period;
- a salary sheet or other confirmation from the employer proving participation in sickness insurance;

How can TPA be of assistance in this area?

We will be pleased to assess whether your employees fulfil the conditions for the provision of the compensation bonus and will assist you in the preparation of documentation for the application.

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This Newsletter is a service of TPA

Kind regards

Your TPA Team

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