



January 2014

Labour Law 2014

On 1st January 2014, the recodification of Czech private law entered into effect, by which, inter alia, the hitherto Civil Code (Act No. 40/1964 Coll., as amended, the “*OCC*”) has been replaced by the new Civil Code (Act No. 89/2012 Coll., the “*NCC*”). Although the Czech Labour Code (Act No. 262/2006 Coll., as amended, the “*LC*”) has not been subject to the recodification (i.e., LC has not been replaced with a new act), the recodification has introduced some changes to the Czech employment law as well. These changes in the employment law has been introduced in two ways:

- by amendment of the LC through Act No. 303/2013 Coll.
- via different legal regulation of some issues in the NCC in comparison to the OCC (the principle of subsidiary applicability of the Civil Code in the employment relationships has not been affected by the recodification).

From the most important changes introduced by the new legislation we choose the following:

1. Depart from provisions of the LCC

The new legislation enables depart from provisions of the LC (by agreement between the employer and the employer) in wider extent. (E.g., at the request of the employee, his/her untaken leave can be newly transferred to the following calendar years.)

2. Construction of legal acting

If a legal acting (e.g. a provision in the employment contract) can be construed (interpreted) in different ways, the construction which is most favorable for the employee shall be newly applied.

3. Invalidity of legal acting

The new legislation introduces significant changes in the area of invalidity of legal acting in the employment relationships and its legal consequences.

4. Pre-contractual liability

The provisions of the NCC on pre-contractual liability apply on the employment relation as well. (E.g., the employer can be liable to a candidate for employment for damages, if the

employer, without obvious and justifiable reason, terminates the recruitment process immediately prior to conclusion of the employment contract.)

5. Waiver of a right by employee

The employee may not waive any right arising under the LC, employment contract, collective agreement or internal regulation, regardless if such right is future or already existing.

6. Internal regulation

The LC newly expressly stipulates that an internal regulation issued by the employer may neither impose obligations on the employee nor shorten his/her rights.

7. Deductions from salary

An employee may newly conclude an agreement on deductions from salary with a third party only with prior consent of the employer.

The amount of deductions may not exceed one half of employee's salary and compensation for salary. This limitation applies also to deductions from salary under agreement on deductions from salary. At the same time, the amount of deductions may not exceed the maximum amounts allowed by the provisions of the Civil Procedure Code on enforcement of decisions via deductions from salary.

Unless agreed otherwise the cost of the payment of the deductions is borne by the employer. However, if the employer pays deductions under more agreements of deductions from the salary, the cost of payment of the deductions under the second (and any other) agreement is borne by the employee.

Agreements on deductions from salary concluded prior to 1st January 2014 are governed by the hitherto legal regulations.

8. Set-off

The maximum amount that can be set-off against employee's right for salary or compensation for salary may not exceed on half of employee's salary and compensation for salary). There is no such limitation with regard to other employee's income from the employer (e.g., reimbursement of employee's expenses, severance pay) At the same time, the amount of set-off may not exceed the maximum amounts allowed by the provisions of the Civil Procedure Code on enforcement of decisions via deductions from salary.