INTRODUCTORY WORD

DEAR SIR, DEAR MADAM,

This is an information material mainly intended for foreigners from third countries (non-members of the EU) with a permit for long-term stay in the Czech Republic. However, this document also includes information concerning persons with other types of residence, especially in the employee position, in many of its chapters.

The first part of the document provides information about the individual types of residence, purposes of long-term stays and instructions about how to proceed in particular life situations related to legal conditions for stay in the territory of the Czech Republic.

The second part provides an overview of labour law provisions as provided in Act No. 262/2006 Coll., the Labour Code. Here you will find information about establishment and termination of employment, wages, working hours, etc. You will also find procedures in case of violation of your rights by your employer.

The third part briefly summarises major liabilities of tradesmen and the fourth and last part lists important contact information of governmental and non-governmental agencies and links to useful web sites.

The material should provide you with basic orientation in the issue. When dealing with a particular problem you can address either the governmental authorities or the non-governmental agencies listed at the end of this publication, which may help you with social and legal consultancy, and is provided free of charge.

This information material is also available to download at http://www.cizinci.cz.

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OVERVIEW OF TYPES OF RESIDENCE PERMITS

The issue of entry and subsequent stay of foreigners in the territory of the Czech Republic is regulated by Act No. 326/1999 Coll., on Stay of Foreigners in the Territory of the Czech Republic and on Amendments to Some Other Acts (hereinafter abbreviated to "Act on Stay of Foreigners"). This act distinguishes between two basic types of stay – temporary stay and permanent residence. While permanent residence is just one, there are several types of temporary stays.

A. A foreigner may stay in the Czech Republic temporarily:

a) Without a visa – the list of third countries (non-members of the European Union), whose nationals do not need a visa for a short-term tourist stay in the territory of the European Union is included in Council Regulation (EC) No 539/2001; the list includes about 30 countries;

b) With a short-term visa – the abovementioned Regulation also includes the list of third countries whose nationals need a visa even for short-term stay; the Act on Stay of Foreigners defines two types of short-term visas:

1. **Airport visa** – applied for by a foreigner who needs to stay in the transit area of an international airport for the reason of change to another plane; not every foreigner needing a visa is liable to apply for the airport visa for stay in the transit area of the airport. This liability only applies to nationals of about 40 countries (see Decree No 446/2005 Coll.);
2. **90-day visa (type C visa)** – this visa authorises stay in the territory of the Czech Republic for a maximum of 3 months. The actual time of stay depends on the requirement of the foreigner and the decision of the consular office (the visa effectiveness period and the time of permitted stay are two different things – the visa may be valid for up to two years, while every single stay must not exceed 3 months; both dates are specified in the visa); the foreigner applies for the visa at the consular office and must document the purpose of the stay (such as tourism, invitation to visit, short-term employment, sport, culture etc.); the stay based on the 90-day visa cannot be extended for a period longer than 3 months; before expiration of the period of permitted stay the foreigner must leave the country – i.e. it is impossible to enter the country on the basis of the short-term visa and subsequently ask for the long-term visa or for a permit for long-term stay in the country, such applications must again be filed with the consulate of the Czech Republic abroad; the consulate usually grants this visa as the unified Schengen visa, which means that the foreigner is entitled to travel across the Schengen territory as a tourist during the period of permitted stay, not being confined to the territory of the Czech Republic (the visa in this case says "VALID FOR SCHENGEN COUNTRIES");

c) **Long-term visa (visa for stays longer than 90 days – type D visa)** – this visa is applied for at the consulate if the foreigner plans to stay in the territory of the country for more than 3 months; even though the application is filed with the consulate, the decision is made by the Alien Police Inspectorate having powers in the place of the intended stay. The foreigner must document the purpose of the stay;

d) **Long-term stay permit** – this permit is applied for by a foreigner already staying in the territory on the basis of the long-term visa (above 90 days) and planning to continue to stay in the country for more than a year with the same purpose of stay (for example it is not possible to hold a visa for employment purposes and ask for long-term stay for the purpose of business enterprising); the application for long-term stay is filed with the Alien Police Inspectorate in the place of the foreigner's residence in the country. The application must be filed not earlier than 120 days and no later than 14 days before the long-term visa expiration; in some cases the foreigner may apply for a long-term stay permit without holding a visa for stay in the Czech Republic. In this case the application is filed with the consulate (this is for example the case of application for long-term stay for a family member, for the purpose of study, scientific research etc.);

e) **Exit order** – granted by the police in the situation when the police refuses to grant a long-term stay permit or its extension; for the foreigner not to stay illegally in the country the police grants the exit order for stay which must not exceed 60 days (the Alien Police may also decide for a much shorter exit order), this period is granted for the foreigner to arrange for the necessary matters and leave the country.

The above classification of temporary stay permits does not apply to EU citizens and their family members (including family members of citizens of the Czech Republic); the Act on Stay of Foreigners stipulates a different mode for these citizens. EU citizens ask for certificate of temporary stay (but may also stay in the territory without this certificate) and their family members for a temporary stay permit.

B. Permanent residence permit

A foreigner may ask for a permanent residence permit after staying in the country temporarily for more than 5 years on the basis of a long-term visa and long-term stay permit. Permanent stay is the most convenient mode of stay in the country and guarantees to its holder most rights within the same scope as if the foreigner was a Czech citizen. A foreigner holding a permit for permanent stay is insured under the public health insurance, may be employed without a work permit, may receive social allowances etc., but cannot be a member of the security corps or Army of the Czech Republic, does not have any voting rights and cannot draw benefits arising from CR membership in the European Union which is only applicable to EU citizens and their family members.

SELECTED PURPOSES OF LONG-TERM RESIDENCE

A foreigner staying in the Czech Republic on the basis of a long-term visa (above 90 days) and long-term stay permit must document the purpose of stay. There are more purposes for stay, however, we will only deal with those on the basis of which the foreigner may be involved in a profit-making activity in the country.

There are three types of profit-making activities of a foreigner:

a) based on employment relationship,
b) based on trade licence for natural person – self-employed person, or
c) based on membership in a business company or cooperative.

A. Purpose of Employment

Employment means a legal employment relationship between an employee and an employer with the subject of a dependent job performance. A job is work performed for a superior/employer by a subordinate /employee – on the basis of the employer's instructions, in its name and at its responsibility. The employee receives a wage, salary or remuneration for the job performance. The most frequent type of employer/employee relationship is based on employment contract. Another common type is agreement on activity performance outside the employment relationship (for more information see page 26).

The basic legislative act stipulating the employer-employee relationships is the Labour Code (Act No. 262/2006 Coll.), for employment of foreigners there is also the Employment Act (Act No. 435/2004 Coll.), stipulating the conditions under which a foreigner may become an employee in the Czech Republic.

There are two preconditions for a foreigner to be allowed to work in the Czech Republic:

1. a valid work permit,
2. a valid permit for stay.

The green card replaces both permits.

For details of the procedures for obtaining/extension of a work permit and obtaining/extension of a long-term stay permit for this purpose see pages 12 and 15.

The specifics of employment of foreigners from the point of view of the Employment Act with the purpose of regulation of entry of foreigners to the job market include the fact that **employment also includes situations when the foreigner becomes a member of a legal entity (a business company or a cooperative) and performs tasks arising from the subject of business of the legal entity entered in the Commercial Register**. These legislative provisions apply both to "ordinary" partners and members of cooperatives and to persons having the capacity of statutory bodies, or members of statutory bodies or other bodies of the legal entity (such as in the position of executive director, member of the board of directors, etc.) – see also "Purpose of Membership in Legal Entity" below).

B. Purpose of Business Enterprise on the Basis of Trade Licence

Business enterprise (trade) is a systematic activity performed independently of any employer, in the trader's own name, at its own responsibility and for the purpose of profit making. Unlike an employee, an entrepreneur acts in its own name and at its own responsibility without subordination to any other entity. Trade may be performed both by a natural person and by a legal entity. However, we will only deal here with business enterprise of natural persons, because only a natural person may apply for a visa or for a long-term stay permit. An entrepreneur is defined by some legislative documents as a self-employed person (another type of self-employed person is for example a farmer, an author of a copyright work, etc.).

The basic legislative document stipulating business enterprise is Act No. 455/1991 Coll., on Trades. A person not holding a permanent residence permit in the Czech Republic is a foreign natural person from the point of view of this act with certain exceptions applying to it.

The abovementioned act classifies trades to notifiable trades and permitted trades. The difference between them is that in the case of the notifiable trade it is enough to just notify of the trade to the Trade Licensing Office (in Czech "živnostenský úřad") after meeting certain conditions, while in the case of the permitted trade, the entrepreneur must apply for grant of a concession (permitted trades include for example production of spirits, manufacture of arms and ammunition, etc.; they are too specific to be part of the subject hereof). The notifiable trades are further divided into vocational trade, professional trade and unqualified trade, depending on the expertise required for their performance. The lists of all types of trades are included in the Annexes to the Trades Act.

Trade performance is subject to the following conditions:

a) Age of 18 or above,
b) Legal capacity,
c) Integrity,
d) Professional or other qualifications (required for vocational trade, professional trade, not for unqualified trades).

When notifying of a trade a foreign natural person must submit together with the filled out form the following:

a) Criminal record clearance issued by the country of which the foreigner is a citizen,
b) Document proving professional qualifications if required by the act,
c) Long-term stay permit,
d) Document of legal reason for use of premises where the place of business is to be located (such as a non-residential premises lease contract, or a written consent of the owner of the property, apartment or non-residential premises),
e) Administrative fee payment receipt (CZK 1,000).

Within five days from the notification, the Trade Licensing Office issues an excerpt from the trades register. The foreigner, unlike a Czech citizen, must also be registered in the Commercial Register, therefore after receiving the excerpt from the trades register the foreigner must file an application for registration in the Commercial Register with the competent Register Court (the court fee for filing this application amounts to CZK 5,000). Only when the entrepreneur is registered in the Commercial Register is it authorised to start its business under the trade licence. If the foreigner does not yet hold a permit for stay in the territory of the country and applies for a long-term visa (above 90 days) for the purpose of business enterprise then after the notification of the trade, the foreigner receives a confirmation that he/she meets the conditions necessary to run a trade, instead of the excerpt from the trades register. This confirmation is then attached to the application for the visa. After issue of a visa and arrival in the Czech Republic the visa must be submitted to the Trade Licensing Office which will issue the excerpt from the trades register to the foreigner. Only after that may the foreigner file an application for entry of the trade in the Commercial Register. The trade licence is documented by the foreigners by excerpt from the Trade Licensing Office.

An entrepreneur enters into relationships with other entrepreneurs on the basis of contracts under the Commercial Code (Act No. 513/1991 Coll.), or into relationships with other natural persons on the basis of contracts under the Civil Code (for example in the case of sales of goods or provision of services). The entrepreneur/foreigner is liable for its obligations from such business contracts with all of its assets.

C. Purpose of Membership in Legal Entity

Another option of profit-making activity is doing business as a member of a business company or cooperative. The legislative provisions concerning legal entities are included in the **Commercial Code** (Act No. 513/1991 Coll.). The Code distinguishes four types of business companies – an unlimited liability company, a limited partnership company, a limited liability company and a joint-stock company. A business company may be defined as a form of association of persons for business purposes.

Every company has its members – persons participating in the company activity either by their capital shares or by their personal activity (such as members of a limited liability company, shareholders of a joint-stock company) – and its statutory bodies with special authorisations within the company, such as business management of the company and authorisation to represent the company in relation to third parties – such as execution of contracts. Statutory bodies are usually appointed from among the company members but may also be other natural persons.

For a foreigner to obtain a long-term stay permit for the purpose of membership in a legal entity, the foreigner cannot be just a member but must be the **statutory body of the company** (such as the executive director of a limited liability company or member of the board of directors of a joint-stock company). If a foreigner is only a member of a company wanting to take part in the business activity as entered for such company in the Commercial Register, the foreigner must obtain a work permit for that purpose from the Labour Office (see page 7 – A. Purpose of Employment). This member then applies for a permit to stay for the purpose of employment, not for the purpose of membership in a legal entity. If for example a limited liability company has translations and interpreting as the subject of its business activity and its member works for this company as a translator, then a work permit is needed for this purpose together with a long-term visa (for above 90 days) for the purpose of employment. If a foreigner is an executive director of the company only and does not perform tasks arising from the subject of business activity of the company, then a work permit is not needed and the foreigner applies for a stay permit for the purpose of membership in a legal entity.

The abovementioned applies **accordingly to cooperatives.** Cooperatives have individual members and the statutory body is the cooperative management board. Membership in a cooperative is not a sufficient reason for a stay permit for the purpose of membership in a legal entity; for this purpose a stay permit may be granted to members of the management board of the cooperative only. If the subject of business activity of a cooperative includes for example construction completion works and a member of the cooperative works for the cooperative as a construction labourer directly on site then such a person needs a work permit for that purpose. Such member of a cooperative applies for a stay permit for the purpose of employment and not for the purpose of membership in a legal entity. The employment relationships between the cooperatives and their members are governed by the Labour Code. There is a specific situation though, when the Articles of Association of the cooperative condition membership in the cooperative by an employment relationship of the member to the cooperative. In such case the Articles may stipulate the rules of this employment relationship differently from the rules of employment relationship as stipulated by the Labour Code. The rules defined by the Articles, however, must not be less favourable for the cooperative member than the rules stipulated by the Labour Code.

LONG-TERM RESIDENCE PERMIT FOR THE PURPOSE OF EMPLOYMENT AND ITS EXTENSION

If you hold a visa for a stay exceeding 90 days for the purpose of employment and want to apply for a long-term stay permit you have to file a filled out application together with the **documents** stipulated by Section 46 (6) of the Act on Stay of Foreigners. These documents include:

- Decision on a work permit or decision on extension of work permit,
- Passport,
- Document on arranged accommodation for the period of stay within the territory,
- 2 photographs.

In some cases a work permit is not required for work performance (see page 28). In this situation the foreigner submits an employment contract, agreement to perform work, or agreement to complete a job, instead of a work permit or extended work permit decision.

The application for a long-term stay permit must be filed with the Alien Police Inspectorate **no sooner than 120 and no later than 14 days** before expiration of a long-term visa (for a stay over 90 days).

A long-term stay permit for the purpose of employment is issued for the validity period corresponding to the period specified in a work permit. Both permits are therefore issued with the same validity period.

The validity period of a long-term stay permit may be extended repeatedly. Together with the filled out application the applicant must submit the same documents as in the case of the first application for a long-term stay permit. The deadline for submission is also the same (no sooner than 120 and no later than 14 days before expiration of the long-term stay permit).

The deadline for processing of an application for a long-term stay permit is 60 days from the day of filing. If your application has been filed within the statutory deadline and the Alien Police Inspectorate has not decided about your application before expiration of your visa/permit for stay then your visa/permit for long-term stay will be deemed valid until legal force of the decision about your application.

The Alien Police Inspectorate charges an administrative fee for a long-term stay permit or its extension in the amount of CZK 1,000.

LONG-TERM RESIDENCE PERMIT FOR THE PURPOSE OF EMPLOYMENT IN SPECIAL CASES – GREEN CARD

The green card is a specific permit for long-term stay allowing foreigners from selected countries to obtain a permit for stay in an easier way; i.e. instead of two permits (work permit and visa for over 90 days / long-term stay permit) the foreigner only applies for a single permit – the green card. The list of countries whose citizens may obtain the green card is determined by **Decree of the Ministry of the Interior of the Czech Republic No. 461/2008 Coll.** (the list includes twelve countries, including for example Ukraine). A foreigner holding a green card may apply only **for a job registered in the central register of jobs available for green card holders.** This register, kept by the Ministry of Labour and Social Affairs, includes every vacancy not occupied within 30 days from its reporting by the employer. Inclusion in this register, however, is subject to the consent of the employer, i.e. its willingness to also employ a foreigner in the position in question.

There are three types of green card:

a) Green card for qualified workers with university education and key personnel – type "A",
b) Green card for workers in jobs with a minimum educational requirement – type "B",
c) Green card for other workers – type "C".

The application for a long-term stay permit in the green card mode is filed with the relevant Czech consulate abroad who forwards the application to the Czech Ministry of the Interior for decision. In some cases the application for the green card may be filed **directly with the Ministry of the Interior** (i.e. not via the consulate). The following conditions apply in this case:

a) The foreigner is already staying in the Czech Republic in the green card mode and its employment was terminated by notice for one of the reasons stipulated under Section 52 a) – e) of the Labour Code, or by agreement for the same reasons, or by immediate cancellation pursuant to Section 56 of the Labour Code (for the individual reasons for employment termination see pages 36, 38, 39).

b) The foreigner has stayed in the country for at least a year and wants to apply for another green card for another job.
c) The foreigner has stayed in the Czech Republic for at least two years on the basis of a long-term visa (above 90 days) or long-term stay permit for another purpose.

The application must be submitted with:

- Passport,
- 2 photographs,
- Proof of the required education and professional qualifications for the selected job,
- On request a medical report confirming that the applicant does not suffer from any serious disease.

The type "A" card is issued for a maximum 3 year validity period, while "B" and "C" cards are issued for a maximum of 2 years.

LONG-TERM RESIDENCE PERMIT FOR THE PURPOSE OF BUSINESS ENTERPRISE AND ITS EXTENSION

If you stay in the country on the basis of a long-term visa for over 90 days for the purpose of business enterprise and want to apply for a long-term stay permit, you must submit the filled out application plus the documents required by Section 46 (8) of the Act on Stay of Foreigners. These documents include:

- Excerpt from the trades register (formerly the trades certificate),
- Confirmation of the tax office on the status of your tax in arrears,
- Confirmation of the social security administration of non-existence of premium in arrears for the purpose of social security and state employment policy contribution,
- Passport,
- Proof of sufficient funds for stay in the country – the amount of these funds is stipulated as 50 times the amount of the subsistence minimum (CZK 2,020; may be subject to change in the future). The documented amount must therefore be at least CZK 101,000. You can prove existence of the amount either by presenting the cash, a bank account statement or a valid internationally accepted credit ca d, r
- Document of arranged accommodation for the period of stay in the country,
- 2 photographs,
- Document of travel insurance.

If you stay in the country on the basis of a long-term visa for over 90 days for the purpose of **business enterprise in the form of membership in a legal entity,** then you must file the application together with an excerpt from the Commercial Register proving that you are in the position of a statutory body of the legal entity (partner to an unlimited company, general partner to a limited partnership, executive director of a limited liability company, member of the board of directors of a joint-stock company, member of managerial board of a cooperative), your passport, your funds in the amount sufficient for your stay in the country, a document of arranged accommodation for the period of stay in the country, 2 photographs and a certificate of travellers insurance.

A long-term stay permit for the purpose of business enterprise is issued with a validity period of two years.

The validity period of a long-term stay permit may be extended repeatedly. Together with the filled out application the applicant must submit the same documents as in the case of the first application for a long-term stay permit.

The deadline for the application filing, the deadline for the application processing and the administrative fee are the same as in the case of a long-term stay permit for the purpose of employment.

WORK PERMIT AND ITS EXTENSION

A work permit is one of the conditions for legitimate working in the Czech Republic. Work permits are issued by the labour offices relevant to the **place of the job performance** (for example if you want to work in the city of Kladno, your application will be processed by the Labour Office in Kladno, even if you have reported residence in Prague or your employer's registered seat is in Ostrava).

A work permit is only issued for one particular job. If you want to change job you must apply for a new work permit. Together with the application for a work permit the foreigner must submit:

- A statement of willingness of the employer to employ the foreigner (the form is available at the Labour Office or you can download it from the Internet – the Integrated Portal of the Ministry of Labour and Social Affairs on: http://portal.mpsv.cz/sz/zahr_zam/tiskopisy; this form must be signed by your employer),
- Documents of professional qualifications (this does not apply to jobs for which no specific professional qualifications are required),
- Other documents if it arises from the nature of the job.

The Labour Office may issue a work permit for a reported job vacancy (i.e. a vacancy reported by the employer) that cannot be filled by a Czech citizen (or citizen of another EU/EEA member state or Switzerland) for the reason of lack of applicants with the required qualifications or a small number of vacancies. The decision of the Labour Office is therefore based on the consideration of the labour market situation. Exceptions from this procedure are stipulated in the Employment Act (Section 97).

When applying for an **extension** of a work permit, the foreigner must submit the employer's statement that it is willing to continue to employ the foreigner in the position. The foreigner may apply for an extension of a work permit no sooner than 3 months and no later than 30 days before expiration of an existing work permit.

Pursuant to the Employment Act a work permit may be issued for up to two years. In this period of global economic crisis labour offices currently issue work permits for a maximum of one year.

The administrative fee for filing an application for a work permit amounts to CZK 500. The administrative fee for filing an application for a work permit extension amounts to CZK 250.

Cases in which a work permit for job performance by a foreigner is not required are stipulated by the Employment Act (Section 98 – see page 28).

Labour offices are bound by the relevant legislation to provide advisory, information and other services in the employment area. Therefore you should obtain all needed information there. In the case of need you can also contact the non-governmental organisations providing free advisory services.

OPTION OF PERFORMANCE OF OTHER ACTIVITY IN THE CONTEXT OF THE ORIGINAL PURPOSE OF STAY – MORE PURPOSES FOR STAY

You work in the Czech Republic as an employee (with a long-term stay permit for the purpose of employment). You would like to start a business in addition to your job but you are not sure of the procedure. You heard that you need to apply for another long-term stay permit.

NO, you do not need to apply for a new long-term stay permit in this situation.

If you are staying in the country with a stay permit for a certain purpose, you are obligated to fulfil such purpose (if the purpose of your stay is employment you must be employed, or if the purpose of your stay is studies you must study). If you fail to fulfil the permitted purpose of stay you risk cancellation of your stay permit. The Act on Stay of Foreigners, however, does not prevent you from doing other things in addition to your main purpose of stay (for example you can run a business or study in addition to working as an employee). Only **in cases when you do not intend to fulfil the original purpose for which you obtained your stay permit, you must apply with the Alien Police Inspectorate before expiration of your existing long-term stay permit for a new stay permit for another purpose.**

For more information about a situation where you do not want to fulfil the existing purpose of your stay in the country and want to change it see the following chapter.

SOLUTION:

As mentioned above, you are not prevented from performing other activities while fulfilling your present purpose of stay, if you meet the requirements for these activities stipulated by special legislation. If therefore you are permitted a long term stay in the country for the purpose of business enterprise and want to work as an employee at the same time you must apply for a work permit and vice versa.

You are staying in the country on the basis of a long-term stay permit for the purpose of employment. In the course of that time your husband has met the condition of five years of uninterrupted stay and has been granted a permanent residence permit. Can you then apply to the Alien Police Inspectorate for a new long-term stay permit for the purpose of family reunification?

YES, this procedure is possible.

A foreigner planning to stay in the country for a reason other than that for which its permit for long-term stay was granted is obliged to apply to the Alien Police Inspectorate for a new permit for long-term stay. The foreigner is in this case obliged to submit the application with all documents required as a standard for this purpose. If for example the foreigner runs a business and wants to start work as an employee instead then the documents listed on page 12 must be submitted.

Certain **limitations apply to the change of purpose of stay in the case of family reunification**, when a foreigner staying in the country as another foreigner's family member may only apply for another purpose of stay after elapse of the specified period of time.

A foreigner with permitted long-term stay for the purpose of family reunification may apply for a permit for the long-term stay for another purpose after 3 years of stay in the country or when reaching the age of 18. If a foreigner stays in the country for the purpose of family reunification and the member of the family with whom he or she stays in the country dies then the surviving foreigner may apply for a long-term stay permit for another purpose if he or she has stayed in the country for at least 2 years as to the date of the family member's death or in the case of death as a consequence of an occupational injury or disease.

If a foreigner stays in the country for a long-term for the purpose of family reunification then he or she may apply for a long-term permit stay for another purpose also in the case of divorce with the holder of family reunification entitlement, provided that he or she has stayed in the country for at least 2 years and the marriage lasted at least 5 years.

For the above specific cases of family reunification, the foreigner must submit with its application the following:

- Passport, a document confirming fulfilment of the above conditions,
- Document of arrangement of accommodation in the country,
- Document of sufficiency of funds for stay in the country or a work permit,
- Certificate of travel insurance for the period of stay in the country, and
- 2 photographs.

SOLUTION:

Within the validity period of an existing permit for long-term stay apply for a new permit with another purpose and submit the documents stipulated by law for this purpose. The police should not cancel your previous permit unless you apply for it yourself or unless an administrative proceeding proves that you no longer fulfil the permitted purpose of stay.

REPORTING OF CHANGES OF PLACE OF RESIDENCE AND OBLIGATIONS OF LANDLORD

You have rented an apartment and want to stay there during your stay in the country but your landlord has prohibited you to report this place of residence to the Alien Police Inspectorate. Is he entitled to do so?

NO, he is not. 

One of the obligations of a foreigner is to report every change of his or her place of residence to the Alien Police Inspectorate. If a foreigner changes the address of his or her place of residence he or she **must report the change to the Alien Police Inspectorate within 30 days from the change if the assumed change** of place of residence is to last for more than 30 days.

The change is reported to the Alien Police Inspectorate relevant to the new residence of the foreigner by filling out the form for registration of place of residence. On request of the Alien Police Inspectorate the foreigner must submit documents proving correctness of the reported data – i.e. the lease contract or a confirmation of accommodation signed by the owner of the apartment in which the foreigner is going to stay.

It may happen that the landlord refuses to sign the confirmation of accommodation, or the lease contract includes a provision that the foreigner/tenant may not report the leased apartment as the place of his or her residence to the police. The Act on Stay of Foreigners, however, stipulates that the **accommodation provider** is obliged to issue a confirmation of accommodation on request by a tenant from a foreign country with specification of the period for which the accommodation is provided (Section 107 (2) of the Act on Stay of Foreigners). If the accommodation provider refuses to issue the confirmation of accommodation on request by the foreign tenant then it commits an offence for which it may be fined up to the amount of CZK 50,000 (Section 157a (2e) of the Act on Stay of Foreigners). An accommodation provider, however, is only a person providing accommodation on the basis of an accommodation contract, a lease contract, a sublease contract or a similar type of agreement.

SOLUTION:

Point out the abovementioned obligation to your landlord and inform it about the possibility of a fine by the Alien Police Inspectorate in the case of its failure to meet this obligation. However, if you stay in an apartment for which you have not signed any lease or similar contract, the landlord is not considered an accommodation provider in terms of the Act on Stay of Foreigners and is not obliged to issue the confirmation of accommodation. It is therefore in your interest to execute a written lease or similar contract in any case. Reporting a change of place of residence does not require an excerpt from the land register. The police will verify ownership of the apartment in the land register by itself.

It is very important to actually report any change of your place of residence to the Alien Police Inspectorate to avoid potential future complications. If you fail to meet this obligation, the Alien Police Inspectorate will not be able to deliver notifications to your actual address (not knowing it) and you may for example miss the information that a proceeding was commenced concerning your stay and therefore miss the possibility to express your standpoint to the matter and to apply your statutory rights.

CONSEQUENCES OF ILLEGAL STAY

You have not managed to extend your work permit (you only signed an employment contract for a definite period with your current employer and you could not find another job) and therefore your long-term stay permit has not been extended either and now you stay illegally in the country. Is it possible to legalise the illegal stay additionally and later on to obtain another permit for stay?

NO, as a rule this is not possible.

If you stay in the Czech Republic after expiration of your permit for stay, your further stay in the country becomes illegal. If the illegal stay is discovered by the Alien Police, then the police commence proceedings concerning issue of a decision on administrative expulsion from the country. The issue of the decision on administrative expulsion means that your stay in the country is terminated, you must leave the country and you are given a period for which you cannot return to the Czech Republic. In the case of illegal stay this ban may be stipulated for up to three years (this is the maximum length and the police should observe the principle of adequacy: for example for a couple of days of illegal stay the ban should not be granted for the maximum period of three years; but if you at the same time work without a work permit then the ban may be extended to up to five years).

If a recipient of a decision on administrative expulsion does not respect the decision and continues its stay in the country then the police may issue another decision on expulsion (with the ban of return to the country for up to ten years). In extreme situations the matter may be decided by a court in criminal proceedings and the foreigner may be convicted of the crime of thwarting an official decision and receive a sentence of **banishment.**

As the Czech Republic has become a member of the Schengen agreement, this decision may have another negative consequence for the deported foreigner – if the foreigner is entered in the Schengen information system, then he or she will not get a visa for any other Schengen country. Whenever the Alien Police Inspectorate discovers an illegal stay it always decides about expulsion with the exception of a situation when the decision on administrative expulsion would represent inadequate interference with private and family life (for example the foreigner has established strong family ties in the country, i.e. his spouse and child(ren) also have permanent residence in the country) – see Section 119a (2) of the Act on Stay of Foreigners.

SOLUTION:

The sooner you come to the Alien Police Inspectorate, the smaller the risk of expulsion for the whole three years.

You were an employee of a Czech company and on that basis you were insured in the context of the public health insurance system. You have decided to apply for a new permit for long-term stay for the purpose of business enterprise and you have terminated your employment after you were issued the permit. The validity of the health insurance card will expire in six months as shown on the card. Is this card really still valid until that date?

NO, termination of your employment has terminated your health insurance too and you are obliged to return the health insurance card to the health insurance company.

One of the obligations of a foreigner staying in the country is to be able to prove assurance of payment of his or her health care in the context of a residential inspection. This is usually proved by a certificate of health insurance. Only foreigners holding a permanent residence permit and foreign employees holding a long-term stay permit are **insured in the context of the public health insurance scheme** (like the Czech citizens), other foreigners with a long-term stay permit must take out private (so called "commercial") health insurance.

If you are an employee holding a long-term stay permit in the country, your employment is reported to the health insurance company by your employer who also pays your monthly health insurance premiums for you. You receive a green health insurance card from the health insurance company to produce at every visit to a doctor or hospitalisation and to receive the same care under the same conditions as any Czech citizen. Upon termination of your employment your employer notifies the health insurance company and you are obliged to take out commercial health insurance. This may occur for example when you change your purpose of stay in the territory and become an entrepreneur instead of an employee.

The private health insurance scheme covers a smaller scope of health care costs in comparison to public health insurance. Another disadvantage of private health insurance is that the premium must always be paid for a certain period in advance (as a rule for at least six months in advance).

HEALTH INSURANCE ISSUES

Private health insurance must also be arranged for persons with a long-term stay permit for the purpose of family reunification living with a person with permanent residence or a person with a long-term stay permit who is an employee. The health insurance of this person in the context of public health insurance has no effect on the health insurance of the person's family members. If for example an employee with a long-term stay permit gives birth to a child then the child will not automatically be insured by the public health insurance policy and the mother must take out commercial health insurance for the child.

Since 1 January 2010, commercial health insurance must be taken out with an insurance company authorised to provide commercial health insurance services in the Czech Republic pursuant to the Insurance Act. The insurance companies active in the Czech Republic and legally offering health insurance for foreigners include but are not limited to the following:

- Maxima insurance company
- Insurance company VZP
- Slavia insurance company
- UNIQA insurance company
- VICTORIA VOLKSBANKEN insurance company

SOLUTION:

Your public health insurance is terminated when you terminate your employment and you are obliged to return your health insurance card to the insurance company within eight days from the termination. From then on you are obliged to take out commercial health insurance.

STAY OF A CHILD BORN TO FOREIGNERS IN THE CZECH REPUBLIC

If I give birth to a child in the Czech Republic, does the child automatically obtain any type of permit for stay?

The child may obtain the same permit for stay as you, however not automatically. You must apply for a permit of stay for your child within 60 days from its birth.

A parent holding a long-term stay permit in the country is obliged as the legal representative of its child to apply for a long-term stay permit for the child within 60 days from its birth. For that period the stay of the child in the country is deemed temporary. If the parent fails to file the application for a permit of stay for its child, the stay of a child older than 60 days in the country becomes illegal. If the parent is prevented from filing the application by circumstances which he or she cannot control (such as long-term hospitalisation) then the parent is obliged to inform the police about these circumstances without undue delay. In that case the parent may file the application for a permit of stay for the child when the reason for the delay ceases to exist (for example after release from hospital), even after expiration of the 60 day deadline.

A parent not meeting its obligation to file the application for a permit of stay for its child risks **cancellation of its long-term stay** by the Alien Police.

In the case of holding a permanent residence permit, the parent may ask for a permanent residence permit for its child too.

SOLUTION:

The birth registry in whose district the child was born issues the birth certificate of the child. After that you must report to the embassy of the country of the child's citizenship to receive the child's passport or have the child entered in the parent's passport. If the parent does not apply for permanent residence for its child (himself or herself only holding a long-term stay permit) then it is liable to take out commercial health insurance for the child. The fact of health insurance of the mother does not automatically mean health insurance of her child. A separate health insurance must always be taken out for the child. After that the parent visits the Alien Police Inspectorate relevant to the place of the parent's residence (or the locally pertinent office of the Ministry of the Interior in the case of application for permanent residence) where an application form for a permit of stay for the child must be filled out.

The application must be filed by the parent together with:

- The child's birth certificate,
- The child's passport (or the parent's passport in which the child is entered),
- A document of travel health insurance of the child for the whole period of stay in the country or an affidavit that the parent is prepared to cover all costs of health care provided to the child (not required in the case of application for permanent residence. If the parent applies for a permanent residence permit for the child then the stay of the child in the country from its birth to the legal force of the decision on the application for permanent residence is deemed permanent and the child is insured by the public health insurance system for that period).

Your potential employer has offered you a short term job (in Czech "brigáda") for which, according to your employer, you do not need a work permit or an employment contract. Is it true?

NO, it is not.

The Labour Code stipulates that the so called dependent work (for the definition of dependent work see page 6) may only be performed under the terms of an employment relationship. The basic employment relationships are employment and legal relations based on quasi employment agreements.

Employment is a contractual relationship between an employee and its employer established by an employment contract. There are also two other types of contracts in relation to work executed outside the employer-employee relationship. One is an agreement to perform work and the other is an agreement to complete a job. **If an employee performs any dependent job for an employer, he or she must enter into one of the three types of contracts mentioned above.**

The Czech labour law does not use the term "brigáda". In common language this word means any short-term job (for example students working during their summer holidays) or a secondary job performed in addition to principal employment to earn extra money. These cases are covered by an employment contract executed for a definite period or by one of the two agreements mentioned above.

An agreement to complete a job may be oral but even in such case a work permit for foreigners is required.

SOLUTION:

Unless you hold a permanent residence permit or any of the exceptions not requiring a work permit applies to you (see page 28), you need a work permit for any job you want to perform. You risk considerable penalties if you work illegally (see page 27).

Sometimes your employer may tell you that you can start work and he will arrange for all the formalities at the Labour Office. However this might not always be true. If you authorise your employer to obtain your work permit for you, ask the employer to submit the work permit to you before you start work and insist on it.

Your employer concludes an agreement to complete a job with you for 150 hours of work but orally agrees with you that you will be employed for three months and work as if under an employment contract (which in fact means that you will work more than 150 hours). Is such a procedure in compliance with the law?

NO, it is not, such a procedure contravenes several legislative regulations.

Quasi employment agreements are usually concluded when the employer needs a small-scope of work to be performed. On the basis of an **agreement to perform work** you can perform work not exceeding half the regular working hours per week. Therefore agreements to perform work may only be concluded for a **maximum twenty working hours per week.** The agreement must be executed in writing to be valid. One copy of the agreement must be given by the employer to the employee. The agreement must define the type of work, working hours (for example 20 hours per week) and the period for which the agreement is concluded. Unless otherwise stipulated therein, the agreement may be cancelled without giving a reason for the cancellation with a 15-day notice period. The remuneration for work performed under such agreement is subject to the **same health and social insurance levies as in the case of regular wages. The same applies for taxation.**

An agreement to complete a job may not exceed 150 hours per calendar year with the same employer. The strict limitation is given by the fact that this type of agreement does not constitute participation in health and social insurance; the wage is only subject to income tax in the amount of 15%. The limitation only applies to one employer. The employee may enter into more agreements to complete a job with more employers and work for the whole 150 hours per year with each of them.

The Labour Code does not require a written form for this type of agreement but it is always better to execute the agreement in writing.

SOLUTION:

Do not accept the employer proposed procedure. Employers sometimes rely on the fact that it is difficult to prove the number of hours actually worked by you for the employer and that it exceeds the permitted 150 hours a year. Furthermore, your work for this employer in excess of the permitted 150 hours a year might be considered illegal work. The employer evades the law by this procedure to save your health and social insurance levies. He may also leave your work in excess of the contracted 150 hours a year unpaid, and you might find it difficult in that case to enforce payment of the wage as it would be difficult to prove that you have actually performed the work you claim.

You are looking for a job and an owner of a company offers you one but without an employment contract. This, the employer tells you, will be very convenient for you – you will receive extra money that the employer would otherwise have to pay for you as your levies for your tax and insurance liabilities. What risks are entailed?

The abovementioned procedure contravenes several legislative regulations and if discovered you are at risk of considerable penalties.

The Employment Act distinguishes between two types of illegal ("black") work. Either the employee works without any employment relationship or another contract (such as a contract for work or a mandate contract) – this may also apply to Czech citizens – or works without a valid work permit or in contradiction to it, which only applies to foreigners. A foreigner working without any contracted employment relationship usually does not have a work permit either, thus committing both types of offences defined as illegal work.

If a Labour Office or customs office inspection finds out that a foreigner performs illegal work, the Labour Office may charge a penalty up to the amount of CZK 10,000. A considerably higher penalty (up to CZK 5 million) may be charged on employers permitting illegal work. The amount of the penalty is decided by the Labour Office and depends for example on the scope within which the illegal employments are implemented.

Higher penalties may be charged on foreigners working illegally by the Alien Police, for pursuant to the Act on Stay of Foreigners a foreigner may be deported from the country for up to five years for performance of illegal work.

SOLUTION:

Never accept an offer for a job without an employment contract and the required work permit. If you already work illegally, try to find a legal job as soon as possible.

For control activity of the labour offices see page 46.

As for **penalties charged on employers** for employing workers illegally please note also Section 342 of the new Criminal Code, pursuant to which an employer largely providing or procuring jobs to foreigners staying illegally in the Czech Republic, or not holding appropriate work permits, is to be sentenced to imprisonment for up to six months, forfeiture of a thing or another asset, or prohibition of professional activity. If the employer considerably enriches itself by this illegal activity the punishment may amount to imprisonment for six months to three years.

WHEN A WORK PERMIT IS NOT REQUIRED

You stay in the country for the purpose of family reunification with a person holding a permanent residence permit. You have found a potential employer but the employer insists on your having a work permit from the Labour Office as a person without permanent residence in the country.

NO, a work permit need not be applied for in this and another couple of cases.

The Employment Act lists groups of persons who need not apply for a work permit (Section 98). A work permit is not required especially from **persons with permanent residence, asylum or additional protection, and some other foreigners, including for example:**

1. **Secondary school students**, students of conservatory, school of higher education or language school with the right to state language examination, and full-time students of universities and colleges,
2. Foreigners who **acquired secondary or university education** in the Czech Republic,
3. Foreigners staying in the Czech Republic based on a long-term residence permit **for the purpose of family reunification with a person holding a permanent residence permit or asylum,**
4. Foreigners whose work in the Czech Republic **does not exceed 7 consecutive calendar days or in total 30 days in a calendar year it they are** performing artists, teachers, academic workers, scientists or research workers taking part in a scientific congress, pupils or students under 26, athletes, or persons who provided supplies of goods and services or distribute or assemble such goods under a business contract, or perform warranty and repair works in the Czech Republic,
5. Foreigners staying in the Czech Republic **on the basis of a long-term residence permit for another EU Member State resident for the purpose of employment if more than 12 months** have elapsed from issue of the permit.

If you are a secondary school student or a full-time student at a university or college and want to earn extra money in the course of your studies you can work without a work permit. The same applies if you complete your studies in the Czech Republic and then want to stay in the country and work in the profession you have studied (however, you must change your purpose of stay from study to employment).

SOLUTION:

If your employer insists on employing you only if you have a work permit then tell him about the abovementioned provision of the Employment Act. This information may be verified by the employer at the local Labour Office or on the web site of the Ministry of Labour and Social Affairs of the Czech Republic on:
http://portal.mpsv.cz/sz/zahr_zam/zz_zamest_cizincu/zz_zvlastni.

The only obligation of the employer towards the Labour Office in that case is to inform the Labour Office about employing a foreigner, without the need of any other formalities.

Your employer has concluded an employment contract with you but did not enable you to read the contract before its execution and did not give you any copy of the executed contract saying that you may lose the contract and that it will be safe with him. Is such a procedure in compliance with the Labour Code?

NO, this procedure is not OK.

An employment contract is the most common way of establishment of an employment relationship between an employee and its employer (an employment relationship may also be established by appointment but only in the case of certain types of managerial positions). The employment contract **must be executed** in writing and must include **at least the following data:**

- Job description (such as "shop assistant", "driver",),
- Place of work (such as "Prague, Letenské náměstí 5"),
- Day of commencement of work (the first day the employee comes to work).

The employment contract usually includes more data but the above are the minimum data required for an employment contract to be duly executed. Employment contracts usually also include the following data:

- Whether the employment contract is executed for a **definite or indefinite period**

If this duration period is not specified in the contract then the contract is deemed to have been executed for an indefinite period. There are certain limitations applicable to employment for a definite period – see below.

- Whether a **trial period** has been agreed

The employer may agree with the employee in writing that a certain period at the beginning of the employment will be a trial period. This agreement is usually included in the employment contract The trial period must be agreed before the employment starts (it cannot be agreed later after the employee has already started work). The trial period may not exceed three months. The main purpose of the trial period is that while the trial period is in progress both the employer and the employee may withdraw from the executed employment contract for any reason or without giving a reason for the withdrawal. Withdrawal from the employment relationship must be notified of to the other party in writing at least 3 days before the employment termination.

- Whether the employee will be sent on **business trips**

The employee cannot be sent for a business trip outside the place of work without agreement with the employee to that effect.

- **The length of paid holiday** to which the employee will be entitled

ELEMENTS OF AN EMPLOYMENT CONTRACT

- Whether the **Ban of Competition Clause** will be included in the contract

The employee may agree to refrain from an identical work performance for another employer for a certain period after the employment termination (not longer than one year). The employer may in turn agree to compensate the employee financially until the end of that period in the amount of at least the average monthly earnings of the employee with the former employer.

- The employment contract usually also stipulates the **wage.**

Employment Contract for Definite Period

The length of employment for a definite period must not exceed 2 years from the date of the employment contract execution. It is therefore impossible to execute an employment contract for a definite period of 3 years. The employment for a definite period cannot be extended to a period exceeding two years; after two years the employment contract for a definite period may only be extended to an indefinite period.

If the above rules are not complied with the employee **may notify the employer in writing** before expiration of the contracted employment period **that he or she insists on being employed further.**

Example: An employer executed an employment contract with an employee for a definite period of one year. The employment was extended for another year by a written amendment to the contract. Before expiration of the extended period the employer and the employee agreed to extend the contract for another year, i.e. third year of employment. If the employee then informs the employer in writing before expiration of the second extension that he or she insists on further employment, the employment contract changes to a contract for an indefinite period and the employer is obliged to employ the employee even beyond the originally contracted period of three years.

An employment contract is executed in two counterparts, one for the employer and the other for the employee.

If your employer presents to you a draft employment contract you have the right to thoroughly study it before its execution and, if need be, to request amendments or changes to the draft.

SOLUTION:

When executing an employment contract insist on the above procedure. If you are already employed but have not received a copy of your employment contract then your employer has committed an administrative transgression and the Labour Inspection office may impose a penalty on the employer. You can then file an appeal against the regional Labour Inspectorate (see page 45).

Your employer owes you for two months of work – by this procedure your search for another employer is prevented for you would lose two monthly wages if you did. What can you do against this?

You have several options: You can file an appeal with the Regional Labour Inspectorate, a petition with a court, or a withdrawal notice with your employer with immediate effect.

Payment of wage (or salary if the employer is the state, region or municipality) for work performed is one of the basic obligations of every employer. The wage is payable after execution of the contracted work and must be paid out **no later than in the month following after the month in which the work was performed** (for example the wage for September must be paid out no later than by the end of October).

If the employer fails to pay the wage within 15 days from the respective payment maturity (for example if the wage for September is not paid by 15th November of the same year) then this may constitute a reason for the employee to withdraw from the employment contract by notice with immediate effect. This notice with immediate effect is a unilateral legal act (executed regardless the agreement or disagreement of the other party – in this case the employer), which must be made in writing and delivered to the employer. The employment is terminated at the moment when the withdrawal notice is delivered to the employer. In this case the employee is entitled to severance payment in the amount of at least three times its average monthly wage.

SOLUTION:

If you decide to withdraw from your employment contract for the reason of non-payment of your earned wage keep in mind that you only have 60 days to get a new work permit. If you fail to get a new work permit within this deadline the police will cancel your permit for long-term stay. Whether you decide for immediate termination of your employment or not, the non-payment of your wage by your employer is an **administrative transgression** (or administrative wrong) against the rules of remuneration for work pursuant to the Labour Inspection Act and therefore you may file an appeal with the **Regional Labour Inspectorate**. The penalty for the employer for this administrative transgression may amount up to CZK 2 million.

If you have a reason to believe that your due wage is not going to be paid out to you at all (for example when your employer has directly informed you to that effect) then you will have to enforce your earned wage by filing a legal action (see page 47).

You are employed and just get the minimum wage in the amount of CZK 8,000/month. Is it possible to get the minimum wage for any job or are there any limitations?

YES, in addition to the minimum wage the Labour Code stipulates the "guaranteed wage". The minimum wage may only be applied to the least qualified work. In the other cases the employee is entitled to the guaranteed wage which is higher than the minimum wage.

The labour legislation stipulates the amount of the minimum wage, which is the lowest permissible remuneration from an employment relationship. The wage, salary or remuneration from quasi employment agreements may not be lower than the minimum wage. The basic minimum wage rate is stipulated by Government Regulation No. 567/2006 Coll., and in the case of 40 working hours per week amounts to CZK 48.10/hour or CZK 8,000/month.

In addition to the minimum wage the Labour Code also stipulates the **guaranteed wage** with the rate again stipulated by the abovementioned Government Regulation. The Regulation classifies jobs into eight classes on the basis of their complexity, responsibility taken and labour intensity. **The more demanding the job is from these points of view the higher the job class and the higher the guaranteed wage for the job.**

The guaranteed wage for the first job class equals to the minimum wage (i.e. CZK 48.10/hour or CZK 8,000/month). The guaranteed wages for the other classes amount to: class 2 – CZK 53.10/hr, or CZK 8,900/month, class 3 – CZK 58.60/hr, or CZK 9,800/month, class 4 – CZK 64.70/hr, or CZK 10,800/month; class 5 – CZK 71.50/hr, or CZK 12,000/month, class 6 – CZK 78.90/hr, or CZK 13,200/month, class 7 – CZK 87.10/hr, or CZK 14,600/month, and class 8 – CZK 96.20/hr or CZK 16,100/month.

The Government Regulation gives examples for the individual classes of jobs. If an employee works for example in the clothing industry then class 1 includes minor sewing works, pocket stitching, lining etc., class 2 trouser sewing, and class 3 individual clothing order implementations. In the catering area class 1 includes auxiliary works in meal preparation (such as dish washing), but cooking of simple hot meals already belongs to class 2, class 3 includes cooking and delivery of common hot meals. In the field of cleaning services class 1 includes standard cleaning, but in the case of difficult cleaning after painters or large area cleaning with the help of cleaning machines class 2 applies. If you for example work in the kitchen and your responsibility is preparation of standard hot meals then your work will be classified as a class 3 job and your guaranteed monthly wage will amount to at least CZK 9,800 gross wage.

SOLUTION:

If your wage does not reach the minimum or the guaranteed wage you are entitled to request compensation for the underpayment. If your employer fails to compensate you for the wage underpayment you can file an appeal with the Labour Inspectorate and ask for an inspection or use legal action for enforcement of your legitimate wage.

INSURANCE PREMIUM AND INCOME TAX LEVIES PAID BY AN EMPLOYER FOR ITS EMPLOYEES

You have entered into a suspicion that your employer has not duly paid your health and social insurance contributions. Is there a way to verify this?

YES, the employee is able to check whether its statutory contributions are duly paid by the employer.

The employer's liabilities arising from the employment relationship also include financial liabilities towards the public health insurance company, the social security administration and the tax office. The employer is responsible for premium and tax levies for its employees. After commencement of your employment your employer is obliged to inform the abovementioned institutions and pay your tax and insurance contributions on your behalf. If you are employed then your employer is liable for payment of all your insurance contributions and taxes. A part of the payment is deducted from your wage and the rest is paid by your employer. It is for example impossible to be told by the employer that you are liable to pay your health insurance from your own means.

The contributions of health and social security insurance are formally divided to the part payable by the employee and the part paid by the employer. The part payable by the employee is deducted from the gross wage. In addition to the term "gross wage" there is also "super-gross wage", which in addition includes the contributions paid by the employer directly for its employees and equals to the total wage costs of the employer.

If the employer fails to pay the insurance contributions for its employees or pays the premiums in amounts lower than the required amounts, and the health insurance company or social administration reveals such fact, then the employer is obliged to pay the outstanding contributions and pay the charged penalty. It is the interest of the employee that the insurance contributions are duly paid. In the case of doubt the employee may address the relevant institution and ask whether its employer duly pays the contributions. **In the field of public health insurance the employee is obliged to inform the health insurance company about commencement of an employment without undue delay if finding out that its employer has failed to do so.**

SOLUTION:

If your employer has failed to comply with its reporting liability and has not paid your insurance contributions or income tax, insist on an immediate remedy. The negligence of your employer may be even deemed a crime if the negligence is large-scale. Pursuant to Section 240 of the Criminal Code the employer may be sentenced to imprisonment for up to three years or prohibition of further business activity.

TAKING PAID HOLIDAY

You plan to visit your family who are in the country of your origin and want to take a week of your paid holiday. Your employer, however, has informed you that you have worked with him for six months only and your right to paid holiday will only arise after a full year of employment. Is this true?

NO, even after six months your right to paid holiday has arisen, but the date of the leave is to be decided by your employer.

The Labour Code distinguishes between several different types of holiday. If you have worked with your employer for at least 60 days in a calendar year you are entitled to paid holiday for the calendar year or its proportionate part (if you have not worked with the employer for the whole year). **The minimum paid holiday amounts to 4 weeks per year.** In the case of specific employers (the state, region, municipality, some schools and state-owned organisations) the minimum paid holiday amounts to 5 weeks. A week for the purpose of paid holiday means a calendar week including the weekend, i.e. a week of paid holiday does not mean 7 workdays but only 5 workdays (i.e. 4 weeks of paid holiday = 20 workdays of paid holiday). If you have worked with the employer for example for 7 months you are entitled to the proportionate part of your yearly paid holiday, i.e. 7/12 of your paid holiday for the given calendar year.

Your employer has the right to determine the time of your paid holiday. The employer should specify the schedule of holidays in advance on the basis of its operational needs and vested interests of its employees. If an employee is provided their paid holiday in parts then at least one part must be at least two successive weeks long. The specified holiday time must be communicated by the employer to its employees at least 2 weeks in advance.

If urgent operational reasons prevent the employer for granting its employees their statutory paid holiday in the respective calendar year then the employer is liable to grant the paid holiday to its employees no later than before the end of the following calendar year.

SOLUTION:

The employer is obliged to specify your paid holiday in the length stipulated by the labour legislation in the current calendar year. Only for urgent reasons the paid holiday may be carried over into the following year. If your employer does not allow you to take your paid holiday in a successive longer period of time, it may represent an administrative transgression in terms of the Labour Inspection Act. You can then ask the Labour Inspectorate for an inspection (Section 16, or 29 of the Labour Inspection Act).

Your employer orders you to work many overtime hours, sometimes making 60 or more working hours a week. Is this the right of the employer to do so?

NO, such a procedure is against the Labour Code.

The weekly working hours stipulated by the Labour Code must not exceed 40 hours a week. In the case of the two-shift work mode the working week is shortened to 38.75 hours a week, and in the case of the three-shift or continuous work mode even to 37.5 hours a week. The structure of the working hours of employees is decided by the employer, usually in a regular five-day pattern. In addition to the even distribution of the working time (an employee works 40 hours every week) there is also an uneven distribution option i.e. that in some weeks the employee works more than 40 hours per week and in other weeks the employee works shorter hours. The overall average, however, must not exceed the 40 working hours per week. The employee must be informed about this irregular pattern at least two weeks in advance.

In addition to the thus stipulated working hours the employer may, for serious operational reasons, order overtime work. The performed overtime work must not exceed 8 hours per week, or 150 hours per year. If the employee and the employer mutually agree then the average number of overtime hours per week may be 8 hours per week, i.e. up to 416 hours of overtime work per calendar year.

Overtime work is remunerated with the regular wage plus an **overtime pay in the minimum amount of 25% of the average wage**, or the employee and the employer may agree that the employee will take time off in lieu of the overtime work.

The overtime pay is not the only extra pay to which you are entitled pursuant to the Labour Code. For night work (from 10 pm to 6 am) you are entitled to an extra pay in the minimum amount of 10% of the average wage, and the same applies to weekend work. Work on bank holidays is compensated with the standard wage plus time off in lieu of the work performed. If you thus agree with your employer the time off may be replaced with an extra pay in the amount of 100% of your average earnings (which means that you get your standard wage plus time off in lieu of work on a bank holiday, or you will be paid double your standard average earnings).

SOLUTION:

If your employer orders overtime work exceeding the scope stipulated by law then he commits an administrative transgression and you can appeal against it with the Labour Inspectorate and ask for an inspection. You can proceed in the same way if your employer refuses to provide you with extra pay for overtime work.

Your employer has informed you that he has no more work for you and therefore your employment is terminated. You will only work till the end of the month and then your employment will be terminated. Is this procedure in compliance with the Labour Code?

NO, this procedure is not correct.

The Labour Code stipulates several methods of employment termination. If the employee and the employer mutually agree on the termination then they can execute an **employment termination agreement.** In that case the employment will be terminated on the day agreed between the parties (such as today, tomorrow, the last day of this month etc.).

Another method of employment termination is by **notice of termination.** The notice must include the reason for the notice. The legitimate reasons for the notice of termination are listed in Section 52 of the Labour Code. The employer may not give notice of termination to an employee for any other reason. **The employee may therefore only be given notice of termination in the following cases:**

a) If the employer's business or its part is wound up,
b) If the employer's business or its part is moved to another location,
c) If the employee becomes redundant (its position is cancelled by the employer),
d) If the employee is unable to perform the current job for the reason of an occupational injury or occupational disease or due to threat of an occupational disease as specified in a medical assessment issued by a specialised facility,
e) If the employee has lost his/her capability to perform the current job on a long-term basis due to his/her state of health as specified in a medical assessment issued by a specialised facility,
f) If the employee does not meet the prerequisites specified by the relevant legislation for performance of the contracted job or requirements for appropriate performance of the job; not meeting these requirements may also include unsatisfactory work results (in this case the notice of termination may be given if the employee was notified in writing by the employer and asked for remedy, which did not happen within an appropriate period of time),
g) If there are reasons on the part of the employee for immediate employment termination by the employer (but the employer decides for a more moderate solution), or for serious violation of obligations arising from the relevant legislation related to the work performed by the employee; for the reason of systematic minor violations of obligations the employee may be given notice of termination, if the employer notified the employee in writing about the possibility of such notice in the last six months.

The notice of termination **must be in writing and delivered to the employee**. However, the employment is not terminated by delivery of the notice, there is still the notice period for which the employment still continues and the employee continues to work as before. The notice period is **two months** and begins on the first day of the calendar month following after the month in which the notice was delivered to the employee. The employment is only terminated after the notice period elapses. In some cases the employee is entitled to severance pay (see page 39).

The notice of termination may also be given by the employee. The notice of termination by the employee may be given for any reason, or without giving reason, but it must also be in writing and delivered to the other party, the employer. The notice period in the case of the notice of termination by employee is of the same length and under the same conditions as in the case of the notice of termination by the employer (if you deliver your notice to your employer for example on 15 November, your employment will be terminated on 31 January).

SOLUTION:

The initial situation is quite clear. As the notice was not given in writing it is invalid. But in many other cases the situation may not be that clear, therefore it is the court that must always decide about the validity of the notice. The most controversial situations may occur in the case of a notice for reasons defined under f) and g) (the Labour Code includes vague formulations such as "unsatisfactory work results", "serious violation of obligations" etc.). The court, after assessing the particular facts of the case, may come to a different conclusion than the employer, and may decide that the notice is invalid. In the opposite case the court may reject the petition meaning that the notice is valid.

If the employee does not agree with the notice of termination (i.e. believes that none of the reasons for notice has been met) then he or she must first immediately inform the employer that he or she insists on continued employment. **Within the two months** of the notice period the employee must file a petition with the court for a decision on the invalidity of the notice. If the court decides that the notice is invalid the employment will continue and the employer will be liable to pay the employee compensation in the amount of its average wage for the whole period from the employee's notification that it insists on continued employment until the employee resumes the work.

Basic information and advisory services in these cases will be provided by the Labour Inspectorate, but as the cases may often be complex it is recommended to address a lawyer. Free advice on the matter may also be received from one of the non-governmental organisations (see the address list at the end of this publication).

EMPLOYMENT TERMINATION – NOTICE WITH IMMEDIATE EFFECT

You were a little late for work in two cases and your employer informed you in writing that your employment would be terminated for that reason with immediate effect, that you should leave the workplace and never return to work again. Is this procedure correct?

NO, it is not, the employer may terminate employment with immediate effect, but only in the case of gross breach of liabilities stipulated in the relevant labour legislation for the kind of work which was apparently not the case in this story.

The gross breach may for example include a situation when the employee works under the influence of alcohol, verbally or physically attacks his employer or colleagues without having a reason for such, or is absent from work without excuse for a longer period of time. Another reason for immediate termination of an employee is the legal force of sentence for an intentional criminal act of the employee, of unconditional imprisonment for a period longer than one year or sentence of unconditional imprisonment for a period of at least six months for an intentional crime committed while on duty.

The employee may also immediately terminate its employment relationship to the employer, for example in the case of unpaid wage (for details see page 31). Immediate termination on the part of the employer, as well as the employee, must be in writing with specification of the reason for termination. At the same time the immediate termination must be delivered to the other party within two months from the day the employee/employer was notified of the reason for immediate termination, otherwise it is not valid.

SOLUTION:

The Labour Code does not exactly stipulate where gross breach of employee obligations begin. If you do not agree with immediate employment termination or believe that you did not commit any gross breach of your obligations or work discipline, you should proceed like in the case of notice in the previous chapter. First immediately inform the employer that you insist on continued employment. Within two months from the immediate termination you must file the petition with the court for decision on invalidity of the notice with immediate effect. If the court decides that the notice is invalid the employment will continue and you are entitled to you wage compensation in the amount of your average wage for the whole period from your notification until resuming the work.

Basic information and advisory services in these cases will be provided by the Labour Inspectorate, but as the cases may often be complex it is recommended to address a lawyer.

Your employer has given you notice of termination for it does not have work for you any longer and cancels your position. Are you entitled to any severance pay in this case?

YES, in this and in other similar situations the employee is entitled to severance pay as a certain compensation of losing the job.

Severance pay in the case of employment termination should be paid out in the following situations:

a) The employment is terminated by **notice of termination** by the employer for reasons defined under Section 52 a) – c) of the Labour Code, i.e. for organisational reasons:

1. The employer's business or its part is wound up,
2. The employer's business or its part is moved to another location,
3. The employee becomes redundant and its position is cancelled by the employer;

b) The employment is terminated by **agreement** between the employee and the employer for reasons defined above (employer's wind up or relocation, employee's redundancy); the reason for the employment termination must be **explicitly stated** in the agreement (the agreement is more convenient for the employer than the notice because the employer does not have to employ the employee for the notice period);

c) The employment is terminated by the employee pursuant to Section 56 of the Labour Code, i.e. in the following cases:

1. A medical certificate states that the employee cannot continue performing the present job without serious threat to their life and the employer will not allow the employee to perform any other work,
2. The employer has not paid the wage or its part to the employee within 15 days from the wage payment deadline (for details see page 28),

d) The employer has given notice of employment termination to the employee for the reason that the employee cannot continue performing its job for an occupational injury or disease, including employment termination by agreement for the same reason.

In the case of the situations defined under a) – c) above, the employee is entitled to severance pay in the amount of **three average monthly wages.** In the case of the situation defined under d) above, the employee is entitled to severance pay in the amount of twelve average monthly wages.

The severance pay is provided by the employer after the employment termination on the nearest pay day, unless payment on the termination date or any later date is agreed between the employer and the employee.

SOLUTION:

If you are entitled to severance pay pursuant to the Labour Code and your employer has not paid it out to you, file a petition with the court and the court will decide about the employer's liability to pay the severance to you.

LOSS OF JOB AND CANCELLATION OF A LONG-TERM STAY PERMIT

You have lost your job and do not know how that will affect your permit for stay? You are not sure about the deadline for finding a new job?

In this case it depends on the circumstances under which your employment was terminated.

If as to the employment termination date the foreigner has stayed in the country for the reason of employment for at least one year (or for a shorter period if the total period of stay is **at least three years**), **and the employment has been terminated by notice on the part of the employer for reasons defined under Section 52 a) – e) of the Labour Code,** then after the employment termination the foreigner enjoys a **protective period of 60 days a new work permit issued by a labour office to the Alien Police Inspectorate.**

The same protective period applies to employment termination by agreement for the same reason pursuant to Section 52 a) – e) of the Labour Code (such as redundancy), and also in the case of immediate employment termination by the employee (for example for the reason of unpaid wage). If before the end of the protective period the foreigner fails to submit a new work permit, then the Alien Police Inspectorate commences an administrative proceeding for cancellation of the long-term stay permit of the foreigner.

The notice of termination, the employment termination agreement as well as immediate termination must always be made in writing, which is also important for the purpose of being able to prove to the police how your employment was terminated. For detailed information about the individual methods of employment termination see the respective chapters of this publication (pages 36, 38, 39).

If your employment is terminated by any other method (for example by employee's notice, not employer's, or if in the termination agreement there is none of the abovementioned reasons pursuant to the Labour Code), then the foreigner has no deadline for finding another job. In that case the Alien Police Inspectorate immediately commences an administrative proceeding for cancellation of the long-term stay permit of the foreigner.

The abovementioned deadline of 60 days for finding a new job does not apply to foreigners staying in the country for a short time (less than one year) on the basis of a long-term visa (for over 90 days).

SOLUTION:

If you suspect that your employment may shortly be terminated begin to look for a new job with the chance for a new work permit in time. Even if you are entitled to the abovementioned deadline of 60 days you must remember that the Labour Office will take a couple of weeks to decide about your application (the decision must be issued within 30 days, which may be extended to 60 days), therefore a work permit for the new job must be applied for as soon as is practical.

Read the reasons for which your employer may discharge you (see page 36 and 38). If you do not agree with the agreement on your termination submitted to you by your employer, do not sign it. If you do not sign the agreement your employer will have to give you notice and you will work for at least another two months (= the minimum notice period) and will be paid for that period. In the course of the notice period you may be able to find a new job and apply for a work permit for the new job in time.

A potential employer has offered you a job but informed you that you will not work with the employer but with another company, for it is a case of agency-mediated employment. Is this procedure standard?

YES, the Czech labour law stipulates agency-mediated employment, but with a lot of limitations.

Agency-mediated employment is a specific form of employment when the employee of the employer – the labour agency – does not perform the job directly for the agency but for another employer – user of the agency services – to whom the employee is allocated by the agency. The employment contract (or agreement to work) concluded between the employee and the employer/labour agency in this case includes the provision by which the agency agrees to arrange for the employee's work with another employer (user) and the employee agrees to perform this job with the user. Following the conclusion of the employment contract the employee receives a written instruction from the agency by which it is allocated to the user. Then the employee commences work for the user. The user allocates various tasks to the agency employee, controls, organises and checks its work but the actual employer of the employee continues to be the labour agency, which also pays the wage to the employee. The user must not take any legal acts towards the employee of the labour agency in the name of the labour agency. For example, the user may not terminate employment of the employee, may not transfer the employee to another job etc. – all this may only be done by the labour agency. Agency-mediated employment is stipulated by the Labour Code (Section 2 (5), Section 39 (6), Section 308, Section 309) and the Employment Act (Sections 14-17, Sections 58-66).

The labour agency may not be any employer, but only a legal entity or natural person holding a **permit of the Ministry of Labour and Social Affairs of the CR** for this activity. The Employment Act distinguishes between several types of permits for employment mediation. If the labour agency wants to allocate a foreigner it must hold the permission for mediation of work to foreigners in the Czech Republic. The list of all labour agencies with the specified type of permit held is available on the following web address:
http://portal.mpsv.cz/sz/zamest/zpr_prace.

As for the work permit the labour agency is a standard employer. The foreigner therefore needs a work permit to be employed by a labour agency, except for cases when the Employment Act does not require a work permit (see page 28).

Government Regulation No. 64/2009 Coll. has significantly restricted the types of jobs that may be mediated by a labour agency. A labour agency may only allocate its employee to a user for performance of a job **requiring at least secondary education with school-leaving examination, or for performance of a job from the list attached as an annexe to the abovementioned Regulation.** The listed jobs include for example: bricklayer, cabinetmaker, construction assembler, plumber, electrician, metal worker, machine tool operator, meat processor, dressmaker, assembly worker, bus driver, lorry driver, etc.

SOLUTION:

If you decide to accept the job offer, your employment contract executed with the labour agency should include the abovementioned provision about temporary allocation to another employer for job performance. You will subsequently receive from the agency a written instruction which should include at least the following data: a) name and registered seat of the user, b) place of work with the user, c) period of temporary allocation for job performance, d) specification of a supervisor authorised to allocate to and inspect tasks of the employee, e) conditions of unilateral statement of job termination before expiration of the temporary allocation (if agreed between the labour agency and the user), f) **information about job and wage conditions of a comparable employee of the user.** The last point is important for the reason that pursuant to the Labour Code you are entitled to the same labour and wage conditions as the permanent (comparable) employees of the user. You should learn from the written instruction of the agency what these conditions are like. Further information is included in the following chapter.

LOW WAGE PAID BY A LABOUR AGENCY

You are an employee of a labour agency who has allocated you to a user. There you receive a 30% lower wage than your colleague doing precisely the same job. When you ask about the reason for the difference in wage you are told that your colleague is directly employed by the user who gives an advantage to its own (in-house) staff in the form of a higher wage than the wage paid by the labour agency to its employees. Is this situation in compliance with the law?

NO, it is not.

The user and the agency are liable to provide the same job and wage conditions to the agency employees as to the in-house employees of the user. If you therefore do the same job for the user as its in-house employee **you are entitled to the same wage** (Section 309 (5) of the Labour Code).

SOLUTION:

a) You can address your employer – the labour agency – with a request for a wage increase for your wage to correspond to the wages received by in house employees of the user. If your employer refuses to satisfy your requirement you can enforce this by legal action;

b) You can file an appeal with the Regional Labour Inspectorate. The inspectorate is entitled to inspect the employer's compliance with the labour legislation. If the inspectorate discovers a violation of the Labour Code and the wage (or any other job-related conditions) of an agency employee is worse than the wage or conditions of a comparable in-house employee of the user then the inspectorate may impose a penalty to the labour agency in the amount of up to CZK 1 million pursuant to Section 20a, or 33a of the Labour Inspection Act. For detained information about the powers and responsibilities of the labour inspectorates, including addresses of the individual offices, see the following chapter and page 55.

Your employer violates employee rights, for example, by not meeting the wage payment deadlines, ordering too many hours of overtime work or paying lower wages to foreign employees than to Czech citizens. What authority may be addressed in such cases?

The control authority for employment relationships and labour conditions is the Regional Labour Inspectorate.

There are eight labour inspectorates in the Czech Republic (two in Prague – for the capital city and for the region of Central Bohemia, and further in České Budějovice, Plzeň, Ústí nad Labem, Hradec Králové, Brno and Ostrava – see the address list at the end of this publication). The major statutory powers and responsibilities of the labour inspectorates include checks of compliance with labour regulations.

In addition to control activity, the labour inspectorates provide employees (and also to employers), free of charge **basic information and advice concerning protection of employment relationships and job-related conditions free of charge.**

SOLUTION:

If your employer violates any of these regulations, you as its employee may file an appeal with the Regional Labour Inspectorate. The appeal may be sent by post but it is recommended to deliver it to the Regional Labour Inspectorate in person. On the basis of the appeal the Labour Inspectorate may perform an inspection with the employer. The obligations of the inspectors of the Labour Inspectorate include the obligation to keep the identification of the employee filing the appeal initiating the inspection confidential. The employee therefore need not be afraid that the employer will sanction the employee for filing the appeal, for the employer will not learn the name of the employee causing the inspection to be performed.

If the Labour Inspectorate finds drawbacks at the employer it will order their remedy and charge a penalty, for administrative transgression. The law stipulates the upper limit of the penalty but in the case of some administrative transgressions the amounts are quite high – for example the penalty for excessive overtime work ordered by the employer may amount to CZK 2 million. The amount of the penalty is obviously based on the intensity and scope of the violation. If the employer has violated the law in the case of one employee only, the imposed penalty will be considerably lower than in the case of mass violation affecting dozens of employees.

CONTROL AUTHORITIES – LABOUR OFFICE; OPTION OF INCLUSION IN THE LIST OF JOB APPLICANTS

Can I address a Labour Office for help if my rights are violated by my employer (for example by non-payment of my wages, violations in the area of working hours etc.)?

NO, the labour inspectorates are endowed with the control authority in these cases. The inspectorates will also provide you basic information and advice in solution of your problem.

Labour Offices enjoy control authority in specified cases only. Among other things they make sure that employers do not violate the ban of discrimination in terms of exercising the right to employment, or that there are no cases of execution of illegal work (for the two methods of illegal work and its sanctioning see page 27).

May I, as a foreigner without permanent residence, be included in the list of job applicants kept by the Labour Office?

NO, but you can be entered as a person interested in finding a job.

The list of job applicants may only include foreigners with permanent residence, while the list of persons interested in a job may include anybody. The Labour Office mediates a suitable job for the persons interested in a job and may even provide for their re-qualification. However persons interested in a job cannot receive the unemployment benefit from the Labour Office.

Do you want to make an appeal to a court with your claim and do not know how to proceed?

The following lines include the basic information about how to proceed.

Labour inspectorates hold a number of powers in the area of compliance with the employment legislation. In the case of violation of the legislation they can impose a penalty to the employer and invite the employer to remedy such violation, but they cannot force the employer to actually pay the wage due to the employee. Not only in this situation but also in many other situations (such as the decision on invalidity of notice of termination) the employee must appeal to a court with its claim.

Individual employment-related disputes are decided by the district courts as the first instance courts (district courts in Prague, Municipal Court in Brno). The territorial jurisdiction of a court is determined in relation to the **person against whom the petition has been filed** (on the basis of the place of residence of a natural person or registered seat of a legal entity). If for example you are an employee of a business company with its registered seat in Prague 2, you must file your petition against your employer at the District Court for Prague 2.

When filing a petition you usually need to pay a **court fee**. In the case of a dispute concerning a monetary amount, the amount of the fee is calculated on the basis of the amount in question (CZK 600 if the subject of the dispute does not exceed CZK 15,000 and 4% of the amount disputed in the case of a higher amount). In the other cases the fees are usually fixed (usually CZK 1,000). In civil disputes you need not be represented by a lawyer but in most cases this is recommended. The court fee and the remuneration for the lawyer represent the costs of proceedings, which are usually reimbursed by the losing party to the dispute (if you therefore hire a lawyer to represent you in the proceedings and you win then the fee for your lawyer will be paid by the respondent).

When deciding about filing a petition you must carefully weigh your chances for success (whether you are able to present sufficient evidence of your statements etc.). If you lose the proceedings, you will have to pay not only your costs of the proceeding but also the costs of your opponent, including attorney fees, if any.

The petition should **include**: identification of the court, identification of the parties (the plaintiff and the defendant) including the first and the last name, address (in the case of legal entities the business name and registered seat of the entity), description of the relevant facts, the submitted evidence and specification of the claim.

ATTENTION!!! There is a very short deadline for filing a petition in terms of employment legislation (for example a mere 2 months in the case of a petition for invalidity of a termination notice). In the case of claims concerning unpaid wages or other financial liabilities, the limitation period is 3 years and the petition must be filed with the court within this period at the latest.

The basic advisory service in terms of employment relationships and the relevant labour legislation is usually provided by non-governmental organisations **(for the list see the last section hereof), whose staff may even help you formulate the petition.**

Do you consider running a business in the Czech Republic as a self-employed person and do not know what obligations are related to that?

As has already been mentioned, a self-employed person runs a trade independently, in its own name and at its own responsibility. In the context of its activity it is liable to duly fulfil its obligations towards certain authorities, such as the Trade Licensing Office and the Czech Social Security Administration.

Obligations towards the Trade Licensing Office

The obligations of a self-employed person include but are not limited to the following:

- Visibly mark with the first and last name and identification number of the building where it has the principal place of business and prove ownership right, tenant right or right of use of the property to the Trade Licensing Office on request,
- Archive documents proving the way of acquisition of the goods or materials, used for service provision in the place of business for access of the control authorities; if the self-employed person has acquired second-hand goods or acquired goods without receipt then it is liable to identify the seller and keep record of these facts including the date of the respective contract execution,
- Arrange for the presence of a person with sufficient command of Czech or Slovak language on the premises reserved for sales of goods or provision of service during the business hours of the premises,
- Inform the Trade Licensing Office in writing about any interruption of business for more than 6 months.

Obligations towards the Tax Office

The obligations of a self-employed person include but are not limited to the following:

- Register with the local tax office within 30 days from its trade permit effectiveness date,
- At the beginning of every year (in the period January-March) file a tax return for the previous calendar year with specification of its income and expenditures in that year and tax calculation. The natural person income tax rate amounts to 15% from the profit (profit = income minus expenditures). The self-employed person may also apply expenditures in the amount of the lump sum of 60% of the achieved income, which is mainly convenient in situations when the actual expenditures related to the business activity are lower than 60%. Every taxpayer may apply the discount per taxpayer in the amount of CZK 24,840 (this amount is deducted from the calculated tax and the actual tax paid is then the amount exceeding the discount per taxpayer).

OBLIGATIONS OF A SELF-EMPLOYED PERSON

Obligations towards Czech Social Security Administration

The obligations of a self-employed person include but are not limited to the following:

- Submit an application for pension insurance and subsequently pay the contribution for the pension insurance and contribution to the state employment policy.
  A self-employed person must pay insurance contributions every month.
  The amount of the contribution is calculated on the basis of the income achieved in the previous calendar year. If the self-employed person only starts its business (i.e. did not achieve any income in the previous year) then it is liable to pay the minimum contribution in the amount of CZK 1,731. On filing the tax return at the beginning of the following year it is already clear what income was achieved in the previous year, and the self-employed person must submit an overview of income and expenditures by the end of April. The overview will include settlement of contributions; if the settlement shows that the paid advances for the insurance contributions were insufficient the self-employed person needs to settle the underpayment. The amount of the insurance contribution equals to 29.2% of the base of assessment, which is 50% of the tax base (the tax base = income – expenditures)
- Inform about termination of independent profit-making activity.

The above reporting liabilities may be fulfilled all at once on registration of the trade with the Trade Licensing Office where the forms for the Tax Office and for the Czech Social Security Administration are available for filling out.

If a self-employed person fails to duly fulfil all its obligations, there is the risk of sanctions imposed by the relevant authorities in the form of fines or penalties. Failure to fulfil certain obligations may even affect extensions of validity of a long-term stay permit for the purpose of business enterprise, because the application for the extension is filed together with the confirmation of the Tax Office and the Czech Social Security Administration about potential underpayments of the self-employed person related to tax and social insurance contributions (see page 14).

Example:

A self-employed person launched a business on 1 June 2009 and his income was CZK 400,000. After the launch of the business the self-employed person began to pay monthly advance insurance contributions in the amount of CZK 1,731. At the beginning of the following year the self-employed person filed a tax return. The expenditures related to the business were not very high, so a lump sum of expenditures in the amount of 60% of the income was applied. The profit (income minus expenditures) therefore amounted to CZK 160,000. The natural person income tax rate was 15%, i.e. the tax amounted to CZK 24,000. However, the businessman applied the discount for taxpayers (CZK 24,800) and therefore the tax liability was zero and he did not have to pay any tax that year.

Following the tax return the self-employed person submitted an overview of income and expenditures at the Czech Social Security Administration. The social insurance contribution amounted to 50% of the tax base, in this case therefore CZK 80,000. This base was used for the contribution calculation with the rate of 29.2%, resulting in CZK 23,360. The self-employed person has already paid CZK 10,386 in advance and therefore its underpayment amounts to CZK 12,974.

ADDRESS LIST OF ALIEN POLICE INSPECTORATES

Alien Police Directorate
Olšanská 2, PO BOX 78
130 51 Praha 3
Phone: +420 974 841 219 – Director's secretariat
Fax: +420 974 841 093
E-mail: krcpp@mvcr.cz

Information line for foreigners staying in the Czech Republic
Monday – Thursday 9:00 am – 3:30 pm,
Friday 9:00 am – 2:00 pm
Phone: +420 974 841 356, +420 974 841 357
E-mail: infoscpp@mvcr.cz

Alien Police operate seven regional directorates, each of them having several subordinate inspectorates of the Alien Police. Contact information of the individual inspectorates may be found at the regional directorate or on the web site of the Alien Police on http://www.policie.cz – Útvary policie ČR – Celorepublikové útvary – Služba cizinecké policie – Kontakty.

Regional Directorate of Alien Police in Brno
Kopečná 938/3
602 00 Brno
Phone: +420 974 620 229 – Director's secretariat
Fax: +420 974 620 345
E-mail: cppbrno@mvcr.cz

Regional Directorate of Alien Police in České Budějovice
Pražská třída 558
370 74 České Budějovice
Phone: +420 974 220 229 – Director's secretariat
Fax: +420 974 220 660
E-mail: sekrscpp@mvcr.cz

Regional Directorate of Alien Police in Hradec Králové
Bidlova 477
501 01 Hradec Králové
Phone: +420 974 520 229 – Director's secretariat
Fax: +420 974 520 228
E-mail: scp.hk.sekret@pcr.cz

Regional Directorate of Alien Police in Ostrava
Milíčova 20
728 51 Ostrava
Phone: +420 974 720 229 – Director's secretariat
Fax: +420 974 720 228
E-mail: scppova@mvcr.cz

Regional Directorate of Alien Police in Plzeň
Slovanská alej 26
307 51 Plzeň
Phone: +420 974 320 229 – Director's secretariat
Fax: +420 974 320 228
E-mail: scpppld@mvcr.cz

Regional Directorate of Alien Police in Prague
Olšanská 2
130 51 Praha 3
Phone: +420 974 820 229 – Director's secretariat
Fax: +420 974 820 783
E-mail: cppmedia@mvcr.cz

Regional Directorate of Alien Police in Ústí nad Labem
Masarykova 27
400 01 Ústí nad Labem
Phone: +420 974 420 229 – Director's secretariat
Fax: +420 974 427 042
E-mail: orcppul@mvcr.cz

ADDRESS LIST OF REGIONAL CENTRES FOR SUPPORT OF INTEGRATION OF FOREIGNERS

South Moravia
South Moravian Regional Centre for Support of Integration of Foreigners
Mezírka 1
602 00 Brno
Phone: +420 533 433 540
E-mail: cizincijmk@centrum.cz

Moravian Silesia
Centre for Support of Integration of Foreigners – Moravian Silesia Region
Českobratrská 2227/7
702 00 Ostrava
Mobile: +420 725 148 522
Phone/fax: +420 596 112 626
E-mail: icostrava@suz.cz
www.integracnicentra.cz

Pardubice Region
Centre for Support of Integration of Foreigners – Pardubice Region
Boženy Němcové 2625
530 02 Pardubice
Mobile: +420 725 148 519
Phone: +420 466 736 124
Phone/fax: +420 466 952 066
E-mail: icpardubice@suz.cz
www.integracnicentra.cz

Plzeň Region
Centre for Support of Integration of Foreigners – Plzeň Region
Resslova 14
301 00 Plzeň
Mobile: +420 725 874 975
Phone/fax: +420 377 223 157
E-mail: icplzen@suz.cz
www.integracnicentra.cz

Ústí nad Labem Region
Centre for Support of Integration of Foreigners in Ústí nad Labem Region
Velká Hradební 33
400 21 Ústí nad Labem (in the building of Národní dům)
Phone: +420 475 216 536
Email: usti@centrumcizincu.cz
www.centrumcizincu.cz

Zlín Region
Centre for Support of Integration of Foreigners – Zlín Region
Lorencova 3791
760 01 Zlín
Mobile: +420 725 148 515
Phone/fax: +420 577 018 651
E-mail: iczlin@suz.cz
www.integracnicentra.cz

From 2010 there will be four new regional centres for support of integration of foreigners in the following regions:

***South Bohemia Region** – České Budějovice*
***Karlovy Vary Region** – Karlovy Vary*
***Liberec Region** – Liberec*
***Olomouc Region** – Olomouc*

For the contact information of these centres proceed to the web site www.cizinci.cz.

ADDRESS LIST OF NON-GOVERNMENTAL ORGANISATIONS PROVIDING ADVISORY SERVICES TO FOREIGNERS

Capital City of Prague and Central Bohemia Region

Archdiocesan Charity Prague
Londýnská 44, 120 00 Praha 2
Phone: +420 224 246 519, 224 246 573
Fax: +420 222 522 352
www.charita-adopce.cz

Berkat a KC InBáze
Legerova 50, 120 00 Praha 2
Phone/fax: +420 224 941 415
Berkat – mobile: +420 739 037 353,
E-mail: berkat@berkat.cz
InBáze – mobile: +420 739 578 343,
E-mail: info@inbaze.cz
www.berkat.cz

Centre for Integration of Foreigners (CIC)
Kubelíkova 55, 130 00 Praha 3
Phone: +420 222 713 332
E-mail: info@cicpraha.org
www.cicpraha.org

META o. s. – Association for Opportunities for Young Migrants
Advisory and Information Centre for Young Migrants (PIC)
Rumunská 29, 120 00 Praha 2
Phone/fax: +420 222 521 446,
+420 775 339 003
E-mail: info@meta-os.cz
www.meta-os.cz

Organisation for Assistance to Refugees (OPU Praha)
Kovářská 4, 190 00 Praha 9
Phone: +420 284 683 714,
+420 284 683 545
Fax: +420 233 371 258
E-mail: opu@opu.cz
www.opu.cz

Advisory Office for Integration (PPI)
Senovážná 2, 110 00 Praha 1
Phone: +420 224 216 758,
+420 603 281 269
Phone/fax: +420 224 213 426
E-mail: praha@p-p-i.cz
www.p-p-i.cz

Advisory Office for Citizenship, Civic and Human Rights (PPO)
Ječná 7, 120 00 Praha 2
Phone: +420 270 003 280
E-mail: poradna@poradna-prava.cz
www.poradna-prava.cz

Association for Integration and Migration
Senovážná 2, 110 00 Praha 1
Phone: +420 224 224 379
E-mail: poradna@refug.cz
www.uprchlici.cz

South Bohemia Region

Diocesan Charity of České Budějovice
Kanovická 16/405, 370 01 České Budějovice
Phone/fax: +420 386 353 120
E-mail: info@charitacb.cz
www.charitacb.cz

Organisation for Assistance to Refugees
Žižkova 1, 370 01 České Budějovice
Phone: +420 389 007 281, phone/fax: +420 387 747 281
E-mail: opu.cbudejovice@opu.cz

South Moravia Region

Diocesan Charity in Brno, Migration Department
Šumavská 33, 602 00 Brno
Phone: +420 545 133 494,
+420 603 157 640
E-mail: migrace.dchbrno@caritas.cz
www.dchbrno.caritas.cz

Organisation for Assistance to Refugees (OPU)
Leitnerova 9/682, 602 00 Brno
Phone: +420 731 928 388,
Phone/fax: +420 543 210 443
E-mail: opu.brno@opu.cz
www.opu.cz

Civic Association Dealing with Emigrants (SOZE)
Mostecká 5, 614 00 Brno
Phone: +420 545 213 643,
fax: +420 545 213 746
E-mail: soze@soze.cz
www.soze.cz

Hradec Králové Region

Advisory Office for Foreigners and Refugees
Diocesan Charity in Hradec Králové
Velké náměstí 37, 500 01 Hradec Králové
Phone: +420 495 063 135,
fax: +420 495 063 134
Email: jan.koci@hk.caritas.cz, poradna.cizinci@hk.caritas.cz
www.hk.caritas.cz

Liberec Region

Advisory Office for Long-Term Legally Staying Citizens in Česká Lípa
Parish Charity in Česká Lípa
Dubická 2189, 470 01 Česká Lípa
Phone: +420 487 823 922,
+420 774 116 412
Email: cizinci@fchcl.cz
www.fchcl.cz

Olomouc Region

Civic Association Dealing with Emigrants (SOZE)
Ostružnická 28, 772 00 Olomouc
Phone: +420 585 242 535
E-mail: soze@soze.cz
www.soze.cz

Pardubice Region

Bridge for Human Rights
17. listopadu, 530 02 Pardubice
Phone/fax: +420 732 754 239, 467 771 170
E-mail: mistprolp@seznam.cz
www.mostlp.org

Plzeň Region

Advisory Office for Foreigners and Refugees
Diocesan Charity in Plzen
Cukrovarská 16, 301 00 Plzeň
Phone/fax: +420 377 441 73
E-mail: poradna@dchp.cz
www.charita.cz/plzen

Organisation for Assistance to Refugees (OPU)
Tylova 2090/1, 301 00 Plzeň
Phone: +420 377 222 098
E-mail: opu.plzen@opu.cz

Ústí nad Labem Region

Diocesan Charity in Litoměřice
Dómské náměstí 10, 412 01 Litoměřice
Phone/fax.: +420 416 733 487
E-mail: migrace@dchltm.cz
www.dchltm.cz

Multicultural Community Centre
Advisory Office for Integration
Velká Hradební 33, 400 21 Ústí nad Labem
(in the building of Národní dům)
Phone: +420 475 208 449, +420 731 175 833
Phone/fax: +420 475 216 536
E-mail: usti@p-p-i.cz
www.p-p-i.cz, www.multikulturnicentrum.cz

Vysočina Region

Civic Advisory Office in Jihlava
Žižkova 13, 586 01 Jihlava
Phone: +420 567 330 164
E-mail: opj@volny.cz

Civic Advisory Office in Jihlava, detached office in Telč
Masarykova 330, 588 56 Telč
(in the building of polyclinic)

OP Třebíč – Civic Advisory Office in Třebíč
Dreuschuchova 17, 674 01 Třebíč
Phone: +420 568 845 348
E-mail: obcanskaporadna@seznam.cz

ADDRESS LIST OF REGIONAL LABOUR INSPECTORATES, LABOUR OFFICES

LABOUR INSPECTION BODIES

The office hours for the public are the same for the State Labour Inspection Office and the regional labour inspectorates:
Monday – Wednesday 8:00 am – 5:00 pm
Tuesday, Thursday, Friday 8:00 am – 2:00 pm
The consultation centres usually operate one day a week or one day per fortnight.
The phone numbers of the consultation points and other information can be found on the web sites of the individual inspectorates.

State Labour Inspection Office
Horní náměstí 103/2, 746 01 Opava
Phone: +420 553 696 154,
fax: +420 553 626 672
E-mail: opava@suip.cz, www.suip.cz

Regional Labour Inspectorate for the Capital City of Prague
Kladenská 103/105, 160 00 Praha 6
Phone: +420 235 364 006,
fax: +420 235 362 007
E-mail: praha@oip.cz, www.suip.cz/oip03

Regional Labour Inspectorate for Central Bohemia Region
Ve Smečkách 29, 110 00 Praha 1
Phone: +420 221 924 200, fax:
+420 222 211 498
E-mail: stredni.cechy@oip.cz,
www.suip.cz/oip04

Consultation offices at labour offices (open once a fortnight):
Benešov (Dukelská 2080), Beroun (Okružní 26), Kladno (Dukelských hrdinů 1372), Kolín (Kutnohorská 39), Kutná Hora (Benešova 2/70), Mladá Boleslav (Jaselská 292/IV), Nymburk (Dělnická 4/402), Příbram (nám. T. G. Masaryka 145), Rakovník (nábř. T. G. Masaryka 2473)
Consultation office: Mělník (Tyršova 106)

Regional Labour Inspectorate for South Bohemia and Vysočina Regions
Vodní 21, 370 06 České Budějovice
Phone: +420 387 843 411,
+420 387 424 271, fax: +420 387 843 419
E-mail: budejovice@oip.cz,
www.suip.cz/oip05

Regional office in Jihlava
třída Legionářů 17/4181, 586 01 Jihlava
Phone: +420 567 302 107,
fax: +420 567 301 262
E-mail: jihlava@oip.cz

Consultation offices:
Český Krumlov (Plešivec 251), Písek (nábř. 1. máje 2259), Tábor (Roháčova 2614), Havlíčkův Brod (Jihlavská 42), Pelhřimov (Pražská 127), Třebíč (Sedlákova 1), Žďár nad Sázavou (Strojírenská 28), Jindřichův Hradec (Janderova 147), Prachatice (Poštovní 113), Strakonice (Textiláků 393)

Regional Labour Inspectorate for Plzeň and Karlovy Vary Regions
Schwarzova 27, 301 00 Plzeň
Phone: +420 377 423 066,
fax: +420 377 372 926
E-mail: plzen@oip.cz
www.suip.cz/oip06

Regional office in Sokolov
Jednoty 654, 356 01 Sokolov
Phone/fax: +420 352 672 172,
phone: +420 352 672 180
E-mail: sokolov@oip.cz

Consultation offices at labour offices:
Karlovy Vary, Klatovy, Rokycany, Domažlice, Tachov, Cheb

Regional Labour Inspectorate for Ústí nad Labem and Liberec Regions
SNP 2720/21, 400 11 Ústí nad Labem
Phone: +420 472 774 165,
fax: +420 472 772 589
E-mail: usti@oip.cz, www.suip.cz/oip07

Regional office in Liberec
nám. Dr. E. Beneše 24
(1st floor, room 12–19), 460 73 Liberec
Phone: +420 485 244 481,
fax: +420 485 244 485
E-mail: liberec@oip.cz

Consultation offices at labour offices:
OSSZ Litoměřice (Seifertova 2063/3), Děčín (Březinova 442/1), Jablonec nad Nisou (E. Floriánové 3), OSSZ Teplice (Přítkovská 1576/44), Most (tř. Budovatelů 1989), Louny (Pod Nemocnicí 2380), Semily (Bořkovská 572), OSSZ Chomutov (Roháčova 4183), Česká Lípa (Děčínská 389, building B – behind the court, ground floor – room 101)

Regional Labour Inspectorate for Hradec Králové and Pardubice Regions
Říční 1195, PO BOX 53, post office 2, 501 01 Hradec Králové
Phone: +420 495 217 494, 495 219 012, fax: +420 495 219 070
E-mail: hradec@oip.cz, www.suip.cz/oip08

Regional office in Chrudim
Městský park 274, 537 01 Chrudim IV
Phone: +420 469 623 130
E-mail: chrudim@oip.cz

Consultation offices at labour offices:
Rychnov nad Kněžnou, Trutnov, Náchod, Jičín, Pardubice, Ústí nad Orlicí (building of District Social Security Administration), Svitavy

Regional Labour Inspectorate for South Moravia and Zlín Regions
Milady Horákové 3, 658 60 Brno
Phone: +420 545 321 285,
fax: +420 545 211 303
E-mail: brno@oip.cz
www.suip.cz/oip09

Regional office in Zlín
tř. Tomáš Bati 3792 (building of District Social Security Administration), 760 01 Zlín

Consultation offices:
Blansko (K. J. Mašky 2), Břeclav (nám. T. G. Masaryka 9A), Hodonín (Dukelských hrdinů 3653/1), Kroměříž (Husovo nám. 535/21), Uherské Hradiště (Svatováclavská 568), Valašské Meziříčí (Železničního vojska 1349), Vyškov (Nádražní 7), Zlín (Kúty 3967), Znojmo (Masarykovo nám. 22/449)

Regional Labour Inspectorate for Moravian Silesia and Olomouc Regions
Živičná 2, 702 69 Ostrava
Phone: +420 950 143 711,
fax: +420 596 110 164
E-mail: ostrava@oip.cz, www.suip.cz/oip10

Regional office in Olomouc
tř. Kosmonautů 8 (1st floor of AB centre), 772 00 Olomouc
Phone +420 587 433 249,
+420 587 433 238

Consultation offices:
Přerov (Žerotínovo nám. 168/21), Šumperk (Starobranská 2700/19), Jeseník (Karla Čapka 1147), Bruntál (Jesenická 717), Frýdek-Místek (Na Poříčí 3510), Karviná (tř. Osvobození 1388/60), Nový Jičín (Mgr. Šrámka 1099), Opava (seat of SÚIP, Horní náměstí 103/2)

LABOUR OFFICES

There is a relatively dense network of labour offices in the Czech Republic; there is one in every city (former district capitals).
The individual labour offices have branch offices in smaller towns.

For the contact information of labour offices visit the Integrated Portal of the Ministry of Labour and Social Affairs at:
http://portal.mpsv.cz/sz/local.

CALL CENTRE OF EMPLOYMENT SERVICES

Here you will get information concerning employment issues, but not legal advisory services concerning employment relationships.

Phone: +420 844 844 803
The price of call from a landline is CZK 1.53/min., VAT inclusive. The price of call from a mobile network is CZK 4.50/min.,
VAT inclusive.
Operation hours: Monday – Friday 8:00 am – 8:00 pm
E-mail: kontaktni.centrum@mpsv.cz,
callcentrum@mpsv.cz