



Information for clients

Czech Republic

June, 24th 2020

COVID-19: Antivirus C and rent

We have summarized the recently published programs Antivirus C (waiver of employer contributions to social security) and COVID - Rent (granting a rent subsidy).

Antivirus C

Waiver of social security contributions for employers with up to 50 employees.

How is the support granted?

The waiver of social security contributions relates to the contributions that the employer is obliged to pay (24.8 % of the assessment basis).

What period does the support cover?

Contributions can be waived for the months of June, July and August 2020. Compliance with the conditions is assessed in each month separately (it will therefore be possible to waive premiums for all three months, or only in some months).

Conditions for entitlement to support

An employer will be entitled to the aid if he meets the following conditions cumulatively:

- a) **the number of employees in the employment relationship** (and taking part in health insurance) does **not exceed 50** on the last day of the month (this number also includes workers on maternity leave parental leave, unpaid leave and workers on notice).
 - b) **the number of employees in the employment relationship**, which was determined at the end of the evaluating month, did **not decrease by more than 10 %** compared to the number of employees as of **March 31, 2020**.
 - c) **the total of the assessment bases of the employees in the employment relationship did not decrease** in the evaluation month **by more than 10 %** compared to the sum of the assessment bases for **March 2020**.
 - d) **the employer has duly** (up to the 20th day of the following month) **paid insurance contributions for employees** for each evaluation month of the amount specified in the overview.
 - e) for the calendar month for which the employer applies waiver of the insurance contributions, he **does not receive funds** for the partial payment of wage costs **from the antivirus program**.
- a) **the number of employees in the employment relationship** (and taking part in

How to apply?

The employer assesses whether the conditions for entitlement to waiver of the social insurance contributions have been met. The employer then requests the waiver of the insurance contributions **on the form "Overview of the amount of the insurance contributions"**, where he fills in the reduced assessment basis.

Calculation of the waiver

Contributions are waived **by reducing the employer's assessment bases by the assessment bases of employees whose employment exists until the last day of the month for which the employer is entitled** to a waiver of social insurance contributions (the basis of assessment includes both employees and DPČ / DPP, who participate in the health insurance, the remuneration of the management, etc.).

There are two exceptions to the reduction of assessment bases. **The following cannot be deducted:**

1. the assessment basis of **employees in the employment relationship, which the employer has terminated** in accordance with Section 52 Paragraphs a) to c) of the Labor Code (termination by the employer, dismissal).
2. for employees a higher valuation basis than CZK 52,253.

Review of entitlement to support

The filled form is sent to the responsible district administration for social insurance, which then checks the correctness of the application of this reimbursement as part of a standard inspection (carried out at least every 3 years).

Effects on income tax

When determining the super-gross wage, no consideration is given to whether the employer

has reduced his assessment base or not. **From an income tax perspective, waiving social insurance contributions does not change anything for the employer.** By default, taxpayers will typically increase taxpayer income by 33.8 % when calculating the tax base.

Source: <https://www.mpsv.cz/web/cz/antivirus>

COVID-19: Rent

The Ministry of Industry and Commerce has published a new support program "COVID - Rent", which includes the granting of support for commercial rents.

Please note that applications can be submitted from June 26, from 9 a.m. Due to the rapid exhaustion of previous programs, we recommend that you submit your application immediately at the specified time.

For whom is the program intended?

The program is aimed at **entrepreneurs** (natural or legal persons) **who had to close their premises used on the basis of a rental agreement** (sublease agreement, lease agreement) concluded with the landlord before March 13th, 2020, **due to government measures** related to coronavirus.

This support can also be applied for by entrepreneurs who had a limited operation through dispensing windows, delivery services or e-commerce.

The condition for the application is that the **entrepreneur and the landlord are not related parties**. Who is considered a related party is described in detail in the program.

Moreover, the entrepreneur must not have any arrears toward certain authorities (e.g. the tax office, the Czech Social Insurance Administration - ČSSZ - etc.).

What period is covered?

The program covers a decline which has arisen in the period **between March 13th and June 30th 2020** and which lasted at least a part of that period.

What are the conditions for granting the support?

The condition of the program is a **discount from the landlord of at least 30 % on the total rent for the period from April 1th, 2020 to June 30th, 2020).**

The second condition is that **the applicant has settled at least 50% of the above mentioned total rent before submitting the application.**

If the **landlord** is the **state**, then the applicant has to settle at least **80 %** of the total rent before submitting the application.

The support amount

The amount of support per applicant is **50 % of the total rent for the period from April 1th, 2020 to June 30th, 2020.**

If the **landlord** is the **state**, the amount of support is **80 %** of the relevant rent. The **maximum amount** per applicant is CZK 10 million.

Source:

<https://www.mpo.cz/cz/rozcestnik/pro-media/tiskove-zpravy/zverejnujeme-vyzvu-k-programu-covid--najemne--zadat-o-podporu-bude-mozne-od-26--cervna-2020--255316/>

If you need help processing your application or if you have any further questions on the individual topics, we are happy to help.

For the AUDITOR-Team

Ing. Martin Stoniš
Tax department
T.+ 420 224 800 433
martin.stonis@auditor.eu

Iva Tolde
Head of the Payroll Department
T.+420 224 800 422
iva.tolde@auditor.eu

Data presented in this publication is informative in character and does not replace legal, economic or tax consultancy. Consultancy requires knowledge of the particular cases and assessment of all relevant facts. We claim no responsibility for decisions that the user makes based on this material.

Contacts

Mag. Georg Stöger
International Tax Law

Marie Haasová
Czech Accounting
Legislation

Ing. Jan Šimerka
Statutory Audit, IFRS

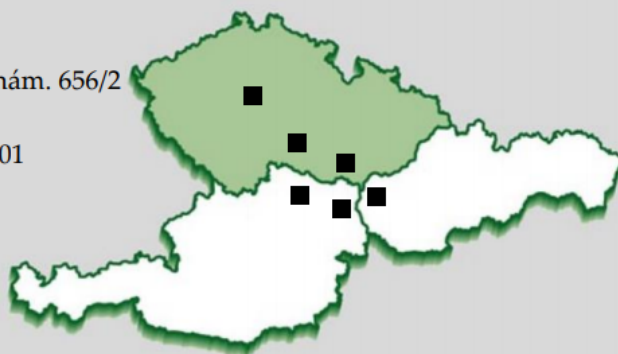
Ing. Marta Prachařová
Czech Tax Law

Iva Tolde
Personnel and Payroll
Agenda

Office Prague
Haštalská 6
110 00 Praha 1
T: +420 224 800 411

Office Brno
Palác JALTA
Dominikánské nám. 656/2
602 00 Brno
T: +420 542 422 601

Office Pelhřimov
Masarykovo nám. 30
393 01 Pelhřimov
T: +420 565 502 502



More information on www.auditor.eu

www.auditor.eu

An independent member of UHY International, an association of independent accounting and consulting firms