

CLIENT INFORMATION

Czech Republic

10 December, 2025

News for employers from 2026

From 1 January 2026, a number of changes and obligations for employers will come into effect, about which we have already informed you. The most important ones, in particular the rules for the exemption of employees' benefits, including an overview of the new limits, are summarized below.

Employee benefits or remuneration for work?

From January 2026, there will be a fundamental change in non-monetary employee benefits intended for leisure or health purposes, where the condition for their exemption is – in addition to the existing legal conditions – that these benefits **must not constitute "wages, salaries, remuneration or compensation for lost income"**.

Employers must therefore **strictly distinguish between**:

- remuneration related to **performance of work** → **taxable**, subject to insurance
- benefits provided in addition to salary, **without any link to performance of work** → may be **tax-exempt**

In its Methodological Information (available [here](#)) as a guide for distinguishing between taxable remuneration and exempt benefits, the Financial Administration states that remuneration linked to work performance are included in average earnings (e.g., for holiday leave), while employee benefits are not included in the calculation.

What will no longer be exempt from 2026

The exemption does not apply if the benefit is provided in connection with work performance. Specifically, it will no longer be possible to apply the exemption to benefits arising, for example, from:

- the transfer of performance-related bonuses to benefit programmes
- the transfer of variable components of remuneration linked to work performance to benefit programmes
- the awarding of benefit points for work performance (e.g. "employee of the month")
- salary swaps (reduction in salary in exchange for benefit points or a contribution to exempt benefits)

What may continue to be exempt from 2026

Non-monetary benefits remain tax-exempt if:

- they are not related to the work performed, and
- they are provided solely on the basis of the existence of an employment relationship and their purpose is, for example, to increase employee loyalty or the attractiveness of the employer on the labour market
 - **e.g. benefit points for work or life anniversaries.**

Practical examples of the tax regime for selected benefits

- **Exempt** (within limits):
 - Vouchers for specified purposes (health care, sports, culture, education, travel, books, pre-school facilities) **if they are not remuneration for work**
 - Contribution to meals
 - Contribution to retirement savings products
- **Taxable:**
 - Any benefits or points **provided in connection with work performance**, even if for the specified purposes (health care, sports, culture, education, travel, books, pre-school facilities)
 - Vouchers for unspecified purposes (e.g. for shopping centres)
 - Gifts to employees
 - Contribution to employee transport

The limits for exemption for selected employee benefits are as follows from 2026:

- non-monetary health-care benefits: **CZK 48,967/year** (in 2025: CZK 46,557)
- Non-monetary leisure benefits (sports, culture, education, travel, books, pre-school facilities): **CZK 24,483.50/year** (in 2025: CZK 23,278.50)
- meal allowance: proposed limit of **CZK 128.80/shift** (in 2025: CZK 123.90)
- flat-rate compensation for remote work: proposed limit of **CZK 4.70/hour** (in 2025: CZK 4.80)
- contribution to pre-school facilities: valuation of non-monetary income **CZK 1,792/month** (2025: CZK 1,664)

Agreements on work performance and small-scale employment

From 2026, the limit above which income from agreements on work performance is subject to insurance contributions will increase to **CZK 12,000/month** (*in 2025: CZK 11,500*). For minor employment, the limit remains at **CZK 4,500/month**. Up to this limit, this income is also subject to withholding tax, unless the taxpayer has signed the Declaration of a taxpayer, but from 2027 this will be replaced by a special advance tax.

Remuneration to non-residents

From January 2026, remuneration paid to members of statutory bodies (managing directors, members of the board of directors) who are Czech tax non-residents **will not be subject to withholding tax**. Taxation will be applied through **monthly advance payments with the application of progression** (income above CZK 146,901/month will be subject to a rate of 23%). If the annual remuneration exceeds CZK 1,762,812 (for 2026), there will be an obligation to file a tax return.

Mandatory employer contribution to retirement savings products

From January 2026, employers will be **obliged to pay contributions to old-age savings** for employees who perform risky work in category 3 (e.g. welders, car mechanics), if the employee requests the contribution and works at least three risky shifts in the given month. The contribution is included in the limit of contributions to retirement products of CZK 50,000 per year, which is exempt for employees, and may be replaced by an existing voluntary contribution of the same or higher amount. This is a tax-deductible expense for employers.

Mandatory share of employees with disabilities

For the levy for failure to meet the mandatory 4% quota for the employment of persons with disabilities for 2025, payable to the labour office by 15 February 2026, **new calculation rules** will apply based on the actual proportion of such employees (1x, 2x or 3.5x the average wage for each missing employee). It is **no longer possible** to draw on **substitute performance from related parties**.

Unified monthly employer report (JMHZ)

The first phase **of JMHZ** will start on 1 January 2026, unifying employers' obligations to the state into **a single electronic report**, which will replace up to 25 different forms previously sent to various authorities (Czech social security office, labour office, financial administration, statistical office, etc.). Health insurance companies are not yet included in the JMHZ system.

The report will contain summary information about the employer, social security contributions, taxes, and information about employees, including employee benefits.

JMHZ schedule:

- **1 – 31 March 2026:** standard procedure, no overview of insurance premiums will be submitted
- **from 1 April 2026:** employers will receive employee identifiers and job identifiers and will report the necessary data. They will begin to send JMHZ reports on an ongoing basis, always by the 20th day of the following month. New employees must be registered within 8 days of starting work.
- **20 May 2026:** first monthly report for **April 2026**.
- **by 30 June 2026:** retroactive completion of JMHZ for **January–March 2026**.
- **from 1 July 2026:** registration of all employees (including DPP/DPČ) **before starting work** (pre-registration and re-registration within 8 days of starting work).
- There are stricter deadlines **for foreign employees**, where notification of employment must be made **before they start work** (full registration).

It is certain that the new year 2026 will bring new challenges and obligations for employers. We recommend, in particular, reviewing the conditions for providing benefits.

We will be happy to assist you with their assessment and adjustment.

Your AUDITOR Team

Ing. Jana Střelická

Head of the Brno Office

T: +420 542 422 636

jana.strelicka@auditor.eu

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