

d) The employer gives you a notice. The 2month notice period starts as of that date; you should get (at minimum) a compensation of your wages/salary in an amount of your average monthly salary. Once your employment relationship terminates, your employer has to pay you redundancy payment amounting at minimum 12 times your average monthly wages/salary.

e) The employer agrees with you on the termination of the employment relationship. The employment relationship terminates to the date that you mutually agree upon. Once your employment relationship terminates, you are entitled to get redundancy payment amounting 12 times (at minimum) your average monthly wages/salary.

What always applies is: your employer is not entitled to **give you a notice** while you are temporarily **incapable to work** (you have a sick note issued by doctor).

If you get a notice from your employer when your incapacity for work terminates, your employer is **still financially obliged** to compensate you. Depending on various conditions, your employer is obliged to compensate you for lost earnings for the period of your incapacity, compensation for the loss of earnings for the period following your incapacity for work, compensation for pain and lesser (aggravated) employability, compensation for purposefully incurred costs related to medical treatment.

Attention! You are not entitled to get redundancy payment or other financial compensations if your work-related injury occurred when you were drunk or after abuse of other addictive substances or after you acted recklessly.

Example: An employee suffers a work-related injury after the trial period. According to the certificate issued by an occupational medical service provider the employee is not entitled to perform the same work as before. The employer communicates to the employee that the employment contract has terminated – the employer does neither want to recognize redundancy payment, nor compensation of the wages/salary. The employee does not agree and insists on their rights and demands from the employer to react in accord with one of the ways stated in 5.1 sections b) – e). Your employment contract by no means terminated, you are still entitled to get work and wages/salary. If an employer fails to assign you some work, you are entitled to get the compensatory payment in an amount of the average salary. This right could be claimed at court.

5.2 Other injury or illness not related to work

Should you get injured or fall ill to such extent that the occupational medical service provider proclaims, **in an occupational medical service provider review**, that, in the long run (at minimum 1 year), you are not able to perform work in accord with your employment relationship contract, your employer could give you the notice.

The employer could, again, choose from several options:

- The employer will transfer you to another post where you would be able to proceed with working with respect to your injury or illness. If an employer could offer you such post, but could not keep the level of the pay the same – pays you less money – as on the previous post, you **are not entitled** to get compensatory pay to get to the same level as before. If the employer cannot offer such work and tells you to stay at home (does not allow you to continue working on a post that is not suitable for you because of your injury or illness), **you are not entitled** to get a compensation wage/salary amounting the monthly average.
- If an employer does not have an adequate post to offer and tells you to stay at home, the employer could give you a notice. In that case, a 2month notice period will apply (**with no entitlement to any financial compensation**) and you are not entitled to get any redundancy payment.
- If an employer fails to offer you another post, the employer might want to sign with you an agreement on termination of the employment relationship contract, the employer would not give you a notice, but you terminate the contract on immediate basis and on mutual agreement. Such procedure is possible and in this case you are not entitled to any redundancy payment.

Example: An employee hands in to the employer a medical certificate – the employee cannot, for health reasons, perform the same work any further. The employer lets the employee continue with the same work. On the day 16, following the presentation of the medical certificate to the employer, the

employee terminates the employment relationship. The employee, in accord with the law, demands compensation of the wages/salary from the employer for the duration of the notice period (usually 2 months). If an employer does not agree, the employee could bring the case to the court.

06 ENTITLEMENT TO COMPENSATION OF THE WAGES/SALARY IN CASE OF IMMEDIATE TERMINATION OF EMPLOYMENT RELATIONSHIP

As an employee you are entitled to terminate your employment relationship immediately in cases when

- Your employer did not pay you wages/salary or its part within 15 days following the least possible due date for payment (your wages/salary is due in a month following the one when you performed work. The employer fails to pay you the wages/salary or its part till the last day of the month following the month when your work was performed, add another 15 days. One day later, on the 16th day, you can immediately terminate the employment relationship contract or
- you have an occupational medical service provider certificate stating that you cannot continue performing the work you had been performing because of the danger to your health arising from that work, you present the medical certificate to your employer and the employer fails to transfer you to another job – manageable for you in relation to your health - within 15 days of the presentation of the certificate

in both cases you are entitled by law for a compensation of your wages/salary in an amount that would be an average of your pay for the length of notice period (usually 2 months).

Immediate termination of employment relationship should be in a written form and should be confirmed from the side of your employer. If an employer refuses to confirm the delivery of the notice, you are entitled to use the institute of witnesses (2 at minimum) or send the notice to your employer through registered mail.

07 YOUR EMPLOYER DID NOT PAY YOU WAGES/SALARY

Your employer could be facing insolvency. You can find out about your employer's insolvency – whether the employer is subject to insolvency proceedings – by clicking on <http://insolvencni-rejstrik.cz>. If you find your employer listed there, contact the Labour Office where they will advise you how to proceed.

If your employer owes you wages/salary and is not subject to insolvency, you can **claim your unpaid wages/salary from your employer at the court**. First you have to notify your employer in writing (through registered mail or by letting the employer sign the notification) to pay the sum owed and allow the employer to pay it within certain date. Only after that you can file a lawsuit. The lawsuit is filed to district court (to circuit court in Prague) appropriate to the seat of your employer. You can ask for unpaid wages/salary as well as for all unpaid bonuses and perks to which you are entitled to alongside with the interest on late payment. Your lawsuit shall be accompanied by all of the necessary documents confirming and proving everything that you are claiming.

You can also contact a **Labour Inspectorate** through filing a complaint. The fact that the inspector will find out about the failure of your employer and will penalise your employer would not really ensure you the payment of the due wages/salary. The Labour Inspectorate is not competent to order your employer to pay you the owed wages/salary, they can only penalise your employer for breaching the Labour Code.



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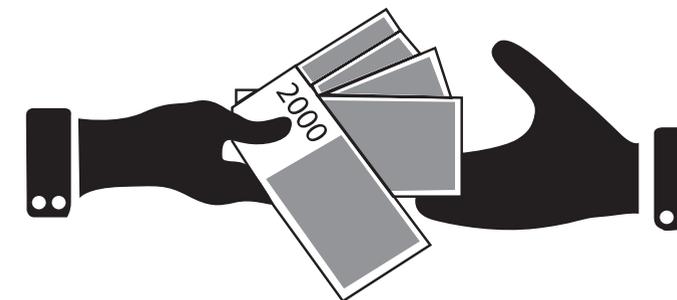
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TERMINATION OF EMPLOYMENT RELATIONSHIP FINANCIAL OBLIGATIONS OF THE EMPLOYER AND FINANCIAL RIGHTS OF AN EMPLOYEE



01 WHAT ARE THE WAYS TO TERMINATE EMPLOYMENT RELATIONSHIP?

- Termination of an Employment Relationship During the Probationary Period** – if an employment relationship is terminated during the probationary period, you are not entitled to any financial compensation from your employer. There is an exception – a termination of an employment relationship by an employer during the probationary period due to **work-related injury** or **occupational disease** not enabling you to perform work;
- Expiration of an Employment Contract** – if a contract between the employer and employee is a fixed-term employment contract, the employee is not entitled to get any compensation from an employer;
- Agreement of Both Contractual Parties** – if an employment relationship is terminated without stating a reason for termination, you are not entitled to any compensation. If the reason for termination of the contract is employer's relocation (away from the address that is stated as a workplace), restructuring reasons (you are made redundant) or if you cannot perform contracted work due to the work-related injury or occupational disease, you are entitled to get the compensation upon

the termination of employment relation contract (the contract terminated by agreement of both contractual parties). The amount of the compensation is discussed later;

d) Notice Given to an Employer by an Employee – an employee is not entitled to any financial compensation;

e) Notice Given to an Employer by an Employer – If the reason for termination of the employment relationship contract is employer's relocation (away from the address that is stated in the employment relationship contract as a workplace), restructuring reasons (you are made redundant) or if you cannot perform contracted work due to the work-related injury or occupational disease, you are entitled to get the compensation upon the termination of an employment relation contract (the contract terminated by agreement of both contractual parties). The amount of the compensation is discussed later;

f) Immediate Cancellation of Employment Relationship Contract by an Employee – if you cancel the contract on employment relationship because

1. you were not paid your wages/salary or part of your wages/salary 15 days after the latest possible due date (your wages/salary is due in a month following the month when work was performed. If your employer fails to pay you wages/salary or part of the wages/salary until the last day of the month following the month when the work was performed, add another 15 days and on the 16th day you are entitled to cancel the employment relationship contract on immediate basis) or

2. you had a medical certificate made by the occupational medical service provider that you could not perform work which would be harmful to your health, you handed over the medical certificate to your employer and the employer failed to transfer you to another position that would not endanger your health within the period of 15 days,

you are entitled by law to get a compensation of your wages/salary amounting your average wages/salary for the period corresponding to the length of notice period (usually 2 months);

g) Immediate Cancellation of Employment Contract by an Employer – due to the serious breach of some obligation arising from statutory provisions and relating to work performed by you, you are not entitled to any financial compensation.

02 WHEN IS AN EMPLOYEE ENTITLED TO GET REDUNDANCY PAYMENT?

The redundancy payment is the money that the employer shall pay to the employee because the employer terminated the employment relationship contract through a **notice**. This statement applies to four cases:

1. employer's undertaking or its part is closed down,
2. employer is relocating from a company address that is stated in the employment relationship contract as a workplace,
3. employer is restructuring (you are made redundant),
4. you cannot perform the work you were doing due to the **work-related injury or occupational disease**.

You are entitled by law to get the redundancy payment (due to the above stated reasons) even if the employment relationship contract is terminated by **agreement of both contractual parties**.

i **Example:** Your employer cancels your position to certain date – January 31, 2016. This could be his reason for terminating of the employment contract. There is a two-month notice period, you continue to work for these two months and you get paid for the two months. If you mutually agree with your employer that you will terminate earlier than the notice period expires, it is possible. You should state in the agreement on the termination of the employment relationship contract that the reason for your agreement is redundancy. In such case you are entitled to get redundancy payment even if you were not given the notice, but you both agreed on the termination of the contract.

In other situations you are not entitled to get any redundancy payment or compensation.

03

HOW DOES IT WORK?

Notice given by the employer due to the closing down of employer's undertaking, relocation of workplace or restructuring – redundancy

If an employer announces one of the above stated reasons to an employee, the employer could give the employee a notice. The notice shall contain an exact reason for termination of employment relationship contract. A notice period is 2 months and begins with the first day of the month following the month when the employee was given the notice.

i **Example:** Your employer decided to make you redundant. You were given a written notice on October 16. The notice period begins on November 1 and finishes on December 31. During the notice period you have to continue working and the employer has to pay you wages/salary. In case the employer tells you they have no work for you, they could leave you out of work, but have to pay you a compensation wage till December 31.

i **Example:** The employer decided to make you redundant. You were given the notice on November 1. The notice period will then start on December 1 and finish on January 31. Otherwise it is the same as above.

Once you terminate your employment relationship, which also means that your notice period comes to an end, you shall receive both your wages/salary and the redundancy payment, both of these by the date the wages/salary is regularly paid.

Amount of redundancy payment – you are entitled by law to get the redundancy payment amounting

- 1 multiple of your average monthly wages/salary – if your employment relationship with this particular employer lasted less than 1 year;
- 2 multiples of your average monthly wages/salary - if your employment relationship with this particular employer lasted at least 1 year, but less than 2 years;
- 3 multiples of your average monthly wages/salary - if your employment relationship with this particular employer lasted at least 2 years;
- 12 multiples of your average monthly wages/salary if you are given a notice due to your incapacity for work caused by work-related injury or occupational disease.

In case you are employed on a part-time basis you are also entitled to redundancy payment.

You will start getting an unemployment benefit from the Labour Office in a month that follows the number of months when you were getting the redundancy payment.

i **Example:** An employee is entitled to get redundancy payment amounting 2 times of their monthly wages/salary. This is the money the employer will pay to the employee. The Labour Office will start to pay the job candidate an unemployment benefit not earlier than 2 months after the termination of the employment relationship contract. The unemployment benefit will be paid for the whole of the supporting time (unless the job candidate finds employment earlier); it is only that the payment of the unemployment benefit is "postponed" for the time when the former employee will be getting the redundancy payment.

i **Example:** Employee is entitled to get redundancy payment amounting 2 times of their former average monthly wages/salary, but the employer fails to pay it. Labour Office will pay the former employee from his first registration as a job candidate.

As stipulated in the Czech Labour Code, you are not entitled to give up your redundancy payment. That means that the employer shall pay you the redundancy payment in any case, even if you made a written agreement on rejecting the redundancy pay.

04

HOW DOES IT WORK?

Notice given by the employer due to the closing down of employer's undertaking, relocation of workplace or restructuring – redundancy

If your employer encounters one of the above stated reasons for terminating your employment relationship contract, you can mutually agree on termination of your employment relationship. Your employment relationship terminates as of the date you agreed upon. Nobody can force you to sign such agreement. Whether you sign it or not is totally up to you.

It is very important that your **agreement** on the termination of employment relationship **contains wording that your employment relationship is being terminated for one of the above stated reasons**. It would later be easier for you to prove your entitlement for redundancy payment in the event of claiming your redundancy payment through court proceedings.

! **Beware!** If you terminate your employment relationship "for no serious reason" you will only be entitled to get a lowered unemployment benefit from the Labour Office. If your agreement on the termination of employment relationship contract contains a reason for termination "relocation of workplace", "restructuring" or "work-related injury/occupational disease", you will be getting a full unemployment benefit.

i **Example:** Employer communicates to the employee that due to the restructuring he would have to make the employee redundant and would like to agree on termination of the employment relationship contract as of November 15. The employee agrees. The termination of employment relationship contract will contain the information about the reason for termination – for example restructuring and consequent redundancy of the employee. The employee had worked in the company for 2 years therefore the employee is entitled to get redundancy payment amounting two average monthly salaries. The Labour Office will start paying the job candidate a full unemployment benefit two months after the registration at Labour Office.

i **Example:** Employer communicates to the employee that due to the restructuring he would have to make the employee redundant and would like to agree on termination of the employment contract as of November 15. The employee agrees. The agreement, though, only contains an effective date of the termination of the employment and signature of both contractual parties. The employee is entitled to get the redundancy money, but the employer rejects to pay it. The agreement did not contain the reason for termination of the employment relationship. The Labour Office will only pay the job candidate a lowered unemployment benefit – the termination of employment relationship was not subject to any serious reason.

05 TERMINATION OF EMPLOYMENT RELATIONSHIP FOR HEALTH REASONS

It is important to differentiate between 2 terms and that is whether the termination of employment relationship occurred due to

- a) the **work-related** injury or **occupational** diseases, or
- b) **other** injury or disease **not related** to work.

5.1 Work-related injury or occupational disease

If you get injured at work or when performing things related to your work, or if you get sick and the illness could have a relation to the work you performed, you are entitled to get financial compensation from the side of an employer.

If an "**occupational medical service provider**" of your employer issues a **medical certificate** stating that you, as an employee, are not capable of performing the work you had done before (for work-related injury or occupational disease or for you being in danger of occupational disease at the workplace), your employer could choose from several options:

- a) You get injured or fall sick during the probationary period, the employer is not entitled to cancel your employment relationship contract earlier than on the 15th day of your illness (temporary incapacity for work), that applies to both work-related injury and occupational diseases. The first 14 days of your illness the employer is obliged to pay you the compensation of your wages/salary.
- b) The employer will transfer you to a different post that would be more suitable for you with respect to your current state of health. Should you earn less at such post, you are entitled to get a supplement pay that would compensate the loss to your original pay.
- c) The employer tells you to stay home – because of your health - the employer has no other suitable job for you. Even if you are at home, you are entitled to get compensation to your average monthly salary.