

# Job retention schemes in Europe

## Czechia

Jan Drahokoupil<sup>1</sup>

**Note on ETUI classification of job retention schemes (JRSs):** All job retention schemes (JRS) share the objective of preserving the ties between companies and their employees in times of temporary economic difficulties. They support incomes of workers who keep their employment contract even if the work is fully suspended. Depending on the primary objective and the nature of support, three different categories of JRS can be distinguished:

**(1) Short-time Work Scheme (STW):** The key objective of STW schemes is to provide support to companies to retain their employees in times of economic difficulties. The company receives financial support for the employees' wages paid for the time not worked. The extent of working time reduction can vary, including also a full work suspension.

**(2) Furlough Scheme (FS):** FSs can be best understood as temporary unemployment. The financial support is thus paid directly to the worker for the period of partial or full working time suspension. The aim of a FS is to enable companies to reduce their wage bill by temporarily laying off (parts of) their workforce. While retaining the ties with the employer, workers on the FS scheme are available to seek alternative employment. Integrated into the existing system of unemployment insurance, FSs can be seen as a tool to facilitate the transition towards a new job.

**(3) Wage Subsidy (WS):** The main objective of WS is to preserve employment through subsidizing companies' wage bills. For this purpose, a company in temporary financial difficulty receives financial support per employee, regardless of whether or not working time of specific employees is reduced. The employees keep receiving their wages. Permissible wage adjustments are not directly related to working time reductions.

## Key characteristics of the job retention scheme

### ETUI classification of the job retention scheme (JRS)

Short-time work scheme (STW): Antivirus A, A Plus, and B;  
Wage subsidy (WS): Antivirus C

### Name of the scheme

The so-called 'Antivirus programme' is a temporary short-time working schemes (STW) scheme that reimburses employers a large part of the costs they incur when employees are not able to work because of 'obstacles', as defined in the Labour Code. The legislation stipulates that employees are entitled to a wage replacement payment from the employer in the event of 'obstacles at work'. The latter include situations in which employees are ordered to remain in isolation or quarantine, their workplace is subjected to restrictions by the authorities ('other reasons'), or their employer is in economic difficulties. The **Antivirus A** programme concerns the first two 'obstacles'. The **Antivirus B** programme covers a range of situations that fall under the third obstacle, 'economic difficulties'. Antivirus A was later supplemented by **Antivirus A Plus**. The latter applies when a workplace is subjected to restrictions by the authorities. It includes more generous reimbursement to employers, but workplaces have to meet somewhat stricter conditions. Companies that do not meet these conditions can still apply to use Antivirus A in the event of government restrictions.

In addition, **Antivirus C** was implemented in June–August 2020. This wage subsidy consisted of relief from social insurance contributions (employers' part) to companies employing fewer than 50 workers, on condition that they do not dismiss more than 10% of employees (as of 31 March 2020) and that the wage bill does not fall below 90% of its level in March 2020.

The Antivirus scheme was introduced in reaction to the Covid-19 crisis as a temporary measure. It has been amended several times as the crisis has evolved. Antivirus A, A Plus, and B was replaced by a permanent scheme in July 2021.

1. European Trade Union Institute (ETUI).

Amendments: 31/3/2020: Antivirus A and B introduced; 8/6/2020 extension of A and B until end of August 2020; 16/6/2020 Antivirus C introduced; 24/8/2020 extension of A and B until end of October 2020; 14/10/2020 extension of A and B until end of December 2020 and the introduction of A Plus; 21/12/2020 extension of A, A Plus and B until end of February 2021.

**A new permanent scheme** has been implemented from June 2021. The period during which the scheme can be used needs to be launched by the government after a tripartite consultation. The reasons include a threat to employment linked to a natural disaster, a cyberattack, an epidemic, or an economic crisis. The STW scheme includes a replacement of at least 80% of gross wage for the downtime. The state reimburses the employers 80% of full costs, including insurance contributions, with a maximum of 1.5 times the minimum wage. Working time can be reduced by 60-80% for up to a year. The scheme includes protection against dismissal for a period amounting to 1.5 times the period for which the scheme was used for the respective employee; this means if the scheme was used for 2 months the dismissal protection will be 3 months. The employers using the scheme are not allowed to pay out dividends or share their profits in other forms including early repayment of loans.

	Antivirus A	Antivirus B	Antivirus C
<b>Start date of the implementation of the special Covid-19 JRS rules</b>	12 March 2020–28 February 2021	1 October 2020–28 February 2021	12 March 2020–28 February 2021
<b>Eligibility</b>	Employees in quarantine (Labour Code 262/2006, Art. 191, 192); workplace ordered to close or significantly restricted by authorities (Art. 208)	Workplace ordered to close or significantly restricted by authorities (Labour Code 262/2006, Art. 208)	Workplace in economic difficulties linked to Covid-19 crisis (Labour Code 262/2006, Art. 207–209)
<b>Exceptions (category of workers or companies excluded from support)</b>	Employees in notice period, having been dismissed by the employer.  Companies under bankruptcy; companies fined for violating Art. 3e ('illegal work') of the Employment Law (435/2004) in the past three years.	Employees in notice period, having been dismissed by the employer.  Companies under bankruptcy; companies fined for violating Art. 3e ('illegal work') of the Employment Law (435/2004) in the past three years.  Maximum support €800,000 per company (A Plus + other Covid-related support, apart from Antivirus A + B); firms not 'in difficulty' (as per Regulation EU 651/2014)	Employees in notice period, having been dismissed by the employer.  Companies under bankruptcy; companies fined for violating Art. 3e of ('illegal work') of the Employment Law (435/2004) in the past three years.
<b>Duration of support (maximum duration for which JRS support is paid)</b>	No limit but the applicability of the Antivirus programme is fixed.	No limit but the applicability of the Antivirus programme is fixed.	No limit but the applicability of the Antivirus programme is fixed.
<b>Level of support for employees (percentage of gross or net wage, please also specify whether social security contributions are covered)</b>	<b>Employees</b> in quarantine receive 60% of average wage, or more if agreed with the employer.  <b>Employees</b> receive 100% of average wage if company operations are restricted.  The <b>employer</b> receives 80% of the wage replacement payment, including insurance contributions.	Employees receive 100% of average wage.  The <b>employer</b> receives 100% of the wage replacement payment, including insurance contributions.	<b>Employees</b> receives a percentage of average wage:  60% in the case of demand restrictions (minimum, agreement with a trade union organisation may be required, Art. 209), 80% in the case of a lack of supplies, 100% if a significant part of employees are absent.  Level of wage replacement may be higher, if agreed with the employer.  The <b>employer</b> receives 60% of the wage replacement payment, including insurance contributions.
<b>Cap on support (maximum amount of JRS support payable)</b>	Support to employers: CZK 39,000 per employee/month (approximately €1,430);	Support to employers: CZK 50,000 per employee/month (approximately €1,900)	Support to employers: CZK 29,000 per employee/month (approximately €1,060).

<b>What share of the support is covered by the state and by the employer?</b>	Compensation to employers is fully financed from the state budget. At the same time, the compensation covers only a percentage of wage replacement payments to employees (see above) and it is capped. Effective coverage is thus lower for replacement payments to employees with higher wages and, given the administrative/transaction costs, also for smaller companies.		
<b>Dismissal protection</b>	While receiving state support the employer cannot dismiss employees.		
<b>Role of collective bargaining in the adoption and implementation of JRS support</b>	Collective agreements can stipulate higher compensation for employees in quarantine. This is not explicitly provided for in the Labour Code, but some company-level collective agreements include such provisions.	None.	An agreement with trade unions, where they exist, is needed for a reduction of work hours in the event of demand reduction (Labour Code, Art. 209). In the absence of a trade union, an internal regulation suffices.  Art. 209 also provides that collective agreements can include a replacement payment higher than the minimum 60%. Some company-level agreements do include higher payments. <sup>2</sup>
<b>Special conditions for support to avoid misuse of the system (for instance, ban on paying out dividends or bonuses; ban on share buybacks or operating from tax havens)</b>	There is a provision to exclude companies that reside in tax havens outside the EU/EEA: support from the Antivirus programme cannot be obtained by employers who are not tax residents of Czechia or another member state of the European Union or the European Economic Area, and which obtained most of their revenues for the last completed tax period in Czechia.		
<b>Special provisions as regards training/ requalification/ reorientation of employees on JRS</b>	No.	No.	No.

## Quantitative data

		Antivirus A, A Plus, B	Antivirus C*
<b>How many workers were on JRS each month? (Please indicate whether these are applications for JRS or the actual numbers of workers on JRS)</b>	March 2020	400,298	
	April 2020	589,528	
	May 2020	487,268	
	June 2020	285,110	741,674
	July 2020	187,505	807,581
	August 2020	141,433	824,544
	September 2020	109,648	
	October 2020	294,990	
	November 2020	288,141	
	December 2020	264,645	
	Total employees	959,536	
	Total companies	69,043	

2. There is no data on these provisions either at company or sectoral level, but available information suggests that only company agreements include such provisions.

Which sectors were most affected at the beginning of the pandemic in March/April and towards the end of the period studied in November/December? (as a percentage of overall number of workers on JRS)

**Change in hours worked: Q2 2019 to Q2 2020, participation in Antivirus A and B and type of adjustment (%)**

NACE	Decrease in hours worked (%)	Of which (percentage points):		Supported absences	
		Adjustment through employment	Unsupported absences	Antivirus A	Antivirus B
A: Agriculture, Forestry and Fishing	3.33	3.01	0.26	0.04	0.01
B: Mining and Quarrying	9.74	6.74	2.32	0.03	0.64
C: Manufacturing	19.28	6.97	5.69	0.04	6.57
D: Electricity, Gas, Steam and Air Conditioning Supply	0.40	0.10	0.00	0.00	0.30
E: Water Supply; Sewerage, Waste Management and Remediation Activities	5.68	1.30	2.62	0.80	0.96
F: Construction	2.42	0.00	1.87	0.10	0.44
G: Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	11.91	3.78	4.74	2.30	1.09
H: Transportation and Storage	13.95	6.59	3.87	0.21	3.29
I: Accommodation and Food Service Activities	62.83	34.30	10.44	15.32	2.77
J: Information and Communication	0.43	0.00	0.43	0.00	0.00
K: Financial and Insurance Activities	2.57	1.08	1.27	0.00	0.22
L: Real Estate Activities	8.52	5.48	2.00	0.90	0.14
M: Professional, Scientific and Technical Activities	9.15	7.66	0.01	0.17	1.31
N: Administrative and Support Service Activities	25.23	20.09	2.76	0.46	1.93
O: Public Administration and Defence; Compulsory Social Security	4.03	0.00	4.03	0.00	0.00
P: Education	1.20	0.70	0.10	0.00	0.40
Q: Human Health and Social Work Activities	8.54	0.00	5.74	1.12	1.68
R: Arts, Entertainment and Recreation	42.11	23.79	1.54	13.22	3.56
S: Other Service Activities	20.96	10.12	4.46	1.66	4.72

Source: Jurajda Š. and Doleželová P. (2021) Antivirus B: Zkušenosti z první vlny epidemie, Prague, CERGE-EI a TREXIMA, Figure 1, data provided by the authors.

**Antivirus B:** The level of coverage of individual sectors varied significantly. For small and medium-sized enterprises (10 to 250 employees): 50% in accommodation and food service activities, 40% in transport and storage, 30% in manufacturing, human health and social work activities and in wholesale and retail trade. Other sectors show significantly lower coverage. Much of the support was concentrated in manufacturing: manufacturing companies with more than 250 employees accounted for 13% of working hours in Q2 2019 in Q2, but drew 60% of total support from Antivirus B in the period (Jurajda and Doleželová 2021).

**Change in hours worked (%): Q2 2019 to Q2 2020, by participation in Antivirus A and B**

NACE	Antivirus A	Antivirus B	Antivirus A and B	No Antivirus
A: Agriculture, Forestry and Fishing	92.3	95.4	94.1	97.5
B: Mining and Quarrying	96.2	83.9	97.9	94.9
C: Manufacturing	92.8	71.6	77.4	92.2
D: Electricity, Gas, Steam and Air Conditioning Supply	82.8	97.0	85.8	101.0
E: Water Supply; Sewerage, Waste Management and Remediation Activities	91.0	92.9	90.3	97.0
F: Construction	94.7	97.1	89.0	95.8
G: Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	79.7	86.8	75.4	93.9
H: Transportation and Storage	85.7	83.0	87.7	91.0
I: Accommodation and Food Service Activities	47.2	54.2	43.9	47.5
J: Information and Communication	82.7	92.1	60.5	102.7
K: Financial and Insurance Activities	98.6	89.8	86.9	98.4
L: Real Estate Activities	85.4	98.7	81.4	98.1
M: Professional, Scientific and Technical Activities	83.1	87.2	74.5	98.0
N: Administrative and Support Service Activities	64.1	68.4	59.8	80.7
O: Public Administration and Defence; Compulsory Social Security	92.9	*	*	97.4
P: Education	100.1	92.6	103.0	98.8
Q: Human Health and Social Work Activities	91.5	81.7	71.0	95.3
R: Arts, Entertainment and Recreation	65.5	78.3	52.1	83.2
S: Other Service Activities	79.2	74.3	85.3	96.6

Source: Jurajda Š. and Doleželová P. (2021) Antivirus B: Zkušenosti z první vlny epidemie, Prague, CERGE-EI a TREXIMA, Table 3.

**Sectoral breakdown, Antivirus B, Q2 2020**

NACE	Number of companies	Share of support in Antivirus B	
		% of companies supported	% of FTEs supported
A: Agriculture, Forestry and Fishing	263	0.20	0.012
B: Mining and Quarrying	12	0.10	0.146
C: Manufacturing	5.581	65.04	74.007
D: Electricity, Gas, Steam and Air Conditioning Supply	47	0.11	0.115
E: Water Supply; Sewerage, Waste Management and Remediation Activities	183	0.25	0.443
F: Construction	1.518	1.35	0.674
G: Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	6.229	8.41	4.326
H: Transportation and Storage	1.752	7.19	7.814
I: Accommodation and Food Service Activities	2.646	3.10	2.110
J: Information and Communication	653	1.34	0.949
K: Financial and Insurance Activities	180	0.29	0.164
L: Real Estate Activities	718	0.58	0.030
M: Professional, Scientific and Technical Activities	2.297	3.07	1.447

N: Administrative and Support Service Activities	1.260	4.88	3.304
O: Public Administration and Defence; Compulsory Social Security	4	0.00	*
P: Education	310	0.37	0.252
Q: Human Health and Social Work Activities	2.310	2.27	1.964
R: Arts, Entertainment and Recreation	334	0.83	0.766
S: Other Service Activities	575	0.60	1.477
Total	26,872	100.00	100

Source: Jurajda Š. and Doleželová P. (2021) Antivirus B: Zkušenosti z první vlny epidemie, Prague, CERGE-EI a TREXIMA, Table 2 and Table 5.

**Is there any data on how much money the state spent on JRS and over time? (in absolute figures and as a percentage of GDP)**

A, A Plus, and B: CZK 29,000,573,380 (approximately €1,117,350,000) in March–December 2020 (0.53% of GDP).

Antivirus C: CZK 13.3 billion (approximately €512,431,000) in June–August 2020 (0.24% of GDP).

## Information on non-standard workers and JRS<sup>3</sup>

**Do non-standard workers (NSW) have access to the regular JRS scheme or are there other support schemes, for instance for the self-employed?<sup>4</sup>**

Regular STW was only for employees. Workers on casual employment contracts (agreement to perform work: DPČ, agreement to complete a job: DPP) were not eligible for STW, but were covered by schemes for the self-employed.

Special schemes for the self-employed and those on DPČ/DPP were applied from 12 March to 8 June 2020 and from 5 October 2020 to 15 February 2021.

A new system was planned, effective from 1 February 2021 (retrospective).

All self-employed also benefited from a reduction of insurance payments in March–August 2020 in the value of CZK 29,376.

The self-employed could also claim a benefit for those caring for small children affected by school closures (CZK 400/day; approximately €15.40). A similar scheme existed also for the employees, including those on DPČ/DPP.

**What are the eligibility criteria?**

From March 2020: self-employed suffering from a fall in demand (self-declared) due to the government restrictions or the COVID crisis.

From October 2020: activities of the self-employed had to be directly affected by government restrictions or the self-employed person had to be a direct supplier of companies that had experienced a contraction of more than 80%.

The relevant activity had to be the dominant source of revenues (>50%).

Those on casual employment contracts (DPČ/DPP) had to show past earnings exceeding the respective threshold and had to be enrolled in state health insurance by virtue of that income.

**How is the financial support for non-standard workers calculated?**

A flat rate (CZK 500; approximately €19.30) per day for self-employed persons affected by restrictions. A lower rate (CZK 350; approximately €13.50) per day applied to those on casual employment contracts in spring 2020. A higher rate (CZK 1,000; approximately €38.50) per day was to be introduced from 1 February 2021. It was not to be applied to all self-employed (those on DPČ/DPP and self-employed with lower incomes were to keep the lower rate).

**Which sectors were most affected in terms of providing support to non-standard workers?**

There is no data on those resorting to this support. The sectors affected directly by government restrictions included restaurants, fitness and other leisure activities, small retail, and personal services (hairdressers, etc.)

3. Non-standard workers include workers with a temporary work contract, platform workers, temporary agency workers, multiparty employment, disguised employment/dependent self-employment, freelance workers, etc.
4. The following questions refer to any existing schemes for non-standard workers.

---

**Are there any measures for training/ requalification/ reorientation for non-standard workers?** No.

---

**Notes**

\* Covered by A Plus from October 2020 but can be used by companies that do not meet the additional criteria applied in A Plus (see 'exceptions'), or in cases when the restrictions started before October 2020.