



## TPA Newsletter, Special Edition 23/2020

### 1. Crisis care-giver's allowance

Primary schools were closed on 14<sup>th</sup> October due to special measures in the CR, by which many parents have a claim to a care-giver's allowance. The government passed the so-called care-giver's allowance, which will undergo the passing process in the Chamber of Deputies and the Senate next week.

#### What are the parameters for the crisis care-giver's allowance?

- Care for a child up to 10 years old.
- The amount: 60 % of the daily contribution basis and at the same time the amount of CZK 400 per day throughout the duration of the special measures (closed schools or residential institutions, quarantine duration).
- Care-giver's allowance can also be requested by parents working on the basis of work agreements (dohoda o provedení práce) or on the basis of work performance agreements (dohoda o pracovním činnosti) for which social and health insurance are paid.
- Parents can take turns in childcare, as was the case during the spring months.
- Confirmation from the school that it was closed will no longer be required, but will be replaced by and affidavit that a child has to be cared for due to school closure based on the special measures.
- The proposed changes will apply throughout the effect of the special measures, but until 30. 6. 2021 at the latest.

#### How are parents to proceed at this time?

Parents who will have to stay at home with their children will in the first place have to inform their employers in a standard manner, e.g. via telephone, e-mail, as to the emergence of an work obstacle on the employee's side, this being childcare due to closure of a school or similar facility.

To apply the care-giver's allowance claim, parents will, after the end of the calendar month (or as the case may be, after finishing care in the course of a month), have to submit to their employer a *Request for care-givers allowance due to school facility closure (Žádost o ošetřovné z důvodu uzavření školského zařízení)*. The Czech Social Security Administration is preparing a new, simpler request form, which will be available on the ČSSZ ePortal.

### 2. Program Antivirus – current changes

**Antivirus A: extended to the end of 2020 and raised** – passed by the government and will undergo the passing process in the Chamber of Deputies and the Senate.



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Antivirus A is intended for businesses with forced limitation of operation. The government passed an increase of support for firms which will have to close operations on the basis of government rulings.

Until now, the employer had a claim to 80 % of expenses for salary compensation, but a maximum of CZK 39K per employee. Newly, as of 1. 10. 2020, the employer gains **100 % of salary compensation**, and the ceiling has been raised to **CZK 50K** per employee.

Note: In the case of Antivirus A, **80 % compensation per employee in quarantine** remains.

**Antivirus B**, in which the state contributes towards compensation of salary in businesses on which coronavirus has made an impact indirectly (for instance, through drops in sales or delivery of inputs) remains unchanged and should function until the end of October 2020.

**Antivirus C**, on the other hand, concerned pardoning of obligatory social insurance payments for the employer for three months (June, July, August). It is no longer running.

Possible modifications to modes B and C are still to be decided by the Ministry of Labour and Social Affairs.

We continue to monitor the situation and will inform you as to further pertinent changes.

### 3. New tax reliefs

On 14<sup>th</sup> October, the Ministry of Finance disclosed, in Finanční zpravodaj (Financial newsletter) no. 22/2020, a series of new tax reliefs. A fundamentally new development is the **deferral of tax obligations to those entrepreneurs whose activities have been immediately limited** by government directives. Entrepreneurs whose primary activity falls into one of the fields at which government bans have explicitly been aimed can defer all VAT payments, income tax and road tax until 31. 12. 2020. An important and the sole condition is that they send the Financial Authority notification that they fulfil the conditions of the Minister of Finance's general pardon, even in the form of an e-mail.

#### The following fields are at issue:

- operation of restaurant facilities and bars,
- operation of musical, dance, gaming and other similar social clubs and discos,
- organization of concerts and other musical, theatre, film presentations,
- organization of wedding celebrations, celebration of entries into registered partnerships and wakes,
- organization of circuses and variety shows,



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- organization of amusement fairs and similar traditional events,
- organization of congresses and other educational events,
- organization of trade fairs,
- operation of indoor sports facilities, gyms and fitness centres, swimming pools, wellness facilities,
- operation of zoos,
- operation of museums, galleries, exhibition spaces, castles, chateaus and similar historical or cultural sites, observatories and planetariums.

### **Specifically, therefore, the following entrepreneurs are pardoned from the following by the Minister of Finance's ruling**

1. penalty interest in keeping with Section 252 Tax Code, having arisen for value added tax for the tax periods of September 2020, October 2020 and November 2020 or, as the case may be, for value added tax for the III<sup>rd</sup> Quarter 2020 tax period, if tax to which penalty interest is connected is paid, by the latest on 31. 12. 2020.
2. deposits for road tax for the 2020 tax period in keeping with Section 10 Act No. 16/1993 coll. on road tax, as amended, payable on 15. 4. 2020, 15. 7. 2020, 15. 10. 2020 and 15. 12. 2020,
3. deposits for income tax payable in keeping with Section 38a para. 3 or 4 Act on road tax in the period from 15. 10. 2020 to 15. 12. 2020.

**Another measure is the flat pardoning of VAT for free-of-charge** supply of basic protective mediums for which an obligation arose to declare tax in the period from October to December. This includes especially the following situations:

- free-of-charge delivery of goods (protective aids, testing sets etc.),
- free-of-charge supply of goods for manufacture of disinfectant,
- free-of-charge supply of goods to healthcare workers,
- free-of-charge supply of goods to the integrated emergency services, the army of the CR, for the needs of social services.

We would also like to point out further special measures from previous liberation packages which remain in effect, or which will be extended so as also to cover the current situation:



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1. **Flat pardon of administration fee** for filing a request to the financial or customs authority. This concerns the following situations:

- pardoning of penalty interest,
- pardoning of awaited amount interest,
- pardoning of fines for not filing a control statement,
- return of tax during import and pardon of duty underpaid,
- certificate of solvency.

2. In the event of need, it is of course possible also to utilize the **most common individual instruments** which the tax laws have been preparing for a long time with the **aim of taking into account individual burdensome situations** on the side of tax subjects:

- the possibility to request waiting for tax or spreading the payment thereof in instalments,
- the possibility to request reduction or cancellation of deposits,
- the possibility to request selected deadlines or the return thereof in the previous state,
- the possibility to request individual pardon of penalty interest, penalties and fines for not filing a control statement.



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Kind regards

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