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CZECH REPUBLIC

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Major Changes to the Czech Labor Code from June 2025 What Companies Need to Know

by Dagmar Junková

An amendment to the Czech Labor Code will come into effect on 1 June 2025, introducing several important changes. These updates will affect probation periods, terminations, employment contracts and salary payments. Companies should prepare in advance, as proper timing and updates to contracts can help avoid unnecessary complications.

MORE FLEXIBLE PROBATION PERIODS (from 1 June 2025)

From 1 June 2025, the probation period can be agreed for up to **4 months**, and for **managers**, up to **8 months**.

Importantly, the probation period can be **extended later** — if both the employee and employer agree. However, the total length of the probation period **cannot exceed the maximum limit of 4 months for regular employees or 8 months for managers**.

NO LIMIT ON FIXED-TERM CONTRACTS FOR MATERNITY/PARENTAL LEAVE REPLACEMENTS

Employers will have **more flexibility** when hiring temporary replacements for employees on maternity or parental leave.

In these specific cases, fixed-term contracts can be renewed an unlimited number of times, though the total

duration of the employment relationship must not exceed 9 years.

NOTICE PERIODS NOW START IMMEDIATELY

The notice period by termination will now start on the **day the notice is delivered**, instead of the **first day of the next month**.

What does this mean in practice?

For organizational restructures, you will need to **carefully plan the timing**, as the date of delivery will now **start the clock** on the notice period — and thus determine when the employment officially ends.

Accurate coordination will be crucial when implementing staffing changes.

Also note: for so-called **disciplinary dismissals** (e.g. for serious misconduct), the **notice period will be shortened to 1 month**.

RECOMMENDATION

If your contracts currently state that the notice period is “2 months starting from the 1st day of the following month”, we strongly recommend updating these provisions.

We're happy to assist you with this.

NEW RULES FOR SALARY PAYMENTS

Payroll processes will also be affected:

- The default method will be payment to a **Czech-currency bank account held at a Czech bank**.
- **Cash payments** will only be allowed in exceptional cases — for example, if the employee **does not agree or does not have a bank account**.
- **Salaries in foreign currencies** will be allowed only in specific situations, such as for **foreign employees or work performed abroad**.

WHAT DO WE RECOMMEND?

- Review your employment contracts — especially the clauses related to probation and the notice periods.
- Prepare a strategy for organizational changes — the new rules may affect your scheduling.

Don't wait until June — we can help you review and update your documents.

Feel free to contact us — we will explain everything clearly and efficiently.



For additional
information contact
Dagmar Junková at:
junkova@giese.cz