

## Posting of Workers to EU/EEA/CH Member States for Business Trips – Obligations of Czech Employers

In our experience, there is a common misconception among employers that only long-term business trips are considered to be postings as defined in the posting-of-workers directive. However, even a short-term business trip abroad can be regarded as a posting if services (such as installation, repair, consultancy, etc.) are provided.

In the following article, we are going to summarize the most crucial obligations that employers have towards both their employees and the institutions of individual countries in the case of short-term employee postings.

Firstly, there must always be an employment relationship between the posting employer and the posted worker.

For social security purposes, it is furthermore essential to distinguish between individual postings and concurrently performed activities when posting employees on short-term business trips. This is crucial when applying for the A1 certificate, which serves as confirmation of affiliation to the Czech social security system for employees traveling to other EU countries or to countries with a social security agreement with the Czech Republic.

On each of these postings, the posted employee is entitled to travel allowances. However, these travel allowances are not figured in the so-called minimum wage in other EU member states.

Employees are also entitled to the minimum pay they would receive for the same job in the EU state they are posted to. It is the minimum wage of the EU state in question, and it is always necessary to check whether this wage was received in the Czech Republic. We only compare the pays for the time periods during which the corresponding employer actually worked abroad. Therefore, if a business trip lasted 5 working days, we compare the pays for these 5 days, and as mentioned above, travel allowances cannot be figured in the pay. If the pay received in the Czech Republic is lower than it would be in the other EU state, the difference must be paid to the employee.

It is also essential to determine where income tax from dependent activity will be paid – in short, to which state and according to the regulations of which state the employee's wage tax will be calculated and paid. Generally, tax is paid in the state where the work was performed. However, there are so many other aspects affecting this matter that we recommend an individual assessment of each case (considering tax treaties, determining the tax residency of particular employees, etc.). This assessment should happen before the first pay calculation for the given job to avoid potential wage corrections and often sanctions by the institutions of the respective states.

We would also like to highlight the fact that for repeated business trips that meet the conditions for employee postings, it is necessary to assess whether or not a permanent establishment has been created and thus additional obligations arise in the field of corporate income tax.

Finally, we would like to list the documents that an employee should have on hand for possible inspections:

- European Health Insurance Card
- A1 certificate issued for posting/concurrency of activities/ exception by a District Social Security Administration
- Posting letter or employment contract translated into the language of the country of posting, including all amendments (according to the requirements of the country in question)
- A document confirming the pay amount (if not part of the contract)
- Other documents concerning the record keeping of working hours, breaks, etc. should be available in the workplace or with an authorized person/representative, whose appointment is mandatory in many countries.



Payroll Team  
ASB Group | Czech Republic

Hana Sára Korcová  
Payroll Supervisor

E: [hkorcova@asbgroup.eu](mailto:hkorcova@asbgroup.eu)  
T: +420 224 931 366