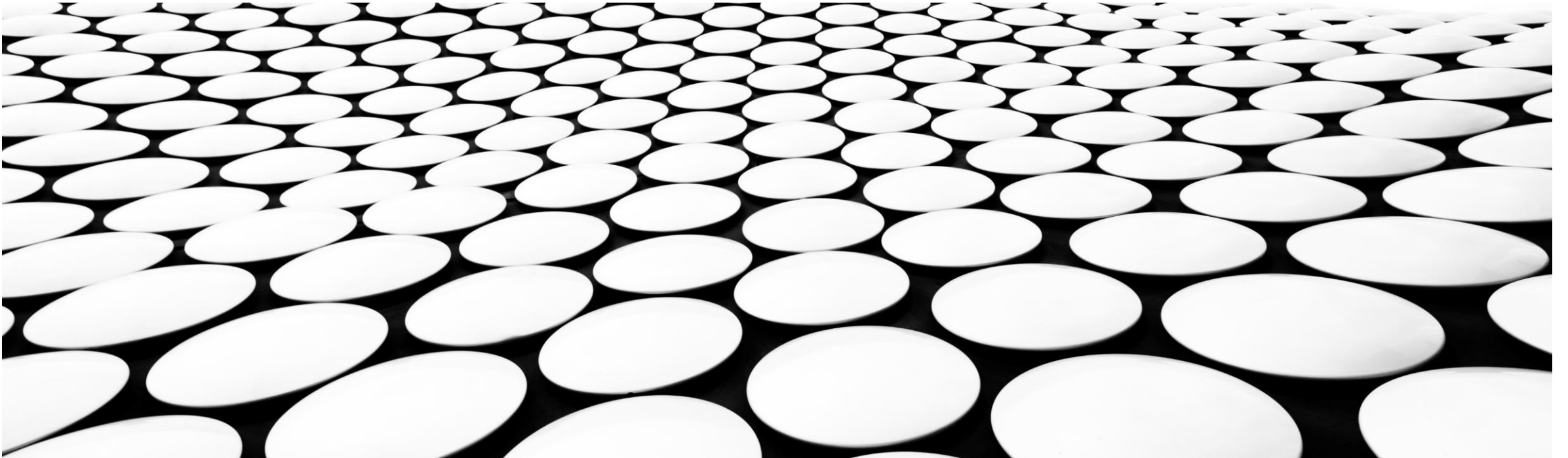

REWARD AND PERFORMANCE MANAGEMENT

SEMINAR 10.4.2024



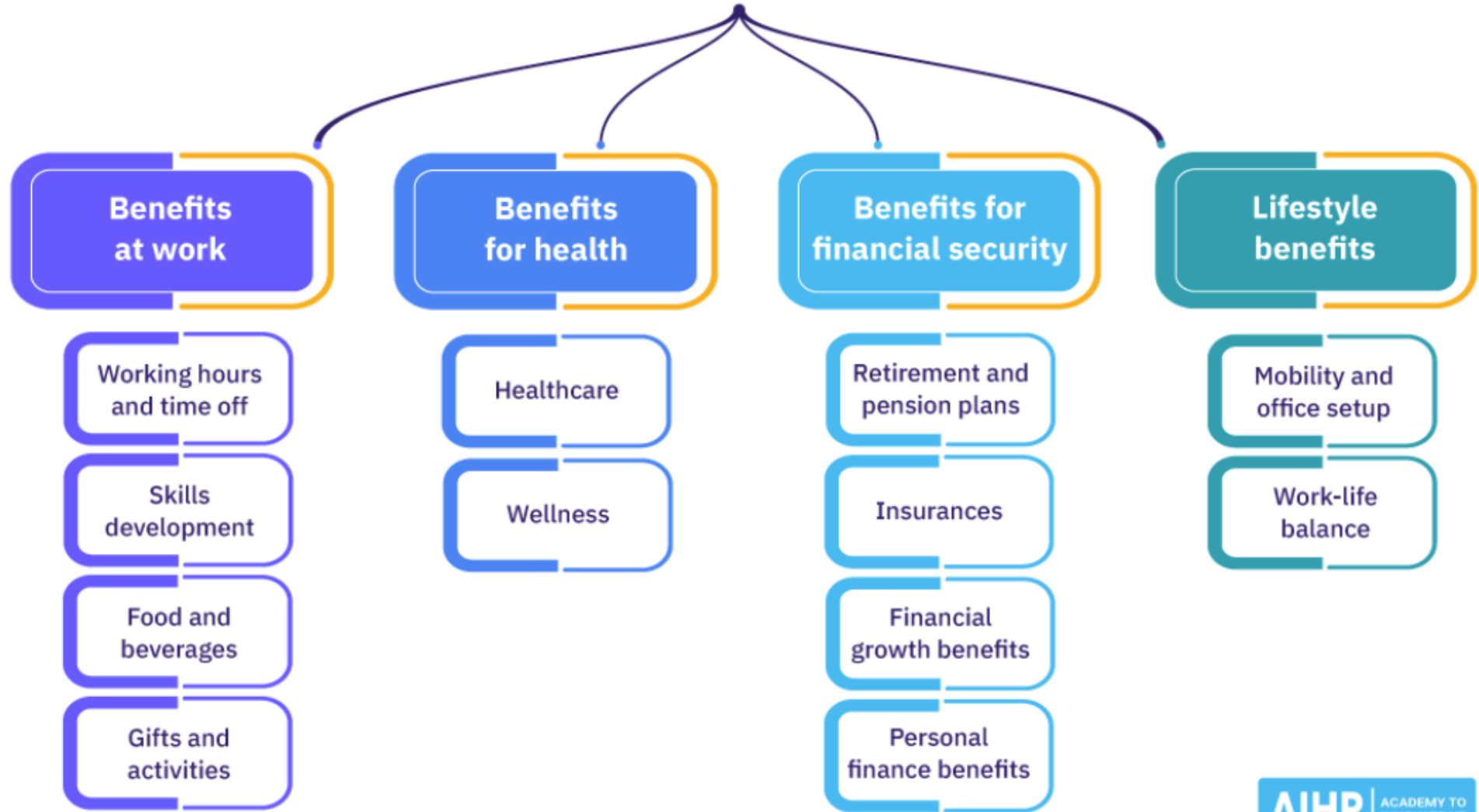


*What type of benefits do you know
(please give 3 examples each)*

slido

BENEFITS

Types of Employee Benefits



Benefits at Work

FLEXIBILITY AT WORK (VIDEO)



<https://www.wsj.com/video/series/wsj-explains/what-the-us-can-learn-from-right-to-unplug-experiments-in-europe/0BD58087-84C3-4B14-827B-79A20DA4C73A>

(6 min.)

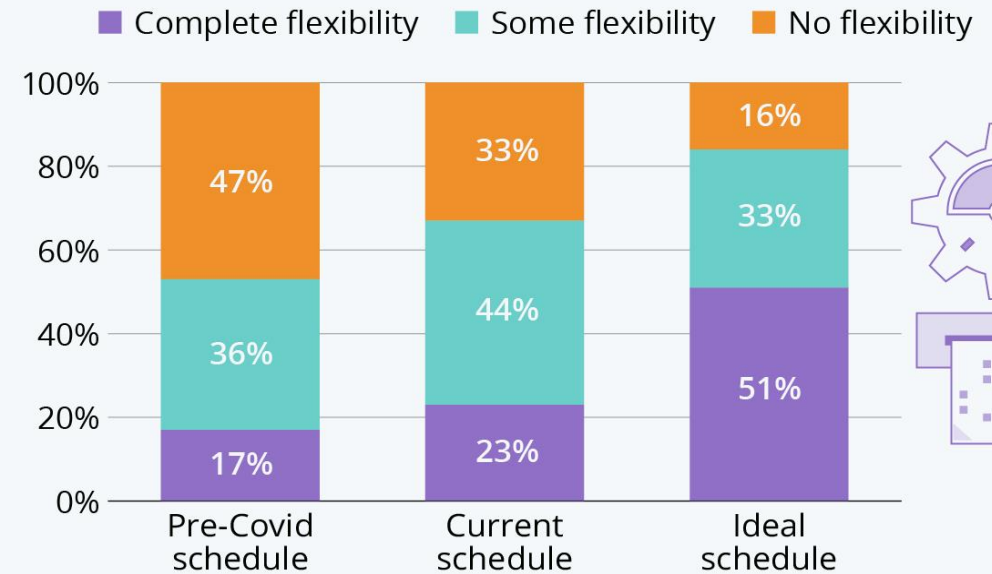
PAID TIME OFF



Do you know, what is the difference between paid time off and vacation days?

Does 9 to 5 Still Work in 2022?

Share of enterprise workers by actual and preferred degree of flexibility with respect to working hours



* Based on a survey of 3,404 enterprise workers from seven countries conducted between April 30 - May 28, 2021

Source: Adobe's "Future of Time" report

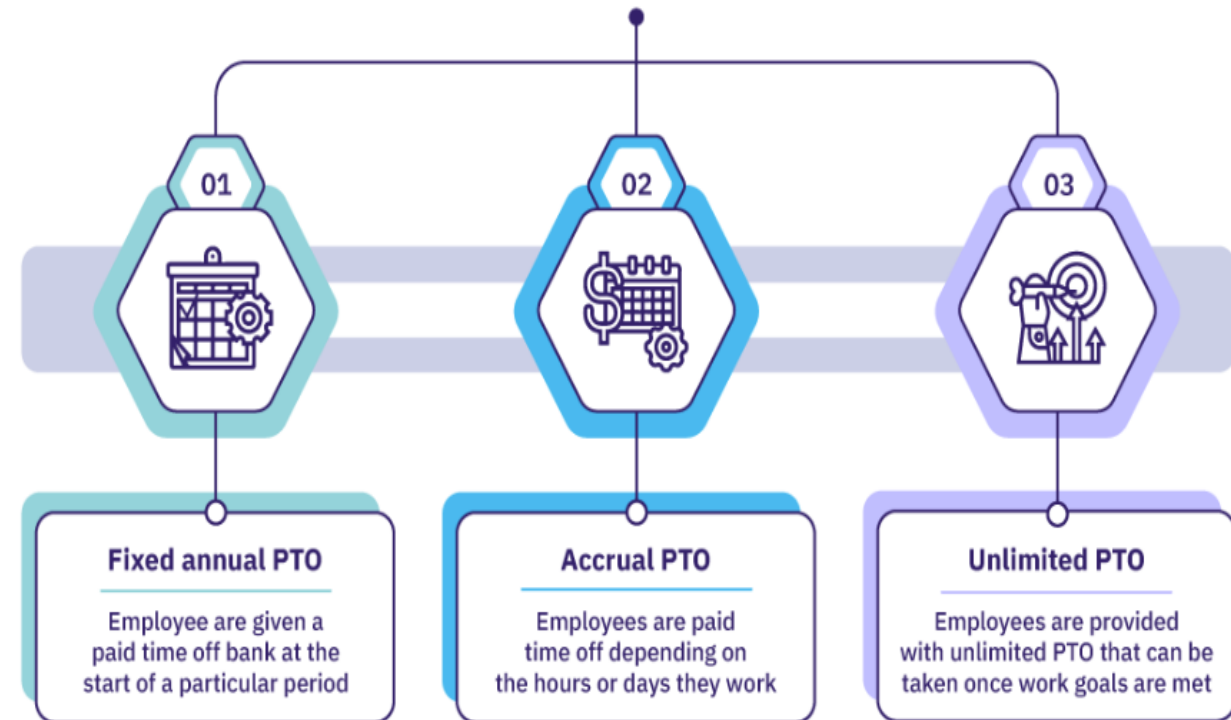


statista

PAID TIME OFF VS. VACATIONS

- Paid time off is the time employees get paid while not at work, which makes it more all-compassing compared to vacations. While all vacation is technically PTO, not all paid time off is vacation.
- With vacation time, an employee receives a specific amount of days off every year solely for vacation. These days may roll over the next year when left unused. However, some companies pay an employee for unused vacation days.
- PTO includes any days that an employee needs or wants to take off. Days such as parental leave, holidays, and sick days may be included – depending on the company’s paid time off policy.

Types of Paid Time Off



LEAVE – TEAM TASK – WORKSHEET (20 MINUTES)



- What type of leave do you know and what is offered in your country? – you can use the Internet sources.
- What are the conditions?
- Give 5 examples and compare conditions. Present briefly.

EXAMPLES

Vacation leave (Annual leave)

Family and medical leave (FMLA)

Parental leave

Sick leave

Unpaid leave (or leave without pay)

Public holidays

Religious observance leave

Sabbatical leave

Bereavement leave

Military leave

Jury duty leave

Time off in lieu (TOIL)

Election day (Voting leave)

Time off for protests

Study leave

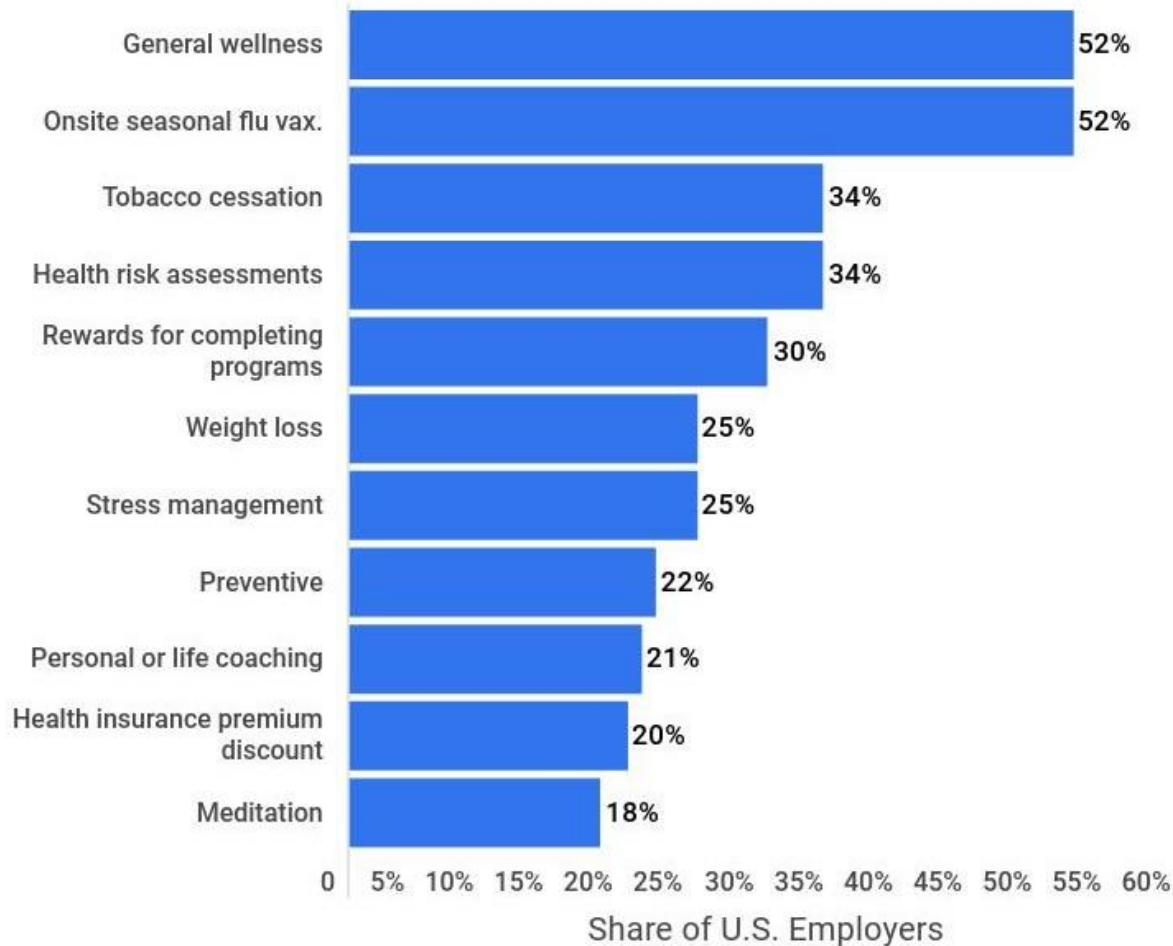
Adverse weather leave

Time off as a gift

Time off in lieu (TOIL) is a practice where employees can take paid time off in compensation for extra hours they have worked beyond their regular working hours instead of receiving overtime pay. The term “in lieu” is French for “instead of”.

52% OF U.S. COMPANIES OFFER A WELLNESS PROGRAM (2022)

PERCENT OF U.S. EMPLOYERS WHO OFFER SELECT WELLNESS PROGRAMS



•**38%** of HR leaders believe their companies support employees' physical wellbeing.

•**17%** of employees say they feel supported by their employer in managing their physical well-being.

•**60%** of CEOs believe their companies are empathetic towards their employees.

•**24%** of employees feel their employers are empathetic towards them.

•**74%** of employees say they would work longer hours if their employer were empathetic.

PILLARS OF WELLNESS



- Which pillars of wellness do you think employees can include in benefits?

1. Mental and emotional (78%) – stress reduction, training to eliminate negative emotions
2. Work environment (70%) – chill-out zones
3. Physical (66%) – physical exercise
4. Financial (56%) – train fiscal habits
5. Social (48%) – team games, community volunteering
6. Nutrition – healthy food
7. Intellectual wellness - Awards for earning continuing education certifications, employee-organized book clubs.

Source: <https://www.aihr.com/blog/wellness-incentives/>

NET WAGE CALCULATION IN THE CZECH REPUBLIC 2024

Basic information:



DO YOU KNOW HOW TO FIND OUT NET INCOME?

- **Income tax rate for individuals** remains at 15% in 2024, while for incomes exceeding 131,901 CZK/month (3 times the average monthly wage), it's set at 23%.
- **Tax base:** Gross income rounded up to the nearest hundred.
- **Tax advance:** Calculate 15% of the gross income, from which tax allowances are deducted.
- **Gross salary = basic monthly salary + allowances + bonuses and compensation**

NEXT STEPS

Employer's contributions: the employer contributes for the employee:

- **24.8%** of the gross salary for **social insurance** (but maximum of 2,110,416 CZK, which is 48 times the average monthly wage; **the average monthly wage** for 2024 is **CZK 43 967**).
- **9%** of the gross salary for **health insurance** (no limitations specified).

Employee deductions - The employee pays from their gross salary:

- **7.1%** for social insurance (**6.5% in 2023**),
- **4.5%** for health insurance.

Tax payer deduction for 2024: 30 840/year - **2570 CZK**

Tax allowances – children: 1 child - 15 204 CZK (**1267 CZK/month**)

STEP BY STEP CALCULATION

1. Calculate the deductions for social and health insurance that the employee pays from their gross salary.

CAUTION: If the employee uses a company car for personal purposes, don't forget to first increase the gross salary by 1% of the car's price (non-monetary benefit) before starting to calculate the employee's deductions.

2. Determine the tax base for calculating the tax advance (differs from gross salary only by rounding up to the nearest hundred).

3. Calculate the tax advance before deducting allowances (15% of the tax base).

4. Calculate the tax advance after deducting allowances.

5. Calculate the amount of social insurance (7.1%) and health insurance (4.5%) paid by the employee.

6. Subtract the tax advance after deducting allowances and further subtract the social and health insurance paid by the employee from the gross salary.

EXAMPLE – PLEASE TRY TO CALCULATE NET WAGE

- **Let's calculate the net monthly salary of this employee considering the following information:**
 - **Gross monthly salary: 25,080 CZK**
 - He has one child
 - Has signed a declaration (meaning they are eligible for tax relief as a taxpayer and can apply all deductions).

Calculator: <https://www.platy.cz/en/calculator>

Video: Czech Republic Tax System - A Brief Overview (4,5 minutes):



https://www.youtube.com/watch?v=ZEP8eMrRj0&ab_channel=iCalculator

EXAMPLE – RESULTS

ATTENTION: Only taxpayers who claim a tax credit for a dependent child can receive a negative tax credit. If this tax benefit is greater than the calculated tax, they will receive an amount equal to the negative value back from the state in the form of a tax bonus paid.

Gross salary: 25 080 CZK

The tax base for calculating the tax advance: 25 100 CZK (gross salary rounded up to the nearest hundred).

Income tax advance before deduction of discounts: $25\ 100 * 15\% = 3\ 765$ CZK

Income tax deposit less allowances: $3\ 765 - 2\ 570$ (taxpayer's allowance) – $1\ 267$ (first child's allowance) = **- 72 CZK (the tax bonus)**

Employee contributions:

social insurance = $25\ 080 * 7.1\% = 1\ 780.68 = 1\ 781$ CZK

health insurance = $25\ 080 * 4.5\% = 1\ 128.6 = 1\ 129$ CZK

Net wage: $25\ 080 + 72 - 1\ 781 - 1\ 129 = 22\ 242$ CZK



THANK YOU FOR YOUR ATTENTION