

Financing adult learning database

Name of the instrument - Local language	Kvalifikační dohoda - uhrazení nákladů
Name of the instrument - English translation	Payback clause
Scheme ID	248
Country	 Czechia
Reporting year	2020
Type of instrument	Payback clause
Sub-type of instrument	Payback clauses are possible within set limits
Type of entry	Single instrument

Short description	Employer and employee may conclude a qualification agreement that includes the employer's commitment to enable and pay for the employee qualification upgrading and the employee's obligation to remain in employment with this employer for an agreed period, though for no longer than 5 years, or to reimburse the employer for the costs of this qualification upgrading. The payback clause can be applied also in case of improvement of qualification when training costs exceed CZK 75 000 (approx. EUR 2 970). Share paid back is reduced according to the duration of employment as a proportion of the total compelled duration of employment. The national courts would become involved in the event of a dispute.
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Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Further instrument
Legal basis	Act 262/2006 (Labour Code)

Objective(s) and target(s)	The Ministry of Labour official commentary to the Labour Code does not give any objectives.
Year of implementation	1965
Operation/management	The payback clause is a piece of legislation setting basic rules for paying back training costs that were related to an employee's qualification in case of early termination of employment. As such, it is theoretically insured by courts, in case of a dispute between employer and employee.
Eligible group(s)	All employers
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	Programmes leading to a formal qualification (formal education) of ISCED 3-8 level) and occupational courses connected to the present economic activity of the participant are eligible.
Source of financing and collection mechanism	Employer funds training, the employee provides (partial) repayment of eligible training costs in case of premature departure from the company.
Financing formula and allocation mechanisms	In the case of improvement of qualification, a payback clause can be arranged when training costs exceed CZ 75 000 (approx. EUR 2 970). Reasons for payback clauses to become effective are the following: voluntary resignation within the binding period, dismissal due to a serious contract breach, failure to complete the training. The length of compelled employment is no longer than 5 years. The maximum share of the valid training costs set to be repaid is 100%. Share paid back is reduced according to the duration of employment as a proportion of the total compelled duration of employment. The period in which employees are obliged to pay back training costs is not specified. Procedures of payback are not regulated.
Eligible costs	The costs of training, which are specified in advance in the contract, are eligible to be paid back.
Volumes of funding	The existence of guidance from young doctor's associations (republished onto unofficial medical faculty websites) advising doctors to avoid signing contracts with payback clauses suggests a fair amount of use and abuse of payback clauses in the medical field. The frequency of use in other fields is unknown.
Beneficiaries/take up	Not available
Organisation responsible for monitoring/evaluation	Not applicable
Monitoring/evaluation reports available	Not available
Most relevant webpage - in English	https://www.legislationline.org/download/id/6742/file/Czech_Republic_La... (Section 234)

Most relevant webpage - local language	Not available
Recent changes	No recent amendment Recent changes in response to COVID-19 No changes
Sources	Act 262/2006 (Labour Code) https://ppropo.mpsv.cz/XI2Odbornyroztvozzamestnancu http://www.mladilekari.cz/2017/nepodepsala-jsem-svedectvi-mlade-lekarky...