

Deductions from wages

Voluntary and involuntary deductions of part of the wages of other subjects.

Deductions set out by law are primarily advances on income tax for physical persons from dependent activities, payments of insurance (social and health). From this it follows that deductions from wages also include these **preferentially made deductions**. After subtracting these deductions the net wage is calculated from the gross income.

The other deductions are then made from the net wage. The law also allows deductions to be made by the employer from wages **without the approval of the employee**. § 147 of the Labour Code gives exhaustive examples of when a deduction can be made:

- an advancement on a wage,
- an un-receipted advance on travel costs and other un-receipted operating advances,
- substitution of wages for holidays

Deductions from wages - employee responsibilities

An employee, on commencing employment with an employer, is required to inform them (at the Personnel and Social Department), that deductions from his wage have been ordered by a court decision and so on. In a case where the deductions were ordered after they became employees of MENDEL, they must announce this fact without delay so that the employer (wages office) can take further steps, that is calculate the deductions from the wage and make them (it is always necessary to take into account priority deductions -more information will be provided to the employees by the Economic Department - [wages office](#)).

Execution deductions

Carrying out a decision - execution is another case where the employer makes deductions **without agreements about deductions from wages**.

Deductions are made by employers in accordance with a decision:

- of courts,
- court bailiffs
- tax authorities (Financial Office),
- administrative execution.

Deductions from wages are also one of the possible methods of carrying out executions or the performance of a court decision.

A court or a court bailiff decides about their imposition, in the case of administrative or tax execution it is the relevant organs.

The employer can only make deductions from wages without agreement only in the above listed cases.

Other deductions can be made only on the basis of written agreements about deductions from wages **or to satisfy the commitments of the employee**.

Making deductions outside of execution (non-execution deductions) and deductions when carrying out a decision (execution deductions) is an indivisible part of the wage administrative work of (every) employer.

An agreement on deductions from wages is entered into by a debtor (employee) and a creditor, who can be either an employer or a third party.

Deductions from wages to the benefit of the employer

Deductions from wages to the benefit of the employer can be, for instance, **deductions for food**, for using employer accommodation, or deductions to compensate for damage caused by the employee.

Deductions to the benefit of third parties

Deductions to the benefit of third parties usually relate to the payment of maintenance. In cases where the creditor is a third party, the agreement of the employer is necessary in order to enter into an agreement on deductions.

Level of deductions

Deductions are made from the net wage and their level varies for normal and priority debts. **Priority debts are, for instance, debts for maintenance, to the state and compensation of damaged caused by deliberate acts of crime.**

First a non-confiscable amount is set, that is 6,428.67 Kč per debtor; for each supported individual - among which are also counted a husband/wife even if they have their own income – 1,607.17 Kč is added to this amount. The total non-confiscable amount is deducted from the net wage, and thus the so called remaining net wage is determined.

If this remainder is less than 9,643 Kč, it is divided in three. If an execution on the debtor is not lead due to priority debts, the deduction is one third and two thirds are left to the debtor. If the debtor is under execution because of priority debts, two thirds are taken from them. A third must be left to the debtor.

If the remainder of the net wage is greater than 9,643 Kč, the amount by which this remainder is greater than the limit is confiscated in its entirety and the third is determined from 9,643 Kč. These have the same designation as in the previous case.

Duty of the employer to provide cooperation

If the employer is delivered a request to provide cooperation, the employer must provide information about the work relationship, level of wage (usually the average net monthly wage from the previous 3 months or half year), the number of supported persons, the level of any other debts and whether they have a higher priority.