

Czechia to ease fines for illegal employment, stricter rules remain for foreigners

Czech workers without contracts will no longer face fines, but foreigners must still comply with work permits or risk penalties under new draft law.

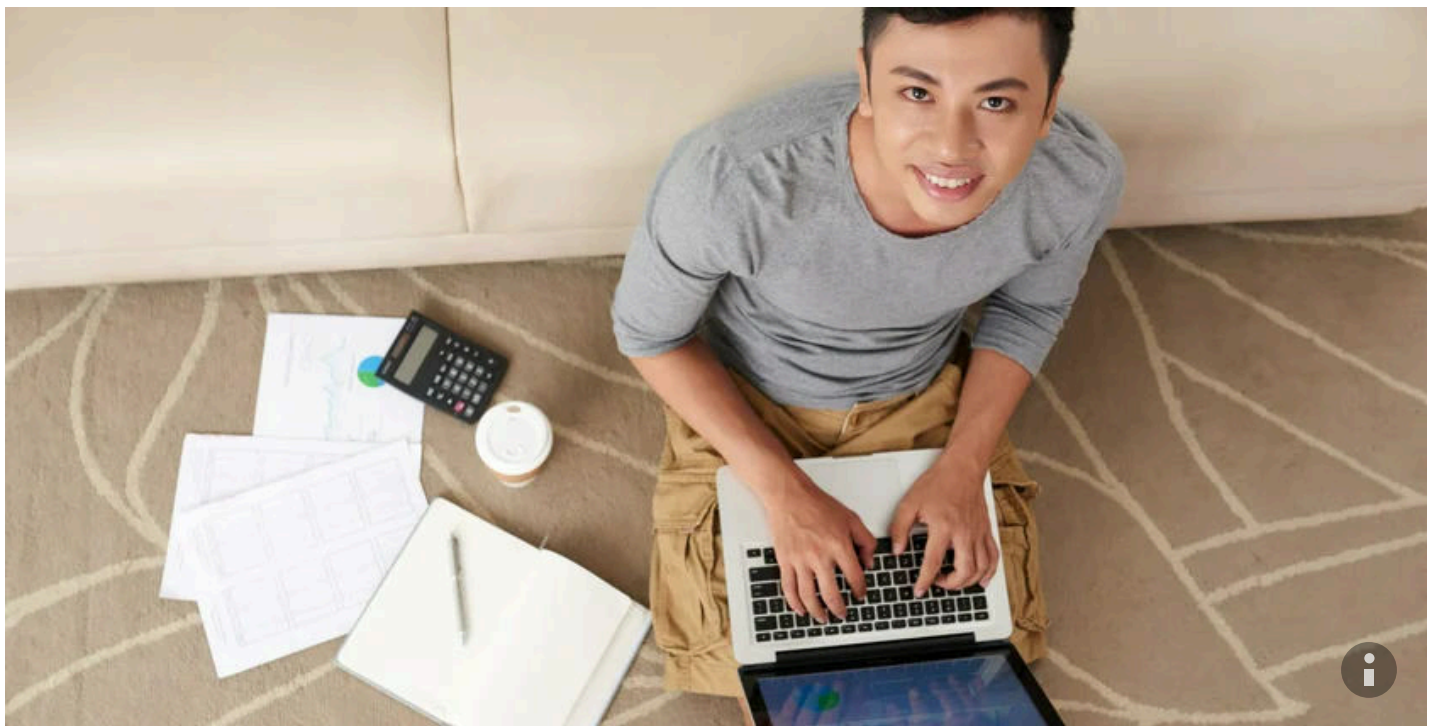


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Notifications



People working in the Czech Republic without a valid contract or through the "švarc" system will no longer face personal fines under a new legislative proposal.

The Ministry of Labor and Social Affairs aims to shift the legal burden onto employers, though the ministry clarified that the definition of "illegal work" will remain stricter for foreign nationals.

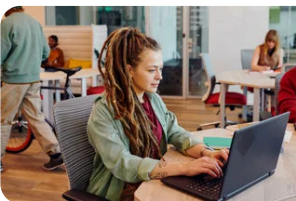
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The draft law on [platform work](#) argues that illegal employment is primarily the fault of companies seeking to save on social and health contributions. Officials noted that workers often accept these conditions due to financial distress, such as debt, making them "easily manipulated."

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"The harmfulness of the actions of a person performing illegal work is very low," the ministry stated. "The bearer of its creation is the employer."

Currently, individuals caught working without a contract face fines of up to 100,000 CZK. However, these are rarely enforced; last year, the labor inspectorate found 2,500 people working illegally but initiated proceedings in only 166 cases. While fines for workers may disappear, those caught will still be removed from Labor Office records and must repay any unemployment benefits received.

What is platform work? Platform work is a type of employment where people provide services or complete tasks through an online platform or app, rather than through a traditional employer-employee relationship. It's often called "gig work" or "digital freelance work." Platform work is usually task based or paid hourly such as tutoring or teaching or creative work.

Stricter rules for foreigners

The proposal introduces a significant distinction in how illegal work is defined. While systematic dependent work without a contract will be downgraded to "undeclared work" for locals, the ministry confirmed that stricter standards will still apply to the international community.



In the context of the new law: platform workers in Czechia who are locals are less likely to face fines for undeclared work, but non-EU nationals still need proper work permits.

"Only the work of a foreigner without an employee card, intra-corporate transferee card, blue card, or without a work permit will continue to be considered illegal work," the ministry specified. Additionally, new sanctions will be introduced for employers who hire foreigners in violation of their specific permit conditions.

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Union backlash

Trade unions have hit back at the proposed leniency. Josef Středula, chairman of the Czech-Moravian Confederation of Trade Unions, called the abolition of fines "complete nonsense," arguing that both parties are

responsible. He warned the changes could lead to "unimaginable consequences" for the state budget.

The definition of "dependent work" is also set to be relaxed, making the švarc system, where freelancers act as de facto employees, harder to prove.

According to Jiří Horecký, president of the Confederation of Employers' and Entrepreneurs' Unions, the focus will move toward the organization and timing of work rather than just benefits.

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The changes still require approval from the government and parliament but could come into effect later this year.