

Minimum Wage & Collective Bargaining in Czechia 2025

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Czechia

Statutory Minimum Wage ✓

• Monthly Min. Wage 828.00€

• Hourly Min. Wage 4.95€

42.00%

• MW as % of Median Wage

39.00%

• MW as % of Gross Average Wage

• Gender pay gap 18.00%

35.00%

• Collective bargaining coverage

• Process of transposition:
Transposed

↔ Compare with other countries



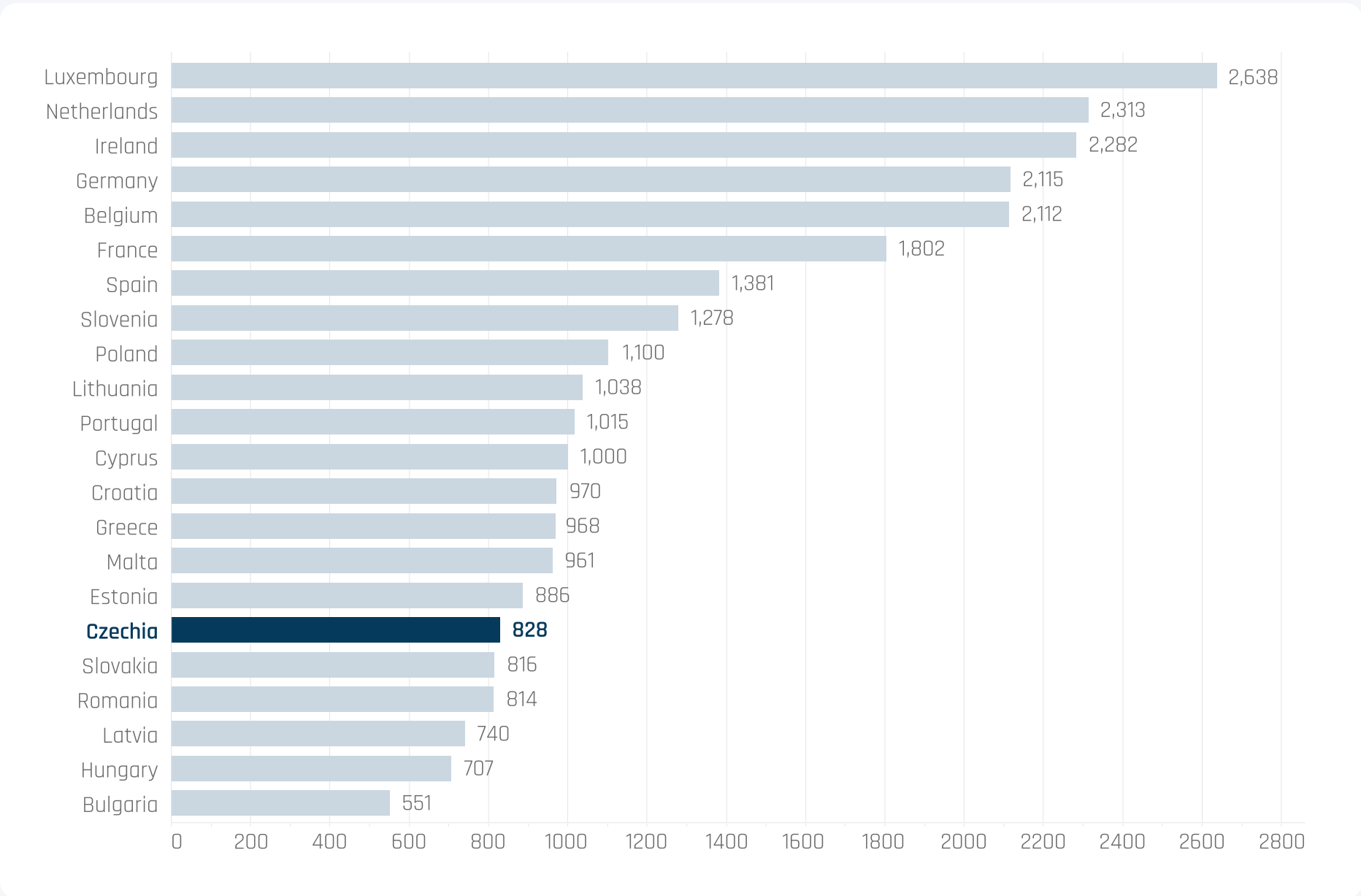
Minimum wage system in Czechia

Czechia introduced the minimum wage as early as 1970 when it ratified ILO Convention No. 131 on minimum wages. During the period of post-socialist restructuring during the 1990s, the Czechoslovak government specified the minimum wage level for all workers in the country (Government Order No. 99/1991 coll.). Exceptions for younger workers and the disabled permitted pay below the statutory minimum. In 2006, the following exceptions applied with regard to lower minimum wage rates: 90 per cent of the statutory minimum for young workers between 18 and 21 years of age; 80 per cent for persons younger than 18 years of age; 75 per cent for partially disabled workers; and 50 per cent for fully disabled workers. These exceptions were cancelled in 2016 after pressure from NGOs representing disabled people. They argued that lower than minimum wages for these workers are against the Czech constitution.

A Government Order in 2006 (Order No. 567/2006 coll.) introduced minimum guaranteed wages (or wage floors), specifying the minimum wage for eight different categories of workers based on the difficulty and complexity of the job. The first level was the statutory minimum and the highest maximum was double that amount. These guaranteed minimums were important for some professions, such as cashiers, who were entitled to 1.3 times the statutory minimum. It also helped partially to moderate inequalities while recognising the difficulty of different kinds of work (see Table 1). In 2024 this regulation was cancelled for the private sector and reduced to four categories in the public sector, along with changes in the automatic mechanism of statutory minimum wage increases. In practice, this abolition of guaranteed wages might not affect wage levels immediately, but will reduce the possibilities for moderating wage inequalities for trade unions in the future and is expected to complicate remuneration practices in sectors such as retail and transport.

Additionally, companies might still maintain wage levels in their internal remuneration mechanisms or based on collective agreements. Thus, employees not covered by a collective agreement, which is the majority of workers, are potentially exposed to the highest risk of relative wage reductions and increase in wage inequalities within the company.

Monthly Minimum Wage (€) per Country



| | | |
|---|---|--|
| <div>Statutory Minimum Wage</div> <div>Yes</div> | <div>Wage inequality (inter-decile Ratio P90/P10)</div> <div>4.80</div> | <div>Gender Pay Gap</div> <div>18.00%</div> |
| <div>Hourly Minimum Wage</div> <div>4.95€/hour</div> | <div>Nominal Growth rate of Wages</div> <div>10.00%</div> | <div>In-work poverty rate</div> <div>3.60%</div> |
| <div>Monthly Minimum Wage</div> <div>828.00€/ month</div> | <div>Real Growth rate of wages</div> <div>7.20%</div> | <div>% of workers covered by minimum wage</div> <div>3.10%</div> |



Minimum wage system in Czechia

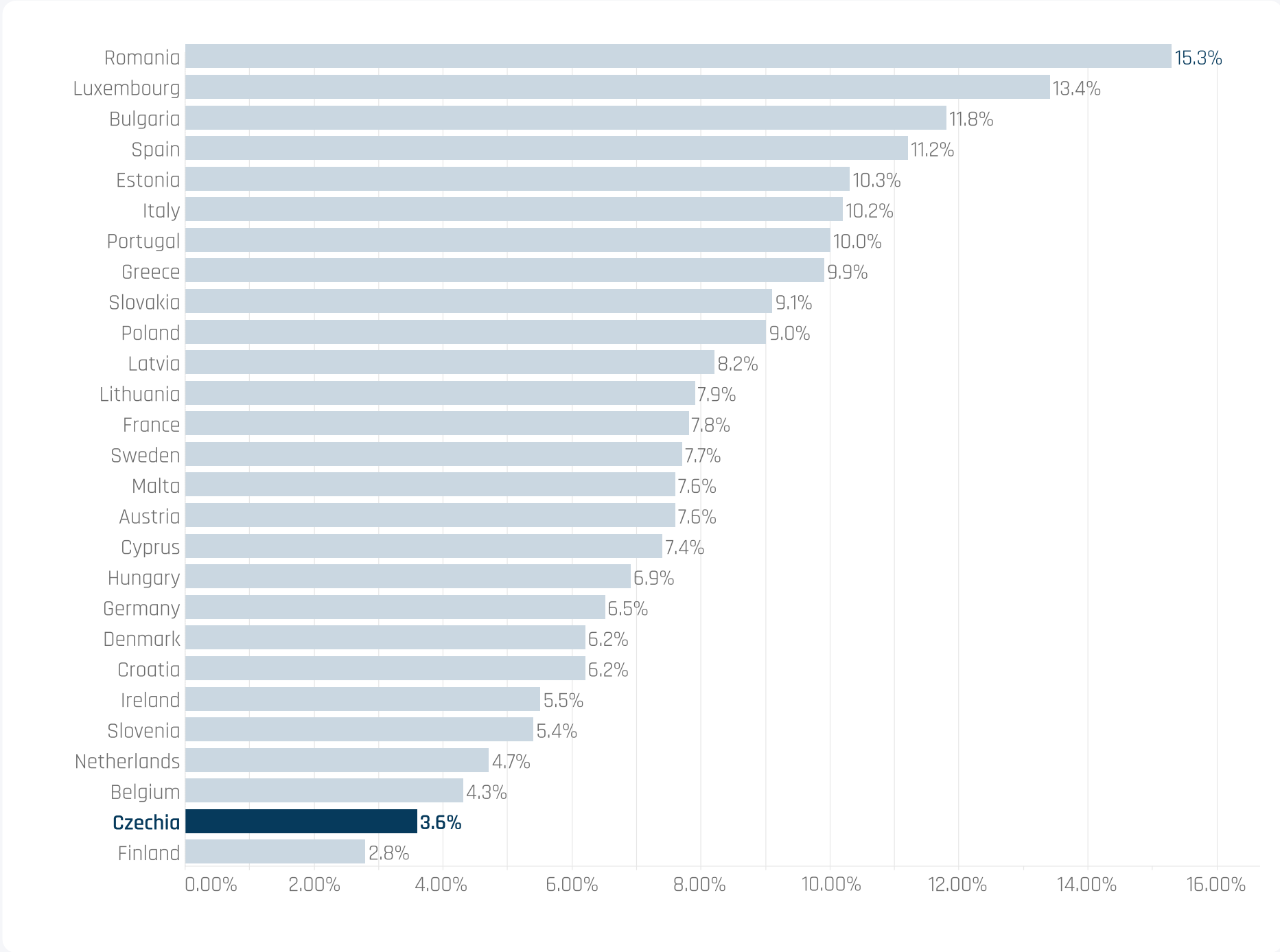
In 2024, as a result of the implementation of the EU Directive on Adequate Minimum Wages, the government introduced the automatic adjustment mechanism for 2025 and 2026 through an amendment to the Labour Code and the introduction of new [Government Order No. 285/2024 Coll.](#) The basis for statutory minimum wage setting is the forecast of the average wage in the economy for the following year and coefficients set for the minimum wage.

For 2025 the minimum wage was set at 42.2 per cent and for 2026 at 43.4 per cent. In subsequent years the intention is to reach 47 per cent, but this has not yet been enshrined in the legislation. The explanation of the mechanism is [available here](#); see also an English translation in the annex. The Czech trade unions submitted a [complaint](#) against this way of implementing the Directive to the European Commission in September 2024. Moreover, this reform effectively means that changes in the statutory minimum wage are no longer the subject of tripartite negotiations, only the coefficient of the average wage can be negotiated, but there is no obligation for the government to do so.

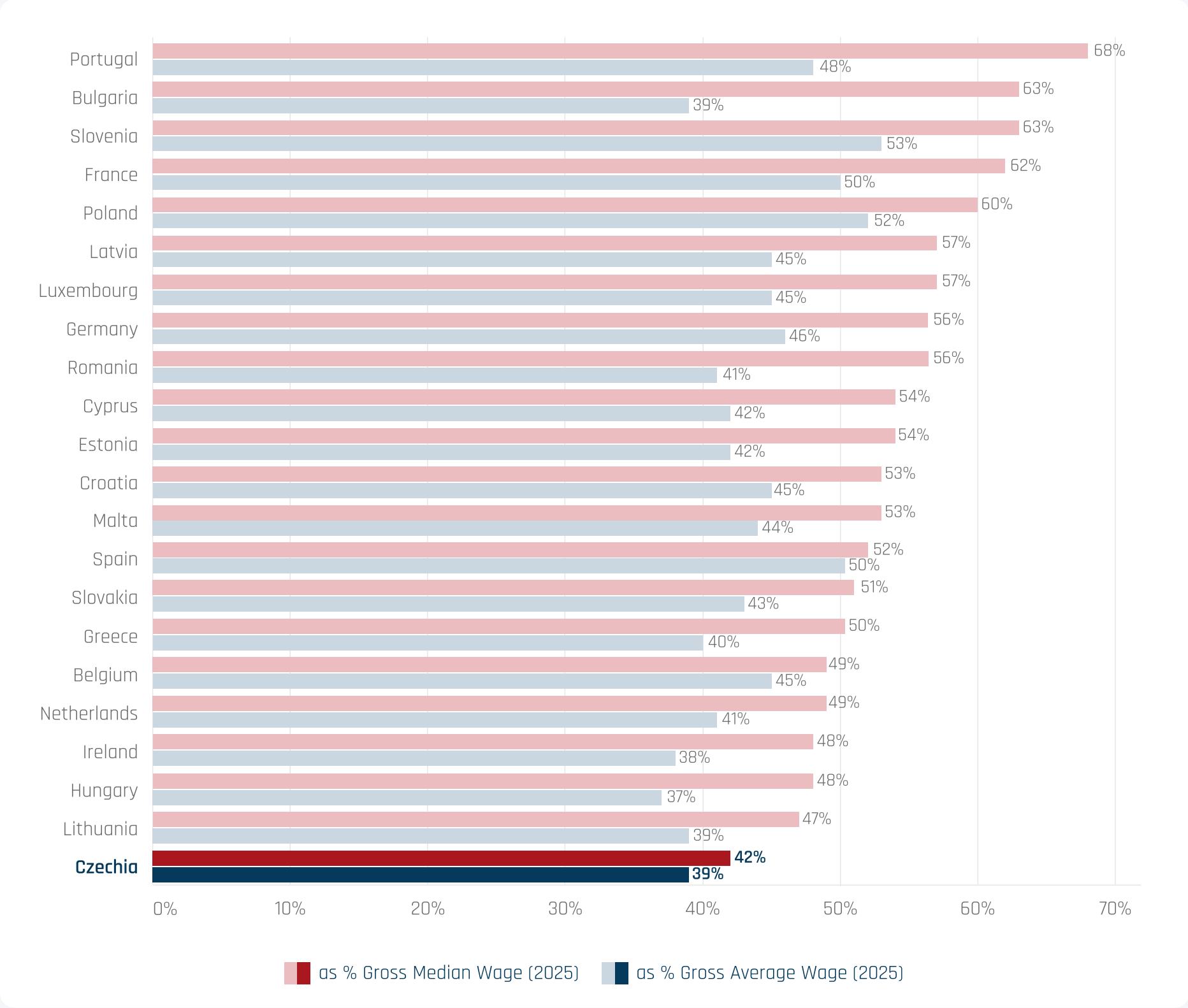
Since the 1990s, minimum wage increases have been the subject of negotiations between trade unions and employers at the tripartite level, though the final decision has always rested with the government. As a result, minimum wage adjustments have been highly politicised; the centreright government froze wages between 2007 and 2013.

From 2014 onward, however, the minimum wage was increased annually. In 2024, a new adjustment mechanism was introduced, allowing for negotiations on the adjustment coefficient, but still the final decision remains in the hands of the government.

In-work poverty rate (%) per Country



Minimum Wage as % of Gross Median and Gross Average Wage per Country





Collective Bargaining system in Czechia

The legal base for collective bargaining was established as one of the first legal acts in the democratic Czechoslovakia. In 1990, a Collective Bargaining Act (Zákon o kolektivním vyjednávání) and a Tripartite Consultations Act (Zákon o třístranných konzultacích) were adopted, creating a framework for social dialogue in the former Czechoslovakia, which was later adopted by Czechia and by Slovakia. According to the Collective Bargaining Act, there are two levels of collective bargaining, at the company/establishment level and higher-level bargaining, serving as sectoral bargaining. At the national level, there is a tripartite body, albeit with only a consultation and advisory role in relation to government decision-making.

The non-derogation principle is strictly applied across all levels, thus legislation fixes the legal minimum, while higher-level bargaining can improve on the legislation and company-level bargaining can improve on both (if there is no higher-level collective agreement). The strict application of the non-derogation principle and the absence of sectoral bargaining highlight the importance of company bargaining in improving working conditions. Nevertheless, this leads to decentralisation, and a lack of coordination at the higher levels. At the same time, in the noncovered workplaces, which are the majority, the guiding principle remains labour legislation.

Collective bargaining coverage is 34.7 per cent based on the [OECD dataset](#) (data for 2019) and 33 per cent based on the annual survey of the Czech-Moravian Confederation of Trade Unions (Českomoravská konfederace odborových svazů, ČMKOS) in 2023. [There were 24 sectoral collective agreements in 2023, 17 of which were concluded by the biggest TU confederation ČMKOS](#), and one sectoral agreement was concluded by the members of the second largest peaklevel trade union organisation, the Association of Independent Trade Unions (Asociace samostatných odborů České republiky, ASO ČR). The remaining six were concluded by independent trade unions.

[At the company level, 3,524 company-level agreements were concluded in 2023](#), covering 1,381,000 employees in 4,168 companies. The number of companies in which trade unions operate remains stable, with 4,202 companies.

Current trade union membership is 11.4 per cent, falling only moderately since 2015 (11.9 per cent). The low figure can be associated with lack of awareness of the benefits of social dialogue, unsettled trade union organising practices, but also a high-share of unstable and precarious work contracts and an increasing share of migrant workers, who are difficult to organise.

There is a universal right to be a trade union member, but there are limitations regarding strike action. This concerns specific occupations such as health care and social care if a strike would endanger people’s life or health, employees operating nuclear power plants, judges, prosecutors, members of the armed forces and armed corps, and employees involved in air traffic control and safety (Act on Collective Bargaining no 2/1991 Coll.). In general, to launch a legal strike is procedurally complicated which further [limits strike activity significantly](#)

Company-level collective agreements apply to all workers. Trade unions therefore often mention the free-rider problem, that the erga omnes principle discourages higher rates of trade union membership at the company level. This usually oscillates between 10 and 30 per cent of the company workforce. At the sectoral level, the extension of collective agreements is possible if both parties submit the request to the Ministry of Labour and Social Affairs (Act on Collective Bargaining n. 2/1991 Coll, § 7 par. 1). [There are currently four extended collective agreements](#). The validity of the collective agreement must be always defined; if it expires, an agreement is no longer valid.

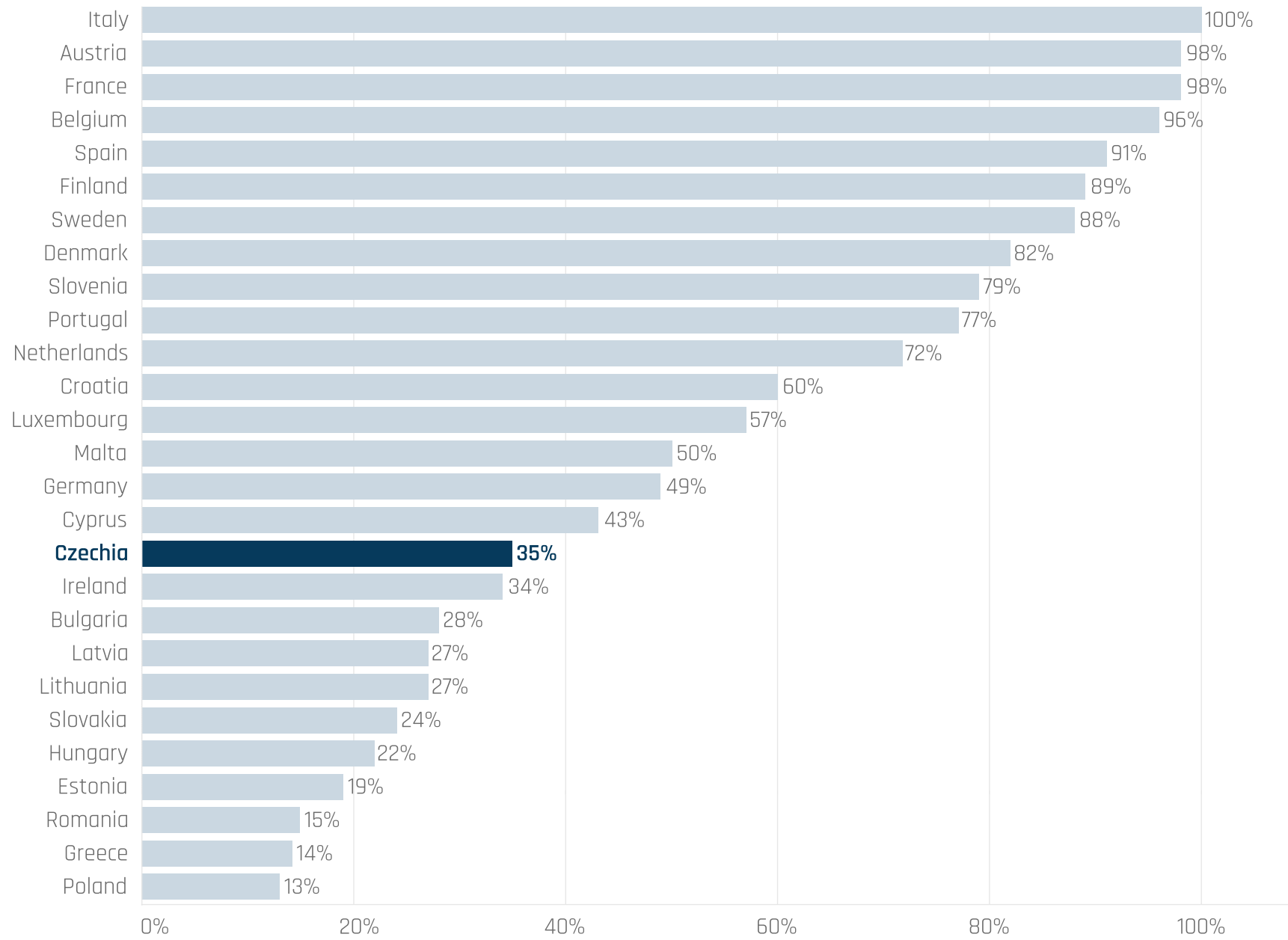
Collective Bargaining Coverage
35.00%

Trade Union Density
11.40%

Extension Mechanism
Rare extension

Valididy of Collective Agreements after expirations?
No

Collective Bargaining Coverage per Country (%)





Collective Bargaining system in Czechia

Company-level organisations established at workplaces are the basic trade union units, which are also allowed to lead collective bargaining. Only three members are necessary to form a trade union organisation and even this organisation can initiate collective bargaining at the company level and the employer is obliged to engage in collective bargaining (but not necessarily to conclude an agreement). The low thresholds encourage trade union establishment, but undermine the representativeness criteria at company level. Moreover, with such a low threshold, it is easy to establish several trade union organisations. Trade union representatives are protected from dismissal and have a right to access the workplace if they are employees of the company. For other trade union representatives, access is not granted and requires employer approval.

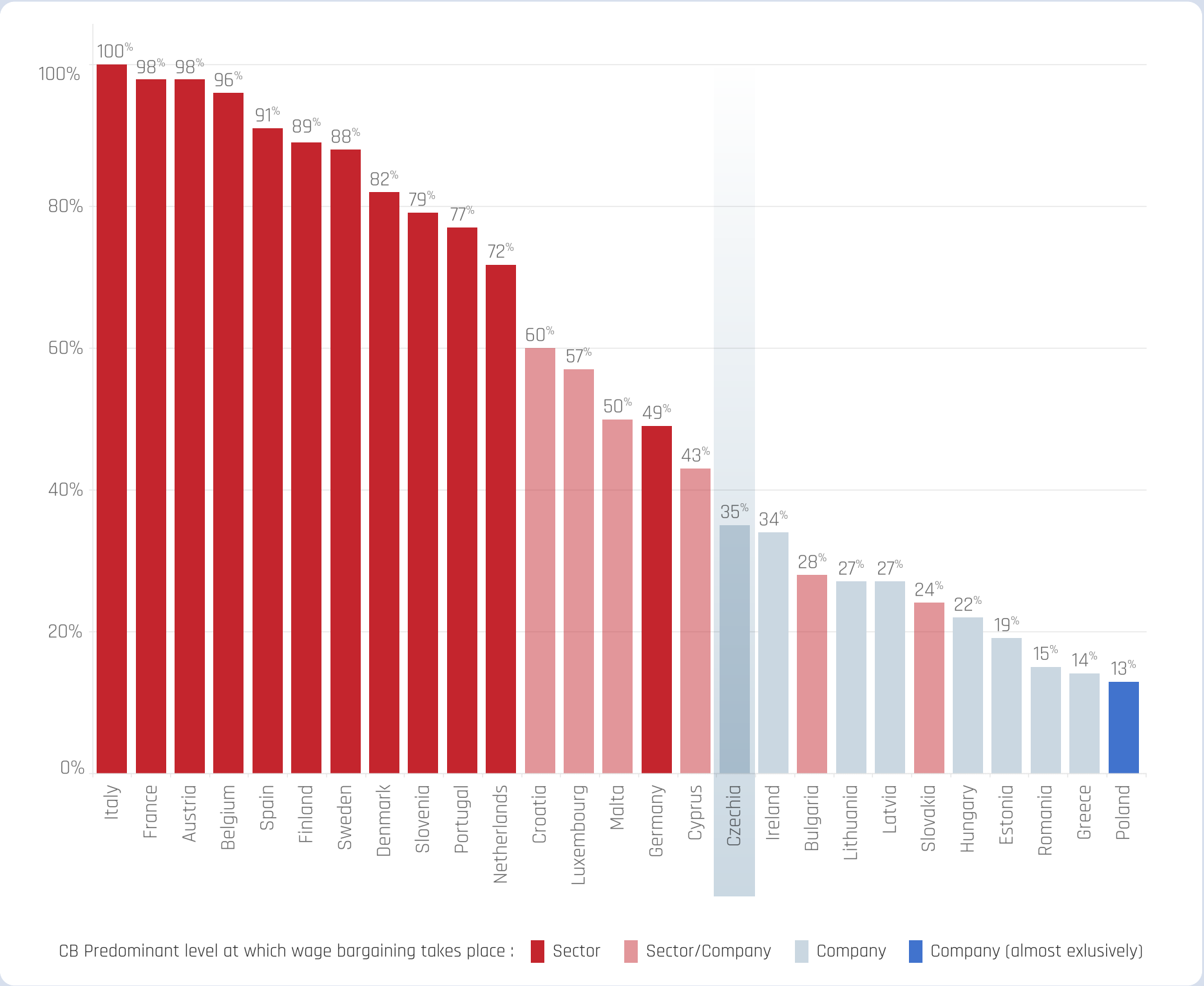
Legislation has established new rules on the right to collective bargaining from 2025 in the case of multiple organisations at the workplace. While previously in the case of multiple organisations at the workplace they had to act unanimously, from 2025 the biggest trade union organisation is allowed to conclude the collective agreement . The measure entered the legislation as a part of the transposition of the European Minimum Wage Directive in 2024 and is aimed at improving collective bargaining coverage in the coming years.

In practice, 76 per cent of all workplaces report at least one trade union organisation, and there are two organisations at 11.6 per cent of them, a slight increase since 2021 when it was 10 per cent. Moreover, almost 5 per cent of workplaces have three trade union organisations, and 1.7 per cent have four. There are five trade union organisations at 5.5 per cent of companies, mainly big employers with several branches ([Trexima 2023](#)).

Current challenges for collective bargaining

- New technologies and decarbonisation and a right to reskilling, which at present is very rarely applied and specified in collective agreements.
- The diminishing real-life impact of sectoral bargaining, as at this level usually only very general provisions are agreed and company-level bargaining sets the actual working conditions.
- Employers avoiding collective bargaining.
- Low trade union membership and missing union organising practices.

CB Predominant level at which wage bargaining takes place per Country





Transposition of the European Directive on Adequate Minimum Wages in the EU

As a consequence of the implementation of the Directive there were important legal changes in the area of minimum wage setting and collective bargaining. As regards minimum wage setting key changes included (i) the introduction of a new mechanism of minimum wage setting based on coefficients with reference to the average gross wage and (ii) abolition of the previous system of guaranteed wages (see above for more details). As regards collective bargaining key changes include (a) new rules for company-level bargaining in the case of multiple trade union organisations, allowing the largest union in the company to conclude an agreement replacing the previous requirement that all unions act unanimously; (b) facilitating the extension of sectoral agreements that can now also be extended to companies with more than 10 employees, while previously it was only possible to extend an agreement to companies with a minimum of 20 employees.

This should increase the coverage rates in sectors with many small companies, such as transportation or construction if the higher-level collective agreement is concluded and extended.

Preparation and implementation of the action plan to promote collective bargaining, which according to the Directive is required in all EU Member States with collective bargaining coverage below 80 per cent, is foreseen for the second half of 2025.



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WAGE-UP is the ETUC Monitoring Tool presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

www.wage-up.etuc.org/



[See All Countries](#)