

LEGAL UPDATE

Children's Sporting Activity Allowance

effective from 1 January 2025

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On 27 November 2024, an [amendment to the Labour Code](#) was published in the Collection of Laws. This amendment introduces changes to the Children's Sporting Activity Allowance, which, until now, was an optional instrument. Starting from 1 January 2025, the allowance will become a mandatory benefit to be provided by some employers, subject to meeting specific statutory conditions.

Employers with more than 49 employees will be required to provide an allowance for their employees' children's sporting activities, provided that additional statutory conditions are met.

Eligibility Criteria

Employees may claim the allowance if they meet the following requirements:

- **Minimum Employment Duration:** Employees must have at least 24 months of continuous employment with the employer.
- **Submission of Application:** The allowance is not granted automatically; employees must submit an application.
- **Submission of Relevant Supporting Documents:** Employees must provide supporting documents to verify their eligible expenses.
- **Child's Age Limit:** The child must be under 18 years of age.
- **Eligible Sports Entity:** The sports activity must be organized by a registered entity listed in the [Register of Legal Entities in Sports](#).
- **Minimum Participation Period:** The child must have participated in the sports activity for a minimum of six months.

Allowance Details

The allowance remains capped at 55% of eligible expenses incurred by the employee, up to a maximum of EUR 275 per calendar year, regardless of the number of children. An employee may only apply for a Children's Sports Activity Allowance from one employer per calendar year.

TO DO LIST FOR EMPLOYERS:

- **Assess Applicability:** Employers should evaluate whether they meet the thresholds and other conditions established by the amendment, such as the number of employees and employee eligibility requirements.
- **Review Internal Policies and Systems:** Employers may need to revise internal policies and update payroll systems to accommodate this new benefit.
- **Reshaping the structure of existing benefits:** As a result of this mandatory contribution for eligible employers, they may wish to reassess their existing benefits or adjust the overall benefits structure. This may include eliminating benefits that serve the same or a similar purpose. For example, the provision of this benefit could potentially be reflected in scraping or adjustment of other voluntary benefits already offered by the employer.
- **Consider Financial Implications:** Employers should account for the potential financial and tax-related impacts of providing this allowance.

12 December 2024. This legal update is intended for informational purposes only and does not constitute comprehensive guidance. It should not be regarded as legal advice. For further details or specific advice regarding the recent amendment to the Labour Code, please feel free to reach out to our experts:

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