

N = 128

A company car is a mark of status in the Czech Republic and is given for employees' business and for personal use. Status and seniority are the major criteria considered for top executives. For professional and para-professional employees, company cars are provided mainly on business need. After 150,000 km or after four years of use, the car is typically replaced. Employers bear 100% costs of maintenance, tax and insurance.

Prevalence of car benefit, 2009

Percentage of companies that provide company cars:		97%					
	Head of organisation	Executive	Management	Professional		Para-professional	
				Sales	Non-sales	White collar	Blue collar
Company car eligibility	100%	98%	91%	97%	41%	11%	14%
Type of car benefit scheme that companies operate:							
Company car only	100%	98%	91%	97%	41%	11%	14%
Choice of car or cash allowance	27%	23%	23%	–	–	–	–
Percentage of companies that provide company cars:							
Business & personal use	97%	96%	92%	92%	83%	89%	33%
Business use only	3%	4%	8%	8%	17%	11%	67%
Percentage of companies that use criteria to determine the provision of a company car:							
Status/seniority	95%	91%	63%	13%	17%	20%	–
Business need	28%	34%	63%	95%	90%	80%	100%
Other	–	–	1%	–	–	–	–

Nature of car benefit, 2009

	Head of organisation	Executive	Management	Professional		Para-professional	
				Sales	Non-sales	White collar	Blue collar
(Numbers are median values)							
Typical make and model	Audi A6, Skoda Superb, VW Passat	Audi A4, Skoda Octavia, VW Passat	Ford Mondeo, Skoda Octavia, VW Passat	Opel Astra, Skoda Fabia, Skoda Octavia	Ford Focus, Skoda Fabia, Skoda Octavia	Skoda Octavia	Skoda Fabia

Nature of car benefit, 2009, continued

	Head of organisation	Executive	Management	Professional		Para-professional	
				Sales	Non-sales	White collar	Blue collar
(Numbers are median values)							
Annual car allowance							
In CZK	237,500	225,000	175,000	107,000	–	–	–
In USD	13,617	12,900	10,033	5,163	–	–	–
Km until replacement	150,000	150,000	150,000	100,000	150,000	150,000	145,000
Years until replacement	4	4	4	4	4	4	4
Purchase price*							
In CZK	950,000	900,000	700,000	450,000	–	–	–
In USD	54,466	51,599	40,133	24,653	–	–	–

*The typical purchase price includes value-added tax (VAT). **Excl. Exchange rate** as of 6 November 2009.

Additional benefits, 2009

	Head of organisation	Executive	Management	Professional		Para-professional	
				Sales	Non-sales	White collar	Blue collar
Percentage of companies that provide fuel							
All purposes	25%	28%	30%	22%	18%	33%	–
Business only	40%	53%	52%	58%	61%	45%	100%
Business + some personal use	17%	19%	18%	20%	21%	22%	–
Percentage of companies that cover							
Maintenance	100%	100%	100%	100%	100%	100%	100%
Tax	100%	100%	100%	100%	100%	100%	100%
Insurance	100%	100%	100%	100%	100%	100%	100%
Reimbursement/km (median values)							
In CZK	3.90	3.90	3.90	3.90	3.90	3.90	3.90
In USD	0.22	0.22	0.22	0.22	0.22	0.22	0.22

Note: **Exchange rate** as of 6 November 2009.

Percentage of companies that let employees buy their cars at the end of the replacement period:

55%

Percentage of companies that let employees get a cash allowance instead of a company car:

23%

Tax information

Where a company car is provided to an employee for business and personal use, this is taxable for the employee as a benefit in kind. The value for tax purposes is 1% of the purchase price of the vehicle (including VAT) in each month when the car was available to the employee.

Employees do not need to pay social security contributions on a company car used for personal use.

Additional information

Being granted an attractive company car is a sure sign of having achieved a certain economic status. The full-service convenience of leased cars is a sign of that status. A car allowance, no matter how attractive, is not considered as important a status symbol as a company car.

Sample

N = 118

Ninety-six percent of participating companies provide company cars to employees for business and personal use. The typical replacement period is three to four years. One-fourth of the surveyed companies let employees buy their cars after the replacement period.

Prevalence of car benefit, 2009

Percentage of companies that provide company cars:								96%
	Head of organisation	Executive	Management	Professional		Para-professional		
				Sales	Non-sales	White collar	Blue collar	
Company car eligibility	97%	97%	96%	84%	25%	7%	6%	
Percentage of companies that provide company cars for:								
Business & personal use	96%	-	-	83%	87%	100%	-	
Business use only	4%	3%	2%	17%	13%	-	-	
Percentage of companies that use criteria to determine the provision of a company car:								
Status/seniority	8%	-	77%	20%	29%	50%	-	
Business need	-	26%	36%	93%	71%	50%	-	
Other	4%	5%	4%	-	12%	-	-	

Nature of car benefit, 2009

	Head of organisation	Executive	Management	Professional		Para-professional	
				Sales	Non-sales	White collar	Blue collar
Typical make and model	Audi A6, BMW, Volvo	Audi A4, BMW, Volvo S60	Audi A4, Ford Mondeo, VW Passat	Ford Mondeo, VW Passat	Ford Mondeo, Volvo	-	-

	Head of organisation	Executive	Management	Professional		Para-professional	
				Sales	Non-sales	White collar	Blue collar
(Numbers are median values)							
Annual car allowance							
In DKK	168,000	120,000	106,500	300,000	-	-	-
In USD	33,414	23,867	21,182	59,667	-	-	-
Km until replacement							
	127,500	120,000	120,000	120,000	150,000	-	-
Years until replacement							
	3-4	3-4	3-4	3-4	3-4	-	-

Note: [Exchange rate](#) as of 6 November 2009.