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They Own a Company but Say They Earn Little. What Does a Czech Court Actually Look At When Setting Child Support?

> *The other parent runs a limited liability company and pays themselves the minimum. Where to find their real income, what to read in the accounts and what the court works from.*

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The company has new cars, an office in the city centre and orders booked a year ahead. Its owner pays himself the minimum wage and tells the court he cannot afford more than a few thousand crowns a month. I see this situation in child support cases more and more often, because running a business through a limited liability company (in Czech, *s.r.o.*, broadly the equivalent of a private limited company) is commonplace, and the line between "the company" and "me" can be drawn on paper almost anywhere one likes.

In short: the court must not stop at the payslip. It has to establish how much the parent actually draws from the company and could draw from it, and you can give it the figures from the financial statements.

I have written about what courts generally do when a parent claims to have nothing in the article Child support when the other parent claims to have nothing. There you will also find the flat-rate expenses of the self-employed and the presumption of income for a parent who documents nothing. This article is about a parent who owns or runs a company.

Where income disappears inside a company

Money from a company does not have to reach the parent as a salary. In practice, the same arrangements keep coming up:

- a low salary as managing director (*jednatel*), or no remuneration at all,
- profit that stays in the company and builds up year after year,
- a share of profits paid out only now and then, typically in a year when no dispute is under way,
- a company car, phone, flat, travel and purchases paid for by the company,
- loans from the company to the shareholder that are never repaid,
- payments to a partner, a parent or another company,
- a switch from business to employment shortly before the dispute.

None of this is unlawful in itself. The remuneration of the managing director of an s.r.o. is agreed in a service agreement approved by the general meeting; if the agreement says nothing about remuneration, the office is unpaid by law (Section 59 of the Czech Business Corporations Act). Zero remuneration can therefore be perfectly legal. For child support, though, the question that matters is a different one: what the parent actually lives on and how much they could take out of the company.

The company is not the parent. The court still cannot ignore it

A company is a separate legal person and its assets do not belong to the shareholder. So the court cannot simply add the parent's salary and the company's profit together. Nor can it stop at the payslip.

The Constitutional Court said so clearly in its finding (*nález*, a ruling on the merits of a constitutional complaint) file no. IV. ÚS 2492/24 of 16 April 2025. The father in that case did business through several companies with a turnover in the hundreds of millions of crowns. He told the court he was not the sole shareholder and that

the shareholders did not pay out the profits. The lower courts accepted this and set child support on the basis of the father's own statements and a single form for the Czech Social Security Administration, without examining his income from the companies. The Constitutional Court set their decisions aside. In its view, the courts had not examined at all what real income the father had from the companies and what return he could have from them, and had merely copied items from the financial statements without drawing any conclusions from them (paragraphs 33 and 34). With a turnover of around half a billion crowns, it said, the courts could not simply give up on establishing the companies' financial situation (paragraph 35).

Finding file no. IV. ÚS 2278/24 of 29 January 2025 goes further still. The father controlled several companies and argued that he needed the money for investment in his business. The Constitutional Court replied that a parent's duty to maintain their child takes precedence over growing their assets, and that how much the father paid himself each month from the companies was not decisive for setting child support. Not every business expense is so essential that the children's needs must give way to it (paragraphs 48 and 49).

The court must also take into account the parent's overall assets and standard of living, meaning their housing, hobbies and holidays (IV. ÚS 2492/24, paragraph 28). This includes a car, a phone or a flat paid for by the company. The parent does not have to pay for them out of their own salary, so more of their salary is left over.

To estimate how much the parent “could draw” from the company, what matters is how much control they have over it. Profit distribution is decided by the general meeting (Section 190(2)(g) of the Business Corporations Act). In a single-member company, the powers of the general meeting are exercised by the sole shareholder (Section 12 of the same Act), so they decide on paying out profits alone. The claim “I can't pay the profit out to myself” then carries little weight. For a minority shareholder the situation is different, and the court must assess it according to the company's actual structure.

What to read in the financial statements

A limited liability company must publish its financial statements by filing them in the collection of deeds (*sbírka listin*) of the Commercial Register, no later than 12 months after the end of the accounting period (Section 21a of the Accounting Act, Section 66(c) of the Public Registers Act). The collection of deeds is available online; you will find it on justice.cz under the company in question (Section 3 of the Public Registers Act).

You don't need to be an accountant. In the balance sheet, look mainly at these lines:

- Equity (A.): the book value of the company's assets after deducting its debts.
- Profit or loss for the current accounting period (A.V.): the profit or loss for the year.
- Retained earnings from previous years (A.IV.1.): profit the shareholders did not pay out to themselves in earlier years.
- Receivables from shareholders (C.II.2.4.1., long-term ones C.II.1.5.1.): among other things, loans the company has made to its shareholders.

Compare several years side by side. Growing retained earnings in a company whose sole shareholder pays themselves the minimum is a strong argument in court.

Watch out for two traps. Amounts in the financial statements are stated in thousands of CZK (Section 4(9) of Decree No. 500/2002 Coll.). So the figure "2,400" means CZK 2.4 million. It is an easy mistake to make: in case IV. ÚS 2492/24 even the court of first instance overlooked it (paragraph 32). And small and micro companies that are not subject to a mandatory audit may draw up an abridged balance sheet and do not have to publish their profit and loss account (Section 3a of Decree No. 500/2002 Coll., Section 21a(9) of the Accounting Act). In a micro company's published balance sheet you will therefore see only the summary equity line A., and in a small company's lines A.IV. and A.V., but not the more detailed items such as receivables from shareholders. That does not mean they don't exist. The court can request the full accounting records.

When the company does not file its financial statements

I often see financial statements missing from the collection of deeds of family-owned companies. The registry court can call on such a company to file them and impose a procedural fine of up to CZK 100,000; if the company repeatedly fails to comply, the court can start proceedings to dissolve it (Sections 104 to 105a of the Public Registers Act). For failing to publish, the company also faces a fine from the tax office of up to 3% of the value of its assets (Section 37a of the Accounting Act).

For you, though, something else matters more. In child support proceedings the parent must document their income and financial circumstances to the court themselves. Anyone who fails to do so risks the presumption of income under Section 916 of the Civil Code, which I discuss in my previous article.

What only the court can find out

You will not get the other parent's company bank statements or tax returns. The court will. In proceedings on the maintenance of a minor child, it must itself establish all the facts relevant to its decision and may take evidence that nobody has proposed (Sections 20 and 21 of the Act on Special Court Proceedings). In addition, everyone is obliged to tell the court, on request, any facts relevant to the proceedings (Section 128 of the Code of Civil Procedure).

Specifically, you can ask the court to request:

- statements from personal and company bank accounts; a bank will provide them to the court for the purposes of civil court proceedings even without the client's consent (Section 38(3)(a) of the Banking Act),
- tax returns and other information from the tax office; the Tax Procedure Code expressly allows information needed for a decision on child support to be given to the court (Section 53(1)(c)(3)),
- the company's full financial statements and accounting records, including the managing director's service agreement and the decisions on profit distribution,
- information on vehicles that the parent or their company owns or uses.

Make the request specific: which companies, which years, which accounts. A general “the court should establish their income” is rarely enough.

A tactical switch to employment

Months before the application is filed, the parent sells their share, steps down as managing director or takes a job at an average salary. In such a case the court examines whether they gave up better-paid gainful activity without good reason, and what income they could have given their education, qualifications and the situation on the job market (Section 913(3) of the Civil Code). It also examines whether they gave up a financial benefit without good reason, for example by selling their share below its value, or are taking on disproportionate financial risks. I have also seen a court disregard a move like this made just before proceedings and work from the higher earning capacity the parent had before.

It helps to capture how things looked before: an extract from the Commercial Register showing earlier positions and shareholdings, older financial statements, and older tax returns if you have them from your life together.

The court can also work from what the parent says at the hearing. A parent who talks about what their housing, holidays or the after-school activities of the children in their new family cost is telling the court what budget they live on.

An agreement is usually quicker than court

With business owners, I find it works to start with a formal letter setting out specific figures from the financial statements and a proposed amount. A business owner can do the maths. Once they see that the other side knows their balance sheet and what the court can request, they tend to be willing to negotiate, and a letter followed by a few meetings often leads to an agreement without a court dispute. The clock keeps running, though: child support can be awarded at most three years back from the day the proceedings began, that is, the day the application reaches the court (Section 922(1) of the Civil Code, Section 82(1) of the Code of Civil Procedure). If negotiations stall, file the application in parallel.

Parents can agree on child support without going to court; the court decides on it when they cannot agree (Section 919(1) of the Civil Code). Even so, I recommend having the agreement approved. The court approves it by judgment unless it is clear that it is not in the child's interest (Section 919(4)), and the parents can no longer appeal against the approval (Section 476 of the Act on Special Court Proceedings). An approved agreement can then be enforced.

What to prepare

- the names and company ID numbers (IČ) of all companies in which the other parent is a shareholder or managing director,
- financial statements from the collection of deeds covering at least three to five years,

- tax returns and statements you have from your life together,
- an overview of company cars, phones and other benefits the parent uses,
- evidence of their standard of living: holidays, housing, hobbies,
- a breakdown of the child's needs.

You will find general information on child support after the reform in the article Child support after the 2026 reform.

The other parent has a company and claims they cannot afford child support? My practice focuses on family law, and I will help you use the financial statements and other documents to put together a formal letter or an application that shows the court what the parent really lives on. Call me on +420 732 464 372 or email bartonkova@iustoria.cz.

This article describes the law as at 3 November 2026. It is for information only and does not replace legal advice on a specific matter.

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