COUNCIL OF EUROPE CONSEIL DE L'EUROPE

OUTLINE ON MAIN CHANGES IN THE SOCIAL SECURITY SYSTEM IN MEMBER STATES:

CZECHIA

(July 2024 – June 2025)

I. <u>GENERAL</u>

A. Administration/Organisation

Examples:

. administrative practices
. organisation e.g. decentralisation
. rationalisation
. payment methods
. computerisation
. training of social security personnel
. information and other service to beneficiaries etc.

a) Changes made during the reference period

Firstly, administrative procedures have changed during the reference period regarding the completion of the computerization of the decision-making and claiming of **sickness insurance benefits**. All communication between the attending physician, the insured person, the accompanying person, the employer and the Czech Social Security Administration / Territorial Social Security Administrations (CSSA /TSSA) is electronic.

As of 1 January 2025, electronic communication is in place in relation to all sickness insurance benefits. The competent attending physician issues a form electronically (e.g. decision on the need for care, confirmation of the expected date of delivery), which is sent electronically to the CSSA/TSSA together with the insured person's telephone number or e-mail address for sending the benefit identifier by SMS or e-mail. The CSSA/TSSA send the social event identifier to the insured by SMS or e-mail (according to the contact details provided), or the doctor will forward the decision to the insured in paper form; the confirmation is also available to the insured on the CSSA/TSSA ePortal. The social event identifier and the necessary data for the assessment of entitlement to the benefit are forwarded by the employee to his/her employer, who sends electronically all documents for the payment of the benefit to the CSSA/TSSA. The self-employed person submits his/her application for the benefit directly to the relevant Social Security Institution.

Secondly, since January 2025, the process of **unemployment benefits** has been digitized too. The application for unemployment benefits is submitted online via the website and the client zone created. For clients who cannot use the digital service to submit an application for job mediation and an application for unemployment benefits, the option of submitting these applications in person at the Labour Office in the form of an assisted submission, in which the application is completed directly by an employee of the Labour Office, remains. In the client zone, applicants for unemployment benefits can monitor the status of their applications, and they have documents from the Labour Office at their disposal. Paper forms were completely abolished.

The above-mentioned method of filing an application for unemployment benefits is regulated by Act No. 435/2004 Coll., on Employment, as amended from 1 January 2025.

And thirdly, in the administration and organisation of **non-contributory social and family benefits** measures leading to the overall simplification, speeding up and digitisation of the administrative procedure process and as well as measures to stabilise and streamline the activities of the Labour Office of the Czech Republic continued.

The organisational structure of Czech Social Security Administration (CSSA) and its territorial social security administrations (TSSA), existing since 1 January 2024, has not changed in the reference period.

Payment methods have not changed. Both cashless transfers and cash payments are used to pay benefits. Only cashless transfers can be used to pay contributions.

Clients of the CSSA have interactive forms available on the CSSA ePortal. Communication is mainly electronic. Prescribed forms can only be submitted in a specified format, e.g. xml, signed with a recognised electronic signature or sent via a data box.

The staff of all bodies administrating benefits (CSSA/TSSA, Labour Office) receive regular training to deepen their knowledge and master the new legislation.

As mentioned above, the reduction of the bureaucratic burden for clients and employees consists in the automatic acquisition of information (decisive facts for entitlement to benefits), in increasing the degree of computerisation and digitisation, in simplified submission of applications via the client zone.

b) Changes decided, planned or proposed for the following year

The Ministry of Labour and Social Affairs (MoLSA) is working on transferring tasks focused on persons with disabilities (care allowance, mobility allowance, special aid allowance, disability card) from the Labour Office of the Czech Republic to CSSA and its territorial social security administration. The bill is debated in Parliament; it is expected to come into effect in April 2026.

In addition to the preparation of the legislative modification, MoLSA is taking steps to ensure its technical support/implementation (agenda system, digitisation of the process, transformation of the activities of the Labour Office of the Czech Republic - strengthening of advisory activities).

MoLSA has prepared a change in non-contributory social benefits, which should merge the existing benefits (housing allowance, child allowance, living allowance, and housing supplement) into one comprehensive state social assistance allowance.

The bill on State Social Assistance Allowance is debated in Parliament, it is expected to come into effect in October 2025.

In addition to the preparation of the legislative modification, MoLSA is taking steps to ensure its technical support/implementation (agenda system, digitisation of the process, transformation of the activities of the Labour Office of the Czech Republic - strengthening of advisory activities).

c) Research (including evaluation), completed or initiated

During the reference period, no crucial research or evaluations were conducted, except those focused on preparing new benefit systems.

B. Benefits
. personal and material scope
. compensation for price increases (as compared to actual price increases)

a) Changes made during the reference period

See Sections III, V, IX and X for more details on changes in benefits.

b) Changes decided, planned or proposed for the following year

See Section V, IX and X for more details on planned changes in benefits.

c) Research (including evaluation), completed or initiated

See Section III.

II. MEDICAL CARE

a) Changes made during the reference period

No legislative changes occurred during the reference period. As reported last year, a new category of children with long-term residence permits was included in the scope of public health insurance as of January 1, 2024. The range of healthcare services provided to them is the same as for other insured individuals.

b) Changes decided, planned or proposed for the following year

A bill is currently being drafted to improve the efficiency of cross-border healthcare services. The primary objective is to enhance access to quality healthcare in border regions. This includes extending the existing legal framework, aligning with Regulation (EC) No 883/2004, and updating the transposition of Directive 2011/24/EU.

c) Research (including evaluation), completed or initiated

During the reference period, no research or evaluations were conducted.

III. SICKNESS BENEFIT

a) Changes made during the reference period

Only minor changes were made in the reference period. These include the extension of sickness benefit entitlement in case of pregnancy and maternity (Act No. 395/2024 Coll., amending Act No. 187/2006 Coll., as amended). An insured woman is now entitled to sickness benefit for 6 weeks before giving birth and 6 weeks after giving birth from other concurrent employment (insurance), provided that she has not become entitled to maternity benefits from this insurance. Previously she was only entitled to the sickness benefit provided that she has not become entitled to maternity benefits from any insured activity.

b) Changes decided, planned or proposed for the following year

No major changes are planned.

c) Research (including evaluation), completed or initiated

The "*Analysis of the development of the sickness insurance 2024*", that covers all benefits provided from the sickness insurance system in Czech Republic was published by MoLSA in December 2024 (https://www.mpsv.cz/nemocenske-pojisteni).

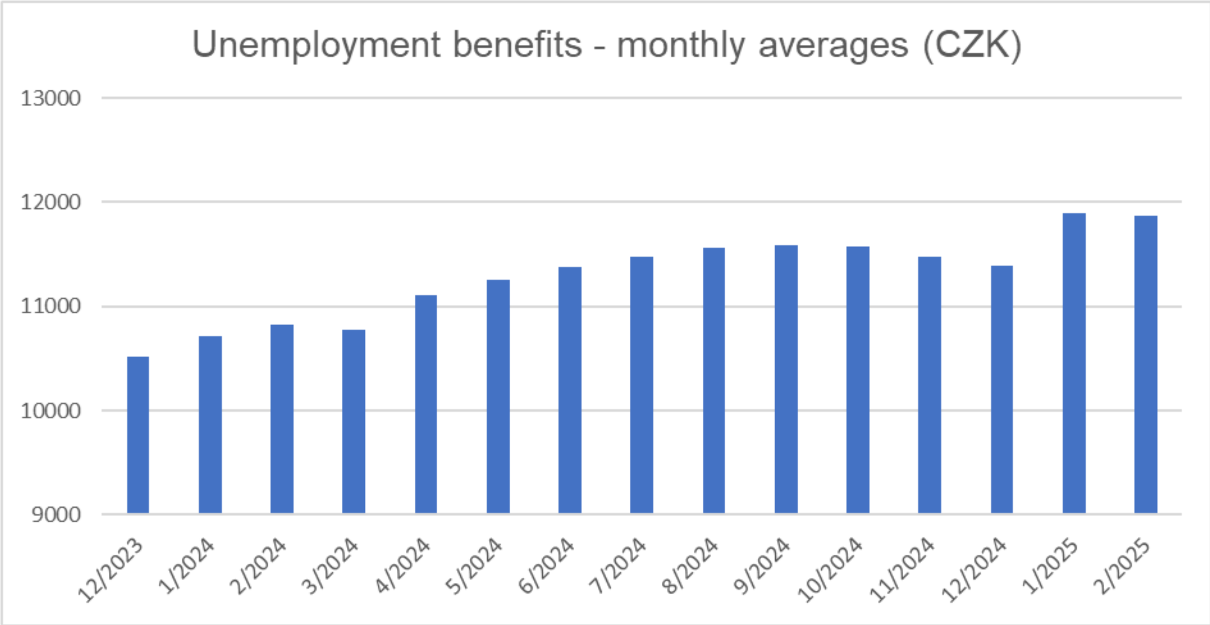
IV. UNEMPLOYMENT BENEFIT

a) Changes made during the reference period

In the period under review, there were no changes in the statutory conditions for granting and providing unemployment benefits.

Following the stabilization of labour market after Covid-19 and influx of labour from Ukraine, monthly average of unemployment benefits during the reference period followed the pattern of unemployment benefits growth since 2017 (except for Covid year 2020).

Graph 1: Unemployment benefits – monthly averages during reference period



In Czech beneficiary system, amount of unemployment benefit depends on either applicant's previous monthly average nominal wage (if employed), or on average wages in national economy in previous year (1q-3q, if employment condition is not met by previous employment, but by including the substitute period of employment). As for the growth of the average wage, the annual average of unemployment benefits also increases every year.

Chart 1: Yearly average of unemployment benefit in CZK

year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
monthly average of unemployment benefit	5 958	6 171	6 376	6 746	7 316	7 922	8 534	8 801	9 591	10 255	11 209

Detailed view into unemployment benefits recipients by sex during reference period show disparity between men and women; during reference period from 12/2023 to 02/2025, total number of unemployment benefits recipients increased by 12,15 % (3,95 % % for women, 21,47 % for men). However, there are more men (50,7 %) than women (49,3 %) among unemployment benefits recipients.
In addition, total number of unemployed increased between 12/2023 and 02/2025 by 47,0 thousand (16,83 %), but number of unemployment benefits recipients increased by 10,5 thousand (12,15 %) in the same time period.

Chart 2: Total numbers and shares (percentages) of unemployment benefits recipients by sex and disability

Total unemployed and unemployment benefits recipients	2023	2024												2025	
month	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2
Unemployed – total (thousands)	279,2	295,5	296,1	288,6	280,1	274,3	272,7	283,0	286,3	290,9	289,0	290,4	306,5	320,5	326,2
unemployment benefits recipients - total (thousands)	86,3	100,1	99,8	92,6	85,1	83,0	80,0	87,5	88,6	84,2	83,9	86,1	93,4	97,5	96,8
unemployment benefits recipients – total (percentage of all unemployed)	30,92	33,88	33,71	32,07	30,39	30,24	29,32	30,91	30,94	28,93	29,03	29,66	30,48	30,40	29,68
of that disabled (thousands)	11,1	11,8	11,7	11,4	11,0	11,0	10,8	11,3	11,2	10,7	10,7	11,0	11,0	11,0	11,0
of that disabled, (percentage of all unemployment benefits recipients)	12,81	11,73	11,68	12,26	12,97	13,30	13,52	12,89	12,67	12,75	12,78	12,75	11,81	11,32	11,35
Benefits recipients – women (thousands)	45,9	50,3	49,5	47,5	46,3	46,5	45,0	50,6	51,4	48,3	48,2	48,8	49,8	49,1	47,7
Benefits recipients – women (percentage of all unemployment benefits recipients)	53,16	50,25	49,58	51,30	54,41	56,00	56,31	57,83	58,00	57,41	57,40	56,65	53,30	50,33	49,27
of that disabled women (thousands)	6,2	6,5	6,4	6,3	6,3	6,3	6,2	6,6	6,6	6,2	6,1	6,2	6,2	6,1	6,1
of that disabled women (percentage of all unemployment benefits recipients – women)	13,51	12,91	12,93	13,23	13,59	13,63	13,79	12,96	12,76	12,77	12,72	12,75	12,39	12,43	12,75

b) Changes decided, planned or proposed for the following year

Following the amendment to Act No. 262/2006 Coll., the Labour Code, as amended, the aim of which is to increase the flexibility of labour relations, the Ministry of Labour and Social Affairs has prepared a proposal to amend Act No. 435/2004 Coll., on Employment, as amended. The aim of the amendment to the Employment Act in the area of unemployment benefits is to ensure sufficient financial security for workers in the event of loss of employment. It also includes changes leading to a more flexible labour market.

Changes to the percentage rates of unemployment benefits and retraining benefits are proposed in terms of their increase. Support for retraining will be newly introduced for the type of selected retraining. The uniform reduced percentage rate for workers who left their job voluntarily (termination of employment by agreement with the employer, termination by the employee) is to be cancelled. The conditions for repeated drawing of unemployment benefits in the decisive period will be tightened. These changes are expected to take effect from 1 January 2026. The legislative process is still ongoing.

c) Research (including evaluation), completed or initiated

During the reference period, no research or evaluations were conducted.

V. OLD AGE BENEFIT

a) Changes made during the reference period

From 1 October 2024, the required period of insurance is increased to 40 years to qualify for early retirement (Act No. 270/2023 Coll. amending Act No. 155/1995 Coll. on Pension Insurance, as amended).

Following changes were realized by Act No. 417/2024 Coll. amending Act No. 155/1995 Coll. on Pension Insurance, as amended:

- From 1 January 2025, the prescribed age at which entitlement to an old age pension arises in case of a shorter contribution period (20 years of insurance including non-contributory periods or 15 years of contributions) has changed from the retirement age of a man with 35 years of insurance (including non-contributory periods) and of the same date of birth increased by 5 years to the retirement age of a man with 35 years of insurance (including non-contributory periods) and of the same date of birth increased by 2 years.
- For person with longer contribution period (with 35 years of insurance including non-contributory periods or 30 years of contributions): Increase the retirement age above 65 for persons born after 1965 by one calendar month for each year until the age of 67 (e.g. for a person born in 1966 the retirement age is 65 years and 1 month, for a person born in 1968 the retirement age is 65 years and 3 months, for a person born in 1988 the retirement age is 66 years and 11 months and for a person born after 1988 the retirement age is 67 years).
- As of 1 January 2025, the retirement age for persons performing hazardous work will be reduced. Hazardous work is work classified as category 4 under the Public Health Protection Act. The general retirement age is reduced by 15 calendar months for working 2,200 shifts in hazardous work, by 30 calendar months for working 4,400 shifts and by 1 calendar month for every 74 shifts.

b) Changes decided, planned or proposed for the following year

The following changes were approved by Act No.417/2024 Coll. as of 1 January 2026:

- Increase of the minimum percentage amount of the old-age pension form CZK 770 to 10% of the average wage (the minimum percentage will be the same as the basic amount). The increase of the percentage amount to the new minimum amount also applies to old-age pensions granted before 1 January 2026.
- The reduction of the pension in case of early retirement upon obtaining 45 years of insurance will be only 0.75% of the calculation base for every even 90 days of early retirement instead of the full reduction of 1.5% of the calculation base for the same period.
- Parametric adjustments consisting in limiting the crediting of the average earnings up to the first reduction limit from the current 100 % to 90 % progressively from 2026 to 2035 (each year by 1 %, the crediting above the first reduction limit remains unchanged) and reducing the percentage of the calculation base per year of the insurance period progressively from 2026 to 2035 from 1,5 % to 1,45 % (each year by 0,005 %).

c) Research (including evaluation), completed or initiated

During the reference period, no research or evaluations were conducted.

d) Rates of payment during the reference period (Art 65, p 10)

On 1 January 2025 pensions were increased according to general rules (reflecting 100 % of the prices growth plus 1/3 of real wage growth).

Year	**An average old-age benefit[1), 2)]**		**An old-age benefit of a standard beneficiary**	
	abs. in CZK	***index in %***	***abs. in CZK***	***index in %***
2023	19,502	119.8	14,476	105.0
2024	20,682	106.1	15,668	108.2
2025	21,110	102.1	16,693	106.5

[1)] An old-age benefit paid separately (not simultaneously paid with the survivor's benefit).
[2)]Data of the first quarter of the year.

VI. WORK ACCIDENT AND OCCUPATIONAL DISEASE BENEFIT

Non applicable for Czechia

VII. FAMILY BENEFIT

a) Changes made during the reference period

No major changes were made during the reference period.

Statistical data for 2024:

Average monthly number of recipients of **parental allowance**: 246 957

Total annual cost of parental allowance: CZK 29 219 000 000

Average monthly number of **child benefit** recipients: 332 824

Total annual cost of child benefit: CZK 5 412 000 000

b) Changes decided, planned or proposed for the following year

MoLSA has revised the system of non-contributory social benefits and proposed a change that consists in transforming four recurrent benefits, two of which are currently in the state social support system (child benefit and housing allowance) and two in the system of assistance in material need (living allowance and housing supplement), into one new comprehensive "***state social assistance allowance***".

This new allowance (tested on income, assets, and work activity) will contribute to households' costs of housing and living, and costs associated with raising children and will consist of four components: component for housing, component for living, child bonus, and work bonus.

The bill on State Social Assistance Allowance is expected to come into effect in October 2025.

c) Research (including evaluation), completed or initiated

During the reference period, no research or evaluations on existing family benefits were conducted.

VIII. MATERNITY BENEFIT

a) Changes made during the reference period

No significant changes were made during the reference period.

b) Changes decided, planned or proposed for the following year

No major changes are planned.

c) Research (including evaluation), completed or initiated

The "*Analysis of the development of the sickness insurance 2024*", that covers all benefits provided from the sickness insurance system in Czech Republic was published by MoLSA in December 2024 (https://www.mpsv.cz/nemocenske-pojisteni).

IX. INVALIDITY BENEFIT

a) Changes made during the reference period

No significant changes made in the reference period.

b) Changes decided, planned or proposed for the following year

The following change was approved by Act No. 417/2024 Coll. as of 1 January 2026:

- Increase of the minimum percentage amount of the level-three invalidity pension from CZK 770 to 10% of the average wage (the minimum percentage amount will be the same as the basic amount). The increase of the percentage amount to the new minimum amount also applies to invalidity pensions granted before 1 January 2026.

  A similar change also applies to level-two and level-one invalidity pensions, which are not the contingency covered by ECSS.

c) Research (including evaluation), completed or initiated

During the reference period, no research or evaluations were conducted.

X. SURVIVORS' BENEFIT

a) Changes made during the reference period

Changes approved by Act No. 417/2024 Coll. amending Act No. 155/1995 Coll. on Pension Insurance, as amended, from 1 January 2025:

- The period within which entitlement to a widow's or widower's pension may be renewed if any of the statutory conditions are met, was extended from 2 to 5 years from the previous termination of entitlement to this pension.
- The scope of persons entitled to a widow's/widower's pension is extended to include same-sex partners and registered partners.

a) Changes decided, planned or proposed for the following year

The following change was approved by Act No.417/2024 Coll. as of 1 January 2026:

- Increase of the minimum percentage amount of the widow's/widower's pension pension from 50% of CZK 770 to 5% of the average wage (the minimum percentage amount will be half of the basic amount).
- Increase of the minimum percentage amount of the orphan's pension from 40% of CZK 770 to 4% of the average wage.
- The increase of the percentage amount to the new minimum amount also applies to survivors' pensions granted before 1 January 2026.

c) Research (including evaluation), completed or initiated

During the reference period, no research or evaluations were conducted.

XI. FINANCING OF THE SOCIAL SECURITY SYSTEM

a) Changes made during the reference period

No changes in general contribution rates.

Pursuant to Act No. 417/2024 Coll. amending Act No. 155/1995 Coll. on Pension Insurance, as amended:

- Working old-age pensioners can reduce their pension insurance contribution by 6.5% of the contribution base since January 2025.

- The employer's pension insurance contribution of an employee in hazardous occupation, was increased to 23.5% in 2025.

Contributions on Social Security and State Employment Policy Contribution Rate (in %)				
	Employees	Employers	Total	Self-employed
Pension insurance	6.5	21.5[1]	28.0	28.0
Sickness insurance	0.6	2.1	2.7	2.7[2]
State employment policy	0.0	1.2	1.2	1.2
Total	6.5	24.8	31.3	31.3[2]

[1]Higher contribution rates for employers of paramedics and company firefighters (24.5% in 2024 and 25.5% in 2025) and for employers of employees in hazardous occupation (23.5% in 2025)
[2]Sickness insurance is voluntary for self-employed.

b) Changes decided, planned or proposed for the following year

No major changes are planned.

b) Research (including evaluation), completed or initiated

The "Analysis of the development of the sickness insurance 2024", that covers financing of the sickness insurance system in Czech Republic was published by MoLSA in December 2024 (https://www.mpsv.cz/nemocenske-pojisteni).