



International  
Labour  
Office



**Consolidated Report on the application of ILO Conventions  
Nos 12, 17, 42, 102, 128, 130 & the European Code of Social  
Security ratified by**

# Czech Republic

2023

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## ***Consolidated Report on the application by the Czech Republic of ILO Conventions Nos 12, 17, 42, 102, 128, 130 & the European Code of Social Security, 2023***

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*Consolidated information compiled from the following Government Reports on these ratified ILO Conventions on Social Security and the European Code of Social Security:*

### Up-to-date ILO Conventions<sup>1</sup>

- [Social Security \(Minimum Standards\) Convention, 1952 \(No.102\)](#)
- [Invalidity, Old-Age and Survivors' Benefits Convention, 1967 \(№128\)](#)
- [Medical Care and Sickness Benefits Convention, 1969 \(№130\)](#)

### ILO Conventions requiring further action to ensure continued and future relevance

- [Workmen's Compensation \(Agriculture\) Convention, 1921 \(No.12\)](#)

### Outdated ILO Conventions

- [Workmen's Compensation \(Accidents\) Convention, 1925 \(№17\)](#)
- [Workmen's Compensation \(Occupational Diseases\) Convention, 1934 \(№42\)](#)
- [European Code of Social Security](#)

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<sup>1</sup> Based on the recommendations of the Standards Review Mechanism Tripartite Working Group (SRM TWG), the Governing Body has classified Social Security Conventions as “up to date”, “requiring further action to ensure continued and future relevance” or “outdated” (see detailed information on the [ILO website](#)).

- Please enter any modifications or new information using TRACK CHANGES function in MICROSOFT WORD.
- Where the text of the corresponding provisions of the ECSS and C102 has the same wording, the wording of C102 is taken as the basis, with eventual changes in the ECSS reproduced in brackets.
- Questions of the Report Form on the European Code of Social Security (ECSS) or on ILO Conventions (e.g. RF/C102) for which information is lacking are reproduced in a box below the respective provisions.
- Replies to pending questions raised by the CEACR may be provided in a box below the CEACR comments.

## Summary table

Category	Information available	Information missing / questions raised by the CEACR
<b>Part II. Medical Care</b>		
II-1. Regulatory framework	<i>Art.7 C102/ECSS, Art.8 C130</i>	
II-2. Contingencies covered	<i>Art.8 C102/ECSS, Art.7 C130</i>	
II-3. Persons Protected	<i>Art.9 C102/ECSS, Art. 10, 12 C130 *</i>	
II-4. Types of Benefits	<i>Art.10(1) C102/ECSS, Art.13 C130</i>	
II-5. Cost-sharing	<i>Art.10(2)C102/ECSS, Art.17 C130</i>	
II-6. Objectives of Medical Care	<i>Art.10(3) C102/ECSS, Art.9 C130</i>	
II-7. Promotion of the general health service	<i>Art.10(4) C102/ECSS</i>	
II-8. Qualifying period	<i>Art.11 C102/ECSS, Art.15 C130</i>	
II-9. Minimum duration of Benefit	<i>Art.12 C102/ECSS, Art.16 C130</i>	
II-10. Suspension of Benefit	<i>Art.69 C102 / Art.68 ECSS Art.28 C130</i>	
II-11. Right of complaint and appeal	<i>Art.70 C102, Art. 69 ECSS Art.29 C130</i>	
II-12. Financing and Administration	<i>Art.71*, 72 C102, Art.70*, 71 ECSS Art.30,31 C130</i>	
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IV-4. Level and Calculation of Benefit	<i>Art.22 ECSS*</i>	
IV-5. Qualifying period	<i>Art.23 ECSS</i>	
IV-6. Minimum duration of Benefit	<i>Art.24 ECSS</i>	
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<b>IV-9. Financing and Administration</b>	<i>Art.70*, 71 ECSS</i>	
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<b>V-2. Contingency covered</b>	<i>Art.26 ECSS, Art.15 C128</i>	
<b>V-3. Persons Protected</b>	<i>Art.27 ECSS, Art.16 C128 *</i>	
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<b>V-7. Duration of Benefit</b>	<i>Art.30 ECSS, Art.19 C128</i>	
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<b>V-9. Right of complaint and appeal</b>	<i>Art.69 ECSS, Art.34 C128</i>	
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<b>VII-7. Duration of Benefit</b>	<i>Art.45 C102/ECSS</i>	
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<b>VII-9. Right of complaint and appeal</b>	<i>Art.70 C102, Art. 69 ECSS</i>	
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<b>Part VIII. Maternity Benefit</b>		
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<b>VIII - 2. Contingency covered</b>	<i>Art.47 C102/ECSS</i>	
<b>VIII - 3. Persons protected</b>	<i>Art.48 C102/ECSS*</i>	
<b>VIII - 4. Types of Benefit</b>	<i>Art.49 C102/ECSS</i>	
<b>VIII - 5. Level and Calculation of Benefit</b>	<i>Art.50 C102/ECSS*</i>	
<b>VIII - 6. Qualifying period</b>	<i>Art.51 C102/ECSS</i>	

VIII - 7. Minimum duration of Benefit	Art.52 C102/ECSS	
VIII - 8. Suspension of Benefit	Art.69 C102, Art.68 ECSS	
VIII - 9. Right of complaint and appeal	Art.70 C102, Art.69 ECSS	
VIII - 10. Financing and Administration	Art.71*,72 C102, Art.70*,71 ECSS	
<b>Part IX. Invalidity Benefit</b>		
IX-1. Regulatory framework	Art.53 C102/ECSS	
IX-2. Contingency covered	Art.54 C102/ECSS	
IX-3. Persons Protected	Art.55 C102/ECSS*	
IX-4. Level and Calculation of Benefit	Art.56 C102/ECSS*	
IX-5. Adjustment of Benefit	Art.65(10)C102/ECSS * Art.66 (8) C102/ECSS	
IX-6. Qualifying period	Art.57 C102/ECSS	
IX-7. Duration of Benefit	Art.58 C102/ECSS	
IX-8. Suspension of Benefit	Art.69 C102, Art.68 ECSS	
IX-9 Right of complaint and appeal	Art.70 C102, Art.69 ECSS	
IX-10. Financing and Administration	Art.71*,72 C102, Art.70*,71 ECSS	
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X-7. Duration of Benefit	Art.64 C102/ECSS	
X-8. Suspension of Benefit	Art.69 C102 /Art.68 ECSS	
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Part XI. Standards to be complied with by periodical payments	Art. 65,66 C102/ECSS	
Part XII. Equality of treatment of non-national residents	Art.32 C130, Art. 68. C102	

\* Please update statistical data, in accordance with the [Report form for C102/ECSS/C128/C130](#).

## Part I. General provisions

*The Part I “General provisions” comprises the following explanatory and procedural clauses:*

- **Articles 1-6 C102**
- **Articles 1-6 ECSS**

**Article 6 – Voluntary insurance schemes**

The report does not cover the protection provided under voluntary insurance scheme.

- **Articles 1-6 C128**
- **Articles 1-6 C130**

## Part II. Medical Care

*The Czech Republic has accepted the obligations resulting from Part II of C102, Part II of C130 and Part II of the ECSS.*

Category	Information available	Information missing / questions raised by the CEACR
<b>II-1. Regulatory framework</b>	<i>Art.7 C102/ECSS, Art.8 C130</i>	
<b>II-2. Contingencies covered</b>	<i>Art.8 C102/ECSS, Art.7 C130</i>	
<b>II-3. Persons Protected</b>	<i>Art.9 C102/ECSS, Art. 10, 12 C130*</i>	
<b>II-4. Types of Benefits</b>	<i>Art.10(1) C102/ECSS Art.13 C130</i>	
<b>II-5. Cost-sharing</b>	<i>Art.10(2)C102/ECSS, Art.17 C130</i>	
<b>II-6. Objectives of Medical Care</b>	<i>Art.10(3) C102/ECSS, Art.9 C130</i>	
<b>II-7. Promotion of the general health service</b>	<i>Art.10(4) C102/ECSS</i>	
<b>II-8. Qualifying period</b>	<i>Art.11 C102/ECSS, Art.15 C130</i>	
<b>II-9. Minimum duration of Benefit</b>	<i>Art.12 C102/ECSS, Art.16 C130</i>	
<b>II-10. Suspension of Benefit</b>	<i>Art.69 C102 / Art.68 ECSS Art.28 C130</i>	
<b>II-11. Right of compliant and appeal</b>	<i>Art.70 C102, Art. 69 ECSS Art.29 C130</i>	
<b>II-12. Financing and Administration</b>	<i>Art.71*,72 C102, Art.70*,71 ECSS Art.30,31 C130</i>	

*\* Please update statistical data, in accordance with the [Report form for C102/ECSS/ C130](#).*

### List of applicable legislation

- Act No. 48/1997 Coll., providing for Public Health Insurance and on Changes and Amendments to Certain Related Acts, as amended by Acts No. 298/2011 Coll., 365/2011 Coll., 1/2012 Coll., 369/2011 Coll., 458/2011 Coll., 275/2012 Coll., 401/2012 Coll., 403/2012 Coll., 44/2013 Coll., 238/2013 Coll., 238/2013 Coll. (part), 60/2014 Coll., 109/2014 Coll., 458/2011 Coll., 60/2014 Coll. (part), 250/2014 Coll., 256/2014 Coll., 267/2014 Coll., 1/2015 Coll., 200/2015 Coll., 314/2015 Coll., 200/2015 Coll. (part), 569/2020 Coll. [\[2\]](#), [261/2021 Coll.](#), [274/2021 Coll.](#), [363/2021 Coll.](#), [371/2021 Coll.](#)  
<https://www.zakonyprolidi.cz/cs/1997-48> ■ Act No. 372/2011 Coll., regulating Health Services and Conditions for Their Providing (Health Services Act)  
<https://www.zakonyprolidi.cz/cs/2011-372> ■ Act No. 285/2002 Coll., to regulate the Donation, Sampling and Transplantation of Tissues and Organs and on Changes to Certain Acts (the Transplantation Act), as amended 228/2005 Coll., 296/2008 Coll., 129/2008 Coll., 41/2009 Coll., 281/2009 Coll., 375/2011 Coll., 44/2013 Coll., 100/2017 Coll., 183/2017 Coll., 202/2017 Coll., 97/2019 Coll., 609/2020 Coll., 277/2019 Coll., 261/2021 Coll.  
<https://www.zakonyprolidi.cz/cs/2002-285>
- Act No. 258/2000 Coll., on Public Health Protection, was updated by Acts No. 466/2011 Coll., 298/2011 Coll., 375/2011 Coll., 115/2012 Coll., 333/2012 Coll., 223/2013 Coll. (part), 223/2013 Coll., 223/2013 Coll. (part), 64/2014 Coll., 247/2014 Coll., 250/2014 Coll., 252/2014 Coll., 82/2015 Coll., 267/2015 Coll., 267/2015 Coll. (part), 243/2016 Coll., 298/2016 Coll., 250/2016 Coll., 183/2017 Coll., 193/2017 Coll., 202/2017 Coll.,



255/2017 Coll., 205/2020 Coll., 238/2020 Coll., 403/2020 Coll., 94/2021 Coll., 554/2020 Coll., 36/2021 Coll., 261/2021 Coll., 277/2019 Coll., 284/2021 Coll., 363/2021 Coll.

- <https://www.zakonyprolidi.cz/cs/2000-258?text=258%2F2000>
- Act No. 20/1966 Coll., on People's Health Care was replaced on 1 April 2014 with Act No. 372/2011 Coll., Health Services Act, amended by Acts No. 167/2012 Coll., 437/2012 Coll., 66/2013 Coll., 303/2013 Coll., 60/2014 Coll., 205/2015 Coll., 126/2016 Coll., 289/2016 Coll., 192/2016 Coll., 264/2016 Coll., 65/2017 Coll., 183/2017 Coll., 206/2017 Coll., 193/2017 Coll., 290/2017 Coll., 251/2017 Coll., 45/2019 Coll., 44/2019 Coll., 111/2019 Coll., 165/2020 Coll., 255/2019 Coll., 262/2019 Coll., 362/2021 Coll., 363/2021 Coll., 371/2021 Coll., 374/2021 Coll., 261/2021 Coll., 277/2019 Coll., 326/2021 Coll., 371/2021 Coll.

<https://www.zakonyprolidi.cz/cs/2011-372>

- Act No. 592/1992 Coll., on Public Health Insurance Premiums, was amended in the given period by Acts No. 138/2011 Coll., 298/2011 Coll., 329/2011 Coll., 369/2011 Coll., 401/2012 Coll., 500/2012 Coll., 11/2013 Coll., 342/2013 Coll., 458/2011 Coll., 344/2013 Coll., 109/2014 Coll., 458/2011 Coll., 401/2012 Coll. (part), 500/2012 Sb (part), 250/2014 Coll., 267/2014 Coll., 200/2015 Coll., 145/2017 Coll., 183/2017 Coll., 297/2017 Coll., 134/2020 Coll., 231/2020 Coll., 285/2020 Coll., 540/2020 Coll., 161/2021 Coll., 261/2021 Coll., 274/2021 Coll., 286/2021 Coll., 363/2021 Coll., 371/2021 Coll.  
<https://www.zakonyprolidi.cz/cs/1992-592>
- Act No. 551/1991 Coll., on the General Health Insurance Company, was updated in the given period by Acts No. 298/2011 Coll., 369/2011 Coll., 458/2011 Coll. (part), 60/2014 Coll., 109/2014 Coll., 458/2011 Coll., 256/2014 Coll., 200/2015 Coll., 128/2016 Coll., 298/2016 Coll., 24/2017 Coll., 183/2017 Coll., 206/2020 Coll., 161/2021 Coll.  
<https://www.zakonyprolidi.cz/cs/1991-551>
- Act No. 280/1992 Coll., on Ministerial, Sectoral, Enterprise and Other Insurance Companies, was updated in the given period by Acts No. 298/2011 Coll., 369/2011 Coll., 458/2011 Coll. (part), 60/2014 Coll., 109/2014 Coll., 458/2011 Coll., 256/2014 Coll., 200/2015 Coll., 128/2016 Coll., 298/2016 Coll., 24/2017 Coll., 183/2017 Coll., 233/2018 Coll., 206/2020 Coll., 161/2021 Coll.  
<https://www.zakonyprolidi.cz/cs/1992-280>

Act No. 160/1992 Coll., on Health Care in Non-Governmental Healthcare Facilities, was derogated on 1 April 2014 and replaced with Act No. 372/2011 Coll., Health Services Act.

<https://www.zakonyprolidi.cz/cs/2011-372>

- Decree No. 537/2006 Coll., on Vaccination against Infectious Diseases, as amended by Decree No. 40/2016 Coll.  
[Act No. 372/2011 Coll.](https://www.zakonyprolidi.cz/cs/2006-537), regulating Health Services and Conditions for Their Providing (Health Services Act), as amended 205/2015 Coll., 126/2016 Coll., 47/2016 Coll., 147/2016 Coll., 189/2016 Coll.,  
<https://www.zakonyprolidi.cz/cs/2006-537>

## II – 1. Regulatory framework

### Article 7. C102 and ECSS

*Each Member (Contracting Party) for which this Part of this Convention (Code) is in force shall secure to the persons protected the provision of benefit in respect of a condition requiring medical care of a preventive or curative nature in accordance with the following Articles of this Part.*

### Article 8. C130

*Each Member shall secure to the persons protected, subject to prescribed conditions, the provision of medical care of a curative or preventive nature in respect of the contingency referred to in subparagraph (a) of Article 7.*

Right to health care without direct payment is enshrined in the Charter of Fundamental Rights and Freedoms, which is the fundamental law, and in Act No. 48/1997 Coll., the Public Health Insurance Act (hereinafter referred to as the „Public Health Insurance Act“). According to the Public Health Insurance Act, each insured individual suffering from any

disease or injury, regardless of its causes, has the right to health care without direct payment. The same applies to pregnancy, childbirth and its consequences.

The state and the health insurance funds that are public institutions in the Czech Republic take measures to ensure that health care covered by public health insurance is available to a wide range of people. In the Czech Republic a financial limit in terms of cost of care which the insured person may draw for a certain time period is not set. The so-called waiting periods are not established, so the insured individual is entitled to a full range of covered health care insurance since the first day of health insurance. There are no time limits regarding the length of the health care utilization until health insurance lasts. Health insurance cannot be terminated by a health insurance funds, unless there is some kind of facts foreseen by the law (termination of permanent residence in the Czech Republic).

## **II - 2. Contingencies covered**

### **Article 8. C102 and ECSS**

*The contingencies covered shall include any morbid condition, whatever its cause, and pregnancy and confinement and their consequences.*

### **Article 7. C130**

*The contingencies covered shall include:*

*(a) need for medical care of a curative nature and, under prescribed conditions, need for medical care of a preventive nature.*

The Public Health Insurance Act No. 48/1997 (as amended) defines the scope of health care in detail, which is covered by public health insurance, i.e. the scope of covered contingencies referred to in this Article. As for, among others, preventive care, continuing care (long term illness), diagnostic, treatment, pharmacy, clinical and pharmaceutical, medical rehabilitation, consultative, nursing, palliative and others. Covered health care also includes, among others, the provision of medicines, food for special medical purposes, medical devices and dental products. The scope of the covered health care provides protection, recovery and improvement of the health of protected persons as well as their ability to work and ability to satisfy personal needs.

**NB:** provisions concerning the different forms of preventive medical care are established in §29, 30 of the chapter Preventive care (Preventivní péče) of Act №48/1997.

## **II - 3. Persons protected**

### **Article 9. C102 and ECSS**

*The persons protected shall comprise:*

*(a) prescribed classes of employees, constituting not less than 50 per cent of all employees, and also their wives and children; or*

*(b) prescribed classes of the economically active population, constituting not less than 20 per cent of all residents, and also their wives and children; or*

*(c) prescribed classes of residents, constituting not less than 50 per cent of all residents.*

**Article 10. C130**

*The persons protected in respect of the contingency referred to in subparagraph (a) of Article 7 shall comprise:*

*(a) all employees, including apprentices, and the wives and children of such employees; or*

*(b) prescribed classes of the economically active population, constituting not less than 75 per cent of the whole economically active population, and the wives and children of persons in the said classes; or*

*(c) prescribed classes of residents constituting not less than 75 per cent of all residents.*

**Article 12. C130**

*Persons who are in receipt of a social security benefit for invalidity, old age, death of the breadwinner or unemployment, and, where appropriate, the wives and children of such persons, shall continue to be protected, under prescribed conditions, in respect of the contingency referred to in subparagraph (a) of Article 7.*

The Czech Republic refers to letter c) of the Article 9 of the ECSS.

The group of protected persons is determined in Section 2 of the Public Health Insurance Act. In 2021, Section 2 of Act No. 48/1997 Coll. was amended and the personal scope of public health insurance was extended.

According to this law, an insured person is a person who

a) has permanent residence in the territory of the Czech Republic, or

b) does not have permanent residence in the territory of the Czech Republic, if

1. is an employee of the employer who has its registered office or permanent residence in the territory of the Czech Republic,

2. she has been issued a long-term residence permit in the Czech Republic for the purpose of scientific research,

3. she was granted asylum in the territory of the Czech Republic,

4. it has been granted subsidiary protection in the territory of the Czech Republic,

5. has been granted a residence permit for the purpose of providing temporary protection in the territory of the Czech Republic under the Act on Temporary Protection of Foreign Nationals or is considered to be such a person under the Act on the Residence of Foreign Nationals in the Territory of the Czech Republic,

6. is a minor child who has been placed in the Czech Republic on the basis of an interim court order in a facility for children requiring immediate assistance or in an institution for the care of children or on the basis of an interim measure or court order into the care of a natural person,

7. the Czech Republic is competent to its health insurance pursuant to the coordination regulations or according to a promulgated international treaty by which the Czech Republic is bound,

8. it is a person whose entitlement arises from the directly applicable regulations of the European Union 49), or a person employed, self-employed or a person retaining such status and his family members having the right to equal treatment under the regulation of the European Union 69),

9. was born in the territory of the Czech Republic to a mother with a long-term residence permit in the territory of the Czech Republic, until the end of the calendar month in which the person reached 60 days of age, or

10. was born in the territory of the Czech Republic to a mother with a permanent residence permit, until the end of the calendar month in which the person reached 60 days of age, and also during the procedure on the application for a permanent residence permit in the territory of the Czech Republic filed on behalf of this person.

The group of protected persons remains unchanged.

The range of the covered individuals includes every person who has permanent residence in the Czech Republic, even if they are not economically active. Each of these individuals has individual health insurance. Act No 48/1997 Coll. on Health Insurance and on Changes and Amendments to Certain Related Acts, as amended, designates the individuals, for whom the insurance contribution payer is the state using funds from the state budget.

The state pays the health insurance contributions for the following individuals from the state budget:

- Dependent children; the dependence of a child is assessed according to the State Social Support Act; (With the exception of the persons referred to in §2 paragraph 1 letter b) point 9.)
- Recipients of old-age pension, recipients of benefits from pension insurance who were awarded a benefit prior to 1 January 1993 according to the regulations of the Czech and Slovak Federative Republic and after 31 December 1992 according to the regulations of the Czech Republic. For the purposes of the law, individuals according to the previous sentence are also considered to be beneficiaries in the months when they are not entitled to the payment of a benefit according to the pension insurance regulations;
- Recipients of Parental Allowance;
- Women on maternity and parental leave and individuals receiving financial support in maternity (maternity benefit) according to the sickness insurance regulations;
- Jobseekers, including jobseekers who have accepted short-term employment;
- Individuals receiving assistance in material need and individuals jointly assessed with them under the condition that they are not in any employment or similar relations and do not carry out any independent gainful activities, are not listed in the records of jobseekers and are not recipients of an old age benefit, an invalidity benefit for level-three invalidity, a widows' or widowers' benefit or a parental benefit for a dependent child;
- Individuals who are dependent on the care of another person at level II (medium dependence) or level III (high dependence) or level IV (full dependence) and the individuals caring for such individuals and individuals caring for individuals under 10 years of age who are dependent on the care of another at level I (slight dependence);
- Individuals performing basic (replacement) service in the armed forces, other service or civil service and individuals called up for military exercises;
- Individuals in detention or custody or individuals serving a term of imprisonment;

**Commented [JPP(1)]:** Toto jsem v zákoně už nenašel. Civilní službu bych nepřekládal jako "civil service" (v AJ spíše znamená "státní službu"), navrhuji "alternative civilian service".

- Individuals with permanent residence in the territory of the Czech Republic who are not employees or self-employed persons and are the recipients of sickness insurance benefits;
- Individuals who have level-three disability or who have reached the age required for an old age benefit, but do not meet the further conditions for the awarding of an invalidity benefit for level-three invalidity or an old age benefit and do not have any earnings from employment or independent gainful activities and do not receive a pension from abroad or if any such pension does not exceed the amount of the minimum wage;
- Individuals who provide all-day personal care to at least one child up to the age of seven or to at least two children up to the age of 15. Only one person is considered to be such an individual, i.e. either the father or the mother of the child or the individual who has assumed the permanent foster care of the child, if they do not have any earnings from employment or from any independent gainful activities;
- Minors placed in educational institutions for the purpose of their upbringing and disability guardianship;
- Individuals providing long-term voluntary services at an average of at least 20 hours a calendar week upon the basis of a contract concluded with an organization which has been accredited by the Ministry of Internal Affairs;
- Foreigners who have been granted a residence permit for the territory of the Czech Republic for the purpose of the provision of temporary protection according to the special legal regulation, if they have no earnings from employment or from independent gainful activities;
- Applicants for international protection and their children born in the territory, foreigners who have been issued a residence visa for more than 90 days for the purpose of residence and their children born in the territory, if they have no earnings from employment or from independent gainful activities.
- Spouse or registered partner of a civil servant or civil servant of organizational department of the state who join a posted civil servant to work abroad with an agreement of the relevant organizational state department who have no income from employment or from independent gainful activity listed in Section 5 of Civil Service Act.
- Recipients of old-age pension for specific period, permanent pension or pension for the specific period of validity with specific set out pension according to Act applying to supplementary pensions till reaching age for entitlement for old-age pension according to section 32 of Pension Insurance Act, if conditions based on section 22 article 4 or section 23 article 6 of Act number 427/2011 are met. By reaching the specific age by women the procedure is the same as for a man of the same date of birth.

- Individuals over the age of 26 who are studying PhD program at an university in Czech Republic for the first time, in full-time regular attendance, unless they are employees or self-employed persons.

Statistical information 2022:

Number of covered persons:	10,852,528 persons (the average number of insured persons in 2022)
Population:	10,533,399 persons (as of December 31, 2022)
Coverage in total	Aprox.99,8%

Statistical information 2021:

Number of covered persons:	10,546,726 persons (the average number of insured persons in 2021)
Population:	10,516,707 persons (as of December 31, 2021)
Coverage in total	Aprox.99,8%

Statistical information 2020:

Number of covered persons:	10,548,392 persons (the average number of insured persons in 2020)
Population:	10,701,777 persons (as of December 31, 2020)
Coverage in total	98.57%

Statistical information 2019:

Number of covered persons:	10,541,554 persons (the average number of insured persons in 2019)
Population:	10,693,939 persons (as of December 31, 2019)
Coverage in total	98.58%

Statistical information 2018:

Number of covered persons:	10,509,486 persons (the average number of insured persons in 2018)
Population:	10,649,800 persons (as of December 31, 2018)
Coverage in total	98.68%

Women on maternity and parental leave and dependent children fall into the category of protected individuals who are entitled to medical care according to Article 10. Primarily derived in-kind benefits do not exist in the Czech Republic. Women and children within the personal scope of public health insurance are entitled to medical care according to the law.

## II - 4. Types of Benefit

### §1. Article 10. C102 and ECSS

*The benefit shall include at least:*

*(a) in case of a morbid condition,*

*(i) general practitioner care, including domiciliary visiting;*  
*(ii) specialist care at hospitals for in patients and out patients, and such specialist care as may be available outside hospitals;*

*(iii) the essential pharmaceutical supplies as prescribed by medical or other qualified practitioners; and*

*(iv) hospitalisation where necessary; and*

*(b) in case of pregnancy and confinement and their consequences,*

*(i) pre natal, confinement and post natal care either by medical practitioners or by qualified midwives; and*

*(ii) hospitalisation where necessary.*

### **Article 13. C130**

*The medical care referred to in Article 8 shall comprise at least:*

*(a) general practitioner care, including domiciliary visiting;*

*(b) specialist care at hospitals for in-patients and out-patients, and such specialist care as may be available outside hospitals;*

*(c) the necessary pharmaceutical supplies on prescription by medical or other qualified practitioners;*

*(d) hospitalisation where necessary;*

*(e) dental care, as prescribed; and*

*(f) medical rehabilitation, including the supply, maintenance and renewal of prosthetic and orthopaedic appliances, as prescribed.*

The scope of health services provided within the Czech public health insurance system is defined in Part Five of the Public Health Insurance Act No. 48/1997(as amended). The benefits include general practitioner care, including domiciliary visiting, specialist care for hospitalized persons provided by specialists, care for persons in hospitals attending outside the hospital, basic medical prescription providing, care before, during and after childbirth provided by a doctor and hospitalization.

The scope of provided health services, to which an insured person is entitled, is determined by Chapter V of the Public Health Insurance Act, stipulating among others in Section 13:

(1) The healthcare services provided to an insured person are covered by health insurance with the aim to improve or save his/her health and to alleviate his/her suffering, provided

a) It corresponds to the health conditions of the insured person and to the medical purposes which might be achieved, and which are adequate and secure;

b) Is in compliance with contemporary and accessible knowledge of medical science and there is existing evidence proving its effectiveness with regard to the purpose of its provision.

(2) Healthcare services covered by health insurance in the scope and under conditions given by Public Health Insurance Act are as follows:

a) Preventive, dispensary, diagnostic, therapeutic, therapeutic-rehabilitative, spa therapeutic-rehabilitation care, assessment, nursing and palliative care and care for the donors of blood, tissues or organs and cells in relation to their removal – pursuant to the provisions of the Health Services Act;

b) Provision of medicinal preparations, foods for special medical purposes, medical devices and dental products;

c) Transportation of the insured persons and reimbursement of travel expenses;

d) Collection of blood and tissues, cells and organs for transplantation purposes and any necessary handling (preservation, storage processing and testing);

e) Transportation of a living donor (of tissues, cells and organs for transplantation) to and from the place of collection and the providing of healthcare related to the collection and reimbursement of travel costs;

f) Transport of a deceased donor to and from the place of collection;

g) Transport of the collected tissues, cells and organs;

h) Examination and autopsy of a deceased insured person - including transportation;

i) The stay of a person accompanying an insured person in a medical facility for inpatient care (hospital);

j) Medical care related to pregnancy and the birth of a child whose mother asked for confidentiality in connection with the childbirth; this care is covered by health insurance, where payment is requested by the provider based on an identification of the insured person.

Based on a registered provider's recommendation in the field of gynaecology and midwifery in connection with an artificial insemination, covered health services include health care - up to three times in a lifetime or if in the first two cases to the female genitals only one human embryo was transferred resulting from artificial insemination outside the woman's body four times in a lifetime - to

a) Women aged 18 – 39 with bilateral tubal obstruction or

b) Other women aged 22 – -40 (maximum of three times in a lifetime).

Medicinal preparations containing the following the least economically challenging medicinal substances are covered in full from health insurance:

a) Serum against staphylococcus infections;

b) Serum against diphtheria;

c) Serum against snake venom;

d) Serum against botulism;

e) Serum against gaseous gangrene;

f) Serum against rabies;

g) Immunoglobulin against tetanus;

h) Immunoglobulin against hepatitis B;

i) Tetanus toxoid;



- j) Vaccine against staphylococcus infections;
- k) Vaccines against rabies;
- l) Antidotes (used during the treatment of poisoning with organophosphates, heavy metals and cyanides).

More detailed definition of medicinal preparations and services covered by public health insurance can be found in the above-mentioned law.

## **II - 5. Cost-sharing**

### **§2. Article 10. C102 and ECSS**

*The beneficiary or his breadwinner may be required to share in the cost of the medical care the beneficiary receives in respect of a morbid condition; the rules concerning such cost-sharing shall be so designed as to avoid hardship.*

### **Article 17. C130**

*Where the legislation of a Member requires the beneficiary or his breadwinner to share in the cost of the medical care referred to in Article 8, the rules concerning such cost sharing shall be so designed as to avoid hardship and not to prejudice the effectiveness of medical and social protection.*

## **Update 2018**

Once a person becomes an insured individual of the Czech system of public health insurance, using health services is mostly free of charge (exception described in the report). An insured individual may be required to pay for certain medicinal products (either in full or partly). Also, a regulatory fee for using emergency healthcare is required under certain circumstances. However, there are several exceptions to the duty to pay such regulatory fee, i.a. when such a person is in material need. Thus, there are legal ways and protective provisions to prevent hardship without jeopardizing the health or medical services of a person.

The insured person (recipient of health services) is required to pay a regulatory fee. The amount of the regulatory fee can be found in Section 16a of the Public Health Insurance Act.

### **1) Regulatory fee for the medical emergency service**

According to Section 16a par. 1 of the Act, the insured individual or his/her legal representative shall pay the regulatory fee of CZK 90 to the respective provider of services for medical emergency services, including emergency service in stomatology (hereinafter referred to as "emergency service"). This regulatory fee is not paid if the insured person is placed in institutional care facilities for children under 3 years of age, in school facilities for institutional care or institutional protective care or placed for institutional upbringing in homes for persons with disabilities or if the insured person is placed according to a court's decision in a facility for children in need of immediate assistance, in foster care, in guardianship or care of another person as stipulated by Act No. 89/2012 Coll., the Civil Code. Further, in case of the insured person who proves a decision, notification or certificate issued by the authority providing assistance in material need that he/she is being provided with a benefit which is provided according to Act No. 111/2006 Coll., Assistance in Material Need Act. The document confirming this fact must not be older than 30 days. If the insured person is

being provided with social services according to Section 48-50 and Section 52 of Act No. 108/2006 Coll., the Social Services Act, i.e. social services provided in residential care homes for persons with disabilities, in homes for the elderly or in homes with special treatment regime or in health care facilities of inpatient care, under the condition that 15 % of their income (at least 15 % of the income must remain at the client's disposal after payment for accommodation and meals) is less than CZK 800 or if the insured person has no income. Moreover, the regulatory fee is not paid if a doctor within the emergency service found out that the condition of the insured individual requires hospitalization.

In the case of pregnancy, delivery and any consequences thereof, no participation in the costs for the provided healthcare is required. No regulatory fees are paid in relation to the institutional care provided to a newborn child from the day of the birth through to the day of release from the healthcare institution where the child was born or to the day of release from another healthcare institution to which the child was transferred directly after the birth for medical reasons.

In the case of pregnancy, childbirth and its consequences participation in the form of a regulatory fee of CZK 90 for the use of emergency services is required, if that happens, in accordance with the procedure set out above in the point B. (*point B = regulatory fee for the medical emergency service*).

The Czech Republic can confirm that no participation is required from a pregnant woman when giving birth. First, a regulatory fee is not a participation in costs of healthcare but rather a tool to optimize the usage of healthcare services. Second, if a person uses emergency healthcare and is subsequently admitted to a hospital, no regulatory fee is paid whatsoever. Therefore, pregnant women when giving birth and receiving healthcare in relation to delivery are not required to pay any regulatory fee or share in the costs of healthcare. For details please see the Update 2017, page 26-27.

## 2) Other types of regulatory fees

**As of January 1, 2014** (by the judgement of the Constitutional Court of the Czech Republic, promulgated in the Collection of Laws under No 283/2013 Coll., effective as of January 1, 2014) , the obligation to pay **a regulatory fee CZK 100** (letter f) of the Report 2013-ECSS) for each day of provided inpatient care including spa therapeutic-rehabilitative care, stipulated in section 16a, subsection f) of the Public Health Service Act, **was cancelled**.

**Since 1 January 2015, the regulatory payment of CZK 30 for a visit at a physician's and per prescription** (letter a), b), c) and d) of the Report 2013-ECSS) **has been cancelled** by an amendment to Act No. 48/1997 Coll. Public Health Insurance Act.

The only regulatory payment of CZK 90 for a visit at a medical emergency service has remained.

The regulatory fee of CZK 90 shall be paid to the respective provider of services for medical emergency services, including emergency service in stomatology (hereinafter referred to as "emergency service"). The regulatory fee is not paid when a doctor within the emergency service found out that the condition of the insured individual requires hospitalization.

Emergency service in stomatology, orthopaedics, otorhinolaryngology, ophthalmologist and other specialists is not considered as medical service connected with pregnancy and delivery.

In the case of pregnancy, delivery and any consequences thereof, no participation in the costs for the provided healthcare is required.

The health service provider was not allowed to collect **regulatory fees for medical services** covered by health insurance and which by law were not a subject to regulatory fee under a fine of CZK 50,000. However, as regulatory fees were abolished (excluding the emergency service fee of CZK 90), the provisions in question of Public Health Insurance **was abolished by Act No. 256/2014 with effect from January 1, 2015.**

According to Section 16b) subsec. 1 of the Act No 48/1997 Coll, as amended, there are established additional payment limits for medicines of foodstuffs for special medical purposes.

The limit of CZK 1,000 for children under the age of 18 and for insured persons over the age of 65 (always including the calendar year in which they completed the given year of age), the limit of CZK 500 for insured persons over the age of 70 (including the calendar year in which they reached the age of 70) and the limit CZK 5,000 for other insured persons. The health insurance company is obliged to pay the insured or legal representative an amount that exceed the given limit.

Since 1 January 2020, a new category with a limit of CZK 500 has been introduced. Insured persons who proved that they are recipients of a level-three disability pension or that they have been recognised as level-two or level-three disability person, but have not been granted a disability pension for not meeting the conditions of required insurance period; the above mentioned age limits (CZK 500, 1,000 or 5,000) continue to apply.

## **II - 6. Objectives of Medical Care**

### **§3. Article 10. C102 and ECSS**

*The benefit provided in accordance with this Article shall be afforded with a view to maintaining, restoring or improving the health of the person protected and his ability to work and to attend to his personal needs.*

#### **Article 9. C130**

*The medical care referred to in Article 8 shall be afforded with a view to maintaining, restoring or improving the health of the person protected and his ability to work and to attend to his personal needs.*

The Public Health Insurance Act defines the scope of health care in detail, which is covered by public health insurance (see Art. 8). It can therefore be considered that the scope of covered health care provides protection, recovery and abilities to improve the health of protected persons as well as their ability to work and ability to satisfy personal needs, as required by the paragraph 3 of this Article.

## **II - 7. Promotion of the general health service**

### **§4. Article 10. C102 and ECSS**

*The institutions or Government departments administering the benefit shall, by such means as may be deemed appropriate, encourage the persons protected to avail themselves of the general health services placed at their disposal by the public authorities or by other bodies recognised by the public authorities.*

Health insurance companies organize and finance preventive programmes for their insured, which try to motivate to prevention and healthy lifestyle in order to improve the health status of the insured and reduce expenditures on health care. In 2015, the previously initiated programme of individualised invitations for screening of tumour diseases was conducted jointly by the Ministry of Health in association with health insurance companies. Under this programme the individual invitations were sent to the selected age groups of the insured for screening examination to detect any potential tumour diseases, which are risk in this group.

Currently, three screening programmes are in place in the Czech Republic (Colorectal Cancer Screening Programme, Breast Cancer Screening Programme and Cervical Cancer Screening Programme)

Since 2022 a new screening program has been introduced in the Czech republic, Lung Cancer Screening, so far in the so-called pilot phase.

## **II - 8. Qualifying period**

### **Article 11. C102 and ECSS**

*The benefit specified in Article 10 shall, in a contingency covered, be secured at least to a person protected who has completed, or whose breadwinner has completed, such qualifying period as may be considered necessary to preclude abuse.*

### **Article 15. C130**

*Where the legislation of a Member makes the right to the medical care referred to in Article 8 conditional upon the fulfilment of a qualifying period by the person protected or by his breadwinner, the conditions governing the qualifying period shall be such as not to deprive of the right to benefit persons who normally belong to the categories of persons protected.*

In the Czech Republic, the qualifying period during which the person would have to be insured to gain access to covered health care is not established. Since the first day of the public health insurance every insured in case of a covered contingency is eligible for the full range of paid health services, regardless of the duration of insurance and regardless of the amount of premiums paid. It can be stated that the public health insurance system in the Czech Republic is based on a high degree of solidarity which is also reflected in this regard.

## **II - 9. Minimum duration of benefit**

### **Article 12. C102 and ECSS**

*The benefit specified in Article 10 shall be granted throughout the contingency covered, except that, in case of a morbid condition, its duration may be limited to 26 weeks in each case, but benefit shall not be suspended while a sickness benefit continues to be paid, and provision shall be made to enable the limit to be extended for prescribed diseases recognised as entailing prolonged care.*

### **Article 16. C130**

*1. The medical care referred to in Article 8 shall be provided throughout the contingency.*

*2. Where a beneficiary ceases to belong to the categories of persons protected, further entitlement to medical care for a case of sickness which started while he belonged to the said categories may be limited to a prescribed period which shall not be less than 26 weeks: Provided that the medical care shall not cease while the beneficiary continues to receive a sickness benefit.*

3. Notwithstanding the provisions of paragraph 2 of this Article, the duration of medical care shall be extended for prescribed diseases recognised as entailing prolonged care.

Benefits referred to in Article 10 shall be provided throughout the contingency without time limit, supposing that the insurance of the person lasts.

## II - 10. Suspension of Benefit

*See under Part XIII-1*

### **Article 28. C130**

1. A benefit to which a person protected would otherwise be entitled in compliance with this Convention may be suspended to such extent as may be prescribed:

(a) as long as the person concerned is absent from the territory of the Member;

(b) as long as the person concerned is being indemnified for the contingency by a third party, to the extent of the indemnity;

(c) where the person concerned has made a fraudulent claim;

(d) where the contingency has been caused by a criminal offence committed by the person concerned;

(e) where the contingency has been caused by the serious and wilful misconduct of the person concerned;

(f) where the person concerned, without good cause, neglects to make use of the medical care or the rehabilitation services placed at his disposal, or fails to comply with rules prescribed for verifying the occurrence or continuance of the contingency or for the conduct of beneficiaries;

Access to the public health insurance and medical care is guaranteed to everyone in the Czech Republic, in accordance with the Charter of Fundamental Rights and Freedoms (CFRF). Article 31 of the CFRF stipulates: 'Everyone has the right to protection of his/her health. Citizens are entitled, on the basis of public insurance, **to free medical care and to medical aid under the conditions provided for by law.**' Once a person becomes an insured individual, there may not be **any limitation to the health services provided.**

Act No. 280/1992 Coll., regulating the Departmental, Professional, Company and other Health Insurance Companies, as amended, stipulates the legal regulation in force that establishes that all health insurance companies are responsible for providing health services to the persons insured. Generally, the rule is that responsibility for health care is primarily on the respective authorised insurance company with which the person is registered for health insurance and which in case of problems is obliged to seek a solution to the problem of the insured person.

## II - 11. Right of complaint and appeal

*See under Part XIII-2*

### **Article 29. C130**

1. Every claimant shall have a right of appeal in the case of refusal of the benefit or complaint as to its quality or quantity.

*2. Where in the application of this Convention a government department responsible to a legislature is entrusted with the administration of medical care, the right of appeal provided for in paragraph 1 of this Article may be replaced by a right to have a complaint concerning the refusal of medical care or the quality of the care received investigated by the appropriate authority.*

Everyone has the right to appeal against the decision of the health insurance company concerning the refusal of health service payment, especially:

a) The appeal against the decisions of the revision physicians of health insurance companies, authorised by law to approve the payment of some (usually financially more expensive) of health services.

b) The appeal in cases of payment of health services out of the territory of the Czech Republic.

In cases where a person feels that he/she has not been given proper health service, necessary quality of care, necessary health service is refused, a person is not satisfied with the behaviour of the doctor, considers the information provided to be inadequate or with his or her approach etc., has a right to file a complaint.

The complaint is filed at the provider of the medical facility, Regional Authority in particular administrative district, at the Czech Medical Chamber, the Czech Dental Chamber etc., depending of the case and the provider.

The system of complaints is governed by the Code of Administrative Procedure, which stipulates its settlement within a maximum of 60 days.

The doctor has a general responsibility to provide the help needed to prevent/reduce the risk of death, the assistance needed to provide the person at risk the help needed to prevent further damage to health, assistance needed to treat injuries or other detrimental health issues. Failure to provide such a care can be classified as a criminal offense under Section 150 (2) of the Act No. 40/2009 Coll., Criminal Code, as amended. A citizen can also seek judicial protection of an affected right.

## **II - 12. Financing and Administration**

*See under Part XIII-3*

### **Article 30. C130**

*1. Each Member shall accept general responsibility for the due provision of the benefits provided in compliance with this Convention and shall take all measures required for this purpose.*

*2. Each Member shall accept general responsibility for the proper administration of the institutions and services concerned in the application of this Convention.*

### **Article 31. C130**

*Where the administration is not entrusted to an institution regulated by the public authorities or to a government department responsible to a legislature:*

*(a) representatives of the persons protected shall participate in the management under prescribed conditions;*

*(b) national legislation shall, where appropriate, provide for the participation of representatives of employers;*

*(c) national legislation may likewise decide as to the participation of representatives of the public authorities.*

Health and pension insurance are managed by public administrative authorities.

**See also under Part II-6**

State administration in social security is controlled and managed by the Ministry of Labour and Social Affairs which also manages the Czech Social Security Administration (i.e., the state administration authorities).

The Ministry of Health and the General Health Insurance Company (established by Act No. 551/1991 Coll.), share the management of the system in the area of health insurance. The management of the General Health Insurance Company is partially appointed by the Government and partially elected by the Czech Parliament.

The representation of insured individuals of employers in the administrative authorities of the individual sectoral, branch, company and other insurance companies ("employee insurance companies") is regulated by the following provision of Act No. 280/1992 Coll.:

**Section 10 a) of the Act**

*1) The Managing Board of employee insurance company is made up of 5 members named by the government and 10 members elected by employers and the insured of the employee insurance company, and that in a way where 5 members are elected from the candidates proposed by the employer representative organisations and self-employed persons and 5 members are elected from employees and persons without taxable income. The scope of those entitled to make proposals, method of the election and the election code are defined by the Ministry of Health's Decree. Regularity of the election is monitored by the Ministry of Health.*

*2) The employee insurance Board of Supervisors is made up of*

*a) 3 members, who, based on the proposal of the Ministry of Finance, the Ministry of Labour and Social Affairs and the Ministry of Health, are appointed and dismissed by the government;*

*b) 6 members elected by employers and insured, and that in a way whereby 3 members are elected from the candidates proposed by the employer representative organisations and self-employed persons and 3 members are elected from the employees and persons without taxable income.*

Health care in case of accidents at work and occupational diseases is covered by public health insurance. Cash benefits and compensation to which a protected person is entitled as a result of contingency is covered by other social security schemes.

**Financing public health insurance system**

The level of insurance premiums depends on the income received, i.e. one-third is paid by the employee and two thirds by the employer. The state pays the premium for about 60 % of insured persons, especially dependent children, students, pensioners, persons on maternity or parental leave, etc.

**Additional information**

Health insurance funds are financed through contributions from employees and employers, amounting to 13.5 percent of the employees' gross income. The employee pays 4.5 percent and the employer 9 percent. Self-employed persons pay 13.5 percent of their assessment income.

The state covers health insurance for the unemployed, pensioners, students, women on maternity leave, women taking care of one child of less than 7 years or more children aged less than 15 years old, prisoners, soldiers, and people receiving other social security benefits. In total, the state pays for ca 60 percent of the population. People without a taxable income (for example, housewives) pay their contributions themselves, based on the national minimum wage.

The self-governing bodies of all insurance companies include representatives of the insured persons, the insured persons' employers, and the state. The management of the General Health Insurance Company is partially appointed by the government, and partially elected by the Czech Parliament. Representation of employees and employers in the sector, branch, enterprise and other health insurance companies is regulated by Act No. 280/1992 Coll. Section 10 of this Act and the Czech Social Security Administration, on reports of the government, and on determines that the managing board of an insurance company should consist of five members named by the government, five members elected by employers, and five by the insured employees. Moreover, the Board of Supervisors of the insurance companies should consist of three representatives of the Ministry of Finance, the Ministry of Labour and Social Affairs, and the Ministry of Health, appointed by the government, and six representatives of the social partners, equally divided about employers and insured persons. With these rules, the Czech Republic complies with the requirement of the European Code of Social Security and ILO Convention 130 that where the administration of a social security scheme is not entrusted to a public institution, representatives of the persons protected shall participate in the management of the insurance company.



## Part III. Sickness Benefit

*The Czech Republic has accepted the obligations resulting from Part III of C130 and Part III of the ECSS.*

Category	Information available	Information missing / questions raised by the CEACR
<b>III-1. Regulatory framework</b>	<i>Art.13 ECSS, Art.18 C130</i>	
<b>III-2. Contingencies covered</b>	<i>Art.14 ECSS, Art.7(b) C130</i>	
<b>III-3. Persons Protected</b>	<i>Art.15 ECSS, Art.19 C130*</i>	
<b>III-4. Level and Calculation of Benefit</b>	<i>Art.16 ECSS, Art.21 C130*</i>	
<b>III-5. Qualifying period</b>	<i>Art.17 ECSS, Art.25 C130</i>	
<b>III-6. Minimum duration of Benefit</b>	<i>Art.18 ECSS, Art.26 C130</i>	
<b>III-7. Funeral Benefit</b>	<i>Art.27 ECSS</i>	
<b>III-8. Suspension of Benefit</b>	<i>Art.68 ECSS, Art.28 C130</i>	
<b>III-9. Right of complaint and appeal</b>	<i>Art.69 ECSS, Art.29 C130</i>	
<b>III-10. Financing and Administration</b>	<i>Art.70*,72 ECSS Art.30,31 C130</i>	

*\* Please update statistical data, in accordance with the [Report form for C102/ECSS/C130](#).*

### List of applicable legislation

- Act No. 187/2006 Coll., Sickness Insurance Act, as amended
- Act No. 262/2006 Coll., the Labour Code, as amended
- Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended
- Act No. 117/1995 Coll., on State Social Support, was updated in the given period by Acts No. 364/2011 Coll., 366/2011 Coll., 408/2011 Coll., 375/2011 Coll., 401/2012 Coll. (part), 331/2012 Coll., 428/2011 Coll., 399/2012 Coll., 401/2012 Coll., 482/2012 Coll., 48/2013 Coll., 267/2013 Coll., 306/2013 Coll., 458/2011 Coll. (part), 303/2013 Coll., 344/2013 Coll., 440/2013 Coll., 64/2014 Coll., 101/2014 Coll., 458/2011 Coll., 250/2014 Coll., 252/2014 Coll., 253/2014 Coll., 327/2014 Coll., 332/2014 Coll., 377/2015 Coll., 395/2015 Coll.  
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=43008&nr=117~2F1995&rpp=15#local-content>
- Act No. 187/2006 Coll., Sickness Insurance Act, took effect on 1 January 2007, and was amended in the given period by Acts No. 263/2011 Coll., 341/2011 Coll., 364/2011 Coll., 365/2011 Coll., 470/2011 Coll., 1/2012 Coll., 375/2011 Coll., 410/2011 Coll., 169/2012 Coll., 167/2012 Coll., 470/2011 Coll. (part), 396/2012 Coll., 458/2011 Coll., 250/2014 Coll., 267/2014 Coll., 14/2015 Coll., 332/2014 Coll., 204/2015 Coll., 317/2015 Coll., 131/2015 Coll., 47/2016 Coll., 190/2016 Coll., 298/2016 Coll., 24/2017 Coll., 99/2017 Coll., 148/2017 Coll., 183/2017 Coll., 195/2017 Coll., 259/2017 Coll., 310/2017 Coll., 92/2018 Coll., 335/2018 Coll., 111/2019 Coll., 164/2019 Coll., 277/2019 Coll., 315/2019 Coll., 255/2020 Coll., 300/2020., 438/2020 Coll., 540/2020 Coll., 248/2021 Coll., 261/2021 Coll., 270/2021 Coll., 326/2021 Coll., 330/2021 Coll., 471/2021 Coll. with regard to Announcement No. 436/2020  
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=62555&nr=187~2F2006&rpp=15#local-content>
- Act No. 189/2006 Coll., amending some acts in connection with adopting the Sickness Insurance Act  
[http://portal.gov.cz/wps/WPS\\_PA\\_2001/jsp/download.jsp?s=1&l=189%2F2006](http://portal.gov.cz/wps/WPS_PA_2001/jsp/download.jsp?s=1&l=189%2F2006)

- Act No. 582/1991 Coll., on the Organization and Implementation of Social Security by Acts No. 220/2011 Coll., 263/2011 Coll., 220/2011 Coll. (part), 329/2011 Coll., 341/2011 Coll., 348/2011 Coll., 364/2011 Coll., 365/2011 Coll., 366/2011 Coll., 367/2011 Coll., 470/2011 Coll., 375/2011 Coll., 167/2012 Coll., 428/2011 Coll., 470/2011 Coll. (part), 399/2012 Coll., 401/2012 Coll., 403/2012 Coll., 274/2013 Coll., 303/2013 Coll., 313/2013 Coll., 344/2013 Coll., 64/2014 Coll., 136/2014 Coll., 458/2011 Coll., 250/2014 Coll., 251/2014 Coll., 267/2014 Coll., 332/2014 Coll., 317/2015 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 213/2016 Coll., 298/2016 Coll., 24/2017 Coll., 99/2017 Coll., 148/2017 Coll., 183/2017 Coll., 195/2017 Coll., 203/2017 Coll., 259/2017 Coll., 310/2017 Coll., 92/2018 Coll., 335/2018 Coll., 111/2019 Coll., 164/2019 Coll., 228/2019 Coll., 315/2019 Coll., 315/2020 Coll., 255/2020 Coll., 540/2020 Coll., 261/2021 Coll., 270/2021 Coll., 323/2021 Coll., 330/2021 Coll.  
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=39631&nr=582~2F1991&rpp=15%20-%20local-content>
- Act No. 589/1992 Coll., on Social Security Premiums and on Contributions to the State Employment Policy, was amended by Acts No. 263/2011 Coll., 341/2011 Coll., 364/2011 Coll., 365/2011 Coll., 470/2011 Coll., 428/2011 Coll., 399/2012 Coll., 401/2012 Coll., 503/2012 Coll., 11/2013 Coll., 344/2013 Coll., 458/2011 Coll., 401/2012 Coll., 250/2014 Coll., 267/2014 Coll., 332/2014 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 24/2017 Coll., 99/2017 Coll., 183/2017 Coll., 259/2017 Coll., 310/2017 Coll., 92/2018 Coll., 32/2019 Coll., 315/2019 Coll., 255/2020 Coll., 285/2020 Coll., 540/2020 Coll., 286/2021 Coll.  
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=40377&nr=589~2F1992&rpp=15#local-content>
- Act No. 54/1956 Coll., on Sickness Insurance of Employees was abrogated by Act No. 187/2006 Coll.
- Act No. 32/1957 Coll., on Health Care in Armed Forces was abrogated by Act No. 187/2006 Coll.
- Act No. 88/1968 Coll., on Extending Maternal Leave, on Benefits and Bonuses for Children from Sickness Insurance was abrogated by Act No. 187/2008 Coll.
- Decree N. 165/1979 Coll., on Sickness Insurance of Some Workers and on Providing Sickness Benefits to People in Special Cases, was abrogated by Act No. 187/2006 Coll.

### III – 1. Regulatory framework

#### **Article 13. C102 and ECSS**

*Each Member (Contracting Party) for which this Part of this Convention (Code) is in force shall secure to the persons protected the provision of sickness benefit in accordance with the following Articles of this Part.*

#### **Article 18. C130**

*Each Member shall secure to the persons protected, subject to prescribed conditions, the provision of sickness benefit in respect of the contingency referred to in subparagraph (b) of Article 7.*

General requirements for sickness insurance benefits entitlement are regulated by Sections 15–17 of the Sickness Insurance Act. Entitlement to sickness benefit is established regardless of the financial circumstances of the insured person.

### III - 2. Contingency covered

#### **Article 14. C102 and ECSS**

*The contingency covered shall include incapacity for work resulting from a morbid condition and involving suspension of earnings, as defined by national laws or regulations.*

#### **Article 1 (j). C130**

*The term “sickness” means any morbid condition, whatever its cause.*

#### **Article 7 (b). C130**

*The contingencies covered shall include*

*(b) incapacity for work resulting from sickness and involving suspension of earnings, as defined by national legislation.*

Sickness benefit entitlement applies to an employee acknowledged in accordance with the Act No. 187/2006 Coll., Sickness Insurance Act (as amended) to be temporarily unable to work if his/her temporary inability to work lasts more than 14 calendar days. The employee is entitled to salary or wage compensation according to Labour Code in the course of the first 14 calendar days of temporary inability to work paid to the employee by the employer.

Temporary incapacity/quarantine of the employee is an obstacle to work for the employee which does not allow the employee from performance of work. The employer is obliged to excuse the employee for the duration of an obstacle to work and the employee is obliged to prove the existence of an obstacle.

### III - 3. Persons protected

#### **Article 15. C102 and ECSS**

*The persons protected shall comprise:*

- (a) prescribed classes of employees, constituting not less than 50 per cent of all employees; or*
- (b) prescribed classes of the economically active population, constituting not less than 20 per cent of all residents; or*
- (c) all residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of Article 67.*

#### **Article 19. C130**

*The persons protected in respect of the contingency specified in subparagraph (b) of Article 7 shall comprise:*

- (a) all employees, including apprentices; or*
- (b) prescribed classes of the economically active population, constituting not less than 75 per cent of the whole economically active population; or*
- (c) all residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of Article 24.*

The Czech Republic refers to the provision of letter a) of the Article 15 of the ECSS.

The scope of insured persons is defined by Section 5 of the Act No 187/2009 Coll., the Sickness Insurance Act. This includes employees in employment, employees active upon the basis of agreement to work outside the scope of employment, judges, community care service volunteers, associates and managing directors of a limited liability company, the directors of charitable companies, members of collective bodies of legal entities, authorized representatives, liquidators and others. Sickness insurance for self-employed persons is voluntary. This includes also apprentices in accordance with the provisions of Section 5 Subsection 22 of the Sickness Insurance Act who receive the income from which insurance has been paid.

Number of self-employed persons covered: 99,054 persons in 2022.

Since 1 January 2012, the group of sickness insured employees has been enlarged. It now includes among others workers active upon the basis of agreement to work outside the scope of employment, who participate in sickness insurance only if they work in the Czech Republic and the amount of their income exceeds CZK 10,001 in a calendar month during the existence of such an agreement. Employee participates in sickness insurance also if he/she performed with one employer more than one agreement to complete a job in a calendar month and if the total revenue from these agreements reached during the calendar month an amount higher than CZK 10,000.

Since 1 January 2014, the group of insured employees has been enlarged again; everyone who pays income taxes from employment is usually covered by insurance.

Participation in sickness and pension insurance emerges automatically if the **arranged** amount of the assessable income from this job for a calendar month **is at least CZK 4,000 (as of 1 January 2023)**.

For employment small in scale, i.e. employment in which assessable income in an amount lower than CZK 4,000 per month was agreed, or income was not agreed at all, the employee participates in sickness and pension insurance only in those calendar months (for the duration of employment) in which assessable income of at least CZK 4,000 was cleared to him/her.

An employee active on the basis of an agreement to complete a job (ACJ) participates in sickness and pension insurance only in those calendar months for the duration of this agreement, in which his/her assessable income of more than CZK 10,000 was cleared; participation in insurance is monitored on monthly basis. This means that e.g. the income from the ACJ in the amount of CZK 9,000 is subject to taxation but not insurance, and participation in the insurance is not requested.

The character of work based on an agreement to complete a job (ACJ) is only casual (a part-time job) frequently performed contemporary with the full-time job as the additional source of income. Due to this fact, there are no statistics available concerning its incidence, but it can be presumed that the number of persons not covered by the sickness insurance is relatively small as most workers with ACJ are already insured due to their full-time employment. Similarly, it works in the case of small-scale employment.

**Statistical information:**

Source: The Czech Social Security Administration: Accounting Reports<sup>2</sup>

A. Number of employees covered:	4,591,140 persons
Number of self-employed persons covered:	99,054 persons
B. Total number of employees:	4,591,140 persons
C. 100%	

It is compulsory in the Czech Republic to provide sickness insurance to all employees.

**Definition of “employees”**

An employee is an individual (natural person) legally bound himself/herself to perform dependant work as an employee in labour-law relations (Section 6 of the Act No 262/2006 Coll., the Labour Code).

Sickness Insurance Act in Section 5 defines an employee as a person who have/could have an income from a dependent activity based on employment which is/would be a subject to income tax and has not been exempted from such a taxation. The definition includes employees in employment, employees active upon the basis of agreement to work outside the scope of employment, judges, community care service volunteers, associates and managing directors of a limited liability company, the directors of charitable companies, members of collective bodies of legal entities, authorized representatives, liquidators and others, as mentioned in Report 2016-ECSS.

**III - 4. Level and Calculation of Benefit**

***Article 16. C102 and ECSS***

*1. Where classes of employees or classes of the economically active population are protected, the benefit shall be a periodical payment calculated in such a manner as to comply either with the requirements of Article 65 or with the requirements of Article 66.*

*2. Where all residents whose means during the contingency do not exceed prescribed limits are protected, the benefit shall be a periodical payment calculated in such a manner as to comply with the requirements of Article 67; [provided that a prescribed benefit shall be guaranteed, without means test, to the prescribed classes of persons determined in accordance with Article 15. a or b - ECSS].*

***Article 21. C130***

*The sickness benefit referred to in Article 18 shall be a periodical payment and shall:*

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<sup>2</sup> Účetní zprávy za rok 2022, ČSSZ.

(a) where employees or classes of the economically active population are protected, be calculated in such a manner as to comply either with the requirements of Article 22 or with the requirements of Article 23;  
 (b) where all residents whose means during the contingency do not exceed prescribed limits are protected, be calculated in such a manner as to comply with the requirements of Article 24.

## Chapter I

### A. Rules for sickness benefit calculation:

#### a) **Wage or salary compensation** paid by employers to employees

a. The compensation is paid for workdays (i. e. days/shifts missed by an employee due to illness, as a loss of earnings' compensation), during the first 14 days of the temporary incapacity to work. The character of the payment is based on providing the employee with the wage compensation paid by the employer during specified period of time (two weeks) at the beginning of the temporary incapacity to work, i.e. it is not a form of a sickness benefit, as a covered contingency, in the sense of the Code. After the first 14 days of that compensation paid by an employer, the sickness benefit is paid to the employee by the Social Security Administration.

**The contingency envisaged by the Convention/ECSS caused by loss of earnings thus arises with the delay of 14 days.** Simultaneously, the rate of sickness insurance contribution paid by the employer was lowered by 1 p. p., as a financial compensation for this obligation. The contribution paid by the employer was lowered by additional 0.2 p.p. from 1<sup>st</sup> July 2019 simultaneously with the abolishment of the waiting period.<sup>7</sup> Sickness insurance contributions for employees were abolished by Act No 2/2009, amending the Act No 586/1992 Coll., Income Taxes Act. For this reason, the first 14 days of the temporary incapacity to work is not considered as a part of supporting period which was therefore prolonged from 365 days to 380 days in order to formally conform to the requirement of 52 weeks.

The aim of this legislative change is *inter alia* to increase the effectiveness of societal supervision over the abuse of the sickness insurance, primarily in short-term sick leave.<sup>3</sup>

- b. The specified period for setting the average earnings is the previous completed quarter.
- c. The amount is set on the basis of the average hourly earnings which are reduced in a similar way as the basis determining the amount of the sickness benefits.
- d. The percentage rate is (60% of reduced average earnings).
- e. Since 1<sup>st</sup> July 2019 the compensation is paid from the first working day of the temporary incapacity to work (no waiting period)<sup>4</sup>.
- f. The daily amount of wage/salary compensation since the first working day of temporary incapacity to work corresponds to 60% of the daily assessment base.

#### b) **Sickness benefits**

1. The sickness benefit is paid out for calendar days, since the 15th calendar day of temporary incapacity to work, in case that the temporary incapacity to work lasts more than 14 days. The employee is thus covered by the sickness benefit every single

<sup>3</sup> Fundamental change of the sickness insurance system (Act No. 187/2006 Coll.) became effective on 1 January 2009.

<sup>4</sup> According to Act No. 32/2019 Coll., amending Act. No. 262/2006 Coll., Labour Code and other Related Acts.

(calendar) day of the temporary incapacity to work, no matter how many working days/shifts he/she did not work out due to the contingency.

2. The decisive period for determination of average earnings is usually<sup>5</sup> 12 calendar months preceding the calendar month in which the temporary incapacity to work occurred.
3. The daily assessment base is the assessable income divided by the number of calendar days of the specified period (some days are not included in order to avoid unjustified dilution of the daily assessment base, for example the days when sickness benefits were provided).
4. The qualifying income consists of all income subject to social security contributions and contributions to the state employment policy calculated for an employee in the specified period.
5. Reduction of the daily assessment base: 90 % of the amount up to the first reduction limit is counted, 60 % of the amount between the first and second reduction limit is counted, 30 % between the second and third reduction limit is counted and the amount above the third reduction limit is not taken into account.
6. In 2023 the first reduction limit is CZK 1,345, the second reduction limit is CZK 2,017 and the third reduction limit is CZK 4,033.
7. The daily benefit is calculated from the 15<sup>th</sup> to 30<sup>th</sup> calendar day at the fixed rate of 60 % of the daily assessment base; from the 31<sup>st</sup> to 60<sup>th</sup> calendar day at the rate of 66 % of the daily assessment base and from 61<sup>st</sup> calendar day the rate amounts to 72% of the daily assessment base<sup>6</sup>.
8. Sickness benefit is a multiple of the daily benefit and the number of calendar days of the duration of the temporary incapacity to work.

B.

To evaluate the required level of sickness benefits, it is proceeded in accordance with Article 65, Section 6 Subsection a).

C. In 2022 the average gross wage of a skilled worker was CZK 38,693 (based on Job Specification CZ-ISCO 72231 – a metal turner – a machine tool setter and an operator).

## Chapter II

Calculation of sickness benefits:

### Data of 1 January 2023

D. – G. The **calculation of the ratio for the evaluation of the sickness benefits level:**

- A gross wage of a skilled worker is used for calculation (based on Job Specification CZ-ISCO 72231 – a metal turner – a machine tool setter and an operator) in 2022 i.e. CZK 38,693
- Gross wage from employment: CZK 38,693, of which the net salary after the tax deduction amounts (for a taxpayer with two children) to CZK 34,327

<sup>5</sup> The specified period is determined in Section 18 par. 3–6 of the Sickness Insurance Act, in which all variants are stated, e.g. a situation when employment has lasted for less than 12 months, etc.

<sup>6</sup> According to Act No. 259/2017 Coll., effective from 1 January 2018, amending Act No. 589/1992 Coll., on Social Security Premiums and Contributions to the State Employment Policy and other Related Acts.

- The daily assessment base for the calculation of sickness benefits (DAB): the ratio between the annual wage and the number of days in the specified period:  $38,693 \times 12/365 = \text{CZK } 1,272.10$ .
- **The daily assessment base** is reduced as follows:  
DAB:  $852.56 \times 90\% = \text{CZK } 1,145$ .
- **Daily amount of sickness benefit:**  
It is 60% of the DAB since the 15<sup>th</sup> to 30<sup>th</sup> day of temporary incapacity to work,  
60% out of 1,145 = CZK 687.  
From the 31<sup>st</sup> to 60<sup>th</sup> day of temporary incapacity to work it is 66% of the DAB:  
66% out of 1,145 = CZK 755.7.
- **The monthly amount of sickness benefit from 15<sup>th</sup> to 44<sup>th</sup> day of temporary incapacity to work:**  $16 \times 687 + 14 \times 755.7 = \text{CZK } 21,571.8$ .
- **Child benefits for two children** – amounting to CZK 1,940 (2 x CZK 970).
- **Net income and child benefits = CZK 36,267.**
- **Sickness benefit and child benefits for two children = CZK 22,550.**
- **The ratio between** the incomes after the insured claim (sickness benefit + child benefits) and incomes before the insured claim (net wage + child benefits):  $22,550/36,267 = 62.2 \%$

#### Update 2018

With effect from 1 January 2018, the level of the sickness benefit was increased as follows:

- from 31<sup>st</sup> calendar day of the temporary incapacity to work, the ratio was increased from 60% to 66% of the daily assessment base (DAB);

- from the 61<sup>st</sup> calendar day of the temporary incapacity to work, the ratio was increased from 60% to 72% of the DAB.

Up to now, the daily benefit was calculated as a 60% of the DAB and multiplied by number 30 for the period of 30 days of the temporary incapacity to work. From 1 January 2018, the benefit has been calculated as follows:

- Daily level of the benefit for the period from the 15<sup>th</sup> till 30<sup>th</sup> day of the temporary incapacity to work will amount to 60% of the DAB and be multiplied by 16;

- Daily level of the benefit for the period from the 31<sup>st</sup> till 44<sup>th</sup> day of the temporary incapacity to work will amount to 66% of the DAB and be multiplied by 14.

#### Update 2023

Monthly salary in CZK		Monthly benefits for 2 children in CZK per month	Monthly sickness benefits in CZK	Ratio sickness benefits / wage in % *)	
gross	Net			Gross	Net
38,693	34,327	1,940	21,571.8	55.5	62.2

\*) Including increased child benefits.

Income threshold for eligibility to child benefits as effective from July 1, 2022.

Source: Ministry of Labour and Social Affairs.

The European Code of Social Security requires the ratio of sickness benefits to the preceding income of an insured individual in the minimum amount of 45%. **The Czech Republic fulfils the required level of the amount of sickness benefit in respect of both gross and net wage.**

### III - 5. Qualifying period

#### **Article 17. C102 and ECSS**

*The benefit specified in Article 16 shall, in a contingency covered, be secured at least to a person protected who has completed such qualifying period as may be considered necessary to preclude abuse.*

#### **Article 25. C130**

*Where the legislation of a Member makes the right to the sickness benefit referred to in Article 18 conditional upon the fulfilment of a qualifying period by the person protected, the conditions governing the qualifying period shall be such as not to deprive of the right to benefit persons who normally belong to the categories of persons protected.*

The Czech legal regulations do not designate the fulfilment of a qualifying period as a precondition for the establishment of entitlement to sickness benefit. The insured person's entitlement to the sickness benefit arises as of the day of his/her entry into employment which constitutes the basis for participation in the sickness insurance scheme.

### III - 6. Minimum duration of Benefit

#### **Article 18. C102 and ECSS**

*The benefit specified in Article 16 shall be granted throughout the contingency, except that the benefit may be limited to 26 weeks in each case of sickness, [in which event it – C102] need not be paid for the first three days of suspension of earnings.*

#### **Article 26. C130**

- 1. The sickness benefit referred to in Article 18 shall be granted throughout the contingency: Provided that the grant of benefit may be limited to not less than 52 weeks in each case of incapacity, as prescribed.*
- 2. Where a declaration made in virtue of Article 2 is in force, the grant of the sickness benefit referred to in Article 18 may be limited to not less than 26 weeks in each case of incapacity, as prescribed.*
- 3. Where the legislation of a Member provides that sickness benefit is not payable for an initial period of suspension of earnings, such period shall not exceed three days.*

#### Temporary incapacity to work of an employee in the first 14 days

In accordance with Section 192 Subsection 1 of the Labour Code, an employee who is temporarily incapable to work has the right to receive compensation of wage / salary paid by the employer for the first 14 days of temporary incapacity / quarantine paid by an employer.

An employer pays compensation of wage/salary to an employee for the first 14 calendar days of temporary incapacity to work for working days, which are his/her working days (scheduled shifts) and for national holidays, for which the employee is entitled to salary compensation under Section 115 par. 3 of the Labour Code or for which his/her salary is not reduced (Section 135 par. 1 of the Labour Code), if on these particular days he/she complies with the terms of right for the payment of sickness benefits under the Sickness Insurance Act and if the employment lasts but no longer than until the date of expiration of the supportive period intended for the payment of sickness benefits under Section 26 *et seq.* of the Sickness Insurance Act.

#### Temporary incapacity to work of an employee since the 15<sup>th</sup> day

Sickness benefits are provided according to the Sickness Insurance Act since the 15th calendar day of duration of the temporary incapacity to work up to a maximum period of 380 calendar days since the beginning of temporary incapacity to work. Sickness benefits can be provided even after the expiry of the support period, if it can be expected the insured individual will shortly return to capacity to work upon the basis of a statement from the sickness insurance authority. It is, however, only possible to provide the sickness benefit in this way for a period of a further 350 calendar days. Sickness benefits are paid by the Czech Social Security Administration or by service authorities.



In case of a new temporary incapacity to work, the previous periods of temporary incapacity are included in the period of 380 calendar days since the beginning of temporary incapacity, provided those days fall into a period of 380 calendar days prior to the occurrence of a new case of temporary incapacity to work. Previous periods of temporary incapacity to work are not included if the insured activity lasted at least 190 calendar days since the end of the last case of temporary incapacity to work.

Since 1 January 2014, the sickness benefit is provided from the 15th calendar day of the temporary incapacity for work, the maximum period of providing the sickness benefit remains unchanged.

The sickness benefit may be provided based on Section 27 of the cited Sickness Insurance Act also after the contribution period of 380 calendar days has expired, based on a request of the insured. The condition is that, according to a statement of a physician of the sickness insurance authority, it can be expected that the insured will regain capacity for work within a short period, i.e. no later than 350 calendar days after the general contributory period (**380 calendar days**) has expired. This way, the contribution period of the sickness benefit payments may be extended by further **350 calendar days** beyond the general contribution period, i.e. in total to **730 calendar days**.

The person who has exhausted the contribution period for sickness benefit payment and has not regained capacity for work may solve his/her situation by applying for an invalidity benefit. The entitlement to that arises for persons who have become disabled according to the medical opinion of a medical officer of the District Social Security Administration for disability of the level-one to level-three and at the same time gained the necessary insurance period prescribed by the Pension Insurance Act. Obtaining the necessary insurance period is not required in cases where the invalidity occurred due to occupational accident or disease. **Persons who have lost capacity to work may also apply for state social support benefits, invalidity benefits and, in the case of low income, for material need assistance benefits.**

### III - 7. Funeral Benefit

#### **Article 27. C130**

*1. In the case of the death of a person who was in receipt of, or qualified for, the sickness benefit referred to in Article 18, a funeral benefit shall, under prescribed conditions, be paid to his survivors, to any other dependants or to the person who has borne the expense of the funeral.*

*2. A member may derogate from the provision of paragraph 1 of this Article where: (a) it has accepted the obligations of Part IV of the Invalidity, Old-Age and Survivors' Benefits Convention, 1967;*

*(b) it provides in its legislation for cash sickness benefit at a rate of not less than 80 per cent of the earnings of the persons protected; and,*

*(c) the majority of persons protected are covered by voluntary insurance which is supervised by the public authorities and which provides a funeral grant.*

Funeral grant is a lump-sum benefit granted to cover funeral expenses granted to a person who carried out the funeral of a dependent child or of a parent of a dependent child. The condition for entitlement is the permanent residence of a parent/child in the territory of the Czech Republic on the day of death. It is not a mean-tested benefit. The amount of the funeral grant is fixed at the amount of CZK 5,000.

The funeral grant entitlement is not dependent on whether the child or the parent or the person bearing the expense for the funeral is or is not a participant in the pension or sickness insurance.

Details are stipulated in the Act No 117/1995 Coll., State Social Support Act (Sec. 47 and 48) Payment is provided by the Regional Office of the Labor Office according to the place of residence.

The Act No 262/2006 Coll., Labour Code, stipulates, in Sec. 271g that where an employee dies as a consequence of an industrial injury or an occupational disease, the employer shall pay adequate costs connected with the employee's funeral, cemetery fee, travel expenses, a gravestone and its finishing at a minimum cost of CZK 20,000 and one third of common expenditures for mourning clothes.

### III - 8. Suspension of Benefit

*See under Part XIII-1*

#### **Article 28. C130**

*1. A benefit to which a person protected would otherwise be entitled in compliance with this Convention may be suspended to such extent as may be prescribed:*

*(a) as long as the person concerned is absent from the territory of the Member;*

*(b) as long as the person concerned is being indemnified for the contingency by a third party, to the extent of the indemnity;*

*(c) where the person concerned has made a fraudulent claim;*

*(d) where the contingency has been caused by a criminal offence committed by the person concerned;*

*(e) where the contingency has been caused by the serious and wilful misconduct of the person concerned;*

*(f) where the person concerned, without good cause, neglects to make use of the medical care or the rehabilitation services placed at his disposal, or fails to comply with rules prescribed for verifying the occurrence or continuance of the contingency or for the conduct of beneficiaries*

*(g) in the case of the sickness benefit referred to in Article 18, as long as the person concerned is maintained at public expense or at the expense of a social security institution or service; and*

*(h) in the case of the sickness benefit referred to in Article 18, as long as the person concerned is in receipt of another social security cash benefit, other than a family benefit, subject to the part of the benefit which is suspended not exceeding the other benefit.*

*2. In the cases and within the limits prescribed, part of the benefit otherwise due shall be paid to the dependants of the person concerned.*

#### Temporary incapacity to work of an employee in the first 14 days

If the insured individual who is temporarily incapable to work violates the fixed mode during the first 14 days of temporary inability (for example he/she does not fulfil the obligation to stay in the place of residence or works during the time of sickness for another employer), then the reason of obstacle for which the employer is obliged to excuse the employee ceases to exist and the employee should return back to work. If he/she does not do so, such behaviour is considered as a violation of obligations the employer may, according to the provisions of Section 52. h) of the Labour Code, impose a sanction or terminate employment as a result of violating of other employee's obligation specified in Section 301 of the Labour Code in a particularly gross manner. The provision of Section 301a governs the "Other duties of the employees" and states that employees are obliged in the first 14 calendar days of temporary inability to work to fulfil the prescribed regime at the time of temporary incapacity to work regarding the obligation to remain in the place of residence in a period of temporary incapacity and to observe the time and length of permitted leaves, as stipulated by the Sickness Insurance Act.

#### Temporary incapacity to work of an employee since 15<sup>th</sup> day

- The insured individual is not entitled to the payment of sickness benefits for the period during which:
  - He/she performs work or self-employed activity during the time when drawing sickness benefit from another insured activity;

- He/she receives chargeable income under the special regulations of employment, of which sickness benefits belong.
- An insured individual or any other recipient of a sickness benefit who has failed to fulfil any of the imposed obligations or has received the benefit or part thereof even though he/she must have been aware from circumstances that it had been paid out wrongly or at a higher amount than the said individual was entitled to, is obliged to repay the benefit payer any overpayment of the benefit. If another physical or legal entity has caused the benefit to be paid out wrongfully or at an amount higher than the individual was entitled to, said entity will be obliged to repay the benefit payer any overpayment of the benefit.
- If the insured individual has brought about his/her temporary incapacity to work:
  - As a result of his/her participation in a fight;
  - As a direct consequence of his/her inebriation or abuse of narcotic or psychotropic substances; or
  - While committing an intentional offence or an intentional misdemeanour.

The said individual will still be entitled to sickness benefits, but at **half the amount**. An insured individual who has deliberately brought about his/her temporary incapacity to work has no entitlement to sickness benefits.

- If an incapacitated insured individual breaches the prescribed medical regime during temporary incapacity to work, his/her sickness benefit may be reduced or suspended for a maximum period of 100 calendar days from the day of the breach in the medical treatment, but no longer than until the end of the period of temporary incapacity to work during which the breach in this treatment occurred.
  - The Sickness Insurance Act enables the payment of sickness benefits abroad on the basis of the request of the insured individual. It is only paid to the insured individual's bank account and in return for the payment of the associated costs.
  - If an insured person who is temporarily unable to work applies for a disability pension in accordance with Act No. 155/1995 Coll., Pension Insurance Act, as amended (hereinafter the "Pension Insurance Act"), and is acknowledged as disabled by the social security body, the temporary incapacity to work ends at the latest on the thirtieth day since the day following the day on which the insured individual was acknowledged as disabled. The disability pension will be granted since the day following the date of termination of the temporary incapacity to work.
  - If an old age benefit is awarded according to the Pension Insurance Act in the period when the insured employment or insured individual's independent gainful activities have not ended, the entitlement to sickness benefit will not end. However, the length of the period of provision of sickness benefit will be limited in case of this temporary incapacity to work alongside the payment of an old age pension. Sickness benefit is paid to a recipient of an old age benefit for a maximum period of 70 calendar days, but not after than the day of the termination of the insured activity and no longer than would be paid out up to the ceasing of the "general length" of the period of support.
- In the course of any temporary incapacity to work, an insured individual loses his/her entitlement to sickness benefit in the situation when the insured individual becomes entitled to an old age benefit in the course of said period of temporary incapacity to work and said individual's insured employment or insured independent gainful activities cease before the day on which the individual became entitled to the payment of the old age pension.

- The temporary incapacity to work of an insured individual who is entitled to maternity benefit shall be terminated and payment of sickness benefits shall be terminated at the beginning of the sixth week before the expected date of birth, if she was not entitled to receive maternity benefits earlier.

#### Suspension of benefits

**a) Job termination** – in general, the employee can be dismissed only when he/she breaches his/her obligation in especially gross manner and the employer cannot be justly expected to employ such employee any further (includes excessive unauthorised absences, repeated positive testing for presence of alcohol in blood or intoxication at work, simulate sickness etc.). The reason of notice of termination must be factually specified, so that it cannot be confused with another reason. The employment will come to end upon the expiry of the notice period. The notice period shall be at least two months and starts to run on the first day of the calendar month following delivery of the notice and come to end upon the expiry of the last day of the relevant calendar month.

**Dismissed person can be registered as a job seeker at the Labour Office regardless the reason of the job termination (Section 25 of the Act No 435/2004 Coll. Employment Act, as amended).**

The only obstacles to inclusion in the register have been described in Sec. 25 Subsec. 8, and cover situations when insured person terminated the employment mediated by Labour Office without any serious reason according to Section 52 (g)<sup>7</sup> of the Labour Code or was dismissed from employment mediated by Labour Office in accordance with Section or 55(1b) of the Labour Code.<sup>8</sup> Thus, there is no connection with temporary incapacity to work, wage compensation, sickness benefits or double punishment, but with the other breaching of labour law obligations of an employee in his/her labour law relationship mediated by Labour Office. This measurement prevents job seekers misuse unemployment services and benefits.

**b) Sickness benefit** - employer pays a compensatory wage to employee only during first 14 days of the temporary incapacity to work. Sickness benefit from 15th day of the temporary incapacity to work is provided by Czech Social Security Administration without regard to employment, unemployment or reason of job termination.

Thus the breach of the medical regime during the first 14 days cannot be considered as a reason for the suspension of sickness benefit by the Social Security Administration, because during the mentioned period of time (the first 14 days), an employee receives a financial compensation from his/her employer.

**c) Unemployment benefit** – a person during temporary incapacity to work, drawing sickness benefit, cannot be registered as a job seeker and draw unemployment benefit at the same time.

<sup>7</sup> Notice of Termination Given by the Employer (Dismissal) Section 52

(1) The employer may give notice of termination to an employee only for the following reasons:

(g) if there are reasons on the employee's side due to which the employer could immediately terminate the employment relationship, or if the employee has seriously breached some obligation arising from statutory provisions and relating to work performed by him; in case of ongoing but less serious breaches of some obligation that arises from statutory provisions and relates to the work performed by the employee, this employee may be given notice of termination by his employer provided that in the last six months the employer notified the employee of this possibility in writing (with regard to breach of some obligation that relates to work performed by this employee);

<sup>8</sup> Section 55 Immediate Termination of an Employment Relationship by the Employer (Instant Dismissal)

Subsec. (1) The employer may immediately terminate an employment relationship only:

(b) If an employee has breached some obligation that arises from the statutory provisions and relates to his work performance in an especially gross manner.

As soon as he/she is able to work, he/she can be registered at the Labour Office and services for the unemployed are fully provided.

**d) Material need** - the benefit system covers also persons who are not in labour-law relationship or registered/not registered at the Labour Office as a job seeker.

Lack of income to secure livelihoods and justified housing costs and the inability to increase one's own income because of age, health or other serious reasons are the criteria for assessing poverty. By meeting these conditions, the assessed person becomes a client of the system of assistance in material need. Depending on the situation, such a person may draw benefits provided for in Act No. 111/2006 Coll., regulating Assistance in Material Need, as amended (hereinafter the " Assistance on Material Need Act ") i. e. allowance for living, supplement for housing and extraordinary immediate assistance.

**Failure to fulfil the prescribed medical treatment at the time of employee's temporary incapacity to work is not and has never been listed among the legal grounds for not considering a person to be in material need. Such a person does not lose entitlement to family benefits (state social support benefits) and the access to social benefits in the form of assistance in material need benefits is guaranteed.**

The Assistance in Material Need Act even covers persons who fail to meet the legal requirements for providing assistance in material need (if there is serious risk of impairment of health under Section 2 para 3 in connection with Section 36–37 of the on Assistance in Material Need Act, or in other justified cases in accordance with Section 3 para 3 of the Assistance in Material Need Act).

**e) Sanction** - it is preventive measure in Czech legal regulation; a person must be aware that misuse of all benefits, failing to comply with rules prescribed for verifying the occurrence, continuance of the contingency or for conduct of the beneficiaries, when a fraudulent claim was made etc., as stated in Article 68 of the Code.

**f) Right to appeal in case of refusal of the benefit** - judicial decisions concerning dismissal during temporary incapacity to work 21 Cdo 630/2015, 21 Cdo 5126/2014 when the court ruled in favour of employees (Article 70 of the Code).

#### Reduction of sickness benefit

The protection of the sickness insurance system against negative conduct of the insured individual, which is dangerous to society, is stipulated in Sec. 31 of the Act No 187/2006 Coll., Sickness Insurance Act, as amended. These include, in particular, cases of involvement in intentional misconduct (Sec. 15, Subsec. 2 of Act No 250/2016 Coll. Determining Liability for Administrative Delicts) or criminal activity within the meaning of Sec. 15 of Act No 40/2009 Coll., Criminal Code, as amended (such as assault of a guarded object, attacking a person, causing a traffic accident as a result of excessive consumption of drugs or spirit, another misdemeanour or crime of bodily harm, in which the attacker was injured). There must be a causal relation between the occurrence of temporary incapacity to work and the act that caused it. It does not apply to the insured individual who is a victim of the attack.

The reduction of the sickness benefit precedes a physician's report on the injury, eventually the Police report concerning suspicions of attempted crime. The District Social Security Administration also invites the insured individual to prove how the accident occurred (a cause of the accident and a description of all decisive facts).

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<sup>11</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2022

<sup>11</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2022

The assessment of the possibility of reducing the sickness benefit is based on the statement of the insured individual (concerning the cause of the accident and description of all decisive facts), medical records, records of the Police of the Czech Republic on the statement of suspicion of the offense, on the report of the Integrated Rescue System, records from administrative infractions committees of a local or municipal authorities and other involved parties.

In such a procedure, the District Social Security Administration must be guided by the principle of objective (material) truth according to Sec. 3 of the Code of Administrative Procedure, i.e. it must have documents at its disposal which reliably establish the condition of the case, such as a record of an accident, medical records, statement of the insured individual, an observation of the investigative, prosecuting and adjudicating bodies etc. In case there are facts which undoubtedly justify the reduction of the sickness benefit, the District Social Security Administration shall decide on the entitlement to a sickness benefit in the amount of 50 per cent [Sec. 153 (1) (a), (2) (a); (a) and (5) of Act No 187/2006 Coll.] and inform the insured person concerning this decision in writing [Sec. 84 (2) c) of Act No 187/2006 Coll.].

In case the insured individual disagrees with the result of the procedure, he/she shall deliver to the District Social Security Administration within 30 days of the payment of the sickness benefit a written request to issue a decision stating the reasons for the disagreement. (Sec. 153 Subsec.6 and Sec. 84 Subsec.2 (c) of the Act No 187/2006 Coll.). By submitting this application, a proceeding concerning the sickness benefit within the meaning of the Administrative Procedure Code is commenced. From the date of application, the statutory administrative period for the decision has begun to run.

In case the negative conduct was not proved, the District Social Security Administration decides on full entitlement to sickness benefits and pays the difference to the insured individual.

Year	Number of administrative proceeding in total	Number of decisions concerning reduction of sickness benefit to 50 % in compliance with Rules of Administrative Procedure	Number of decisions observing action based on fault of the insured individual on temporary incapacity to work	Number of decisions on granting the full entitlement of sickness benefit
2017	4186	2 275	273	2002

It follows from the above-mentioned data that the sickness benefit was reduced only to 273 insured individuals last year, which represents 0.006 % of the total number of 4 511 568 insured individuals in the Czech Republic.

In insured individual who has deliberately brought himself/herself into temporary incapacity to work with the aim to draw sickness benefit fraudulently and abuse the insurance system has no entitlement to sickness benefit [Act No 187/2006 Coll., Sickness Insurance Act, Sec. 25 a)]. The situation must be proved by District Social Security Administration. The procedure shall be the same as mentioned above. Nevertheless, such cases do not occur in practice.

#### Co-ordination of sickness benefit with disability and old-age pensions, Article 68(c) of the Code

The District Social Security Administration assesses the state of health of an insured individual based on application in writing of insured individual for a disability pension in accordance with the Pension Insurance Act (Sec. 38 et subs. - the conditions are described in detail Part IX

Invalidity Benefit of the Consolidated Report). Grant and payment of the pension is carried out at the request of the insured individual, not by the decision of the State.

Disability and drawing of disability benefit do not prevent the pursuit of gainful employment and the benefit is not means-tested. The amount of disability pension depends on the level of disability granted and the length of insurance period.

Sickness benefit covers the insured individual with a benefit at the time of the loss of income from gainful employment (i.e. replaces regular income). At the time of temporary incapacity to work, the insured person cannot perform any work.

On the other hand, disability, especially at less serious levels, does not exclude an insured individual from work/employment. On the contrary, it may also allow full-time work (an asthmatic can work in a clear environment, a dancer in an office, a former driver with a hearing disorder in a workshop etc.). In such cases, the insured individual receives a regular income as well as disability pension of the appropriate level.

Similarly, the entitlement to an old-age benefit is based on application in writing by insured individual in accordance with the Pension Insurance Act (Sec. 54 et Subs. - the conditions are described in detail Part V Old-age Benefit of the Consolidated Report), not by the decision of the State.

Further benefits are guaranteed to all insured individuals by the system of assistance in material need, unemployment benefits, family benefits (described in relevant parts of the Consolidated Report).

### III - 9. Right of complaint and appeal

*See under Part XIII-2*

#### **Article 29. C130**

*Every claimant shall have a right of appeal in the case of refusal of the benefit or complaint as to its quality or quantity.*

An insured person has a right to lodge an appeal against a decision issued by the appropriate District Social Security Administration concerning the disallowance of his/her claim for sickness insurance benefits (sickness and maternity benefits), the amount of the benefit, the reduction of the benefit or the withdrawal or suspension of the payment thereof in accordance with Act No. 187/2006 Coll., the Sickness Insurance Act, as amended. The appeal is decided by a superior authority which is the Czech Social Security Administration. The first instance proceedings and appellate proceedings are governed by Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended. An insured person can bring an action against the decision of the appellate authority to a competent regional court (by Act No. 150/2002 Coll., the Judicial Rules of Procedure).

Article 7 of C130 defines the contingency as an “incapacity for work resulting from sickness **and involving suspension of earnings, as defined by national legislation**” The wage compensation at the beginning of the temporary incapacity to work is paid by the employer, the contingency envisaged by the Convention caused by loss of earnings thus arises with the delay of 14 days. For this reason, the first 14 days of the temporary incapacity to work is not considered as a part of supporting period which was therefore prolonged from 365 days to 380 days in order to formally conform to the requirement of 52 weeks. As the wage compensation

is not part of the sickness benefits system, the administration of the scheme is still entrusted to a public authority in its entirety.

Act No 118/2000 Coll., Regulating Protection of Employees in Case of Insolvency of the Employer and Amending Some Laws enables wage compensation (Section 3 Subsection b of the Act ) being paid by the Regional Branch of the Labour Office of the Czech Republic to an employee in case of employer's insolvency. Salary compensation during first 14 the days of the temporary incapacity to work is considered as a wage claim.

### III - 10. Financing and Administration

*See under Part XIII-3*

#### **Article 30. C130**

*1. Each Member shall accept general responsibility for the due provision of the benefits provided in compliance with this Convention and shall take all measures required for this purpose.*

*2. Each Member shall accept general responsibility for the proper administration of the institutions and services concerned in the application of this Convention.*

#### **Article 31. C130**

*Where the administration is not entrusted to an institution regulated by the public authorities or to a government department responsible to a legislature:*

- (a) representatives of the persons protected shall participate in the management under prescribed conditions;*
- (b) national legislation shall, where appropriate, provide for the participation of representatives of employers;*
- (c) national legislation may likewise decide as to the participation of representatives of the public authorities.*

The competent authority in the field of sickness insurance (and maternity benefits) is **the District Social Security Administration** which is responsible for the implementation of the sickness insurance scheme and provides sickness benefits. Sickness benefits are paid by the District Social Security Administration at the latest within one month following the day on which the complete documents relating to payment of benefits were received by the District Social Security Administration.

#### **Total revenues for the year 2022<sup>11</sup>**

- sickness insurance CZK 47,630,529 thousand

#### **Total expenditures for the year 2022<sup>12</sup>**

- sickness insurance CZK 48,126,019 thousand

#### Observation of the Czech Republic

The District Social Security Administration is obliged to pay out a sickness benefit from the 15<sup>th</sup> day of temporary incapacity to work, i. e. does not provide an employee with any compensatory wage.

The so-called "compensatory wage scheme managed by the employer" is not part of the sickness benefits system as explained below. Thus, the representatives of employees do not participate in such a management.

<sup>11</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2022

<sup>12</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2022.



### Additional information

Attention has also to be paid to the new rules on employer's liability for wage compensation during the first two weeks of sick leave. Apart from the norms pertaining to the level and duration of the payments, the principles on solidarity and state responsibility also have to be taken into account. First, according to Article 70 of the ECSS, the benefits must be borne collectively by way of insurance contributions or taxation or both. In contrast to this, the wage compensation during the initial two weeks of illness is paid solely by the employer. Secondly, in the same Article (and in C130 Article 30) it is stated that the government is responsible for the due provision of the benefits. Important in this respect is whether the employer's obligation is sufficiently regulated in such a way that the stipulated income replacement for the employee is guaranteed. This is not clear in the Czech case. What happens, for instance, if the employer does not pay the required compensation, either willingly or unwillingly? Is a safety net provided in these cases? Furthermore, where the administration is not entrusted to a public authority, the international standards require representatives of the persons protected to participate in the management, which is not the case during this period of employers' liability. In view of these common principles on solidarity and good governance, it is not obvious that this initial period of employers' liability is in line with the conventions. As yet, the supervising committees have not commented on this issue, but these questions will have to be dealt with in the next reports of the government on the application of both the European Code and ILO C130. [Does the state guarantee the wage compensation for the first 14 days in case of the employer has not fulfilled the obligation?]

### Observation of the Czech Republic

Article 7 of C130 defines the contingency as an "incapacity for work resulting from sickness **and involving suspension of earnings, as defined by national legislation**" Because of the wage compensation paid by the employer, the contingency envisaged by the Convention caused by loss of earnings thus arises with the delay of 14 days. For this reason, the first 14 days of the temporary incapacity to work is not considered as a part of supporting period which was therefore prolonged from 365 days to 380 days in order to formally conform to the requirement of 52 weeks. As the wage compensation is not part of the sickness benefits system, the administration of the scheme is still entrusted to a public authority in its entirety.

Act No 118/2000 Coll., Regulating Protection of Employees in Case of Insolvency of the Employer and Amending Some Laws provides for the possibility of wage compensation (section 3 subsection b of the Act) being paid by the Regional Branch of the Labour Office of the Czech Republic.

An employee may file a claim for payment of wage compensation, as in the case of non-payment of wages.

An employee can also contact the State Labour Inspection Authority which can impose an administrative fine on an employer.

## Part IV. Unemployment benefit

*The Czech Republic has accepted the obligations resulting from Part IV of the ECSS.*

Category	Information available	Information missing / questions raised by the CEACR
IV-1. Regulatory framework	Art.19 ECSS	
IV-2. Contingency covered	Art.20 ECSS	
IV-3. Persons Protected	Art.21 ECSS*	
IV-4. Level and Calculation of Benefit	Art.22 ECSS*	
IV-5. Qualifying period	Art.23 ECSS	
IV-6. Minimum duration of Benefit	Art.24 ECSS	
IV-7. Suspension of Benefit	Art.68 ECSS	
IV-8. Right of complaint and appeal	Art.69 ECSS	
IV-9. Financing and Administration	Art.70*,71 ECSS	

\* Please update statistical data, in accordance with the [Report form for C102/ECSS](#).

### List of applicable legislation

#### Update 2018

- Notification of MLSA No. 448/2016 Coll., on the Average Wage Publishing in the National Economy for the 1st to 3rd Quarter of 2016 for the Purposes of the Employment Act
- Notification of MLSA No. 447/2017 Coll., on the Average Wage Publishing in the National Economy for the 1st to 3rd Quarter of 2016 for the Purposes of the Employment Act
- Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended
- Act No. 111/2006 Coll., the Assistance in Material Need Act, as amended
- Act No. 589/1992 Coll., on Social Security Premiums and the Contribution to the State Employment Policy, as amended by Acts Nos. 189/2006 Coll., 264/2006 Coll., 585/2006 Coll., 153/2007 Coll., 261/2007 Coll., 296/2007 Coll., 305/2008 Coll., 2/2009 Coll., 41/2009 Coll., 158/2009 Coll., 221/2009 Coll., 227/2009 Coll., 285/2009 Coll., 303/2009 Coll., 362/2009 Coll., 347/2010 Coll., 73/2011 Coll.
- Act N. 435/2004 Coll., Employment Act, as amended

### IV - 1. Regulatory framework

#### Article 19. ECSS

*Each Contracting Party for which this Part of this Code is in force shall secure to the persons protected the provision of unemployment benefit in accordance with the following Articles of this Part.*

Legal regulations on unemployment benefits are contained in Act No. 435/2004 Coll., Employment Act, as amended, which among other things defines the requirements for entitlement to unemployment benefits, the determination of its amount as well as support period, the period during which the unemployment benefits are provided to the job seeker. In the reference period the system of providing unemployment benefits was not changed.

## IV - 2. Contingency covered

### **Article 20. C102 and ECSS**

*The contingency covered shall include suspension of earnings, as defined by national laws or regulations, due to inability to obtain suitable employment in the case of a person protected who is capable of, and available for, work.*

The Act No 435/2004 Coll., Employment Act, as amended, determines the conditions under which a natural person may be included into the register of job seekers and the conditions under which the said individual is entitled to unemployment benefits.

A job seeker is an individual who applies for finding a suitable employment at the regional branch of the Labour Office. He/she applies at the branch in whose territorial jurisdiction the natural person has the residence and when legally stipulated conditions are met, he/she is included in the register of job seekers by the Labour Office (Section 24 of the Employment Act).

The definition of mediation of a suitable employment in Sec. 20 of Employment Act, is inspired by Article 21(2) of the ILO Convention No. 168 (despite the fact this Convention has not been ratified by the Czech Republic) according to which the job seeker's health, qualification, skills, abilities, the length of the previous employment, and accommodation possibilities, and also the accessibility of the work (not only in terms of a distance, but also frequency of the public transport - i.e. transportation services in the area) shall be taken into account to "**appropriate extent**".

### Observation of the Czech Republic

The suitable employment definition set out in *Sec. 20 of the Employment Act* stipulates:

- (1) Each natural person has the right to suitable employment mediation. Unless stipulated otherwise, a suitable employment is a job,*
- a) which imposes the obligation to pay premiums for pension insurance and contributions to the state employment policy,*
- b) the working time of which is at least 80 % of the regular weekly working time,*
- c) which has been agreed for an indefinite period or for a fixed term of more than 3 months, and*
- d) which corresponds to the health of the natural person, and, if possible, **his or her qualifications, skills, length of previous employment, accommodation possibilities and the traffic accessibility of the work.***

As regard to the current situation on the labour market, vacant /suitable jobs, personal situation of the jobseekers etc., the individual cooperation and attitude between Labour Office officer and job seeker cannot be excluded.

The Government notes that such a necessity for a tailored approach (including the necessary leeway for individual consideration on a case-by-case basis) is recognised in Article 21(2) of C168 as well.

Measures for job seekers registered at the Employment Office for more than one year have been tailored to their specific needs by Active Employment Policy (AEP) covering vulnerable groups at the labour market (such as unskilled or low-skilled people, people older than 55 years, people with health restrictions, graduates, etc.). For such a job seeker' category a suitable employment includes also an employment concluded for an indefinite period, fixed term employment for a period shorter than 3 months or in which the working time makes less than 80% of the

prescribed weekly working hours. Other conditions determined by law (Sec. 20 of the Employment Act) must be met.

Publicly beneficial work<sup>13</sup> is one of the AEP tools designed especially for low-skilled people. The main aim is to support employment and increase job seekers' chance by offering special care in employment mediation due to low job opportunities<sup>14</sup>. The publicly beneficial work helps to maintain and restore the basic working habits of jobseekers and motivates them to work through earnings from work rather than from social or unemployment benefits. This is a time-limited job opportunity mainly focused on maintenance of the public space, cleaning and maintenance of public buildings, and may also include the work of a personal assistant for disabled people, charitable work, social, cultural, auxiliary staff at schools and school facilities, maintenance work in favour of municipalities, state and charitable institutions and civic associations.

It is organised by Labour Offices which concludes an agreement with the employer (i.e. the municipality or a company) who creates such an activity for a jobseeker carried out within the framework of the employment relationship and an employee is paid wages instead of drawing unemployment benefit. The Employment office provides employers with labour costs for this work up to a maximum of 24 months (including tax, health and social insurance contribution paid by the employer for employees).

#### IV - 3. Persons protected

##### **Article 21. C102 and ECSS**

*The persons protected shall comprise:*

*(a) prescribed classes of employees, constituting not less than 50 per cent of all employees; or*

*(b) all residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of Article 67.*

The Czech Republic refers to letter a). An individual may not be included in the job seekers' register if he/she is in an employment or service relationship (with certain specified exceptions) as well as a self-employed person, an individual gainfully active abroad, an associate or company secretary in a commercial organisation or a member of cooperative, a supervisory board or a board of directors, if he/she performs work for a company or a cooperative which is remunerated at a certain amount, a judge, a member of a parliament, an individual acknowledged as temporarily incapable of work, serving sentences or is in custody, etc. (Section 25 of the Employment Act).

#### Data of 1 January 2017

<sup>13</sup> Employment Act, Section 20 (2) and (3)

(2) For job seekers who are registered in the register of job seekers for more than 1 year, suitable employment also includes employment which:

(a) meets the conditions set out in subsection 1(a), (b) and (d), or (which could be agreed for an indefinite period or for a fixed term of less than 3 months)

(b) meets the conditions set out in subsection 1(a), (c) and (d) and his working time is at least 50% of the prescribed weekly working time<sup>22</sup>, the working time of which could be less than 80% of the prescribed weekly working hours;

(3) For a job seeker to be placed to perform publicly beneficial work, a suitable job also means such a job whose working hours do not exceed half the length of the weekly working hours pursuant to Section 79 of the Labour Code and which corresponds to the job seeker's health condition.

<sup>14</sup> Employment Act, Section 113, Socially purposeful jobs

(1) Socially purposeful jobs are understood as jobs that an employer creates or reserves on the basis of an agreement with the Labour Office and fills with job seekers who cannot find work by other means. A socially beneficial job is also a job that a jobseeker created in agreement with the Labour Office in order to become self-employed. The Labour Office may provide an allowance to socially useful jobs.

A. Number of covered employees:	4,511,680 persons
Number of self-employed persons covered	680,962 persons
B. Total number of employees:	- 4,511,680 persons
C. 100%	

#### Data of 1 January 2018

A. Number of covered employees:	4,586,518 persons
Number of self-employed persons covered	692,110 persons
B. Total number of employees:	4,586,518 persons
C. 100%	

Source: Czech Social Security Administration

#### Data of 1 January 2019

A. Number of covered employees:	4,597,758 persons
Number of self-employed persons covered	702,432 persons
B. Total number of employees:	4,597,758 persons
C. 100%	

#### Data of 1 January 2020

A. Number of covered employees:	4,542,087 persons
Number of self-employed persons covered	715,323 persons
B. Total number of employees:	4,542,087 persons
C. 100%	

#### Data of 1 January 2021

A. Number of covered employees:	4,556,481 persons
Number of self-employed persons covered	719,322 persons
B. Total number of employees:	4,556,481 persons
C. 100%	

#### Data of 1 January 2022

A. Number of covered employees:	4,591,140 persons
Number of self-employed persons covered	719,322 persons
B. Total number of employees:	4,591,140 persons
C. 100%	

## **IV - 4. Level and Calculation of Benefit**

### **Article 22. C102 and ECSS**

1. Where classes of employees are protected, the benefit shall be a periodical payment calculated in such manner as to comply either with the requirements of Article 65 or with the requirements of Article 66.

2. Where all residents whose means during the contingency do not exceed prescribed limits are protected, the benefit shall be a periodical payment calculated in such a manner as to comply with the requirements of Article 67. [provided that a prescribed benefit shall be guaranteed, without means test, to the prescribed classes of employees determined in accordance with Article 21.a. - ECSS].

## **Chapter I**

A.

The Employment Act stipulates that the amount of an unemployment benefit and support during a retraining is designed as a percentage rate of average net monthly earnings which has been ascertained in the case of the job seeker and was last used for employment purposes in his/her last terminated employment during the specified period according to employment regulations; if these employment regulations were not applied due to the provisions set out in the special legal regulations pertaining to the legal regulations under which the job seeker performed his/her last completed employment, the average of a job seeker's net monthly earnings is ascertained for the purposes of unemployment benefits and support during analogously according to employment regulations.

The amount of unemployment benefits and support during retraining for job seeker, who was self-employed prior to be included in the register of job seekers, is set as a percentage rate of the last assessment base in the specified period recalculated for 1 calendar month.

The unemployment benefit amounts to 65 % of the average net monthly earnings for the first two months of unemployment (i.e. the supporting period), for the next two months it is 50 % and 45 % of the average net monthly earnings or assessment base for the remaining period of support. The percentage rate for support during retraining amounts to 60 % of the average net monthly earnings or of assessment base.

If the job seeker has terminated an employment without serious grounds on his own or by an agreement with employer before inclusion in the register of job seekers, he/she is entitled to unemployment benefits for the entire supportive period of 45 % of the average net monthly earnings or assessment base.

If a person has fulfilled the conditions of previous employment by means of employment (see below on Article 23) and if this period has been assessed as being the last employment, the unemployment benefit is set at the amount of multiple of 0.15 for the first two months of an average wage in the national economy for the first to third quarters of the calendar year preceding the year in which the benefit application was submitted, in the amount of multiple of 0.12 for the next 2 months and multiple of 0.11 during the remaining period of support period. There is the maximum upper limit determined for the amount of unemployment benefits which is determined as multiple of 0.58 of the average wage in the national economy for the first to third quarter of the calendar year preceding the calendar year in which the application for unemployment benefits was submitted. The maximal amount of a support during retraining has been set at multiple of 0.65 of the average national wage for the first to the third quarter of the calendar year preceding the calendar year in which the requalification of a job seeker started. The maximum amount of unemployment benefits was CZK - 15,660 in 2017, CZK 16,682 in 2018, CZK 18,111 in 2019, CZK 19,334 in 2020, CZK 20,075 in 2021, CZK 21,487 in 2022 and CZK 22,798 in 2023. The maximum amount of support during retraining was CZK 17,550 in 2017, CZK 18,695 in 2018, CZK 20,297 in 2019, CZK 21,729 in 2020, CZK 22,450 in 2021, CZK 24,081 in 2022 and CZK 25,549 in 2023.

Unemployment benefit is due once the conditions has been met, regardless of the individual's assets.

## Chapter II

### Data of 1 January 2023

D. to G.

The average net monthly wage of a skilled worker with two children amounted to CZK **34,327**.

The calculation of unemployment benefits of 1 January, 2023:

The amount of benefit of a standard skilled worker during the first two months of unemployment:

Benefit amount (65% of the preceding average income) <i>/ of net wage /</i>	% of the original income *)
<b>CZK 22,313</b>	65%

The amount of benefit of a standard skilled worker for the next two months of unemployment

Benefit amount (50 % of the preceding average income) <i>/ of net wage /</i>	% of the original income
<b>CZK 17,164</b>	50%

The amount of benefit of a standard skilled worker for the remaining support period

Benefit amount (45 % of the preceding average income) <i>/ of net wage /</i>	% of the original income
<b>CZK 15,447</b>	45%

**The average monthly benefit** of a skilled worker throughout the entire support period was amounted to  $22,313 \times 2 + 17,164 \times 2 + 15,447 / 5 = \text{CZK } 18,880$ .

**The ratio between** the income after the insurance claim (unemployment benefits) and the income prior the insurance claim (net salary) is  $(18,880 : 34,327) \times 100 = 55,0\%$ .

The European Code of Social Security requires the level of unemployment benefits in comparison to preceding wage of at least 45%. **The Czech Republic fulfils the required level.**

#### IV - 5. Qualifying period

##### **Article 23. C102 and ECSS**

*The benefit specified in Article 22 shall, in a contingency covered, be secured at least to a person protected who has completed such qualifying period as may be considered necessary to preclude abuse.*

Job seekers are entitled to unemployment benefit, if they have participated in pension insurance for at least 12 months during the decisive period of employment or other gainful activity under the Pension Insurance Act (Section 39 of the Employment Act). The decisive period for the assessment of entitlement for unemployment benefits is the last two years prior to inclusion in the register of job seekers (Section 41 of the Employment Act).

In the Czech Republic, an entitlement to unemployment benefits is conditioned by completing of the required period of pension insurance obtained in an employment or in other gainful activity. The necessary period of pension insurance is **12 months during the last two years**. Within this time, the so-called substitute employment period can be included.

A substitute employment period is considered to be:

- a) The period of preparation for work by an individual with disabilities.
- b) The period of drawing of a disability benefit for level-three disability.
- c) The period of providing personal care for a child up to age of four years.
- d) The period of providing personal care for an individual who is considered a person dependent on the assistance of another natural person in level II (medium dependence), level III (heavy dependence) or level IV (complete dependence) according to Section 8 of Act No. 108/2006 Coll., Social Services Act), if such an individual lives permanently with a job seeker and pay the costs of their needs jointly; these conditions are not required in the case of a person who is considered a close individual for purposes of pension insurance.
- e) The performance of a long-term volunteer service upon the basis of a volunteer contract concluded with posting organization which has been accredited by the Ministry of Interior according to Act No. 198/2002 Coll., Volunteer Service Act, or of the performance of community service upon the basis of a community service contract according to Act No. 111/2006 Coll., Assistance in Material Need Act, provided the extent of the realised community service in exceeds 20 hours in a calendar week.
- f) Personal care for an individual under ten years of age who is considered to be a person with level I (light dependence) dependent on the assistance of another person according to the special legal regulation.
- g) The period of the duration of temporary incapacity to work or of ordered quarantine of a person after the termination of a gainful activity, which established his/her participation in the sickness insurance under a special law, if a person did not bring about temporary incapacity to work intentionally and if the temporary incapacity to work or ordered quarantine did not arise at the time of such a gainful activity or of the protection period under a special law (with effect since 1 October 2015).

#### IV - 6. Minimum duration of Benefit

##### **Article 24. C102 and ECSS**

1. *The benefit specified in Article 22 shall be granted throughout the contingency, except that its duration may be limited, (a) where classes of employees are protected, to 13 weeks within a period of 12 months, [or to 13 weeks in each case of suspension of earnings - ECSS]; or (b) where all residents whose means during the contingency do not exceed prescribed limits are protected, to 26 weeks within a period of 12 months; [provided that the duration of the prescribed benefit, guaranteed without means test, may be limited in accordance with sub-paragraph a of this paragraph - ECSS].*
2. *Where national laws or regulations provide that the duration of the benefit shall vary with the length of the contribution period and/or the benefit previously received within a prescribed period, the provisions of paragraph 1 of this article shall be deemed to be fulfilled if the average duration of benefit is at least 13 weeks within a period of 12 months.*
3. *The benefit need not be paid for a waiting period of the first seven days in each case of suspension of earnings, counting days of unemployment before and after temporary employment lasting not more than a prescribed period as part of the same case of suspension of earnings.*
4. *In the case of seasonal workers the duration of the benefit and the waiting period may be adapted to their conditions of employment.*

1. The period of provision of unemployment benefits (support period) depends on the age of the beneficiary. The support period for a job seeker under 50 years is 5 months, between 50 and 55 years of age it is 8 months and over 55 years the support period is 11 months. The



decisive factor for the length of the support period is the job seeker's age at the date of the submission of application for unemployment benefits.

The length of the support period is also affected by the fact as to whether the job seeker has used the entire support period at any time during the last two years prior to inclusion to the unemployment register. If the entire support period has not been used and the job seeker has completed pension insurance period of at least 3 months by an employment or other gainful activity after the end of the used part of the support period, such a job seeker is entitled to receive unemployment benefits for the entire support period. If a said job seeker has completed a support period of less than 3 months, he/she is entitled to unemployment benefits for the remaining support period. At the same time, the requirement of the total qualification period of previous employment must also be completed.

If the entire support period had expired in the last two years prior to the inclusion of the job seeker in the job seekers' register, a job seeker is entitled to receive unemployment benefits if he/she has acquired a pension insurance of at least six since the full use of the original support period; this period is not required when an employment was terminated for health reasons or because an employer breached an of the essential obligation arising from the legal regulations, a collective agreement or agreed employment conditions. The condition of the total period of previous employment must be fulfilled at the same time.

Entitlement to unemployment benefits expires at the end of the support period, by termination of the registration in a register of job seekers or by removal from the register.

2. Duration of provision of unemployment benefits is not graded according to the contribution period or by benefits previously received during a specified period.

3. The waiting period under the European Code of Social Security is not directly determined in the Employment Act.

A job seeker is entitled to unemployment benefits upon the fulfilment of set conditions since the date of the submission of a written unemployment benefit. If a job seeker applies for unemployment benefits at the latest within 3 working days after termination of employment or of other gainful activity or of activities considered to constitute a substitute employment period, the unemployment benefits are awarded since the day following the termination of the employment or aforementioned activities.

A job seeker to whom redundancy payment was paid in the last employment, the unemployment benefits is provided only after expiration of a period determined by the number of multiples of average monthly salary of corresponding to redundancy payment stipulated pursuant to other legal regulations. Provision of unemployment benefits during entire period stipulated in the Employment Act is not affected.

The job seeker who is entitled to unemployment benefit, but he/she had not been paid any form of redundancy payment based on the termination of employment/service relationship on the date of termination of employment or service, will be provided with a compensation by the Labour Office from the day of placement into the job seekers' register for a period corresponding to the amount of the redundancy payment. The amount of compensation is determined by multiplying the period for which redundancy payment severance pay pertains and 65 % of the average net monthly income of the job seeker. Unemployment benefits will be provided to a job seeker after expiration of the period covered with said compensation.

4. The Employment Act does not determine any special conditions for granting unemployment benefits to seasonal workers. The general system is applied here.

#### **IV - 7. Suspension of Benefit**

*See under Part XIII-1, Part III-8 (Sickness Benefit)*

Job seekers are not entitled to apply for unemployment benefits if they are persons:

- Who has been dismissed from employment in the period of the last 6 months before his/her

inclusion in the job seekers' register due to particularly gross breach of their obligations arising from the legal regulations pertaining to the work which they performed; this also applies in the case of termination of any other employment relation for a similar reason.

- Who has been dismissed from employment in the period of the last 6 months before the application for inclusion to the job seekers register due to particularly gross breach of their obligations arising from the Section 301a of the Labour Code.
- Who becomes entitled to a service allowance according to the special legal regulations (Section 131 *et seq.* of Act No. 221/1999 Coll., Professional Soldiers Act, Section 157 *et seq.* of Act No. 361/2003 Coll., Providing the Service Conditions for the Members of Security Forces, as amended), and this allowance is higher than the unemployment benefit which the job seeker would otherwise be entitled to, if he/she were not entitled to the service allowance;
- Who performs any of activities stipulated in Section 25 Subsection 3 of the Employment Act to the date on which the unemployment benefits should be granted, i.e., works on the basis of an employment or a service relationship with monthly earnings not exceeding half the minimum wage; performs work under the contract for work or an agreement on working activity with a monthly earning or reward per one-month period for which it is stated, not exceeding half the minimum wage;
- Who is on the date on which the unemployment benefits are to be granted, in the position of one of the categories mentioned in Section 25 par. 1 letter c) to f) and s) i.e. e.g. a partner or a manager of a limited liability company, a member of the Board or the Management Board of a joint stock company, a member of a supervisory board of a company; the amount of earnings or remuneration is not taken into account; it does not apply to a member of a housing cooperative, who performs work or services for the housing cooperative outside the employment relationship, or is responsible for the business management of a housing cooperative (effective since 1 October, 2015).

#### IV - 8. Right of complaint and appeal

*See under Part XIII-2*

A job applicant may lodge an appeal against the decision of the regional branch of the Labour Office of the Czech Republic (hereinafter "the Labour Office") concerning a removal from the register of job applicants, of the suspension/termination of payment of unemployment and retraining benefits within 15 days since the notification of the decision, in accordance with the instructions set out in the decision. The appeal will be decided by the appellate administrative authority – the Ministry of Labour and Social Affairs.

With regard to reduction/suspension of payment of unemployment and retraining benefits, the job applicant may lodge an appeal to the regional branch of the Labour Office in the administrative proceedings. The Ministry of Labour and Social Affairs is the administrative authority of appeal.

#### IV - 9. Financing and Administration

*See under Part XIII-3*

- Administration and payment of unemployment benefits is managed by the state authorities. The regional branch of the Labour Office decides on unemployment benefits.

- The Labour Office decides on granting of unemployment benefits and retraining benefits (Section 39 Subsection 3 and Section 40 subsection 2 of Act No. 435/2004 Coll., the Employment Act, as amended).
- The costs of provided unemployment benefits are paid from contributions to the state employment policy. The Czech Social Security Administration collects the contribution to the state employment policy along with pension contributions from taxpayers (i.e. from employees through their employers along with the contributions from employers themselves). The contribution is a part of the income side of the state budget and - vice versa – the benefits form a part of the state budget expenditure. As such, it is included in the relevant budgetary chapter of the Ministry of Labour and Social Affairs. Through the Ministry, resources are distributed to the regional branches of the Labour Office.

**Total revenue for the year 2019<sup>15</sup>**

Contribution to the state's employment policy ..... CZK 18,100,547,02 thousand

**Total expenditures for the year 2019<sup>16</sup>**

Unemployment benefits ..... CZK 8,051,140,60 thousand

**Total revenue for the year 2020<sup>17</sup>**

Contribution to the state's employment policy ..... CZK 20,163,446,628 thousand

**Total expenditures for the year 2020<sup>18</sup>**

Unemployment benefits ..... CZK 10,566,518 thousand

**Total revenue for the year 2021<sup>19</sup>**

Contribution to the state's employment policy ..... CZK 22,271,028,941 thousand

**Total expenditures for the year 2021<sup>20</sup>**

Unemployment benefits ..... CZK 10,006,452 thousand

**Total revenue for the year 2022<sup>21</sup>**

Contribution to the state's employment policy ..... CZK 23,281,912 thousand

**Total expenditures for the year 2022<sup>22</sup>**

Unemployment benefits ..... CZK 9,884,375 thousand

**Commented [JPP(2)]:** Tady musela nastat nějaká písářská chyba. Sazba se nezvyšovala a ani další parametr, který by takto skokově zvýšil příjmy rozpočtu v tomto na trojnásobek. Dalo fušku to najít, ale [Ukazatele od r.2020 7x \(cssz.cz\)](#) - je nutné odečíst hodnoty ve třetím a čtvrtém řádku odspoda, ale na ostatní roky to sedí.

<sup>15</sup> Source: Ministry of Labour and Social Affairs.

<sup>16</sup> Source: Ministry of Labour and Social Affairs.

<sup>17</sup> Source: Ministry of Labour and Social Affairs.

<sup>18</sup> Source: Ministry of Labour and Social Affairs.

<sup>19</sup> Source: Ministry of Labour and Social Affairs.

<sup>20</sup> Source: Ministry of Labour and Social Affairs.

<sup>21</sup> Source: Ministry of Labour and Social Affairs.

<sup>22</sup> Source: Ministry of Labour and Social Affairs.

## Part V. Old-age Benefit

*The Czech Republic has accepted the obligations resulting from Part III of C128 and Part V of the ECSS.*

Category	Information available	Information missing / questions raised by the CEACR
<b>V-1. Regulatory framework</b>	<i>Art.25 ECSS, Art.14 C128</i>	
<b>V-2. Contingency covered</b>	<i>Art.26 ECSS, Art.15 C128</i>	
<b>V-3. Persons Protected</b>	<i>Art.27 ECSS, Art.16 C128*</i>	
<b>V-4. Level and Calculation of Benefit</b>	<i>Art.28 ECSS, Art.17 C128*</i>	
<b>V-5. Adjustment of Benefit</b>	<i>Art.65(10)ECSS, Art.66(8)ECSS, Art.29 C128*</i>	
<b>V-6. Qualifying period</b>	<i>Art.29 ECSS, Art.18 C128</i>	
<b>V-7. Duration of Benefit</b>	<i>Art.30 ECSS, Art.19 C128</i>	
<b>V-8. Suspension of Benefit</b>	<i>Art.32 C128, Art.68 ECSS Art.32-33 C128</i>	
<b>V-9. Right of complaint and appeal</b>	<i>Art.69 ECSS, Art.34 C128</i>	
<b>V-10. Financing and Administration</b>	<i>Art.70*,71 ECSS Art.30,35,36 C128</i>	

*\* Please update statistical data, in accordance with the [Report form for C102/ECSS/C128](#).*

### List of applicable legislation

- Government Regulation No. 343/2017 Coll. to Stipulate Pension Increase in 2018. For pension insurance purposes, also sets the amount of the general assessment base for 2016, and the amount of the recalculation coefficient to adjust the general assessment base for 2018, as well as adjusts the amounts to set the calculation base.
- Act No. 150/2002 Coll., the Judicial Rules of Procedure, as amended
  - Act No. 155/1995 Coll., Pension Insurance Act, has been amended by Acts No. 220/2011 Coll., No. 341/2011 Coll., No. 348/2011 Coll., No. 364/2011 Coll., No. 365/2011 Coll., No. 428/2011 Coll., No. 458/2011 Coll., No. 470/2011 Coll., No. 314/2012 Coll., No. 401/2012 Coll., No. 403/2012 Coll., No. 463/2012 Coll., No. 267/2013 Coll., No. 274/2013 Coll., No. 303/2013 Coll., Legislative Measure of the Senate No. 344/2013 Coll., No. 182/2014 Coll., No. 183/2014 Coll., No. 250/2014 Coll., No. 267/2014 Coll., No. 332/2014 Coll., No. 131/2015 Coll., No. 377/2015 Coll., No. 47/2016 Coll., No. 137/2016 Coll., No. 190/2016 Coll., No. 212/2016 Coll., No. 213/2016 Coll., No. 24/2017 Coll., No. 99/2017 Coll., No. 148/2017 Coll., No. 150/2017 Coll., No. 203/2017 Coll., No. 148/2017 Coll., No. 259/2017 Coll., No. 310/2017 Coll., No. 191/2018 Coll., 32/2019 Coll., 244/2019 Coll., 315/2019 Coll., 540/2020 Coll., No. 469/2020 Coll., No. 323/2021 Coll., No. 330/2021 Coll., No. 455/2022 Coll., No. 71/2023 Coll.
  - Act No. 582/1991 Coll., on the Organization and Implementation of Social Security has been amended by Acts No. 220/2011 Coll., No. 263/2011 Coll., No. 329/2011 Coll., No. 341/2011 Coll., No. 348/2011 Coll., No. 364/2011 Coll., No. 365/2011 Coll., No. 366/2011 Coll., No. 367/2011 Coll., No. 375/2011 Coll., No. 428/2011 Coll., No. 458/2011 Coll., No. 470/2011 Coll., No. 167/2012 Coll., No. 399/2012 Coll., No. 401/2012 Coll., No. 403/2012 Coll., No. 274/2013 Coll., No. 303/2013 Coll., No. 313/2013 Coll., Legislative Measure of the Senate No. 344/2013 Coll., No. 64/2014 Coll., No. 136/2014 Coll., No. 250/2014 Coll., No. 251/2014 Coll., No. 267/2014 Coll., No. 332/2014 Coll., No. 131/2015 Coll., No. 317/2015 Coll., No. 377/2015 Coll., No. 47/2016 Coll., No. 137/2016 Coll., No. 190/2016 Coll., No. 213/2016 Coll., No. 298/2016 Coll., No. 24/2014 Coll., No. 99/2017 Coll., No. 148/2017 Coll., No. 259/2017 Coll., No. 310/2017 Coll., No. 92/2018 Coll., No. 335/2018 Coll., No. 111/2019 Coll., No.

111/2019 Coll., No. 164/2019 Coll., No. 228/2019 Coll., No. 315/2019 Coll., No. 255/2020 Coll., No. 540/2020 Coll., No. 261/2021 Coll., No. 270/2021 Coll., No. 323/2021 Coll., No. 330/2021 Coll., No. 455/2022 Coll.

- Government Regulation No. 461/2006 Coll., on Increase of Pensions in 2007;
- Government Regulation No. 462/2006 Coll., on Determining a Personal Assessment Base in 2005 and an Amount of Rates for Conversion for Regulation of the Personal assessment base in 2005 and Regulation of Amounts to Specify a Calculation Base for the Purpose of Pension Insurance;
- Government Regulation No. 256/2007 Coll., on Increase of Pensions in 2008;
- Government Regulation No. 257/2007 Coll., on Determining a Personal Assessment Base in 2006 and an Amount of Rates for Conversion for Regulation of the Personal assessment base in 2006 and Regulation of Amounts to Specify a Calculation Base for the Purpose of Pension Insurance;
- Government Regulation No. 211/2008 Coll., on Increase of Pensions in 2008;
- Government Regulation No. 365/2008 Coll., on Determining a Personal Assessment Base in 2007 and an Amount of Rates for Conversion for Regulation of the Personal assessment base in 2007 and Regulation of Amounts to Specify a Calculation Base for the Purpose of Pension Insurance;
- Government Regulation No. 339/2009 Coll., on Determining a Personal assessment base in 2008 and an Amount of Rates for Conversion for Regulation of the Personal assessment base in 2008 and Regulation of Amounts to Specify a Calculation Base for the Purpose of Pension Insurance;
- Government Regulation No. 281/2010 Coll., on Pension Increase in 2011
- Government Regulation No. 283/2010 Coll., which, for pension insurance purposes, sets the amount of the general assessment base for 2009 and the amount of the recalculation coefficient to adjust the general assessment base for 2009, and which adjusts the amounts to set the calculation base;
- Government Regulation No. 281/2011 Coll., on Increase of Pensions in 2011;
- Decree No. 286/2011 Coll. on Pension Increase in 2012. For pension insurance purposes, this Decree also sets the amount of the general assessment base for 2010 and the amount of the recalculation coefficient to adjust the general assessment base for 2010, as well as adjusts the amounts to set the calculation base.
  - Decree No. 324/2012 Coll. on Pension Increase in 2013. For pension insurance purposes, this Decree also sets the amount of the general assessment base for 2011 and the amount of the recalculation coefficient to adjust the general assessment base for 2013, as well as adjusts the amounts to set the calculation base.
  - Decree No. 296/2013 Coll. on Pension Increase in 2014. For pension insurance purposes, this Decree also sets the amount of the general assessment base for 2012 and the amount of the recalculation coefficient to adjust the general assessment base for 2014, as well as adjusts the amounts to set the calculation base.
  - Decree No. 208/2014 Coll. on Pension Increase in 2015. For pension insurance purposes, this Decree also sets the amount of the general assessment base for 2013 and the amount of the recalculation coefficient to adjust the general assessment base for 2015, as well as adjusts the amounts to set the calculation base.
  - Decree No. 244/2015 Coll. on Pension Increase in 2016. For pension insurance purposes, this Decree also sets the amount of the general assessment base for 2014 and the amount of the recalculation coefficient to adjust the general assessment base for 2016, as well as adjusts the amounts to set the calculation base.
- Government Regulation No. 325/2016 Coll. stipulating Pension Increase in 2017. For pension insurance purposes, this Government Regulation also sets the amount of the general assessment base for 2015 and the amount of the recalculation coefficient to adjust the general assessment base for 2017, as well as adjusts the amounts to set the calculation base.
- Government Regulation No. 343/2017 Coll. to stipulate Pension Increase in 2018. For pension insurance purposes, also sets the amount of the general assessment base for 2016, and the amount of the recalculation coefficient to adjust the general assessment base for 2018, as well as adjusts the amounts to set the calculation base.

- Act No. 244/2019 Coll., amending Act No. 155/1995 Coll.
- Government Regulation No. 260/2019 Coll., stipulating pension insurance purposes for the amount of the general assessment base for 2018 and the amount of the recalculation coefficient to adjust the general assessment base for 2018, the amounts to set the calculation base for 2020 as well as basic amount and increase of percentage amount of pensions in 2020.
- Government Regulation No. 381/2020 Coll., stipulating pension insurance purposes for the amount of the general assessment base for 2019 and the amount of the recalculation coefficient to adjust the general assessment base for 2019, the amounts to set the calculation base for 2021 as well as basic amount and increase of percentage amount of pensions in 2021.
- Government Regulation No. 356/2021 Coll., stipulating pension insurance purposes for the amount of the general assessment base for 2020 and the amount of the recalculation coefficient to adjust the general assessment base for 2020, the amounts to set the calculation base for 2022 as well as basic amount and increase of percentage amount of pensions in 2022.
- Government Regulation No. 35/2022 Coll., on the second pension increase in 2022
- Government Regulation No. 136/2022 Coll., on the third pension increase in 2022
- Government Regulation No. 290/2022 Coll., on the amount of the general assessment base for 2021, the conversion coefficient for the adjustment of the general assessment base for 2021, the reduction thresholds for determining the calculation base for 2023 and the basic pension assessment set for 2023, and the increase in pensions in 2023

## V - 1. Regulatory framework

### **Article 25. C102 and ECSS**

*Each Member (Contracting Party) for which this part of this Convention (Code) is in force shall secure to the persons protected the provision of old-age benefit in accordance with the following Articles of this Part.*

### **Article 14. C128**

*Each Member for which this Part of this Convention is in force shall secure to the persons protected the provision of old-age benefit in accordance with the following Articles of this Part.*

## V - 2. Contingency covered

### **Article 26. C102 and ECSS**

- 1. The contingency covered shall be survival beyond a prescribed age.*
- 2. The prescribed age shall be not more than 65 years or such higher age [that the number of residents having attained that age is not less than 10 per cent of the number of residents under that age but over 15 years of age - ECSS] as may be fixed by the competent authority with due regard to the working ability of elderly persons in the country concerned.*
- 3. National laws or regulations may provide that the benefit of a person otherwise entitled to it may be suspended if such person is engaged in any prescribed gainful activity or that the benefit, if contributory, may be reduced where the earnings of the beneficiary exceed a prescribed amount and, if non-contributory, may be reduced where the earnings of the beneficiary or his other means or the two taken together exceed a prescribed amount.*

### **Article 15. C128**

- 1. The contingency covered shall be survival beyond a prescribed age.*
- 2. The prescribed age shall be not more than 65 years, or such higher age as may be fixed by the competent authority with due regard to demographic, economic and social criteria, which shall be demonstrated statistically.*
- 3. If the prescribed age is 65 years or higher, the age shall be lowered, under prescribed conditions, in respect of persons who have been engaged in occupations that are deemed by national legislation, for the purpose of old-age benefit, to be arduous or unhealthy.*

The prescribed age according to Article 26 ECSS and Article 15 C128 in 2023

The prescribed age for old age pension entitlement for persons who obtain at least 15 years of insurance (employment time without non-contributory periods) or 20 years of insurance (including non-contributory periods) born in 1953 is 68 years or 68 years and two months for persons born in 1954. For persons who completed longer contribution period of at least 30 years of contributions (only the period of employment without any non-contributory periods) or 35 years of contributions (with non-contributory periods), the entitlement for an old-age pension arised at lower age in 2022:

63 years and ten months for men and childless women born in 1958, 63 years and two months for women who raised one child and were born in 1959, or 62 years and two months for women who raised two children and were born in 1960 or 61 years and two months for women who raised three and four children and were born in 1961 and 60 years and two months for women who raised five and more children and were born in 1962.

For the prescribed age of 68 years and two months, the requirement that the number of residents having attained that age is not less than 10% of the total number residents under that age but over 15 years is met. This share was 24.9% in 2021\*.

The life expectancy of older persons has showed an increasing trend over the last three decades. As in many other countries, this positive trend was interrupted in years 2020 and 2021 due to COVID -19 pandemic. In 2021, the life expectancy at the age of 68 was 16.29 years for women and 12.61 years for men.\*\*

Life expectancy in good health at the age of 65 years (HLY indicator) reached 7.9 years for women and 7.0 years for men, according to the latest available data of 2020\*\*\*.

In the 4<sup>th</sup> quarter of 2021, the unemployment rate was at a level of 2.2 % in the Czech Republic; in the age group of people over 65years, the unemployment rate was not reported due to low levels. \*\*\*\*

\*(Source: Czech Statistical Office 2022: Age Structure of Population 2021).

\*\* (Source: Czech Statistical Office, 2022: Life Tables for the Czech Republic).

\*\*\* (Source: Eurostat, 2021: Healthy life years and life expectancy at the age of 65 by sex)

\*\*\*\* (Source: Czech Statistical Office, 2022: Labour Force Survey).

#### Report 2016:

Retirement age and its gradual increase are determined by the Pension Insurance Act. It increases by two months per year for men and by four, respectively six months per year for women until reaching uniform age limit of 67 for men and women. After this unification, the increasing of retirement age will continue by two months for each year. In 2016, the retirement age of men was 63 years, of childless women 62 years and four months, of women who raised one child it was 61 years and four months, of women who raised two children it was 60 years and four months, of women who raised three and four children the age was 59 years and four months and of women who raised five and more children it was 58 years and four months.

A beneficiary of an old-age pension who has already reached retirement age can be gainfully active. Payment of old-age pension is not stopped or reduced in concurrence with a gainful activity the old-age pension is not reduced as well. On the contrary, such an old-age pensioner may request a pension increase of 0.4% of the calculation basis after having worked for every 360 calendar days.

#### Report 2017:

Retirement age and its gradual increase are determined by the Pension Insurance Act. It increases by two months per year for men and by four, respectively six months per year for

women until reaching uniform age limit of 67 for men and women. After this unification, the increasing of retirement age will continue by two months for each year. In 2017, the retirement age of men was 63 years and two months, of childless women 62 years and eight months, of women who raised one child it was 61 years and eight months, of women who raised two children it was 60 years and eight months, of women who raised three and four children the age was 59 years and eight months and of women who raised five and more children it was 58 years and eight months.

An amendment to the Pension Insurance Act<sup>23</sup> is currently in the legislative process. The amendment abolishes existing unlimited raise of retirement age and fixes it at 65 years of age for both women and men. It further introduces the retirement age review in five-year intervals on the ground of a report submitted by Ministry of Labour and Social Affairs to Government. This report will be based on the Czech Statistical Office's demographic forecast and will also include information on the retirement age so that an average pensioner can spend a quarter of his/her average life in retirement.

According to the new amendment (Act No. 203/2017 Coll., amending Act No. 155/1955, Pension Insurance Act, effective from 18 August 2017) mentioned above the retirement age for persons who completed longer contribution period of at least 30 years of contributions (only the period of employment without any non-contributory periods) or 35 years of contributions will gradually increase to 65 years of age for both sexes.

#### Report 2016:

For the retirement age which is 5 years higher than the retirement age set for men with the same birth date, the requirement that the number of residents having attained that age is not less than 10 % of the total number of the number of residents under that age but over 15 years is met. This share was 20.5 % in 2015. According to the latest available data of 2014, life expectancy in good health reached at the age of 65 years (HLY indicator) 9.3 years for women and 8.5 years for men. Shares of years lived in good health after the age of 65 years (47 % of women and 53 % for men), the Czech Republic is above the EU average and above this indicator for some countries (e.g. Italy, Finland, France, Germany and Greece) that have set the retirement age higher than 65 years. HLY indicator is not monitored in division by groups of ISCO. In 2015, there were about 5 % of the unemployed economically active persons in the Czech Republic; in the age group over 65 years, the unemployment rate was only 1.1 %. The unemployment rate in the age group over 65 years is not published in division by groups of ISCO due to low sample rate and the low statistical reliability.

#### Report 2017:

For the retirement age which is 5 years higher than the retirement age set for men with the same birth date (68 years and 2 months in 2017), the requirement that the number of residents having attained that age is not less than 10 % of the total number of the number of residents under that age but over 15 years is met. This share was 21.0 % in 2016 (Source: Czech Statistical Office 2017: Age Structure of Population 2016). Life expectancy at the age of 68 years increased from 16.82 in 2015 to 17.51 in 2016 for women and from 14.05 to 14.30 years for men (Source: Czech Statistical Office, 2016 and 2017: Life Tables for the Czech Republic). Life expectancy in good health at the age of 65 years (HLY indicator) reached 8.6 years for women and 8.0 years for men, according to the latest available data of 2015 (Source: Eurostat, 2017: Healthy life years and life expectancy at the age of 65 by sex). HLY indicator is not monitored in division by groups of ISCO. In 4<sup>th</sup> quarter of 2016, there were about 3.6 % of the unemployed economically

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<sup>23</sup> The amendment was adopted and is effective from 1 January 2018.



active persons in the Czech Republic; in the age group of people over 65 years, the unemployment rate was only 1.1 % (Source: Czech Statistical Office, 2017: Labour Force Survey).

Report 2016-ECSS:

**Part V (Old-age benefit, Article 26(2). Pension age.**

**Taking into account the unification of the retirement age for both sexes, the Committee asks the Government to specify what retirement age is fixed for men who have raised the same number of children and what other factors are taken into account in setting lower age of retirement for particular categories of workers. Please indicate the time schedule for the progressive increase of the retirement ages for men and women up to 67 years.**

Retirement age is determined by year of birth and by gender, while the retirement age for men is not differentiated according to the number of children raised. The Czech Republic is aware of the fact that lower retirement age for women and its differentiation according to the number of children raised does not correspond to the principles of equality between men and women in social security, therefore there is a gradual consolidation of retirement ages for men and women and the gradual elimination of differentiation according to the number of children raised. After the unification of the retirement age to 67 years for men and women, its increase will continue by 2 months for each year of birth. The gradual increase of the retirement age for men and women born between 1936–1977 until the age of 67 is noted below in the attached table.

Overview of increasing the retirement age for the insured born between the years 1936–1977						
Year of birth	Retirement age					
	men	Women with the number of raised children				
		0	1	2	3 to 4	5 and more
1936	60y + 2m	57y	56y	55y	54y	53y
1937	60y + 4m	57y	56y	55y	54y	53y
1938	60y + 6m	57y	56y	55y	54y	53y
1939	60y + 8m	57y + 4m	56y	55y	54y	53y
1940	60y + 10m	57y + 8m	56y+4m	55y	54y	53y
1941	61y	58y	56y+8m	55y+4m	54y	53y
1942	61y+2m	58y+4m	57y	55y+8m	54y+4m	53y
1943	61y+4m	58y+8m	57y+4m	56y	54y+8m	53y+4m
1944	61y+6m	59y	57y+8m	56y+4m	55y	53y+8m
1945	61y+8m	59y+4m	58y	56y+8m	55y+4m	54y
1946	61y+10m	59y+8m	58y+4m	57y	55y+8m	54y+4m
1947	62y	60y	58y+8m	57y+4m	56y	54y+8m
1948	62y+2m	60y+4m	59y	57y+8m	56y+4m	55y
1949	62y+4m	60y+8m	59y+4m	58y	56y+8m	55y+4m
1950	62y+6m	61y	59y+8m	58y+4m	57y	55y+8m
1951	62y+8m	61y+4m	60y	58y+8m	57y+4m	56y
1952	62y+10m	61y+8m	60y+4m	59y	57y+8m	56y+4m
1953	63y	62y	60y+8m	59y+4m	58y	56y+8m
1954	63y+2m	62y+4m	61y	59y+8m	58y+4m	57y
1955	63y+4m	62y+8m	61y+4m	60y	58y+8m	57y+4m
1956	63y+6m	63y+2m	61y+8m	60y+4m	59y	57y+8m
1957	63y+8m	63y+8m	62y+2m	60y+8m	59y+4m	58y

1958	63y+10m	63y+10m	62y+8m	61y+2m	59y+8m	58y+4m
1959	64r	64y	63y+2m	61y+8m	60y+2m	58y+8m
1960	64y+2m	64y+2m	63y+8m	62y+2m	60y+8m	59y+2m
1961	64y+4m	64y+4m	64y+2m	62y+8m	61y+2m	59y+8m
1962	64y+6m	64y+6m	64y+6m	63y+2m	61y+8m	60y+2m
1963	64y+8m	64y+8m	64y+8m	63y+8m	62y+2m	60y+8m
1964	64y+10m	64y+10m	64y+10m	64y+2m	62y+8m	61y+2m
1965	65y	65y	65y	64y+8m	63+2m	61y+8m
1966	65y+2m	65y+2m	65y+2m	65y+2m	63y+8m	62y+2m
1967	65y+4m	65y+4m	65y+4m	65y+4m	64y+2m	62y+8m
1968	65y+6m	65y+6m	65y+6m	65y+6m	64y+8m	63y+2m
1969	65y+8m	65y+8m	65y+8m	65y+8m	65y+2m	63y+8m
1970	65y+10m	65y+10m	65y+10m	65y+10m	65y+8m	64y+2m
1971	66y	66y	66y	66y	66y	64y+8m
1972	66y+2m	66y+2m	66y+2m	66y+2m	66y+2m	65y+2m
1973	66y+4m	66y+4m	66y+4m	66y+4m	66y+4m	65y+8m
1974	66y+6m	66y+6m	66y+6m	66y+6m	66y+6m	66y+2m
1975	66y+8m	66y+8m	66y+8m	66y+8m	66y+8m	66y+8m
1976	66y+10m	66y+10m	66y+10m	66y+10m	66y+10m	66y+10m
1977	67y	67y	67y	67y	67y	67y

Note: y – year; m – month

#### **Discussion on lower pension age in arduous or unhealthy occupations.**

*In connection with the raising of the retirement age the CMKOS recalls that the Czech legislation does not contain provisions required by Article 15(3) of the Convention, according to which "If the prescribed age is 65 years or higher, the age shall be lowered, under prescribed conditions, in respect of persons who have been engaged in occupations that are deemed by national legislation, for the purpose of old-age benefit, to be arduous or unhealthy."*

Regarding the determination of lower retirement age for certain categories of workers, the professions were in the Czech Republic (more precisely in the former Czechoslovakia) classified in different categories until 31 December 1992. Entitlement to an old-age benefit in lower age than the general retirement age resulted from number of factors (type of employment, the total period of employment or specific reason of termination of employment). Partial entitlements attained before that date "are decreasing as the citizens in question gradually attain the set reduced retirement age.

An entitlement to a lower retirement age after 31 December 1992 covers only miners with a permanent workplace in underground mines; it is conditioned by the fact that those entered into such an employment before 1 January 1993, and they have worked off the number of shifts worked differentiated by a type of mineral, or by achieving the maximum allowable exposure. In the Regulation No. 363/2009 Coll., Regulating the Decrease of the Retirement Age for Persons Performing the Profession of Mining Underground is adjusted in this way: 5 years are deducted from the general retirement age in accordance with Section 32 of the Pension Insurance Act. Under the approved amendment to the Pension Insurance Act with effect from 1 October 2016, the retirement age of 7 years less than the general retirement age is established for persons working in the mining industry in selected occupations who have a permanent work in underground mines, regardless the period when they had entered into this profession for the first time before the effective date of the amendment. For any other categories of workers, a lower retirement age is not set.

Report 2012-C128

Concerning Article 15(3) of the Convention, the Government believes that such any obligation is in practice conditioned upon the existence of a specific category of “*occupations that are deemed by national legislation, for the purpose of old-age benefit, to be arduous or unhealthy*”. As no occupation is deemed as such by the Czech legislation currently in force, there is nobody who might benefit from lowering the retirement age and there is subsequently no reason to lower it. **Nevertheless, the Government in this connection asks for the clarification of Article 15(3) vis-a-vis the two possible interpretations outlined above in order to ascertain its compliance with the Convention.**

#### **Discussion on the sustainability of the pension system**

Report 2012-C128

Prior to being sent to the International Labour Office the draft report (*Report on the C128 from the period from 31 August 2011 to 31 August 2012*) had been discussed with the Czech-Moravian Confederation of Trade Unions, the Association of Independent Trade Unions, the Confederation of Employers' and Entrepreneurs' Unions, the Confederation of Industry and Transport and the Czech Confederation of Commerce and Tourism as the most representative organisations of employers and employees. **Comments from the Confederation of Industry were incorporated into the final text of the Report; also, following comments have been received from the Czech-Moravian Confederation of Trade Unions:**

*The Government has implemented fundamental reforms in the area of pension insurance, which result in increase of the retirement age with no time limit, reduction of benefit levels and threat to the long-term financial sustainability of the solidarity pension system (PAYG). This happens in particular by introducing private pension savings with effect from 1 January 2013, which will be financed by transferring the portion of the premium from the PAYG pension insurance, which has to be compensated by the increase of value added tax and by the increase of the national debts. Since the current data demonstrate a significant decrease in the collection of value added tax compared to projections published by the Government during the last tax increase this last year, it can be expected that the Government will make further parametric adjustments in PAYG system and will reduce indexation of pensions, which will cause a further decrease in the replacement ratio of the old-age, invalidity and survivors' benefits, and subsequently the criteria of the Convention for the level of pensions will not be met.*

These comments were discussed at the session of the tripartite Working Team of the Council of Economic and Social Agreement for the Co-operation with the ILO on 22 August 2012. In response, the Government notes that the CMKOS position on the future of the pension systems is speculative and that the available data do not confirm the allegations of threat to the long-term financial sustainability of the statutory pension system and of reduced benefit levels (see also the information provided below). The report covers the period up to 31 August 2012 and the pension-income ratios have been met during the period. The Government also rejects the speculations on the possible Government measures to be taken in the future as it is pointless to discuss issues that have not been decided yet.

**In response to the request concerning the addition of the parameters of the Czech pension system and its changes, the Government refers to the Report submitted in 2012 on the application of Convention no. 128 as no further projections were made since then and all changes undertaken since then have been based on the data provided in that report.**

Report 2019

The complex “Report on the state of the Czech pension system and its expected development with regard to the demographic situation of the Czech Republic and the expected population and economic development” was published in 2019 and is available at <https://www.mpsv.cz/web/cz/statisticke-informace-projekce-a-pojistnematematicke-zpravy-o-socialnim-pojisteni>.

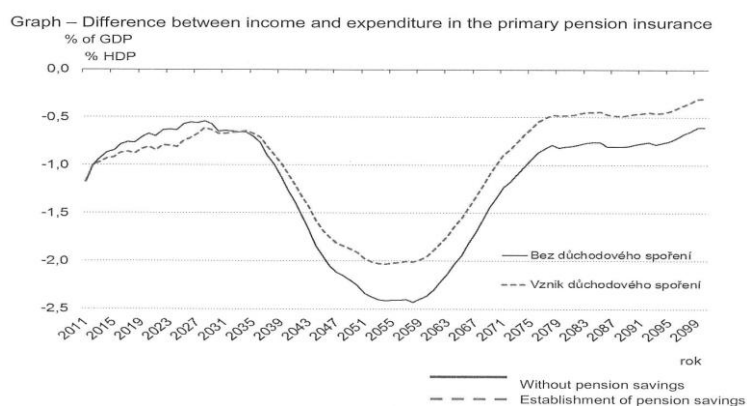
**Reply to Comments by the Committee of Experts – Report 2012-C128: Insurance period** - see above, under Article 18

**Sustainability** - establishment of the pension savings scheme

The establishment of the pension savings scheme, which will be based on the transfer of a portion of pension insurance contributions in the amount of 3 % of the rate applicable to persons who voluntarily decide accordingly to individual pension funds managed by pension companies, will lead to transformation deficits. The immediate impact on income will not be counterbalanced by expenditure until a certain period of time passes, i.e. until those who have entered the new scheme start to retire.

Being aware of the creation and long-term nature of the transformation deficits, the reform also includes an income increase by a portion of VAT revenue. Even in the case of decrease in the collection of value added tax compared to projections as noted by the CMKOS) there is fixed percentage of the VAT revenues determined by law which will be in any case allocated for the pension reform transition costs.

The analysis conducted (see the graph below) shows that the establishment of the pension savings arrangement does not put at risk the long-term financial sustainability of the primary pension insurance at all. Only in the initial period, the balance will deteriorate slightly, but only within 0.2 % of GDP, and after approximately 2030, the balance will be better than it would be if the current system were preserved.



Last but not least, it is necessary to point out that the entire system of primary pension insurance (PAYG) is an integral part of the state budget, and this means that the benefit payments are guaranteed directly by the state budget, without directly depending on the difference between expenditure on the benefits and income from contributions or other particular income.

#### Additional information on pension savings scheme

The percentage rate of the calculation basis for each complete year of insurance is during the time of participation in I and II pension pillars simultaneously just 1.2 %. Since the pillar II (pension savings) was abolished with effect since 1 January 2016 (Act No. 376/2015 Coll., regulating the Termination of Pension Savings), the simultaneous participation in the I and II pillars relates only to the years 2013–2015. Former participants of pillar II will have the possibility of paying the rest of reduced premiums paid in those years to pillar I additionally. Those participants paid reduced premium to a compulsory pension insurance (I. pillar) at the time of participation in pension savings (II pillar), i.e. instead of 6.5 % only 3.5 %, and the difference (3 %) was transferred to their private account into II pillar. If they pay the difference, the percentage rate of old-age pension will be in their case for each completed year of the participation in both pillars 1.5 % of the calculation basis. Financial means accumulated in pillar II will be paid to them until 31 December 2016 at the latest, until 29 December 2017 they will have an option to pay premiums in pillar I.

*Report 2012-C128, Annex 2:*

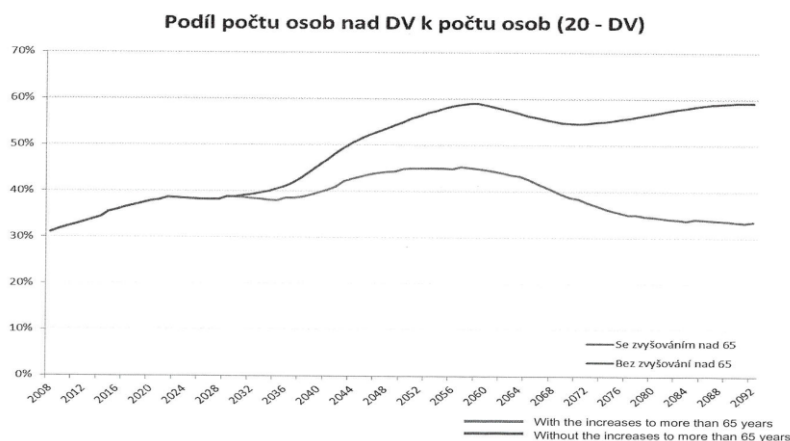
#### **Demographic outlook**

The demographic ageing of the Czech Republic's population is a clear fact. Although one of the contributing factors is the decline in women's fertility, notably in the 1993, the main contributor to the ageing population is the extension of the life expectancy. The ageing population is a phenomenon that is already evident and will persist in the years to come.

Social policy is responsible for reacting, in advance, to the anticipated future development. Its objective is the stabilisation of key factors to prevent a future collapse of social security systems in relation to the ageing population, inter alia of the pension system. Also, the social policy should not be overly restrictive in order to avoid injustice between generations.

The increasing of the retirement age to more than 65 years at the rate of 2 months for each year of birth is a measure that will stabilise the situation but fails to push the key quantities below their initial levels.

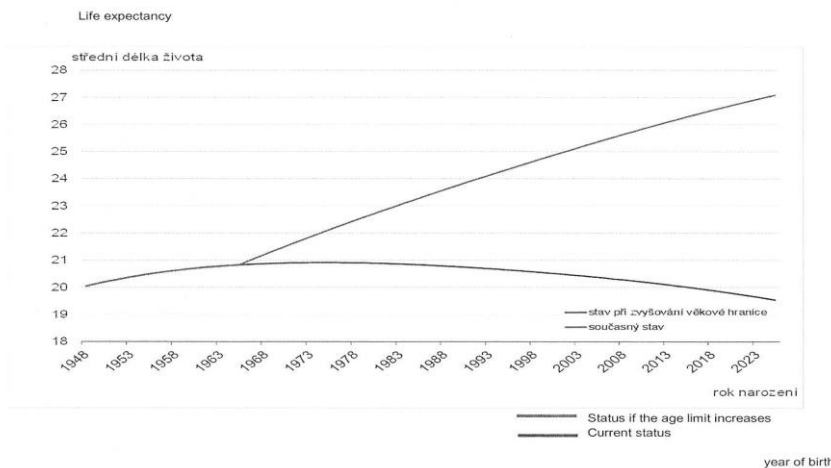
#### **Proportion of people above the retirement age (RA) to the population (aged 20 to RA)**



The first graph clearly shows that the increasing of the retirement age will provide the long-term stabilisation of the proportion of people above the retirement age limit to the population in the economically active age from 20 years to the retirement age. Without increasing the

retirement age, this proportion would double within the next 50 years, while the legislation adopted will lead to only half that increase in the most critical years.

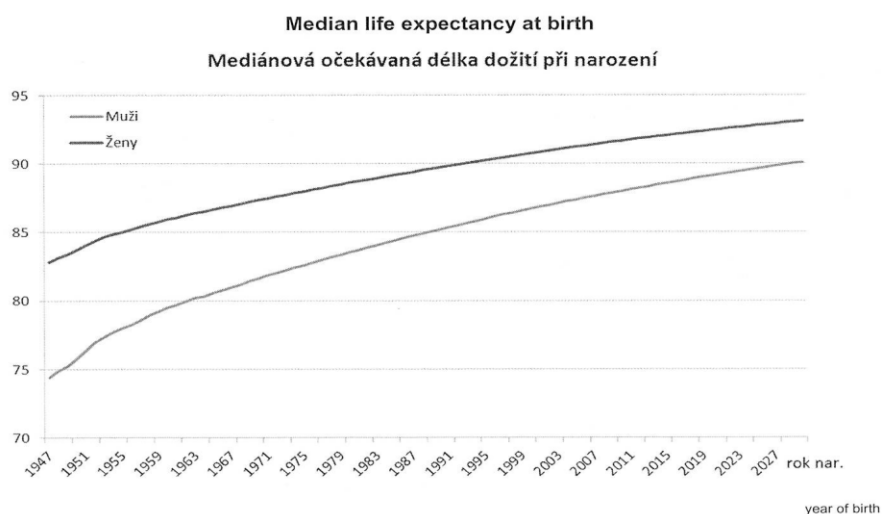
Likewise, the position of pension recipients will not deteriorate. The mean time of receiving a pension, i.e. the average time for which a pension will be received, remains basically stabilised at 20-21 years.



This is again shown in the following table, which also demonstrates that the number of people to be still alive at the age of retirement will not decrease either. Just as in the past, approximately 81% of all men who attain the age of 20 (and thus will most likely be actively confronted with the pension system) will still be alive at the age of retirement. The situation of women is similar but the percentage of women who will still be alive at the age of retirement is approximately 10% higher.

Year of birth	Retirement age	Probability to be still alive at the age of retirement (from the age of 20)	Life expectancy after attaining the retirement age
1959	64	81.22%	20.66
1965	65	81.42%	20.82
1971	66	81.46%	20.90
1977	67	81.86%	20.91
1983	68	82.07%	20.86
1989	69	82.15%	20.76
1995	70	82.09%	20.64
2001	71	81.93%	20.47
2007	72	81.68%	20.30
2013	73	81.35%	20.09

— Men  
— Women



The last graph shows this from a different point of view, presenting the life expectancy of half of people in each population year. Obviously, half of men born even in the mid-1960s, whose retirement age is 65 years, will be retired for longer than 15 years while their female counterparts will be retired for up to 25 years.

As concerns 1995, where the retirement age is 70 years, half of men will also receive pensions for longer than 15 years and half of women for approximately 20 years. The decline in respect of women is mostly due to the unification of the retirement ages of women and men.

### V - 3. Persons protected

#### **Article 27. C102 and ECSS**

*The persons protected shall comprise:*

- (a) prescribed classes of employees, constituting not less than 50 per cent of all employees; or*
- (b) prescribed classes of the economically active population, constituting not less than 20 per cent of all residents; or*
- (c) all residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of Article 67.*

#### **Article 16. C128**

*1. The persons protected shall comprise:*

- (a) all employees, including apprentices; or*
- (b) prescribed classes of the economically active population, constituting not less than 75 per cent. of the whole economically active population; or*
- (c) all residents or residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of Article 28.*

The Czech Republic refers to letter a). The scope of protected persons includes persons mentioned under letter b). Protected persons are those who participate or participated in the pension insurance. The scope of persons participating in the pension insurance on the basis of their gainful activity is identical to the scope of persons participating in the sickness insurance – see Part III Article 13 and 14. Participation in pension insurance is for all economically active persons, both in employment and self-employed persons, compulsory under conditions stipulated by law. By law, other groups of people are covered by pension insurance without paying it (and thus protected), e.g. the persons who personally care for a child aged up to four years, the persons who personally care for a person under ten years of age dependent on an assistance of another person of the level I (slight dependence), of the level II (medium dependence), of the level III (heavy dependence) or of the level IV (complete dependence) and beneficiary of the level-three disability benefit. Students since 1 January in 2010, do not participate in the pension insurance, however, they have an option to volunteer for participation.

The Czech Republic refers to letter a).

Updated data as of 2022

Population	10,533,399
Number of employees:	4,591,140
Number of protected self-employed people	739,825
Number of protected employees:	4,591,140 (i.e. 100%)

(Source: concerning population: Czech Statistical Office [www.czso.cz](http://www.czso.cz); other data: The Czech Social Security Administration: Accounting Reports).

### V - 4. Level and Calculation of Benefit

#### **Article 28. C102 and ECSS**

*The benefit shall be a periodical payment calculated as follows:*

- (a) where classes of employees or classes of the economically active population are protected, in such a manner as to comply either with the requirements of Article 65 or with the requirements of Article 66;*
- (b) where all residents whose means during the contingency do not exceed prescribed limits are protected, in such a manner as to comply with the requirements of Article 67.*

#### **Article 17. C128**

*The old-age benefit shall be a periodical payment calculated as follows:*



*(a) where employees or classes of the economically active population are protected, in such a manner as to comply either with the requirements of Article 26 or with the requirements of Article 27;*  
*(b) where all residents or all residents whose means during the contingency do not exceed prescribed limits are protected, in such a manner as to comply with the requirements of Article 28.*

A benefit is a repeated payment calculated according to the letter a) of this Article. The benefit is calculated in accordance with Article 65, which is based on the wage of a skilled worker.

## Chapter I

### Data of 1 January 2023

A. Old-age pension consists of two components:

**Basic amount:** CZK 4,040 per month (10% of the average gross wage).

**The percentage amount:** depends on the amount of earnings surveyed in the decisive period before the occurrence of an old-age pension and the number of years of insurance. For an old-age pension benefit it amounts to 1.5 % of the calculation basis<sup>24</sup> for each completed year of insurance. The calculation basis is determined by the average of the indexed gross earnings (earnings are indexed in relation to the average wage growth in the national economy) usually for the decisive period since 1986 until the year preceding the pension application. For the determination of the calculation basis this average ("personal assessment basis") is reduced in this way: 100 % of the income is counted from the amount to the first reduction limit, between the first and second reduction limit 26 % is counted, and the amount higher than the second reduction limit is not taken into account.

In 2023, the first reduction limit is CZK 17,743 and the second reduction limit is CZK 161,296.

As of 1 January 2023, Section 34a providing for an increase in the old-age pension for each child raised by CZK 500 per month, which will be increased in the future by the same percentage as the percentage increase in the old-age pension paid, was added to the Pension Insurance Act by Act No.323/2021 Coll.

This increase is payable to the person, irrespective of gender, who has provided the greatest amount of child-rearing for a particular child.

The aim of this measure is to recognise the merits of the carers, their efforts to contribute and bring up a new contributor to the pension system, while at the same time compensating for the reduction in pension due to career fluctuations related to bringing up.

It will also reduce the statistical gap between the average old-age pensions of women and men.

### Extraordinary pension indexation in 2023:

As inflation in the Czech Republic has reached a total of at least 5% in the period after June 2022, an extraordinary valorisation of pensions has been carried out, starting with the June 2023 pension instalment. The basic pension assessment remains at CZK 4040, while the

<sup>24</sup> The percentage rate of the calculation basis for each complete year of insurance is during the time of participation in I and II pension pillars simultaneously just 1.2 %. Since the pillar II (pension savings) was abolished with effect since 1 January 2016 (Act No. 376/2015 Coll., regulating the Termination of Pension Savings), the simultaneous participation in the I and II pillars relates only to the years 2013–2015. Former participants of pillar II will have the possibility of paying the rest of reduced premiums paid in those years to pillar I additionally. Those participants paid reduced premium to a compulsory pension insurance (I. pillar) at the time of participation in pension savings (II pillar), i.e. instead of 6.5 % only 3.5 %, and the difference (3%) was transferred to their private account into II pillar. If they pay the difference, the percentage rate of old-age pension will be in their case for each completed year of the participation in both pillars 1.5 % of the calculation basis. Financial means accumulated in pillar II will be paid to them until 31 December 2016 at the latest, until 29 December 2017 they will have an option to pay premiums in pillar I.

percentage pension assessment increases by 2.3% + CZK 400 as part of the extraordinary valorisation. This extraordinary indexation applies to all pensions granted until the end of 2023, i.e. also to pensions granted after the month in which the indexation is carried out for pensions still in payment.

B.

For the assessment of the required level of an old-age pension is proceeded in accordance with Article 65, paragraph 6 point a). In the Czech Republic, economically active population is covered by pension insurance.

C.

In 2022, the average gross wage of a skilled worker was CZK 38,693 (according to Job Specification CZ-ISCO 72231 – a metal turner – a machine tool setter and an operator).

### Chapter III

#### Data of 1 January 2023

#### D. - G. Calculation of the ratio for the evaluation of the amount of the pension benefit:

- The calculation is based on the gross monthly wage of a skilled worker (according to Job Specification CZ-ISCO 72231 – a metal turner – machine tool setter and an operator) in 2022, i.e. CZK 38,693.
- A **net wage** for a taxpayer after applying the tax deduction is **CZK 31,200** monthly.
- The personal assessment basis of CZK 38,693 is reduced  
 $17,743 + (38,693 - 17,743) \times 26\% = \text{CZK } 23,190$ .
- **The percentage amount** of thirty years of insurance is  $30 \times 1.5\% \times 23,190 = \text{CZK } 10,436$ .
- **The amount of the old-age benefit is composed** of the basic **amount** and the percentage **amount**  
 $4,040 + 10,436 = \text{CZK } 14,476$ .
- **The ratio between** the income after the insurance claim (an old-age benefit) and the income before the insurance claim (net salary) is  $14,476/31,200 = \mathbf{46.4\%}$ .

Monthly wage in CZK		Monthly old-age benefit in CZK	Ratio pension / wage in %	
Gross	Net		Gross	Net
38,693	31,200	14,476	37.4	46.49

The European Code of Social Security requires that the ratio of an old-age benefit in comparison with preceding income of the insured is at least 40%. **The Czech Republic fulfils the required level of the amount of old age benefit in respect to net wage.**

#### V - 5. Adjustment of benefits

##### **§10 Article 65, §8 Article 66. C102 and ECSS**

*The rates of current periodical payments in respect of old age, employment injury (except in case of incapacity for work), invalidity and death of breadwinner, shall be reviewed following substantial changes in the general level of earnings where these result from substantial changes in the cost of living.*

#### **Article 29. C128**

*1. The rates of cash benefits currently payable pursuant to Article 10, Article 17 and Article 23 shall be reviewed following substantial changes in the general level of earnings or substantial changes in the cost of living.*

*2. Each Member shall include the findings of such reviews in its reports upon the application of this Convention submitted under Article 22 of the Constitution of the International Labour Organisation and shall specify any action taken.*

Pensions have been increased regularly in January of a particular year. . The total amount of the increase is determined by data of the Czech Statistical Office so that the average old-age benefit increase amounted to an amount equivalent to 100 % growth of CPI and also the amount corresponding to one-half of real wage growth.<sup>25</sup> Basic assessment of the paid pensions is increasing in regular time to maintain the amount of basic pension assessment was always 10 % of the average wage,<sup>26</sup> determined in accordance with the Pension Insurance Act for particular calendar year.<sup>27</sup> The percentage assessment of paid pensions will be increased by the number of percentage to maintain that with the average old-age pension the total amount of basic pension increase and the amount of increase in the pension percentage assessment corresponds to the increase in the average old-age pension established equal to the sum of prices increases and one-half of real wage growth.

On the basis of the amendment of the Pension Insurance Act (No. 212/2016 Coll.), the Government may increase the percentage amount of paid pensions so that the total increase of the average old-age pension amounts to 2.7 %. This can be used in case where the increase of the average-old-age pension according to general rules is lower than 2.7 %.

Pensions are increased depending on the consumer price index rise and income growth. For this purpose, one half of the real wage growth is taken into account and the price index is based either on the growth of prices for households in total or for households of pensioners, depending on which growth is higher (effective from 1 January 2018)<sup>28</sup>.

#### **Update 2023**

On 1 January 2023 pensions were increased according to general rules (reflecting 100 % of prices growth plus 50 % of real wage growth).

In view of the extraordinary increase in the price index in the second half of 2022 and especially in January 2023, following the adoption of Act No. 71/2023 Coll., pensions were increased by 2.3 % of the percentage of the pension assessment and by a fixed amount of CZK 400 from June 2023.

#### **Update 2022**

On 1 January 2022 pensions were increased according to general rules (reflecting 100 % of prices growth plus 50 % of real wage growth) and by additional amount of CZK 300.<sup>29</sup>

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<sup>25</sup> One third of real wage growth till 2017.

<sup>26</sup> 9% of the average wage till 2018.

<sup>27</sup> The average wage is stipulated by the Section 15, par. 4 of Act No. 155/1995 Coll., Pension Insurance Act. The amount of the average wage determined in this way for pension insurance purposes was CZK 34,766 for the year 2019

<sup>28</sup> According to Act No 203/2017 Coll. amending Act No. 155/1995 Coll., Pension Insurance Act and other related acts effective from 18 August 2017.

<sup>29</sup> According to Act No. 323/2021 Coll., amending Act No. 155/1995 Coll., Pension Insurance Act

On 1 June 2022 pensions were increased for second time according to Section 67, par. 3 of Act No. 155/1995 Coll that stipulates that further adjustments are made when the price index exceeds 5%.

And finally, on 1 September 2022 pensions were increased for third time according to Section 67, par. 3 of Act No. 155/1995 Coll that stipulates that further adjustments are made when the price index exceeds 5%.

#### Update 2020

On 1 January 2020 pensions were increased according to general rules (reflecting 100 % of prices growth plus 50 % of real wage growth) and by additional amount of CZK 151 monthly to achieve the legislated goal to increase the average old age pension by CZK 900 in 2020.<sup>30</sup> Extra one-off benefit of CZK 5000 was provided to all pension recipients in December 2020.

An institute of a minimum benefit is not established in the Czech Republic.

2.

Year	Average wage (for recalculated numbers)		Average year-on-year index of consumer prices (cost-of-living index) for households in total in %
	<i>abs. in CZK</i>	<i>index in %</i>	
2011	24,455	102.5	101.9
2012	25,067	102.5	103.3
2013	25,035	99.9	101.4
2014	25,768	102.9	100.4
2015	26,591	103.2	100.3
2016	27,764	104.4	100.7
2017	29,638	106.8	102.5
2018	32,051	108.1	102.1
2019	34,578	107.9	102.8
2020	35,662	103.1	103.2
2021	38,277	105.8	103.8
2022	40,317	105.3	115.1

3.

Year	An average old-age benefit <sup>1)</sup>		An old-age benefit of a standard beneficiary	
	<i>abs. in CZK</i>	<i>index in %</i>	<i>abs. in CZK</i>	<i>index in %</i>
2011	10,542	-	8,955	-
2012	10,769	102.2	8,792	98.2
2013	10,963	101.8	9,015	102.5
2014	11,065	100.9	8,992	99.7
2015	11,331	102.4	9,253	102.9
2016	11,437	100.9	9,432	101.9

• <sup>30</sup> According to Act No. 244/2019 Coll., amending Act No. 155/1995 Coll., Pension Insurance Act.

2011-2015		108.3		103.3
2017	11,823	103.4	9,837	104.3
2018	12,363	104.6	10,511	106.9
2019	13,395	108.3	11,601	110.4
2020	14,418	107.6	12,431	107.2
2021	15,375	106.6 <sup>2</sup>	12,571	101.1
2022	16,277	105.9	13,782	109.6
2023	19,502 <sup>2</sup>	119.8 <sup>2</sup>	14,476	

<sup>1</sup>) An old-age benefit paid separately (not simultaneously paid with the survivor's benefit).

<sup>2</sup>) Data of the first quarter of the year.

## V - 6. Qualifying period

### Article 29. C102 and ECSS

1. The benefit specified in Article 28 shall, in a contingency covered, be secured at least:

(a) to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period which may be 30 years of contribution or employment, or 20 years of residence; or  
(b) where, in principle, all economically active persons are protected, to a person protected who has completed a prescribed qualifying period of contribution and in respect of whom while he was of working age, the prescribed yearly average number of contributions has been paid.

2. Where the benefit referred to in paragraph 1 of this article is conditional upon a minimum period of contribution or employment, a reduced benefit shall be secured at least:

(a) to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period of 15 years of contribution or employment; or

(b) where, in principle, all economically active persons are protected, to a person protected who has completed prescribed qualifying period of contribution and in respect of whom, while he was of working age, half the yearly average number of contributions prescribed in accordance with paragraph 1.b of this Article has been paid.

3. The requirements of paragraph 1 of this Article shall be deemed to be satisfied where a benefit calculated in conformity with the requirements of Part XI but at a percentage of ten points lower than shown in the Schedule appended to that Part for the standard beneficiary concerned is secured at least to a person protected who has completed, in accordance with prescribed rules, ten years of contribution or employment, or five years of residence.

4. A proportional reduction of the percentage indicated in the Schedule appended to Part XI may be effected where the qualifying period for the benefit corresponding to the reduced percentage exceeds ten years of contribution or employment but is less than 30 years of contribution or employment; if such qualifying period exceeds 15 years, a reduced benefit shall be payable in conformity with paragraph 2 of this Article.

5. Where the benefit referred to in paragraphs 1, 3 or 4 of this Article is conditional upon a minimum period of contribution or employment, a reduced benefit shall be payable under prescribed conditions to a person protected who, by reason only of his advanced age when the provisions concerned in the application of this Part come into force, has not satisfied the conditions prescribed in accordance with paragraph 2 of this Article, unless a benefit in conformity with the provisions of paragraphs 1, 3 or 4 of this Article is secured to such person at an age higher than the normal age.

### Article 18. C128

1. The benefit specified in Article 17 shall, in a contingency covered, be secured at least--

(a) to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period which may be 30 years of contribution or employment, or 20 years of residence; or

(b) where, in principle, all economically active persons are protected, to a person protected who has completed, prior to the contingency, a prescribed qualifying period of contribution and in respect of whom, while he was of working age, the prescribed yearly average number of contributions has been paid.

2. Where the old-age benefit is conditional upon a minimum period of contribution or employment, a reduced benefit shall be secured at least:

(a) to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period of 15 years of contribution or employment; or

(b) where, in principle, all economically active persons are protected, to a person protected who has completed, prior to the contingency, a prescribed qualifying period of contribution and in respect of whom, while he was of working age, half of the yearly average number of contributions prescribed in accordance with subparagraph (b) of paragraph 1 of this Article has been paid.

3. The requirements of paragraph 1 of this Article shall be deemed to be satisfied where a benefit calculated in conformity with the requirements of Part V but at a percentage of ten points lower than shown in the Schedule appended

to that Part for the standard beneficiary concerned is secured at least to a person protected who has completed, in accordance with prescribed rules, ten years of contribution or employment, or five years of residence.

4. A proportional reduction of the percentage indicated in the Schedule appended to Part V may be effected where the qualifying period for the benefit corresponding to the reduced percentage exceeds ten years of contribution or employment or five years of residence but is less than 30 years of contribution or employment or 20 years of residence; if such qualifying period exceeds 15 years of contribution or employment, a reduced benefit shall be payable in conformity with paragraph 2 of this Article.

The protected person is entitled to an old-age benefit if he/she has completed the qualification period of insurance and has reached a specified retirement age or has met other requirements stipulated in the Pension Insurance Act.

The benefit is ensured to a protected person who has completed - under the Act on Pension Insurance - qualified period of at least 25 years of insurance and has reached retirement age before 2010; since 2010, this time has been gradually extended each year by 1 year, so the target status of 35 years of insurance period will apply to the insured people who will reach the retirement age after 2018. In addition, even the insured person who reaches the retirement age and obtains insurance for at least 30 years (only employment time without non-contributory periods) is entitled to receive an old-age pension. Entitlement to receive an old-age pension arises also when reaching an age higher by 5 years than the retirement age of men with the same birth date, insured person who has gained at least 15 years of insurance for which insurance was paid, i.e. without non-contributory periods or 20 years of insurance including non-contributory periods.

For persons who completed at least 15 years of insurance (employment period without non-contributory periods) or 20 years of insurance (employment period with non-contributory periods) entitlement for old age pension arises at the age 68 years (for persons born in 1953) in 2021.

For persons with longer contribution period of least 30 years of contributions (only the period of employment without any non-contributory periods) or 35 years of contributions (with non-contributory periods) the entitlement for an old-age pension arises at lower age in 2022:

63 years and ten months for men and childless women born in 1958, 63 years and two months for women who raised one child and were born in 1959, or 62 years and two months for women who raised two children and were born in 1960 or 61 years and two months for women who raised three and four children and were born in 1961 and 60 years and two months for women who raised five and more children and were born in 1962.

### 2018 CEACR's conclusions

*Old-age benefit (Part V of the consolidated report), Article 29(2) of the Code. Payment of a reduced pension.* In reply to the previous conclusions of the Committee concerning the need to restore the right to a reduced pension after 15 years of contributions or employment upon reaching the statutory pension age, the Government refers to the amendment of the Pension Insurance Act, effective from 1 January 2015, the main purpose of which was to harmonize the Czech legislation with the requirements of the Code. According to the Act, all insured individuals who have reached the pension age and completed, as prescribed in section 29, subsection 3 letter (b) of the Pension Insurance Act (Act No. 155/1995/Coll., as amended), at least 15 years of contribution period during which the contribution was paid, are entitled to an old-age benefit. The Committee notes with **satisfaction** that the Czech Republic fulfils the requirements of the Code under Article 29(2).

### V -7. Duration of Benefit

*Article 30. C102 and ECSS*

*The benefits specified in Articles 28 and 29 shall be granted throughout the contingency.*

**Article 19. C128**

*The benefit specified in Articles 17 and 18 shall be granted throughout the contingency.*

As a covered contingency is considered reaching the required age, a benefit payment is provided for the rest of one's life.

## **V - 8. Suspension of Benefit**

**Article 69 of C102, Article 68 of ECSS. See under Part XIII-1**

**Article 31. C128**

- 1. The payment of invalidity, old-age or survivors' benefit may be suspended, under prescribed conditions, where the beneficiary is engaged in gainful activity.*
- 2. A contributory invalidity, old-age or survivors' benefit may be reduced where the earnings of the beneficiary exceed a prescribed amount; the reduction in benefit shall not exceed the earnings.*
- 3. A non-contributory invalidity, old-age or survivors' benefit may be reduced where the earnings of the beneficiary or his other means or the two taken together exceed a prescribed amount.*

**Article 32. C128**

- 1. A benefit to which a person protected would otherwise be entitled in compliance with any of Parts II to IV of this Convention may be suspended to such extent as may be prescribed:*
  - (a) as long as the person concerned is absent from the territory of the Member, except, under prescribed conditions, in the case of a contributory benefit;*
  - (b) as long as the person concerned is maintained at public expense or at the expense of a social security institution or service;*
  - (c) where the person concerned has made a fraudulent claim;*
  - (d) where the contingency has been caused by a criminal offence committed by the person concerned;*
  - (e) where the contingency has been wilfully caused by the serious misconduct of the person concerned;*
  - (f) in appropriate cases, where the person concerned, without good reason, neglects to make use of the medical or rehabilitation services placed at his disposal or fails to comply with rules prescribed for verifying the occurrence or continuance of the contingency or for the conduct of beneficiaries; and*
- 2. In the case and within the limits prescribed, part of the benefit otherwise due shall be paid to the dependants of the person concerned.*

Ad a) The only pension for which entitlement the permanent residence is required in the Czech Republic is a level-three disability pension if the disability arose before reaching 18 years of age of the person who has not participated in pension insurance for the required period (i.e. not even one day) - (Section 42 (1) of the Pension Insurance Act). Otherwise the pension benefit shall be paid according to this person's insurance period or substitute insurance period acquired in the Czech Republic (Section 66 (1) of the Pension Insurance Act).

### **Suspension of benefit**

Ad c) When a pension had been granted or paid out wrongfully or at a higher amount than an individual was entitled to, the pension shall be reduced, withdrawn or its payment shall be suspended from the day following the day on which the preceding period has elapsed (Section 56 (1) point. c) of the Pension Insurance Act).

Ad d) Entitlement to a widow's pension ceases as of the day on which the court decides that a widow deliberately causes the death of a spouse as a perpetrator, co-perpetrator or offender. This applies similarly for the widower's entitlement to a widower's pension and to the entitlement of an orphan's entitlement to an orphan's pension (Section 50 (6) and (7) and Section 52 (6) of the Pension Insurance Act).

ad f) Payment of disability pension can be suspended if the pensioner does not attend a medical examination necessary for the assessment of his/her health condition, fails to submit the

medical findings or does not provide the data on the education, experience and previous gainful activities in case the beneficiary of the benefit was informed of this effect in the summons (Section 53 (2) and (3) of the Act on Providing of Organization and Implementation of Social Security).

**Article 33. C128**

*1. If a person protected is or would otherwise be eligible simultaneously for more than one of the benefits provided for in this Convention, these benefits may be reduced under prescribed conditions and within prescribed limits; the person protected shall receive in total at least the amount of the most favourable benefit.*

*2. If a person protected is or would otherwise be eligible for a benefit provided for in this Convention and is in receipt of another social security cash benefit for the same contingency, other than a family benefit, the benefit under this Convention may be reduced or suspended under prescribed conditions and within prescribed limits, subject to the part of the benefit which is reduced or suspended not exceeding the other benefit.*

**Observation of the Czech Republic**

Where conditions for entitlement to the payment of more than one pension of the same kind or for the payment of an old age/invalidity pension are met, only one pension is paid out (the higher one).

Where conditions for entitlement to the payment of an old age/invalidity pension are of the same amount, the pension that is to be paid is chosen by the pensioner.

Where the conditions for entitlement to an orphan's pension after the parent and the same-sex spouse mentioned in Section 52 (1) letter b) of the Pension Insurance Act are met, there is only one pension paid out – higher one; in case these pensions were of the same amount, the pension is chosen by the pensioner (Section 58 of the Pension Insurance Act).

When conditions for entitlement to the payment of an old age/invalidity pensions and the payment of a widow's or widower's pension or an orphan's pension are met, the highest pension is paid out in the whole amount and from another pension is paid half of the percentage amount. According to the previous sentence, the same principle is applied if the conditions for entitlement to payment of widow's or widower's pension and orphan's pension are fulfilled at the same time. If the both-part orphan child is entitled to two orphan's pensions, the higher orphan's pension is paid in full and the lower orphan's pension is paid as the percentage amount. If the amount of both orphan's pensions is at the same amount, one orphan's fully paid pension is disbursed, and the second orphan's pension is provided in the percentage amount (Section 59 (1) of the Pension Insurance Act).

A beneficiary of an old-age pension who has already reached retirement age can be gainfully employed. Payment of old-age pension is not stopped or reduced in concurrence with the profit-making, the old-age pension is not reduced as well. On the contrary, such an old-age pensioner may request a pension increase of 0.4 % of the calculation basis after having worked for every 360 calendar days.

Otherwise no changes.

**V - 9. Right of complaint and appeal**

**Article 70. C102, Article 69. ECSS. See under Part XIII-2**

**Article 34. C128**

*1. Every claimant shall have a right of appeal in the case of refusal of benefit or complaint as to its quality or quantity.*

*2. Procedures shall be prescribed which permit the claimant to be represented or assisted, where appropriate, by a qualified person of his choice or by a delegate of an organization representative of persons protected.*



Since 1 January 2010, a written objection against the decision of a social security authority in matters of pension insurance may be raised, as a regular legal remedy under Act No. 582/1991 Coll., on the Organization and Implementation of Social Security, as amended (hereinafter referred to as "the Organization Act") provided this is done within 30 days since the day when the participant in the proceedings was notified of the decision. A social security authority which issued the decision decides on the objections. But the objection proceedings must be held separately from the first-instance social security decision-making body. The proceedings must not be participated in or decided upon by anybody who participated in the proceedings concerning the issuance of the disputed decision. An insured person can take a legal action against the decision upon the objections to the relevant regional court (by Act No. 150/2002 Coll., the Judicial Rules of Procedure).

The decisions which form the basis for decision concerning benefits from the pension insurance, are excluded from the judicial review. The court reviews such a decision only when deciding on an action brought against the decision of the Czech Social Security Administration.

## V - 10. Financing and Administration

**Article 71, 72 of C102, Article 70, 71 of ECSS. See under Part XIII-3.**

### **Article 30. C128**

*National legislation shall provide for the maintenance of rights in course of acquisition in respect of contributory invalidity, old-age and survivors' benefits under prescribed conditions.*

### **Article 35. C128**

*1. Each Member shall accept general responsibility for the due provision of the benefits provided in compliance with this Convention and shall take all measures required for this purpose.*

*2. Each Member shall accept general responsibility for the proper administration of the institutions and services concerned in the application of this Convention.*

### **Article 36. C128**

*Where the administration is not entrusted to an institution regulated by the public authorities or to a government department responsible to a legislature, representatives of the persons protected shall participate in the management under prescribed conditions; national legislation may likewise decide as to the participation of representatives of employers and of the public authorities.*

- Health and pension insurance are managed by administrative authorities.
- The authorities responsible for the implementation of pension insurance are the Czech Social Security Administration, which decides on pension insurance benefits and pays them, and the District Social Security Administrations that have decision-making power only in terms of the component issues for pension provision, draw up applications for granting of a pension and assess disability of the insured. Within the pension insurance scheme some of the obligations are imposed on employers as well. These obligations include the requirement to keep and report annually to the Czech Social Security Administration the so-called pension insurance records, which contain information on the insurance period and on an assessment base from which the insurance contribution was paid for each employee participating in the pension insurance for a particular year.

### **Total revenue for the year 2022<sup>31</sup>**

- Pension insurance..... CZK 588,828,708 thousand

### **Total expenditure for the year 2022<sup>32</sup>**

<sup>31</sup> Source: National Account for the chapter of MLSA of the Czech Republic for 2022.

<sup>32</sup> Source: National Account for the chapter of MLSA for the year 2022.

Pension insurance..... CZK 588,419,801 thousand

**Total revenue for the year 2021<sup>33</sup>**

- Pension insurance..... CZK 519,526,224thousand

**Total expenditure for the year 2021<sup>34</sup>**

Pension insurance..... CZK 518,384,027thousand

**Total revenue for the year 2020<sup>35</sup>**

- Pension insurance..... CZK 470,341,986 thousand

**Total expenditure for the year 2020<sup>36</sup>**

Pension insurance..... CZK 507,630,947 thousand

**Total revenue for the year 2019<sup>37</sup>**

- Pension insurance..... CZK 479,981,038 thousand

**Total expenditure for the year 2019<sup>38</sup>**

Pension insurance..... CZK 460,508,361thousand

**Total revenue for the year 2018<sup>39</sup>**

- Pension insurance..... CZK 445,221,047 thousand

**Total expenditures for the year 2018<sup>40</sup>**

Pension insurance..... CZK 423,478,150 thousand

**Total revenue for the year 2017<sup>41</sup>**

- Pension insurance..... CZK 405,025,823 thousand

**Total expenditures for the year 2017<sup>42</sup>**

Pension insurance..... CZK 404,368,050 thousand

**Total revenue for the year 2016<sup>43</sup>**

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<sup>33</sup> Source: National Account for the chapter of MLSA of the Czech Republic for 2021.

<sup>34</sup> Source: National Account for the chapter of MLSA for the year 2021.

<sup>35</sup> Source: National Account for the chapter of MLSA of the Czech Republic for 2020.

<sup>36</sup> Source: National Account for the chapter of MLSA for the year 2020.

<sup>37</sup> Source: National Account for the chapter of MLSA of the Czech Republic for 2019.

<sup>38</sup> Source: National Account for the chapter of MLSA for the year 2019.

<sup>39</sup> Source: National Account for the chapter of MLSA of the Czech Republic for 2018.

<sup>40</sup> Source: National Account for the chapter of MLSA for the year 2018.

<sup>41</sup> Source: National Account for the chapter of MLSA of the Czech Republic for 2016.

<sup>42</sup> Source: National Account for the chapter of MLSA for the year 2016.

<sup>43</sup> Source: National Account for the chapter of MLSA of the Czech Republic for 2017.

- Pension insurance.....CZK 372,660,905 thousand

**Total expenditures for the year 2016<sup>44</sup>**

Pension insurance.....CZK 389,166,960 thousand  
 (Including lump-sum contribution for pensioners in the amount of CZK 1,200 paid to pensioners in 2016. Total expenditure on lump-sum contribution for pensioners amounted to CZK 3,562,497).

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<sup>44</sup> Source: National Account for the chapter of MLSA for the year 2017.



## Part VI. Employment Injury Benefit

*The Czech Republic has accepted the obligations resulting from the C12, C17, 42*

Category	Information available	Information missing / questions raised by the CEACR
<b>VI-1. Contingencies and regulatory framework</b>	<i>Art.1 C12, Art.1 C17, Art.1(1) C42</i>	
<b>VI-2. Persons Protected</b>	<i>Art.2 C17</i>	
<b>VI-3. Definition of Occupational diseases</b>	<i>Art.2 C42</i>	
<b>VI-4. Benefits in cash</b>	<i>Art.5,7 C17, Art.1(2) C42</i>	
<b>VI-5. Benefits in kind</b>	<i>Art.9 C17, Art.10(1) C17</i>	
<b>VI-6. Waiting period</b>	<i>Art.6 C17</i>	
<b>VI-7. Insolvency of employer</b>	<i>Art.11 C17</i>	
<b>VI-8. Administration and Financing</b>	<i>Art.8, 10(2) C17</i>	

### List of applicable legislation

- **Government Regulation No. 290/1995 Coll.**, Providing the List of Occupational Diseases, as amended by Government Regulation No. 168/2014 Coll. with effect from 1 January 2015  
<https://portal.gov.cz/app/zakony/download?idBiblio=43357&nr=290~2F1995~208b.&ft=pdf>
- **Decree No. 342/1997 Coll.**, Defining the Procedure for Recognising Occupational Diseases and Issuing a List of Healthcare Facilities Which Recognise Such Diseases, was replaced on 1 April 2012 with Decree No. 104/2012 Coll., Laying Down Detailed Requirements for the Process in Assessing and Recognizing Occupational Diseases and the Group of Persons to Receive the Medical Opinion about Occupational Diseases, the Conditions under which a Disease Can No Longer Be Recognized as an Occupational Disease, and the Requirements for Medical Opinions  
[http://portal.gov.cz/wgsNVPS\\_PA\\_2001/isp/download.isp?s=1&l=342%2F1997](http://portal.gov.cz/wgsNVPS_PA_2001/isp/download.isp?s=1&l=342%2F1997)
- **Decree No. 440/2001 Coll.**, on Compensation for Pain and Social Impairment Caused, was abrogated as of 1 January 2014 by Act No. 89/2012 Coll., the Civil Code, and replaced with Government Order No. 276/2015 Coll., on Compensation for Pain and Social Impairment Caused by Industrial Injury or by Occupational Disease, which took effect on 26 October 2015  
<http://portal.gov.cz/app/zakony/download?idBiblio=84905&nr=276~2F2015~20Sb.&ft=pdf>
- **Act No. 262/2006**, the Labour Code, as amended, has been revised by Act No. 205/2015,  
<https://portal.gov.cz/app/zakony/download?idBiblio=62694&nr=262~2F2006~20Sb.&ft=pdf>
- The effective date of **Act No. 266/2006** on Workers' Compensation Insurance was again postponed in the interim period to 01 January 2015, or 01 January 2020; in the end, Act No. 266/2006 was **abrogated** by Act No. 205/2015 as of 01 October 2015, without ever taking full effect;  
<http://portal.gov.cz/app/zakony/download?idBiblio=84496&nr=205~2F2015~20Sb.&ft=pdf>
- **Act No. 373/2011 Coll.**, on Specific Health Services, was adopted, taking effect on 1 April 2012. It was amended several times in the interim period, without relevance to the Convention requirements.  
<http://portal.gov.cz/app/zakony/download?idBiblio=75507&nr=373~2F2011~20Sb.&ft=pdf>

- **Government Regulation No. 9/2012 Coll.** has been adopted on compensation for a loss of income after the end of incapacity for work caused by an occupational accident or disease, on compensation for a loss of income after the end of incapacity for work or in invalidity, and on compensation for the costs of sustaining the survivors (compensation);  
<https://portal.gov.cz/app/zakony/download?idBiblio=76556&nr=9~2F2012~20Sb.&ft=pdf>
- **Government Regulation No. 483/2012 Coll.** has been adopted on compensation for a loss of income after the end of incapacity for work caused by an occupational accident or disease, on compensation for a loss of income after the end of incapacity for work or in invalidity, and on compensation for the costs of sustaining the survivors (compensation);  
<https://portal.gov.cz/app/zakony/download?idBiblio=79223&nr=483~2F2012~20Sb.&ft=pdf>
- **Government Regulation No. 439/2013 Coll.** has been adopted on compensation for a loss of income after the end of incapacity for work caused by an occupational accident or disease, on compensation for a loss of income after the end of incapacity for work or in invalidity, and on compensation for the costs of sustaining the survivors (compensation)  
<https://portal.gov.cz/app/zakony/download?idBiblio=81155&nr=439~2F2013~20Sb.&ft=pdf>
- **Act No. 234/2014 Coll.**, on civil service, was adopted, taking effect on 1 January 2015  
<https://portal.gov.cz/app/zakony/download?idBiblio=82812&nr=234~2F2014~20Sb.&ft=pdf>
- **Government Regulation No. 306/2014 Coll.** has been adopted on compensation for a loss of income after the end of incapacity for work caused by an occupational accident or disease, and on compensation for the costs of sustaining the survivors according to labour-law regulations (the compensation regulation);  
<https://portal.gov.cz/app/zakony/download?idBiblio=83125&nr=306~2F2014~20Sb.&ft=pdf>
- **Government Regulation No. 351/2015 Coll.** has been adopted on compensation for a loss of income after the end of incapacity for work caused by an occupational accident or disease, and on compensation for the costs of sustaining the survivors according to labour-law regulations (the compensation regulation);  
<https://portal.gov.cz/app/zakony/download?idBiblio=85281&nr=351~2F2015~20Sb.&ft=pdf>
- **Government Regulation No. 276/2015 Coll.** has been adopted on determining the amounts of compensation for pain and for the social impairment caused due to accidents at work and occupational diseases;  
<https://portal.gov.cz/app/zakony/download?idBiblio=84905&nr=276~2F2015~20Sb.&ft=pdf>

## VI - 1. Contingencies and regulatory framework

### Article 1. C12

*Each Member of the International Labour Organisation which ratifies this Convention undertakes to extend to all agricultural wage-earners its laws and regulations which provide for the compensation of workers for personal injury by accident arising out of or in the course of their employment.*

Please refer to the report on Workmen's Compensation (Accidents) Convention No 17.  
There is no special system of compensating work-related injuries for employees in agriculture.

### Article 1. C17

*Each Member of the International Labour Organisation which ratifies this Convention undertakes to ensure that workmen who suffer personal injury due to an industrial accident, or their dependents, shall be compensated on terms at least equal to those provided by this Convention.*

### **Discussions on the future of the system of compensating accidents at work**

Following the tripartite discussion on the future form of the system of compensating accidents at work that took several years, the Council for Economic and Social Agreement of the Czech Republic, the supreme body for social dialogue in the Czech Republic, agreed at its meeting on 28 July 2014 to abandon the original intention to secure workers with insurance benefits from accident insurance paid by the Czech Social Security Administration, contained in Act No. 266/2006 Coll.

Act No. 205/2015 Coll. therefore abrogated, as of 1 October 2015, the still ineffective Act No. 266/2006 Coll., and transferred the existing provisions within the Labour Code from the Interim Provisions to a separate part (Part 5, Accidents at work and occupational diseases, Sections 269 – 271u of the Labour Code). The rules for compensating accidents at work and occupational diseases therefore continue to be based on the general liability of the employer for damage and for claims for its compensation and remained without a systemic change in the period covered by this report. In order to enhance legal certainty, the same Act harmonised the terminology with the general rules for damages in the Civil Code, which took effect on 1 January 2014.

Government Regulation No. 276/2015 Coll. was also adopted, determining the amounts of compensation for pain and for the social impairment caused due to accidents at work and occupational diseases.

While the insurance of the employer's liability for accidents at work and work related diseases thus continues to be provided by two commercial insurance companies (Ceska pojistovna and Kooperativa), the Government has decided by its Resolution No. 1068 of 21 December 2015 that they should be substituted by the Czech Social Security Administration, the public administrative body (ensuring *inter alia* functioning of the pension system) by the year 2020. Discussions with social partners on specific modalities of this change are currently taking place. Although no substantial systemic change was made, the Government wishes to provide the following overview as the relevant provisions of the Labour Code have been renumbered.

Accident at work is defined in Section 271k of the Labour Code as damage to health or a death of an employee, if they occurred independently of his/her will in a short-period, sudden and violent action of external factors during the performance of work tasks or in a direct connection with it. An accident at work is also an accident occurred to an employee due to performing work tasks, but not an accident occurred to an employee on their way to work and back. Occupational diseases are diseases listed in Government Regulation No. 290/1995 Coll., defining the list of occupational diseases.

According to Section 269, the employer is obligated to compensate damage or non-material damage caused by an accident at work if the damage or non-material damage arose in performing work tasks or in a direct connection with it. The employer is also obligated to compensate an employee for damage or non-material damage due to an occupational disease, if the employee worked for the employer the last time before diagnosing the disease under conditions that may cause the incurred occupational disease; an occupational disease is also a disease that occurred before it was included in the list of occupational diseases, it is compensated from the time of being included in the list and for the maximum period of 3 years before it was included in the list.

This obligation shall apply even if the duties arising from legal and other regulations ensuring safety and health protection at work were complied with. The employer may be released from the obligation in line with Section 270 if it is proven that the damage or non-material damage arose exclusively by the fault of the employee. Subsections 2 - 4 of this Section deal with the situation where the employee had a partial share in the damage (the employee broke the health and safety rules, consumed alcohol or addictive substances at workplace etc.).

Section 271 expressly forbids the employer to be released from the duty to compensate damage or non-material damage entirely or in part if the employee has suffered accident at work when averting damage being caused to the employer or hazard directly threatening life or health, where the employee did not deliberately cause such situation.

The manner of compensating the damage or non-material damage and its amount must, according to Section 271r, be discussed by the employer without undue delay with the trade union organisation and with the employee.

The compensation for the loss of income is due according to Section 271a for the period of incapacity for work, and amounts to 100 % of the average income before the damage caused by

accident at work or by occupational disease in the guard period of three days, and after that to the difference between the full sickness benefit provided and the average income.

A compensation for the loss of income after the end of the incapacity for work or when invalidity is acknowledged belongs to the employee according to Section 271b at the amount of the difference between the average wage before the damage and the income received after the accident at work or after diagnosing the occupational disease plus any invalidity benefit received for the same reason. Such compensation belongs also to the employee who is maintained in the register of job applicants. The income after an accident at work or after diagnosing an occupational disease is, in such case, the income at the minimum wage; but if the employee received, before becoming a job applicant, a compensation for a loss of income after the end of incapacity for work, such employee is entitled to such compensation at the amount at which he/she had a right to it while being employed. The compensation for a loss of income after the end of temporary incapacity for work belongs to an employee at the latest until the end of the calendar month in which he/she has reached the age of 65 years or the retirement age, if the retirement age is higher than 65 years, or until the date the old-age benefit was granted to them from the pension insurance.

According to Section 271l, these two kinds of compensation (during the incapacity for work and after its end) are separate rights.

If an employee, at his/her own fault, has a lower income than the other employees performing for the employer the same job or a job of the same kind, the income after an accident at work or after diagnosing an occupational disease is then the average income achieved by those other employees. If an employee who without serious reasons rejects to start a job the employer found for him/her, such an employee is entitled to compensation for a loss of income only amounting to the difference between the average income before the damage and the average income the employee could achieve at the job that was offered to him/her. The employer will not pay damage to the employee up to the amount the employee omitted to earn without serious reasons.

The employee will also receive compensation for pain and social impairment caused according to Section 271c as a lump sum and at least at the amount calculated according to Government Resolution No. 276/2015 Coll. The employer must, according to Section 271e, provide also compensation for material damage to an employee who suffered an accident at work or had an occupational disease diagnosed.

According to Section 271d, the efficiently spent costs related to treatment belong to the one who spent them.

For the case of a death of an employee, Sections 271g-j of the Labour Code grant:

1. compensation of efficiently spent costs related to treatment and reasonable costs related to funeral;
2. compensation of the costs of sustaining the survivors belongs to the survivors for whom the deceased employee was or was obligated to be a breadwinner, until the date the employee would have had that duty, but no later than until the end of the calendar month in which the deceased employee would have reached the age of 65 or the retirement age if the retirement age is higher than 65 years. The amount of that compensation is 50% of the average income of the employee before their death where he/she was or was obligated to be the breadwinner for one person, and 80% of the average income in cases where he/she was or was obligated to be the breadwinner for more persons. The benefit granted to the survivors due to the death of the employee is deducted from the amounts appertaining to the individual survivors.
3. a lump-sum compensation for the surviving spouse, partner and dependent child, to each of them at least at CZK 240,000, and also to parents if they lived in the same household.
4. material damage compensation for the heirs of the employee.



These rights do not, according to Section 271q, depend on whether the employee before their death exercised their right to compensation of damage or non-material damage within the set period.

The employer must pay the compensation for a loss of income and the compensation for the costs of sustaining the survivors, according to Section 271m, regularly once a month unless another manner of payment has been agreed.

The employer who, in the case of occupational disease, compensated the damage or non-material damage, has a right, according to Section 271n, to a compensation from all employers for whom the affected employee worked under conditions during which the occupational disease occurred, at an extent corresponding to the period for which the employee worked for those employers under those conditions.

For an employee who is in several employments at the time of the accident at work or of diagnosing an occupational disease, the amount of the compensation for a loss of income is determined, according to Section 271o, based on the average income achieved in all of those basic employments, for the period they could have lasted for.

Section 271p contains a special provision for persons employed for a definite period of time who are entitled to compensation for a loss of income only until the time when that basic employment should have ended. After that period, the compensation for a loss of income may be claimed if it can be assumed, according to circumstances, that the affected employee would have continued to be employed. This is without prejudice to the other rights arising from the duty to compensate damage or non-material damage caused by an accident at work or an occupational disease. Another group of affected workers are pensioners entitled to compensation for a loss of income for the period, unless their employment stopped for reasons not related to the accident at work or occupational disease; if they do not work for reasons related to the accident at work or occupational disease, they are entitled to compensation for a loss of income for the period in which they could have worked with regard to their health condition before the accident at work or occupational disease.

Compensation determined by a regulation may be, according to Section 271s, appropriately increased by court. The rights of employees to compensation for a loss of income due to an accident at work or occupational disease, or a damage or non-material damage to health other than due to an accident at work or occupational disease, and the rights to compensation of costs of sustaining the survivors are not time-barred, according to Section 271t, unlike the right to the individual performances arising from them. Section 271u allows for the rights and duties to be adjusted in the case of a substantial change in the financial situation of the damaged person, which was decisive for determining the amount of compensation, and it authorises the government to modify, in a regulation, the general conditions, amount and manner of compensation for a loss of income that belongs to employees after the end of incapacity for work caused by an accident at work or occupational disease. The government used this authorisation in five cases over the reporting period.

**Selected statistical indicators of insurance claims to compensate pain and social impairment caused for accidents at work or occupational diseases in the period 2000-2015**

	Total number of damages reported for settlement in the calendar year (without annuity)	Paid insurance claims (in CZK thousands)	
		damages for pain	social impairment caused
2000	91,566	63,389	132,883
2001	90,639	64,580	134,736
2002	89,584	144,563	197,137
2003	81,215	251,654	357,241

2004	83,443	254,543	390,178
2005	83,290	303,416	268,690
2006	82,233	315,029	274,371
2007	76,841	288,275	281,160
2008	76,476	287,622	305,852
2009	58,917	254,986	289,591
2010	54,779	237,109	264,424
2011	56,720	248,726	285,422
2012	54,273	248,623	301,096
2013	53,328	232,846	264,860
2014	54,889	233,840	268,787
2015	54,257	242,483	277,162
Total	1,089,122	3,671,684	4,293,590

#### **§1 Article 1. C42**

*Each Member of the International Labour Organisation which ratifies this Convention undertakes to provide that compensation shall be payable to workmen incapacitated by occupational diseases, or, in case of death from such diseases, to their dependants, in accordance with the general principles of the national legislation relating to compensation for industrial accidents.*

Since the compensation for occupational diseases is subject to generally applicable regulations for compensating occupational injuries and diseases, we refer to details included in the report on the application of Convention No.17 concerning Workmen's Compensation for Accidents.

## **VI - 2. Persons protected**

#### **Article 2. C17**

*1. The laws and regulations as to workmen's compensation shall apply to workmen, employees and apprentices employed by any enterprise, undertaking or establishment of whatsoever nature, whether public or private.*

*2. It shall nevertheless be open to any Member to make such exceptions in its national legislation as it deems necessary in respect of:*

*(a) persons whose employment is of a casual nature and who are employed otherwise than for the purpose of the employer's trade or business;*

*(b) out-workers;*

*(c) members of the employer's family who work exclusively on his behalf and who live in his house;*

*(d) non-manual workers whose remuneration exceeds a limit to be determined by national laws or regulations.*

On 1 January 2015, Act No. 234/2014 Coll., Civil Service Act, took effect, specifying the working conditions of civil servants. Its Section 124(1) lays down that the liability of a service authority for damage occurred to a civil servant is governed by the Labour Code, and that the security of a civil servant in a service accident or occupational disease is governed by the Labour Code.

## **VI - 3. Definition of Occupational Diseases**

#### **Article 2. C42**

*Each Member of the International Labour Organisation which ratifies this Convention undertakes to consider as occupational diseases those diseases and poisonings produced by the substances set forth in the Schedule appended hereto, when such diseases or such poisonings affect workers engaged in the trades, industries or processes placed opposite in the said Schedule, and result from occupation in an undertaking covered by the said national legislation.*

List of diseases and toxic substances	List of corresponding trades, industries and processes
Poisoning by lead, its alloys or compounds and their sequelae.	▪ Handling of ore containing lead, including fine shot in zinc factories.

	<ul style="list-style-type: none"> <li>▪ Casting of old zinc and lead in ingots.</li> <li>▪ Manufacture of articles made of cast lead or of lead alloys.</li> <li>▪ Employment in the polygraphic industries.</li> <li>▪ Manufacture of lead compounds.</li> <li>▪ Manufacture and repair of electric accumulators.</li> <li>▪ Preparation and use of enamels containing lead.</li> <li>▪ Polishing by means of lead files or putty powder with a lead content.</li> <li>▪ All painting operations involving the preparation and manipulation of coating substances, cements or colouring substances containing lead pigments.</li> </ul>
Poisoning by mercury, its amalgams and compounds and their sequelae.	<ul style="list-style-type: none"> <li>▪ Handling of mercury ore.</li> <li>▪ Manufacture of mercury compounds.</li> <li>▪ Manufacture of measuring and laboratory apparatus.</li> <li>▪ Preparation of raw material for the hatmaking industry.</li> <li>▪ Hot gilding.</li> <li>▪ Use of mercury pumps in the manufacture of incandescent lamps.</li> <li>▪ Manufacture of fulminate of mercury primers.</li> </ul>
Anthrax infection.	<ul style="list-style-type: none"> <li>▪ Work in connection with animals infected with anthrax.</li> <li>▪ Handling of animals carcasses or parts of such carcasses including hides, hoofs and horns.</li> <li>▪ Loading and unloading or transport of merchandise.</li> </ul>
Silicosis with or without pulmonary tuberculosis, provided that silicosis is an essential factor in causing the resultant incapacity or death.	Industries or processes recognised by national law or regulations as involving exposure to the risk of silicosis.
Phosphorous poisoning by phosphorous or its compounds, and its sequelae.	Any process involving the production, liberation or utilisation of phosphorous or its compounds.
Arsenic poisoning by arsenic or its compounds, and its sequelae.	Any process involving the production, liberation or utilisation of arsenic or its compounds.
Poisoning by benzene or its homologues, their nitro- and amido-derivatives, and its sequelae.	Any process involving the production, liberation or utilisation of benzene or its homologues, or their nitro- or amido-derivatives.
Poisoning by the halogen derivatives of hydrocarbons of the aliphatic series.	Any process involving the production, liberation or utilisation of halogen derivatives of hydrocarbons of the aliphatic series designated by national laws or regulations.
Pathological manifestations due to: <ul style="list-style-type: none"> <li>▪ a) radium and other radioactive substances;</li> <li>▪ b) X-rays.</li> </ul>	Any process involving exposure to the action of radium, radioactive substances, or X-rays.
Primary epitheliomatous cancer of the skin.	Any process involving the handling or use of tar, pitch, bitumen, mineral oil, paraffin, or the compounds, products or residues of these substances.

**Government Regulation No. 290/1995 Coll.**, providing the list of occupational diseases, was amended by Government Regulation No. 168/2014 Coll. with effect from 1 January 2015  
<https://portal.gov.cz/app/zakony/download?idBiblio=43357&nr=290~2F1995~208b.&ft=pdf>

**Decree No. 342/1997 Coll.**, defining the procedure for recognising occupational diseases and issuing a list of healthcare facilities which recognise such diseases, was replaced on 1 April 2012 with Decree No. 104/2012 Coll., laying down detailed requirements for the process in assessing and recognizing occupational diseases and the group of persons to receive the medical opinion

about occupational diseases, the conditions under which a disease can no longer be recognized as an occupational disease, and the requirements for medical opinions

[http://portal.gov.cf/wgsNVPS\\_PA\\_2001/isp/download.isp?s=1&l=342%2F1997](http://portal.gov.cf/wgsNVPS_PA_2001/isp/download.isp?s=1&l=342%2F1997)

#### **VI – 4. Benefits in cash**

##### **Articles 5 and 7. C17**

*The compensation payable to the injured workman, or his dependants, where permanent incapacity or death results from the injury, shall be paid in the form of periodical payments; provided that it may be wholly or partially paid in a lump sum, if the competent authority is satisfied that it will be properly utilised.*

*In cases where the injury results in incapacity of such a nature that the injured workman must have the constant help of another person, additional compensation shall be provided.*

##### **§2 Article 1. C42**

*The rates of such compensation shall be not less than those prescribed by the national legislation for injury resulting from industrial accidents. Subject to this provision, each Member, in determining in its national law or regulations the conditions under which compensation for the said diseases shall be payable, and in applying to the said diseases its legislation in regard to compensation for industrial accidents, may make such modifications and adaptations as it thinks expedient.*

**See under Part VI-1. Contingencies and regulatory framework**

#### **VI – 5. Benefits in kind**

##### **Article 9. C17**

*Injured workmen shall be entitled to medical aid and to such surgical and pharmaceutical aid as is recognised to be necessary in consequence of accidents. The cost of such aid shall be defrayed either by the employer, by accident insurance institutions, or by sickness or invalidity insurance institutions.*

The costs of the medical aid are primarily covered by the health insurance. In situations, where such an aid is provided due to the illegal conduct of a third person, incl. breach of a legal obligation of an employer, the health insurance company is entitled (pursuant to Section 55 of Act No 48/1997 Coll., Public Health Insurance Act) for a compensation of those costs.

##### **Article 10. C17**

*1. Injured workmen shall be entitled to the supply and normal renewal, by the employer or insurer, of such artificial limbs and surgical appliances as are recognised to be necessary: provided that national laws or regulations may allow in exceptional circumstances the supply and renewal of such artificial limbs and appliances to be replaced by the award to the injured workmen of a sum representing the probable cost of the supply and renewal of such appliances, this sum to be decided at the time when the amount of compensation is settled or revised.*

*2. National laws or regulations shall provide for such supervisory measures as are necessary, either to prevent abuses in connection with the renewal of appliances, or to ensure that the additional compensation is utilised for this purpose.*

##### **Update 2018**

Conditions are determined in Part C, Appendix 3 of the Act No 48/1997 Coll., Public Health Insurance Act.

#### **VI - 6. Waiting period**

##### **Article 6. C17**

*In case of incapacity, compensation shall be paid no later than as from the fifth day after the accident, whether it be payable by the employer, the accident insurance institution, or the sickness insurance institution concerned.*

According to Section 45 of Act No. 187/2006 Coll., the Sickness Insurance Act, an insured person is entitled to the benefit since the day when the contingency is met. Pursuant to Section 46(1) of the Sickness Insurance Act, the entitlement for the payment of the benefit commences on the day when the conditions for the payment of such a benefit are met and the person concerned applied for this payment (Section 109 of the Act specifies the application procedure). Section

110 of the Act provides for the benefits to be paid in monthly instalments.

#### **VI - 7. Insolvency of employer**

**Article 11. C17**

*The national laws or regulations shall make such provision as, having regard to national circumstances, is deemed most suitable for ensuring in all circumstances, in the event of the insolvency of the employer or insurer, the payment of compensation to workmen who suffer personal injury due to industrial accidents, or, in case of death, to their dependants.*

The conditions of payment of injured employees or their dependent in the event of employer's/insurer's insolvency is stipulated in Act No 118/2000 Coll., „Regulating Protection of Employees in Case of Insolvency of the Employer and Amendment of Some Laws (Insolvency Act).

The financial health of insurance companies providing the statutory insurance of employer's liability for damages relating to an injury at work or an occupational disease is specifically protected by Section 205d, subsections (2) and (5) of Act 65/1965 Coll., the Labour Code, which is still in force per Section 365 of Act 262/2006 Coll., the Labour Code. These provisions specify that should the insurance companies suffer a financial loss as a result of their operation of this statutory insurance, they shall be entitled to compensation for such a loss from the state budget. The Ministry of Finance shall compensate such a loss of the preceding year by 30 June of the current year at the latest.

#### **VI - 8. Administration and Financing**

**Article 8. C17**

*The national laws or regulations shall prescribe such measures of supervision and methods of review as are deemed necessary.*

**See under Part VI-1. Contingencies and regulatory framework**

## Part VII. Family Benefit

*The Czech Republic has accepted the obligations resulting from Part VII of C102 and Part VII of the ECSS.*

Category	Information available	Information missing / questions raised by the CEACR
<b>VII-1. Regulatory framework</b>	<i>Art.39 C102/ECSS</i>	
<b>VII-2. Contingency covered</b>	<i>Art.40 C102/ECSS</i>	
<b>VII-3. Persons Protected</b>	<i>Art.41 C102/ECSS*</i>	
<b>VII-4. Types of Benefits</b>	<i>Art.42 C102/ECSS</i>	
<b>VII-5. Qualifying period</b>	<i>Art.43 C102/ECSS</i>	
<b>VII-6. Level and Calculation of Benefit</b>	<i>Art.44 C102/ECSS*</i>	
<b>VII-7. Duration of Benefit</b>	<i>Art.45 C102/ECSS</i>	
<b>VII-8. Suspension of Benefit</b>	<i>Art.69 C102Art.68 ECSS</i>	
<b>VII-9. Right of complaint and appeal</b>	<i>Art.70 C102, Art. 69 ECSS</i>	
<b>VII-10. Financing and Administration</b>	<i>Art.71,72 C102 Art.70,71 ECSS</i>	

*\* Please update statistical data, in accordance with the [Report form for C102/ECSS](#).*

### List of applicable legislation

- Act No. 586/1992 Coll., Income Taxes Act, as amended
- Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended
- Act No. 111/2006 Coll., the Assistance in Material Need Act, as amended
- Act No. 110/2006 Coll., on Living and Subsistence Minimum, become effective on 1 January 2007, and was amended by Acts No. 329/2011 Coll., 366/2011 Coll., 409/2011 Coll., 399/2012 Coll., 401/2012 Coll., 44/2013 Coll., 458/2011 Coll., 105/2013 Coll., 303/2013 Coll., 344/2013 Coll., 252/2014 Coll. (part), 252/2014 Coll., 332/2014 Coll., 377/2015 Coll., 377/2015 Coll., 277/2019 Coll., 540/2020 Coll., 588/2020 Coll., 297/2021 Coll., 324/2021 Coll., 203/2022 Coll.
- Act No. 117/1995 Coll., State Social Support Act, was amended by Acts No. 364/2011 Coll., 366/2011 Coll., 408/2011 Coll., 375/2011 Coll., 401/2012 Coll. (part), 331/2012 Coll., 428/2011 Coll., 399/2012 Coll., 401/2012 Coll., 482/2012 Coll., 48/2013 Coll., 267/2013 Coll., 306/2013 Coll., 458/2011 Coll. (part), 303/2013 Coll., 344/2013 Coll., 440/2013 Coll., 64/2014 Coll., 101/2014 Coll., 458/2011 Coll., 250/2014 Coll., 252/2014 Coll., 253/2014 Coll., 327/2014 Coll., 332/2014 Coll., 377/2015 Coll., 395/2015 Coll., 363/2019 Coll., 349/2019 Coll., 540/2020 Coll., 588/2020 Coll., 261/2020 Coll., 285/2021 Coll., 363/2021 Coll., 17/2022 Coll., 203/2022 Coll., 456/2022 Coll.  
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=43008&nr=117~2F1995&rpp=15#local-content>
- Act No. 582/1991 Coll., on the Organization and Implementation of Social Security, was updated by Acts No. 220/2011 Coll., 263/2011 Coll., 220/2011 Coll. (part), 329/2011 Coll., 341/2011 Coll., 348/2011 Coll., 364/2011 Coll., 365/2011 Coll., 366/2011 Coll., 367/2011 Coll., 470/2011 Coll., 375/2011 Coll., 167/2012 Coll., 428/2011 Coll., 470/2011 Coll. (part), 399/2012 Coll., 401/2012 Coll., 403/2012 Coll., 274/2013 Coll., 303/2013 Coll., 313/2013 Coll., 344/2013 Coll., 64/2014 Coll., 136/2014 Coll., 458/2011 Coll., 250/2014 Coll., 251/2014 Coll., 267/2014 Coll., 332/2014 Coll., 317/2015 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 213/2016 Coll., 298/2016 Coll., 24/2017 Coll., 99/2017 Coll., 148/2017 Coll., 183/2017 Coll., 195/2017 Coll., 203/2017 Coll., 259/2017 Coll., 310/2017 Coll., 92/2018 Coll., 335/2018 Coll., 111/2019 Coll., 164/2019 Coll., 228/2019 Coll., 315/2019 Coll., 255/2020 Coll., 540/2020 Coll., 261/2021 Coll., 270/2021 Coll., 323/2021 Coll., 330/2021 Coll.

## VII - 1. Regulatory framework

### **Article 39. C102 and ECSS**

*Each Member (Contracting Party) for which this Part of this Convention (Code) is in force shall secure to the persons protected the provision of family benefit in accordance with the following Articles of this Part.*

Family benefits are regulated by Act No. 117/1995 Coll., State Social Support Act (hereinafter the „State Support Act”), as amended.

The abolition of the social supplement since 1 January 2012, changes in the child allowance since 1 January 2018 (introduction of the increased amount of the child allowance, the eligibility limit adjustment) and since 1 July 2021 (increasing all amounts of the child allowance and expanding the range of beneficiaries) and the changes in the parental allowance since 1 January 2020 are the main changes in law and practice that would be reflected in compliance with the provisions of the European Code of Social Security.

*The social allowance was (until 31 December 2010; for changes after this date see below) provided to families with children whose decisive income was lower than the sum of the amount of the family's living minimum amount times the coefficient of 2.0. The social allowance helped to cover the costs associated with securing the needs of children not only in low income families with children, but also of those in unfavourable health or social situations.*

The child allowance and parental allowance are regular family benefits in the Czech Republic under Article 42. The institution of social allowance was abolished as of 31 December 2011.

## VII - 2. Contingency covered

### **Article 40. C102 and ECSS**

*The contingency covered shall be responsibility for the maintenance of children as prescribed.*

A dependent child is entitled to receive the child allowance if he or she lives in a family whose decisive income is lower than the sum of the family's living minimum amounts multiplied by the coefficient given by law.

The parental allowance is provided to a parent who personally provides all-day care for a child who is the youngest in the family. The parental allowance is determined by the total amount that a parent can draw up to four years of a child's age. Gainful activities or income of a parent are not monitored, the placement of a child under two years in preschool facilities is partly limited.

For other jointly assessed persons, the living minimum amounts are graded based on the sequence of the persons; first, persons who are not dependent children are assessed, then, persons who are dependent children are assessed. Within each of these groups of assessed persons, the sequence is determined based on the age of the oldest or the youngest. With effect from 1 January 2012, the living minimum of an individual is CZK 3,410 per month. The amount of the living minimum of the person who is assessed as the first one is CZK 3,140 a month. The amount of the living minimum of the person who is assessed as the second one or next in the sequence is monthly:

- a) CZK 2,830 for persons from 15 years of age up to when not dependent children,
- b) CZK 2,450 for dependent children from 15 to 26 years of age,
- c) CZK 2,140 for dependent children from 6 to 15 years of age,

d) CZK 1,740 for dependent children up to 6 years of age.

The living minimum does not include the necessary costs of housing; the provision of aid to pay for the necessary costs of housing is laid down in Act No. 111/2006 Coll., on Assistance in Material Need.

Legislation effective from 1 January 2018:

The child allowance and parental allowance are the regular family benefits in the Czech Republic.

A dependent child is entitled to receive the child allowance if he or she lives in a family with the relevant income lower than 2.7 times the family's living minimum. The child allowance is provided at three different levels according to the age of the child and in two amounts according to sorts of income. Eligibility for the increased amount is determined by having income from employment or self-employment or from certain social benefits (sickness benefits, pensions, unemployment or retraining benefits, parental allowance, care allowance related to children). The legislation covers all children from a legally residing families fulfilling above mentioned legal conditions.

The living minimum has not been changed since 2012.

A parent who personally and duly cares for a child who is the youngest in the family is entitled to parental allowance. Parental allowance is provided until the total amount of 220,000 CZK is drawn, maximum up to four years of child's age. In the case of twins or more children born at the same time, the total amount extends to 330,000 CZK.

A parent may choose the amount of parental allowance and thus the period of its drawing. The calculation of monthly amount of parental allowance is based on daily assessment base for determination of maternity benefit or sickness benefit related to child's confinement or adoption according to the Sickness Insurance Act. When at least one of parents in a family is a person participating in sickness insurance, the amount of parental allowance can get to 70% of 30 multiple of daily assessment base (in 2018 36,750 CZK at the most). When the daily assessment base can be determined for both parents, the higher assessment is used for calculation. If the daily assessment base cannot be set for any parent, parents may choose the monthly amount up to 7,600 CZK. In case of twins or more children born at the same time, the monthly amounts are adjusted relevantly. Choice of the amount of parental allowance can be changed once in three months.

The parent's income is not tested; the parent may carry out an occupational activity without losing their entitlement to parental allowance. However, during the period of this occupational activity, the parent must ensure that the child is in care of another adult. The placement of a child under two years of age in a pre-school facility is restricted to 46 hours a month.

Legislation effective from 1 January 2020 (Act No 363/2019 Coll. Amending Act No 117/1995 Coll., State Social Support Act, Section 30 Subsec. 1):

Parental allowance is provided to a parent who personally and duly cares for a child who is the youngest in the family, until the total amount of CZK 300,000 is drawn, maximum up to four years of child's age. In case of twins or more children born at the same time, the total amount extends to CZK 450,000.



A parent may choose the amount of parental allowance and thus the period of its drawing. The calculation of monthly amount of parental allowance is based on daily assessment base for determination of maternity benefit or sickness benefit related to child's confinement or adoption according to the Sickness Insurance Act. When at least one of parents in a family is a person participating in sickness insurance, the amount of parental allowance can get to 70% of 30 multiple of daily assessment base (CZK 42,720 in 2020 at the most). When the daily assessment base can be determined for both parents, the higher assessment is used for calculation. If the daily assessment base cannot be set for any parent, parents may choose the monthly amount up to CZK 10,000. In case of twins or more children born at the same time, the monthly amounts are adjusted relevantly. Choice of the amount of parental allowance can be changed once in three months.

The parent's income is not tested; the parent may carry out an occupational activity without losing their entitlement to parental allowance. However, during the period of this occupational activity, the parent must ensure that the child is in care of another adult. The limit of placement of a child under two years of age in a pre-school facility has been changed to 92 hours a month.

Child allowance has not been changed.

The living minimum has been changed with effect from 1 April 2020 (Government Decree No 61/2020 Coll., increasing the amount of living and subsistence minimum based on Section 9 Subsec. 2 of the Act No 110/2006 Coll., regulating living and subsistence minimum.

The living minimum of an individual is CZK 3,860 per month.

The amount of the living minimum of a person who is assessed as the first one is CZK 3,550 a month. The amount of the living minimum of a person who is assessed as the second one or next in the sequence is monthly:

- a) CZK 3,200 for a person from 15 years of age up to when not dependent children,
- b) CZK 2,770 for a dependent child from 15 to 26 years of age,
- c) CZK 2,420 for a dependent child from 6 to 15 years of age
- d) CZK 1,970 for a dependent child up to six years of age.

The living minimum does not include the necessary costs of housing; the provision of aid to pay for the necessary costs of housing is stipulated in Act No 111/2006 Coll., Assistance in Material Need Act, as amended.

Legislation effective from 1 July 2021 (Act No 285/2021 Coll. Amending Act No 117/1995 Coll., State Social Support Act:

The amendment increases the child allowance amounts by ca 26 % and also broadens the scope of its beneficiaries.

A dependent child is entitled to receive the child allowance if he or she lives in a family with the relevant income lower than 3,4 times the family's living minimum. The child allowance is provided at three different levels according to the age of the child and in two amounts according to sorts of income. Eligibility for the increased amount is determined by having income from employment or self-employment or from certain social benefits (sickness benefits, pensions, unemployment or retraining benefits, parental allowance, care allowance related to children). The legislation covers all children from a legally residing families fulfilling above mentioned legal conditions.

Parental allowance and the living minimum have not been changed.

Legislation effective from 1 April 2022:

The living minimum has been changed with effect from 1 April 2022 (Government Decree No 75/2022 Coll., increasing the amount of living and subsistence minimum based on Section 9 Subsec. 2 of the Act No 110/2006 Coll., regulating living and subsistence minimum.

The living minimum of an individual is CZK 4,250 per month.

The amount of the living minimum of a person who is assessed as the first one is CZK 3,910 a month. The amount of the living minimum of a person who is assessed as the second one or next in the sequence is monthly:

- a) CZK 3,530 for a person from 15 years of age up to when not dependent children,
- b) CZK 3,050 for a dependent child from 15 to 26 years of age,
- c) CZK 2,670 for a dependent child from 6 to 15 years of age
- d) CZK 2,170 for a dependent child up to six years of age.

The living minimum does not include the necessary costs of housing; the provision of aid to pay for the necessary costs of housing is stipulated in Act No 111/2006 Coll., Assistance in Material Need Act, as amended.

Legislation effective from 1 January 2023:

Based on the Act No. 456/2022 Coll., amending Act No. 117/1995 Coll., on State Social Support, and Act No. 110/2006 Coll., on the Living and Subsistence Minimum, social protection of the population has been strengthened in view of the situation on the energy market, which is causing a huge increase in housing costs, and also in view of the situation of sharp increases in the cost of virtually all commodities. The individual measures aim to strengthen social protection, in particular in the area of housing benefit and child allowance.

The living minimum of an individual is CZK 4,860 per month.

The amount of the living minimum of a person who is assessed as the first one is CZK 4,470 per month.

The amount of the living minimum of a person who is assessed as the second one or next in the sequence is monthly:

- a) CZK 4,040 for a person from 15 years of age up to when not dependent children,
- b) CZK 3,490 for a dependent child from 15 to 26 years of age,
- c) CZK 3,050 for a dependent child from 6 to 15 years of age
- d) CZK 2,480 for a dependent child up to six years of age.

## VII - 3. Persons protected

### **Article 41. C 102 and ECSS**

*The persons protected shall comprise, [as regards the periodical payments specified in Article 42 - ECSS]:*

- (a) prescribed classes of employees, constituting not less than 50 per cent of all employees; or*
- (b) prescribed classes of the economically active population, constituting not less than 20 per cent of all residents.*
- [(c) all residents whose means during the contingency do not exceed prescribed limits – C102].*

A dependent child is entitled to receive the child allowance if he or she lives in a family whose decisive income is lower than the sum of the family's living minimum amounts multiplied by

the coefficient given by law. The child allowance is provided at three different levels depending on the age of a child and in two amounts according to sorts of income.

The scope of covered individual for regular family benefits according to Article 42 is defined by Act No. 117/1995 Coll., State Social Support Act.

For the purposes of the child allowance, dependent children are considered the covered group. As children are considered dependent until the end of compulsory schooling and thereafter, but not later than 26 years of age, if they are continuously preparing for their future profession (study at secondary schools and universities, theoretical and practical preparation for employment, preparing to become a member of a church, education in diagnostic classes), or they cannot systematically prepare for future career or perform gainful activity due to illness or injury, or because of long-term unfavourable health condition to perform gainful activity. A child's entitlement is not dependent on whether the parent is or is not an employee or an economically active individual or a participant in the pension or sickness insurance.

For the purposes of parental allowance, parents caring for small children are considered to be the group covered. Entitlement is not dependent on economic activity of the parent or his/her participation in the insurance scheme.

According to the individuals covered in Czech legislation, it is not possible to apply this to any of the paragraphs of Article 41.

Statistical information for 2010-2018:

	2010 <sup>45</sup>	2011 <sup>46</sup>	2013 <sup>47</sup>	2014 <sup>48</sup>	2015 <sup>49</sup>	2016	2017	2018
The number of dependent children entitled to a child allowance	530.0 thousand	481.3 thousand	458,0 thousand	443,5 thousand	419.9 thousand	386.0 thousand	334.7 thousand	268,0 thousand
The number of parents receiving a parental allowance	337.1 thousand	323.1 thousand	293,7 thousand	279,7 thousand	277.4 thousand	274.4 thousand	278.8 thousand	281,7 thousand
The number of dependent children	2,305.2 thousand	2,337.0 thousand	2,341,1 thousand	2,308,5 thousand	2,312 thousand	2,316.7 thousand	2,310.5 thousand	2,339,8 thousand
The number of families with dependent children	1,452.9 thousand	1,446.2 thousand	1,428.4 thousand	1,420.1 thousand	1417.2	1,414.1 thousand	1,417.5 thousand	1,444,6 thousand
The number of families entitled to the social allowance	148.4 thousand	14.4 thousand						

<sup>45</sup> Report 2011-C102.

<sup>46</sup> Report 2012-ECSS.

<sup>47</sup> Report 2014-ECSS.

<sup>48</sup> Report 2015-ECSS.

<sup>49</sup> Report 2016-C102, Report 2016-ECSS.

Statistical information for 2019-2022:

	2019	2020	2021	2022	2023	2024	2025	2026
The number of dependent children entitled to a child allowance	235,9 thousand	224,4 thousand	235,1 thousand	294,5 thousand				
The number of parents receiving a parental allowance	284,9 thousand	315.5 thousand	297,5 thousand	283 thousand				
The number of dependent children	2,370.8 thousand	2,421.8 thousand	2,416.4 thousand	2,384.6 thousand				
The number of families with dependent children	1,472.8 thousand	1,504.2 thousand	1,500.9 thousand	1,490.2				

### **Child allowance**

In 2022, the child allowance was received by an average of 294,500 of dependent children every month. This means that the allowance was granted to about 9.8 % of all dependent children.

In 2021, the child allowance was received by an average of 235,100 of dependent children every month. This means that the allowance was granted to about 9.7 % of all dependent children.

In 2020, the child allowance was received by an average of 224,400 of dependent children every month. This means that the allowance was granted to about 9.3 % of all dependent children.

In 2019, the child allowance was received by an average of 235,900 of dependent children every month. This means that the allowance was granted to about 10.0 % of all dependent children.

In 2018, the child allowance was received by an average of 268, 000 of dependent children every month. This means that it was granted to about 11.5 % of all dependent children.

In 2017, the child allowance was received by an average of 334,700 of dependent children every month. This means that it was granted to about 14.5 % of all dependent children.

In 2016, the child allowance was received by an average of 386,000 of dependent children every month. This means that it was granted to about 16.7 % of all dependent children.

In 2015, the child allowance was received by an average of 419,900 of dependent children every month. This means that it was awarded to about 18.2 % of all dependent children.

In 2014, the child allowance was received by an average of 443,5 thousand dependent children every month which means that it was provided to approximately to 19,2 % of all dependent children.

In 2010 the child allowance was received by an average of 530 thousand dependent children every month, which means that it was provided to 23 % of all dependent children.

### **Parental allowance**

In 2022, the parental allowance was received by an average of 283 thousand families with small children, i.e. approximately 19.6 % of families with dependent children.

In 2021, the parental allowance was received by an average of 297,500 thousand families with small children, i.e. approximately 19.8 % of families with dependent children.

In 2020, the parental allowance was received by an average of 315,500 thousand families with small children, i.e. approximately 21,0 % of families with dependent children.

In 2019, the parental allowance was received by an average of 284,900 thousand families with small children, i.e. approximately 19,3 % of families with dependent children.

In 2018, the parental allowance was received by an average of 281,700 thousand families with small children, i.e. approximately 19,5 % of families with dependent children.

On average, 278,800 families with young children received a parental allowance monthly in 2017, i.e. approx. 19.7 % of families with dependent children.

By an average of 274,400 families with young children received a parental allowance monthly in 2016, i.e. approx. 19.4 % of families with dependent children.

By an average of 277,400 families with young children received a parental allowance monthly in 2015, i.e. approx. 19.6 % of families with dependent children.

In 2014, the parental allowance was received by an average of 279,7 thousand families with small children, i.e. approximately to 19,6 % of families with dependent children.

In 2010, the parental allowance was received by an average of 337 thousand families with small children, i.e. 24 % of families with dependent children.

### **VII - 4. Types of Benefit**

#### **Article 42. C102 and ECSS**

*The benefit shall be:*

- (a) a periodical payment granted to any person protected having completed the prescribed qualifying period; or*
- (b) the provision to or in respect of children of food, clothing, housing, holidays or domestic help; or*
- (c) a combination of (a) and (b).*

The Czech Republic refers to paragraph a).

Family benefits are in the form of monthly periodic financial payments. Child benefits are linked to the cost of living; in terms of the entitlement (families with income up to given multiple of the subsistence level are entitled). Parental allowance is established by a fixed total amount.

Legislation effective from 1 January 2018:

The amount of child benefit is a fixed monthly at amount of CZK 500 in the basic level and CZK 800 in the increased level for a child up to six years of age, CZK 610 in the basic level and CZK 910 in the increased level for a child between 6 and 15 years and CZK 700 in the basic level and

CZK 1,000 in the increased level for a dependent child between 15 and 26 years. Based on the State Social Support Act amendment effective from 1 January 2018, a family (a parent) having regular income from employment or income from certain social benefits stipulated by law, such as old-age benefit, sickness benefit, unemployment benefit etc. is entitled to the increased level of family allowance.<sup>50</sup>

The amount of the parent allowance is determined as the total amount of CZK 220,000 (or CZK 330,000 in case of twins or more children born at the same time) to which is entitled a parent caring for the youngest child in a family, up to four years of a child's age. A parent-participant to the sickness insurance scheme draws the allowance monthly in amounts of his/her choice with a maximum of 70 % of 30multiple of the daily assessment base (in 2018 maximum is CZK 36,750, in 2019 maximum is CZK 40,080). Parents without sickness insurance are entitled to choose parental allowance up to monthly amount of CZK 7,600.

Legislation effective from 1 January 2020:

The amount of the parental allowance is determined as the total amount of CZK 300,000 (or CZK 450,000 in case of twins or more children born at the same time) to which is entitled a parent caring for the youngest child in a family, up to four years of a child's age. A parent-participant to the sickness insurance scheme draws the allowance monthly in amounts of his/her choice with a maximum of 70 % of 30multiple of the daily assessment base (in 2020 maximum is CZK 42,720, in 2021 CZK 43,470, in 2022 CZK 47,700). Parents without sickness insurance are entitled to choose parental allowance up to monthly amount of CZK 10,000.

Legislation effective from 1 July 2021:

The amount of child allowance is a fixed monthly at amount of CZK 630 in the basic level and CZK 1,130 in the increased level for a child up to six years of age, CZK 770 in the basic level and CZK 1,270 in the increased level for a child between 6 and 15 years and CZK 880 in the basic level and CZK 1,380 in the increased level for a dependent child between 15 and 26 years. A family (a parent) having regular income from employment or income from certain social benefits stipulated by law, such as old-age benefit, sickness benefit, unemployment benefit etc. is entitled to the increased level of family allowance.

Legislation effective from 1 January 2023:

The amount of child allowance is a fixed monthly at amount of CZK 830 in the basic level and CZK 1,330 in the increased level for a child up to six years of age, CZK 970 in the basic level and CZK 1,470 in the increased level for a child between 6 and 15 years and CZK 1080 in the basic level and CZK 1,580 in the increased level for a dependent child between 15 and 26 years. A family (a parent) having regular income from employment or income from certain social benefits stipulated by law, such as old-age benefit, sickness benefit, unemployment benefit etc. is entitled to the increased level of family allowance.

## VII - 5. Qualifying period

### **Article 43. ECSS, Article 43 ECSS**

*The benefit specified in Article 42 shall be secured at least to a person protected who, within a prescribed period, has completed a qualifying period which may be three months [one month - ECSS] of contribution or employment, or one year [six months-ECSS] of residence, as may be prescribed.*

<sup>50</sup> Act No 117/1995 Coll., State Social Support Act, Sec. 18 Subsec. 2

To be entitled to receive family benefits a qualifying period is not established. Entitlement is linked to the occurrence of a social situation and to the fulfilment of the conditions stipulated by the State Social Support Act. For foreigners who are not registered for permanent residence in the Czech Republic, or are not citizens of a EU member state, or are not explicitly mentioned in Section 3 of Act No. 117/1995 Coll., (foreigners having a specific kind of residence under a special law) 365 days since the date of signing up residence in the Czech Republic under a special law are required.

## VII - 6. Level and Calculation of Benefit

### Article 44. C102 and ECSS

*The total value of the benefits granted in accordance with Article 42 to the persons protected shall be such as to represent:*  
 [(a) 3 per cent. of the wage of an ordinary adult male labourer, as determined in accordance with the rules laid down in Article 66, multiplied by the total number of children of persons protected; - C102] or  
 (b) 1.5 per cent. of the said wage, multiplied by the total number of children of all residents.

Statistical information of 2015:

Gross monthly wage of an unskilled worker (according to Job Specification CZ-ISCO 93291 in the wage sphere)	CZK 19,521
Annual expenditure on child allowances	CZK 3.1 billion
Annual expenditure on parental allowances	CZK 22.5 billion
The number of dependent children of all residents	2,312,7 thousand
The total required expenditure for monetary family benefits	CZK 8.1 billion

The total required (monetary) expenditure of family benefits:

$19,521 \text{ (wage of an unskilled labourer)} \times 0.015 \text{ (1.5\% of wage)} \times 12 \text{ (months)} \times 2,310.4 \text{ (thousands of children)} = \text{CZK 8.1 b.}$

**In 2015, the total expenditure on family benefits was CZK 25.6 billion which in relation to the total required expenditure on monetary family benefits in the amount of CZK 8.1 billion means that the Czech Republic fulfils Article 44.**

Families with dependent children are also supported through tax relief for dependent children through tax exemption and tax bonus, or through a combination of those. The conditions under which a taxpayer is entitled to tax exemption for a dependent child and the manner of its application by the taxpayer are stipulated in Section 35c of Act No. 586/1992 Coll., regulating Income Taxes effective for the relevant accounting period.

The monthly amount of the tax benefit for a dependent child is higher than the child allowance. Entitlement to child benefit is limited to family income. On the contrary, the tax exemption is applied to all families with dependent children whose income is taxable.

In 2015, under valid legislation a taxpayer was entitled to receive a tax exemption for each dependent child living with him/her at home in the amount of CZK 13,404 per year, for the second child CZK 15,804 per year and for the third and any subsequent child CZK 17,004 per year. A taxpayer may have applied in the form of tax exemption, tax bonus, or of a combination of tax exemption and tax bonus. A family is entitled to tax bonus if the income is at least equal to six times the minimum wage, i.e. at least CZK 55,200 in 2015 (6 x CZK 9,200). The maximum amount of tax bonus for all dependent children in the household was set to CZK 60,300 per year. The conditions for occurrence of an entitlement to tax benefit are defined in the Section 35c of Act No. 586/1992 Coll., Income Taxes Act, as amended, for the relevant tax periods.

### Persons submitting a tax return

Persons submitting the tax return on income claim the tax relief after expiration of the tax period which is the calendar year. This means that in 2015 they drew a lump sum tax benefit according to the tax return of a natural person income for the 2014 tax period. This does not apply for employees who sign the tax declaration, prove an entitlement to a tax relief for the employer and subsequently draw the monthly benefit while running a business or leasing immovable. This group of people can apply for eventual unpaid difference of tax advantage through tax returns on income.

#### a) The tax advantage provided by the tax payer (the employer)

With regard to the fact that the Czech legislation does not impose an obligation to keep personal data for individual employees to an employer it is not possible to quantify what proportion of the tax relief was provided through the tax exemption from the tax relief because the taxpayer proves after the end of the year the total withheld deposit in the bill after the end of the year, i.e. after all discounts, i.e. even after the reduction of tax relief. The General Directorate of Finance may therefore provide only information on the tax bonus provided, i.e. the total amount of monthly tax bonuses and additional payments for tax bonus from the annual clearing of advances and tax benefits that was paid for individual years:

In 2015 under valid legislation a taxpayer was entitled to receive a tax relief for each dependent child living with him/her at home in the amount of CZK 13,404 per year, for the second child CZK 15,804 per year and for the third and any subsequent child CZK 17,004 per year. A taxpayer may have applied in the form of tax relief, tax bonus, or of a combination of tax relief and tax bonus. A tax bonus is entitled if the income is at least equal to six times the minimum wage, i.e. at least CZK 55,200 in 2015 (6 x CZK 9,200). The maximum amount of tax bonus for all dependent children in the household was set to CZK 60,300 per year. The requirements for an entitlement to tax benefit are defined in Section 35c of Act No. 586/1992 Coll., Income Taxes Act, as amended for the relevant tax periods.

The entitlement to a tax benefit for dependent children living with a taxpayer in a common household is regulated by Act No 586/1992 Coll., Income Taxes Act in Section 35c and for employees in Section 35d. The total amount of tax bonus provided has an increasing trend each year. In total, regardless the number of dependent children, a tax bonus of up to CZK 60,300 can be granted.

Monthly bonus paid by an employer in a wage of an employee.

2016: CZK 4,416,114,428

2017: CZK 4,272,597,257

2018: CZK 4,149 249 940

2019: CZK 2 268 301 780

2020: CZK 2 099 588 708

2021: CZK 5 001 632 728

2022: CZK 5 652 824 371\*

\* Source: Ministry of Finance. Preliminary data; final update is expected by the end of September 2023.

#### b) Data from the tax return for 2016 in CZK

tax relief to a child	Tax abatement (by how much the tax was reduced)	Tax bonus difference *) (Paid out in bonuses)
13,422,364,046	8,115,481,210	4,158,623,827



\*) The amount that was claimed in tax returns taxpayers, reduced by tax bonuses paid by the taxpayer.

Due to the fact that the tax relief is increased year to year for the second, third and another child, there is an assumption that there will be a rise in tax bonuses paid for tax year 2016. It is also possible to expect an increase of the paid tax bonuses by about 8.4%.

The entitlement to a tax benefit for dependent children living with a taxpayer in a common household is regulated by Act No 586/1992 Coll., Income Taxes Act in Section 35c and for employees in Section 35d. The total amount of tax bonus provided has an increasing trend each year. In total, regardless of the number of dependent children, a tax bonus of up to CZK 60,300 can be granted.

**b) Data from the tax return for 2016 in CZK**

tax relief to a child	Tax abatement (by how much the tax was reduced)	Tax bonus difference *) (Paid out in bonuses)
14,330,000	8,900,000	4,230,000

\*) The amount that was claimed in tax returns taxpayers, reduced by tax bonuses paid by the taxpayer.

Due to the fact that the tax relief is increased year to year for the second, third and another child, there is an assumption that there will be a rise in tax bonuses paid for tax year 2017. It is also possible to expect an increase of the paid tax bonuses by about 8.8%.

**Data from the tax return for 2017 in CZK**

tax relief to a child	Tax abatement (by how much the tax was reduced)	Tax bonus difference *) (Paid out in bonuses)
16,075,890,000	10,152,468,457	4,703,461,947

\*) The amount that was claimed in tax returns taxpayers, reduced by tax bonuses paid by the taxpayer.

**Data from the tax return for 2018 in CZK**

tax relief to a child	Tax abatement (by how much the tax was reduced)	Tax bonus difference *) (Paid out in bonuses)
17,662,315,643	11,750,245,700	4,718,704,231

\*) The amount that was claimed in tax returns taxpayers, reduced by tax bonuses paid by the taxpayer.

**Data from the tax return for 2019 in CZK**

tax relief to a child	Tax abatement (by how much the tax was reduced)	Tax bonus difference *) (Paid out in bonuses)
16,891,915,066	11,575,301,228	4,622,257,036

\*) The amount that was claimed in tax returns taxpayers, reduced by tax bonuses paid by the taxpayer.

**Data from the tax return for 2020 in CZK**

tax relief to a child	Tax abatement (by how much the tax was reduced)	Tax bonus difference *) (Paid out in bonuses)
18,281,219,122	12,417,614,732	4,960,095,448

\*) The amount that was claimed in tax returns taxpayers, reduced by tax bonuses paid by the taxpayer.

Statistical information of 2016:

Gross monthly wage of an unskilled worker (according to Job Specification CZ-ISCO 93291 in the wage sphere)	CZK 20,259
Annual expenditure on child allowances	CZK 2,8 billion
Annual expenditure on parental allowances	CZK 22.7 billion
The number of dependent children*	2,316.7 thousand
The total required expenditure for monetary family benefits	CZK 8.4 billion

The total required (monetary) expenditure of family benefits:

20,259 (wage of an unskilled labourer) x 0.015 (1.5% of wage) x 12 (months) x 2,316.7 (thousands of children) = CZK 8.4 b.

**In 2016, the total expenditure on family benefits was CZK 25.5 billion which in relation to the total required expenditure on monetary family benefits in the amount of CZK 8.4 billion means that the Czech Republic fulfils Article 44.**

In 2016, under valid legislation a taxpayer was entitled to receive a tax exemption for each dependent child living with him/her at home in the amount of CZK 13,404 per year, for the second child CZK 17,004 per year and for the third and any subsequent child CZK 20,604 per year. A taxpayer may have applied in the form of tax exemption, tax bonus, or of a combination of tax exemption and tax bonus. A family is entitled to tax bonus if the income is at least equal to six times the minimum wage, i.e. at least CZK 59,400 in 2016 (6 x CZK 9,900). The maximum amount of tax bonus for all dependent children in the household was set to CZK 60,300 per year. The conditions for occurrence of an entitlement to tax benefit are defined in the Section 35c of Act No. 586/1992 Coll., Income Taxes Act, as amended, for the relevant tax periods.

Statistical information of 2017:

Gross monthly wage of an unskilled worker (according to Job Specification CZ-ISCO 93291 in the wage sphere)	CZK 22,209
Annual expenditure on child allowances	CZK 2.5 billion
Annual expenditure on parental allowances	CZK 23.0 billion
The number of dependent children	2,310.5 thousand
The total required expenditure for monetary family benefits	CZK 9.2 billion

The total required (monetary) expenditure of family benefits:

22,209 (wage of an unskilled labourer) x 0.015 (1.5% of wage) x 12 (months) x 2,310.5 (thousands of children) = CZK 9.2 billion.

**In 2017, the total expenditure on family benefits was CZK 25.5 billion which in relation to the total required expenditure on monetary family benefits in the amount of CZK 9,2 billion means that the Czech Republic fulfils Article 44.**

Statistical information of 2018:

Gross monthly wage of an unskilled worker (according to Job Specification CZ-ISCO 93291 in the wage sphere)	CZK 24,130
Annual expenditure on child allowances	CZK 2.5 billion
Annual expenditure on parental allowances	CZK 25.0 billion
The number of dependent children	2,339.8 thousand
The total required expenditure for monetary family benefits	CZK 10.2 billion

The total required (monetary) expenditure of family benefits:

$24,130$  (wage of an unskilled labourer)  $\times 0.015$  (1.5% of wage)  $\times 12$  (months)  $\times 2,339,8$  (thousands of children) = CZK 10.2 billion.

**In 2018, the total expenditure on family benefits was CZK 27.5 billion which in relation to the total required expenditure on monetary family benefits in the amount of CZK 10,2 billion means that the Czech Republic fulfils Article 44.**

Statistical information of 2019:

Gross monthly wage of an unskilled worker (according to Job Specification CZ-ISCO 93291 in the wage sphere)	CZK 25,700
Annual expenditure on child allowances	CZK 2.3 billion
Annual expenditure on parental allowances	CZK 24.5 billion
The number of dependent children	2,370.8 thousand
The total required expenditure for monetary family benefits	CZK 11.0 billion

The total required (monetary) expenditure of family benefits:

$25,700$  (wage of an unskilled labourer)  $\times 0.015$  (1.5 % of wage)  $\times 12$  (months)  $\times 2,370.8$  (thousands of children) = CZK 11.0 billion.

**In 2019, the total expenditure on family benefits was CZK 26.8 billion which in relation to the total required expenditure on monetary family benefits in the amount of CZK 11.0 billion means that the Czech Republic fulfils Article 44.**

Statistical information of 2020:

Gross monthly wage of an unskilled worker (according to Job Specification CZ-ISCO 93291 in the wage sphere)	CZK 27,676
Annual expenditure on child allowances	CZK 2.1 billion
Annual expenditure on parental allowances	CZK 38.5 billion
The number of dependent children	2,421.8 thousand
The total required expenditure for monetary family benefits	CZK 12.1 billion

The total required (monetary) expenditure of family benefits:

$27,676$  (wage of an unskilled labourer)  $\times 0.015$  (1.5% of wage)  $\times 12$  (months)  $\times 2,421.8$  (thousands of children) = CZK 12.1 billion.

**In 2020, the total expenditure on family benefits was CZK 40.6 billion which in relation to the total required expenditure on monetary family benefits in the amount of CZK 12.1 billion means that the Czech Republic fulfils Article 44.**

Statistical information of 2021:

Gross monthly wage of an unskilled worker (according to Job Specification CZ-ISCO 93291 in the wage sphere)	CZK 28,361
Annual expenditure on child allowances	CZK 2.6 billion
Annual expenditure on parental allowances	CZK 35.4 billion
The number of dependent children	2,416.4 thousand
The total required expenditure for monetary family benefits	CZK 12.3 billion

The total required (monetary) expenditure of family benefits:

28,361 (wage of an unskilled labourer) x 0.015 (1.5% of wage) x 12 (months) x 2,416.4 (thousands of children) = CZK 12.3 billion.

**In 2021, the total expenditure on family benefits was CZK 38.0 billion which in relation to the total required expenditure on monetary family benefits in the amount of CZK 12.3 billion means that the Czech Republic fulfils Article 44.**

Statistical information of 2022:

Gross monthly wage of an unskilled worker (according to Job Specification CZ-ISCO 93291 in the wage sphere)	CZK 27,874
Annual expenditure on child allowances	CZK 3.8 billion
Annual expenditure on parental allowances	CZK 33.1 billion
The number of dependent children	2,384.6 thousand
The total required expenditure for monetary family benefits	CZK 11.9 billion

The total required (monetary) expenditure of family benefits:  
27,874 (wage of an unskilled labourer) x 0.015 (1.5% of wage) x 12 (months) x 2,384.6 (thousands of children) = CZK 11.9 billion.

**In 2022, the total expenditure on family benefits was CZK 36.9 billion which in relation to the total required expenditure on monetary family benefits in the amount of CZK 11.9 billion means that the Czech Republic fulfils Article 44.**

## VII – 7. Duration of Benefit

### **Article 45. C102 and ECSS**

*Where the benefit consists of a periodical payment, it shall be granted throughout the contingency.*

Family benefits are paid throughout the entire contingency (child dependence, care for the youngest child in the family) and do not depend on insurance.

## VII - 8. Suspension of Benefit

*See under Part XIII-1.*

### **Article 69. C102, Article 68. ECSS**

*A benefit to which a person protected would otherwise be entitled in compliance with any of Parts II to X of this Convention may be suspended to such extent as may be prescribed--*

*(b) as long as the person concerned is maintained at public expense, or at the expense of a social security institution or service, subject to any portion of the benefit in excess of the value of such maintenance being granted to the dependants of the beneficiary.*

The Committee requests the Government to indicate whether the dependants of the beneficiary who is in prison or in custody are entitled to receive any portion of the family benefit, in accordance with Article 68(b) of the Convention No 102.

In accordance to the Section 54, para 4: if the authorized person is in custody or in imprisonment his/her entitlement to benefits ceases to exist for the period of second and subsequent calendar months after the commencement of this custody/imprisonment. Entitlement for the benefits for the period before such period is preserved. Entitlement for the

parental benefit is also preserved in case of a woman taking care of her child during her custody/imprisonment.

There is an exception for mothers being in custody/prison together with their child. Those mothers are eligible for parental allowance.

Payment of benefits may be stopped on the grounds of reasons listed in Article 68 par. d) of Act No. 117/1995 Coll.:

- According to the Section 53(2) of Act No. 117/1995 Coll., If it is found out that the benefit was granted or is paid in a higher amount than was due, or it was granted or paid unjustly, the benefit should be reduced or withdrawn, or its payment will be stopped.
- In accordance to the Section 54, para 4: if the authorized person is in custody or in imprisonment his/her entitlement to benefits ceases to exist.

## VII – 9. Right of complaint and appeal

### *See under Part XIII-2*

- Decisions on family benefits are issued in the administrative procedure by the regional branches of the Labour Office. The authority of appeal is the Ministry of Labour and Social Affairs. The proceedings are regulated by Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended. Administrative authorities' decisions may be subject to judicial review.
- Administration and payment of state social support benefits (family benefits) is a responsibility of state authorities. In the first instance it is the Labour Office (regional branches and a branch of the City of Prague), in the second instance it is the Ministry of Labour and Social Affairs. The scope of participants in the proceedings is determined divergently from the Rules of Administrative which govern these issues in general. Under Section 68c of the State Social Support Act, the participants in the benefits proceedings are:
  - a) Authorized person,
  - b) The recipient of the benefit (the authorized person or the statutory representative of the authorized person, a person into whose care a minor was placed in the custody according to the decision of the competent authority, a person directly maintaining a minor, the institution, if an entitled minor is maintained by such institution.),
  - c) A person evaluated jointly with the entitled person
  - d) Natural person or legal entity - a specific recipient (the conditions are regulated by Section 59 of the State Social Support Act).
- The regional branches of the Labour Office decide on the benefits in administrative proceedings. The authority of appeal is the Ministry of Labour and Social Affairs. The decisions concerning the benefits are subject to judicial review.

## VII - 10. Financing and Administration

### *See under Part XIII-3*

The costs of family benefits are paid from the state budget; these are mandatory expenditures whose source is general taxation.

## Part VIII. Maternity benefit

*The Czech Republic has accepted the obligations resulting from Part VIII of C102 and Part VIII of the ECSS.*

Category	Information available	Information missing / questions raised by the CEACR
<b>VIII - 1. Regulatory framework</b>	<i>Art.46 C102/ECSS</i>	
<b>VIII - 2. Contingency covered</b>	<i>Art.47 C102/ECSS</i>	
<b>VIII - 3. Persons protected</b>	<i>Art.48 C102/ECSS*</i>	
<b>VIII - 4. Types of Benefit</b>	<i>Art.49 C102/ECSS</i>	
<b>VIII - 5. Level and Calculation of Benefit</b>	<i>Art.50 C102/ECSS*</i>	
<b>VIII - 6. Qualifying period</b>	<i>Art.51 C102/ECSS</i>	
<b>VIII - 7. Minimum duration of Benefit</b>	<i>Art.52 C102/ECSS</i>	
<b>VIII - 8. Suspension of Benefit</b>	<i>Art.69 C102</i> <i>Art.68 ECSS</i>	
<b>VIII - 9. Right of complaint and appeal</b>	<i>Art.70 C102. Art.69 ECSS</i>	
<b>VIII - 10. Financing and Administration</b>	<i>Art.71*,72 C102</i> <i>Art.70*,71 ECSS</i>	

*\* Please update statistical data, in accordance with the [Report form for C102/ECSS](#).*

### List of applicable legislation

- Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended
- Act No. 187/2006 Coll., Sickness Insurance Act, took effect on 1 January 2007, and was amended in the given period by Acts No 263/2011 Coll., 341/2011 Coll., 364/2011 Coll., 365/2011 Coll., 470/2011 Coll., 1/2012 Coll., 375/2011 Coll., 410/2011 Coll., 169/2012 Coll., 167/2012 Coll., 470/2011 Coll. (part), 396/2012 Coll., 401/2012 Coll., 303/2013 Coll., 344/2013 Coll., 64/2014 Coll., 458/2011 Coll., 250/2014 Coll., 267/2014 Coll., 14/2015 Coll., 332/2014 Coll., 204/2015 Coll., 317/2015 Coll., 131/2015 Coll., 47/2016 Coll., 190/2016 Coll., 298/2016 Coll., 24/2017 Coll., 99/2017 Coll., 148/2017 Coll., 183/2017 Coll., 195/2017 Coll., 259/2017 Coll., 310/2017 Coll., 92/2018 Coll., 335/2018 Coll., 111/2019 Coll., 164/2019 Coll., 277/2019 Coll., 315/2019 Coll., 255/2020 Coll., 300/2020 Coll., 438/2020 Coll., 540/2020 Coll., 248/2021 Coll., 261/2021 Coll., 270/2021 Coll., 326/2021 Coll., 330/2021 Coll., 471/2021 Coll. with regard to Announcement 436/2020  
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=62555&nr=187~2F2006&rpp=15#local-content>
- Act No. 189/2006 Coll., amending some acts in connection with adopting the Sickness Insurance Act  
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=62557&nr=189~2F2006&rpp=15#local-content>
- Act No. 582/1991 Coll., on the Organization and Implementation of Social Security by Acts No 220/2011 Coll., 263/2011 Coll., 220/2011 Coll. (part), 329/2011 Coll., 341/2011 Coll., 348/2011 Coll., 364/2011 Coll., 365/2011 Coll., 366/2011 Coll., 367/2011 Coll., 470/2011 Coll., 375/2011 Coll., 167/2012 Coll., 428/2011 Coll., 470/2011 Coll. (part), 399/2012 Coll., 401/2012 Coll., 403/2012 Coll., 274/2013 Coll., 303/2013 Coll., 313/2013 Coll., 344/2013 Coll., 64/2014 Coll., 136/2014 Coll., 458/2011 Coll., 250/2014 Coll., 251/2014 Coll., 267/2014 Coll., 332/2014 Coll., 317/2015 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 213/2016 Coll., 298/2016 Coll., 24/2017 Coll., 99/2017 Coll., 148/2017 Coll., 183/2017 Coll., 195/2017 Coll., 203/2017 Coll., 259/2017 Coll., 310/2017 Coll., 92/2018 Coll., 335/2018 Coll., 111/2019 Coll., 164/2019

Coll., 228/2019 Coll., 315/2019 Coll., 255/2020., 540/2020 Coll. 261/2021 Coll., 270/2021 Coll., 323/2021 Coll., 330/2021 Coll.

<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=39631&nr=582~2F1991&rpp=15#local-content>

- Act No. 48/1997 Coll., on Public Health Insurance, was amended in the given period by Acts No. 365/2011 Coll., 1/2012 Coll., 369/2011 Coll., 458/2011 Coll., 275/2012 Coll., 401/2012 Coll., 403/2012 Coll., 44/2013 Coll., 238/2013 Coll., 60/2014 Coll., 109/2014 Coll., 458/2011 Coll., 60/2014 Coll., 250/2014 Coll., 256/2014 Coll., 267/2014 Coll., 1/2015 Coll., 200/2015 Coll., 314/2015 Coll., 200/2015 Coll.  
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=45178&nr=48~2F1997&rpp=15#local-content>
- Act No. 592/1992 Coll., on Premiums for General Health Insurance, was amended in the given period by Acts No. 138/2011 Coll., 298/2011 Coll., 329/2011 Coll., 369/2011 Coll., 401/2012 Coll., 500/2012 Coll., 11/2013 Coll., 342/2013 Coll., 458/2011 Coll., 344/2013 Coll., 109/2014 Coll., 458/2011 Coll., 344/2013 Coll., 109/2014 Coll., 458/2011 Coll., 401/2012 Coll., 500/2012 Coll., 250/2014 Coll., 267/2014 Coll., 200/2015 Coll. 286/2021 Coll.  
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=40381&nr=592~2F1992&rpp=15#local-content>

## VIII - 1. Regulatory framework

### **Article 46. C102 and ECSS**

*Each Member (Contracting Party) for which this Part of this Convention (Code) is in force shall secure to the persons protected the provision of maternity benefit in accordance with the following Articles of this Part.*

## VIII - 2. Contingency covered

### **Article 47. C102 and ECSS**

*The contingencies covered shall include pregnancy and confinement and their consequences, and suspension of earnings, as defined by national laws or regulations resulting therefrom.*

#### **Article 46 and 47**

A covered contingency is, according to the Sickness Insurance Act, pregnancy, childbirth and their consequences. The institute of earnings suspension is not explicitly defined in the Czech legislation, however, the fact there is a total suspension of earnings due to absence from work, not only its reduction, can be inferred from the systematic interpretation. The maternity benefit corresponds with this structure.

## VIII - 3. Persons protected

### **Article 48. C102 and ECSS**

*The persons protected shall comprise:*

- (a) all women in prescribed classes of employees, which classes constitute not less than 50 per cent of all employees, and, for maternity medical benefit, also the wives of men in these classes; or*
- (b) all women in prescribed classes of the economically active population, which classes constitute not less than 20 per cent of all residents, and, for maternity medical benefit, also the wives of men in these classes.*

The Czech Republic refers to letter a). In the case of monetary benefits all employed women are protected.

#### **Data of 2022**

##### **A. Number of covered employees:**

- a) Employees with pension insurance 4,591,140 persons
- b) Self-employed persons with sickness insurance 99,054 persons
- B. Total number of employees 4,591,140 persons

##### **C. 100%**

(Source: the Czech Social Security Administration: Accounting Reports)

Data of 2018:

A. Number of covered employees:	
a) Employees with pension insurance	4,586,518 persons
b) Self-employed persons with sickness insurance	91,431 persons
B. Total number of employees	4,586,518 persons
C. 100%	

(Source: the Czech Social Security Administration: the Annual Accounting Report)

The Czech Republic refers to letter a). In the case of monetary benefits all employed women are protected.

Data of 1 January 2016:

A. Number of covered employees:	
a) Employees with pension insurance	4,418,031 persons
b) Self-employed persons with sickness insurance	89,798 persons
B. Total number of employees	4,418,031 persons
C. 100%	

(Source: the Czech Social Security Administration: the Annual Accounting Report)

#### VIII - 4. Types of Benefit

##### **Article 49. C102 and ECSS**

- 1. In respect of pregnancy and confinement and their consequences, the maternity medical benefit shall be medical care as specified in paragraphs 2 and 3 of this Article.*
- 2. The medical care shall include at least:*
  - (a) pre-natal, confinement and post-natal care either by medical practitioners or by qualified midwives; and*
  - (b) hospitalisation where necessary.*
- 3. The medical care specified in paragraph 2 of this Article shall be afforded with a view to maintaining, restoring or improving the health of the woman protected and her ability to work and to attend to her personal needs.*
- 4. The institutions or Government departments administering the maternity medical benefit shall, by such means as may be deemed appropriate, encourage the women protected to avail themselves of the general health services placed at their disposal by the public authorities or by other bodies recognised by the public authorities.*

See notes with respect to Article 10. **See II-4. Types of Benefit**

- The personal scope of health care provided in pregnancy and maternity covers all women who are Czech citizens and women who work in the Czech Republic for employers with their registered office in the Czech Republic.
- Since 1 January 2015, the regulatory payment of CZK 30 for a visit at a physician's has been cancelled by an amendment to Act No. 48/1997 Coll. on public health insurance.  
No further changes.

#### VIII - 5. Calculation of Benefit

##### **Article 50. C102 and ECSS**

*In respect of suspension of earnings resulting from pregnancy and from confinement and their consequences, the benefit shall be a periodical payment calculated in such a manner as to comply either with the requirements of Article 65 or with the requirements of Article 66. The amount of the periodical payment may vary in the course of the contingency, subject to the average rate thereof complying with these requirements.*



A. The Czech Republic refers to Article 65.

## Chapter I

Data of 1 January 2023

A.

### The rules for calculation of maternity benefits

1. The specified period: 12 calendar months (as a rule) preceding the calendar month in which the employee started his/her maternity leave.
2. The daily assessment base (DAB): qualifying income divided by the number of calendar days of the specified period (some days are not included to avoid unjustified dilution of the daily assessment base, for example the days of providing sickness benefits).
3. Qualifying income: all income subject to social security contribution and contributions to the state employment policy is calculated for an employee (employees) for the specified period.
4. Reduction of the daily assessment base: the amount to the first reduction limit is counted in full. Out of the amount between the first and second reduction limit 60% is counted. Out of the amount between the second and third reduction limit 30% is counted and the amount above the third reduction limit is not taken into account.
5. In 2023, the first reduction limit is CZK 1,345, the second reduction limit is CZK 2,017 and the third reduction limit is CZK 4,033.
6. The daily benefit is fixed at the rate of 70 % of the daily assessment base.
7. Maternity benefit is granted for a period of 28 weeks. In the case of women who gave birth to more children at the same time and take care of at least two of them, the maternity benefit is provided for 37 weeks.

B.

The assessment of the required level of maternity benefit is regulated by Article 65, paragraph 6 point a). In the Czech Republic, participation of an employee in sickness insurance is compulsory and these employees are secured by sickness insurance. Insurance of self-employed persons is voluntary.

C. The average gross wage of a skilled worker was CZK 38,693 in 2022. As social benefits are not taxed in their vast majority in the Czech Republic and no health or social insurance is paid from them, the shares of benefits may be added to the net wage.

## Chapter V

Data of 1 January 2022

### D. – G. Calculation of the ratio for the evaluation of the level of maternity benefits

- Gross wage of a skilled worker of 2022 is used, i.e. CZK 38,693.
- **Net wage** (of a taxpayer) is **CZK 34,327**.
- The daily assessment base for the calculation of maternity benefits (DAB) is the ratio of annual wage and the number of days in the year:  $\text{CZK } 38,693 \times 12/365 = \text{CZK } 1,272.10$
- **The daily assessment base** is reduced DAB since the first day:  $1,272.10 \times 100\% = \text{CZK } 1,272$ .

- **Daily amount** of maternity benefits from the 1<sup>st</sup> day: 70 % x 1,272= **CZK 890**
- **Monthly amount of maternity benefits:** 30 x 890 = **CZK 26,712.**
- **The ratio** of income after the insurance claim (maternity benefit) to income before the insurance claim (net wage): **26,712/ 34,327= 77.8%.**

Wage in CZK per month		The amount of maternity benefits in CZK per month	Ratio maternity benefit / wage in %	
Gross	Net		Gross	Net
38,693	34,327	26,712	69.1	77.8

The European Code of Social Security requires ratio of maternity benefit to preceding income of the insured 45 %. **The Czech Republic fulfils the required level of maternity benefits to gross as well as net wage.**

### VIII - 6. Qualifying period

#### Article 51. C102 and ECSS

*The benefit specified in Articles 49 and 50 shall, in a contingency covered, be secured at least to a woman in the classes protected who has completed such qualifying period as may be considered necessary to preclude abuse, and the benefit specified in Article 49 shall also be secured to the wife of a man in the classes protected where the latter has completed such qualifying period.*

Maternity benefit applies to an employee if she participated in a period of at least 270 days of sickness insurance in the last two years before drawing this benefit and if her employment or the protection period after termination of employment continues. The protection period is a maximum of 180 days after the termination of an employment.

The following is also included in the required period of 270 days of insurance:

- A period of study at a high school, at a vocational school or at a university or at a conservatoire considered as systematic preparation for future occupation for purposes of pension insurance, if the study has been successfully completed,
- The period of disability pension drawing for level-three disability, if that pension was withdrawn and the insured activity has arisen or continued after the withdrawal of the benefit.

If the claim is made for maternity benefits from sickness insurance, in which the condition of 270 days of participation in sickness insurance is not met, duration of participation in previous insurances in two years prior to the commencement of maternity is taken into account of this requirement. Overlapping periods of insurance benefits can only be counted once. If at the same time the claim to maternity benefits is made from one or more types of insurance, in which the condition of participation of 270 days of sickness insurance was met, and from insurance, in which this condition has not been met, only days in the period of two years prior to the commencement of maternity benefit, in which the participation in insurance of 270 days occurred in parallel in the given types of insurance, from which the claim for maternity benefit has been made, are counted towards the fulfilment of this condition for the insurance, in which this condition has not been met. If the condition of insurance was not met in multiple types of insurance, the periods of participation of two years prior to the commencement of maternity benefit are only counted for the fulfilment of the said condition in case of insurance which has the highest daily assessment base.

The conditions of entitlement to the maternity benefit are specified in Section 32 of Act No. 187/2006 Coll., Sickness Insurance Act, without material changes in comparison to the previous legislation.

#### **VIII - 7. Minimum duration of Benefit**

##### **Article 52. C102 and ECSS**

*The benefit specified in Articles 49 and 50 shall be granted throughout the contingency, except that the periodical payment may be limited to 12 weeks, unless a longer period of abstention from work is required or authorised by national laws or regulations, in which event it may not be limited to a period less than such longer period.*

The period of entitlement to maternity benefit of an insured woman who has given birth to a child must not be shorter than 14 weeks and must not expire earlier than six weeks since the date of birth of the child.

#### **VIII - 8. Suspension of Benefit**

##### **See under Part XIII-1**

An insured individual is not entitled to the maternity benefit for the period during which:

- Individual performs the insured activity of which this benefit is based, work or is self-employed,
- Individual is entitled to receive the qualifying income from employment, on which this benefit is based under the special legal regulations.

Maternity benefits are not paid:

- To a mother of a child for the period of time when she concludes an agreement with a child's father or husband of the mother as to fact that said individual will assume the care of the child and such insured individual is entitled to receive the maternity benefit; in this case the maternity benefit is not paid to the mother of the child, but to her husband or to the child's father. Such an agreement cannot be concluded sooner than after 6 weeks after birth of the child.
- To an insured individual for the period of time when a child was taken into institutional medical facility care due to medical reasons and the insured person performs work or self-employment in the insured activity of which the maternity benefit is provided at this time.
- To an insured individual for the time when he/she cannot or will not care for a child due to a serious long-term illness, for which he/she was recognized temporarily unable to work, and the child was in the care of another natural person or legal entity due to this reason.
- For the period during which the insured person does not care for a newborn child and the child was entrusted to foster care or to institutional care due to this reason.
- To an insured individual for the time a child has been in institutional care due to other than medical reasons of a child or of an insured person except for the first fourteen weeks from the beginning of the supporting period.
- The insured woman is in receipt of the maternity cash benefit for the minimum duration of the supporting period pursuant to Section 35 of the Sickness Insurance Act (the first fourteen weeks after the birth), irrespective of whether the woman actually takes care of the child or not over that period.

The entitlement to the benefit payments does not cease and after the obstacles are resolved, the benefit payments are resumed. For example, if a woman who is entitled to maternity benefit cannot or is not allowed to care for the child due to a serious and long-term illness for which she has been assessed as temporarily unable to work and the child is cared for by another

person, the maternity benefit payment will be suspended. In such case, the woman is entitled to sickness benefit payment. If during the temporary incapacity for work of the mother the maternity benefit is not paid to the father of the child or to her husband, the mother may draw the remaining part of the contribution period after the end of the temporary incapacity for work, i.e. after the reason for suspension has ceased.

A woman who is entitled to maternity benefit payment may, based on her decision, conclude an agreement with her husband or father of the child on taking up the care for the child, but not sooner than 6 weeks after the date of childbirth and for a period of at least 7 consecutive calendar days. In such case, the mother voluntarily gives up the maternity benefit in favour of the man who may become the recipient of such benefit until the contribution period is exhausted. The total contribution period is usually 28 weeks. In such case, the maternity benefit will be paid to the husband or father of the child and not to the mother, but never before 6 weeks have lapsed after the childbirth. Such option is usually used when the income from occupation or employment of the woman is higher than the income of her husband or father of the child. The number of the individual agreements (alternations in care) within the contribution period is not limited, that means that the mother of the child can, after a suspension, resume receiving maternity benefit if the husband or father of the child stops receiving the benefit, until the total contribution period (usually 28 weeks) has expired.

According to national legislation of the Czech Republic (Section 35 of the Sickness Insurance, as amended), women have a guaranteed minimum length of the maternity benefit provision for 14 weeks and the benefit is paid during that period regardless of the factual care for the child. The payment of the benefit within this period is thus not directly conditioned upon the physical care for the child.

#### **VIII - 9. Right of appeal**

*See under Part III-9*

#### **VIII - 10. Financing and Administration**

*See under Part XIII-3*

The competent authority in the field of sickness insurance (and maternity benefits) is the District Social Security Administration which is responsible for the implementation of the sickness insurance scheme and provides sickness benefits.

## Part IX. Invalidity benefit

*The Czech Republic has accepted the obligations resulting from Part IX of C102 and Part IX of the ECSS.*

Category	Information available	Information missing / questions raised by the CEACR
<b>IX-1. Regulatory framework</b>	<i>Art.53 C102/ECSS</i>	
<b>IX-2. Contingency covered</b>	<i>Art.54 C102/ECSS</i>	
<b>IX-3. Persons Protected</b>	<i>Art.55 C102/ECSS*</i>	
<b>IX-4. Level and Calculation of Benefit</b>	<i>Art.56 C102/ECSS*</i>	
<b>IX-5. Adjustment of Benefit</b>	<i>Art.65(10)C102/ECSS*</i> <i>Art.66 (8) C102/ECSS</i>	
<b>IX-6. Qualifying period</b>	<i>Art.57 C102/ECSS</i>	
<b>IX-7. Duration of Benefit</b>	<i>Art.58 C102/ECSS</i>	
<b>IX-8. Suspension of Benefit</b>	<i>Art.69 C102, Art.68 ECSS</i>	
<b>IX-9 Right of complaint and appeal</b>	<i>Art.70 C102, Art.69 ECSS</i>	
<b>IX-10. Financing and Administration</b>	<i>Art.71*,72 C102</i> <i>Art.70*,71 ECSS</i>	

*\* Please update statistical data, in accordance with the [Report form for C102/ECSS](#).*

### List of applicable legislation

- Regulation No. 284/1995 Coll., implementing the Pension Insurance Act, as amended
- Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended
- Regulation No. 359/2009 Coll., to Regulating the Percentage Rate of Decline in Working Ability and Requirements of Disability Assessment and Providing Work Ability Assessment for Disability
- Act No. 582/1991 Coll., on the Organization and Implementation of Social Security, was updated by Acts No 220/2011 Coll., 263/2011 Coll., 220/2011 Coll. (part), 329/2011 Coll., 341/2011 Coll., 348/2011 Coll., 364/2011 Coll., 365/2011 Coll., 366/2011 Coll., 367/2011 Coll., 470/2011 Coll., 375/2011 Coll., 167/2012 Coll., 428/2011 Coll., 470/2011 Coll. (part), 399/2012 Coll., 401/2012 Coll., 403/2012 Coll., 274/2013 Coll., 303/2013 Coll., 313/2013 Coll., 344/2013 Coll., 64/2014 Coll., 136/2014 Coll., 458/2011 Coll., 250/2014 Coll., 251/2014 Coll., 267/2014 Coll., 332/2014 Coll., 317/2015 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 213/2016 Coll., 298/2016 Coll., 24/2017 Coll., 99/2017 Coll., 148/2017 Coll., No. 259/2017 Coll., No. 310/2017 Coll., No. 92/2018 Coll., No. 335/2018 Coll., No. 111/2019 Coll., No. 164/2019 Coll., No. 228/2019 Coll., No. 315/2019 Coll., No. 255/2020 Coll., No. 540/2020 Coll., No. 270/2021 Coll., No. 323/2021 Coll., No. 323/2021 Coll., No. 330/2021 Coll., 423/2022 Coll.
- Act No. 48/1997 Coll., on Public Health Insurance, was amended in the given period by Acts No. 365/2011 Coll., 1/2012 Coll., 369/2011 Coll., 458/2011 Coll., 275/2012 Coll., 401/2012 Coll., 403/2012 Coll., 44/2013 Coll., 238/2013 Coll., 60/2014 Coll., 109/2014 Coll., 458/2011 Coll., 60/2014 Coll., 250/2014 Coll., 256/2014 Coll., 267/2014 Coll., 1/2015 Coll., 200/2015 Coll., 314/2015 Coll., 200/2015 Coll., ., No. 47/2016 Coll., No. 66/2017 Coll., No. 150/2017 Coll., No. 183/2017 Coll., No. 200/2017 Coll., No. 231/2017 Coll., No. 290/2017 Coll., No. 282/2018 Coll., No. 45/2019 Coll., No. 111/2019 Coll. , No. 262/2019 Coll., No. 205/2020 Coll.

165/2020 Coll., 538/2020 Coll., 569/2020 Coll., 540/2020 Coll., No. 274/2021 Coll., No. 371/2021 Coll., No. 261/2021 Coll., 366/2022 Col.

- Act No. 592/1992 Coll., on Premiums for General Health Insurance, was amended in the given period by Acts No. 138/2011 Coll., 298/2011 Coll., 329/2011 Coll., 369/2011 Coll., 401/2012 Coll., 500/2012 Coll., 11/2013 Coll., 342/2013 Coll., 458/2011 Coll., 344/2013 Coll., 109/2014 Coll., 458/2011 Coll., 344/2013 Coll., 109/2014 Coll., 458/2011 Coll., 401/2012 Coll., 500/2012 Coll., 250/2014 Coll., 267/2014 Coll., 200/2015 Coll., No. 145/2017 Coll., No. 183/2017 Coll., No. 297/2017 Coll., No. 134/2020 Coll., No. 229/2020 Coll., No. 231/2020 Coll., No. 285/2020 Coll., No. 540/2020 Coll., No. 161/2021 Coll., No. 161/2021 Coll., No. 261/2021 Coll., No. 274/2021 Coll., No. 286/2021 Coll., No. 363/2021 Coll., No. 371/2021 Coll., 366/2022 Coll.
- Act No. 155/1995 Coll., Pension Insurance Act, was amended by Acts No. 220/2011 Coll., 428/2011 Coll., 341/2011 Coll., 348/2011 Coll., 364/2011 Coll., 365/2011 Coll., 470/2011 Coll., 314/2012 Coll., 463/2012 Coll., 428/2011 Coll., 401/2012 Coll., 403/2012 Coll., 267/2013 Coll., 274/2013 Coll., 303/2013 Coll., 344/2013 Coll., 182/2014 Coll., 183/2014 Coll., 218/2007 Coll., 458/2011 Coll., 250/2014 Coll., 267/2014 Coll., 332/2014 Coll., 267/2006 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 47/2016 Coll., 137/2016 Coll., 212/2016 Coll., 213/2016 Coll., 24/2017 Coll., 99/2017 Coll., 148/2017 Coll., 150/2017 Coll., No. 203/2017 Coll., No. 148/2017 Coll., No. 259/2017 Coll., No. 310/2017 Coll., No. 191/2018 Coll., No. 32/2019 Coll., No. 244/2019 Coll., No. 315/2019 Coll., No. 469/2020 Coll., No. 540/2020 Coll., No. 323/2021 Coll., No. 330/2021 Coll., 221/2022 Coll., 455/2022 Coll.

## IX - 1. Regulatory framework

### **Article 53. C102 and ECSS**

*Each Member (Contracting Party) for which this part of this Convention (Code) is in force shall secure to the persons protected the provision of invalidity benefit in accordance with the following Articles of this Part.*

## IX - 2. Contingency covered

### **Article 54. C102 and ECSS**

*The contingency covered shall include inability to engage in any gainful activity, to an extent prescribed, which inability is likely to be permanent or persists after the exhaustion of sickness benefit.*

#### **Article 53 and 54**

A covered contingency is the disability of the level-three according to Section 39 of the Pension Insurance Act. An insured person is disabled of the level-three, if there is decrease of his/her ability to work by at least 70% due to long-term unfavourable health condition.

The percentage rate of decrease of working ability, prerequisites for assessment of disability and assessment of working ability for the purposes of the designation of disability are stipulated by the regulation of the Ministry of Labour and Social Affairs No. 359/2009 Coll.

### **Changes in the legislation concerning the definition of invalidity**

Levels of invalidity were newly defined by Act No. 306/2008 Coll., which amended the Act on Pension Insurance with effect from 1 January 2010. The existing full and partial invalidity were substituted by level-three disability. A single benefit (disability pension for a level-one, level-two or level-three disability) was introduced instead of full and partial invalidity pension at the same time. The purpose of the amendment was mainly to target better the benefit compensation according to the level of the decreased capacity for work, and modernisation and higher precision of the assessment process, not the reduction of expenditure on invalidity benefits.

An insured individual is disabled if his/her work ability has fallen

- by at least 35 %, but not by more than 49 %: **level-one disability**
- by at least 50 %, but not by more than 69 %: **level-two disability**
- by at least 70 %: **level-three disability**.

The percentage of the fall in work ability, the prerequisites for the disability assessment and the assessment of the work ability for the purposes of the designation of disability are set out in Decree No. 359/2009 Coll.

#### **Discussion with the Trade Union - [Report 2011-C102](#)**

**Prior sending to the International Labour Organisation, the report draft was discussed with the Czech-Moravian Confederation of Trade Unions, Association of Independent Unions, Confederation of Employers' and Entrepreneurs' Unions, and Confederation of Industry as the most representative organisations of employers and workers.**

*Comments were received from the Czech-Moravian Confederation of Trade Unions ("CMKOS") concerning the invalidity benefits, where CMKOS emphasised that it did not agree with changes to the definition of invalidity and alleged that these changes were driven by an effort to reduce number of beneficiaries in order to make savings at any cost. About 74-75 % of persons previously found to be partially invalid were categorised to the first level of invalidity (work ability has fallen by at least 35 but not by more than 49 %). Persons with unfavourable health status, whose situation has not changed and who were previously pronounced partially or fully invalid, were deprived of their pension only because of the change in definition of invalidity.*

In response, the Government wishes to state the following:

The data presented by CMKOS are based on estimates of MoLSA and the Czech Social Security Administration from 2008, made in connection with the proposed amendment to the Pension Insurance Act (Act 306/2008 Coll.); at that time, the analysis of cases of partial invalidity has shown that 33-49% decline in work ability was recognized in 75% of these cases and 50-65% decline in work ability was recognized in 25% of cases.

In connection with the draft decree on the assessment of invalidity (Decree No. 359/2009 Coll.), about 5 % possibility of change between the levels of invalidity, due to the progresses in medicine, was estimated. Many cases of invalidity are diagnosed much sooner and/or addressed by new forms of medical treatment with fewer adverse effects when compared to the situation in 1995, with results of treatment better and the negative impact on work ability lower.

These facts correlate with the Ministry of Health data concerning improvements in the health status of population compared to the situation in the early nineties. The pension insurance statistics show that changes between the levels of invalidity in 2010 corresponded to MoLSA predictions.

Changes between the levels of invalidity are consistent with the changing effects of invalidity on work ability and with the views of independent health professionals; the legislation (Act No. 306/2008 Coll., Decree. No. 359/2009 Coll.) only implemented the advances of medical science in the period of last 15 years into pension insurance systems. As it is not possible to treat people in 2010 by means that were used in the medicine in the first half of the nineties, it is also not possible to use "health considerations" defined in 1995 to assess invalidity in 2010.

**[Report 2016-C102](#)**: In 2010, the number of newly granted invalidity benefits decreased, since 2014 their number has been rising again. The decrease in the number of newly granted benefits

is significantly influenced by the fact that a change in the disability level is not deemed to be the granting of a new benefit and it has not shown since 2010 in the statistics of the newly granted invalidity benefits. On the contrary, the transition between a full and partial invalidity benefit was recognised in the statistics as the granting of a new invalidity benefit. It must be said that the size of benefits for persons who had received invalidity benefits before the effect of the new legislation has not changed. The impact of the new definition of invalidity on the invalidity benefit expenditure is therefore limited. The drop in the invalidity benefit expenditure between 2009 and 2010 was caused by the transformation of invalidity benefits for persons over 65 years of age to old-age benefits; that transformation was also introduced by Act No 306/2008.

#### The development of the newly granted invalidity benefits, 2008-2015

	2008	2009	2010	2011	2012	2013	2014	2015
Full disability	21780	20992						
Partial disability	25847	26191						
Level 3			10488	9945	9699	9539	9860	10657
Level 2			5013	4859	4821	4588	4674	5304
Level 1			12614	12486	14095	13729	14828	16752
Total	47627	47183	28115	27290	28615	27856	29362	32713

Note: Since 2010: a change in the invalidity degree is not the granting of a new invalidity benefit.

#### The development of invalidity benefit expenditure (in CZK billions), 2008-2015

	2008	2009	2010	2011	2012	2013	2014	2015
Full disability	42,4	44,4						
Partial disability	15,0	16,6						
Level 3			30,9	29,5	28,1	26,9	26,1	26,5
Level 2			4,3	5,1	5,3	5,5	5,6	5,8
Level 1			12,5	12,8	12,2	11,8	12,0	11,7
Total	57,4	61,0	47,7	47,5	45,5	44,1	43,7	44,0

Notes: Net expenditure without the impact of advance payments to post offices.

Since 2010: the expenditure on transformed invalidity benefits for persons over 65 years of age is a part of the old-age benefit expenditure.

### IX - 3. Persons protected

#### Article 55. C102 and ECSS

The persons protected shall comprise:

- (a) prescribed classes of employees, constituting not less than 50 per cent of all employees; or
- (b) prescribed classes of the economically active population, constituting not less than 20 per cent of all residents; or
- (c) all residents whose means during the contingency do not exceed limits prescribed in such a way as to comply with the requirements of Article 67.

The Czech Republic refers to letter a). The Czech Republic refers to the interpretation of Article 27; the scope of protected persons is the same.

#### Statistical Data 2022

##### A. Number of covered employees:

- a) Employees with pension insurance: 4,591,140 persons
- b) Self-employed persons with pension insurance: 739,825 persons

##### B. Total number of employees 4,591,140 persons

##### C. 100 %

(Source: the Czech Social Security Administration: Accounting Reports)



## IX - 4. Level and Calculation of Benefit

### **Article 56. C102 and ECSS**

*The benefit shall be a periodical payment calculated as follows:*

- (a) where classes of employees or classes of the economically active population are protected, in such a manner as to comply either with the requirements of Article 65 or with the requirements of Article 66;*
- (b) where all residents whose means during the contingency do not exceed prescribed limits are protected, in such a manner as to comply with the requirements of Article 67.*

## Chapter I

### Data of 1 January 2023

A benefit is a periodic payment calculated according to the same rules as the old-age benefit (see interpretation in the Art. 26).

A.

#### **The rules for calculating invalidity benefit of the level-three disability**

The benefit consists of two components:

**Basic amount:** CZK 4,040 per month (10 % of the average gross wage).

**The percentage amount:** depends on the individual's income earnings ascertained in the specified period before the entitlement to the invalidity benefit and the number of years of insurance. For invalidity benefit granted to level-three disability it is 1.5 % of the calculation basis for each entire year of insurance. The calculation basis is determined on the basis of the average indexed gross wage (earnings are indexed in relation to the average wage growth in the national economy) for the specified period, i.e. usually since 1986 to the year preceding the year in which the person first qualified for the benefit. To determine the calculation basis, this average ("personal assessment base") is reduced in this way: to the first reduction limit 100 % is counted out of this amount, between the first and the second reduction limits 26 % is counted and the amount above the second reduction limit is not taken into account.

In 2023, the first reduction limit is CZK 17,743 and the second is CZK 161,296.

B.

For the assessment of the required level of disability benefit is proceeded by Article 65, paragraph 6 point a). In the Czech Republic, economically active population is covered with pension insurance.

C. In 2022, the average gross wage of a skilled worker was CZK 38,693 (according to a Job Specification CZ-ISCO 72231 – a metal turner – a machine setter and an operator).

In the Czech Republic, to calculate the invalidity benefit, the insurance period includes the interim period, i.e. the period from the day of entitlement to the invalidity benefit up to reaching the retirement age (for men and women, for this purpose, this means the retirement age prescribed for a women who has not brought up any child), therefore it is possible to reckon with 30 years of insurance for the amount of the benefit.

## Chapter II

Data of 1 January 2023

### D. – G. Calculation of the ratio for the evaluation of the invalidity benefit of level-three disability

- Gross wage of a skilled worker is used (according to Job Specification CZ-ISCO 72231 – a metal turner – a machine setter and an operator) in 2021, i.e. CZK 38,693.
  - **Net wage** (after application of the tax relief to a taxpayer and two children) is **CZK 31,200**.
  - Personal assessment basis (38,693) is reduced:  
 $17,743 + (38,693 - 17,743) \times 26 \% = \text{CZK } 23,190$ .
  - **The percentage amount** for thirty years of insurance:  $30 \times 1.5 \% \times 23,190 = \text{CZK } 10,436$ .
  - **The amount of the level-three disability benefit:**  
 basic amount and the percentage amount  $4,040 + 10,436 = \text{CZK } 14,476$ .
  - **Child allowances for two children** – in the amount of 2,940 (2 x CZK 1,470).
- The rate of incomes** after the insurance claim (disability benefit of the level-three and allowances for two children) to incomes before the insurance claim (net wage and allowances for two children):  $17,416 / 34,140 = 51.1 \%$ .

Wage in CZK per month		Allowances for 2 children in CZK	Invalidity benefit in CZK	Ratio benefit / wage *)	
Gross	Net			Gross	Net
38,693	31,200	2,940	14,476	41.9	51.1

\*) Invalidity benefit and salary including increased child allowances.

Income threshold for eligibility to child allowances as effective from April 1, 2020.

The European Code of Social Security requires the rate of incomes of the invalidity benefit to the previous insured incomes of 40 %. **The Czech Republic fulfils the required level of invalidity benefit to both gross and net wage.**

## IX – 5. Adjustment of benefits

See under Part V-5

## Chapter VI

- g. See answer in Part V Article 28, Chapter VI
- h. The indexes are stated in Part V Article 28, Chapter VI
- i.

Year	Average invalidity benefit <sup>1)</sup>		Invalidity benefit of a standard recipient <sup>2)</sup>	
	abs. in CZK	index in %	abs. in CZK	index in %
2011	10,006	-	8,955	-
2012	10,163	101.6	8,792	98.2
2013	10,257	100.9	9,015	102.5
2014	10,274	100.2	8,992	99.7
2015	10,434	101.6	9,253	102.9

2016	10,412	99.8	9,432	101.9
2011-2015	-	104.3	-	103.3
2017	10,753	103,3	9,837	104,3
2018	11,081 <sup>3)</sup>	103.1 <sup>3)</sup>	10,511	106.9
2019	11,907 <sup>3)</sup>	107.5 <sup>3)</sup>	11,601	110.4
2020	12,723 <sup>3)</sup>	106.9 <sup>3)</sup>	12,431	107.2
2021	13,438 <sup>3)</sup>	105.6 <sup>3)</sup>	12,571	101.1
2022	14,194 <sup>3)</sup>	105.6 <sup>3)</sup>	13,782	109.6
2023	15,633 <sup>3)</sup>	105.8 <sup>3)</sup>	14,476	

<sup>1)</sup> Level-three disability benefit is paid separately (not simultaneously paid with the survivor's benefit) without child allowance.

<sup>2)</sup> Level-three disability benefit, without child allowances.

<sup>3)</sup> Preliminary data of the 1<sup>st</sup> quarter of the year..

## IX - 6. Qualifying period

### Article 57. C102 and ECSS

1. The benefit specified in Article 56 shall, in a contingency covered, be secured at least:

(a) to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period which may be 15 years of contribution or employment, or 10 years of residence; or

(b) where, in principle, all economically active persons are protected, to a person protected who has completed a qualifying period of three years of contribution and in respect of whom, while he was of working age, the prescribed yearly average number of contributions has been paid.

2. Where the benefit referred to in paragraph 1 is conditional upon a minimum period of contribution or employment, a reduced benefit shall be secured at least:

(a) to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period of five years of contribution or employment; or

(b) where, in principle, all economically active persons are protected, to a person protected who has completed a qualifying period of three years of contribution and in respect of whom, while he was of working age, half the yearly average number of contributions prescribed in accordance with subparagraph (b) of paragraph 1 of this Article has been paid.

3. The requirements of paragraph 1 of this Article shall be deemed to be satisfied where a benefit calculated in conformity with the requirements of Part XI but at a percentage of ten points lower than shown in the Schedule appended to that Part for the standard beneficiary concerned is secured at least to a person protected who has completed, in accordance with prescribed rules, five years of contribution, employment or residence.

4. A proportional reduction of the percentage indicated in the Schedule appended to Part XI may be effected where the qualifying period for the pension corresponding to the reduced percentage exceeds five years of contribution or employment but is less than 15 years of contribution or employment; a reduced benefit shall be payable in conformity with paragraph 2 of this Article.

The benefit is granted to protected individuals under the requirement of completing a necessary insurance period. If the disability was a result of a work accident, no insurance period is required. A person who has reached at least 18 years of age, has a permanent residence in the territory of the Czech Republic and is disabled with level-three disability, is also entitled to a corresponding disability benefit if such disability arose before said individual reached 18 years of age and this person has not participated in the insurance system for the required period. The required insurance period for other disabled persons is graded according to the age reached at the date of disability. There are three phases: up to 20 years, between 20 and 38 years and over 38 years. Till 20 years, the necessary contribution period is less than one year, between 20 and 28 years it is set in the range of one to four years and since 28 years it is five years and the last ten years preceding the disability occurrence are considered. For an insured individual older than 38 years, the condition of the required insurance period for entitlement to disability benefit is considered to be fulfilled also, if the period was completed in the last 20 years before the occurrence of the disability; the required insurance period is this case is 10 years.

The condition of required insurance period for entitlement to disability benefit of an insured individual older than 38 years is the same as for disabled person over 28 years (i. e. five years in the last ten years preceding the disability occurrence). The condition of necessary contribution period can be also met, if the period was completed in the last 20 years before the occurrence of the disability; the required insurance period in this case is 10 years (the substitute condition of the required insurance period).

## IX - 7. Duration of Benefit

### **Article 58. C102 and ECSS**

*The benefit specified in Articles 56 and 57 shall be granted throughout the contingency or until an old age benefit becomes payable.*

Level-three disability benefit is granted during the entire duration of disability until the age of 65 or the retirement age, if it is higher than 65 years. On the day of reaching the age, an entitlement to a disability benefit expires and an entitlement to an old-age benefit of the same amount as the previously entitled disability benefit occurs. Nevertheless, the beneficiary of the old-age benefit has an option to ask for a calculation of his/her old-age benefit according to the general rules<sup>51</sup>.

## IX - 8. Suspension of Benefit

### **See under Part XIII-1**

Regarding Article 68, the following letters are used: **Explained in Part V-8.**

- a) If the disability occurred before reaching the age of 18, and disabled person did not participate in the insurance system for the required period, the benefit is not paid, if the beneficiary is not a permanent resident in the Czech Republic.
- c) Disability benefit is not paid for the period of provision of sickness benefits granted before the entitlement to disability benefit.
- d) If it is discovered that the entitlement to a benefit or to its payment expired, the pension shall be withdrawn or its payment stopped. If the benefit has been granted or is paid at a higher amount than beneficiary was entitled, or has been granted or paid unjustly, the benefit is reduced or withdrawn, or its payment is stopped on the day following the date on which the period for which it was paid has expired. If the pension has been granted at a lower amount than was due, or it was unjustly denied or granted at a later date than since when it was entitled, the benefit is increased or awarded since the date when the benefit or the increase is entitled; five years retroactively is the maximal period since the date of the determination or claim of entitlement to a benefit or its increase. The benefit or its increase is paid since the date on which the benefit or the increase is entitled regardless of the five-years retroactive rule if the benefit was not granted or was paid at a lower amount than the beneficiary was entitled, or was unjustly denied or granted at a later date than since when the entitlement arose as a result of an incorrect procedure of a social security authority.

<sup>51</sup> According to Act No. 203/2017 Coll., amending Act. No. 155/1995 Coll., Pension Insurance Act and other related acts effective from 1 January 2018. The change relates to abolishment of unlimited raise of age for entitlement to an old-age pension.

- a) If the disability arose as a result of intentional self-inflicted injury that the insured individual caused to himself/herself or he/she allowed to another person to cause this harm to health of the insured person which arose as a result of its intentional crime, the add-in period (i.e. the period from the establishment of the entitlement to disability benefit until the attainment of retirement age) is not counted for the purpose of disability benefit amount; the retirement age of women who have raised no children is taken into account, and the age set for women of the same birth date who have raised no children is taken into account for men.
- b) Payment of disability benefit may be suspended if a beneficiary failed to undergo an examination of his/her health condition.

#### **IX - 9. Right of complaint and appeal**

*See under Part V-9*

#### **IX - 10. Financing and Administration**

*See under Part V-10*

## Part X. Survivors' benefit

*The Czech Republic has accepted the obligations resulting from Part X of C102 and Part X of the ECSS.*

Category	Information available	Information missing / questions raised by the CEACR
<b>X-1. Regulatory framework</b>	<i>Art.59 C102/ECSS</i>	
<b>X-2. Contingency covered</b>	<i>Art.60 C102/ECSS</i>	
<b>X-3. Persons Protected</b>	<i>Art.61 C102/ECSS*</i>	
<b>X-4. Level and Calculation of Benefit</b>	<i>Art.62 C102/ECSS*</i>	
<b>X-5. Adjustment of Benefit</b>	<i>Art.65(10) C102/ECSS*</i> <i>Art.66 (8) C102/ECSS</i>	
<b>X-6. Qualifying period</b>	<i>Art.63 C102/ECSS</i>	
<b>X-7. Duration of Benefit</b>	<i>Art.64 C102/ECSS</i>	
<b>X-8. Suspension of Benefit</b>	<i>Art.69 C102, Art.68 ECSS</i>	
<b>X-9. Right of complaint and appeal</b>	<i>Art.70 C102, Art.69 ECSS</i>	
<b>X-10. Financing and Administration</b>	<i>Art.71*,72 C102</i> <i>Art.70*,71 ECSS</i>	

*\* Please update statistical data, in accordance with the [Report form for C102/ECSS](#).*

### List of applicable legislation

- Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended
- Act No. 582/1991 Coll., on the Organization and Implementation of Social Security, was updated by Acts No 220/2011 Coll., 263/2011 Coll., 220/2011 Coll. (part), 329/2011 Coll., 341/2011 Coll., 348/2011 Coll., 364/2011 Coll., 365/2011 Coll., 366/2011 Coll., 367/2011 Coll., 470/2011 Coll., 375/2011 Coll., 167/2012 Coll., 428/2011 Coll., 470/2011 Coll. (part), 399/2012 Coll., 401/2012 Coll., 403/2012 Coll., 274/2013 Coll., 303/2013 Coll., 313/2013 Coll., 344/2013 Coll., 64/2014 Coll., 136/2014 Coll., 458/2011 Coll., 250/2014 Coll., 251/2014 Coll., 267/2014 Coll., 332/2014 Coll., 317/2015 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 47/2016 Coll., 137/2016 Coll., 213/2016 Coll., 298/2016 Coll., 24/2017., 99/2017 Coll., d 148/2017 Coll., ., No. 259/2017 Coll., No. 310/2017 Coll., No. 92/2018 Coll., No. 335/2018 Coll., No. 111/2019 Coll., No. 164/2019 Coll., No. 315/2019 Coll., No. 228/2019 Coll., 255/2020 Coll., 540/2020 Coll., No. 270/2021 Coll., No. 323/2021 Coll., No. 323/2021 Coll., No. 330/2021 Coll., 423/2022 Coll.
- Act No. 48/1997 Coll., on Public Health Insurance, was amended in the given period by Acts No. 365/2011 Coll., 1/2012 Coll., 369/2011 Coll., 458/2011 Coll., 275/2012 Coll., 401/2012 Coll., 403/2012 Coll., 44/2013 Coll., 238/2013 Coll., 60/2014 Coll., 109/2014 Coll., 458/2011 Coll., 60/2014 Coll., 250/2014 Coll., 256/2014 Coll., 267/2014 Coll., 1/2015 Coll., 200/2015 Coll., 314/2015 Coll., 200/2015 Coll., ., No. 47/2016 Coll., No. 66/2017 Coll., No. 150/2017 Coll., No. 183/2017 Coll., No. 200/2017 Coll., No. 231/2017 Coll., No. 290/2017 Coll., No. 282/2018 Coll., No. 45/2019 Coll., No. 111/2019 Coll., ., No. 262/2019 Coll., No. 205/2020 Coll., No. 165/2020 Coll., No. 538/2020 Coll., No. 569/2020 Coll., No. 540/2020 Coll., No. 274/2021 Coll., No. 371/2021 Coll., No. 261/2021 Coll.
- Act No. 592/1992 Coll., on Premiums for General Health Insurance, was amended in the given period by Acts No 138/2011 Coll., 298/2011 Coll., 329/2011 Coll., 369/2011 Coll., 401/2012 Coll., 500/2012 Coll., 11/2013 Coll., 342/2013 Coll., 458/2011 Coll., 344/2013 Coll., 109/2014 Coll., 458/2011 Coll., 344/2013 Coll.,

109/2014 Coll., 458/2011 Coll., 401/2012 Coll., 500/2012 Coll., 250/2014 Coll., 267/2014 Coll., 200/2015 Coll., No. 145/2017 Coll., No. 183/2017 Coll., No. 297/2017 Coll., No. 134/2020 Coll., No. 229/2020 Coll., No. 231/2020 Coll., No. 285/2020 Coll., No. 540/2020 Coll., No. 161/2021 Coll., No. 161/2021 Coll., No. 261/2021 Coll., No. 274/2021 Coll., No. 286/2021 Coll., No. 363/2021 Coll., No. 371/2021 Coll., 260/2022 Coll.

- Act No. 155/1995 Coll., Pension Insurance Act, was amended by Acts No. 220/2011 Coll., No. 428/2011 Coll., No. 341/2011 Coll., No. 348/2011 Coll., No. 364/2011 Coll., No. 365/2011 Coll., No. 470/2011 Coll., No. 314/2012 Coll., No. 463/2012 Coll., No. 428/2011 Coll., No. 401/2012 Coll., No. 403/2012 Coll., No. 267/2013 Coll., No. 274/2013 Coll., No. 303/2013 Coll., No. 344/2013 Coll., No. 182/2014 Coll., No. 183/2014 Coll., No. 218/2007 Coll., No. 458/2011 Coll., No. 250/2014 Coll., No. 267/2014 Coll., No. 332/2014 Coll., No. 267/2006 Coll., No. 131/2015 Coll., No. 377/2015 Coll., No. 190/2016 Coll., No. 47/2016 Coll., No. 137/2016 Coll., No. 212/2016 Coll., No. 213/2016 Coll., No. 24/2017., No. 99/2017 Coll., No. 148/2017 Coll., No. 150/2017 Coll., No. 203/2017 Coll., No. 148/2017 Coll., No. 259/2017 Coll., No. 310/2017 Coll., No. 191/2018 Coll., No. 32/2019 Coll., No. 244/2019 Coll., No. 315/2019 Coll., No. 469/2020 Coll., No. 540/2020 Coll., No. 323/2021 Coll., and No. 330/2021 Coll., 290/2022 Coll., 291/2022 Coll., 450/2022 Coll.

## X - 1. Regulatory framework

### Article 59. C102 and ECSS

*Each Member (Contracting Party) for which this Part of this Convention (Code) is in force shall secure to the persons protected the provision of survivors' benefit in accordance with the following Articles of this Part.*

## X - 2. Contingency covered

### Article 60. C102 and ECSS

*1. The contingency covered shall include the loss of support suffered by the widow or child as the result of the death of the breadwinner; in the case of a widow, the right to benefit may be made conditional on her being presumed, in accordance with national laws or regulations, to be incapable of self-support.*

*2. National laws or regulations may provide that the benefit of a person otherwise entitled to it may be suspended if such person is engaged in any prescribed gainful activity or that the benefit, if contributory, may be reduced where the earnings of the beneficiary exceed a prescribed amount, and, if non-contributory, may be reduced where the earnings of the beneficiary or his other means or the two taken together exceed a prescribed amount.*

### Article 59 and 60

The covered contingency is the loss of subsistence resources due to the death of a spouse and, in the case of a child, due to the loss of one or both parents; the entitlement does not depend on the fact the surviving person is not able to take care of himself/herself. The option mentioned in paragraph 2 is not used; survivors' benefits are not reduced nor suspended for concurrence with income or gainful activity. Conditions of entitlement are stipulated in Part IV Title 4 and 5 of the Pension Insurance Act.

The Pension Insurance Act (Act No 155/1995 Coll., Pension Insurance Act, Section 50) guarantees the right to a widow's/widower's pension entitlement for one year after the spouse's death and then after that period in case of incapability of self-support (a social occurrence/situation which limits or excludes the employment of the surviving spouse) which is defined as:

- Cares for a dependent child,
- Cares for a child who is dependent on assistance from others in the level II (medium dependence), level III (heavy dependence) or level IV (full dependence),
- Cares for his/her parent or for parents of the deceased spouse who live with him/her in household and is dependent on the care of another person in level II (medium dependence), level III (heavy dependence) or level IV (full dependence),
- Is an individual with level-three disability, or
- Has completed the age which is four years lower than the retirement age set for men with the same date of birth or retirement age, if the retirement age is lower.

The condition for an entitlement to an orphan's benefit is dependence of a child. Dependence for the purpose of the benefit entitlement is defined by the Pension Insurance Act in Section 20 Subsection 4. According to this definition, the dependence covers the period of compulsory school attendance, and then (if other conditions are met) up to reaching 26 years of age. An entitlement to a widow's or a widower's benefit ceases to exist with remarriage. An entitlement to an orphan's benefit ceases to exist with adoption.

### X - 3. Persons protected

#### **Article 61. C102 and ECSS**

*The persons protected shall comprise:*

- (a) the wives and the children of breadwinners in prescribed classes of employees, which classes constitute not less than 50 per cent of all employees; or*
- (b) the wives and the children of breadwinners in prescribed classes of the economically active population, which classes constitute not less than 20 per cent of all residents; or*
- (c) all resident widows and resident children who have lost their breadwinner and whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of Article 67.*

The scope of covered individuals corresponds to the group set out under letter a); see also the statement in Article 27. The protected persons are survivors (a widow/a widower, a dependent child) left after persons who were beneficiary of old-age or disability benefit or who have met conditions of the insurance period required for entitlement to disability benefit or old-age benefit on the date of their death or died as a result of an industrial accident.

#### Data of 2022

A. Number of protected employees:	4,591,140 persons
Number of protected self-employed persons:	739,825 persons
B. Total number of employees:	4,591,140 persons
C. 100%	

(Source: The Czech Social Security Administration: Accounting Reports)

#### Data of 2021

A. Number of protected employees:	4,556,481 persons
Number of protected self-employed persons:	719,322 persons
B. Total number of employees:	4,556,481 persons
C. 100%	

(Source: The Czech Social Security Administration: Accounting Reports)

#### Data of 1 January 2018

A. Number of protected employees:	4,586,518 persons
Number of protected self-employed persons:	692,110 persons
B. Total number of employees:	4,586,518 persons
C. 100%	

(Source: The Czech Social Security Administration: The Annual Report)

### X - 4. Level and Calculation of Benefit

#### **Article 62. C102 and ECSS**

*The benefit shall be a periodical payment calculated as follows:*



(a) where the wives and children of breadwinners in classes of employees or classes of the economically active population are protected, in such manner as to comply either with the requirements of Article 65 or with the requirements of Article 66;  
 (b) where all resident widows and resident children whose means during the contingency do not exceed prescribed limits are protected, in such a manner as to comply with the requirements of Article 67.

## Chapter I

### Data of 1 January 2023

A:

#### The rules for calculation the widow's (widower's) pension

The benefit consists of two components:

**The basic rate:** amounts to CZK 4,040 per month (10 % of the average gross wage).

**The percentage rate:** depends on the income and number of years of insurance of the insured deceased person.

#### The percentage rate:

- **Widow's (a widower's)** benefit: 50 % of the percentage rate of the level-three disability benefit or of an old-age benefit to which the deceased was or would be entitled (see the old-age or disability benefit).
- **Orphan's** benefit 40 % of the percentage rate of disability benefit for level-three disability or of old-age benefit for each parent to which the deceased individual was or would be entitled (see the old-age or disability benefit).

B.

For the assessment of the required level of survivors' benefits the procedure is described in accordance with Article 65, paragraph 6 letter a).

C.

The average gross monthly wage of a skilled worker was CZK 38,693 in 2022.

## Chapter IV

### Data of 1 January 2023

#### D. – G. The calculation of the ratio for the evaluation of the survivor's benefit

- A gross average monthly wage of a skilled worker is used (according to Job Specification CZ-ISCO 72231 – a metal turner – a machine tool setter and an operator) in 2022, i.e. CZK 38,693.
- **A net wage** after tax relief for a taxpayer with two children is CZK **31,200**.
- Personal assessment rate (CZK 38,693) is reduced  
 $17,743 + (38,693 - 17,743) \times 26\% = \text{CZK } 23,190$ .
- Percentage rate of an old-age (disability) benefit of the deceased of thirty years of insurance amounts to:  $30 \times 1.5\% \times 23,190 = \text{CZK } 10,436$ .
- Percentage rate of a widow's benefit: 50 % of CZK 10,436 = CZK **5,218**.
- **The amount of a widow's (a widower's) benefit:** the basic and the percentage rate  
 $4,040 + 5,218 = \text{CZK } 9,258$ .
- The percentage rate of an orphan's benefit: 40 % of CZK 10,436 = CZK **4,174**.
- **The amount of an orphan's benefit:** the basic rate and the percentage rate

4,040+ 4,174 = **CZK 8,214**.

- A widow's benefit and two orphan's benefits  
CZK 9,258 + 2 x CZK 8,214 = **CZK 25,687**.
- **Child allowances for two children** – CZK 2,940 (2 x CZK 1,470).
- **The ratio** of income after the insured contingent (survivor's benefit and child allowances for two children) to income prior the insured contingent (net wage and child allowances for two children): 28,627/34,140 = 83.9

Monthly wage in CZK		Allowances for 2 children in CZK	Survivors' benefit in CZK	Ratio benefit / wage *)	
Gross	Net			Gross	Net
38,693	31,200	2,940	25,687	68.8	83.9

\*)Including increased child allowances. Income threshold for eligibility to child allowances as effective from April 1, 2020.

The European Code of Social Security requires share of incomes of the survivors' benefits to the previous insured income of 40 %. **The Czech Republic fulfils the required level of survivors' benefit in respect to gross and net wage as well.**

## X – 5. Adjustment of benefits

See under Part V-5, IX-5

### Chapter VI

1. See answer in Part III, Article 28, Chapter VI
2. The indexes are stated in Part III, Article 28, Chapter VI
- 3.

Year	Average widow's and widower's benefits		Average orphan's benefit		Survivor's benefit of a standard beneficiary <sup>1)</sup>	
	abs. in CZK	index in %	abs. in CZK	index in %	abs. in CZK	index in %
2011	6,801		5,397	-	15,433	-
2012	6,926	101.8	5,525	102.4	15,289	99.1
2013	7,032	101.5	5,639	102.1	15,681	102.6
2014	7,075	100.6	5,685	100.8	15,668	99.9
2015	7,222	102.1	5,827	102.5	16,111	102.8
2016	7,267	100.6	5,871	100.8	16,410	101.9
2011-2015	-	106.8	-	108.0	-	104.4
2017	7,498	103.2	6,068	103.4	17,124	104.4
2018	7,835 <sup>2)</sup>	104.5 <sup>2)</sup>	6,348 <sup>2)</sup>	104.6 <sup>2)</sup>	18,256	106.6
2019	8,644 <sup>2)</sup>	110.3 <sup>2)</sup>	7,041 <sup>2)</sup>	110.9 <sup>2)</sup>	20,642	113.1
2020	9,330 <sup>2)</sup>	107.9 <sup>2)</sup>	7,634 <sup>2)</sup>	108.4 <sup>2)</sup>	22,095	107.0
2021	9,811 <sup>2)</sup>	105.2 <sup>2)</sup>	8,001 <sup>2)</sup>	104.8 <sup>2)</sup>	22,379	101.3
2022	10,542 <sup>2)</sup>	107.4 <sup>2)</sup>	8,707	108.8	24,547	109.7

2023	11,681 <sup>2)</sup>	108.2 <sup>2)</sup>	9,356	109.1	25,687	
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<sup>1)</sup> A widow's and two orphans' benefits.

<sup>2)</sup> Data of the 1<sup>st</sup> quarter of the year.

For information on adjustment of benefits see also part V-5.

## X - 6. Qualifying period

### Article 63. C102 and ECSS

1. The benefit specified in Article 62 shall, in a contingency covered, be secured at least:

(a) to a person protected whose breadwinner has completed, in accordance with prescribed rules, a qualifying period which may be 15 years of contribution or employment, or 10 years of residence; or

(b) where, in principle, the wives and children of all economically active persons are protected, to a person protected whose breadwinner has completed a qualifying period of three years of contribution and in respect of whose breadwinner, while he was of working age, the prescribed yearly average number of contributions has been paid.

2. Where the benefit referred to in paragraph 1 of this article is conditional upon a minimum period of contribution or employment, a reduced benefit shall be secured at least:

(a) to a person protected whose breadwinner has completed, in accordance with prescribed rules, a qualifying period of five years of contribution or employment; or

(b) where, in principle, the wives and children of all economically active persons are protected, to a person protected whose breadwinner has completed a qualifying period of three years of contribution and in respect of whose breadwinner, while he was of working age, half the yearly average number of contributions prescribed in accordance with subparagraph (b) of paragraph 1 of this Article has been paid.

3. The requirements of paragraph 1 of this Article shall be deemed to be satisfied where a benefit calculated in conformity with the requirements of Part XI but at a percentage of ten points lower than shown in the Schedule appended to that part for the standard beneficiary concerned is secured at least to a person protected whose breadwinner has completed, in accordance with prescribed rules, five years of contribution, employment or residence.

4. A proportional reduction of the percentage indicated in the Schedule appended to Part XI may be effected where the qualifying period for the benefit corresponding to the reduced percentage exceeds five years of contribution or employment but is less than 15 years of contribution or employment; a reduced benefit shall be payable in conformity with paragraph 2 of this Article.

5. In order that a childless widow presumed to be incapable of self-support may be entitled to a survivor's benefit, a minimum duration of the marriage may be required.

A survivor's benefit is granted to a covered individual whose spouse was a beneficiary of disability or old-age benefit or would have met the conditions of the insurance period required for entitlement to the benefit on the day of the death or the day he/she had died as a result of an industrial accident.

In case of orphans, the requirement of completing the qualified insurance period by a deceased parent to be entitled to an orphan's pension and draw a disability pension is alleviated: it is sufficient if the deceased parent received at least half of the required period of insurance.

An orphan's benefit is granted in case a deceased child's parent was a beneficiary of disability or old-age benefit or he/she would met the conditions for an old-age benefit entitlement on the date of death or has have completed at least half of the necessary contribution period for disability benefit entitlement on the day of the death or who had died as a result of industrial accident.

These are derived pension benefits – see explanation to Article 29 and Article 57.

National legislation does not use paragraphs 3, 4 and 5.

A benefit is granted also to an orphan whose parent obtained on the day of the death at least one year of insurance in the last 10 years or at least two years in the last 20 years (if the parent was older than 38 years of age)<sup>52</sup>.

#### **X - 7. Duration of Benefit**

##### **Article 64. C102 and ECSS**

*The benefit specified in Articles 62 and 63 shall be granted throughout the contingency.*

The Pension Insurance Act (Act No 155/1995 Coll., Pension Insurance Act, Section 50) guarantees the right to a widow's/widower's pension entitlement for one year after the spouse's death and then after that period in case of incapability of self-support (a social occurrence/situation which limits or excludes the employment of the surviving spouse) which is defined as:

- a) Cares for a dependent child,
- b) Cares for a child who is dependent on assistance from others in the level II (medium dependence), level III (heavy dependence) or level IV (full dependence),
- c) Cares for his/her parent or for parents of the deceased spouse who live with him/her in household and is dependent on the care of another person in level II (medium dependence), level III (heavy dependence) or level IV (full dependence),
- d) Is an individual with level-three disability, or
- e) Has completed the age which is four years lower than the retirement age set for men with the same date of birth or retirement age, if the retirement age is lower.

The condition for an entitlement to an orphan's benefit is dependence of a child. Dependence is defined by the Pension Insurance Act in Section 20 Subsection 4. According this definition, the dependence is recognized for the period of compulsory school attendance, and then (if other conditions are met) up to reaching 26 years of age.

An entitlement to a widow's or a widower's benefit ceases to exist with remarriage, as the covered contingency is a loss of support of a breadwinner. An entitlement to an orphan's benefit ceases to exist with adoption.

Pension Insurance Act stipulates in Section 49 Subsection 1 that the widow is entitled to a widow's pension after the spouse who

- was a beneficiary of an old - age or invalidity pension, or
- has fulfilled, at the date of death, the period of insurance required for entitlement to the invalidity pension or the conditions for entitlement to the old-age pension or died as a result of an occupational accident.

A widower shall be entitled to a widower's pension after a spouse under same conditions.

As a widow is considered a woman who was maintained by her husband at the time of his death [Art. 1(1) of C102; Art. 60(1)]. The contingency covered shall include the loss of support suffered by the widow or child as the result of the death of the breadwinner; in the case of a widow, the right to benefit may be made conditional on her being presumed, in accordance with national laws or regulations, to be incapable of self-support.

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<sup>52</sup> According to Act no. 148/2017 Coll., amending Act No. 187/2006 Coll., Sickness Insurance Act and other related acts, effective from 1st February 2018.

## **X - 8. Suspension of Benefit**

*See under Part IX-8*

As regards Article 68:

e) An entitlement to a widow's or a widower's benefit ceases to exist on the date of the final and conclusive court ruling that the widow or widower intentionally caused the death of his/her spouse as perpetrators or co-perpetrator or a participant in a crime. This is applied to the entitlement to an orphan's benefit likewise.

If it is found that the pension was granted or is paid out at a higher amount than the person was entitled to receive, or was granted or paid unjustly, the pension is reduced or withdrawn, the payment is terminated since the day following the day of the period for which it was paid.

## **X - 9. Right of complaint and appeal**

*See under Part V-9*

## **X - 10. Financing and Administration**

*See under Part V-10*

## Part XI. Standards to be complied with by periodical payments

### **Article 65. C102 and ECSS**

1. In the case of a periodical payment to which this Article applies, the rate of the benefit, increased by the amount of any family allowances payable during the contingency, shall be such as to attain, in respect of the contingency in question, for the standard beneficiary indicated in the Schedule appended to this Part, at least the percentage indicated therein of the total of the previous earnings of the beneficiary or his breadwinner and of the amount of any family allowances payable to a person protected with the same family responsibilities as the standard beneficiary.
2. The previous earnings of the beneficiary or his breadwinner shall be calculated according to prescribed rules, and, where the persons protected or their breadwinners are arranged in classes according to their earnings, their previous earnings may be calculated from the basic earnings of the classes to which they belonged.
3. A maximum limit may be prescribed for the rate of the benefit or for the earnings taken into account for the calculation of the benefit, provided that the maximum limit is fixed in such a way that the provisions of paragraph 1 of this Article are complied with where the previous earnings of the beneficiary or his breadwinner are equal to or lower than the wage of a skilled manual male employee.
4. The previous earnings of the beneficiary or his breadwinner, the wage of the skilled manual male employee, the benefit and any family allowances shall be calculated on the same time basis.
5. For the other beneficiaries, the benefit shall bear a reasonable relation to the benefit for the standard beneficiary.
6. For the purpose of this Article, a skilled manual male employee shall be:
  - (a) a fitter or turner in the manufacture of machinery other than electrical machinery; or
  - (b) a person deemed typical of skilled labour selected in accordance with the provisions of the following paragraph; or
  - (c) a person whose earnings are such as to be equal to or greater than the earnings of 75 per cent. of all the persons protected, such earnings to be determined on the basis of annual or shorter periods as may be prescribed; or
  - (d) a person whose earnings are equal to 125 per cent. of the average earnings of all the persons protected.
7. The person deemed typical of skilled labour for the purposes of subparagraph (b) of the preceding paragraph shall be a person employed in the major group of economic activities with the largest number of economically active male persons protected in the contingency in question, or of the breadwinners of the persons protected, as the case may be, in the division comprising the largest number of such persons or breadwinners; for this purpose, the international standard industrial classification of all economic activities, adopted by the Economic and Social Council of the United Nations at its Seventh Session on 27 August 1948, and reproduced in the Annex to this Convention, or such classification as at any time amended, shall be used.
8. Where the rate of benefit varies by region, the skilled manual male employee may be determined for each region in accordance with paragraphs 6 and 7 of this Article.
9. The wage of the skilled manual male employee shall be determined on the basis of the rates of wages for normal hours of work fixed by collective agreements, by or in pursuance of national laws or regulations, where applicable, or by custom, including cost-of-living allowances if any; where such rates differ by region but paragraph 8 of this Article is not applied, the median rate shall be taken.
10. The rates of current periodical payments in respect of old age, employment injury (except in case of incapacity for work), invalidity and death of breadwinner, shall be reviewed following substantial changes in the general level of earnings where these result from substantial changes in the cost of living.

### **Article 66. C102 and ECSS**

1. In the case of a periodical payment to which this Article applies, the rate of the benefit, increased by the amount of any family allowances payable during the contingency, shall be such as to attain, in respect of the contingency in question, for the standard beneficiary indicated in the Schedule appended to this Part, at least the percentage indicated therein of the total of the wage of an ordinary adult male labourer and of the amount of any family allowances payable to a person protected with the same family responsibilities as the standard beneficiary.
2. The wage of the ordinary adult male labourer, the benefit and any family allowances shall be calculated on the same time basis.
3. For the other beneficiaries, the benefit shall bear a reasonable relation to the benefit for the standard beneficiary.
4. For the purpose of this Article, the ordinary adult male labourer shall be:
  - (a) a person deemed typical of unskilled labour in the manufacture of machinery other than electrical machinery; or
  - (b) a person deemed typical of unskilled labour selected in accordance with the provisions of the following paragraph.
5. The person deemed typical of unskilled labour for the purpose of subparagraph (b) of the preceding paragraph shall be a person employed in the major group of economic activities with the largest number of economically active male persons protected in the contingency in question, or of the breadwinners of the persons protected, as the case may be, in the division comprising the largest number of such persons or breadwinners; for this purpose, the

international standard industrial classification of all economic activities, adopted by the Economic and Social Council of the United Nations at its Seventh Session on 27 August 1948, and reproduced in the Annex to this Convention, or such classification as at any time amended, shall be used.

6. Where the rate of benefit varies by region, the ordinary adult male labourer may be determined for each region in accordance with paragraphs 4 and 5 of this Article.

7. The wage of the ordinary adult male labourer shall be determined on the basis of the rates of wages for normal hours of work fixed by collective agreements, by or in pursuance of national laws or regulations, where applicable, or by custom, including cost-of-living allowances if any; where such rates differ by region but paragraph 6 of this Article is not applied, the median rate shall be taken.

8. The rates of current periodical payments in respect of old age, employment injury (except in case of incapacity for work), invalidity and death of breadwinner, shall be reviewed following substantial changes in the general level of earnings where these result from substantial changes in the cost of living.

#### **Article 67. C102 and ECSS**

In the case of a periodical payment to which this Article applies:

(a) the rate of the benefit shall be determined according to a prescribed scale or a scale fixed by the competent public authority in conformity with prescribed rules;

(b) such rate may be reduced only to the extent by which the other means of the family of the beneficiary exceed prescribed substantial amounts or substantial amounts fixed by the competent public authority in conformity with prescribed rules;

(c) the total of the benefit and any other means, after deduction of the substantial amounts referred to in subparagraph (b), shall be sufficient to maintain the family of the beneficiary in health and decency, and shall be not less than the corresponding benefit calculated in accordance with the requirements of Article 66;

(d) the provisions of subparagraph (c) shall be deemed to be satisfied if the total amount of benefits paid under the Part concerned exceeds by at least 30 per cent. the total amount of benefits which would be obtained by applying the provisions of Article 66 and the provisions of:

(i) Article 15 (b) for Part III;

(ii) Article 27 (b) for Part V;

(iii) Article 55 (b) for Part IX;

(iv) Article 61 (b) for Part X.

Part	Contingency	Standard Beneficiary	Percentage
III	Sickness	Man with wife and two children	45
IV	Unemployment	Man with wife and two children	45
V	Old age	Man with wife of pensionable age	40
VI	<u>Employment injury:</u>		
	Incapacity of work	Man with wife and two children	50
	Invalidity	Man with wife and two children	50
	Survivors	Widow with two children	40
VIII	Maternity	Woman	45
IX	Invalidity	Man with wife and two children	40
X	Survivors	Widow with two children	40

#### **Article 26. C128**

1. In the case of a periodical payment to which this Article applies, the rate of the benefit, increased by the amount of any family allowances payable during the contingency, shall be such as to attain, in respect of the contingency in question, for the standard beneficiary indicated in the Schedule appended to this Part, at least the percentage indicated therein of the total of the previous earnings of the beneficiary or his breadwinner and of the amount of any family allowances payable to a person protected with the same family responsibilities as the standard beneficiary.

2. The previous earnings of the beneficiary or his breadwinner shall be calculated according to prescribed rules, and, where the persons protected or their breadwinners are arranged in classes according to their earnings, their previous earnings may be calculated from the basic earnings of the classes to which they belonged.

3. A maximum limit may be prescribed for the rate of the benefit or for the earnings taken into account for the calculation of the benefit, provided that the maximum limit is fixed in such a way that the provisions of paragraph 1 of this Article are complied with where the previous earnings of the beneficiary or his breadwinner are equal to or lower than the wage of a skilled manual male employee.

4. The previous earnings of the beneficiary or his breadwinner, the wage of the skilled manual male employee, the benefit and any family allowances shall be calculated on the same time basis.

5. For the other beneficiaries the benefit shall bear a reasonable relation to the benefit for the standard beneficiary.

6. For the purpose of this Article, a skilled manual male employee shall be--

(a) a fitter or turner in the manufacture of machinery other than electrical machinery; or

(b) a person deemed typical of skilled labour selected in accordance with the provisions of the following paragraph; or

(c) a person whose earnings are such as to be equal to or greater than the earnings of 75 per cent. of all the persons protected, such earnings to be determined on the basis of annual or shorter periods as may be prescribed; or

(d) a person whose earnings are equal to 125 per cent. of the average earnings of all the persons protected.

7. The person deemed typical of skilled labour for the purposes of subparagraph (b) of the preceding paragraph shall be a person employed in the major group of economic activities with the largest number of economically active male persons protected in the contingency in question, or of the breadwinners of the persons protected, as the case may be, in the division comprising the largest number of such persons or breadwinners; for this purpose, the international standard industrial classification of all economic activities, adopted by the Economic and Social Council of the United Nations at its Seventh Session on 27 August 1948, as amended up to 1958 and reproduced in the Annex to this Convention, or such classification as at any time further amended, shall be used.

8. Where the rate of benefit varies by region, the skilled manual male employee may be determined for each region in accordance with paragraphs 6 and 7 of this Article.

9. The wage of the skilled manual male employee shall be determined on the basis of the rates of wages for normal hours of work fixed by collective agreements, by or in pursuance of national legislation, where applicable, or by custom, including cost-of-living allowances if any; where such rates differ by region but paragraph 8 of this Article is not applied, the median rate shall be taken.

#### **Article 28. C128**

*In the case of a periodical payment to which this Article applies:*

(a) the rate of the benefit shall be determined according to a prescribed scale or a scale fixed by the competent public authority in conformity with prescribed rules;

(b) such rate may be reduced only to the extent by which the other means of the family of the beneficiary exceed prescribed substantial amounts or substantial amounts fixed by the competent public authority in conformity with prescribed rules;

(c) the total of the benefit and any other means, after deduction of the substantial amounts referred to in subparagraph (b), shall be sufficient to maintain the family of the beneficiary in health and decency, and shall be not less than the corresponding benefit calculated in accordance with the requirements of Article 27;

(d) the provisions of subparagraph (c) shall be deemed to be satisfied if the total amount of benefits paid under the Part concerned exceeds by at least 30 per cent. the total amounts of benefits which would be obtained by applying the provisions of Article 27 and the provisions of:

(ii) Article 16, paragraph 1, subparagraph (b) for Part III;

#### **Article 29. C128**

1. The rates of cash benefits currently payable pursuant to Article 10, Article 17 and Article 23 shall be reviewed following substantial changes in the general level of earnings or substantial changes in the cost of living.

2. Each Member shall include the findings of such reviews in its reports upon the application of this Convention submitted under Article 22 of the Constitution of the International Labour Organisation and shall specify any action taken.

#### **SCHEDULE TO PART V: PERIODICAL PAYMENTS TO STANDARD BENEFICIARIES**

Part	Contingency	Standard beneficiary	Percentage
III	Old age	Man with wife of pensionable age	45

#### **Article 22. C130**

1. In the case of a periodical payment to which this Article applies, the rate of the benefit, increased by the amount of any family allowances payable during the contingency, shall be such as to attain for the standard beneficiary, in respect of the contingency referred to in subparagraph (b) of Article 7, at least 60 per cent of the total of the previous



earnings of the beneficiary and of the amount of any family allowances payable to a person protected with the same family responsibilities as the standard beneficiary.

2. The previous earnings of the beneficiary shall be calculated according to prescribed rules, and, where the persons protected are arranged in classes according to their earnings, their previous earnings may be calculated from the basic earnings of the classes to which they belonged.

3. A maximum limit may be prescribed for the rate of the benefit or for the earnings taken into account for the calculation of the benefit, provided that the maximum limit is fixed in such a way that the provisions of paragraph 1 of this Article are complied with where the previous earnings of the beneficiary are equal to or lower than the wage of a skilled manual male employee.

4. The previous earnings of the beneficiary, the wage of the skilled manual male employee, the benefit and any family allowances shall be calculated on the same time basis.

5. For the other beneficiaries the benefit shall bear a reasonable relation to the benefit for the standard beneficiary.

6. For the purpose of this Article, a skilled manual male employee shall be:

(a) a fitter or turner in the manufacture of machinery other than electrical machinery; or

(b) a person deemed typical of skilled labour selected in accordance with the provisions of the following paragraph; or

(c) a person whose earnings are such as to be equal to or greater than the earnings of 75 per cent of all the persons protected, such earnings to be determined on the basis of annual or shorter periods as may be prescribed; or

(d) a person whose earnings are equal to 125 per cent of the average earnings of all the persons protected.

7. The person deemed typical of skilled labour for the purposes of subparagraph (b) of the preceding paragraph shall be a person employed in the major group of economic activities with the largest number of economically active male persons protected in the contingency referred to in subparagraph (b) of Article 7 in the division comprising the largest number of such persons; for this purpose, the International Standard Industrial Classification of All Economic Activities adopted by the Economic and Social Council of the United Nations at its Seventh Session on 27 August 1948, as amended up to 1968 and reproduced in the Annex to this Convention, or such classification as at any time further amended, shall be used.

8. Where the rate of benefit varies by region, the skilled manual male employee may be determined for each region in accordance with paragraphs 6 and 7 of this Article.

9. The wage of the skilled manual male employee shall be determined on the basis of the rates of wages for normal hours of work fixed by collective agreements, by or in pursuance of national legislation, where applicable, or by custom, including cost-of-living allowances if any; where such rates differ by region but paragraph 8 of this Article is not applied, the median rate shall be taken.

#### **General notes on benefits calculation:**

In 2022, the average gross monthly wage of a **skilled blue-collar worker** was CZK 38,693 (which is considered as previous earnings of the beneficiary for social insurance benefits, i. e. as the personal assessment basis for the purpose of pension benefit calculations and as the assessable income for the sickness and maternity benefit calculations). A skilled worker's wage- corresponds to a wage of a metal turner – a machine tool setter and operator – according to CZ-ISCO 72231. In 2021, the average gross monthly wage of an **unskilled worker** was CZK 27,874 [CZ-ISCO 93291 – a mechanical handling worker in industry (manufacturing)].

Information system on average earnings is a selective statistical survey of the Ministry of Labour and Social Affairs, which is included in the program of statistical surveys of the Czech Statistical Office annually and as a wage survey with regular periodicity it monitors the wage levels of individual professions in the Czech Republic, based on the CZ-ISCO Job Specification. The data on the average hourly wage of individual employees of selected economic entities is calculated as remuneration for labour law related purposes pursuant to Section 351 *et seq.* of Act No. 262/2006 Coll., the Labour Code, as amended (hereinafter the "Labour Code"). The survey allows monitoring of the amount and structure of the monthly gross wage as well, which indicates the average wage level from the beginning of the year until the end of the given period.

Given that the social benefits in the Czech Republic are not subject to taxation (with the exception of pensions that exceed CZK 583,200 per year which are included in the taxable income – the amount pertains to the year 2022), and they are not subject to health insurance and social contributions either, it is possible to calculate the ratio of the benefits to the net wage. For pensions and sickness benefits, the amount of the annual financial statement - the tax credit of a spouse with a yearly income of up to CZK 68,000 was not taken into account. The net

monthly wage of a skilled worker was CZK 31,200 and the net monthly wage of a skilled worker with two children was CZK 34,327.

Calculated income tax was reduced by a tax credit in the amount of CZK 2,070 for a taxpayer and the tax credit for two dependent children CZK 1,267 on the first child, CZK 1,617 on the second child, total amount on both children CZK 2,884.. Allowances for two children aged 6 and 15 years amount to CZK 2,940 (1,470 x 2).

- Benefits rate does not differ within regions (Article 65, Paragraph 8 not used).
- The average year-on-year price inflation index in 2021 was 103,8 %.
- Year-on-year index of an average nominal wage in the national economy in 2021 accounted for 106,1%.

## Part XII. Equality of treatment of non-national residents

### **§1(b) Article 1 C102, §1(e) Article 1 ECSS, §1(d) Article 1 C128 and C130**

*The term residence means ordinary residence in the territory of the Member and the term resident means a person ordinarily resident in the territory of the Member.*

### **Article 68. C102**

*1. Non-national residents shall have the same rights as national residents: Provided that special rules concerning non-nationals and nationals born outside the territory of the Member may be prescribed in respect of benefits or portions of benefits which are payable wholly or mainly out of public funds and in respect of transitional schemes.*

*2. Under contributory social security schemes which protect employees, the persons protected who are nationals of another Member which has accepted the obligations of the relevant Part of the Convention shall have, under that Part, the same rights as nationals of the Member concerned: Provided that the application of this paragraph may be made subject to the existence of a bilateral or multilateral agreement providing for reciprocity.*

Pension insurance entitlement is not determined **neither by citizenship nor by residence** but by the fact whether the person concerned fits into categories listed in Articles 5 and 6 of Act No. 155/1995, the Pension Insurance Act. These categories include, among others, all employees. Pursuant to Article 66 of the Pension Insurance Act, pension insurance benefits are paid out internationally to persons not permanently residing in the Czech Republic or staying out of the country for longer period (i.e. residing abroad for more than 270 days within a calendar year); sums paid out are determined by the corresponding period of insurance and by qualifying period obtained in the territory of the Czech Republic. These criteria apply to all pensions paid out internationally, regardless of recipients' citizenship.

### **Article 32. C130**

*Each Member shall, within its territory, assure to non-nationals who normally reside or work their equality of treatment with its own nationals as regards the right to the benefits provided for in this Convention.*

The Czech Republic must also comply with directly applicable EU law on social security coordination which means that the Czech public health insurance system includes also individuals covered on the basis of coordination regulations [i.e. Regulation of the European Parliament and Council Regulation (EC) No. 883/2004, Regulation No. 987/2009 and No. 1231/2010].

Furthermore, citizens outside the EU, European Economic Area and Switzerland also have access to the Czech public health insurance system on the basis of an entitlement arising from the application of relevant international treaties by which the Czech Republic is bound.

## Part XIII. Common provisions

### XIII – 1. Suspension of benefit

#### **Article 69. C102, Article 68. ECSS**

*A benefit to which a person protected would otherwise be entitled in compliance with any of Parts II to X of this Convention may be suspended to such extent as may be prescribed--*

- (a) as long as the person concerned is absent from the territory of the Member;*
- (b) as long as the person concerned is maintained at public expense, or at the expense of a social security institution or service, subject to any portion of the benefit in excess of the value of such maintenance being granted to the dependants of the beneficiary;*
- (c) as long as the person concerned is in receipt of another social security cash benefit, other than a family benefit, and during any period in respect of which he is indemnified for the contingency by a third party, subject to the part of the benefit which is suspended not exceeding the other benefit or the indemnity by a third party;*
- (d) where the person concerned has made a fraudulent claim;*
- (e) where the contingency has been caused by a criminal offence committed by the person concerned;*
- (f) where the contingency has been caused by the wilful misconduct of the person concerned;*
- (g) in appropriate cases, where the person concerned neglects to make use of the medical or rehabilitation services placed at his disposal or fails to comply with rules prescribed for verifying the occurrence or continuance of the contingency or for the conduct of beneficiaries;*
- (h) in the case of unemployment benefit, where the person concerned has failed to make use of the employment services placed at his disposal;*
- (i) in the case of unemployment benefit, where the person concerned has lost his employment as a direct result of a stoppage of work due to a trade dispute, or has left it voluntarily without just cause; and*
- (j) in the case of survivors' benefit, as long as the widow is living with a man as his wife.*

Sickness benefits – see section III-8

Pensions – see sections V-8, IX -8 and X-8

### XIII – 2. Right of complaint and appeal

#### **Article 70. C102, Article 69. ECSS**

- 1. Every claimant shall have a right of appeal in case of refusal of the benefit or complaint as to its quality or quantity.*
- 2. Where in the application of this Convention (Code) a government department responsible to a legislature is entrusted with the administration of medical care, the right of appeal provided for in paragraph 1 of this article may be replaced by a right to have a complaint concerning the refusal of medical care or the quality of the care received investigated by the appropriate authority.*
- 3. Where a claim is settled by a special tribunal established to deal with social security questions and on which the persons protected are represented, no right of appeal shall be required.*

Sickness insurance benefits

An insured person has a right to lodge an appeal against a decision issued by the appropriate District Social Security Administration concerning the disallowance of his/her claim for sickness insurance benefits (sickness and maternity benefits), the amount of the benefit, the reduction of the benefit or the withdrawal or suspension of the payment thereof in accordance with Act No. 187/2006 Coll., the Sickness Insurance Act, as amended (hereinafter referred to as "Sickness Insurance Act"). The appeal is decided by a superior authority which is the Czech Social Security Administration. The first instance proceedings and appellate proceedings are governed by Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended. An insured person can bring an action against the decision of the appellate authority to a competent regional court (by Act No. 150/2002 Coll., the Judicial Rules of Procedure).

## Pension insurance benefits

Since 1 January 2010, a written objection against the decision of a social security authority in matters of pension insurance may be raised, as a regular legal remedy under Act No. 582/1991 Coll., on the Organization and Implementation of Social Security, as amended (hereinafter referred to as “the Organization Act”) provided this is done within 30 days since the day when the participant in the proceedings was notified of the decision. A social security authority which issued the decision decides on the objections. But the objection proceedings must be held separately from the first-instance social security decision-making body. The proceedings must not be participated in or decided upon by anybody who participated in the proceedings concerning the issuance of the disputed decision an insured person can take a legal action against the decision upon the objections to the relevant regional court (by Act No. 150/2002 Coll., the Judicial Rules of Procedure).

The decisions which form the basis for decision concerning benefits from the pension insurance are excluded from the judicial review. The court only reviews such a decision only when deciding on an action brought against the decision of the Czech Social Security Administration.

Under the current legislation, citizens have the right to stand up against the decision of an administrative body concerning a social insurance benefit. Within two months of the notification of the final decision, an action can be brought before the administrative chamber of the competent regional court. This can be an action for judicial review of unlawful acts, an action for the failure to act, as well as an action against unlawful interference that is not a decision. The petitioner does not need to be legally represented before these regional courts, which act as courts of first and last instance. Additionally, a cassation complaint against the final decision of a regional court, by invoking one of the grounds of cassation, can be filed before the Supreme Administrative Court within two weeks of the regional court’s decision becoming final. In this case, the complainant must be represented by an attorney<sup>53</sup>.

## XIII – 3. Financing and Administration

### **Article 71. C102, Article 70. ECSS**

1. *The cost of the benefits provided in compliance with this Convention (Code) and the cost of the administration of such benefits shall be borne collectively by way of insurance contributions or taxation or both in a manner which avoids hardship to persons of small means and takes into account the economic situation of the Member (Contracting Party) and of the classes of persons protected.*

2. *The total of the insurance contributions borne by the employees protected shall not exceed 50 per cent of the total of the financial resources allocated to the protection of employees and their wives and children. For the purpose of ascertaining whether this condition is fulfilled, all the benefits provided by the Member (Contracting Party) in injury benefit, may be taken together.*

3. *The Member (Contracting Party) shall accept general responsibility for the due provision of the benefits provided in compliance with this Convention (Code), and shall take all measures required for this purpose; it shall ensure, where appropriate, that the necessary actuarial studies and calculations concerning financial equilibrium are made periodically and, in any event, prior to any change in benefits, the rate of insurance contributions, or the taxes allocated to covering the contingencies in question.*

### **Article 72. C102, Article 71. ECSS**

1. *The Member (Contracting Party) shall accept general responsibility for the proper administration of the institutions and services concerned in the application of the Convention (Code).*

2. *Where the administration is not entrusted [to an institution regulated by the public authorities or – C102] to a Government department responsible to a legislature, representatives of the persons protected shall participate in*

<sup>53</sup> Website of the Supreme Administrative Court; Bobek 2006, point 2.4.2.; Tröster & Vysokajová 2006, points 559-568.

the management, or be associated therewith in a consultative capacity, under prescribed conditions; national laws or regulations may likewise decide as to the participation of representatives of employers and of the public authorities.

### Social insurance

Expenditure on social insurance benefits (sickness benefits including maternity benefit and pensions) form a part of state budget expenditure side, i.e. is financed from state budget revenues (both insurance contributions and taxes).

Social insurance contributions are part of the income side of the state budget. Contributions on social security and state employment policy amount to 31.3 % of gross salary, of which 6.5 percentage points is paid by employees and 24.8 percentage points by employers.

Any surplus of pension revenues and expenditure balance affect the amount of funds on the special pension insurance account (labelled "special reserve account for the pension reform"), which is a part of the state financial assets. The deficit of the pension balance constitutes a part of the overall state budget deficit and in case of deficit no transfers of funds to the special pension insurance account are made.

Contributions on Social Security and State Employment Policy				
Contribution Rate (in %)				
	Employees	Employers	Total	Self-employed
Pension insurance	6,5	21,5	28,0	28,0
Sickness insurance	0,0	2,1	2,1	2,1 <sup>1</sup>
State employment policy	0,0	1,2	1,2	1,2
Total	6,5	24,8	31,3	31,3 <sup>1</sup>

<sup>1</sup>Sickness insurance is voluntary for self-employed.

<sup>2</sup> Contributions for health insurance: employees 4.5 %, employers 9 %, total 13.5 %.

### **Total revenues for the year 2016<sup>54</sup>**

- pension insurance CZK 372,660,905 thousand
  - contributions from employers CZK 267,828,467 thousand
  - contributions from employees CZK 80,787,560 thousand
  - contributions from self-employed CZK 23,563,882 thousand
  - other revenues CZK 480,997 thousand
- sickness insurance CZK 28,196,734 thousand
  - contributions from employers CZK 28,651,435 thousand
  - contributions from employees CZK 0
  - other revenues CZK 454,701 thousand

### **Total revenues for the year 2017<sup>55</sup>**

- pension insurance CZK 405,025,823 thousand
  - contributions from employers CZK 291,515,194 thousand
  - contributions from employees CZK 88,013,423 thousand
  - contributions from self-employed CZK 25,060,516 thousand
  - other revenues CZK 436,689 thousand
- sickness insurance CZK 31,221,499 thousand
  - contributions from employers CZK 31,185,346 thousand
  - contributions from employees CZK 0

- other revenues CZK 36,152 thousand

#### **Total revenues for the year 2018<sup>56</sup>**

- pension insurance CZK 445,221,047 thousand
  - contributions from employers CZK 321,203,045 thousand
  - contributions from employees CZK 96,981,225 thousand
  - contributions from self-employed CZK 26,934,866 thousand
  - other revenues CZK 450,714 thousand
- sickness insurance CZK 34,389,751 thousand
  - contributions from employers CZK 34,352,980 thousand
  - contributions from employees CZK 0
  - other revenues CZK 36,771 thousand

#### **Total revenues for the year 2019<sup>57</sup>**

- pension insurance CZK 479,981,038 thousand
  - contributions from employers CZK 344,999,179 thousand
  - contributions from employees CZK 104,166,856 thousand
  - contributions from self-employed CZK 30,336,770 thousand
  - other revenues CZK 478,233 thousand
- sickness insurance CZK 35,589,434 thousand
  - contributions from employers CZK 35,549,817 thousand
  - contributions from employees CZK 0
  - other revenues CZK 39,617 thousand

#### **Total revenues for the year 2020<sup>58</sup>**

- pension insurance CZK 470,341,986 thousand
  - contributions from employers CZK 344,706,141 thousand
  - contributions from employees CZK 104,075,049 thousand
  - contributions from self-employed CZK 21,120,292 thousand
  - other revenues CZK 440,503 thousand
- sickness insurance CZK 33,705,708 thousand
  - contributions from employers CZK 33,671,309 thousand
  - contributions from employees CZK 0
  - other revenues CZK 34,399 thousand

#### **Total revenues for the year 2021<sup>59</sup>**

- pension insurance CZK 519,526,224 thousand
  - contributions from employers CZK 377,052,320 thousand
  - contributions from employees CZK 113,861,444 thousand
  - contributions from self-employed CZK 28,096,955 thousand

<sup>56</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2018. Czech Social Security Administration: Balance tables 2018. Only compulsory contributions included.

<sup>57</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2019. Czech Social Security Administration: Balance tables 2019. Only compulsory contributions included.

<sup>58</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2020 Czech Social Security Administration: Balance tables 2020. Only compulsory contributions included.

<sup>59</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2021 Czech Social Security Administration: Balance tables 2021. Only compulsory contributions included.

- other revenues CZK 515,505 thousand
- sickness insurance CZK 36,871,190 thousand
  - contributions from employers CZK 36,831,320 thousand
  - contributions from employees CZK 0
  - other revenues CZK 39,870 thousand

#### **Total revenues for the year 2022<sup>60</sup>**

- pension insurance CZK 572,876,580 thousand
  - contributions from employers CZK 477,832,472 thousand
  - contributions from employees CZK 125,261,538 thousand
  - contributions from self-employed CZK 34,085,362 thousand
  - other revenues CZK 342,180 thousand
- sickness insurance CZK 63,281,911 thousand
  - contributions from employers CZK 63,243,537 thousand
  - contributions from employees CZK 0
  - other revenues CZK 38,374 thousand

#### **Total expenditures for the year 2016<sup>61</sup>**

- pension insurance CZK 389,166,960<sup>62</sup>thousand
- sickness insurance CZK 26,283,777 thousand

#### **Total expenditures for the year 2017<sup>63</sup>**

- pension insurance CZK 404,368,050<sup>64</sup> thousand
- sickness insurance CZK 28,315,589 thousand

#### **Total expenditures for the year 2018<sup>65</sup>**

- pension insurance CZK 423,478,150 thousand
- sickness insurance CZK 33,973,697 thousand

#### **Total expenditures for the year 2019<sup>66</sup>**

- pension insurance CZK 460,508,361thousand
- sickness insurance CZK 38,886,553 thousand

#### **Total expenditures for the year 2020<sup>67</sup>**

- pension insurance CZK 507,630,947 thousand

<sup>60</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2022 Czech Social Security Administration: Balance tables 2022. Only compulsory contributions included.

<sup>65</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2018.

<sup>66</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2019.

<sup>67</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2020.



- sickness insurance CZK 55,206,495 thousand

**Total expenditures for the year 2021<sup>68</sup>**

- pension insurance CZK 518,384,027 thousand
- sickness insurance CZK 51,471,941 thousand

**Total expenditures for the year 2022<sup>69</sup>**

- pension insurance CZK 575,238,555 thousand
- sickness insurance CZK 47,630,529 thousand

Necessary actuarial analysis concerning financial equilibrium and other relevant impacts of a measure is a common part of preparation of any change in sickness and pension benefits. In addition, actuarial reports on pension and sickness insurance are published periodically by the Ministry of Labour and Social Affairs<sup>70</sup>.

**Article 71**

The expenditure on the benefits provided is paid from the state budget. The pension and sickness insurance is based on regular payments of the premiums. With effect from 1 January 2016, the pension savings were terminated, i.e. pillar II of the pension system. Former participants of pillar II will have the possibility of paying the rest of reduced premiums paid in those years to pillar I additionally. Those participants paid reduced premiums to a compulsory pension insurance (pillar I) at the time of participation in pension savings (pillar II), i.e. instead of 6.5 % only 3.5 %, and the difference (3 %) was transferred to their private account into pillar II.

**Article 72**

**See Report 2016-ECSS, Appendix 4. Expenditure on benefits system by types of benefits in the years 2011-2015.**

**Article 70 – The costs of benefits**

The costs of provided unemployment benefits are paid from contributions to the state employment policy. The Czech Social Security Administration collects the contribution to the state employment policy along with pension contributions from taxpayers (i.e. from employees through their employers along with the contributions from employers themselves). The contribution is a part of the income side of the state budget and - vice versa – the benefits form a part of the state budget expenditure. As such, it is included in the relevant budgetary chapter of the Ministry of Labour and Social Affairs. Through the Ministry, resources are distributed to the regional branches of the Labour Office.

The costs of the benefits and the administration are bore by the Government of the Czech Republic. No social benefit is subject to social security contribution or taxation. Thus, the people

<sup>68</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2021.

<sup>69</sup> Source: The state final account for the chapter of MLSA of the Czech Republic for 2022.

<sup>70</sup> Available at <https://www.mpsv.cz/web/cz/statisticke-informace-projekce-a-pojistnematematicke-zpravy-o-socialnim-pojisteni>.

with small means are not deprived and the system avoids the hardship. Individuals with low income are covered with the system of assistance in material need.

#### **Additional information**

The financing of the social insurance system is based on the pay-as-you-go system, which means that the benefits provided in a certain period are paid for from the contributions collected in that same period. Payment of the benefits is guaranteed by the state, in the case of pensions, this is at least the basic part. The contributions for the pension scheme, medical care, sickness benefits, and employment policy, amount to 44,8 percent of gross salary, of which 11 percent is paid by the employee and 33,8 percent by the employer. The premiums for the public health insurance are allocated to the health insurance companies, the employment policy premiums are paid into the state budget, and the contributions to the pension scheme are deposited into a separate account for pension insurance that was created in 1996 as a part of the state budget. The funds in this account may only be used for the payment of pension insurance benefits and for making up any deficit between revenues and expenditures.