

5. SOCIAL SECURITY

Pension insurance scheme benefits

The pension insurance scheme provides citizens with security for the case of old age, disability, or loss of the breadwinner. The scheme provides old-age pensions, disability pensions, widows' pensions, widowers' pensions, and orphan pensions pursuant to the Act No 155/1995 Sb, on Pension Insurance, as subsequently amended. (Translator's note: "Sb" stands for the Collection of Laws of the Czech Republic.)

Three degrees of disability were introduced effective since 1 January 2010 and the previous full disability pensions and partial disability pensions were replaced by pensions for the disability of the first, the second, and the third degree by the Act No 306/2008 Sb.

Definitions of individual types of pensions:

- the **full old-age pension** may be received either once **the age limit for retirement** has been reached, then it is a regular old-age pension, or before the age limit for retirement has been reached as determined by law and then it is an **early old-age pension** (sometimes called "premature"). Entitlement to the regular old-age pension as well as the early (premature) one is simultaneously conditioned by acquiring the necessary period of insurance. When retiring to the early (premature) old-age retirement the early pension is reduced in accordance with how much time remains to reaching the old-age retirement limit. When the required period of insurance for the full old-age pension has not been met, the insured person may, after having reached a determined shorter period of insurance and the higher age determined by law, be granted a **proportional pension**;
- the **disability pension** is acquired by an insured person whose ability to work was reduced due to long-term bad health by at least 35% and who has not reached the age of 65 years or the old-age retirement limit, if it is higher. In order the disability pension may be granted the condition of the necessary period of insurance for the entitlement to a disability pension must be complied with as well unless it is a disability due to an occupational injury, an occupational disease, or due to some of causes related to the national defence. At the age of 65 years, the entitlement to a disability pension ceases to exist and is converted into an old-age pension. Depending on the level of the reduction of the ability to work, the disability is broken down to the disability of the first degree (reduction by 35% to 49%), the disability of the second degree (reduction by 50% to 69%), and the disability of the third degree (reduction by 70% and more); the amount of the disability pension is also derived from that;
- a surviving wife / a surviving husband is entitled to the **widow's/widower's pension** on condition that the deceased person was a recipient of an old-age pension or a disability pension, or by the day of his/her death had met prerequisites for entitlement to the disability pension or the old-age pension, or deceased due to an occupational injury (occupational disease). Unless special conditions for further payment of a widow's and a widower's pension are met, the entitlement to these types of pensions ceases to exist after the period of one year;
- entitlement to an **orphan pension** can only arise for a dependent child whose deceased parent (a person who took over the care of the child) was compliant with the necessary term of insurance condition established by law or was a recipient of the old-age pension or the disability pension, or died due to an occupational injury (an occupational disease);
- the types of pensions given may be paid separately, then they are so-called **single pensions**. Widows' and widowers' pensions may be paid simultaneously with the old-age pension or the disability pension (**combined pensions**). If prerequisites for entitlement to a payment of a widow's pension or a widower's pension and concurrently of an old-age pension or a disability pension are complied with simultaneously then rules for concurrent (combined) pensions apply.

Outputs from information systems of the Czech Social Security Administration, which do not include data on pension insurance provided and administered by the Ministry of Defence, the Ministry of the Interior, and the Ministry of Justice, are used for the needs of the statistics on pension insurance scheme benefits.

The average monthly amount of a pension

The average monthly amount of a pension as at 31 December of the reference year is the amount of a pension paid on average per pensioner in December. Additional amounts of money provided before 2007 as the helplessness allowance are not included in the amounts of pensions.

Tables 5-5, 5-6, 5-12, and 5-13 show average amounts of pensions paid separately as single pensions (i.e. not concurrently with other pensions, as combined pensions). Widows' and widowers' pensions are exceptions – they are provided in the Table 5-6 also as pensions paid concurrently with other pensions (as combined pensions). The average amount is provided in the tables as a total monthly pension disbursed, i.e. including the concurrently paid old-age pension or disability pension.

Sickness insurance scheme benefits

The sickness insurance scheme is intended for earners who are thereby secured for cases of the so-called short-term social events (temporary incapacity for work due to a disease or an injury or quarantine, taking care of a sick family member, pregnancy and maternity, childcare) by cash sickness insurance scheme benefits. Since 2009, sickness insurance has been fully regulated by the Act No 187/2006 Sb, on Sickness Insurance, as subsequently amended.

Definition of selected types of sickness insurance scheme benefits provided in the Table 5-14:

- the **sickness benefit** – employees or own-account workers are entitled to receive sickness benefits for a period defined by law, in case of the incapacity for work found by a physician or when quarantine was imposed on them;
- the **attendance allowance** – it is paid to employees taking care of a sick household member or of a healthy child aged under 10 years (in cases when educational or children's facilities are closed, if quarantine has been imposed on a child, or if a person regularly taking care of a child has fallen ill);
- the **maternity benefit** – since 2011, it has been paid starting on the day that the insured person has to determine in the period from the beginning of the eighth to the beginning of the sixth week prior to the anticipated delivery of a child. The benefit is paid for 28 weeks (for the insured who gave birth to two or more children in one delivery it is 37 weeks);
- the **paternity benefit** – it is a benefit which the child's father who cares for the child is entitled to on condition that he started his paternity leave within the period of six weeks since the child's birthday. A child's father is the person who is registered as the child's father in the birth registry. The benefit is paid for one week, at the maximum;
- the **long-term attendance allowance** – it is a benefit which a person who provides a long-term care to a certain other person is entitled to. The person who is provided with the care has health status, which got seriously worsened and required at least seven-day hospitalisation in a hospital and on the day of their release it was confirmed the person would require all-day care for the next 30 days, at least. The benefit is not paid for the period when the person provided with the care was hospitalised again. The benefit is paid for 90 calendar days, at the maximum.

Care benefit recipients

The Act No 108/2006 Sb, on Social Services (effective since 1 January 2007), introduced the care benefit. The entitled person for this benefit is a person who, due to long-term bad health, needs assistance of another natural person when taking care of themselves and providing for self-sufficiency in the scope defined by law (there are four levels of dependence). The person may, on the basis of his/her own free will, pay for professional social services or use the benefit to cover essential expenses for providing care within their family.

The number of care benefit recipients in the Table 5-15 is the number of persons who were in December of the given year entitled to the care benefit, no matter when the benefit was actually paid.

Parental allowance recipients

The parental allowance is one of the state social support scheme benefits. It is provided to a parent who throughout the calendar month personally, round-the-clock, and duly cares for a child who is the youngest in the family until the total amount of CZK 300 000 is drawn, up to 4 years of the child's age at the latest. (In case that the youngest children in the family are twins or children of multiple births, the parent is entitled to draw the parental allowance up to the total amount of CZK 450 000.) Until the end of 2019, it was CZK 220 000 or CZK 330 000 in the case of multiple births.

Number of pensioners – international comparison

Data in the Tables 5-17 to 5-19 are based on the ESSPROS methodology, which differs from the national methodology used in other tables providing data on pensions.