

INCAPACITY FOR WORK DUE TO DISEASE OR INJURY IN 2013

The trend in temporary incapacity for work due to disease or injury in the Czech Republic in 2013 was significantly affected by changes to relevant legal regulations of the sickness insurance effective since 1 January 2011 and since 1 January 2012, which were valid in 2013 as well. Changes to provisions establishing amounts of the sickness insurance benefit shown the strongest effect on the trend.

Basic indicators of the statistical survey on temporary incapacity for work due to disease or injury in the Czech Republic in 2013, processed from data from the administrative data source of the CSSA Information System, are given here below.

The average number of sickness-insured persons in 2013 was 4 440.3 thousand persons, which is by almost 31.6 thousand less than in 2012 (4 471.9 thousand persons).

The number of newly notified cases of incapacity for work in total increased from 1226.9 thousand in 2012 to 1 331.5 thousand in 2013, year-on-year. This number included 1 168.1 thousand cases of incapacity for work due to disease, 42.9 thousand cases of incapacity for work due to occupational injury, and 120.5 thousand cases of incapacity for work due to other injury.

The number of newly notified cases of incapacity for work per 100 sickness insured persons increased year-on-year from 27.44 cases in 2012 to 29.99 cases in 2013. In 2013 the highest number of cases of incapacity for work per 100 sickness insured persons was notified in the Plzeňský Region (33.55 cases), then followed the Liberecký Region (35.70 cases), Karlovarský Region (33.43), Jihočeský Region (34.28 cases), and Středočeský Region (31.48 cases). The least number of cases was notified in the Hlavní město Praha Region (25.70 cases), and then followed the Jihomoravský Region (29.57 cases), and the Olomoucký Region (27.31 cases).

The average duration of one case of incapacity for work decreased year-on-year from 46.1 days in 2012 to 44.0 days in 2013. The average duration of one case of incapacity for work was reduced by 2.1 days. The longest average duration of one case of the incapacity for work in 2013 was recorded in the Zlínský Region (53.8 days), the shortest one recorded was still recorded in the Hlavní město Praha Region (37.7 days).

The average percentage of incapacity for work increased year-on-year from 3.452% in 2012 to 3.615% in 2013. The long-term decline in the average percentage of incapacity for work, which has been observed since 2005, stopped. The average percentage of incapacity for work gives the number out of 100 sickness insured persons is on average every day incapacitated for work due to disease or injury. The average percentage of incapacity for work takes into account both the total number of cases of incapacity for work (how often persons become incapacitated for work) and the average duration of one case of incapacity for work (how long persons remain incapacitated for work).

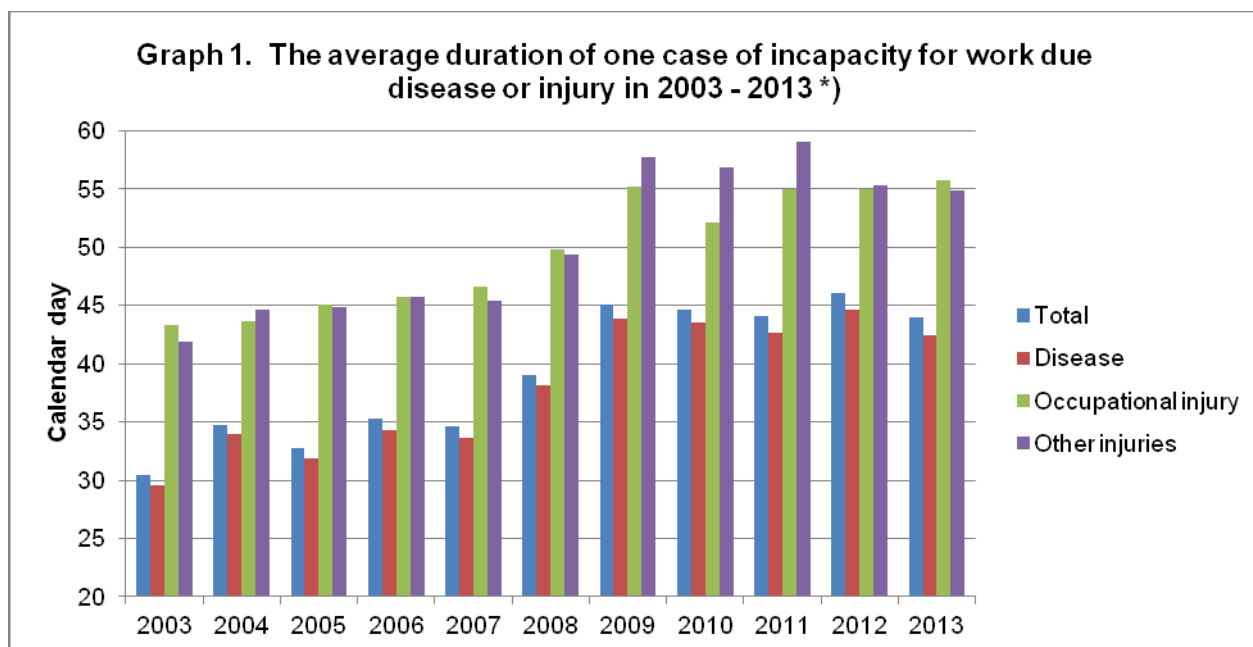
Table 1 Basic indicators of temporary incapacity for work due to disease or injury in the 2013 by region and in the Czech Republic

| Territory | Average number of sickness-insured persons | Number of newly notified cases of incapacity for work | Number of calendar days of incapacity for work | Number of newly notified cases of incapacity for work per 100 sickness-insured persons | Average percentage of incapacity for work (%) | Number of calendar days of incapacity for work per 1 newly notified case | Average daily number of the incapacitated for work |
|------------------------------|--|---|--|--|---|--|--|
| Hl. m. Praha Region | 1 138 477 | 292 582 | 11 016 160 | 25.70 | 2.651 | 37.65 | 30 182 |
| Středočeský Region | 415 366 | 130 747 | 5 513 458 | 31.48 | 3.637 | 42.17 | 15 105 |
| Jihočeský Region | 223 590 | 76 649 | 3 553 113 | 34.28 | 4.354 | 46.36 | 9 734 |
| Plzeňský Region | 214 860 | 76 373 | 3 179 492 | 35.55 | 4.054 | 41.63 | 8 711 |
| Karlovarský Region | 88 152 | 29 473 | 1 220 268 | 33.43 | 3.793 | 41.40 | 3 343 |
| Ústecký Region | 281 078 | 86 954 | 4 056 929 | 30.94 | 3.954 | 46.66 | 11 114 |
| Liberecký Region | 146 830 | 52 419 | 2 225 089 | 35.70 | 4.152 | 42.45 | 6 096 |
| Královéhradecký Region | 189 612 | 59 726 | 2 529 802 | 31.50 | 3.655 | 42.36 | 6 930 |
| Pardubický Region | 189 657 | 58 489 | 2 556 112 | 30.84 | 3.692 | 43.70 | 7 003 |
| Vysočina Region | 174 971 | 56 142 | 2 489 954 | 32.09 | 3.899 | 44.35 | 6 822 |
| Jihomoravský Region | 483 061 | 142 841 | 6 475 604 | 29.57 | 3.673 | 45.33 | 17 742 |
| Olomoucký Region | 220 736 | 60 292 | 3 081 071 | 27.31 | 3.824 | 51.10 | 8 441 |
| Zlínský Region | 214 151 | 64 115 | 3 448 863 | 29.94 | 4.412 | 53.79 | 9 449 |
| Moravskoslezský Region | 459 785 | 144 675 | 7 240 775 | 31.47 | 4.315 | 50.05 | 19 839 |
| Czech Republic, total | 4 440 326 | 1 331 477 | 58 586 690 | 29.99 | 3.615 | 44.00 | 160 511 |

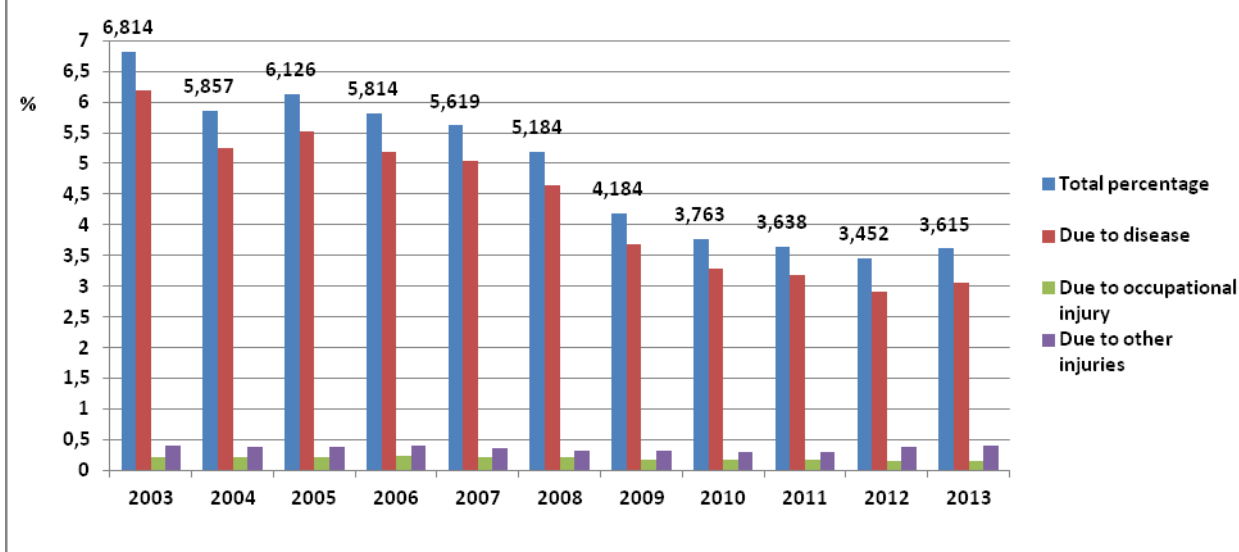
Table 2 Basic indicators of temporary incapacity for work due to disease or injury in the Czech Republic in 2013 by CZ-NACE activity

| CZ-NACE groups of activities | Average number of sickness-insured persons | Number of newly notified cases of incapacity for work | Number of calendar days of incapacity for work | Number of newly notified cases of incapacity for work per 100 sickness-insured persons | Average percentage of incapacity for work (%) | Number of calendar days of incapacity for work per 1 newly notified case | Average daily number of the incapacitated for work |
|---|--|---|--|--|---|--|--|
| A. Agriculture, forestry and fishing | 113 919 | 31 193 | 1 835 626 | 27.38 | 4.415 | 58.85 | 5 029 |
| B. Mining and quarrying | 33 786 | 13 136 | 587 778 | 38.88 | 4.766 | 44.75 | 1 610 |
| C. Manufacturing | 1 144 478 | 430 497 | 18 817 844 | 37.62 | 4.505 | 43.71 | 51 556 |
| D. Electricity, gas, steam and air conditioning supply | 32 581 | 6 579 | 253 132 | 20.19 | 2.129 | 38.48 | 694 |
| E. Water supply; sewerage, waste management and remediation activities | 56 987 | 16 990 | 767 686 | 29.81 | 3.691 | 45.18 | 2 103 |
| F. Construction | 251 220 | 72 504 | 4 140 993 | 28.86 | 4.516 | 57.11 | 11 345 |
| G. Wholesale and retail trade; repair of motor vehicles and motorcycles | 602 371 | 159 983 | 7 795 882 | 26.56 | 3.546 | 48.73 | 21 359 |
| H. Transportation and storage | 276 347 | 76 103 | 3 804 208 | 27.54 | 3.772 | 49.99 | 10 422 |
| I. Accommodation and food service activities | 138 365 | 32 822 | 1 888 698 | 23.72 | 3.740 | 57.54 | 5 175 |
| J. Information and communication | 115 889 | 26 662 | 685 878 | 23.01 | 1.621 | 25.72 | 1 879 |
| K. Financial and insurance activities | 93 202 | 24 773 | 772 687 | 26.58 | 2.271 | 31.19 | 2 117 |
| L. Real estate activities | 75 414 | 11 087 | 603 444 | 14.70 | 2.192 | 54.43 | 1 653 |
| M. Professional, scientific and technical activities | 198 016 | 38 372 | 1 490 857 | 19.38 | 2.063 | 38.85 | 4 085 |
| N. Administrative and support service activities | 238 014 | 85 796 | 3 579 167 | 36.05 | 4.120 | 41.72 | 9 806 |
| O. Public administration and defence; compulsory social security | 252 043 | 70 923 | 2 464 875 | 28.14 | 2.679 | 34.75 | 6 753 |
| P. Education | 336 146 | 84 829 | 2 851 657 | 25.24 | 2.324 | 33.62 | 7 813 |
| Q. Human health and social work activities | 330 374 | 84 266 | 4 121 194 | 25.51 | 3.418 | 48.91 | 11 291 |
| R. Arts, entertainment and recreation | 64 251 | 13 452 | 574 373 | 20.94 | 2.449 | 42.70 | 1 574 |
| S. Other service activities | 64 037 | 15 023 | 725 745 | 23.46 | 3.105 | 48.31 | 1 988 |
| T. Activities of households as employers | 1 | - | - | - | - | - | - |
| U. Activities of extraterritorial organisations and bodies | 83 | 7 | 325 | 8.43 | 1.073 | 46.43 | 1 |
| Not identified | x | x | x | x | x | x | x |
| Total | 4 440 326 | 1 331 477 | 58 586 690 | 29.99 | 3.615 | 44.00 | 160 511 |

- means that there was no such phenomenon
x means that no record can be made due to logical reasons



Graph 2. Structure of the average percentage of incapacity for work due disease of injury in 2003 - 2013 *)



*) Time series and data measured by the state statistical questionnaire on incapacity for work due to disease or injury of 'Nem Úr 1-02' can be compared till 2011. Starting in 2012 the Czech Statistical Office has been providing data for the Statistics of Temporary Incapacity for Work due to Disease or Injury by processing of data from the administrative data source of the Czech Social Security Administration information system (see methodological notes).

Sickness insurance - general Information

Since 1 January 2009 the sickness insurance is regulated by the Act No. 187/2006 Sb. on sickness insurance as amended. Insurance premium for sickness insurance is regulated by the Act No. 589/1992 Sb. on insurance premiums for social security and contribution to the state employment policy, as amended. Since 1 January 2011 essential changes have been made to legislation on wage reimbursement in the first period of temporary incapacity for work or quarantine and sickness benefits due to the Act No. 347/2010 Sb. changing certain acts in relation to saving measures in the field of the Ministry of Labour and Social Affairs of the CR, and the advantageous regulation for the own-account workers was cancelled as well. Since 1 January 2012 the Act No. 187/2006 Sb. on sickness insurance as amended, has been amended by the Act No. 365/2011 Sb. This amendment enlarged the circle of the sickness-insured persons with employees active on the basis of an agreement on work. Since 1 January 2013 the Act No. 401/2012 Sb. amending the Act No. 359/1999 Sb. on social and legal protection, has been effective. This Act has changed the circle of persons participating in sickness insurance, moment of the insurance termination, and the determination of entities fulfilling tasks of sickness insurance in the Act No. 187/2006 Sb.

An overview of essential legal changes to the sickness insurance system since 2011

➤ Amount of sickness benefit (percentage rate)

In relation to saving measures the increase in percentage rate for sickness benefit depending on the duration of incapacity for work. In 2010 a unified rate for sickness benefit for the whole duration of incapacity for work at the amount of 60% was introduced. This, originally one-year, measure, is valid permanently. The amount of sickness benefit is 60% of the reduced daily chargeable basis. Percentage rates of other benefits and allowances have not been changed since 1 January 2011. That means maternity benefit is 70% and care benefit is 60%.

➤ Providing of sickness benefit starting from 22nd calendar day of incapacity for work

An employee, recognised as temporary incapable of work by a physician, is entitled to earn sickness benefit since 22nd calendar day of his/her temporary incapacity for work till the end of the period of incapacity for work yet for 380 calendar days, as maximum counted since temporary incapacity for work case has started (including previous time periods of this case of incapacity for work).

For the period of the first 21 the employee with an employee relation giving a basis for his/her participation in sickness insurance, shall be secured by a wage reimbursement provided by his/her employer in accord with the Labour Code. The wage reimbursement is entitled for working days of temporary incapacity for work since its 4th working day (in the case of quarantine then since the first working day).

➤ Amounts of sickness benefit in relation to elevation of the reduction limits

Amount of benefits are calculated from a daily chargeable basis, which is determined that chargeable income accounted to the employees in the determining period (as a rule the period of 12 calendar months before the calendar

month in which the social event occurred) is subdivided by the number of "countable" calendar days falling into the determining period.

This way determined average daily income is adjusted (reduced) by means of three reduction limits. The level of the three reduction limits effective since 1 January of the given year is announced by the Ministry of Social and Labour Affairs of the CR in the form of a communication in the *Sbírka zákonů* (Gazette).

In 2012 1st reduction limit was CZK 838, 2nd reduction limit was CZK 1 257, and 3rd reduction limit was CZK 2 514. In 2013 1st reduction limit was CZK 863, 2nd reduction limit was CZK 1 295, and 3rd reduction limit was CZK 2 589.

➤ **Sickness insurance of the own-account workers and foreign employees**

Since 1 January 2011 the rate of insurance premium for sickness insurance for the own-account workers and foreign employees was increased from 1.4% to 2.3%. This rate remained valid for the years 2012 and 2013 according to the Act No.364/2011 Sb. as well.

The participation of the own-account workers in sickness insurance is voluntary and is created on the basis of an application submitted to sickness insurance and by payment of insurance premium for sickness insurance. Since 1 January 2012 the minimum monthly chargeable basis for the own-account workers, which such person may choose to pay insurance premium for sickness insurance from, has been CZK 5 000, and that means, while the rate of insurance premium is 2.3%, then the minimum insurance premium for a calendar month is CZK 115.

The own-account workers are entitled to sickness benefit payments starting from 22nd day of their incapacity for work.

Other essential change valid since 2011 for the own-account workers, who are sickness insured, is that in the situation their independent income activity is their side activity (for instance, for the reason they have been granted old-age pension) and the given person enrolls into voluntary participation in the sickness insurance at the same time, the performance of their independent income activity has been changed to the main income activity since 1 January 2011. Thus this own-account worker is obliged to pay deposits to pension insurance at least at their minimum amount, or depending on the amount of the income tax basis attained for the previous calendar year.

Since 1 January 2011 the interconnection of the deposit for pension insurance and payment to sickness insurance has been provided for by law. This in practise means that the monthly base determined by insurance payment to sickness insurance may not be higher than the monthly chargeable basis, which deposit to pension insurance was or should be reimbursed in that month from.

So-called foreign employees may voluntarily participate in the sickness insurance as well. Foreign employees are employees of a foreign employer with registered office located in a country, which is "foreign country not covered by an agreement", if they do their work activities in the Czech Republic in benefit of the foreign employer.

➤ **Change to the circle of sickness-insured persons**

Since 1 January 2012 the Act No. 187/2006 Sb. on sickness insurance, as amended, has been amended by the Act No. 365/2011 Sb. This amendment broadens the circle of the sickness-insured persons with employees active on the basis of an agreement on work and with other persons given in Section 5 a) under points 16-20.

An employee active on the basis of an agreement on work has the obligation to participate in the sickness insurance born if he/she complies with two conditions as follows:

- the work activities are performed on the territory of the Czech Republic, and
- in the calendar month, in which the agreement on work is effective, he/she reached chargeable income in the amount over CZK 10 000.

On 1 January 2013 the Act No. 401/2012 Sb. amending the Act No. 359/1999 Sb. on social and legal protection became effective. This act changed the circle of persons participating in the sickness insurance, moment of the insurance termination, and determination of entities fulfilling tasks of the sickness insurance in the Act No. 187/2006 Sb.