

24. SOCIAL SECURITY

The social security scheme includes sickness insurance, pension insurance, state social support benefits, and social care.

The sickness insurance system of benefits comprises four benefits, namely sickness benefit, financial support for care of family members, maternity benefit, and pregnancy and maternity compensation benefit. Of these four benefits, self-employed persons are not entitled to the financial support for care of family members and the maternity and pregnancy compensation benefit; job applicants are not sickness insured, but they are paid the maternity benefit from sickness insurance.

The pension insurance scheme secures citizens in cases of old age, disability or loss of the breadwinner. Provided within this scheme as from 1 January 1996 (Social Security Act No. 155/1995 Sb., on Pension Insurance) are old-age, disability (full and partial), widows', widowers', and orphans' pensions. The tables relating to pension insurance do not include data concerning the Ministry of Defence of the CR, the Ministry of the Interior of the CR and the Ministry of Justice of the CR.

In 1995, Act No. 118/1995 Sb. was passed to amend certain laws in connection with the adoption of the State Social Support Act. Separated out of the sickness insurance system were some benefits of non-insurance nature (birth grant, child benefit, parental benefit, and funeral grant) to be incorporated into state social support benefits. Starting from 1 July 1997, heating benefits (the amount of money to compensate for higher prices of energy) and rental benefits were paid under the Social Benefit Act No. 75/1997 Sb. These benefits were constructed similarly to the state social support ones. A special law regulated entitlement to these benefits because they were price compensation in nature, and the entitlement applied to a transition period of three years only.

The social care scheme is used by the government to help citizens who find themselves in unfavourable life situations and cannot overcome them without receiving help from society. Social care services and benefits comprise care for the family and child, care for citizens with reduced capacity to work, care for senior and severely handicapped citizens, care for citizens in need of special assistance, and care for socially not adapted citizens. (They include, e.g., providing community care services, catering for pensioners and other non-financial assistance, contributions to the blind, contributions to costs of powered wheelchairs for the disabled, contributions to citizens suffering from tuberculosis or diabetes, contributions granted in emergency situations, etc.)

Costs of care for citizens with reduced capacity to work also include costs of training such citizens for appropriate occupations, contributions paid to them before they are placed in jobs, and financial assistance provided during the time period of their education/training for occupation.

The Czech Statistical Service uses for its needs outputs from information systems run by (i) the Czech Social Security Administration (information on sickness insurance benefits, pensions paid, pension insurance benefits, average monthly amount of newly granted pensions, average monthly amounts of pensions - all except for data concerning the Ministry of Defence of the CR, the Ministry of the Interior of the CR and the Ministry of Justice of the CR) and (ii) the Ministry of Labour and Social Affairs of the CR (information on expenditure on social care services, social care establishments and capacity of the establishments, retirement homes, community care service, state social support benefits).

In 2003, in accordance with the territorial public administration reform, the transfer commenced of the share of the state as of the provider of social care services through state's organisations (excl. social care institutions founded by the Ministry of Labour and Social Affairs of the CR) for the benefit of social care establishments and other social care services under the jurisdiction of regions, municipalities and non-state non-profit sector.

Not only social care establishments but also other social care services (e.g. community care service, homes for mothers with children, etc.) were transferred from district authorities to other entities.

Notes on tables

Tables 24-1 and 24-2. Average numbers of the sickness insured

The indicator shows the average number of persons who are sickness insured under Act No. 54/1956 Sb., on Sickness Insurance of Employed Persons, as amended.

Excluded from this insurance under this Act are:

- regular members of the armed forces;
- foreign nationals not permanently residing in the Czech Republic;
- employees working in the Czech Republic for employers not based in the Czech Republic;
- employees having occasional jobs only;
- members of the Czech Customs Administration;
- members of the Fire and Rescue Service of the CR.

The tables are broken down by institutional sector, the individual sectors being defined as follows:

- public sector (government and municipal);
- private sector (including cooperatives and employees of unincorporated natural persons, excluding self-employed persons);
- foreign sector (businesses controlled by foreign owners);
- self-employed persons.

Tables 24-3 to 24-5. Expenditures on sickness insurance benefits

Since 1991, the following groups of socially secured persons have been measured following up the way of paying insurance premium:

1. Employees of legal persons

- benefits paid to employees having contracts of employment with legal persons.

2. Employees of natural persons

- benefits paid to employees of natural persons and to persons employed by citizens to provide the citizens with services for personal needs (housewives, baby sitters, etc.).

3. Members of cooperatives

- benefits paid to members of agricultural and non-agricultural cooperatives.

4. Self-employed persons

- benefits paid to gainfully active self-employed persons set out in the Decree of the Federal Ministry of Labour and Social Affairs No. 149/1988 Sb., Article 61(1)(b) and 61(2)(a), implementing the Social Security Act, as amended - i.e. to persons who perform artistic or other creative activities under the Copyright Act (dealing with the works of art, literature and science) rather than under the Code of Labour, provided they declare they want to perform such activities systematically, and to spouses of these persons, if they participate in their gainful activities;
- benefits paid to gainfully active self-employed persons set out in the Decree of the Federal Ministry of Labour and Social Affairs No. 149/1988 Sb., Article 61(1)(a,c,d) and 61(2), implementing the Social Security Act, as amended - i.e. to persons running their businesses under the Act on Private Enterprise of Citizens (Entrepreneurs) and to other persons running their businesses independently on their own account as laid down in other generally binding legislation; spouses of such persons are included, if they participate in their gainful activities;
- benefits paid to self-employed farmers who farm agricultural land and are gainfully active in person on their own, including their spouses, children, brothers and sisters (from the completion of compulsory education), parents, parents-in-law, son-in-law, daughter-in-law, common-law

husband, common-law wife, if they are permanently engaged in the gainful activity of the self-employed farmer, or the spouse of a such cooperating member of the family, unless the Code of Labour applies;

- benefits paid to athletes who pursue, as they declare, sporting activities gainfully as their occupation, unless labour-law or other relations are involved.

5. Job applicants

- benefits paid to job applicants and citizens with reduced capacity to work.

6. Others

- benefits paid to persons who are voluntary participants in the sickness insurance system.

Characteristics of individual sickness insurance benefits:

- **sickness benefit** – paid in the case of incapacity for work due to illness or injury and of imposed quarantine;
- **financial support for care of family members** – provided usually for nine calendar days to the parent who cares for a sick child;
- **maternity benefit** – paid during the maternity leave for a period of 28 weeks, of which 6 weeks before the expected date of delivery;
- **pregnancy and maternity compensation benefit** – provided to women in pregnancy or maternity who had to be moved to another, less paid job due to pregnancy.

Sickness insurance benefits are provided per calendar day of a given period of time.

Table 24-6. Pensions and pension insurance benefits paid

Listed are pensions provided in accordance with Act No. 155/1995 Sb., on Pension Insurance, as amended, (except for proportional old-age pensions) or relevant provisions of preceding regulations:

- full old-age pension (Article 29(a))
- proportional old-age pension (Article 26, Act No. 100/1988 Sb.; Article 29(b), Act No. 155/1995 Sb.)
- early old-age pension - retirement by 2 years earlier (Article 30)
- early old-age pension - retirement by 3 years earlier (Article 31)
- full disability pension (Article 38)
- full disability pension from childhood (Article 42)
- partial disability pension (Article 43)
- widow's pension (Article 49 (1))
- widower's pension (Article 49 (2))
- orphan's pension (Article 52).

Table 24-7. Average monthly amount of pension

The table shows data on pensioners who receive only basic ("solo") pensions, such as old-age, disability, widows' and widowers' pensions, from which the average amount of solo-pensions is calculated. Listed are also combined widows' and widower's pensions where the amounts of the two pensions paid are added up (Article 59 of Act No. 155/1995 Sb.). Money paid to the helpless and money in the form of child benefits paid to pensioners looking after children are excluded. Included in the pensions since 1 December 1994 has been the government compensation benefit which is now their integral part. The average monthly amount of the pensions paid is the average amount of pensions per pensioner in the reference month calculated according to the following formula:

$$A = \frac{B}{C}$$

where A - is the average monthly amount of the pensions paid,
B - is the sum of the amounts of pensions paid according to pension sheets in the last month of the reference period,

C - is the number of pensions paid.

The average monthly amount of pension as at 31 December of the reference year is thus the average amount of pension paid per pensioner in December.

A pensioner is included in that type of social security for which he/she satisfies title-to-pension.

Tables 24-8 and 24-9. Numbers and average monthly amounts of new pensions granted

New pensions granted since 2002 have been classified according to the actual date of granting.

Tables 24-11 and 24-12. State social support benefits paid

*The listed figures on state social support benefits paid include **income-tested benefits** such as child benefit, social benefit, housing benefit and transport benefit (payments stopped on 30 June 2004) and **non-income-tested benefits** such as parental benefit, providing-for benefit (payments stopped on 31 December 2004), foster care benefit, birth grant and funeral grant. The heating and rental benefits shown in the tables and constructed like the income-tested benefits were paid between 1 July 1997 and 30 June 2000 and between 1 July 1997 and 31 December 2000, respectively.*

Characteristics of some of the benefits:

child benefit – *the amount is dependent on the age of the child and the income of the family. The benefit is provided to children living in families with income lower than three times the subsistence level of the family;*

social benefit – *paid to low-income families as a contribution to costs of covering needs of their children. Its amount depends on the age of the child and the income of the family. Entitled to this benefit is a parent who takes care of a child and the income of the family does not exceed 1.6 times the subsistence level of the family;*

parental benefit – *provided to a parent who takes care of a child aged up to 4 (or up to 7, if the child is handicapped for a long time) in person and round the clock. Since May 2004, the amount of the benefit is equal to 1.54 times the subsistence level for personal and life needs of the caring parent;*

providing-for benefit – *entitled to this benefit was a child of a temporary member of the armed forces, wife of the member or another person to whom the member was obliged to pay maintenance money when doing his temporary military or compulsory community service or when being on a military training, irrespective of their incomes. The wife was entitled to the benefit only if she took care of a child aged up to 4 (or up to 7, if the child was handicapped for a long time), was disabled or had another serious reason for which she could not work;*

foster care benefits and grants – *include the foster child benefit, foster parent benefit, fostering grant, and motor vehicle grant;*

birth grant – *provided to parents for each child to cover extraordinary expenses incidental to the birth of a child, is non-income tested. When one child is born, the grant amounts to five times the subsistence level needed to cover the child's personal needs;*

child care benefit for a child in a facility for children in need of immediate assistance – *entitled to this benefit, effective since 1 October 2005, is an unprovided-for child looked after by a facility for children in need of immediate assistance. The benefit per calendar month is equal to nine times the amount needed to cover the child's personal needs.*

Subsistence level amounts (Act No. 463/1991 Sb., on Subsistence Level, defines the subsistence level as the sum of amounts needed to cover the basic personal needs of individual household members plus amount for the household):

Indicator	Effective since							
	1 Jan 1996	1 Oct 1996	1 July 1997	1 Apr 1998	1 Apr 2000	1 Oct 2001	1 Jan 2005	1 Jan 2006
Monthly subsistence level amounts to cover maintenance and other basic personal needs of a citizen (CZK):								
Unprovided-for children aged:								
up to 6	1 320	1 410	1 480	1 560	1 600	1 690	1 720	1 750
6 to 10	1 460	1 560	1 640	1 730	1 780	1 890	1 920	1 950
10 to 15	1 730	1 850	1 940	2 050	2 110	2 230	2 270	2 310
15 to 26	1 900	2 030	2 130	2 250	2 310	2 450	2 490	2 530
Other persons	1 800	1 920	2 020	2 130	2 190	2 320	2 360	2 400
Monthly subsistence level amounts to cover necessary costs of a household (CZK):								
Individual	860	970	1 020	1 300	1 580	1 780	1 940	2 020
Household of two members	1 130	1 270	1 330	1 700	2 060	2 320	2 530	2 630
Household of three to four members	1 400	1 570	1 650	2 110	2 560	2 880	3 140	3 260
Household of five or more members	1 580	1 770	1 860	2 370	2 870	3 230	3 520	3 660

Table 24-15. Capacity of social care establishments

Characteristics of some of the types of social care establishments:

Shelters – provide services for homeless people who are interested in acquiring their own housing. The basis of the service is to provide meal and temporary accommodation together with the suggestion and realisation of methods to obtain food and housing and improve living conditions. The user usually participates in the funding of the service.

Half-way houses – offer temporary residence services for persons up to 26 years of age who leave educational facilities of institutional or protection care after reaching their majority. In some cases they provide services also for persons from other institutional facilities of children and youth care. The services provided include the following: accommodation, mediation of contact with social environment, therapeutic activities and assistance in advocacy of rights and interests. The services are charged.

Table 24-18. Expenditures on social care services

Included are also expenditures by local governments. Expenditures on social care for citizens with reduced capacity to work and severely handicapped citizens are including expenditures on sheltered workshops for the former and assistance to them before they took up jobs. The institutional social care expenditures only include costs of operation and exclude investment expenditures.

The data listed in Tables 24-3 to 24-18 are taken over from the Ministry of Labour and Social Affairs of the CR.

The figures given in this chapter are comparable with figures published in the statistical yearbooks of previous years. The Table 24-10 on recipients of pension insurance benefits is new.

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Further data are published on the web pages of the Ministry of Labour and Social Affairs of the CR:

<http://www.mpsv.cz/en/>

and the Czech Social Security Administration:

http://www.cssz.cz/default_en.asp