

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 a family member, maternity benefit, and pregnancy and maternity compensation benefit. Sickness insurance of the self-employed is voluntary. Self-employed persons are entitled to two of the benefits – the sickness benefit and the maternity benefit. Job applicants are not sickness insured, but they are paid the maternity benefit from sickness insurance.

The **pension insurance scheme** provides security for old age, in the event of disability or death of the breadwinner. Provided within this scheme are old-age, disability (full and partial), widows', widowers', and orphans' pensions.

The tables relating to sickness and 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.

The **social care scheme** is used by the government to help citizens whose life requirements are not sufficiently covered by income from work, pension security benefits, health insurance benefits or other income, and citizens who need help due to a health condition or old age. The social care scheme includes in particular care for people with severe disabilities. The scheme provides benefits in cash or kind and cultural and recreational care (especially contributions to acquisition of special aids, making a dwelling barrier-free, purchase, complete overhaul and special adjustment to a car, running costs of a car, individual transport, payment for the use of a barrier-free dwelling and garage, contributions to blind people, interest-free loans to people with disabilities, etc.).

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 the Act on Sickness Insurance of Employees.

Excluded from 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.

A new breakdown is applied into employees and self-employed persons (sickness insured) which takes the place of breakdown by institutional sector (the information presented was not extensive).

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

Expenditures on sickness insurance benefits are observed for the following groups of persons:

- **employees of legal persons** – benefits paid to employees having contracts of employment with legal persons;
- **employees of natural persons** – benefits paid to employees of natural persons and to persons employed by citizens to provide services for personal needs (maids, baby sitters, etc.);

- **members of cooperatives** – benefits paid to members of agricultural and non-agricultural cooperatives;
- **self-employed persons** – benefits paid to self-employed persons (i.e. persons who perform artistic or other creative activities under the Copyright Act (dealing with the works of art, literature and science); persons in business under the Act on Private Enterprise of Citizens (Entrepreneurs) and other self-employed own-account workers; self-employed own-account farmers including other persons; and athletes who declare themselves professionals; where the Code of Labour does not apply);
- **job applicants** – benefits paid to job applicants and citizens with disabilities;
- **others** – benefits paid to persons who are voluntary participants in the sickness insurance system, e.g. persons under contract of employment with citizens to provide personal services.

Characteristics of individual sickness insurance benefits:

- **sickness benefit** – paid in the case of incapacity for work due to illness or injury or if quarantine is imposed;
- **financial support for care of a family member** – paid to employees taking care of a sick family member, and sometimes of a healthy child aged under 10 for the first 9 (or 16 in case of a lone parent) calendar days of care for a sick child;
- **maternity benefit** – maternity leave is paid for the period of 28 weeks, of which 6 weeks before the expected date of delivery;
- **pregnancy and maternity compensation benefit** – provided to female employees who had to be moved to another less paid job due to pregnancy (maternity or nursing).

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 the Pension Insurance Act.

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. Listed are also data on combined widows’ and widower’s pensions where the amounts of the two pensions are added up. The average monthly amount of the pension paid is the average amount of pensions per pensioner in the reference month.

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

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

The figures on state social support benefits paid include **income-tested benefits** such as child benefit, social benefit and housing benefit, and **non-income-tested benefits** such as parental benefit, foster care benefit, birth grant and funeral grant. The heating and rental benefits shown in the tables and constructed like income-tested benefits were paid between 1 July 1997 and 30 June 2000 and between 1 July 1997 and 31 December 2000, respectively. Transport benefit (paid up to 30 June 2004), school teaching aids allowance (payments effective from 1 June 2006 to 31 December 2007), providing-for benefit (paid up to 31 December 2004) and child care benefit for a child in a facility for children in need of immediate assistance (payments effective from 1 October 2005 to 31 May 2006) were paid in the past.

Characteristics of some of the benefits:

- **child benefit** – basic long-term benefit provided to families with dependent children, the amount depends on the age of the child and the income of the family;
- **social benefit** – aimed to help low-income families to cover the costs of their needs. Entitlement to the benefit is based on taking care of a dependent child and fixed family income limit. The social

benefit is raised in cases where the child has a long-term severe disability, a long-term disability or a long-term illness; situations where the parent is disabled or alone are taken into account;

- **housing benefit** – aimed to help low-income families and individuals to cover their housing costs;
- **parental benefit** – provided to a parent who throughout the calendar month personally and duly cares for a child who is the youngest in the family;
- **foster care benefits** – contribution to the costs of care of a child entrusted to foster care. They include foster child allowance, foster parent allowance, fostering grant and motor vehicle grant;
- **birth grant** – a one-off payment to parents for each child to cover extraordinary expenses related to childbirth (a non-income-tested benefit). Also persons who have taken a child up to the age of one year into permanent care replacing parental care are entitled to the birth grant;
- **funeral grant** – a one-off payment to a person who has arranged for the funeral of a dependent child, or to a person who was the parent of a dependent child provided the deceased had permanent residence in the Czech Republic on the date of death.

Living minimum amounts (pursuant to the Living Minimum Act, living minimum is the sum of amounts necessary to cover the basic personal needs of individual household members plus amount to cover the necessary household costs) up to 31 December 2006:

Indicator	Effective from							
	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 living minimum amounts necessary to cover alimentation and other basic personal needs of a citizen (CZK):								
Dependent 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 living minimum amounts to cover the 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

New legislation was brought in on 1 January 2007: the Social Services Act, the Act on Living and Subsistence Minimum, and the Act on Assistance in Material Need.

The living minimum is defined as minimum recognised income necessary to cover alimentation and other basic personal needs of a citizen. **The subsistence minimum** refers to minimum income considered necessary to cover alimentation and other basic personal needs of

a citizen allowing survival. The subsistence minimum is not applicable to dependent children, recipients of old-age pensions, fully disabled persons and persons aged over 65 years.

On 1 January 2007 a new Act introduced the one-component living minimum which does not include living minimum amounts of housing. Housing protection is implemented by payments of housing benefit under the state social support system and by supplement for housing under the system of assistance in material need.

Living minimum plays a decisive role in consideration of material need and as a social protection variable. It is used for decisions about entitlement to assistance benefits in material need and some other state social support benefits which are aimed to bridge defined unfavourable social situations of families with children; living minimum also provides the basis for calculations of social benefit.

The monthly **living minimum amounts** paid since 1 January 2007 are:

– for an individual	CZK 3 126
– for the first person in a household	CZK 2 880
– for the second and other person in a household who is not a child	CZK 2 600
– for a child aged	
– under 6	CZK 1 600
– 6 to 15	CZK 1 960
– 15 to 26	CZK 2 250

Living minimum is the sum of all living minimum amounts of household members.

The subsistence minimum amount for an adult was fixed at CZK 2 020 a month.

Table 24-13. Selected residential social service establishments

A new classification of social service establishments was introduced in connection with the Social Services Act, as amended. Characteristics of selected types of social service establishments:

- **homes for people with disabilities** – offer residential services to people with limited self-sufficiency due to disability that need regular assistance of another person;
- **homes for seniors** – offer residential services to people with limited self-sufficiency due to old age that need regular assistance of another person;
- **homes with special care** – offer residential services to people with limited self-sufficiency due to chronic mental illness or addiction and to people with senile dementia, Alzheimer's dementia or other type of dementia who need regular assistance of another person. The care in these establishments is tailored to the needs of individuals;
- **reception centres** – offer short-term residential services to people who are in a difficult social situation caused by the loss of housing;
- **halfway houses** – offer temporary residential services to persons up to 26 years of age who leave school facilities for execution of institutional and protective care after reaching their majority. In some cases they provide services also for persons from other institutional facilities for child and youth care.

Table 24-15. Community care services

Community care services are field or out-patient services provided in the community or in specialised establishments to people with limited self-sufficiency due to old age, chronic disease or disability and to families with children that need assistance of another person.

The table contains new indicators; data on community care services expenditure and payments from recipients of community care services are comparable between the years 2007 and 2008 only. The number of health workers was measured in 2008 for the first time; the numbers of

community care service workers including volunteers as structured in the previous Statistical Yearbooks are not measured from 2008 onwards.

Table 24-16. Social care: expenditures of territorial self-governing units

Expenditures of territorial self-governing units on social care are based on budget classification. The data are received from ARIS (Automated Budgetary Information System) of the Ministry of Finance of the CR.

Table 24-17. Material need benefits and social services benefits

The table contains data on numbers of benefits and amounts paid under the system of assistance in material need and in the framework of care allowance.

The system of assistance in material need was introduced by the Act on Assistance in Material Need as amended which regulates assistance in certain difficult life situations. The system is aimed at motivating people to be capable of satisfying the basic needs of life and at preventing them from social exclusion. The basic guideline is to give support to people who work or actively seek employment rather than to those who are not working or avoiding work. Decisions and payments of the benefits are made by authorised municipal offices.

The system of assistance in material need is split into the following benefits:

- **allowance for living** – aimed at persons or families on insufficient income. Entitled to this allowance is a person or family whose income is below the amount of living after justified housing costs are deducted. The amount of living is established on a case-by-case basis based on an evaluation of the person's income, efforts and opportunities;
- **supplement for housing** – tackles cases where the income of the person or family, including the entitlement to a housing benefit from the system of state social support, is insufficient to cover justified housing costs;
- **extraordinary immediate assistance** – provided to persons who find themselves in situations that have to be resolved immediately, namely serious threat to their health, serious extraordinary event (a natural disaster, ecological disaster, etc.), risk of social exclusion (release from custody or from prison), lack of resources to cover essential one-off expenditure, and lack of resources to acquire or repair basic furniture or durables or to cover justified costs relating to the education or special interests of dependent children.

The Social Services Act effective from 1 January 2007 introduced the **care allowance**. Entitled to this allowance is a person who due to a long-term health condition needs assistance of another person in the scope defined by the law. The recipient of the allowance may use it to pay either professional social service or the costs of care by family members. The amount of the allowance is derived from four degrees of person's dependence.

Table 24-18. Expenditures on social protection: by Core system of ESSPROS

The European System of integrated Social Protection Statistics (ESSPROS) was developed by the Statistical Office of the European Communities (Eurostat) in response to the need for a specific instrument of comparable statistical observation of social protection in the EU member states. According to the ESSPROS Manual, the concept of **social protection** is defined as all interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs, provided that there is neither a simultaneous reciprocal nor an individual arrangement involved. The list of risks or needs that may give rise to social protection (functions of social protection) is, by convention, as follows:

- **sickness/health care** – income maintenance and support in cash in connection with physical or mental illness, excluding disability. Health care ended to maintain, restore or improve the health of the people protected irrespective of the origin of the disorder;
- **disability** – income maintenance and support in cash or kind (except health care) in connection with the inability of physically or mentally disabled people to engage in economic and social activities;

- **old age** – income maintenance and support in cash or kind (except health care) in connection with old age;
- **survivors** – income maintenance and support in cash or kind in connection with the death of a family member;
- **family/children** – support in cash or kind (except health care) in connection with the costs of pregnancy, childbirth and adoption, bringing up children, and caring for other family members;
- **unemployment** – income maintenance and support in cash or kind in connection with unemployment;
- **housing** – help towards the cost of housing;
- **social exclusion not elsewhere classified** – benefits in cash or kind (except health care) specially intended to combat social exclusion where they are not covered by one of the other functions.

The Core system deals only with social protection given in the form of cash payments, reimbursements and directly provided goods and services to households and individuals.

The data in Tables 24-3 to 24-18 are provided by the Ministry of Labour and Social Affairs of the CR.

The data in the tables are fully comparable with those published in previous Statistical Yearbooks, except Tables 24-1 and 24-2. Average numbers of the sickness ensured and Table 24-13. Selected residential social service establishments.

The following tables are new:

24-15. Community care services

24-16. Social care: expenditures of territorial self-governing units

24-17. Material need benefits and social services benefits

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Further data can be found on the website of the Czech Statistical Office at:

– http://czso.cz/csu/redakce.nsf/i/socialni_zabezpeceni_lide

or on the websites of other institutions at:

– <http://www.mpsv.cz/en/> – Ministry of Labour and Social Affairs of the CR

– <http://www.cssz.cz/en/news/> – Czech Social Security Administration