

25. SOCIAL SECURITY

The social security scheme includes sickness insurance, pension insurance, state social support, assistance in material need, provision of social services (including care allowance) and other systems of benefits.

The **sickness insurance** system is intended for earning persons who are thereby secured for cases of so-called short-term events by sickness insurance benefits. Sickness insurance is compulsory for employees (including regular members of the armed forces and security forces), while self-employed persons are voluntary participants in the sickness insurance system. Since January 2009, sickness insurance has been fully regulated by the new Act on Sickness Insurance. The sickness insurance system of benefits comprises four benefits, namely sickness benefit, care benefit, maternity benefit, and pregnancy and maternity compensation benefit.

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

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 system of **state social support** secures targeted assistance to families with dependent children in given social situations whose solution is beyond own forces and resources of the family. This concerns various difficult life situations, e.g. insufficient income, care for newborn or small children, care for children with disabilities, incomplete family, etc.

The system of assistance in material need introduced in 2007 regulates the conditions of providing assistance to natural persons in order to secure their basic living conditions and helps with a solution of 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. Decisions and payments of the benefits are made by authorised municipal offices.

The Social Services Act effective from 1 January 2007 introduced the **care allowance**, which helps solve a long-term health condition.

Notes on tables

Tables 25-1 and 25-2. Average numbers of the sickness insured

The indicator shows the average number of persons who are sickness insured under the Act on Sickness Insurance.

Data in the table include so-called civil sector, i.e. excluding members of the Ministry of Defence of the CR and the Ministry of Justice of the CR (i.e. Police of the CR, Fire and Rescue Service of the CR, Czech Customs Administration, Prison Service of the CR, Security Information Service, Office for Foreign Relations and Information, and professional soldiers).

Tables 25-3 to 25-5. 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 (including members of cooperatives);
- **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.);
- **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);

– **foreign employees.**

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; employees having a medical certificate about their temporary incapacity for work are entitled to receive the sickness benefit starting from the 15th calendar day of duration of their temporary incapacity for work;
- **care benefit** – paid to employees taking care of a sick family member or of a healthy child aged under 11 (in cases when educational or children's facilities are closed due to an accident, epidemic, another unforeseen event, if quarantine is imposed, or if a care person fell ill);
- **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).

Table 25-6. Pensions and pension insurance benefits paid

Listed are pensions provided in accordance with the Pension Insurance Act.

Table 25-7. 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 25-11 and 25-12. State social support benefits paid

*The figures on state social support benefits paid include **income-tested benefits** such as child allowance, social allowance and housing allowance, and **non-income-tested benefits** such as parental allowance, foster care benefits, birth grant and funeral grant. Transportation benefit (paid up to 30 June 2004), child care allowance for a child in a facility for children in need of immediate assistance (payments effective from 1 October 2005 to 31 May 2006) and allowance for school aids (payments effective from 1 June 2006 to 31 December 2007) were paid in the past within the state social support system.*

Characteristics of some of the benefits:

- **child allowance** – 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 allowance** – 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 allowance** – aimed to help low-income families and individuals to cover their housing costs;
- **parental allowance** – 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 25-13. Selected residential social service establishments

A new classification of social service establishments was introduced in connection with the Social Services Act. 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 25-15. 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.

Table 25-16. 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 25-17. 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 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 25-18. 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 25-3 to 25-18 are provided by the Ministry of Labour and Social Affairs of the CR.

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/> – *Czech Social Security Administration*