

25. SOCIAL SECURITY

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

The **sickness insurance scheme** 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 members of the armed forces and security forces), while the participation of the self-employed in the sickness insurance system remains voluntary. Since January 2009, sickness insurance has been fully regulated by the amended act, on sickness insurance. The sickness insurance system of benefits consists of four benefits as follows: sickness benefit, care allowance, maternity allowance, and pregnancy and maternity compensation allowance.

The **pension insurance scheme** provides security for old age, disability, or death of the breadwinner. The new act on the sickness insurance, valid since 1 January 2010, has introduced important changes to the pension insurance. These are namely regulations to the retirement age, required time of insurance, or the concept of disability. Basic conditions of the title for benefits and allowances and parameters for their amount calculation have been changed this way.

Tables concerning the sickness and pension insurance do not include data on armed forces of 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 defined social situations whose solution is beyond own forces and resources of the family. This concerns various difficult conditions in life, e.g. insufficient income, care for a newborn or small child, care for a child with disabilities, incomplete family, etc.

The system of **help 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 their basic needs of life and at preventing them from social exclusion. Authorised municipal authorities are responsible for making decisions on and subsequent payments of the benefits.

Since 1 January 2007 the Act No. 108/2006 Sb., on social services, introduced the **invalid care allowance**, for which a person who for the reason of a long-term adverse health status is in need for assistance of another natural person, within the scope as defined by law, when caring for themselves and when providing for self-sufficiency.

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 the sickness insurance.

Data in the table include so-called civilian sector, i.e. exclude 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. Expenditure on sickness insurance benefits

Expenditure on sickness insurance benefits is observed for the following groups of persons:

- **employees of legal persons** – benefits paid to employees having employment contracts with legal persons (including members of producer cooperatives);

- **employees of natural persons** – benefits paid to employees of natural persons and to employees with employment contract at citizens to provide services for personal needs of the citizens (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 business of citizens and other self-employed own-account workers; self-employed own-account farmers utilising agricultural land and earning for their own account, including other persons; and sportspersons, who declare themselves professionals; if there are no labour-legal relations or similar according to appropriate legal regulations); and
- **foreign employees.**

Characteristics of respective sickness insurance benefits:

- **sickness benefit** is paid in the case of the 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** is paid to employees taking care of a sick family member or of a healthy child aged under 10 (in cases when educational or children's facilities are closed due to an accident, epidemic, other emergency, if quarantine has been imposed to a child, or if a person regularly taking care of a child has fallen ill);
- **maternity benefit** is maternity leave paid for the period of 28 weeks, of which for 6 weeks before the expected date of delivery; and
- **pregnancy and maternity compensation benefit** is provided to female employees who had to be moved to another, less paid job due to pregnancy (maternity or breastfeeding).

Tables 25-6 to 25-10. **Pension insurance scheme**

The new act on the pension insurance scheme valid since 1 January 2010 adjusted the concept of disability. The act has not been distinguishing two types of pensions, the full pension and partial pension, anymore. As a novelty persons with disability have been provided with one benefit of the pension insurance scheme – disability pension. The pension amount differs depending on which of the three levels of disability is present at the person insured. The previous classification has been changed as follows: full disability pension acknowledged before 1 January 2010 are taken as disability pensions for the disability of the third level, partial disability pensions acknowledge before 1 January 2010 have been in the classification split in between the disability pension of the first disability level and that of the second disability level depending on the percentage reduction of ability to have permanent activity for earnings.

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. Table, furthermore, gives data on combined widows’ and widower’s pensions where the old-age pension and the inherited pension are drawn simultaneously and their amounts are added. 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, where entitlement for is not limited by the family income level. The 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** is a basic long-term benefit provided to families with dependent children; its amount depends on the child age and the family income;
- **social allowance** is a benefit helping low-income families to cover the costs of their needs. Entitlement to the benefit is bound to caring of a dependent child and determined 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; conditions of a disabled or lone parent are taken into account as well;
- **housing allowance** is a benefit the state contributes to low-income families and individuals to cover their housing costs;
- **parental allowance** is 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** contribute to needs related to the care of a child entrusted to foster care, because his/her own parents are not able or willing to care themselves. They include foster child allowance, foster parent allowance, fostering grant, and motor vehicle grant;
- **birth grant** is provided to parents for every child as a contribution to cover extraordinary expenses related to the child birth (the family income is not tested). a person, who has taken over a child up to one year of age into permanent care substituting parental care, is entitled to draw the birth grant as well; and
- **funeral grant** is for 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 that the deceased had permanent residence on the territory of the Czech Republic on the date of death.

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

| 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 |
| Living minimum amounts necessary to cover alimentation and other basic personal needs of a citizen (CZK per month): | | | | | | | | |
| Dependent children aged: | | | | | | | | |
| up to 6 years | 1 320 | 1 410 | 1 480 | 1 560 | 1 600 | 1 690 | 1 720 | 1 750 |
| 6 to 10 years | 1 460 | 1 560 | 1 640 | 1 730 | 1 780 | 1 890 | 1 920 | 1 950 |
| 10 to 15 years | 1 730 | 1 850 | 1 940 | 2 050 | 2 110 | 2 230 | 2 270 | 2 310 |
| 15 to 26 years | 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 |
| Living minimum amounts to cover the necessary costs of a household (CZK per month): | | | | | | | | |
| 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 |

Since 1 January 2007 new acts have been adopted as follows: the Act on social services, Act on living and subsistence minimum, and the Act on assistance in material need.

The **living minimum** is a socially recognised minimum income necessary to cover alimentation and other basic personal needs of a citizen. The **subsistence minimum** is a minimum income considered necessary to cover alimentation and other basic personal needs of a citizen allowing survival of the individual. 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 the living minimum amount for housing. Housing protection is implemented by payments of the housing benefit within the state social support system and by the supplementary payment for housing within the system of assistance in material need.

The living minimum plays a decisive role in the assessment 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 ensure targeted help to families with children in defined unfavourable social situations and in the case of the social benefit the living minimum also serves as the basis for the calculations thereof.

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 years | CZK 1 600 |
| – 6 to 15 years | CZK 1 960 |
| – 15 to 26 years | CZK 2 250 |

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

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

Table 25-13. Selected residential social service establishments

A new classification of social service establishments was introduced in connection with the Act on social services.

Characteristics of selected types of social service establishments are as follows:

- **homes for people with disabilities** offer residential services to people with limited self-sufficiency due to disability that need regular assistance of another person;
- **retirement homes** offer residential services to people with limited self-sufficiency due to old age that need regular assistance of another person;
- **special care homes** offer residential services to people with limited self-sufficiency due to chronic mental illness or drug 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 specific needs of such individuals;
- **reception centres** offer short-term residential services to people who are in a difficult social condition accompanied with lost housing; and
- **halfway houses** offer temporary residential services to persons up to 26 years of age who leave educational facilities for the execution of institutional and protective care after reaching their majority. In some cases they provide services also to persons from other institutional facilities for the child and youth care.

Table 25-15. Community care services

Community care services are field services or out-patient services provided 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 in their natural environment or in specialised establishments.

Table 25-16. Social care expenditure of territorial self-governing units

Expenditure of territorial self-governing units on social care are based on the budget classification. The data are taken from the Automated Budgetary Information System (ARIS) 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 within the system of assistance in material need and in the framework of the care allowance.

The system of assistance in material need distinguishes benefits as follows:

- **living allowance** helps persons or families on insufficient income. a person or family whose income is below the amount of living after justified housing costs are deducted are entitled to this allowance. The amount of living is established on a case-by-case basis based on the evaluation of the person efforts and opportunities;
- **supplementary housing allowance** deals with insufficient income to cover housing costs where the income of the person or family, including the housing allowance from the system of state social support, is insufficient to cover; and
- **extraordinary immediate assistance** provided to low-income persons who find themselves in conditions that have to be resolved immediately: namely health harm hazard, effects of serious emergency (natural disaster, ecological disaster, etc.), risk of social exclusion (release from custody or from prison), lack of resources to cover a one-time expense or to purchase or repair things of long-term consumption, or potentially to cover justified costs incurred in relation to the education or special interests of dependent children.

The Act on social services has introduced the **care allowance**. a person, who due to a long-term health condition needs assistance of another person when taking care of oneself and providing for self-sufficiency, in the scope as defined by law, is entitled to this allowance. The allowance recipient may use it to pay either a professional social service or the costs of care provided by the family members at his/her free will. The allowance amount is derived from four degrees of person's dependence.

Table 25-18. **Expenditure on social protection according to the ESSPROS core system**

The European System of integrated Social PROtection Statistics (ESSPROS) was developed by the Statistical Office of the European Communities (Eurostat) in accordance with an EU regulation as a specific instrument of comparable statistical observation of social protection in the EU Member States. In the ESSPROS core system 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 and needs that are considered to be functions of social protection is established as follows:

- **sickness/health care** – income maintenance and support in cash or kind in connection with physical or mental illness, excluding disability. Health care ended to maintain, restore or improve 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 carry out 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 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; and
- **social exclusion not elsewhere classified** – benefits in cash or kind (except health care) specifically intended to combat social exclusion where they are not covered by one of the other functions.

The core system deals only with social protection provided in the form of cash payments, reimbursements, and directly delivered 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.

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

– http://www.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