

25. SOCIAL SECURITY

The social security scheme includes the system of 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 social events by sickness insurance benefits. Sickness insurance is compulsory for employees (including members of the armed forces and security forces), on the contrary to the participation of the self-employed in the sickness insurance system which remains voluntary. Since 2009 sickness insurance has been fully regulated by the Act No. 187/2006 Sb. on sickness insurance as amended (hereinafter as the 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 compulsory basic pension insurance scheme provides old-age pensions, disability pensions, widow pensions, widower pensions, and orphan pensions. The scheme has continuous funding and secures all economically active persons. The legal regulation is unified for all pension insured persons according to the Act No. 155/1995 Sb. on pension insurance as amended (hereinafter as the Act on Pension Insurance).

The system of **state social support** is regulated by the Act No. 117/1995 Sb. on the state social support as amended (hereinafter as the Act on State Social Support). The system 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 also provides contributions to housing costs to low-income families and individuals.

The system of **help in material need** is regulated by the Act No. 111/2006 Sb. on help in material need as amended. It regulates the conditions of providing assistance to natural persons in order to secure their basic living conditions. The system main sense is to motivate people to make active efforts acquiring resources satisfying their basic needs of life and at preventing them from social exclusion. It is established that every person is entitled to get basic information, which not merely help to solve his/her current conditions yet also prevent the material need conditions occur. Authorised municipal authorities were responsible for making decisions on and subsequent payments of the benefits till the end of 2011. Since 2012 the Labour Office of the CR has been providing this agenda (simultaneously with allowances to the disabled persons and with the invalid care allowance).

Benefits for the handicapped are regulated by the Act No. 329/2011 Sb. on providing benefits to the handicapped and on amendment to related acts as amended. These benefits are mobility allowance and special aid allowance, introduced since 2012, which replaced to that time valid system of payments of benefits to the severely handicapped regulated by the Decree of the Ministry of Labour and Social Affairs of the Czech Republic No. 182/1991 Sb. implementing the Social Security Act and the Act of the Czech National Council on authorities of the Czech Republic in social security.

Since 2007 the Act No. 108/2006 Sb. on social services as amended (hereinafter as the Act on Social Services) introduced the **invalid care allowance**.

Notes on Tables

Table 25-1. Social income of population

Respective benefits, allowances, and grants are in detail breakdowns in following tables of this chapter and described further below in the methodological notes.

Pension insurance benefits include advance payments for pensions to be paid at the beginning of the calendar year. They, conversely, do not include advance payments for pensions paid from the previous calendar year.

Table 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 solely the civilian sector, i.e. exclude members of armed forces of the Ministry of Defence, Ministry of the Interior, and the Ministry of Justice (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.);
 - **own-account workers** – benefits paid to persons working to their own account (i.e. persons who perform artistic or other creative activities under the Act No. 121/2000 on copyright and rights related to copyright and on amendment to certain acts (the Copyright Act), as amended; persons in business under the Act No. 105/1990 on private business of citizens as amended, 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; since 2011 till the end of 2013 employees having a medical certificate about their temporary incapacity for work from their physician were entitled to receive the sickness benefit starting from the 22nd calendar day of duration of their temporary incapacity for work;
 - **carer's allowance** is paid to employees taking care of a sick child under 10 years of age, 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);
 - **statutory maternity pay** since 2011 has been paid starting on the day, which the insured persons has to determine in the period from the beginning of eighth to the beginning of sixth week prior the anticipated birthday. The period of support is 28 weeks (for the insured who gave birth to two and more children at the same time the period of support is 37 weeks); 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

Tables give pensions provided according to the Act on pension insurance. The tables do not include data on armed forces of the Ministry of Defence, the Ministry of the Interior, and the Ministry of Justice.

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', widowers', and orphan's pensions. Table, furthermore, gives data on combined widows' and widower's pensions where the old-age or disability 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. Expenditure on state social support benefits and foster care benefits

The figures on state social support benefits paid include **income-tested benefits** such as child allowance, social allowance (this allowance has been cancelled since 2012), housing allowance, and birth grant, (which was among the non-income-tested till the end of 2010), provided depending on the family income; and **non-income-tested benefits** such as parental allowance and funeral grant, where entitlement for is not limited by the family income level. Table also includes data on paid foster care benefits, which have been separately regulated by the Act No. 359/1999 Sb. on social and legal protection of children as amended since the beginning of 2013. Till the end of 2012 foster care benefits were regulated by the Act on State Social Support.

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;
- **social allowance** which conditions of entitlement to this allowance for 2011 were significantly changed and the allowance was paid solely to families with a disabled member; this allowance has been cancelled since 2012;
- **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, round-the-clock, and duly cares for a child who is the youngest in the family;

- **birth grant** is provided as a one-time contribution to cover expenses related to the child birth. Since 2011 it has been provided merely to the first child of a low-income family. 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;
- **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, motor vehicle grant, and since 2013 the newly introduced allowance at termination of foster care.

Table 25-12. 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 namely due to old age and their conditions 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;
- **sheltered housing** provides accommodation services to persons with limited abilities to live independently due to either health handicap or chronic disease, including mental illness, whose conditions require assistance of other persons; the sheltered housing can be in the form of collective or individual housing;
- **reception centres** offer short-term residential services to people who are in a difficult social condition accompanied with lost housing;
- **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 25-13. 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 25-14. 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 Integrated Information System State Treasury of the Ministry of Finance.

Table 25-15. Material need benefits, benefits for the handicapped, and care benefit

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.

Benefits for the handicapped, which means mobility allowance and special aid allowance, introduced since 2012, replaced to that time valid system of payments of benefits to the severely handicapped (as, for instance, motor vehicle operation allowance, grant for purchase, capital repair, and special modification of a motor vehicle, individual transport allowance, housing adaptation grant, etc.).

The Act on Social Services, effective since 2007, has introduced the **care benefit**. 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 person 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 determined taking into account the level of person's dependence and his/her age (younger or older than 18 years of age).

Table 25-16. Expenditure on social protection according to the ESSPROS core system

The European System of integrated Social PROtection Statistics (ESSPROS) was developed by Eurostat in accordance with the Regulation (EC) No. 458/2007 of the European Parliament and of the Council of 25 April 2007 on the European system of integrated social protection statistics (ESSPROS) 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 25-1 and 25-3 to 25-16 are provided by the Ministry of Labour and Social Affairs.

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

- www.czso.cz/csu/czso/social-security
or on the websites of other institutions at:
- www.mpsv.cz/en/ – Ministry of Labour and Social Affairs
- www.cssz.cz/en/about-cssa/ – Czech Social Security Administration