

MINISTRY OF LABOUR AND SOCIAL AFFAIRS

**BASIC INDICATORS OF LABOUR
AND SOCIAL PROTECTION
IN THE CZECH REPUBLIC**

TIME SERIES AND GRAPHS

2015



Prague 2016

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LIST OF ABBREVIATIONS AND EXPLANATION OF SYMBOLS USED IN TABLES

CR	Czech Republic
CSSA	Czech Social Security Administration
CZ-NACE	Classification of Economic Activities
CZK	Czech Crowns
CZSO	Czech Statistical Office
EC	European Commission
ESF	European Social Fund
ESSPROS	European System of integrated Social Protection Statistics
EU	European Union
GDP	Gross Domestic Product
LAU	Local Administrative Units
MoLSA	Ministry of Labour and Social Affairs
MS	Member States of European Union
NUTS	Nomenclature of Territorial Units for Statistics
PAYGO	Pay-as-you-go – ongoing funding of the pension system
-	no cases registered
.	data unavailable
x	not applicable
0	figure less than half of the unit used



1. Introduction

The Czech Republic, as an independent state, was established on January 1, 1993 by a split of the former Czech and Slovak Federal Republic. With an area of 78 866 sq. km, population of 10,6 mil. and population density of 134 inhabitants per sq. km, it could be classed as a small Central European state.

Concerning territorial performance of state administration the district offices were abolished at the end of 2002, their powers were delegated municipalities with extended powers and regional offices. The local government is performed on the level of individual municipalities (ca 6,3 thous. municipalities) and from January 1, 2000 also on the level of 14 regions (it corresponds with the classification NUTS 3) that represent higher self-government units. They were gradually involved in some functions formerly provided at the level of district offices or ministries.

The economic and social transformation proceeding after 1989 had an impact on certain demographic characteristics of the population. The most significant aspects are postponement of starting a family and birth of children. Number of born children had dropped constantly. Since 1993 the natural population increment has turned into a decrement. However, in 2006 - 2012 number of live-born children has exceeded number of the deaths. In 2015 there were 110,8 thous. of live births and 111,2 thous. of the deaths. As of December 31, 2015 number of inhabitants of Czech Republic made up ca 10 554 thous.

Growth of GDP in current prices reached in Czech Republic in 2015 the level of 5,6% (by 4,3% in real prices). The economic growth was positively affected by domestic demand (consumption of households growth accelerated to 2,9% and annually reached twofold roughly, the development of manufacturing and private and public services, specifically the dynamics of investment growth, the decline of oil prices on world markets, acceleration of the drawing of available resources from EU funds in connection with the end of the 2007 – 2013 programming period and the payments of the public sector for the repair and maintenance of transport infrastructure. Within the EU the Czech Republic belonged to the fastest growing countries in 2015. The inflation (measured by consumer price index) was only 0,3% and was the lowest since 2003.

The positive economic development in 2015 improved the situation on the labour market – the year-on-year growth of employment by 1,4% to 5 042 mil. employed persons due to group of branches that include trade, transport, accommodation, food and beverage service activities. The number of vacancies was growing, whereas at the end of 2014 this number represented ca 59 thous., at the end of 2015 there was more than 100 thous. vacancies. The employment rate made up 70,8% and reached the highest level from 1993. However, the labour market was characterized by structural and territorial imbalance between demand for the labour force and insufficient supply especially of skilled workers. This situation influenced the gradual growth of average wages (in 2015 nominally by 2,7% to 26 467 CZK). In 2015 the average general unemployment rate decreased to 5,1%, and it was the second lowest value (4,5% in Germany) in comparison with other EU members (the average for the EU amounted 9,4%). The rate of unemployed persons (the number of unemployed persons aged 15 – 64 years to the population of the same age) was 6,2% at the end of 2015, that was less by 1,3 percentage points than at the end of 2014. The average number of unemployed persons declined by 82,5 thous to 478,9 thous., at the end of December, 2015 it was 453,1 thous., annually less by 88,8 thous. (by 16,4%).

Table No. 1.1

Basic Demographic and Socio-economic Indicators

Indicator	Unit	Year										
		2007	2008	2009	2010	2011	2012	2013	2014	2015		
Population as of December 31		10 381	10 468	10 507	10 533	10 504	10 516	10 512	10 538	10 554		
0-14		1 477	1 480	1 494	1 518	1 541	1 560	1 577	1 601	1 624		
aged		7 391	7 432	7 414	7 379	7 263	7 188	7 109	7 057	6 998		
15-64		1 513	1 556	1 599	1 636	1 701	1 768	1 826	1 880	1 932		
65+		114 632	119 570	118 348	117 153	108 673	108 576	106 751	109 860	110 764		
Live births		104 636	104 948	107 421	106 844	106 848	108 189	109 160	105 665	111 173		
Deaths		73,7	74,0	74,2	74,4	74,7	75,0	75,2	75,8	75,8		
Expectancy of life at birth: men		79,9	80,1	80,1	80,6	80,7	80,9	81,1	81,7	81,5		
women		9 996	14 622	10 927	10 309	1 825	387	-2 409	4 195	-409		
Natural increase of population		83 945	71 790	28 344	15 648	16 889	10 293	-1 297	21 661	15 977		
Migration balance		93 941	86 412	39 271	25 957	18 714	10 680	-3 706	25 856	15 568		
Total growth of population		3 831 819	4 015 346	3 921 827	3 953 651	4 033 755	4 059 912	4 098 128	4 313 789	4 554 615		
GDP in current prices	CZK mil.	9,3	4,8	-2,3	0,8	1,7	0,6	1,0	4,4	5,0		
Growth of GDP (current prices)		2,8	6,3	1,0	1,5	1,9	3,3	1,4	0,4	0,3		
Average inflation rate	%	5,0	4,1	6,1	7,0	6,7	6,8	7,7	7,7	6,5		
Average share of unemployed persons		5 198	5 232	5 287	5 269	5 223	5 257	5 306	5 298	5 313		
Economically active persons	thous. persons											

Source: CSZO, MoLSA

2. Pension Insurance

Pension system of the CR is based on basic mandatory pension insurance according to the Act No. 155/1955 Coll., on pension insurance, (first pillar) and on supplementary pension savings according to the Act No. 427/2011 Coll., on supplementary pension savings, which has substituted supplementary pension insurance with state contribution according to the Act No. 42/1994 Coll. (third pillar), and from 2013 on voluntary pension savings according to the Act No. 426/2011 Coll., on pension saving (second pillar).

The system of basic pension insurance is based on mandatory involvement and on a running basis (pay-as-you-go = PAYGO). The scheme is universal and secures all economically active persons; its funding is based on solidarity amongst generations. The regulation is unified for all insured persons except some administrative and organizational variations in cases when bodies of social security of departments of defense, interior and justice are responsible for decision-making.

The following pension benefits are provided under pension insurance: old-age pension, disability pension, widow's pension, widower's pension and orphan's pension. A pension is composed of two elements: a basic amount (stipulated by universal fix amount identical for all pensioners) and the percentage-base assessment based on the insured period and earnings achieved. Czech Social Security Administration and relevant authorities of social welfare of Ministry of Defence, Ministry of Interior and Ministry of Justice take decision on claim, amount and payment of pension.

After passage of Pension Insurance Act in 1995, number of legislative changes has been adopted. For example adjustments effective since 2004, when increase in the retirement age after 2007 has been approved. Furthermore, early retirement was limited by cancellation of temporarily reduced pension (except for disability pensioners), crediting of studies for the purposes of pension insurance has been reduced as well as cancelling the condition enabling entitlement to the payment of old-age pensions concurrently with income from gainful activities. Rate of premium for pension insurance was increased by two percentage points (from 26% to 28% of the assessment base) and at the same time the rate of contribution to the state employment policy decreased by two percentage points (from 3,6% to 1,6% of the assessment base). Gradual increase in the minimum assessment base for setting premiums for the self-employed in 2004-2006 has been also adopted.

In 2006 there were changes in the partial disability pensions and widow's pensions paid in concurrence with another pension. Payment of partial disability pensions, which had not been paid or reduced due to income from gainful activities, has been paid in full amount since February 2006. Amount of widow's pension for widows who became entitled to this pension before January 1, 1996 (and their widow's pension was limited due to exceeding of stipulated amount) has been adjusted since July 2006. With regard to adoption of the Act No. 108/2006 Coll., On Social Services, which introduced a new benefit – care allowance, increase of pension for helplessness has been abolished since 2007.

The legal regulation adopted in 2008 (the Act No. 306/2008 Coll.), which has become effective in principle since January 1, 2010, implemented the first phase of pension reform with intention to improve financial sustainability and long-term stability of basic pension insurance. The most significant changes include:

- gradual extension of the insurance period required for entitlement to old-age pension from 25 years to 35 years including non-contributory periods of insurance or to 30 years without non-contributory periods of insurance,
- gradual limitation on crediting of non-contributory insurance periods also for entitlement to the old-age pension to 80% except period of personal care for a child under age of 4 years or for a person dependent on care of other person or due to former basic military service,
- uninterrupted continuation in gradual increases in the retirement age to 65 years for men and women who have not brought up any child or one child and to 62 - 64 years for women (by the number of the brought up children), if they have brought up at least two children,
- gradual extension of the period for the early retirement from three to five years,

- cancellation of condition for entitlement to old-age pension in addition to income from gainful employment, which consisted in negotiation the employment relationship for a maximum period of one year,
- increase of percentage amount of old-age pension for the period of employment after becoming entitled to old-age pension from the concurrent receipt of this pension,
- the change of a full disability pension to old-age pension in the same amount at the age of 65 years,
- unification of the existing fixed age limit for the “permanent” entitlement of women to men and to a widower’s pension at the age of 4 years below the retirement age for men the same birth date,
- new definition of disability (introduction of three-degree) with “permanent” protection of existing amounts of partial disability pensions in case of change from II. degree of disability to I. degree,
- unification of the age limit, to which the so-called imputed amount of time for the percentage amount of disability pension for men and women (for men and women of retirement age set for women of the same birth date, which did not bring up any child),
- cancellation of the duration of studies acquired in the period after the Act was enacted as non-contributory period, except for assessment of entitlement to disability pensions,
- increase of reduction of the percentage-based assessment in case of early retirement from 0,9% to 1,5% of calculation base (from the 721st calendar days for every – as well as initiated - 90 calendar days).

Change of the Pension Insurance Act adopted in 2011 (the Act No. 220/2011 Coll.) reacted to the relevant judgment of the Constitutional Court, that legislation of determining the calculation base (from which the percentage-based assessment of pensions is calculated, along with the determination of the reduction limits) does not ensure (with other parameters of pension system construction) constitutionally guaranteed right to adequate material security and induce unacceptable inequalities between different groups of persons insured. Judgment of the Constitutional Court made possible to adjust reduction limits and to adopt another measures for increasing the principle of equivalence (merit) in basic pension system generally. The amendment of the Pension Insurance Act therefore includes other measures that improve financial sustainability of the basic pension insurance.

Among the most significant changes belongs:

- determination of the basic amount of pension, basic amount of pensions is always set as 9% of the average wage,
- determination of the amount of reduction limits and credit of amounts of the personal assessment base for determination of the calculation base. The Act clearly regulates rules for determination of reduction limits - in relation to the average wage - depending on the amount of reduction limits of the percentage for determining the amounts to be credited to level of calculation base from the personal assessment base. This change will be implemented gradually over a five-year transition period,
- continuation of gradual extension of reference period for determination of the personal assessment base from the current target state of 30 years to lifelong period with the fact that incomes before 1986 are not taken into account. In many cases the reference period shall include period of the systematic preparation for future careers in form of study, when insured persons usually do not reach any income. When calculating the pension the period of study is considered as excluded period and division of real income earned in reference period will not come to pass,
- continuation of increasing of the retirement age and acceleration of unification of the retirement age for men and women, the full unification of the retirement age will come up in 2041. For persons born in 1975 there will be single retirement age of 66 years and 8 months (this retirement age will be increased by 2 months for every year of birth after 1975),
- slower gradation of percentage rate for reducing the amount of the percentage-based assessment of early retirement – in case of pensions granted after December 31, 2011, the percentage-based

- assessment will be reduced for every (as well as initiated) 90 calendar days in period from 361st to 720th days by 1,2% of calculation base (compared to current 0,9% of the assessment base),
- cancellation of a lump sum payment at termination of entitlement to widow's, respectively widower's pension due to enter to new marriage for entitlements after December 31, 2011,
 - reducing the period (from five to two years for entitlements after December 31, 2011) for repeated establishment of entitlement to widow's or widower's pension, if conditions stipulated by law are met again,
 - determination of way of paid pensions increase exclusively in accordance with the legal procedures and according to statistically identified growth of consumer price index and one-third of real wage growth.

The Act No. 267/2014 Coll. came into force (with effect from January 1, 2015) and it caused new conditions for entitlement to old-age pension by obtaining shorter than standard (general) insurance period. The pension entitlement is newly created also for policyholder, who reached after December 31, 2009 the age at least 5 years higher than the retirement age is set for men with the same birth date, and has at least 15 years of insurance period. The alternative insurance periods of insurance are not included in this case (e.g. the care for a child aged up to 4 years, time of care for person dependent on the care in determining degree of other person, the time of registration on the labor office is as a jobseeker).

Under Pension Insurance Act, paid out pensions are as of 2003 increased regularly in January of each year, whereas the minimum prescribed increase provided for under law reflects a 100% growth in prices and a 1/3 growth in real wages. Since 2008 (the Act No. 178/2008 Coll.) the Act has newly provided for the condition for raising the pensions in an extraordinary term already if prices increase by at least 5% (previously, this provision applied only if prices increased by at least 10%). At the same time, the Act stipulated that in 2008 pensions would be increased, apart from the regular term, from the pension benefit payment due in August 2008. It means pension benefits were increased two times in 2008. To raise pensions since January 2010 (in regular term) minimal increase stipulated according to law made up 0,9% - condition of 2% for compulsory valorization was not met – and the Government decided (with regard to its economic measures) not to raise pensions since January 2010. Pensions paid were increased since January 2011. By the Act No. 314/2012 Coll., temporary reduction of valorization for 2013 – 2015 was passed to decrease the growth of expenditure on pensions (increase will match one-third growth of prices and one-third growth of real wage). The Act No. 183/2014 Coll., has terminated the rule of reduced valorization. Since January 2015 (not January 2016) the pension have been increased according to 100% prices increase and by one-third growth of real wages. With regard to lower amounts of increase of pensions in 2013 and 2014, it was stipulated that growth of pensions paid in January 2015 have to reach the amount of at least 1,8% for average solo paid out old-age pension.

Voluntary pension schemes (second and third pillar) are regulated as individual savings systems in private pension companies based on capital funding. Participants of voluntary pension savings system pay contribution to private pension company, which is 5% of the assessment base for contribution on pension insurance. At the same time their contribution rate on basic pension insurance is reduced by 3% of the assessment base. Furthermore, the insurance period in basic pension system, that correspondent to period of participation in pension savings system with paid premiums, is assessed as 1,2% of assessment base (for each whole year) for calculation percentage amount. From January 1, 2016, the voluntary pension insurance was terminated by the Act No. 376/2015 Coll. From January 1, 2016, all the rules and procedures, that were connected with the participation of insured person in the pension insurance were removed from relevant regulations of the Pension Insurance Act. The entitlements of insured persons, who were insured in 2013 – 2015, are regulated in § 105c of the Pension Insurance Act.

Participants of supplementary pension savings (originally as supplementary pension insurance with state contribution) may receive state contribution depending on amount of participant contribution. Their entitlements from basic pension insurance system are not involved due to their participation. Amount of payments from this system have insignificant share in receipts of pensioners so far.

Table No. 2.1

Number of Paid out Pensions

in thous.

Year	Pension							total
	old age	disability for degree of disability			widow's	widower's	orphan's	
		III.*	II.**	I.				
1996	1 806	408	124	-	625	31	58	3 052
1997	1 813	398	138	-	629	51	59	3 088
1998	1 859	392	145	-	627	68	56	3 147
1999	1 891	385	150	-	623	75	59	3 184
2000	1 919	382	155	-	619	79	57	3 210
2001	1 936	380	162	-	615	82	55	3 230
2002	1 921	382	171	-	612	85	56	3 227
2003	1 933	385	178	-	607	86	57	3 246
2004	1 965	388	184	-	604	88	56	3 285
2005	1 985	389	189	-	600	89	54	3 308
2006	2 024	390	199	-	598	91	53	3 355
2007	2 061	389	208	-	596	93	51	3 397
2008	2 102	383	216	-	594	94	49	3 438
2009	2 147	375	221	-	590	95	48	3 478
2010	2 306	248	57	170	587	96	48	3 511
2011	2 391	232	61	162	583	97	47	3 573
2012	2 398	221	65	164	580	98	48	3 574
2013	2 402	212	68	165	575	99	47	3 569
2014	2 420	206	70	166	570	99	46	3 576
2015	2 445	199	71	165	564	99	44	3 588

As % of total

1996	59,2	13,4	4,1	-	20,5	1,0	1,9	100,0
1997	58,7	12,9	4,5	-	20,4	1,6	1,9	100,0
1998	59,1	12,4	4,6	-	19,9	2,2	1,8	100,0
1999	59,4	12,1	4,7	-	19,6	2,4	1,8	100,0
2000	59,8	11,9	4,8	-	19,3	2,5	1,8	100,0
2001	59,9	11,8	5,0	-	19,0	2,5	1,7	100,0
2002	59,5	11,9	5,3	-	19,0	2,6	1,7	100,0
2003	59,5	11,8	5,5	-	18,7	2,7	1,7	100,0
2004	59,8	11,8	5,6	-	18,4	2,7	1,7	100,0
2005	60,0	11,8	5,7	-	18,1	2,7	1,6	100,0
2006	60,3	11,6	5,9	-	17,8	2,7	1,6	100,0
2007	60,7	11,4	6,1	-	17,5	2,7	1,5	100,0
2008	61,1	11,1	6,3	-	17,3	2,7	1,4	100,0
2009	61,7	10,8	6,4	-	17,0	2,7	1,4	100,0
2010	65,7	7,1	1,6	4,8	16,7	2,7	1,4	100,0
2011	66,9	6,5	1,7	4,5	16,3	2,7	1,3	100,0
2012	67,1	6,2	1,8	4,6	16,2	2,8	1,3	100,0
2013	67,3	5,9	1,9	4,6	16,1	2,8	1,3	100,0
2014	67,7	5,7	2,0	4,6	15,9	2,8	1,3	100,0
2015	68,1	5,5	2,0	4,6	15,7	2,8	1,2	100,0

Source: CSSA

Notes:

Number of pensions paid in December, incl. pensions paid abroad.

Widow's and widower's pension combined with direct pension.

* Full disability pensions (as to the 2009).

** Partial disability pensions (as to the 2009).

Table No. 2.2

Number of Pensioners

Year	Old-age				Proportional old-age	Disability for degree of disability			Widow's and widower's	Orphan's	Total	
	total	non-reduced		after disab. ²⁾		III. ³⁾	II. ⁴⁾					I.
		age limit ¹⁾	reduced				temporarily					
	total											
2007	2 011 281	1 677 398	10 620	323 263	17 584	383 913	202 773	-	54 195	49 415	2 719 161	
2008	2 049 530	1 690 727	4 388	354 415	16 475	377 723	211 022	-	51 507	47 754	2 754 011	
2009	2 092 894	1 697 687	3 473	391 734	15 474	370 154	215 970	-	49 281	46 798	2 790 391	
2010	2 245 707	1 709 059	108 253	425 168	14 325	244 048	54 793	167 308	46 711	46 021	2 819 093	
2011	2 326 984	1 716 138	109 057	498 803	13 163	227 640	58 034	159 359	42 131	45 693	2 873 004	
2012	2 329 054	1 695 236	521 090	2 796	12 166	215 840	62 612	160 057	40 471	45 856	2 866 056	
2013	2 329 050	1 675 415	110 279	540 711	11 271	206 484	65 616	161 314	38 863	45 258	2 857 856	
2014	2 344 718	1 668 540	110 252	563 424	10 426	199 377	67 264	161 657	36 205	43 563	2 863 210	
2015	2 367 307	1 671 674	109 624	583 666	9 576	192 408	68 363	160 884	33 545	41 870	2 873 953	
	men											
2007	710 131	576 665	5 397	128 069	1 487	193 744	110 009	-	7 635	21 140	1 045 146	
2008	733 276	589 616	14 574	141 574	1 553	189 678	113 199	-	7 506	21 253	1 066 465	
2009	760 365	600 696	1 736	157 933	1 613	184 918	114 416	-	7 438	20 680	1 089 430	
2010	832 291	610 707	1 585	173 951	1 629	129 066	29 314	88 383	7 296	20 167	1 108 146	
2011	873 426	615 390	1 425	210 140	1 615	120 308	31 201	83 605	6 881	22 044	1 139 080	
2012	879 610	611 058	46 652	220 595	1 613	114 453	33 734	82 238	6 889	22 190	1 140 727	
2013	885 394	607 986	46 547	229 652	1 609	109 532	35 090	81 688	6 760	21 877	1 141 950	
2014	896 559	609 320	46 178	239 939	1 122	105 622	35 593	80 542	6 471	21 089	1 147 479	
2015	910 491	614 694	1 011	249 083	1 611	102 070	35 856	79 052	6 165	20 286	1 155 531	
	women											
2007	1 301 150	1 100 733	5 233	195 194	16 097	190 169	92 764	-	46 560	27 275	1 674 015	
2008	1 316 254	1 101 111	2 302	212 841	14 922	188 045	97 823	-	44 001	26 501	1 687 546	
2009	1 332 529	1 096 991	1 737	233 801	13 861	185 236	101 374	-	41 843	26 118	1 700 961	
2010	1 413 416	1 098 352	62 205	251 217	12 696	114 982	25 659	78 925	39 415	25 854	1 710 947	
2011	1 453 558	1 100 748	62 586	288 663	11 548	107 332	26 833	75 754	35 250	23 649	1 733 924	
2012	1 449 444	1 084 178	63 280	300 495	10 553	101 387	28 878	77 819	33 582	23 666	1 725 329	
2013	1 443 656	1 067 429	63 732	311 059	9 662	96 952	30 526	79 626	32 103	23 381	1 715 906	
2014	1 448 159	1 059 220	64 074	323 485	8 823	93 755	31 671	81 115	29 734	22 474	1 715 731	
2015	1 456 816	1 056 980	1 332	334 583	7 965	90 338	32 507	81 832	27 380	21 584	1 718 422	

Source: CSSA

Notes:

¹⁾ Old-age pension granted after reaching the retirement age²⁾ Old-age pension granted after reaching 65 years of age³⁾ Full disability pensions (as to the 2009)⁴⁾ Partial disability pension (as to the 2009)

Do not include pensions paid out abroad.

Proportional old-age pension = old-age pensions granted pursuant to § 26 of the Act No. 100/1988 Coll. and pursuant to § 29 paragraph b) of the Act No. 155/1995 Coll. (a short period of insurance).

Temporarily reduced = up to 3 years prior to reaching the regular retirement age, according to § 31 of the Act No. 155/1995 Coll.

Non-reduced = up to 2 years prior to reaching the regular retirement age, according to § 30 of the Act No. 155/1995 Coll.

Non-reduced = old-age pension granted after reaching the retirement age.

For widow's, widower's and orphan's pensions - solo paid out pensions.

Proportional old-age pension = old-age pensions granted pursuant to § 26 of the Act No. 100/1988 Coll. and pursuant to § 29 paragraph b) of the Act No. 155/1995 Coll. (a short period of insurance).

Temporarily reduced = up to 3 years prior to reaching the regular retirement age, according to § 31 of the Act No. 155/1995 Coll.

Non-reduced = old-age pension granted after reaching the retirement age.

For widow's, widower's and orphan's pensions - solo paid out pensions.

Proportional old-age pension = old-age pensions granted pursuant to § 26 of the Act No. 100/1988 Coll. and pursuant to § 29 paragraph b) of the Act No. 155/1995 Coll. (a short period of insurance).

Temporarily reduced = up to 3 years prior to reaching the regular retirement age, according to § 31 of the Act No. 155/1995 Coll.

Non-reduced = old-age pension granted after reaching the retirement age.

Table No. 2.3

Average Monthly Amounts of Solo Paid out Pensions

Year	Old-age				Proportional old-age	Disability for degree of disability			Widow's and widower's	Orphan's	Total
	total	non-reduced		reduced		III. ³⁾	II. ⁴⁾	I.			
		age limit ¹⁾	after disab. ²⁾								
	total										
2007	8 761	9 040	-	7 699	3 994	8 496	5 161	-	5 705	4 278	8 176
2008	9 653	9 963	-	8 538	4 545	9 337	5 893	-	6 407	4 989	9 039
2009	10 062	10 412	-	8 903	4 511	9 681	6 076	-	6 567	5 145	9 413
2010	10 138	10 531	9 760	8 989	4 407	9 656	6 671	6 140	6 575	5 194	9 506
2011	10 567	11 008	10 158	9 460	4 473	10 004	6 748	6 094	6 814	5 428	9 913
2012	10 793	11 274	10 368	9 641	4 420	10 141	6 714	6 021	6 929	5 544	10 093
2013	10 985	11 498	10 535	9 806	4 405	10 245	6 675	5 989	7 046	5 657	10 249
2014	11 090	11 630	10 616	9 893	4 331	10 262	6 662	5 911	7 083	5 703	10 337
2015	11 363	11 933	10 849	10 124	4 336	10 424	6 749	5 932	7 226	5 835	10 588
	men										
2007	9 796	10 077	-	8 687	3 664	9 094	5 457	-	4 668	4 254	8 990
2008	10 728	11 036	-	9 565	4 239	9 943	6 193	-	5 412	4 960	9 888
2009	11 189	11 536	-	9 982	4 249	10 301	6 384	-	5 580	5 114	10 311
2010	11 254	11 657	10 758	10 073	4 178	10 142	6 978	6 432	5 660	5 153	10 408
2011	11 714	12 177	11 179	10 571	4 294	10 482	7 036	6 399	5 920	5 414	10 835
2012	11 962	12 472	11 396	10 762	4 285	10 597	6 997	6 336	6 076	5 534	11 034
2013	12 165	12 713	11 559	10 929	4 301	10 676	6 961	6 305	6 240	5 645	11 202
2014	12 274	12 853	11 640	11 014	4 284	10 664	6 945	6 222	6 314	5 693	11 298
2015	12 566	13 181	11 874	11 261	4 328	10 804	7 030	6 243	6 477	5 827	11 571
	women										
2007	7 952	8 217	-	6 985	4 080	7 750	4 800	-	5 875	4 298	7 484
2008	8 799	9 094	-	7 783	4 634	8 588	5 535	-	6 577	5 013	8 311
2009	9 149	9 482	-	8 096	4 597	8 925	5 718	-	6 743	5 169	8 636
2010	9 204	9 591	8 477	8 154	4 491	9 075	6 310	5 806	6 744	5 226	8 721
2011	9 599	10 031	8 867	8 559	4 545	9 435	6 405	5 752	6 989	5 440	9 102
2012	9 797	10 264	9 100	8 718	4 478	9 596	6 575	5 683	7 104	5 544	9 261
2013	9 970	10 463	9 304	8 868	4 453	9 730	6 338	5 659	7 216	5 668	9 402
2014	10 065	10 580	9 420	8 947	4 354	9 784	6 338	5 598	7 250	5 713	9 481
2015	10 316	10 859	9 676	9 153	4 341	9 972	6 434	5 626	7 395	5 842	9 711

Source: CSSA

Notes:

¹⁾ Old-age pension granted after reaching the retirement age²⁾ Old-age pension granted after reaching 65 years of age³⁾ Full disability pensions (as to the 2009)⁴⁾ Partial disability pension (as to the 2009)

Do not include pensions paid out abroad

For widow's, widower's and orphan's pensions - solo paid out pensions.

Proportional old-age pension - old-age pensions granted pursuant to § 26 of the Act No. 100/1988 Coll. and pursuant to § 29 paragraph b) of the Act No. 155/1995 Coll. (a short period of insurance).

Permanently reduced = up to 3 years prior to reaching the regular retirement age, according to § 31 of the Act No. 155/1995 Coll.

Temporarily reduced = up to 2 years prior to reaching the regular retirement age, according to § 30 of the Act No. 155/1995 Coll.

Non-reduced = old-age pension granted after reaching the reaching retirement age.

Table No. 2.4

Expenditures on Pensions by Type of Pensions (civil sector)

mil. CZK

Year	old-age	disability for degree of disability			Pension					total
		I.			widow's	widower's	orphan's	other***		
		III.*	II.**	I.						
1994	57 759	13 507	2 122	-	9 274	62	724	182	83 630	
1995	72 035	17 037	2 966	-	10 119	106	1 150	279	103 691	
1996	85 063	19 887	3 967	-	11 681	330	1 432	5	122 365	
1997	104 198	22 363	5 188	-	13 127	608	1 794	2	147 281	
1998	114 605	24 578	6 162	-	13 747	831	1 882	-	161 805	
1999	123 666	25 557	6 669	-	14 268	967	1 887	-	173 014	
2000	130 932	26 412	7 012	-	14 534	1 055	1 975	-	181 921	
2001	140 657	27 970	7 677	-	15 938	1 200	2 373	-	195 814	
2002	150 772	30 222	8 501	-	17 078	1 368	2 498	-	210 440	
2003	156 273	31 531	9 135	-	17 343	1 487	2 504	-	218 273	
2004	163 026	32 719	9 631	-	17 408	1 532	2 567	-	226 883	
2005	175 669	35 028	10 575	-	18 042	1 651	2 684	-	243 648	
2006	188 949	37 239	11 802	-	18 924	1 810	2 740	-	261 464	
2007	203 933	40 420	13 254	-	20 382	1 984	2 904	-	282 876	
2008	222 105	42 446	14 952	-	20 871	2 096	3 066	-	305 536	
2009	243 636	44 380	16 609	-	21 576	2 249	3 254	-	331 705	
2010	265 985	30 870	4 295	12 516	21 018	2 263	3 214	-	340 162	
2011	284 614	29 504	5 116	12 831	21 483	2 385	3 301	-	359 234	
2012	295 140	28 067	5 250	12 159	21 463	2 443	3 341	-	367 864	
2013	300 574	26 903	5 457	11 781	21 935	2 519	3 166	-	372 335	
2014	305 668	26 062	5 608	11 683	21 731	2 553	3 101	-	376 406	
2015	305 668	26 062	5 608	11 683	21 731	2 553	3 101	-	376 406	

Source: CSSA

Notes:

Net expenditures in given year do not include advances to post office for the payment of pensions.

Since 1999 increase to pension for the incapacitated is not included.

* As to the 2009 expenditures on full disability pensions.

** As to the 2009 expenditures on partial disability pensions.

*** Benefits granted according to legal regulations effective before the Act No. 155/1995 Coll.

Table No. 2.5

Expenditures on Pensions in Relation to GDP

Year	Expenditures on pensions* (in mld. CZK)	Gross domestic product in current prices (in mld. CZK)	Ratio (in %)
1993	76,5	1 195,8	6,4
1994	88,2	1 364,8	6,5
1995	109,8	1 580,1	6,9
1996	126,8	1 812,6	7,0
1997	150,2	1 953,3	7,7
1998	166,1	2 142,6	7,8
1999	177,9	2 237,3	8,0
2000	186,9	2 372,6	7,9
2001	201,1	2 562,7	7,8
2002	213,6	2 674,6	8,0
2003	225,8	2 801,2	8,1
2004	230,9	3 057,7	7,6
2005	247,4	3 258,0	7,6
2006	272,9	3 507,1	7,8
2007	289,9	3 831,8	7,6
2008	312,5	4 015,3	7,8
2009	339,8	3 921,8	8,7
2010	346,2	3 953,7	8,8
2011	368,1	4 033,8	9,1
2012	382,0	4 059,9	9,4
2013	382,8	4 098,1	9,3
2014	385,8	4 313,8	8,9
2015	395,2	4 554,6	8,7

Source: Ministry of Finance (state closing account), Czech Statistical Office (GDP data after the updating as of June 30, 2016)

* including expenditures on pensions in the armed forces

Table No. 2.6

Relation between the Average Old-age Pension and the Average Wage

Year	Average pension* (in CZK)	Average wage (in CZK)		Average pension / average wage (in %)	
		gross**	net***	gross	net
1988	1 496	3 095	2 451	48,3	61,0
1989	1 598	3 170	2 504	50,4	63,8
1990	1 731	3 286	2 586	52,7	66,9
1991	2 176	3 792	2 952	57,4	73,7
1992	2 413	4 644	3 563	52,0	67,7
1993	2 734	5 817	4 551	47,0	60,1
1994	3 059	6 896	5 351	44,4	57,2
1995	3 578	8 172	6 318	43,8	56,6
1996	4 213	9 676	7 520	43,5	56,0
1997	4 840	10 696	8 308	45,3	58,3
1998	5 367	11 693	9 090	45,9	59,0
1999	5 724	12 655	9 842	45,2	58,2
2000	5 962	13 490	10 447	44,2	57,1
2001	6 352	14 640	11 324	43,4	56,1
2002	6 830	15 711	12 082	43,5	56,5
2003	7 071	16 769	12 807	42,2	55,2
2004	7 256	17 882	13 601	40,6	53,3
2005	7 728	18 809	14 252	41,1	54,2
2006	8 173	20 050	15 506	40,8	52,7
2007	8 736	21 527	16 509	40,6	52,9
2008	9 347	23 280	17 714	40,2	52,8
2009	10 028	24 091	18 665	41,6	53,7
2010	10 093	24 526	18 962	41,2	53,2
2011	10 543	25 093	19 246	42,0	54,8
2012	10 770	25 903	19 903	41,6	54,1
2013	10 962	25 903	19 903	42,3	55,1
2014	11 065	26 357	20 216	42,0	54,7
2015	11 331	27 156	20 777	41,7	54,5

Source: MoLSA

Notes:

* Monthly average payment of paid out solo pension (without survivor's pension).

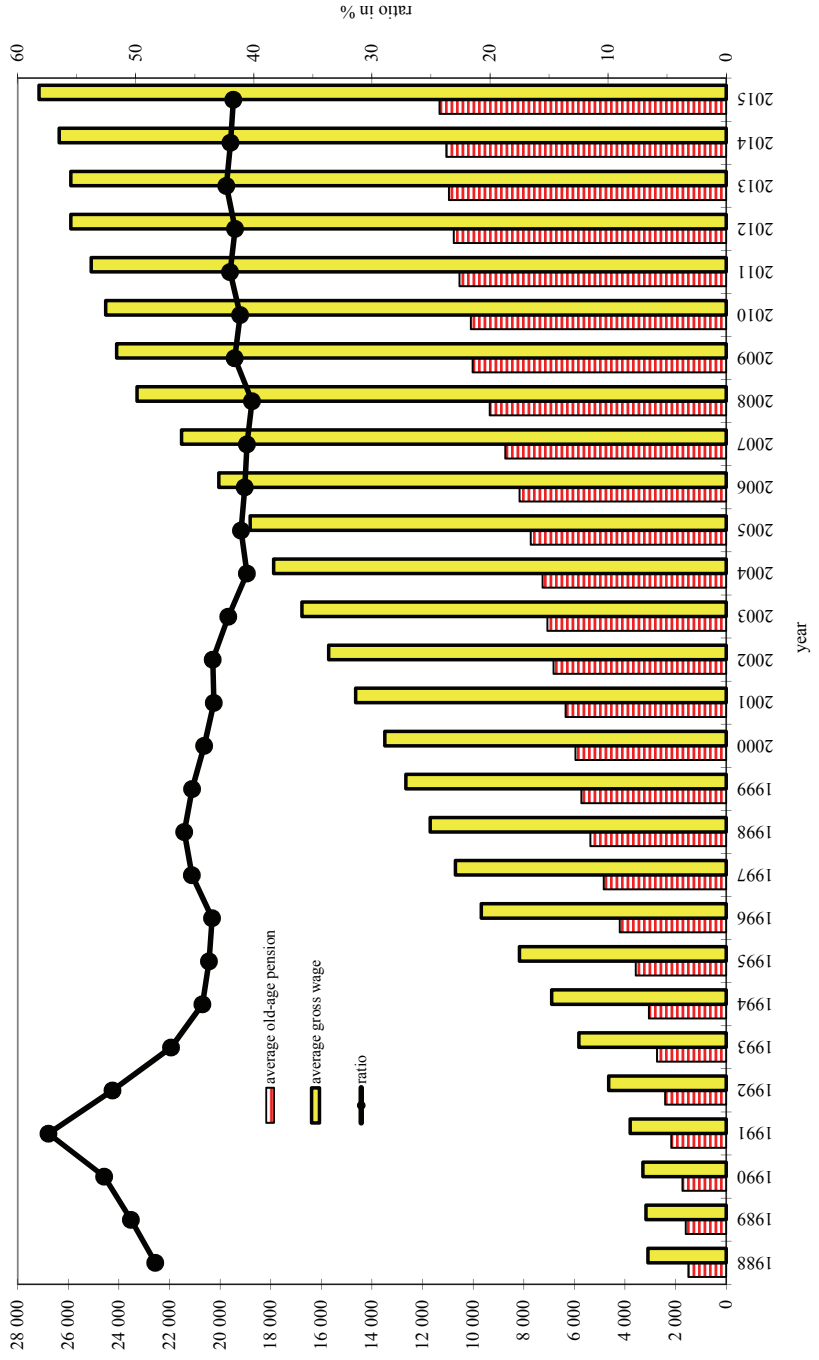
** Average gross wage = general assessment base (§ 17 subsection 2 of the Act No. 155/1995 Coll.) stipulated by government decree in the amount of the average monthly wage set by the Czech Statistical Office.

*** Average net wage = average gross wage decreased by the corresponding amount of income tax, health insurance and social security premiums.

Amounts of wages and pensions are increased by the state compensatory allowance (in period when it had belonged).

Graph No. 2.6.1.

Average Old-age Pension * in Relation to Average Wage **



* monthly average of annual payment of paid out solo pension ** average wage = general assessment base

Table No. 2.7

Overview of Increases to Paid out Pensions

Month of increase	Increase of the			Basic amount of a pension after increase
	assessment of		basic amount	
	old-system pensioners	new-system pensioners		
April 1996	8,0%	8,0%	240 CZK	920 CZK
October 1996	6,0%	6,0%	140 CZK	1 060 CZK
August 1997	8,0%	8,0%	200 CZK	1 260 CZK
July 1998	9,0%	5,0%	50 CZK	1 310 CZK
August 1999	7,5%	5,0%	-	1 310 CZK
December 2000	9,0%	5,0%	-	1 310 CZK
December 2001	11,0%	8,0%	-	1 310 CZK
January 2003	4,0%	3,8%	-	1 310 CZK
January 2004	2,5%	2,5%	-	1 310 CZK
January 2005	5,4%	5,4%	90 CZK	1 400 CZK
January 2006	6,0%	4,0%	70 CZK	1 470 CZK
January 2007	6,6%	5,6%	100 CZK	1 570 CZK
January 2008	3,0%	3,0%	130 CZK	1 700 CZK
August 2008	-	-	470 CZK	2 170 CZK
January 2009	4,4%	4,4%	-	2 170 CZK
January 2011	3,9%	3,9%	60 CZK	2 230 CZK
January 2012	1,6%	1,6%	40 CZK	2 270 CZK
January 2013	0,9%	0,9%	60 CZK	2 330 CZK
January 2014	0,4%	0,4%	10 CZK	2 340 CZK
January 2015	1,6%	1,6%	60 CZK	2 400 CZK

Source: MoLSA

Notes:

Old-system pensioners = pensions granted before January 1, 1996.

New-system pensioners = pensions granted after December 31, 1995.

3. Sickness Insurance

The sickness insurance system is intended for people in remunerative work, for whom it provides security through financial sickness insurance benefits in cases temporary inability to work due to an illness, injury or quarantine, caring for a family member, pregnancy and maternity or caring for a child.

Since January 1, 2009, sickness insurance has been regulated through the Act No. 187/2006 Coll., on Sickness Insurance, as amended. This Act represents unification of sickness insurance legislation for employees, self-employed people and groups of persons, whose participation in the sickness insurance had been regulated by specific legislation. Sickness insurance is administered by District Social Security Administration for all insured persons (except members of armed forces, persons in custody and sentenced persons).

Contrary of self-employed people, whose participation in sickness insurance remains voluntary, employees participate on compulsory basis. An employee is subject to sickness insurance if he/she fulfils conditions stipulated by the Sickness Insurance Act: the performance of work in the Czech Republic and the minimum arranged income (so-called decisive income, its boundary was set from 2012 as the amount of 2 500 CZK).

There are four types of sickness insurance benefits in the Czech Republic: sickness benefit, care benefit, maternity benefit and pregnancy and maternity compensation benefit. The amount of these benefits is calculated from the employee's income level in the decisive period (usually a period of 12 calendar months preceding the calendar month in which the social event occurred). The calculation of the amount of a benefit is consequently based on daily average of these incomes (so-called daily assessment base), which is subject for further limitation.

From 2014, sickness benefit again provide from the 15th calendar day of temporary incapacity for work or quarantine (supported period lasted for a maximum of 380 calendar days beginning from the origin of temporary incapacity for work or order of quarantine, unless otherwise specified). The salary compensation is provided by employers to their employees under sickness insurance up to a moment of entitlement to sickness benefit. The salary compensation is granted for working days - from the 4th working day of temporary incapacity for work or from the 1st working day in case of quarantine.

Table No. 3.1

Basic Sickness Insurance Indicators

	Unit	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Average number of persons insured under sickness insurance		4 442 703	4 497 033	4 597 021	4 572 443	4 253 139	4 310 960	4 211 549	4 471 889	4 440 326	4 464 057	4 507 012
2. Newly notified cases of incapacity for work		3 029 448	2 706 725	2 726 634	2 221 739	1 441 516	1 324 926	1 268 761	1 226 869	1 331 477	1 314 790	1 563 458
3. Number of calendar days of incapacity for work	thous.	99 346	95 428	94 274	86 757	64 956	59 208	55 924	56 493	58 587	60 235	66 817
4. Average period of 1 case of incapacity for work	days	32,8	35,3	34,6	39,1	45,1	44,7	44,1	46,1	44,0	45,8	42,7
5. Average percentage of incapacity for work	%	6,13	5,81	5,62	5,18	4,18	3,76	3,64	3,45	3,62	3,70	4,06
6. Incomes from sickness insurance (premium)*	mil. CZK	37 679	40 535	44 354	46 677	23 338	24 103	24 669	24 894	25 059	25 894	27 342
7. Expenditures on sickness insurance benefits including:	mil. CZK	31 660	32 773	34 671	31 882	26 033	22 789	21 506	19 377	20 143	22 076	24 110
sickness benefits	mil. CZK	26 258	26 963	27 881	24 769	18 215	14 944	13 354	11 465	12 035	13 881	15 428
family member care benefits / care benefits	mil. CZK	819	825	893	811	729	431	640	682	843	854	1 062
maternity benefits	mil. CZK	4 579	4 981	5 893	6 297	7 084	7 410	7 506	7 224	7 258	7 334	7 611
pregnancy and maternity compensatory benefits	mil. CZK	5	4	4	4	5	4	6	7	7	7	9
8. Differences between incomes and expenditures	(1.6-1.7)	6 019	7 762	9 683	14 795	-2 695	1 314	3 163	5 517	4 916	3 818	3 232
9. Incomes / Expenditures	(1.6/1.7)*100	119,0	123,7	127,9	146,4	89,6	105,8	114,7	128,5	124,4	117,3	113,4

Source: Czech Statistical Office, Czech Social Security Administration

* incomes including fines, penalties, surcharge to insurances and other obligations and claims

Graph No. 3.1.1

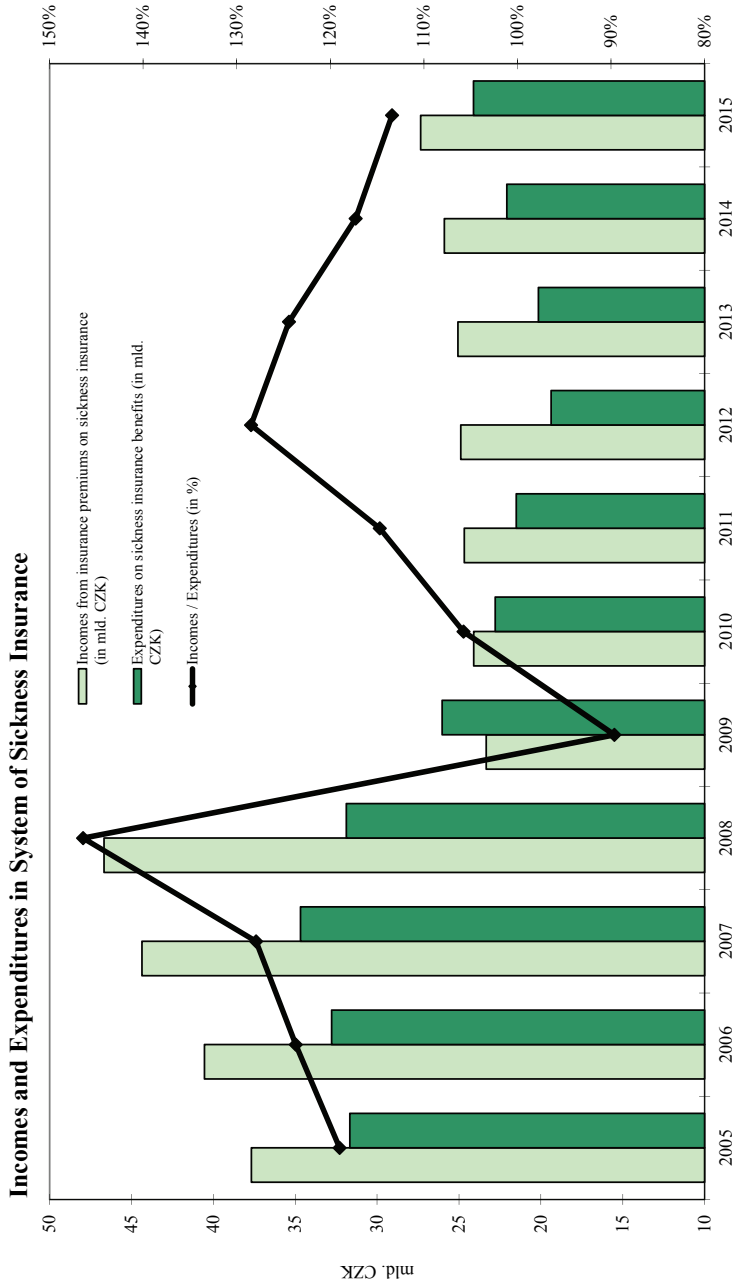


Table No. 3.2

Average Daily Sickness Benefit, Average Daily Wage and their Ratio

Year	Average wage* (in CZK)		Average daily sickness benefit*** (in CZK)	Ratio of average daily sickness benefit to average daily wage (in %)
	monthly	daily**		
1985	2 920	96	64	67
1989	3 170	104	69	66
1990	3 286	108	72	67
1991	3 792	125	77	62
1992	4 644	152	90	59
1993	5 817	191	106	55
1994	6 896	227	136	60
1995	8 172	269	146	54
1996	9 676	317	173	55
1997	10 696	352	150	42
1998	11 693	384	152	39
1999	12 655	416	158	38
2000	13 490	442	209	47
2001	14 640	481	226	47
2002	15 711	517	248	48
2003	16 769	551	262	48
2004	17 882	586	254	43
2005	18 809	618	260	42
2006	20 050	659	273	41
2007	21 527	708	285	40
2008	23 280	763	290	38
2009	24 091	792	361	46
2010	24 526	806	344	43
2011	25 093	825	353	43
2012	25 903	849	333	39
2013	25 903	852	335	39
2014	26 357	867	326	38
2015	27 156	893	336	38

Source: MoLSA

* Average wage = average assessment base stipulated by relevant government decree.

** Average daily wage = average gross wage / average number of days per month.

*** As to the 1996 the indicator calculated as expenditures on sickness benefit / number of calendar days of incapacity for work according to CZSO data (for 1985 - 1992 there was conversion of working to calendar days), since 1997 as expenditures on sickness benefit / number of reimbursed days according to CSSA data.

4. Benefits of State Social Support and Foster Care

The system of State Social Support (regulated by the Act No. 117/1995 Coll., on the State Social Support, as amended) guarantees direct assistance especially for families with dependent children in specific social situations when this family cannot resolve these situations with their own forces and financial means. These situations include for example insufficient income, care for a new-born or small child, incompleteness of family etc. The system also financially contributes to families and individuals with low incomes to cover costs on housing. Foster care benefits (regulated by the above mentioned act till 2012) have been contained in the Act No. 359/1999 Coll., on the Social and Legal Protection of Children, as amended. Foster care is provided to a child by registered person who can provide temporary foster care or by person taking care of a child (foster carer or guardian).

Persons – Czech citizens and foreigners - have a right to benefits if they and the family/household members assessed jointly with them are registered as permanently resident in the Czech Republic and have their residence here. For non-EU foreign nationals, the registration as permanently resident in the Czech Republic is considered to be the period once 365 days have passed since the date they registered to stay in the Czech Republic. The Act on State Social Support stipulates other persons eligible for state social support benefits, if they have their residence in the Czech Republic. In the range of persons covered, there are also EU nationals who are subject of directly applicable legislation of the EU.

When entitlement for a benefit is assessed, property of family is not tested. Only family income was subject of testing in case of following benefits in 2015: child allowance, housing allowance and birth grant. Parental allowance, foster care benefits and funeral grant were provided without regard to family income. Income decisive for entitlement to state social support benefits includes, in particular, income from employment-related activity, income from entrepreneurship or other self-employment activity, sickness and pension scheme benefits, unemployment benefit, including similar income from abroad. Benefits are not subject of taxation.

The basis for determination of family income level when the entitlement to an income-tested benefit is assessed (as well as the amount of a benefit) is the living minimum. The living minimum represents the socially accepted minimum level of cash income that guarantees nutrition and other basic personal needs.

Applications for state social support benefits are handled by Labour Office of Czech Republic - regional branches and the branch for capital Prague, respectively their contact points according to permanent residence of the person entitled to the benefit.

In connection with stabilisation of public budgets, there were significant amendments of construction of most State Social Support benefits. Other legal changes came into force starting 2011 with regard to need of economic measures in authority of MoLSA: the term for election of variation of draw-down was shortened by parental allowance, entitlement to allowance was restricted only to families with a handicapped member and birth grant was newly paid on first-born child if family income in the calendar quarter prior to the birth does not exceed 2.4 times the family's living minimum.

Another significant changes in system of State Social Support benefits came into force in 2012 under the Social reform: social allowance was cancelled and entitlement to parental allowance has been newly regulated (parents may flexibly elect period of its drawing and its amount according to social situation of family; parental allowance is provided until the total amount of 220 thous. CZK is drawn, maximally up to 4 years of child's age; choice of the amount of parental allowance can be changed once in 3 month). Since 2013 there have been changes of legislation of foster care benefits: increase of amounts of foster carer remuneration and contribution to cover the child's needs, introduction of benefit upon the termination of foster care and extension of entitlement to contribution for the purchase of motor vehicle.

Since 2015 there was the change in the entitlement to the birth grant. This grant is paid newly also at the second live-born child. At the same time, there was the level of income limit increased at 2,7 times of living minimum of family members.

Table No. 4.1

Expenditures on Benefits of State Social Support and Foster Care

in mil. CZK

	Year													
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
child allowance	13 353	12 519	11 790	11 195	11 033	10 236	6 232	4 736	3 862	3 498	3 332	3 329	3 207	3 057
social allowance	6 271	5 822	5 262	4 779	4 418	4 607	3 174	2 962	3 100	786	48	-2	-1	-1
housing allowance	3 028	2 835	2 548	2 459	2 287	1 565	1 619	2 280	3 521	4 641	5 732	7 403	8 844	9 161
transportation benefit*	1 298	1 267	856	-3	-1	-	-	-	-	-	-	-	-	-
parental allowance	8 022	7 964	10 425	12 627	13 526	28 690	28 294	28 586	27 722	25 709	24 950	24 336	22 913	22 480
birth grant	791	807	832	895	1 591	2 097	1 647	1 579	1 565	292	144	148	143	256
funeral grant	529	549	525	533	513	509	71	17	16	15	15	14	13	14
other**	14	8	3	2	89	57	2	-	-	-	-	-	-	-
total	33 306	31 771	32 241	32 487	33 456	47 761	41 039	40 160	39 786	34 941	34 220	35 228	35 118	34 966
contribution to cover child's needs	294	305	320	343	369	402	433	472	516	550	634	799	909	989
foster care remuneration	91	92	96	112	203	353	393	433	471	504	583	1 191	1 424	1 625
benefit upon the child's acceptance	6	7	8	9	10	10	14	15	14	14	15	20	22	20
contribution for the purchase of motor vehicle	3	2	3	3	4	5	4	3	4	4	4	29	12	12
benefit upon the termination of foster care	-	-	-	-	-	-	-	-	-	-	-	13	16	19
total***	395	407	427	467	585	771	844	922	1 005	1 073	1 236	2 052	2 383	2 665
Total expenditures on state social support and foster care	33 700	32 178	32 669	32 954	34 041	48 533	41 883	41 082	40 791	36 014	35 456	37 279	37 500	37 631

Source: Mol.SA

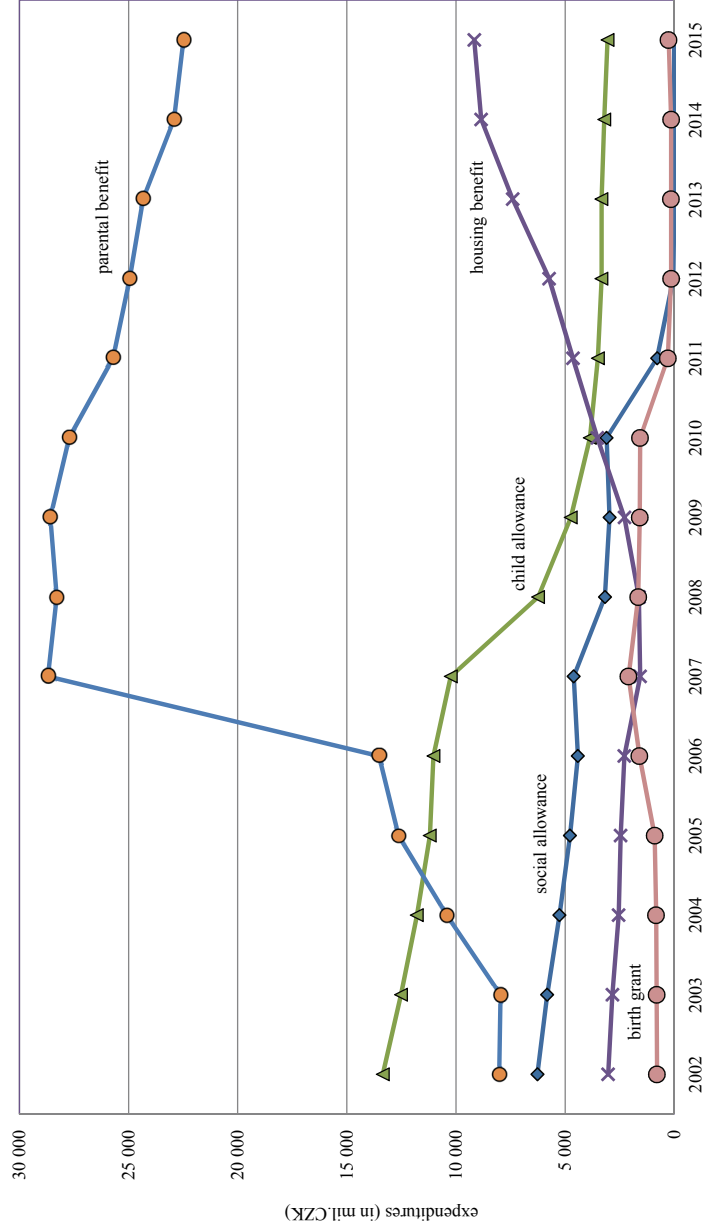
* granting for transportation benefit was terminated on June 30, 2004 (with drawback in 2005 and 2006)

** incl. heating benefit (granted until June 30, 2000), rent benefit (until December 31, 2000), providings-for benefit (until December 31, 2004), care allowance for a child in a facility (from October 1, 2005 until May 31, 2006) and allowance for school aids (from June 1, 2006 until December 31, 2007)

*** total expenditures include additional payments, overpayments and refunds, exclude transfers to deposit account, refunds of terminated benefits, transfers of overpayments of from previous years to the revenue account of the State Budget and paid premiums on behalf of employer from foster care remuneration

Structure of Expenditures on State Social Support Benefits

Graph No. 4.1.1



Note:
Because of clarity of the graph the curve for funeral grant is not added.

Table No. 4.2

Average Monthly Number of Paid out State Social Support and Foster Care Benefits

in thous.

	Year													
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
child allowance	2 028	1 965	1 894	1 812	1 767	1 677	893	635	531	486	464	464	445	424
social allowance	448	413	373	332	299	242	167	148	150	27	1	0	0	0
housing allowance	343	324	295	265	236	117	87	96	121	143	163	194	220	224
transportation benefit*	371	353	238	0	-	-	-	-	-	-	-	-	-	-
parental allowance	264	262	278	293	308	340	359	364	339	326	308	296	279	277
birth grant	8	8	8	8	9	10	10	10	10	2	1	1	1	2
funeral grant	9	9	9	9	9	9	1	0	0,3	0,3	0,2	0,2	0,2	0,2
other**	1	1	0	0	5	5	0	-	-	-	-	-	-	-
total	3 472	3 335	3 095	2 719	2 633	2 400	1 517	1 253	1 151	984	937	955	944	928
contribution to cover child's needs	7	7	7	7	8	8	9	9	10	10	11	12	14	15
foster care remuneration	5	5	5	6	6	6	7	8	8	9	9	10	11	12
other***	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,2	0,3	0,3
total	12	12	12	13	14	14	16	17	18	19	20	22	25	27
Total expenditures on state social support and foster care	3 484	3 347	3 107	2 732	2 647	2 414	1 533	1 270	1 169	1 003	957	976	969	955

Source: MoLSA

* granting on transportation benefit was terminated on June 30, 2004 (with drawbacks in 2005 and 2006)

** incl. heating benefit (granted until June 30, 2000), rent benefit (until December 31, 2000), providing-for benefit (until December 31, 2004), care allowance for a child in a facility (from October 1, 2005 until May 31, 2006) and allowance for school aids (from June 1, 2006 until December 31, 2007)

*** incl. benefit upon the child's acceptance, contribution for the purchase of motor vehicle and benefit upon the termination of foster care (est. since 2013)

5. Benefits of Assistance in Material Need, Benefits for People with Disabilities and Care Allowance

Starting January 1, 2007, the Act No. 111/2006 Coll., on Assistance in Material Need, as amended, came into effect. It has regulated conditions for providing assistance when ensuring basic living requirements (situations connected with insufficient level of nutrition, housing and extraordinary events). Material need is the state when a person or a family does not have enough income and their overall social and property relations prevent them from enjoying what society accepts to be basic living requirements. At the same time, these persons are objectively unable to increase their income (through one's own work, through application of entitlements and claims or through the sale or other disposal of one's own assets), thereby improving their situation through their own actions. The main purpose of the system of assistance in material needs is motivation to active effort to secure resources to meet basic living requirements and to prevent social exclusion.

Administration of benefits of assistance in material need, benefits for people with disabilities and care allowance had been ensured (except state social support) by the relevant municipal authorities to the end of 2011. In the context of social reform these systems were transferred to Labour Office of the CR as of January 1, 2012.

Under the system of material need there are following benefits:

1. *Allowance for living* - this benefit covers cases of material need that tackles the insufficient income of a person or family. Beneficiaries are entitled to an allowance for living if the income of these persons or families is less than the amount of living subsistence when reasonable housing costs have been 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.
2. *Supplement of housing* - tackles cases where the income of a person or family, including the entitlement to a housing allowance from the system of state social support, is insufficient to cover justified housing costs.
3. *Extraordinary immediate assistance* - is provided to persons (with low income) who find themselves in situations that have to be resolved immediately: suffer from a serious threat to health, serious extraordinary event (a natural disaster, ecological disaster, etc.), risk of social exclusion (for example, homecoming from prison or facility), lack of resources to cover one-off expenditure or to acquire or repair basic furniture or durables, and to cover justified costs relating to the education or special interests of dependent children.

The Act No. 108/2006 Coll., Social Services Act (effective since January 1, 2007) introduced essential innovation in the area of social benefits – care allowance. The care allowance shall be provided to persons dependent on another physical person's assistance for the purposes of arranging for necessary assistance. A person can reimburse (within this allowance) professional social service or cover costs on securing assistance within its family.

Social assistance benefits for people with disabilities tackles unfavorable level of living of these persons by providing means for their need related to housing, transport and provision of special compensatory aids. Until the end of 2011, social assistance benefits for severely handicapped people had been provided in accordance with Decree of Ministry of Labour and Social Affairs No. 182/1991 Coll., through which are applied the Act on Social Welfare and the Act on the Operation of Bodies of the Czech Republic in Social Welfare, as amended. Since 2012 this area has been regulated by the Act No. 329/2011 Coll., on Provision of benefits for People with Disabilities and on Amendment to Related Acts. Through this act former broad number of types of benefits has been substituted by mobility allowance (periodic benefit for people who are not able to manage basic living needs in the area of mobility or orientation and these ones are periodically transported or transport themselves in calendar month) and allowance to special aid (one-off benefit for acquisition of a special aid to people with disabilities for self-care or realization of employment, preparation for further employment, acquiring of information, education or for contact with surroundings).

Table No. 5.1

Benefits of Assistance in Material Need and Care Allowance

	Unit	Year									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	
Expenditures											
Benefits of assistance in material need total		3 287	2 794	3 089	3 882	4 982	7 751	10 510	11 295	10 518	
allowance for living		2 593	2 176	2 328	2 863	3 820	5 910	7 464	7 900	7 240	
of which	mil. CZK	524	473	512	686	850	1 673	2 814	3 249	3 136	
supplement for housing		170	146	249	334	312	168	232	146	142	
extraordinary immediate assistance		14 608	18 252	18 697	19 599	18 084	18 391	19 545	20 402	21 167	
Care allowance											

Average monthly number of paid benefits

Benefits of assistance in material need	allowance for living	71,7	66	73	91	103	116	150	161	149
	supplement for housing	25	21	20	23	26	41	65	73	71
	extraordinary immediate assistance	6	5	8	9	10	6	7	5	4
Care allowance		260	309	308	313	302	309	321	332	337

Source: MoLSA and Ministry of Finance

Expenditures on Benefits for People with Disabilities

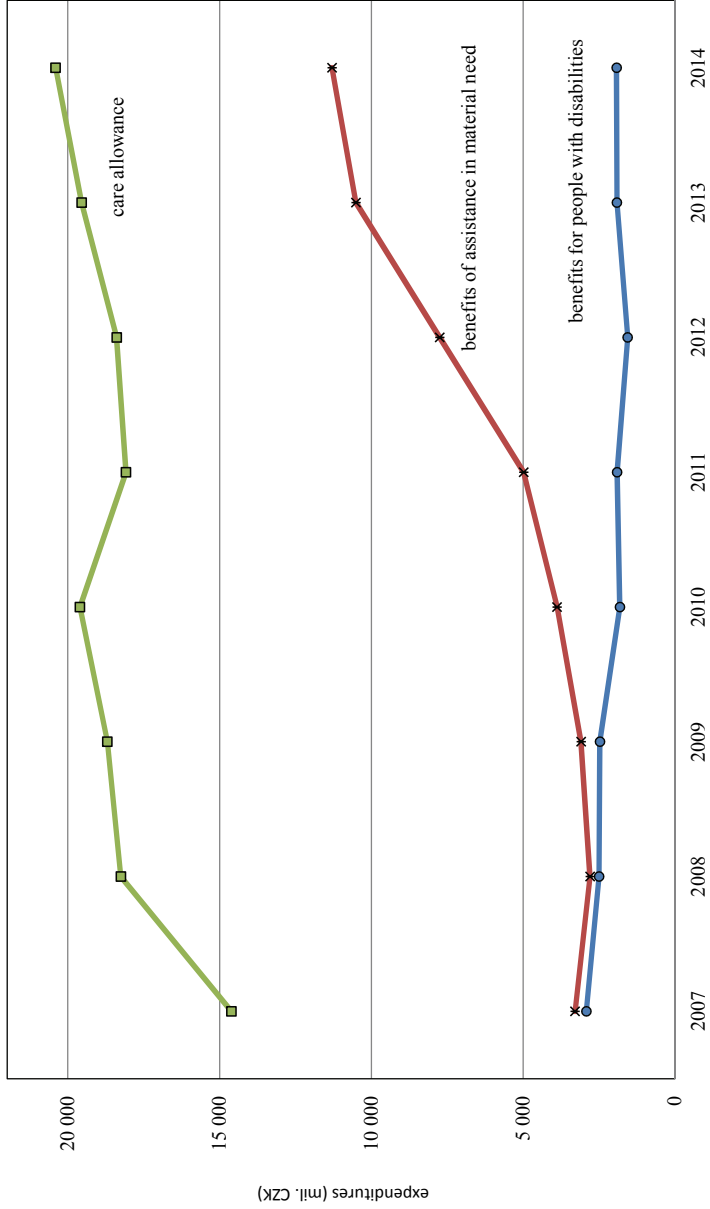
		Year									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	
		mil. CZK									
Benefits according to the Act No. 329/2011 Coll. of which	mobility allowance	x									
	allowance to special aid	x									
Benefits according to the Decree of MoLSA No. 182/1991 Coll.		2 916	2 496	2 470	1 811	1 901	1 69	5	1	0,1	
	vehicle purchase	381	401	350	335	335					
	general overhaul of motor vehicle	5	3	3	3	6					
	special modification of motor vehicle	17	19	17	21	21					
	motor vehicle operation*	1 524	1 547	1 569	931	884					
	flat modification	63	66	60	54	56					
	individual transport	46	36	34	33	32					
	acquisition of special aids	377	392	412	405	539					
	blind citizens for a guide dog	10	8	6	8	8					
	increased cost of living**	467	1	-	-	-					
	use of barrier-free flat	10	9	9	10	9					
	use of garage	1	2	2	2	1					
	blind citizens to fee to guide dog	3	4	4	5	4					
Benefits for people with disabilities - total		2 916	2 496	2 470	1 811	1 901	1 553	1 909	1 918	1 929	

Source: MoLSA

* annual decline of expenditures in 2010 was influenced by reduction of amount of this benefit (see the Decree of MoLSA No. 451/2009 Coll.)

** benefit was cancelled as of December 31, 2007

Expenditures on Benefits of Assistance in Material Need, Benefits for People with Disabilities and Care Allowance



6. Social Services

Main importance of social services is to mediate assistance in the care of one's own person, providing meals, accommodation, assistance in running a household, care and assistance with bringing up a child, counselling, mediation of contact with social environments, psychotherapy and social therapy and assistance in assuring one's rights and interests. From the point of view of social services users it covers mainly development, or at least maintenance, of the existing self-sufficiency, return into user's own home environment, renewal or maintenance of original lifestyle, development of user's abilities and opportunity for leading an independent life and limitation of social and health risks associated with the users' lifestyle.

The Act No. 108/2006 Coll., Social Services Act, as amended (effective since January 1, 2007), has brought significant changes in the system of social services. This Act aims to secure assistance to people in unfavourable social situation through newly defined spectrum of social services. The assistance is intended as activities necessary for social inclusion and for dignified living conditions appropriate with level of society development. Provision of assistance is based on:

- availability – with respect to type of assistance, regional availability, access to information and economic availability,
- efficiency – social service has to be convenient for needs of human not for the system needs,
- quality – way and scope of provision of social service correspond to current knowledge and capacity of society,
- safety – provision shall not limit rights and interests of persons,
- economical – public and private expenditures on assistance provision shall maximally cover objective scope of needs.

Persons in unfavorable social situation that require assistance to be self-sufficient are entitled to individual benefit – care allowance (for more see the previous chapter). Its amount corresponds to scope of needs. Care allowances are provided to all entitled persons without regard to form the service is provided (either through natural sources, especially family or through social service providers).

The Act also regulated significant innovation concerning an authorization for social services provision. The introduction of the register of social services providers (<http://iregistr.mpsv.cz>) is basic precondition for obtaining an overview on scope and character of social services net. Registration of social service providers represents important prerequisite for provision of social service and for subsidizing of financial means from public budgets.

On the basis of the Act, the conditions for “safe, quality and effective” provision of social services have been stipulated with an objective to secure protection of persons with reduced capability to assure their rights and interests. These conditions form series of obligations for social services providers and the system of control. Beside the standard control procedure, there is also the system of supervision on quality of social services (introduced by the Act) through inspection of quality of social services based on expert assessment of conditions and procedures of the social services providing. The Act launched conditions of professional skills for performing a profession of social workers.

Henceforth, the state regulates conditions for provision of social services, but does not provide these services except 5 facilities under administration of the MoLSA. The position of the state as a former majority social services provider terminated alongside with abolition of district offices. The state supports regional and local self-administration to assess set of needs of its population for formation of available net of social services.

Table No. 6.1

Number of Residential Social Services

	Year 2013			Year 2014			Year 2015		
	number	capacity of service (number of beds)	number of users as of 31. 12.	number	capacity of service (number of beds)	number of users as of 31. 12.	number	capacity of service (number of beds)	number of users as of 31. 12.
Week care centres	65	897	773	63	845	750	60	836	735
Homes for disabled people	212	13 423	12 956	210	12 926	12 500	212	12 707	12 206
Homes for elderly	491	38 091	36 598	500	37 327	35 882	496	37 200	35 944
Special regime homes	228	12 048	11 564	263	14 354	13 668	276	15 494	14 783
Protected housing	161	2 956	2 803	178	3 214	2 979	196	3 556	3 280
Asylum homes	215	6 661	5 380	211	7 002	5 554	215	7 311	5 485
Half-way homes	34	355	283	35	381	285	34	376	248
Therapeutic communities	16	263	305	16	265	225	14	243	197
Crisis centres*	8	38	21	8	41	30	11	43	15
Social rehabilitation service centres*	34	835	706	33	673	566	31	537	361
Follow-up services*	17	223	181	18	211	179	17	199	161
TOTAL	1 481	75 790	71 570	1 535	77 239	72 618	1 562	78 502	73 415

Source: MoLSA

* incl. only residential form of social service

Table No. 6.2

Structure of Social Services* by Founder in 2015

	TOTAL		State		Regional		Municipal		Church		Other	
	number	capacity	number	capacity	number	capacity	number	capacity	number	capacity	number	capacity
Day services centres	82	0	0	0	5	0	20	0	25	0	32	0
Day care centres	274	0	2	0	37	0	75	0	60	0	100	0
Week care centres	60	836	1	91	30	367	8	107	9	70	12	201
Homes for disabled people	212	12 707	5	629	156	10 257	27	1 223	13	285	11	313
Homes for elderly	496	37 200	0	0	183	16 794	170	14 655	70	2 565	73	3 186
Social regime homes	276	15 494	0	0	110	6 379	65	3 773	22	567	79	4 775
Protected houses	196	3 556	3	88	85	1 838	13	258	31	431	64	941
Asylum homes	215	7 311	0	0	6	280	45	1 349	78	2 661	86	3 021
Half-way homes	34	376	0	0	0	0	4	26	7	75	23	275
Crisis centres	42	43	0	0	0	0	2	1	9	3	31	39
Low-threshold day centres	55	0	0	0	0	0	2	0	28	0	25	0
Low-threshold facilities for children and youth	230	0	0	0	2	0	15	0	74	0	139	0
Hostels (homeless shelters)	72	0	0	0	1	0	15	0	27	0	29	0
Therapeutic communities	14	243	0	0	1	15	0	0	1	15	12	213
Social counselling facilities	516	0	1	0	38	0	31	0	83	0	363	0
Social therapeutic workshops	140	0	1	0	22	0	4	0	26	0	87	0
Social rehabilitation services centres	257	537	3	30	3	0	0	0	42	74	209	433
Early intervention care centres	43	0	1	0	0	0	2	0	13	0	27	0
Intervention centres	18	0	0	0	6	0	0	0	4	0	8	0
Follow-up centres	39	199	0	0	1	5	1	12	5	24	32	158
TOTAL	3 271	78 502	17	838	686	35 935	499	21 404	627	6 770	1 442	13 555

Source: MoLSA

* according to §34 of the Act No. 108/2006 Coll.

Table No. 6.3

Economic Indicators in Residential Social Services in 2015

Social service	Revenues (in mil. CZK)			Expenditures (in mil. CZK)		
	total	from which the payment for		total	of which	
		accommodation and food service	provided care		non-investment	investment
Week care centres	260	44	33	285	255	30
Homes for disabled people	5 161	1 183	1 048	5 220	5 029	191
Homes for elderly	11 159	3 907	2 549	11 278	10 884	394
Special regime homes	5 048	1 626	1 259	5 152	4 976	176
Protected housing	795	212	92	787	775	12
Asylum homes	784	161	5	759	743	16
Half-way homes	61	9	0	61	61	0
Therapeutic communities	79	10	0	80	80	0
Crisis centres*	10	0	0	10	10	0
Social rehabilitation service centres*	113	5	1	128	127	1
Follow-up services*	39	4	0	39	37	2

Source: MoLSA

* incl. only residential form of social service

Table No. 6.4

Home Care Service

Year	Total expenditure (in mil. CZK)	Number of users	Average payment by a user per year (in CZK)
2000	1 540	113 528	1 316
2001	1 588	114 203	1 473
2002	2 255	109 034	1 796
2003	2 051	116 128	1 793
2004	2 148	109 475	1 859
2005	1 593	112 927	2 028
2006	1 637	105 088	2 156
2007	1 591	98 373	4 263
2008	1 643	111 871	4 261
2009	1 903	114 364	5 063
2010	1 984	113 238	5 248
2011	2 101	113 607	5 802
2012	2 133	113 041	6 164
2013	2 233	111 048	6 078
2014	2 317	109 962	6 484
2015	2 493	111 375	6 886

Source: MoLSA



7. Incomes of Households

The most significant part of current household incomes, as evident from quantity indicators of the national accounts statistics (CZSO), represents compensations paid to employees, especially wages and salaries (basic wages and salaries, bonus and remunerations, compensation money, natural wages not included in basic wage like for example the value of products and services offered to employees free or with discount, the value of uniforms and meal tickets, contributions on holiday, culture, sport etc.). The ratio of wages and salaries (in this conception) on compensation of employees has stagnated during last 10 years (level of 76%), their rate to current household incomes has fluctuated from 38% to 41% in this period.

Current household incomes made up 3 464,7 mld. CZK in 2015. Compared to 2014, they had increased nominally by 4,2% (by 141,2 mld. CZK) and really by 3,9%. The next items included in the current household incomes represent social benefits and mixed pension (ratio of nearly 20%), pensions from property and so-called other current transfers (compensations from non-life insurance, wins from bets, lotteries etc.) with ca 5% ratio.

The average monthly gross wage is another indicator for evaluation of development of household living situation. This indicator is based on ratio of wages excl. other personal costs related to one employee of registered number per month (before reduction by premiums on general health insurance and social security, payments of income tax and other statutory deductions eventually). In last 11 years the annual dynamics of this wage has fluctuated in interval from -0,1% to 7,8%, in real expression (i.e. reduced by growth of consumer prices) from -1,5% to +4,3%.

Average monthly nominal wage (per number of employees – full-time equivalent) in the national economy made up 26 467 CZK in 2015 and increased annually by 2,7% (699 CZK), in 2014 it had increased by 2,9% (by 733 CZK). In the business sphere (its employees made up nearly 82% within all reported subjects) the average monthly nominal wage amounted to 26 387 CZK after annual increase by 2,5% (by 645 CZK). The average salary in non-business sector increased by 3,7% (by 946 CZK) to 26 830 CZK.

From the point of view of social transfers to households in 2015, it may be stated, that ratio of social incomes in the structure of total social incomes of households reached 17,6% and it was by 4 percentage points lower than in 2014. Total amount of social incomes of households amounted to 486,5 mld. CZK, it has represented growth by 2,1% (by 10,1 mld. CZK) compared to 2014. In 2015 the most significant item (78,7%) of social transfers was represented by pension insurance benefits (382,9 mld. CZK), i.e. annual growth by 2,4% (by 9,0 mld. CZK).

Table No. 7.1

Current Incomes of Household Sector and Average Wage

	Unit	Year												
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
Current incomes of households*														
total	mld. CZK	2 502,6	2 685,8	2 895,1	3 063,2	3 074,1	3 103,5	3 145,6	3 187,8	3 204,9	3 323,5	3 464,7		
year-on-year index	%	105,3	107,3	107,8	105,8	100,4	101,0	101,4	101,3	100,5	103,7	104,2		
of which: wages and salaries*														
total	mld. CZK	982,9	1 053,3	1 135,8	1 209,2	1 190,9	1 206,1	1 237,3	1 272,7	1 287,0	1 341,0	1 405,1		
year-on-year index	%	106,8	107,2	107,8	106,5	98,5	101,3	102,6	102,9	101,1	104,2	104,8		
Average wage in the national economy (full-time equivalent)**														
total	CZK	18 344	19 546	20 957	22 592	23 344	23 864	24 455	25 067	25 035	25 768	26 467		
year-on-year index	%	105,0	106,6	107,2	107,8	103,3	102,2	102,5	102,5	99,9	102,9	102,7		

Source: Czech Statistical Office

* according to National Account Statistic (CZSO), MoLSA calculation

** CZSO (data as of June 15, 2016), MoLSA calculation

Graph No. 7.1.1

Current Incomes of Household Sector and Average Wage

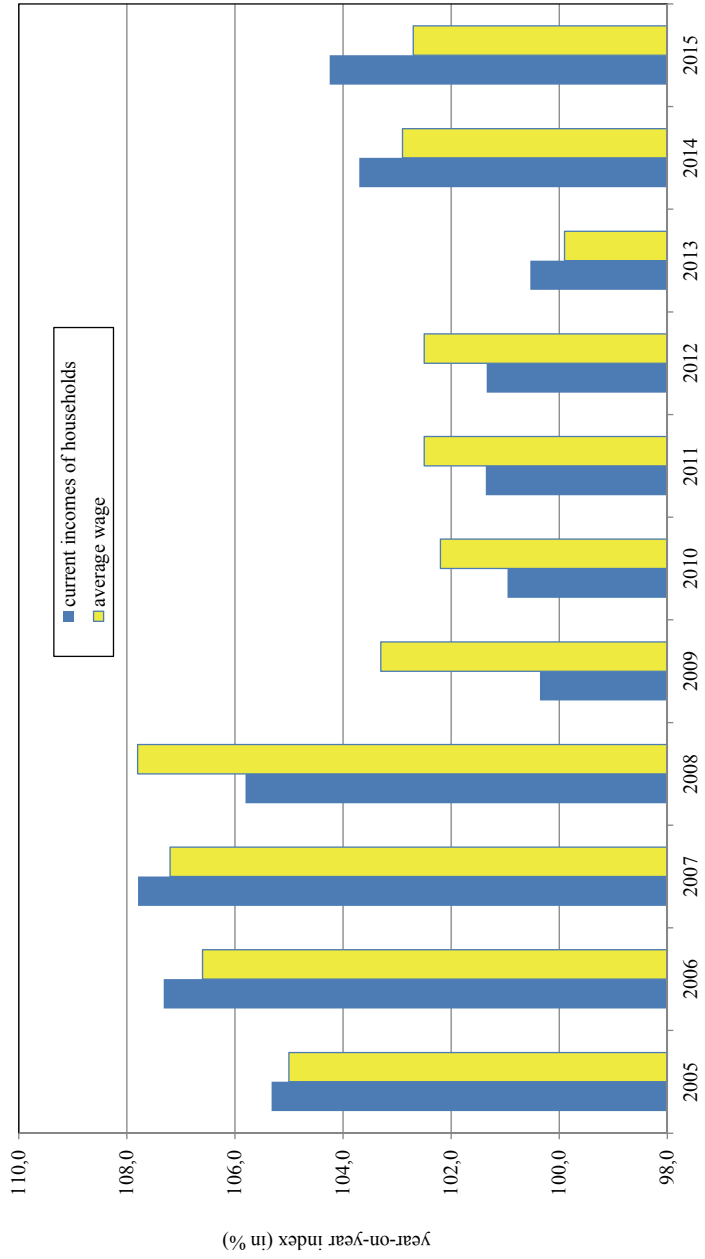


Table No. 7.2

Average Gross Monthly Wage by Branches (CZ-NACE Sections)

(in CZK)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Average gross monthly wage in the CR	18 344	19 546	20 957	22 592	23 344	23 864	24 455	25 067	25 035	25 768	26 467
agriculture, forestry and fishing	13 961	14 838	16 194	17 765	17 644	18 465	19 003	19 855	20 545	21 320	21 469
industry t o t a l	17 837	18 977	20 311	22 118	22 625	23 639	24 392	25 132	25 336	26 176	26 811
mining and quarrying	22 679	24 047	25 714	29 271	28 312	30 270	31 531	32 529	31 442	31 299	31 596
manufacturing	17 362	18 490	19 852	21 564	21 968	22 982	23 781	24 472	24 796	25 710	26 421
electricity, gas, steam and air conditioning supply	26 594	29 179	31 157	35 420	39 436	40 299	40 203	42 662	40 764	41 100	40 746
water supply, sewerage, waste management and remediation activities	17 703	18 749	19 750	21 461	22 049	23 059	23 166	23 724	23 622	24 250	24 586
construction	16 808	17 885	19 036	20 948	22 022	22 284	22 797	22 861	22 388	22 967	23 949
wholesale and retail trade, repair of motor vehicles and motorcycles	17 058	18 238	19 821	21 341	21 358	22 040	22 814	23 329	23 133	23 900	24 704
transportation and storage	18 188	19 262	20 663	22 369	23 000	23 064	23 063	23 293	23 415	23 879	24 732
accommodation and food service activities	10 637	11 676	12 380	12 474	12 330	13 204	13 133	13 255	13 736	13 971	14 657
information and communication	33 423	35 814	38 167	41 800	43 083	43 793	45 336	46 652	46 158	47 872	48 648
financial and insurance activities	37 296	40 020	42 351	45 655	46 124	46 188	47 663	50 807	46 321	48 263	48 918
real estate activities	17 879	19 263	20 718	20 808	20 715	21 346	22 346	22 563	22 157	22 764	23 278
professional, scientific ad technical activities	23 486	24 678	26 925	30 244	31 789	31 603	32 384	32 825	31 833	32 564	33 232
administrative and support service activities	13 516	14 478	15 254	15 521	15 927	15 953	16 551	17 044	16 837	17 202	17 265
public administration and defence, compulsory social security	22 244	23 292	25 040	26 209	27 045	26 939	26 328	26 711	26 753	27 584	28 867
education	18 787	20 040	21 251	22 119	23 429	23 033	23 775	24 403	24 829	25 271	25 683
human health and social work activities	17 609	19 043	20 169	21 177	23 032	23 595	24 681	25 080	25 134	25 774	26 681
arts, entertainment and recreation	16 071	16 827	17 908	18 797	19 434	19 830	19 861	20 813	20 513	21 306	22 011
other service activities	15 450	16 497	17 612	17 990	18 340	18 356	19 217	19 373	19 862	20 293	20 820

Source: Czech Statistical Office (data as of June 6, 2016)

Note:

Data are related to employees contracted for work by employer. Persons performing public offices, for example deputies, senators, full-time councillors at all levels, judges and others are not included. Data on average wage cover wage to be paid to employees in the given period.

Average Gross Monthly Wage by Branches (CZ-NACE Sections) in 2015

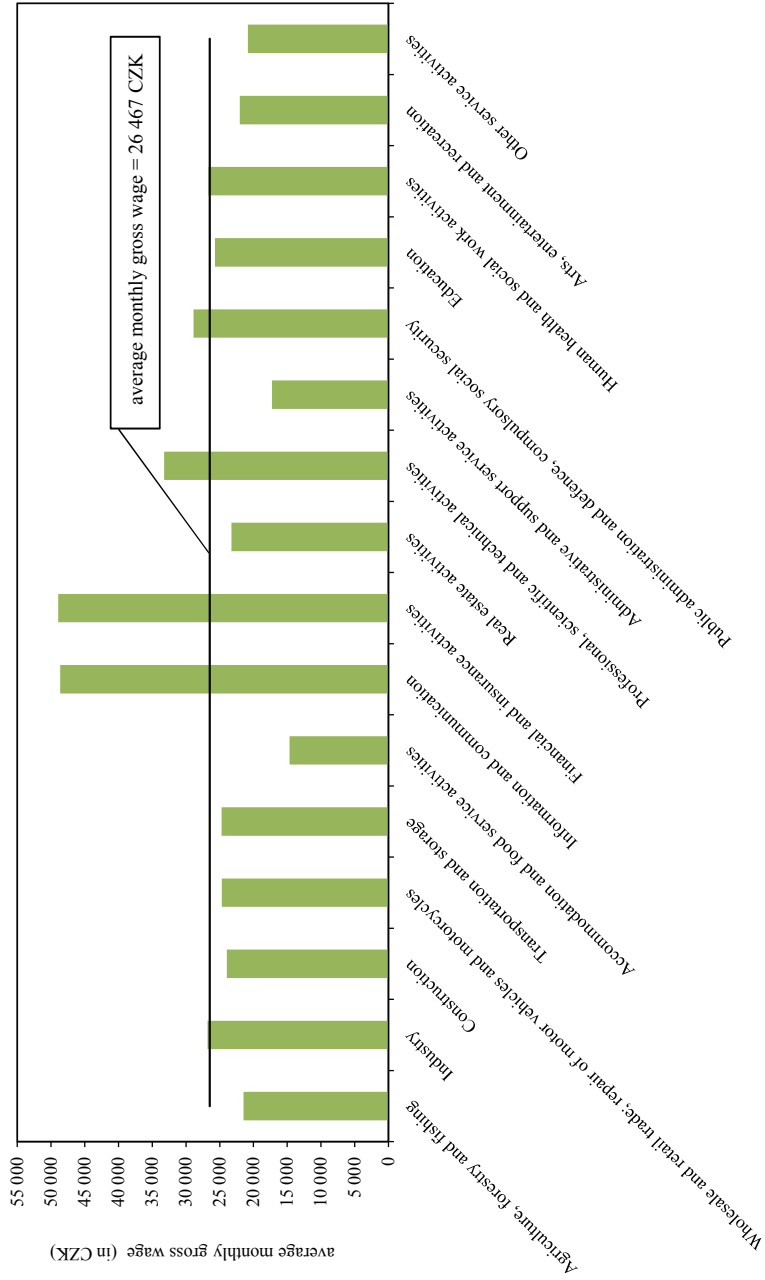


Table No. 7.3

Social Incomes of Households

	Social incomes (in mil. CZK)										Year-on-year index (in %)																	
	2009		2010		2011		2012		2013		2014		2015		2010		2011		2012		2013		2014		2015			
	2009	2010	2011	2012	2013	2014	2015	2009	2010	2011	2012	2013	2014	2015	2009	2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015	
Pension insurance benefits ¹⁾	330 150	336 230	357 162	370 589	371 098	373 938	382 876	108,7	101,8	106,2	103,8	100,1	102,4															
Sickness insurance benefits ²⁾	26 018	22 773	21 492	19 361	20 125	22 056	24 085	81,6	87,5	94,4	90,1	103,9	109,2															
State social support and foster care benefits ³⁾	41 082	40 791	36 014	35 456	37 279	37 500	37 631	98,1	99,3	88,3	98,5	105,1	100,3															
Unemployment benefits ⁴⁾	15 035	13 317	10 318	8 737	9 653	9 263	8 278	212,2	88,6	77,5	84,7	110,5	89,4															
Benefits for people with disabilities	2 470	1 811	1 901	1 553	1 909	1 918	1 929	99,0	73,3	105,0	81,7	122,9	100,6															
Benefits on assistance in material need	3 089	3 882	4 982	7 751	10 510	11 295	10 518	110,6	125,7	128,3	155,6	135,6	93,1															
Care allowance	18 697	19 599	18 084	18 391	19 545	20 402	21 167	102,4	104,8	92,3	101,7	106,3	103,7															
Social incomes total	436 541	438 403	449 953	461 838	470 119	476 372	486 484	100,4	102,6	102,6	101,8	101,3	102,1															

Source: MoLSA

¹⁾ excl. expenditures on pensions in the armed forces, pension's and other benefits paid abroad, on the contrary, incl. non-pension insurance, reimbursement with character of rehabilitation and other benefits,

²⁾ without armed forces and benefits paid abroad,

³⁾ without transfers to deposit accounts, drawbacks for defined benefits and transfers of overpayments from previous years transferred to state budget,

⁴⁾ unemployment benefits paid by Labour Office and MoLSA without expenditure on bank and postal fees.

8. Basic Information on Labour Market

The favourable development of economy reflected further decline of unemployment, that started in the second half of 2014. In 2015 the average number of registered job seekers annually decreased by 82,5 thous. to 478,9 thous., on the contrary the average number of vacancies (90,3 thous.) increased by 41,6 thous. in comparison with previous year. For this reason, there was decrease of average number of job seekers per 1 job vacancy from 11,5 in 2014 to 5,3 in 2015. The average number of job seekers with unemployment benefit decreased by 14,1 thous. to 101,8 thous. persons. The average share to total registered unemployment rate for the whole year represented 21,3% (compared to 20,6% in 2014). The average share of unemployed person (share of available job seekers in age 15 to 64 years to the population of the same age, as indicator, that replaced the registered unemployment rate) declined (due to decrease in the first half of 2015) to 6,6%, i.e. by 1,1 percentage point.

The data at the end of 2015 were annually more favourable: total number of job seekers reached 453,1 thous. (in December 2014 – 541,9 thous), there were recorded 102,5 thous. vacancies (at the end of previous year 58,7 thous.) and the share of unemployed persons declined to 6,2% (in December 2014 – 7,5%).

Total number of registered job seekers was largely involved by people over 50 years of age (their share annually rose from 29,2% to 31,2%). The number of people under 25 years of age decreased significantly, their share decreased from 14,7% to 13,4%. The permanent problem is the placing of candidates with lower level of education. The largest group of job seekers is represented by secondary vocational education (37,4%) and persons with primary education (26,9 %). The number of the long-term unemployed (unemployed for more than 12 months) decreased from 237,2 thous. at the end of 2014 to 187,6 thous. Their share declined (compared to previous year) from 43,8% to 41,4%. The slight decline of persons unemployed for more than 24 months was also significant, however they represented nearly 68,9% of long-term unemployed persons.

Average monthly amount of unemployment benefit increased annually from 5 958 CZK in 2014 to 6 171 CZK in 2015. Generally, this growth was related to increment of wages and salaries (including minimum wage) as well as to increase of share of elderly job seekers (their decisive income for the calculation of entitlement to unemployment benefit is generally higher than income of other seekers, especially young. Additionally, persons older than 50 years have also extended support period.

Unemployment benefit expenditures made up 8,3 mld. CZK in 2015 and decreased annually by 1,0 mld. CZK. It was mainly due to decrease of the newly registered job seekers (annually lower by 41,4 thous. in 2015) and related decline of job seekers with entitlement to unemployment benefits.

Expenditure of MoLSA and the Labour Office on Active Employment Policy from the State budget and from the European Social Fund made up 9,7 mld. CZK in 2015. Compared to 2014, these expenditures increased by 3,3 mld. CZK, mainly due to the European Social Fund.

Furthermore, within the framework of State Employment Policy it was spent 4,3 mld. CZK on benefit to employers which employed at least 50% of disabled employees (§ 78 of the Act No. 435/2004 Coll., Employment Act) and 0,2 mld. CZK on payments of wage claims to employees in case of employer's insolvency.

The improvement of economic development has generated the decrease of unemployment and growth of employment. According to Labour Force Survey of CZSO, there was growth of employment in all sectors of national economy up to 5 041,9 thous. persons in 2015 (i.e. annual increase by 67,6 thous. persons, i.e. by 1,4%).

Table No. 8.1

Basic Indicators of Labour Market

	Year										
	2007	2008	2009	2010	2011	2012	2013	2014	2015		
Number of the employees (in thous.)	4 992	5 003	4 934	4 885	4 872	4 890	4 937	4 974	5 042		
Average share of unemployed persons (in %)*	5,0	4,1	6,1	7,0	6,7	6,8	7,7	7,7	6,6		
Share of unemployed persons in December (in %)*	4,5	4,5	7,1	7,4	6,8	7,4	8,2	7,5	6,2		
Average number of job seekers	392 777	324 575	465 576	528 750	507 779	504 381	564 448	561 437	478 875		
Number of job seekers as of December, 31	354 878	352 250	539 136	561 551	508 451	545 311	596 833	541 914	453 118		
of which	65 216	61 136	67 738	69 499	63 092	62 038	62 789	61 146	58 584		
handicapped	22 680	24 634	35 612	35 357	33 508	36 120	39 546	27 504	22 023		
graduates and youth	191 150	183 639	258 112	268 200	250 301	266 593	289 501	268 942	227 949		
women	190 653	151 593	248 202	273 092	264 513	290 268	346 197	322 762	253 335		
unemployed more than 6 months	136 913	101 524	123 873	178 481	184 130	192 234	236 981	237 165	187 555		
unemployed more than 12 months	112 675	138 506	189 497	178 962	129 951	107 937	120 030	115 747	108 287		
entitled to unemployment benefit	116 478	109 376	188 069	163 481	132 421	104 472	117 946	115 908	101 789		
Average number of job seekers entitled to unemployment benefit	121 993	141 776	48 554	33 147	36 493	39 878	38 964	48 682	90 339		
Average number of job vacancies	141 066	91 189	30 927	30 803	35 784	34 893	35 178	58 739	102 545		
Number of job vacancies per 1 job vacancy as of December, 31	2,5	3,9	17,4	18,2	14,2	15,6	17,0	9,2	4,4		

Source: MoL SA and Czech Statistical Office (data on employment - Labour Force Survey)

*The share of unemployed persons, i.e. number of available job seekers aged 15 - 64 years to the population of the same age (starting January 2013 this indicator has replaced the registered unemployment rate, the previous data for period 2007 - 2012 are recalculated).

Number of Job Seekers and Job Vacancies

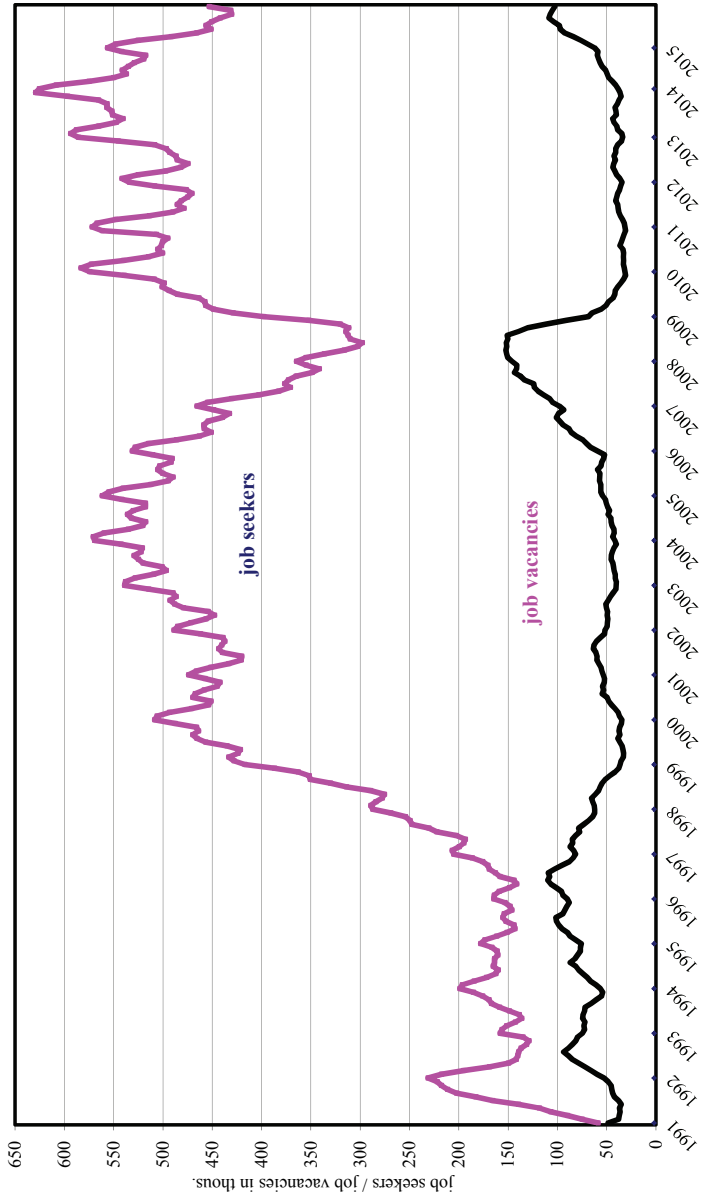


Table No. 8.2

State Budget Expenditures on State Employment Policy

in thous. CZK

	Year											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Expenditures on state employment policy	11 908 975	14 202 321	15 072 541	15 680 608	23 132 685	22 736 413	17 836 581	15 274 848	17 963 913	20 117 163	22 885 754	
passive	7 046 845	7 307 521	7 015 755	7 114 894	15 077 723	13 354 778	10 349 149	8 759 749	9 674 752	9 279 634	8 303 370	
active	3 977 708	5 300 675	5 673 321	6 131 729	4 953 467	6 171 493	3 815 886	2 595 049	4 285 714	6 436 949	9 732 826	
Active employment policy:												
- graduate positions ¹⁾	144 687	143	-	-	-	-	-	-	-	-	-	
- socially beneficial jobs	1 184 356	1 071 803	867 971	570 288	411 950	622 235	511 807	309 019	408 375	166 827	365 518	
- publicly beneficial jobs	838 951	899 298	684 989	465 645	292 931	401 697	550 265	273 001	379 226	320 933	187 263	
- retraining	408 250	357 299	269 288	271 130	119 388	96 676	85 421	101 923	166 300	62 414	69 230	
- employment of the disabled	310 040	318 873	235 689	255 656	323 545	323 661	255 783	121 143	52 854	88 866	60 462	
in which:												
- establishment of sheltered jobs	96 390	90 382	43 907	36 137	84 475	80 967	41 518	36 718	44 513	80 006	51 354	
- working of sheltered job	208 799	219 772	185 201	210 469	231 848	234 637	207 988	80 072	3 254	3 049	2 588	
- benefit to self-employed ²⁾	4 798	7 065	4 638	5 041	4 094	4 463	3 161	2 066	2 374	2 515	2 333	
- occupational rehabilitation	53	1 654	1 943	4 009	3 129	3 594	3 116	2 286	2 713	3 296	4 186	
- targeted programmes ³⁾	5 009.3	217 265	235 924	80 613	0	0	0	0	0	0	0	
- ESF programmes ⁴⁾	x	127 664	2 100 517	2 678 240	2 736 538	4 175 475	2 156 359	1 502 859	3 232 952	5 755 099	9 022 131	
- investment incentives ⁵⁾	976 732	1 048 236	1 190 421	1 721 803	1 010 368	509 092	226 899	267 891	30 765	7 950	11 825	
- other ⁶⁾	114 744	110 094	88 522	88 354	58 747	42 657	29 351	19 213	15 242	24 761	16 397	
Benefit to employees which employ at least 50% of disabled employees	736 913	1 410 552	2 187 432	2 283 655	2 257 461	2 712 304	3 282 404	3 468 251	3 670 239	4 018 724	4 320 059	
Insolvency	147 506	183 573	196 032	190 330	844 033	497 837	389 142	451 799	333 208	391 856	229 500	
Employment services and administration⁷⁾	3 846 861	4 175 901	4 711 639	4 460 873	4 695 252	4 249 245	3 717 353*	4 468 000**	4 748 500	5 271 666	5 641 823	

Source: MoLSA
 1) remaining or occupational experience for the graduates and the acquisition for young workers is not regulated by the Act No. 435/2004 Coll., Employment Act, as amended, new workplaces are not established; expenditures of labour offices (after 2004) resulted from agreement concluded prior to the date of the Act No. 435/2004 Coll., Employment Act, as amended, for the establishment of protected workplaces

2) benefit to self-employed persons with disability for establishment of protected workplaces

3) according to § 120 of the Act No. 435/2004 Coll., Employment Act, as amended (including regionally targeted programmes for solution of unemployment and Programme to support renovation or technical upgrade of tangible fixed assets which support the career prospects for the disabled)

4) including Active Employment Policy instruments financed by the ESF (publicly beneficial jobs, socially beneficial jobs, retraining)

5) include investment incentives and programme to establish new workplaces

6) include costs on information materials published by Labour Office and Employment Service Administration, other programmes for support of employment, cost on Active Employment Policy not specified elsewhere; ESF projects until 2006 and activation job opportunity in 2014 and 2015

7) include capital and material costs inclusive expenditures on salaries, other payments for done work and premiums

** including expenditures of MoLSA on services provided only by Gordic company to the Labour Office (expenditure of MoLSA associated with software and services for other suppliers are not available)

* only expenditures of Labour Office in 2012

9. European System of integrated Social Protection Statistics (ESSPROS)

The European System of integrated Social PROtection Statistics (ESSPROS) was developed by the Statistical Office of European communities (Eurostat) in cooperation with member states experts in the 70's of the last century. ESSPROS represents a significant instrument for mutual comparison of social protection level in the Member States. Since its introduction ESSPROS methodology has been amended in a little scope. For implementation of ESSPROS in the Czech Republic the agreement between CZSO and MoLSA on establishment of inter-departmental Working Group (led by the MoLSA) was made in 2000. For the Czech Republic time series of ESSPROS Core system for 1995-2014 (including qualitative database containing descriptions of social protection schemes and benefits) and module on number of pension beneficiaries for 2000–2014 (methodically in the definitely internationally comparable form since 2006) are available so far. New Eurostat methodology for net social protection benefits module was completed by the international Working Group, the methodology guarantees data comparability. Data for the Czech Republic on this module are available for period of 2007-2013.

ESSPROS is divided into the Core system that includes data on receipts and expenditures in the area of social protection and modules containing additional statistical information. All financial transactions under the ESSPROS should be based on accountancy. In cases when accountancy sources are not available, statistical and administrative sources as well as estimates can be used.

According to the ESSPROS Manual the conception 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 is defined on the basis of an agreement by eight functions of social protection:

1. Sickness/Health care
2. Disability
3. Old age
4. Survivors
5. Family/Children
6. Unemployment
7. Housing
8. Social exclusion, not elsewhere classified

The Core System includes only social protection provided in the form of cash payments, reimbursements and directly provided goods and services to protect households and individuals. Specific information necessary to perfect monitoring of the functions of the system are then ensured in individual modules.

The ESSPROS Core system defines and describes classification of social protection schemes. A social protection scheme is a distinct body of rules, supported by one or more institutional units, governing the provision of social protection benefits and their financing. Social protection schemes should at all times meet the condition that it must be possible to draw up a separate account of receipts and expenditures. Schemes are classified into categories according to following criterions:

- decision-making (public and private schemes),
- legal enforcement (compulsory and non-compulsory schemes),
- establishments of entitlements (contributory and non-contributory schemes),
- scope (universal, general and special schemes),
- level of protection (basic and supplementary schemes).

Receipts of social protection schemes in the ESSPROS Core system are classified by type (social contributions, general government contributions, transfers from other schemes and other receipts) and origin (institutional sector from which the payment is received). Expenditures of social protection schemes are also classified by type or reason for which are paid out.

The ESSPROS system identifies exact reasons for which benefit under given scheme and function is provided. It also defines social protection schemes with regard to national (member states and candidate countries) practices to cover all benefits with social protection dimension under above-mentioned classification. This is the only way how to ensure comparable statistics among countries reflecting their institutional differences in the system of social protection.

Expenditures on social protection of ESSPROS Core system according to social protection functions in the time series (1995 - 2014) are in the Table No. 9.1. More detailed data and international comparison of social protection level in the EU member states and other European countries according to the ESSPROS methodology are available on Eurostat web sites. This is the source for data in the Table No. 9.2 on relation of social protection expenditures to GDP in selected European countries.

Table No. 9.1

ESSPROS Core System - Expenditures on Social Protection by Functions

in mil. CZK

Social protection by function	Year														
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1. Sickness/Health care	139 075	151 884	168 804	178 920	185 298	195 067	199 876	215 487	222 767	239 254	239 185	241 461	245 410	244 390	258 317
2. Disability	32 037	35 302	37 479	40 685	41 430	43 056	49 829	52 512	54 823	57 176	57 710	57 509	54 920	53 683	53 153
3. Old age	160 644	169 625	182 541	185 229	194 507	212 206	227 174	254 174	281 441	310 322	321 475	340 972	357 367	351 313	359 760
4. Survivors	18 663	20 632	22 120	22 589	22 739	23 670	24 864	26 741	27 182	28 297	27 824	28 575	28 696	28 719	28 523
5. Family/Children	34 984	36 452	38 738	38 477	44 164	56 795	59 762	74 809	79 616	80 013	79 091	73 093	71 150	72 481	71 419
6. Unemployment	14 309	14 406	16 513	20 836	20 877	19 767	18 618	22 060	23 666	39 283	31 020	27 291	25 987	26 774	24 807
7. Housing	2 710	2 720	3 038	2 904	2 623	2 547	2 389	2 205	2 194	2 896	4 307	5 589	7 501	10 310	12 203
8. Social exclusion not elsewhere classified	11 178	11 818	12 803	14 742	15 153	15 136	16 202	7 353	6 444	8 819	8 560	10 234	13 132	12 691	13 539
Total expenditures*	413 601	442 839	482 036	504 382	526 791	568 244	598 714	655 341	698 133	766 060	769 172	784 724	804 162	800 362	821 720

Source: MoLSA

Data produced according to the Eurostat methodology for Core system of ESSPROS (Manual ESSPROS 1996 - including revisions).

* total expenditures do not include administration costs

Social Protection Expenditures in Relation to GDP

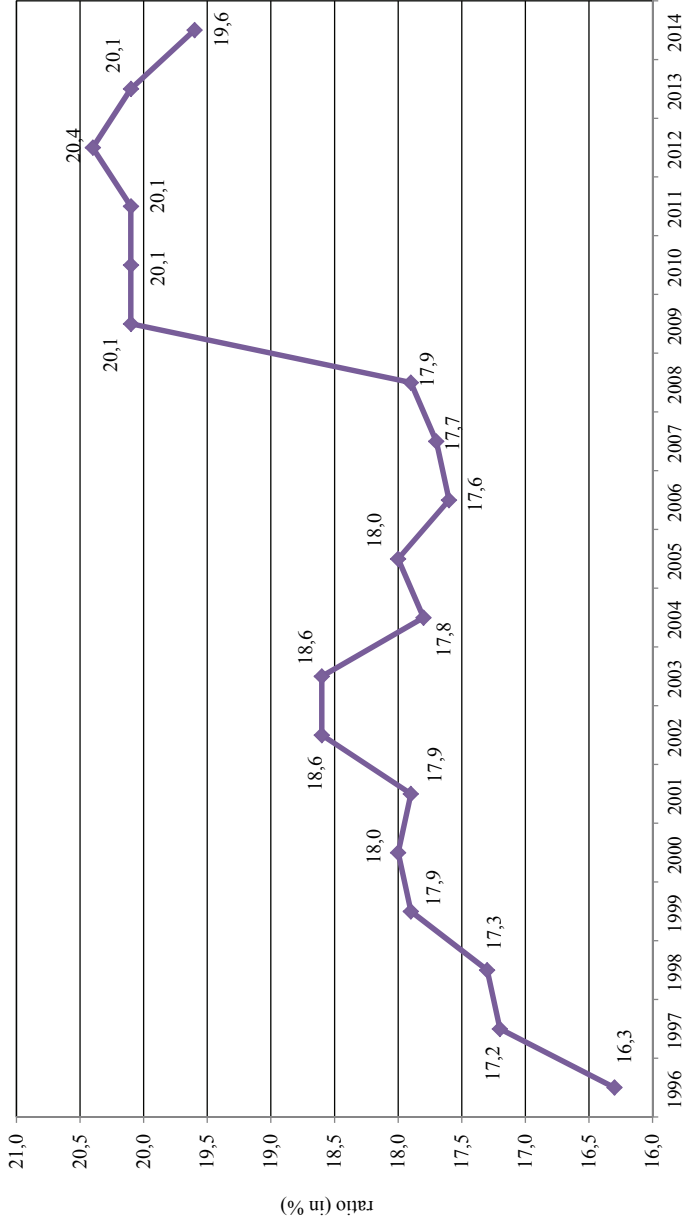


Table No. 9.2

Social Protection Expenditures in Relation to GDP in selected European Countries

eurostat	Year											
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EU (27 countries)	.	.	.	26,3	25,9	25,4	26,0	28,8p	28,6p	28,3p	28,6p	.
Euro area (18 countries)	26,4	26,8	26,6	26,6	26,3	25,8	26,5p	29,3p	29,2p	28,9p	29,4p	.
BE - Belgium	26,4	26,8	26,6	26,6	26,3	25,8	26,5p	29,3p	29,2p	28,9p	29,4p	30,2
BG - Bulgaria	.	.	.	14,6	13,8	13,3	14,7	16,1	17,3	16,7	16,7	17,6
CZ - Czech Republic	18,6	18,6	17,8	18,0	17,7	17,7	17,9	20,1	20,1	20,1	20,5	20,2
DK - Denmark	28,9	30,1	29,9	29,5	28,4	29,1bp	28,9p	32,8p	32,8p	32,3p	32,2p	33,0p
DE - Germany	29,3	29,8	29,0	28,9	27,8	26,8	27,1	30,5	29,8	28,6	28,7	29,0p
EE - Estonia	12,7	12,6	13,0	12,5	12,0	12,0	14,7	18,8	17,6	15,6	15,0	14,8
IE - Ireland	15,8	16,4	16,5	16,7	16,7	17,3	20,1	23,9	24,5	23,2	23,0	22,0
EL - Greece	23,0p	22,6p	22,6p	24,1p	23,7p	23,7p	25,3p	27,3p	28,6p	30,4p	31,6p	.
ES - Spain	19,5	19,8	19,9	20,1	20,0	20,3	21,4	24,4	24,7p	25,4p	25,5p	25,7p
FR - France	29,6	30,2	30,4	30,5	30,2	29,9	30,2	32,6	32,7	32,5	33,3	33,7
HR - Croatia	.	.	.	.	.	.	18,6	20,7	20,8	20,4	20,9	21,7
IT - Italy	24,4	24,8	25,0	25,3	25,6	25,7	26,7	28,8	28,8	28,5	29,3p	29,8p
CY - Cyprus	15,0	16,8	16,5	16,7	16,8	16,6	17,7	19,3	20,1	20,8	21,0	22,3
LV - Latvia	13,8	13,3	12,6	12,1	11,8	10,5	12,0	16,7	18,1	15,1	14,2	14,4p
LT - Lithuania	14,0	13,4	13,4	13,2	13,3	14,2	15,9	21,0	18,9	16,9	16,3	15,3p
LU - Luxembourg	20,9	22,1	22,1	22,1	20,8	19,7	21,2	23,8	22,9	22,3	23,0	23,1
HU - Hungary	20,1	21,0	20,4	21,5	22,0	22,2	22,5	22,9	22,7	21,7	21,4	20,9
MT - Malta	16,9	16,8	17,3	17,1	17,1	17,2	17,6	19,0	18,7	18,2	18,4	18,4
NL - Netherlands	25,4	26,3	26,2	25,8	26,5	26,1	26,4	29,4	29,7	30,2	31,0	31,3p
AT - Austria	28,3	28,8	28,5	28,1	27,7	27,2	27,8	29,8	29,8	29,0	29,3	29,7
PL - Poland	21,1	21,0	20,3	20,0	19,6	18,3	19,4	20,4	19,6	18,6	17,7p	.
PT - Portugal	22,5	22,8	23,4	23,8	23,7	23,0	23,4	25,8	25,8	25,8	26,4	27,6
RO - Romania	13,5	13,0	12,8	13,4	12,8	13,5	14,1	16,9	17,3	16,4	15,4	14,8p
SI - Slovenia	23,9	23,2	22,8	22,6	22,3	20,9	21,0	23,7	24,4	24,5	24,9	25,0
SK - Slovakia	18,8	18,0	16,9	16,2	16,0	15,7	15,7	18,5	18,3	17,9	18,1	18,4p
FI - Finland	24,9	25,5	25,6	25,6	25,4	24,4	25,1	29,0	29,2	28,8	30,1	31,2p
SE - Sweden	29,6	30,4	29,8	29,5	28,6	27,4	27,7	30,1	28,6	28,2	29,3	30,0
UK - United Kingdom	24,7	25,4	25,6	26,2	26,1	25,4	26,4	29,1	28,8	28,7	28,8p	28,1p
IS - Iceland	20,7	22,3	21,9	21,1	20,7	20,6	21,1	23,9	23,3	23,9	23,7	23,6
NO - Norway	.	.	.	.	.	.	.	.	.	.	.	25,0
CH - Switzerland	25,4	26,7	25,3	23,3	22,0	22,1	21,7	25,4	25,1	24,7	24,5	27,0
RS - Serbia	.	.	.	.	.	.	.	.	23,9	22,7	24,0	23,3

Source: Eurostat (<http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tps00098&language=en>), data as of 14/09/2016

p = provisional data



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