



International
Labour
Office



THE STATE OF APPLICATION OF THE PROVISIONS
FOR SOCIAL SECURITY OF THE INTERNATIONAL
TREATIES ON SOCIAL RIGHTS RATIFIED BY

Czech Republic

**CONSOLIDATED
REPORT
WITH ILO
COMMENTS**

DECEMBER 2016

Coordination of reporting obligations under ECSS and ILO Social Security Conventions

Article 74. ECSS

1. Each Contracting Party shall submit to the Secretary General an annual report concerning the application of this Code. This report shall include:
 - a) full information concerning the laws and regulations by which effect is given to the provisions of this Code covered by the ratification; and
 - b) evidence of compliance with the statistical conditions specified in:
 - i. Articles 9.a, b or c; 15.a or b; 21.a; 27.a or b; 33; 41.a or b; 48.a or b; 55.a or b; 61.a or b, as regards the number of persons protected;
 - ii. Articles 44, 65, 66 or 67, as regards the rates of benefit;
 - iii. Article 24, paragraph 2, as regards duration of unemployment benefit; and
 - iv. Article 70, paragraph 2, as regards the proportion of the financial resources constituted by the insurance contributions of employees protected.

Such evidence shall as far as possible be presented in such general order and manner as may be suggested by the Committee.
2. Each Contracting Party shall furnish to the Secretary General, if so requested by him, further information of the manner in which it has implemented the provisions of the Code covered by its ratification.
3. The Committee of Ministers may authorise the Secretary General to transmit to the Consultative Assembly copies of the report and further information submitted in accordance with paragraphs 1 and 2 of this article respectively.
4. The Secretary General shall send to the Director General of the International Labour Office the report and further information submitted in accordance with paragraphs 1 and 2 of this article respectively, and shall request the latter to consult the appropriate body of the International Labour Organisation with regard to the said report and further information and to transmit to the Secretary General the conclusions reached by such body.
5. Such report and further information and the conclusions of the body of the International Labour Organisation referred to in paragraph 4 of this article shall be examined by the Committee which shall submit to the Committee of Ministers a report containing its conclusions.

§1. Article 76. C102

1. Each Member which ratifies this Convention shall include in the annual report upon the application of this Convention submitted under Article 22 of the Constitution of the International Labour Organisation:
 - (a) full information concerning the laws and regulations by which effect is given to the provisions of the Convention; and
 - (b) evidence, conforming in its presentation as closely as is practicable with any suggestions for greater uniformity of presentation made by the Governing Body of the International Labour Office, of compliance with the statistical conditions specified in:
 - (i) Articles 9 (a), (b), (c) or (d); 15 (a), (b) or (d); 21 (a) or (c); 27 (a), (b) or (d); 33 (a) or (b); 41 (a), (b) or (d); 48 (a), (b) or (c); 55 (a (a), (b) or (d); 61 (a), (b) or (d), as regards the number of persons protected;
 - (ii) Articles 44, 65, 66 or 67, as regards the rates of benefit;
 - (iii) subparagraph (a) of paragraph 2 of Article 18, as regards duration of sickness benefit;
 - (iv) paragraph 2 of Article 24, as regards duration of unemployment benefit; and
 - (v) paragraph 2 of Article 71, as regards the proportion of the financial resources constituted by the insurance contributions of employees protected.

For coordination of reporting between ECSS and ILO Social Security Conventions see “The state of application of the provisions for social security of the international treaties on social rights: ILO Technical Note: Czech Republic/ International Labour Office. – Geneva: ILO, 2016”.

Chapter III. Concluding observations of the supervisory bodies concerning provisions of the ratified international treaties on social rights and statements of other international bodies reviewing national economic and social policy.

Introduction of Consolidated Report.

Extract from the 2016 Report and conclusions of the Committee of Experts on the Application of Conventions and Recommendations of the International Labour Organization on the annual reports submitted to the Secretary-General of the Council of Europe on the application of the European Code of Social Security and its Protocol.

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26. Consolidated reports on social security instruments

The Committee recalls that the network of interrelated and overlapping compliance and reporting obligations is particularly dense for many European countries which, besides ILO social security Conventions and United Nations (UN) human rights instruments, are bound by a number of regional treaties on social rights: the European Social Charter, the ECSS, social security Conventions of the Council of Europe, the Charter of Fundamental Rights of the European Union, among others. A simple compilation of these instruments in Europe totals over 1,000 pages, which makes the task of their coherent implementation particularly complex. For these reasons, in its 2015 conclusions on the ECSS, the Committee invited governments to coordinate the fulfilment of their compliance and reporting obligations under the Code, Convention No. 102 and the relevant provisions of the European Social Charter with a view to improving the quality and consistency of the information provided in their reports. In response, a number of governments have requested the ILO to consolidate the information provided in their previous reports on the Code and ILO social security Conventions in one comprehensive document giving a full picture of the national social security system. To facilitate the integrated management and comparative analysis of member States' obligations under different social security instruments, the Department of International Labour Standards extracted and structured all information relevant to the application of the ECSS from the government reports supplied during the period 2006–16. The reports supplied prior to 2006 were not taken into account as the information contained in them is likely to be outdated. The information included in the reports but which was not directly relevant to the legal obligations under the respective provisions of the Code and ILO Conventions has not been retained. In many instances this, together with the elimination of repetitive information, has permitted to reduce by half the volume of reported information, which for the European countries often runs into several hundreds of pages. Still, an average CR counts over 150 pages and requires several rounds of compacting, comparing, editing, tabulating, etc. of the information to finally transform it into a reference document on a given national social security system and policy. Where necessary, this information is completed by data taken from official national and international databases, such as MISSCEO, MISSOC, ILOSTAT and Eurostat. The resulting country CR thus contains all the relevant information provided over the past decade on the application of ratified social security instruments and greatly improves the quality of reporting in terms of the consistency of the information available, coherence across different schemes and benefits providing protection, and the efficacy of the regulatory framework governing the national social security system. CRs provide an incredible wealth of verified reference information on the law and practice in social security from official government sources, the value of which goes much beyond the needs of the supervisory

bodies and provides an indispensable knowledge base for ILO country projects and development cooperation activities.

27. Improving completeness and consistency of the reported information

Consolidation of information across various instruments has permitted the overall completeness of the available information to be assessed and information gaps to be revealed concerning certain provisions which are brought to governments' attention. Such gaps, as regards both legal and statistical information, prevent full and systemic analysis by the Committee of the regulatory framework and benefit parameters. Relevant questions of the report forms on the Code and ILO Conventions are therefore included as a reminder to complete the CR with the requested information. The Committee wishes to emphasize that the effectiveness of the supervisory bodies depends on acting in full knowledge of the case and seeing the whole picture and calls on the governments concerned to make a special effort in the 2017 annual reporting exercise on the ECSS to eliminate all information gaps on the provisions indicated in the CR. With respect to the clarity of the information provided, particularly as regards rules and elements taken into account for the calculation of the level of benefits, in many instances it requires very specific technical clarifications from the national experts and concrete references to the corresponding provisions of the national regulations defining conditions of entitlement to each of the elements included in the benefit formula. In order to facilitate the experts' dialogue on the technical parameters, which may take different values depending upon the context in which they are used, the statements in question are highlighted and appropriate marks and questions are entered directly in the text of the CR. This avoids possible misunderstandings and overloading the Committee's conclusions with repeated technicalities. Where necessary, a preliminary comparative analysis of questioned national provisions or practices is carried out and the ILO comments are entered immediately afterwards in square brackets. This greatly facilitates the understanding of the legal logic of the comments. In view of the significant volume and the complexity of a CR, it is also equipped with user-friendly navigation signs and summary tables. The Committee attaches the CR to its country conclusions and asks the governments concerned, in discharging their reporting obligation under *Article 74(1)* of the Code, to complete it with the missing information, technical clarifications, specific provisions of the national legislation and updated statistics. The Committee points out that, having once completed the CR, the future reporting obligations may consist only in its periodic updating according to established reporting cycles.

28. Sources and consistency of reported statistical data

According to *Article 74(1)(b)*, the reports on the Code shall include evidence of compliance with statistical conditions specified with respect to the number of persons protected, the rates of benefits and the proportion of the financial resources constituted by the insurance contributions of employees protected. This evidence shall be presented in such general order and manner as may be suggested by the Committee of Ministers. The CRs have revealed situations where statistical data on the same subject given in different reports were taken from different sources and databases used by different government agencies contributing to these reports, and were not compatible; the source of information might not be indicated, and the exact data might be replaced by ad hoc estimates. The Committee recalls that one of the main characteristics of the Code and ILO social security Conventions consists in that

compliance with their provisions on the scope of coverage and level of benefits is established by reference to precise numbers and percentages, which makes the quality, consistency and comparability of the statistical information an essential condition of the effective functioning of the supervisory mechanism. The Committee has therefore considered it useful to elaborate a self-explanatory template for the statistical data on coverage of the persons protected requested in the report forms on the Code and ILO Conventions, and prefilled it with data given in government reports and by Eurostat. Where the figures appear to be divergent or controversial, the Committee asks the government to check the data for consistency. Generally, the governments are requested to fill in the lacking data, align them to the same time basis to enable comparison, and specify the official source of statistics which shall henceforth be continuously used by them for reporting purposes.

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How to complete, modify and update the Consolidated Report?

Please, always enter any modifications or new information using TRACK CHANGES function in MICROSOFT WORD. The information should be entered:

- either directly in the text of the CR or
- in the footnote attached to the relevant portion of the text of the CR.

Consolidated Report on the application by the Czech Republic of ILO Conventions №12, 17, 42, 102, 128, 130 & the European Code of Social Security in the period 2006-2016

Consolidated information compiled from the following Government Reports on these instruments:

Up-to-date ILO instruments

- Report for the period from 01 September 2011 to 31 August 2016, submitted by the Government of the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation in respect of implementing Social Security (Minimum Standards) Convention, 1952 (№102); [\[Report 2016-C102\]](#)
- Report for the period from 31 August 2006 to 31 August 2011, submitted by the Government of the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation on the application of Social Security (Minimum Standards) Convention, 1952 (№102); [\[Report 2011-C102\]](#)
- Report for the period from 31 August 2001 to 31 August 2006, submitted by the Government of the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation on the application of Social Security (Minimum Standards) Convention, 1952 (№102); [\[Report 2006-C102\]](#)
- Report for the period from 01 September 2012 to 31 August 2016, submitted by the Government of the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation in respect of measures to implement Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (№128); [\[Report 2016-C128\]](#)
- Report for the period from 31 August 2011 to 31 August 2012, submitted by the Government of the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation in respect of measures to implement Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (№128); [\[Report 2012-C128\]](#)
- Report for the period from 31 August 2006 to 31 August 2011, submitted by the Government of the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation on the application of Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (№128); [\[Report 2011-C128\]](#)
- Report for the period from 31 August 2001 to 31 August 2006, submitted by the Government of the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation on the application of Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (№128); [\[Report 2006-C128\]](#)
- Report for the period from 01 September 2011 to 31 August 2016, submitted by the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation in respect of measures to implement Medical Care and Sickness Benefits Convention, 1969 (№130); [\[Report 2016-C130\]](#)
- Report for the period from 31 August 2006 to 31 August 2011, submitted by the Government of the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation on the application of Medical Care and Sickness Benefits Convention, 1969 (№130). [\[Report 2011-C130\]](#)
- Report for the period from 31 August 2001 to 31 August 2006, submitted by the Government of the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation on the application of Medical Care and Sickness Benefits Convention, 1969 (№130). [\[Report 2006-C130\]](#)

ILO Instruments with interim status

- Report for the period from 31 August 2011 to 31 August 2016, submitted by the Government of the Czech Republic in accordance with to Article 22 of the Constitution of the International Labour Organisation in respect of measures adopted to implement Workmen's Compensation (Agriculture) Convention, 1921 (N°12); [\[Report 2016-C12\]](#)
- Report for the period from 31 August 2006 to 31 August 2011, submitted by the Government of the Czech Republic in accordance with to Article 22 of the Constitution of the International Labour Organisation in respect of measures adopted to implement Workmen's Compensation (Agriculture) Convention, 1921 (N°12); [\[Report 2011-C12\]](#)

Outdated ILO instruments

- Report for the period from 31 August 2011 to 31 August 2016, submitted by the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation in respect of implementing Workmen's Compensation (Accidents) Convention, 1925 (N°17); [\[Report 2016-C17\]](#)
- Report for the period from 31 August 2006 to 31 August 2011, submitted by the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation in respect of implementing Workmen's Compensation (Accidents) Convention, 1925 (N°17); [\[Report 2011-C17\]](#)
- Report for the period from 31 August 2011 to 31 August 2016, submitted by the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation in respect of implementing Workmen's Compensation (Occupational Diseases) Convention, 1934 (N°42). [\[Report 2016-C42\]](#)
- Report for the period from 31 August 2006 to 31 August 2011, submitted by the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation in respect of implementing Workmen's Compensation (Occupational Diseases) Convention, 1934 (N°42). [\[Report 2011-C42\]](#)
- Report for the period from 31 August 1999 to 31 August 2006, submitted by the Czech Republic in accordance with Article 22 of the Constitution of the International Labour Organisation in respect of implementing Workmen's Compensation (Occupational Diseases) Convention, 1934 (N°42). [\[Report 2006-C42\]](#)

European Code of Social Security


- 14th Report on the fulfillment of the European Code of Social Security for the period from 1st July 2015 to 30th June 2016; [\[Report 2016-ECSS\]](#)
- 13th Report on the fulfillment of the European Code of Social Security for the period from 1st July 2014 to 30th June 2015; [\[Report 2015-ECSS\]](#)
- 12th Report on the ECSS for the period from 1st July 2013 to 30th June 2014; [\[Report 2014-ECSS\]](#)
- 11th Report on the ECSS for the period from 1st July 2012 to 30th June 2013. [\[Report 2013-ECSS\]](#)






Additional information

Tineke Dijkhoff "International Social Security Standards in the European Union. The Cases of the Czech Republic and Estonia". Social Europe Series, 28. Intersentia, 2011. pp.448.

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| NB | Indications, which may help to improve the quality of the report, are put into a box. | |
| | Questions of the Report Form on a given Convention (e.g. RF/C102), on which the information is lacking in all listed Government reports, are reproduced in a box. | |
| | Where the text of the corresponding provisions of the ECSS and C102 has the same wording, the wording of C102 is taken as the basis, with eventual changes in the ECSS reproduced in brackets. | |
| | Report form for the Social Security (Minimum Standards) Convention, 1952 (N°102). | RF/C102 |
| | Report form for the Invalidity, Old-age and Survivors' Benefits Convention, 1967 (N°128). | RF/C128 |
| | Report form for the Medical Care and Sickness Benefits Convention, 1969 (N°130). | RF/C130 |
| | Form for the annual report on the European Code of Social Security as modified by the Protocol additional thereto. Council of Europe. Strasbourg, 1967. | RF/ECSS |

User friendly Navigation signs:

| | |
|---|---|
|  | No answer to the request of the supervisory bodies |
| text in yellow | Attention is drawn to highlighted provisions |
| [??→p...] [p←??] | Please compare and clarify highlighted statements/data on indicated pages |
| [??] | Please explain in detail the preceding statement/provision/notion, etc. |
| [↑↑↑] | Please update the information provided |
| [PNL↑] | Please update the provisions of the national legislation |
| [PNL?] | Please indicate the specific provision of the national legislation |
| [STAT↑] | Please update/review statistical data |
























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|  | Provisions ensuring protection substantially higher than international standards |
|  | Lack of any information |
|  | Provisions possibly not in compliance with international standards |
|  | Provisions on which additional information is necessary |
|  | Provisions ensuring full compliance with international standards |

Summary table of the ECSS and ILO Conventions on the status of application of corresponding provisions

| Category | Full compliance | Request of information | |
|---|--|-------------------------------------|--|
| | | insufficient information | no or very little information |
| Part II. Medical Care | | | |
| II-1. Regulatory framework | ➤ Art.7 C102/ECSS Art.8 C130 | | |
| II-2. Contingencies covered | ➤ Art.8 C102/ECSS Art.7 C130 | | |
| II-3. Persons Protected | 👍 Art.9 C102/ECSS Art. 10,12 C130 | | |
| II-4. Types of Benefits | ➤ Art.10(1)C102/ECSS Art.13 C130 | | |
| II-5. Cost-sharing | | ➤ Art.10(2)C102/ECSS Art.17 C130 | |
| II-6. Objectives of Medical Care | ➤ Art.10(3) C102/ECSS Art.9 C130 | | |
| II-7. Promotion of the general health service | ➤ Art.10(4) C102/ECSS | | |
| II-8. Qualifying period | 👍 Art.11 C102/ECSS Art.15 C130 | | |
| II-9. Minimum duration of Benefit | 👍 Art.12 C102/ECSS Art.16 C130 | | |
| II-10. Suspension of Benefit | Art.69 C102 Art.68 ECSS Art.28 C130 | | |
| II-11. Right of complaint and appeal | | | 😞 Art.70 C102 Art. 69 ECSS Art.29 C130 |
| II-12. Financing and Administration | ➤ Art.71 C102 Art.70 ECSS Art.30,31 C130 | | |
| Part III. Sickness Benefit | | | |
| III-1. Regulatory framework | ➤ Art.13 ECSS Art.18 C130 | | |
| III-2. Contingencies covered | ➤ Art.14 ECSS Art.7(b) C130 | | |
| III-3. Persons Protected | ➤ Art.15 ECSS Art.19 C130 | | |

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| III-4. Level and Calculation of Benefit | ➤ <i>Art.16 ECSS</i> <i>Art.21 C130</i> | | |
| III-5. Qualifying period | 👍 <i>Art.17 ECSS</i> <i>Art.25 C130</i> | | |
| III-6. Minimum duration of Benefit | ➤ <i>Art.18 ECSS</i> <i>Art.26 C130</i> | | |
| III-7. Funeral Benefit | <i>Art.27 C130</i> | | |
| III-8. Suspension of Benefit | | ➤ <i>Art.68 ECSS</i> <i>Art.28 C130</i> | |
| III-9. Right of complaint and appeal | <i>Art.69 ECSS</i> <i>Art.29 C130</i> | | |
| III-10. Financing and Administration | <i>Art.70 ECSS</i> <i>Art.30,31 C130</i> | | |
| Part IV. Unemployment Benefit | | | |
| IV-1. Regulatory framework | ➤ <i>Art.19 ECSS</i> | | |
| IV-2. Contingency covered | ➤ <i>Art.20 ECSS</i> | | |
| IV-3. Persons Protected | 👍 <i>Art.21 ECSS</i> | | |
| IV-4. Level and Calculation of Benefit | ➤ <i>Art.22 ECSS</i> | | |
| IV-5. Qualifying period | ➤ <i>Art.23 ECSS</i> | | |
| IV-6. Minimum duration of Benefit | ➤ <i>Art.24 ECSS</i> | | |
| IV-7. Suspension of Benefit | <i>Art.68 ECSS</i> | | |
| IV-8. Right of complaint and appeal | ➤ <i>Art.69 ECSS</i> | | |
| IV-9. Financing and Administration | <i>Art.70 ECSS</i> | | |
| Part V. Old-Age Benefit | | | |
| V-1. Regulatory framework | ➤ <i>Art.25 ECSS</i> <i>Art.14 C128</i> | | |
| V-2. Contingency covered | <i>Art.26 ECSS</i> <i>Art.15 C128</i> | | |
| V-3. Persons Protected | 👍 <i>Art.27 ECSS</i> <i>Art.16 C128</i> | | |
| V-4. Level and Calculation of Benefit | ➤ <i>Art.28 ECSS</i> <i>Art.17 C128</i> | | |
| V-5. Adjustment of Benefit | ➤ <i>Art.65(10)ECSS</i> <i>Art.66(8)ECSS</i> <i>Art.29 C128</i> | | |
| V-6. Qualifying period | | ➤ <i>Art.29 ECSS</i> <i>Art.18 C128</i> | |

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| V-7. Duration of Benefit | ➤ Art.30 ECSS Art.19 C128 | | |
| V-8. Suspension of Benefit | ➤ Art.32 C128 Art.68 ECSS Art.32-33 C128 | | |
| V-9. Right of complaint and appeal | ➤ Art.69 ECSS Art.34 C128 | | |
| V-10. Financing and Administration | Art.70 ECSS Art.30,35,36 C128 | | |
| Part VI. Employment Injury Benefit | | | |
| VI-1. Contingencies and regulatory framework | ➤ Art.1 C12, Art.1 C17 Art.1(1) C42 | | |
| VI-2. Persons Protected | ➤ Art.2 C17 | | |
| VI-3. Definition of Occupational diseases | ➤ Art.2 C42 | | |
| VI-4. Benefits in cash | ➤ Art.5,7 C17 Art.1(2) C42 | | |
| VI-5. Benefits in kind | Art.9 C17 Art.10(1) C17 | | |
| VI-6. Waiting period | Art.6 C17 | | |
| VI-7. Insolvency of employer | Art.11 C17 | | |
| VI-8. Administration and Financing | ➤ Art.8, 10(2) C17 | | |
| Part VII. Family Benefit | | | |
| VII-1. Regulatory framework | ➤ Art.39 C102/ECSS | | |
| VII-2. Contingency covered | ➤ Art.40 C102/ECSS | | |
| VII-3. Persons Protected | ➤ Art.41 C102/ECSS | | |
| VII-4. Types of Benefits | ➤ Art.42 C102/ECSS | | |
| VII-5. Qualifying period | 👍 Art.43 C102/ECSS | | |
| VII-6. Level and Calculation of Benefit | ➤ Art.44 C102/ECSS | | |
| VII-7. Duration of Benefit | ➤ Art.45 C102/ECSS | | |
| VII-8. Suspension of Benefit | Art.69 C102 Art.68 ECSS | | |
| VII-9. Right of complaint and appeal | ➤ Art.70 C102 Art.69 ECSS | | |
| VII-10. Financing and Administration | ➤ Art.71 C102 Art.70 ECSS | | |
| Part VIII. Maternity Benefit | | | |
| VIII - 1. Regulatory framework | ➤ Art.46 C102/ECSS | | |
| VIII - 2. Contingency covered | ➤ Art.47 C102/ECSS | | |
| VIII - 3. Persons protected | 👍 Art.48 C102/ECSS | | |
| VIII - 4. Types of Benefit | Art.49 C102/ECSS | | |

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| VIII - 5. Level and Calculation of Benefit |  Art.50 C102/ECSS | | |
| VIII - 6. Qualifying period |  Art.51 C102/ECSS | | |
| VIII - 7. Minimum duration of Benefit |  Art.52 C102/ECSS | | |
| VIII - 8. Suspension of Benefit |  Art.69 C102 Art.68 ECSS | | |
| VIII - 9. Right of complaint and appeal |  Art.70 C102 Art.69 ECSS | | |
| VIII - 10. Financing and Administration |  Art.71 C102 Art.70 ECSS | | |
| Part IX. Invalidation Benefit | | | |
| IX-1. Regulatory framework |  Art.53 C102/ECSS | | |
| IX-2. Contingency covered |  Art.54 C102/ECSS | | |
| IX-3. Persons Protected |  Art.55 C102/ECSS | | |
| IX-4. Level and Calculation of Benefit |  Art.56 C102/ECSS | | |
| IX-5. Adjustment of Benefit |  Art.65(10) C102/ECSS Art.66 (8) C102/ECSS | | |
| IX-6. Qualifying period |  Art.57 C102/ECSS | | |
| IX-7. Duration of Benefit |  Art.58 C102/ECSS | | |
| IX-8. Suspension of Benefit |  Art.69 C102 Art.68 ECSS | | |
| IX-9 Right of complaint and appeal |  Art.70 C102 Art.69 ECSS | | |
| IX-10. Financing and Administration |  Art.71 C102 Art. 70 ECSS | | |
| Part X. Survivors' Benefit | | | |
| X-1. Regulatory framework |  Art.59 C102/ECSS | | |
| X-2. Contingency covered |  Art.60 C102/ECSS | | |
| X-3. Persons Protected |  Art.61 C102/ECSS | | |
| X-4. Level and Calculation of Benefit |  Art.62 C102/ECSS | | |
| X-5. Adjustment of Benefit |  Art.65(10) C102/ECSS Art.66 (8) C102/ECSS | | |
| X-6. Qualifying period |  Art.63 C102/ECSS | | |
| X-7. Duration of Benefit |  Art.64 C102/ECSS | | |
| X-8. Suspension of Benefit | Art.69 C102 Art.68 ECSS | | |

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| X-9. Right of complaint and appeal | ➤ <i>Art.70 C102</i> <i>Art.69 ECSS</i> | | |
| X-10. Financing and Administration | ➤ <i>Art.71 C102</i> <i>Art.70 ECSS</i> | | |
| Part XI. Standards to be complied with by periodical payments | ➤ <i>Art. 65,66 C102/ECSS</i> | | |
| Part XII. Equality of treatment of non-national residents | ➤ <i>Art.32 C130</i> <i>Article 68. C102</i> | | |
| Part XIII. Common Provisions | | | |
| XIII-1. Suspension of Benefit | | <i>Part III. Sickness Benefit</i> <i>Part IV. Unemployment Benefit</i> <i>Part V. Old-Age Benefit</i> <i>Part VII. Family Benefit</i> | <i>Part II. Medical Care</i> |
| XIII-2. Right of complaint and appeal | <i>Part III. Sickness Benefit</i> <i>Part IV. Unemployment Benefit</i> <i>Part V. Old-Age Benefit</i> <i>Part VII. Family Benefit</i> | | <i>Part II. Medical Care</i> |
| XIII-3. Financing and Administration | <i>Part VII. Family Benefit</i> | <i>Part III. Sickness Benefit</i> <i>Part IV. Unemployment Benefit</i> | <i>Part II. Medical Care</i> <i>Part V. Old-Age Benefit</i> |

Part I. General provisions

The Part I "General provisions" comprises the following explanatory and procedural clauses:

- **Articles 1-6 C102**

- **Articles 1-6 ECSS**

Article 6 – Voluntary insurance schemes

The report does not cover the protection provided under voluntary insurance scheme. *[Report 2016-ECSS]*

- **Articles 1-6 C128**

- **Articles 1-6 C130**

Part II. Medical Care

The Czech Republic has accepted the obligations resulting from Part II of C102, Part II of C130 and Part II of the ECSS.

| Category | Full compliance | Request of information | |
|---|--|--------------------------|--|
| | | insufficient information | no or very little information |
| II-1. Regulatory framework | ➤ Art.7 C102/ECSS Art.8 C130 | | |
| II-2. Contingencies covered | ➤ Art.8 C102/ECSS Art.7 C130 | | |
| II-3. Persons Protected | 👍 Art.9 C102/ECSS Art. 10, 12 C130 | | |
| II-4. Types of Benefits | ➤ Art.10(1) C102/ECSS Art.13 C130 | | |
| II-5. Cost-sharing | Art.10(2)C102/ECSS Art.17 C130 | | |
| II-6. Objectives of Medical Care | ➤ Art.10(3) C102/ECSS Art.9 C130 | | |
| II-7. Promotion of the general health service | ➤ Art.10(4) C102/ECSS | | |
| II-8. Qualifying period | 👍 Art.11 C102/ECSS Art.15 C130 | | |
| II-9. Minimum duration of Benefit | 👍 Art.12 C102/ECSS Art.16 C130 | | |
| II-10. Suspension of Benefit | Art.69 C102 / Art.68 ECSS Art.28 C130 | | |
| II-11. Right of compliant and appeal | Art.70 C102 Art. 69 ECSS Art.29 C130 | | |
| II-12. Financing and Administration | | | 👎 Art.71 C102 Art.70 ECSS Art.30,31 C130 |

List of applicable legislation

Report 2016-ECSS:

- Act No. 48/1997 Coll., providing for Public Health Insurance and on Changes and Amendments to Certain Related Acts, as amended
- Act No. 372/2011 Coll., regulating Medical Services and Conditions for Their Providing (Medical Services Act)
- Act No. 285/2002 Coll., to regulate the Donation, Sampling and Transplantation of Tissues and Organs and on Changes to Certain Acts (the Transplantation Act), as amended

Report 2016-C130:

- Act No. 258/2000 Coll., on public health protection, was updated in the given period by Acts No. 466/2011 Coll., 298/2011 Coll., 375/2011 Coll., 115/2012 Coll., 333/2012 Coll., 223/2013 Coll. (part), 223/2013 Coll., 223/2013 Coll. (part), 64/2014 Coll., 247/2014 Coll., 250/2014 Coll., 252/2014 Coll., 82/2015 Coll., 267/2015 Coll., 267/2015 Coll. (part)
- <https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=49577&nr=258~2F2000&rpp=15#local-content>
- Act No. 20/1966 Coll., on people's health care was replaced on 1 April 2014 with Act No. 372/2011 Coll., on health services, amended by Acts No. 167/2012 Coll., 437/2012 Coll., 66/2013 Coll., 303/2013 Coll., 60/2014 Coll., 205/2015 Coll., 126/2016 Coll.
- <https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=75500&nr=372~2F2011&rpp=15#local-content>
- Act No. 48/1997 Coll., on public health insurance, was amended in the given period by Acts No. 298/2011 Coll., 365/2011 Coll., 1/2012 Coll., 369/2011 Coll., 458/2011 Coll., 275/2012 Coll., 401/2012 Coll., 403/2012 Coll., 44/2013 Coll., 238/2013 Coll., 238/2013 Coll. (part), 60/2014 Coll., 109/2014 Coll., 458/2011 Coll., 60/2014 Coll. (part), 250/2014 Coll., 256/2014 Coll., 267/2014 Coll., 1/2015 Coll., 200/2015 Coll., 314/2015 Coll., 200/2015 Coll. (part)
- <https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=45178&nr=48~2F1997&rpp=15#local-content>
- Act No. 592/1992 Coll., on public health insurance premiums, was amended in the given period by Acts No. 138/2011 Coll., 298/2011 Coll., 329/2011 Coll., 369/2011 Coll., 401/2012 Coll., 500/2012 Coll., 11/2013 Coll., 342/2013 Coll., 458/2011 Coll., 344/2013 Coll., 109/2014 Coll., 458/2011 Coll., 401/2012 Coll. (part), 500/2012 Sb (part), 250/2014 Coll., 267/2014 Coll., 200/2015 Coll.
- <https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=40381&nr=592~2F1992&rpp=15#local-content>
- Act No. 551/1991 Coll., on the General Health Insurance Company, was updated in the given period by Acts No. 298/2011 Coll., 369/2011 Coll., 458/2011 Coll. (part), 60/2014 Coll., 109/2014 Coll., 458/2011 Coll., 256/2014 Coll., 200/2015 Coll., 128/2016 Coll.
- <https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=39599&nr=551~2F1991&rpp=15#local-content>
- Act No. 280/1992 Coll., on ministerial, sectoral, enterprise and other insurance companies, was updated in the given period by Acts No. 298/2011 Coll., 369/2011 Coll., 458/2011 Coll. (part), 60/2014 Coll., 109/2014 Coll., 458/2011 Coll., 256/2014 Coll., 200/2015 Coll., 128/2016 Coll.
- <https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=40001&nr=280~2F1992&rpp=15#local-content>
- Act No. 160/1992 Coll., on health care in non-governmental healthcare facilities, was derogated on 1 April 2014 and replaced with Act No. 372/2011 Coll., on health services.
- Decree No. 537/2006 Coll., on vaccination against infectious diseases, as amended by Decree No. 40/2016 Coll.
- <https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=63208&nr=537~2F2006&rpp=15#local-content>

➤ II - 1. Regulatory framework

Article 7. C102 and ECSS

Each Member (Contracting Party) for which this Part of this Convention (Code) is in force shall secure to the persons protected the provision of benefit in respect of a condition requiring medical care of a preventive or curative nature in accordance with the following Articles of this Part.

Article 8. C130

Each Member shall secure to the persons protected, subject to prescribed conditions, the provision of medical care of a curative or preventive nature in respect of the contingency referred to in subparagraph (a) of Article 7.

Report 2016-ECSS:

Right to health care without direct payment is enshrined in the Charter of Fundamental Rights and Freedoms, which is the fundamental law, and in Act No. 48/1997 Coll., the Public Health Insurance Act (hereinafter referred to as the „Public Health Insurance Act“). According to the Public Health Insurance Act each insured individual suffering from any disease or injury, regardless of its causes, has the right to health care without direct payment. The same applies to pregnancy, childbirth and its consequences.

The state and the health insurance companies that are public institutions in the Czech Republic, take measures to ensure that health care covered by public health insurance is available to a wide range of people. In the Czech Republic a financial limit in terms of cost of care which the insured person may draw for a certain time period is not set. The so-called waiting periods are not established, so the insured individual is entitled to a full range of covered health care insurance since the first day of health insurance. There are no time limits regarding the length of the health care utilization until health insurance lasts. Health insurance cannot be terminated by a health insurance company, unless there is some kind of facts foreseen by the law (termination of permanent residence in the Czech Republic).



➤ II - 2. Contingencies covered

Article 8. C102 and ECSS

The contingencies covered shall include any morbid condition, whatever its cause, and pregnancy and confinement and their consequences.

Article 7. C130

The contingencies covered shall include:

(a) need for medical care of a curative nature and, under prescribed conditions, need for medical care of a preventive nature.

Report 2016-ECSS:

The Public Health Insurance Act No. 48/1997 (as amended) defines the scope of health care in detail, which is covered by public health insurance, i.e. the scope of covered contingencies referred to in this Article. As for, among others, preventive care, continuing care (long term illness), diagnostic, treatment, pharmacy, clinical and pharmaceutical, medical rehabilitation, consultative, nursing, palliative and others. Covered health care also includes, among others, the provision of medicines, food for special medical purposes, medical devices and dental products. The scope of the covered health care provides protection, recovery and improvement of the health of protected persons as well as their ability to work and ability to satisfy personal needs.

NB: provisions concerning the different forms of preventive medical care are established in §29, 30 of the chapter Preventive care (Preventivní péče) of Act №48/1997.

II - 3. Persons protected

Article 9. C102 and ECSS

The persons protected shall comprise:

(a) prescribed classes of employees, constituting not less than 50 per cent of all employees, and also their wives and children; or

(b) prescribed classes of the economically active population, constituting not less than 20 per cent of all residents, and also their wives and children; or

➤ (c) prescribed classes of residents, constituting not less than 50 per cent of all residents.

Article 10. C130

The persons protected in respect of the contingency referred to in subparagraph (a) of Article 7 shall comprise:

(a) all employees, including apprentices, and the wives and children of such employees; or

(b) prescribed classes of the economically active population, constituting not less than 75 per cent of the whole economically active population, and the wives and children of persons in the said classes; or

➤ (c) prescribed classes of residents constituting not less than 75 per cent of all residents.

➤ **Article 12. C130**

Persons who are in receipt of a social security benefit for invalidity, old age, death of the breadwinner or unemployment, and, where appropriate, the wives and children of such persons, shall continue to be protected, under prescribed conditions, in respect of the contingency referred to in subparagraph (a) of Article 7.

Report 2016-ECSS:

The Czech Republic refers to letter c) of the Article 9 of the ECSS.

The group of protected persons is determined in Section 2 of the Public Health Insurance Act. According to this law, insured by the health insurance are all the persons who have permanent residence in the Czech Republic, and persons who do not have permanent residence in the Czech Republic but they are employees of an employer which has its registered office or permanent residence in the territory of the Czech Republic.

Report 2016-C130:

The group of protected persons remains unchanged.

Report 2011-C130:

The range of the covered individuals includes every person who has permanent residency in the Czech Republic, even if they are not economically active. Each of these individuals has individual health insurance. Act No 48/1997 Coll. on health insurance and the supplementation of some associated Acts, as amended, designates the individuals, for whom the insurance contribution payer is the state using funds from the state budget.

The state pays the health insurance contributions for the following individuals from the state budget:

- dependent children; the dependency of a child is assessed according to the State Social Support Act;
- recipients of benefits from pension insurance who were awarded a benefit prior to 1 January 1993 according to the regulations of the Czech and Slovak Federative Republic and after 31 December 1992 according to the regulations of the Czech Republic. For the purposes of the law, individuals according to the previous sentence are also considered to be beneficiaries in the months when they are not entitled to the payment of a benefit according to the pension insurance regulations;
- recipients of family allowances;

- women on maternity and parental leave and individuals receiving differential allowances in maternity according to the sickness insurance regulations;
- jobseekers, including jobseekers who have accepted short-term employment;
- individuals receiving assistance in material need and individuals jointly assessed with them under the condition that they are not in any employment or similar relations and do not carry out any independent gainful activities, are not listed in the records of jobseekers and are not recipients of an old age benefit, an invalidity benefit for level-three invalidity, a widows' or widowers' benefit or a parental benefit for a dependent child;
- individuals who are dependent on the care of another entity at level II (medium dependency) or level III (high dependency) or level IV (full dependency) and the individuals caring for such individuals and individuals caring for individuals under 10 years of age who are dependent on the care of another individual at level I (slight dependency);
- individuals performing basic (replacement) service in the armed forces, other service or civil service and individuals called up for military exercises;
- individuals in detention or custody or individuals serving a term of imprisonment;
- individuals with permanent residency in the territory of the Czech Republic who are not employees or self-employed persons and are the recipients of sickness insurance benefits;
- individuals who have level-three invalidity or who have reached the age required for an old age benefit, but do not meet the further conditions for the awarding of an invalidity benefit for level-three invalidity or an old age benefit and do not have any earnings from employment or independent gainful activities and do not receive a pension from abroad or if any such pension does not exceed the amount of the minimum wage;
- individuals who provide all-day personal care to at least one child up to the age of seven or to at least two children up to the age of 15. Only one person is considered to be such an individual, i.e. either the father or the mother of the child or the individual who has assumed the permanent foster care of the child, if they do not have any earnings from employment or from any independent gainful activities;
- minors placed in educational institutions for the purpose of their upbringing and guardianship;
- individuals providing long-term voluntary services at an average of at least 20 hours a calendar week upon the basis of a contract concluded with an organisation which has been accredited by the Ministry of Internal Affairs;
- foreigners who have been granted a residency permit for the territory of the Czech Republic for the purpose of the provision of temporary protection according to the special legal regulation, if they have no earnings from employment or from independent gainful activities;
- applicants for international protection and their children born in the territory, foreigners who have been issued a residency visa for more than 90 days for the purpose of residency and their children born in the territory, if they have no earnings from employment or from independent gainful activities.

Report 2016-ECSS:

Statistical information:

| | |
|----------------------------|--|
| Number of covered persons: | 10,421,308 persons (the average number of insured persons in 2015) |
| Population: | 10,553,843 persons (as of December 31, 2015) |
| Coverage in total | 98.74% |

Women on maternity and parental leave and dependent children fall into the category of



protected individuals who are entitled to medical care according to Article 10. Primarily derived in-kind benefits do not exist in the Czech Republic. Women and children within the personal scope of public health insurance are entitled to medical care according to the law.

Report 2017-ECSS:

Statistical information:

| | |
|----------------------------|--|
| Number of covered persons: | 10,443,570 persons (the average number of insured persons in 2016) |
| Population: | 10,578,820 persons (as of December 31, 2016) |
| Coverage in total | 98.72% |

Source: Ministry of Health.



➤ II - 4. Types of Benefit

§1. Article 10. C102 and ECSS

The benefit shall include at least:

- (a) in case of a morbid condition,
 - (i) general practitioner care, including domiciliary visiting;
 - (ii) specialist care at hospitals for in patients and out patients, and such specialist care as may be available outside hospitals;
 - (iii) the essential pharmaceutical supplies as prescribed by medical or other qualified practitioners; and
 - (iv) hospitalisation where necessary; and
- (b) in case of pregnancy and confinement and their consequences,
 - (i) pre natal, confinement and post natal care either by medical practitioners or by qualified midwives; and
 - (ii) hospitalisation where necessary.

Article 13. C130

The medical care referred to in Article 8 shall comprise at least:

- (a) general practitioner care, including domiciliary visiting;
- (b) specialist care at hospitals for in-patients and out-patients, and such specialist care as may be available outside hospitals;
- (c) the necessary pharmaceutical supplies on prescription by medical or other qualified practitioners;
- (d) hospitalisation where necessary;
- (e) dental care, as prescribed; and
- (f) medical rehabilitation, including the supply, maintenance and renewal of prosthetic and orthopaedic appliances, as prescribed.

Report 2016-ECSS:

The scope of health services provided within the Czech public health insurance system is defined in Part Five of the Public Health Insurance Act No. 48/1997(as amended). The benefits include general practitioner care, including domiciliary visiting, specialist care for hospitalized persons provided by specialists, care for persons in hospitals attending outside the hospital, basic medical prescription providing, care before, during and after childbirth provided by a doctor and hospitalization.

Report 2013-ECSS:

The scope of provided health services, to which an insured person is entitled, is determined by Chapter V of the Public Health Insurance Act, stipulating among others in Article 13:

- (1) The healthcare services provided to an insured person are covered by health insurance with the aim to improve or save his/her health and to alleviate his/her suffering, provided
 - a) It corresponds to the health conditions of the insured person and to the medical purposes which might be achieved and which are adequate and secure;
 - b) Is in compliance with contemporary and accessible knowledge of medical science and there is existing evidence proving its effectiveness with regard the purpose its providing.

(2) Healthcare services covered by health insurance in the scope and under conditions given by Public Health Insurance Act are as follows:

a) Preventive, dispensary, diagnostic, therapeutic, therapeutic-rehabilitative, spa therapeutic-rehabilitation care, assessment, nursing and palliative care and care for the donors of blood, tissues or organs and cells in relation to their removal – pursuant to the provisions of the Health Services Act;

b) Provision of medicinal preparations, foods for special medical purposes, medical devices and dental products;

c) Transportation of the insured persons and reimbursement of travel expenses;

d) Collection of blood and tissues, cells and organs for transplantation purposes and any necessary handling (preservation, storage processing and testing);

e) Transportation of a living donor (of tissues, cells and organs for transplantation) to and from the place of collection and the providing of healthcare related to the collection and reimbursement of travel costs;

f) Transport of a deceased donor to and from the place of collection;

g) Transport of the collected tissues, cells and organs;

h) Examination and autopsy of a deceased insured person - including transportation;

i) The stay of a person accompanying an insured person in a medical facility for inpatient care (hospital);

j) Medical care related to pregnancy and the birth of a child whose mother asked for confidentiality in connection with the childbirth; this care is covered by health insurance, where payment is requested by the provider based on an identification of the insured person.

Based on a registered provider's recommendation in the field of gynaecology and midwifery in connection with an artificial insemination, covered health services include health care - up to three times in a lifetime or if in the first two cases to the female genitals only one human embryo was transferred resulting from artificial insemination outside the woman's body four times in a lifetime - to

a) Women aged 18 – 39 with bilateral tubal obstruction or

b) Other women aged 22 – 39 (maximum of three times in a lifetime).

Medicinal preparations containing the following the least economically challenging medicinal substances are covered in full from health insurance:

a) Serum against staphylococcus infections,

b) Serum against diphtheria,

c) Serum against snake venom,

d) Serum against botulism,

e) Serum against gaseous gangrene,

f) Serum against rabies,

g) Immunoglobulin against tetanus,

g) Immunoglobulin against hepatitis B,

h) Tetanus toxoid,

i) Vaccine against staphylococcus infections,

j) Vaccines against rabies,

k) Antidotes (used during the treatment of poisoning with organophosphates, heavy metals and cyanides).

More detailed definition of medicinal preparations and services covered by public health insurance can be found in the above mentioned law.

II - 5. Cost-sharing

§2. Article 10. C102 and ECSS

The beneficiary or his breadwinner may be required to share in the cost of the medical care the beneficiary receives in respect of a morbid condition; the rules concerning such cost-sharing shall be so designed as to avoid hardship.

Article 17. C130

Where the legislation of a Member requires the beneficiary or his breadwinner to share in the cost of the medical care referred to in Article 8, the rules concerning such cost sharing shall be so designed as to avoid hardship and not to prejudice the effectiveness of medical and social protection.

Report 2016-ECSS:

The insured person (recipient of health services) is required to pay a regulatory fee. The amount of the regulatory fee can be found in Section 16a of the Public Health Insurance Act.

1) Regulatory fee for the medical emergency service

According to Section 16a par. 1 of the Act, the insured individual or his/her legal representative shall pay the regulatory fee of CZK 90 to the respective provider of services for medical emergency services, including emergency service in stomatology (hereinafter referred to as "emergency service"). This regulatory fee is not paid if the insured person is placed in institutional care facilities for children under 3 years of age, in school facilities for institutional care or institutional protective care or placed for institutional upbringing in homes for persons with disabilities or if the insured person is placed according to a court's decision in a facility for children in need of immediate assistance, in foster care, in guardianship or care of another person as stipulated by Act No. 89/2012 Coll., the Civil Code. Further, in case of the insured person who proves a decision, notification or certificate issued by the authority providing assistance in material need that he/she is being provided with a benefit which is provided according to Act No. 111/2006 Coll., Assistance in Material Need Act. The document confirming this fact must not be older than 30 days. If the insured person is being provided with social services according to Section 48-50 and Section 52 of Act No. 108/2006 Coll., the Social Services Act, i.e. social services provided in residential care homes for persons with disabilities, in homes for the elderly or in homes with special treatment regime or in health care facilities of inpatient care, under the condition that 15% of their income (at least 15% of the income must remain at the client's disposal after payment for accommodation and meals) is less than CZK 800¹ or if the insured person has no income. Moreover, the regulatory fee is not paid if a doctor within the emergency service found out that the condition of the insured individual requires hospitalization.

Report 2015-ECSS:

In the case of pregnancy, delivery and any consequences thereof, no participation in the costs for the provided healthcare is required. No regulatory fees are paid in relation to the institutional care provided to a newborn child from the day of the birth through to the day of release from the healthcare institution where the child was born or to the day of release from another healthcare institution to which the child was transferred directly after the birth for medical reasons.

Report 2016-ECSS:

In the case of pregnancy, childbirth and its consequences participation in the form of a regulatory fee of CZK 90 for the use of emergency services is required, if that happens, in accordance with the procedure set out above in the point B. (*point B = regulatory fee for the medical emergency service*).

¹ CZK 800 = €29.62. The exchange rate of the Czech Koruna on 11 September 2016 was €1.00 to CZK 27.05.

ILO Comments: according to §2 Article 10 of C102 and ECSS, cost-sharing is allowed only in the case of morbid condition. The Report states that participation in the costs of CZK 90² is required for the use of emergency services in the case of pregnancy, childbirth and its consequences as well. According to the source³, pregnant women are usually required to pay other types of regulatory fees. ***The Government should be invited to explain how compliance with §2 Article 10 of C102 and ECSS is ensured in these cases.***

In the case of pregnancy, delivery and any consequences thereof, no participation in the costs for the provided healthcare is required.

RF/ECSS: please confirm that, in accordance with paragraph 2 (b), cost-sharing is not required in the case of pregnancy and confinement and their consequences, except for pharmaceutical supplies. If the scheme provides for the reimbursement of the expenses which the beneficiary or her breadwinner was obliged to incur in order to obtain the benefits stipulated in paragraph 1 (b) i. and 1 (b) ii. Please furnish any available information to show that the beneficiary or her breadwinner does not share in the cost of such benefits.

Report 2018-ECSS:

[The Czech Republic can confirm that no participation is required from a pregnant woman when giving birth. First, a regulatory fee is not a participation in costs of healthcare but rather a tool to optimize the usage of healthcare services. Second, if a person uses emergency healthcare and is subsequently admitted to a hospital, no regulatory fee is paid whatsoever. Therefore, pregnant women when giving birth and receiving healthcare in relation to delivery are not required to pay any regulatory fee or share in the costs of healthcare. The same thing applies to what is being reported on p 25 under "problematic issues" as no regulatory fees \(except the one for emergency services\) are paid any longer. They have been abolished in 2015 \(the regulatory fee CZK 30 and regulatory fee CZK 100\). For details please see the Update 2017, page 26-27.](#)

2) Other types of regulatory fees

Additional information

As of 1 January 2008, major changes have taken place in relation to out-of-pocket-payments. In order to combat a relatively high frequency of doctor's visits by the Czech citizens and excessive use of medication, so-called 'regulatory fees' were introduced... For women, certain exemptions are regulated relating to pregnancy and delivery: pregnant women are exempt from the first three prescription fees, and for babies born in hospital, no fee for hospitalisation has to be paid... The Czech regulations on co-payments provide for some exemptions for pregnant women, but in most cases, the fees have to be paid by them as usual. Although the fixed amounts may not be very high, it is against the principles of maternity protection, as laid down in the international instruments.

Problematic issues

It must be recognised that a problem has emerged in respect of the required out-of-pocket-payments since January 2008. ILO Convention 130 and the European Code on Social Security

² CZK 90 = €3.33. The exchange rate of the Czech Koruna on 11 September 2016 was €1.00 to CZK 27.05

³ Tineke Dijkhoff "International Social Security Standards in the European Union. The Cases of the Czech Republic and Estonia". Social Europe Series, 28. Intersentia, 2011. pp.448. See p.13 of the Consolidated Report.

Okomentoval(a): [VBJ(1): The source has been obsolete and is not relevant any longer.

allow cost-sharing in respect of a morbid condition, as far as it does not give rise to hardship⁴. Since rules concerning cost-sharing are generally considered to avoid hardship when the patient has to contribute not more than one third of the total costs, the modest Czech patient fees do not cause a problem in the case of morbid conditions. Nevertheless, it has been made clear that under the European Code, cost-sharing is not permitted in the case of pregnancy, confinement and their consequences. The Czech regulations on co-payments provide for some exemptions for pregnant women, but in most cases, the fees have to be paid by them as usual. Although the fixed amounts may not be very high, it is against the principles of maternity protection, as laid down in the international instruments.

Report 2013-ECSS:

In relation to the providing of the below types of covered medical services, the insured person (or his/her legal representative) shall pay the respective provider (that provided the paid for services) a regulatory fee in the amount:

- a) CZK 30 for a:
- Visit to doctor during which a clinical examination was performed (hereinafter referred to as "visit") in the fields of general practice medicine (family medicine), general practice medicine for children and adolescents (pediatrician), gynecology and obstetrics, or for visiting a dentist;
 - Visit to a doctor at a provider of specialized outpatient care;
 - Home visit service of a doctor of a provider in the field of general practice medicine or a general practice medicine for children and adolescents;

Report 2016-C130:

Since 1 January 2015, the regulatory payment of CZK 30 for a visit at a physician's has been cancelled by an amendment to Act No. 48/1997 Coll. on public health insurance. The regulatory payment of CZK 90 for a visit at a medical emergency service has remained.

- b) CZK 30 for a visit to a clinical psychologist;
- c) CZK 30 for a visit to a clinical speech therapist;
- d) Per prescription, upon which the first packet of paid and prescribed medicinal preparation or foods for special medical purposes was issued, regardless of the number of paid medicinal preparations or foods for special medical purposes and the prescribed number of packets;-
- e) CZK 90 for medical emergency service, including emergency service in stomatology (hereinafter "emergency service") at weekends or on public holidays and on workdays in the period from 5:00 p.m. to 7:00 a.m. if this are not regular surgery hours of the provider; Regulatory fee is not paid if the insured individual is subsequently taken into inpatient care,
- f) CZK 100 for each day of provided inpatient care including spa therapeutic-rehabilitative care. The day when the insured person was admitted to such care provision and the day of his/her discharge are together counted as one day; This applies also to a

⁴ ILO C102, Art.10; ECSS, Art.10.

person accompanying a child, if the care is covered by health insurance under Section 25 of the Act on Public Health Insurance.

Report 2014-ECSS:

As of January 1, 2014, the obligation to pay a regulatory fee CZK 100 for each day of provided inpatient care including spa therapeutic-rehabilitative care, stipulated in section 16a, subsection f) of the Public Health Service Act, was cancelled.

Update 2017

As of January 1, 2014 (by the judgement of the Constitutional Court of the Czech Republic, promulgated in the Collection of Laws under No 283/2013 Coll., effective as of January 1, 2014), the obligation to pay **a regulatory fee CZK 100** (letter f) of the Report 2013-ECSS) for each day of provided inpatient care including spa therapeutic-rehabilitative care, stipulated in section 16a, subsection f) of the Public Health Service Act, **was cancelled**.

Since 1 January 2015, the regulatory payment of CZK 30 for a visit at a physician's and per prescription (letter a), b), c) and d) of the Report 2013-ECSS) **has been cancelled** by an amendment to Act No. 48/1997 Coll. Public Health Insurance Act.

The only regulatory payment of CZK 90 for a visit at a medical emergency service has remained. The regulatory fee of CZK 90 shall be paid to the respective provider of services for medical emergency services, including emergency service in stomatology (hereinafter referred to as "emergency service"). The regulatory fee is not paid when a doctor within the emergency service found out that the condition of the insured individual requires hospitalization.

Emergency service in stomatology, orthopaedics, otorhinolaryngology, ophthalmologist and other specialists is not considered as medical service connected with pregnancy and delivery. In the case of pregnancy, delivery and any consequences thereof, no participation in the costs for the provided healthcare is required.

➤ 3) Avoidance of hardship

Report 2016-C130:

The maximum limits of amounts collected as regulatory payments remain unchanged.

Report 2011-C130:

In order to ensure that the regulatory fees are not an excessive burden on certain groups of individuals, several measures have been adopted in the Public Health Insurance Act, including:

1. Section 16a(2) of this Act designates the groups of individuals who do not pay any regulatory fees (e.g., children placed in children's homes and foster care).
2. Section 16a(3) of this Act designates the situations where the CZK 30 regulatory fee is not paid during a visit to a general practitioner, paediatrician or gynaecologist or for a visit involving a dental examination, for a visit to a doctor providing specialised outpatient medical care and for the visiting service provided by a general practitioner or paediatrician (for example, visits to a doctor for preventative check-ups and haemodialysis). According to this section, the regulatory fees are also not paid in the aforementioned situations by children until they reach the age of 18, including the day they reach that age.

3. Section 16b of this Act sets out the limits for the regulatory fees and supplementary charges for medicines or foodstuffs for special medical purposes:

a) a limit at the amount of 5,000 CZK - if the total amount paid by an insured individual or on the behalf of said individual by his or her legal guardian for regulatory fees at the amount of 30 CZK and for supplementary charges pertaining to prescribed medicinal products or foodstuffs for special medical purposes which are partially covered by health insurance and have been dispensed in the Czech Republic exceeds the given limit or

b) a limit at the amount of 2,500 CZK - if the total amount paid by an insured individual or on the behalf of said individual by his or her legal guardian (in the case of children under 18, including the calendar year in which they turned 18, and in the case of insured individuals older than 65, including the calendar year in which they turned 65) for regulatory fees at the amount of 30 CZK and for supplementary charges pertaining to prescribed medicinal products or foodstuffs for special medical purposes which are partially covered by health insurance and have been dispensed in the Czech Republic exceeds the given limit, the health insurance company is obliged to pay the insured individual or his/her legal guardian the amount by which this limit has been exceeded.

4) Administration of the regulatory fees

Report 2011-C130:

The regulatory fee is the revenue of the healthcare facility that collected it. The healthcare facility is obliged to use the collected regulatory fees for the payment of the costs associated with the operation and modernization of the healthcare facility.

The healthcare facilities are obliged to inform the health insurance companies of the regulatory fees, including the insurance numbers of the insured individuals, whom the fees concern, the amount of the paid fees and the day, to which the regulatory fee applies, within the framework of the settlement for the provided medical care for the appropriate calendar month or for the appropriate calendar quarter.

Healthcare facility may not collect regulatory fees in connection with the provision of covered care, which by law is not subject to regulatory fees [Any care that is not explicitly subject to regulatory fees – see sub 1) and 2) above]. In case of repeated violation of this legal prohibition, the health insurance company may impose a fine up to CZK 50 000. The repeated imposition of such a fine to a healthcare facility constitutes grounds for the termination of the contract on the provision and defrayal of medical care without the need for giving a period of notice.

Update 2017:

The health service provider was not allowed to collect **regulatory fees for medical services** covered by health insurance and which by law were not a subject to regulatory fee under a fine of CZK 50,000. However, as regulatory fees were abolished (excluding the emergency service fee of CZK 90), the provisions in question of Public Health Insurance **was abolished by Act No. 256/2014 with effect from January 1, 2015.**

NB: according to the *source*⁵, one of the aims of the regulatory fees was combating a relatively high frequency of doctor's visits by the Czech citizens and excessive use of medication. It should be noted that in 2004 Germany introduced co-payments for medical and dental treatment aimed at reducing the number of unnecessary visits to the doctor. However they were abolished in 2013 since studies examining longer time periods came to the result that after the introduction of the fee the number of visits to registered medical

⁵ Tineke Dijkhoff "International Social Security Standards in the European Union. The Cases of the Czech Republic and Estonia". Social Europe Series, 28. Intersentia, 2011. pp.448.

practitioners had not significantly fallen. Meanwhile some studies on the Czech Republic indicate that “in contrast, the number of events handled by the emergency medical services based on emergency calls increased in the period between 2007 and 2012 from 686,000 to 795,000 cases. The total number of outpatient treatments (without dentistry and without A&E) in 2008, compared to 2007, decreased by 17.0%. By 2012, there was again a rise in the number of outpatient visits to 89.6% of the treatments in 2007”⁶.

➤ II - 6. Objectives of Medical Care

§3. Article 10. C102 and ECSS

The benefit provided in accordance with this Article shall be afforded with a view to maintaining, restoring or improving the health of the person protected and his ability to work and to attend to his personal needs.

Article 9. C130

The medical care referred to in Article 8 shall be afforded with a view to maintaining, restoring or improving the health of the person protected and his ability to work and to attend to his personal needs.

Report 2016-ECSS:

The Public Health Insurance Act defines the scope of health care in detail, which is covered by public health insurance (see Art. 8). It can therefore be considered that the scope of covered health care provides protection, recovery and abilities to improve the health of protected persons as well as their ability to work and ability to satisfy personal needs, as required by the paragraph 3 of this Article.

Conclusions of the CEACR on the application of the ECSS (adopted in 2015)

*Part II (Medical care), Article 10(3) of the Code read in conjunction with Articles 70 and 71. The Committee notes that the European Council (EC) country-specific recommendation of 14 July 2015 concerning the 2015 National Reform Programme of the Czech Republic states that “(8) ... The Czech Republic still faces challenges with respect to long-term fiscal sustainability, largely due to projected increases in pension and healthcare expenditure... Although some measures have been taken to improve the cost efficiency and governance of the healthcare sector, limited progress has been made in this area. Indicators used to measure the performance of the hospital sector show that medical treatment is not always delivered in a cost-efficient way, while the allocation of resources is hampered by ongoing difficulties in rolling out a reimbursement system for costs incurred by hospitals. There are also signs that general practitioners are not adequately fulfilling their role as gate-keepers.” **Noting that the EC recommendation to achieve a fiscal adjustment of 0.5 per cent of GDP in 2016 should be largely fulfilled by improving the cost-effectiveness and governance of the healthcare sector, the Committee would like the Government to explain the indicators used to measure the quality and effectiveness of the medical care inside and outside hospitals, including care provided by general practitioners, in terms of maintaining, restoring or improving the health of the population (Article 10 of the Code). As to what concerns the governance of the healthcare sector, please explain the measures taken to control current expenditures of the sector in a manner which avoids hardship to persons of small means, ensures its long-term financial sustainability and strengthens participatory management of the institutions and services concerned (Articles 70 and 71 of the Code).***

Report 2016-ECSS:

Conclusions of the Committee of Experts

1. Part II. (Medical care), Article 10(3) of the Code read in conjunction with Article 70 and 71

⁶ Věra Pražmová, Eva Talpová. Health financing and regulatory fees in the Czech Republic // Legal and economic issues in medicine and social sciences. Kontakt 16 (2014) pp.187-194. URL: http://ac.els-cdn.com/S1212411714000373/1-s2.0-S1212411714000373-main.pdf?tid=6166b576-7815-11e6-b9ef-00000aab0f26&acdnat=1473594570_e7fdafaa0513ecfe2271c93d3f40472b

Noting that the EC recommendation to achieve a fiscal adjustment of 0,5 per cent of GDP in 2016 should be largely fulfilled by improving the cost-effectiveness and governance of the health care sector, the Committee would like the Government to explain the indicators used to measure the quality and effectiveness of the medical care inside and outside hospitals, including care provided by general practitioners, in terms of maintaining, restoring or improving the health of the population (Article 10 of the Code).

Quality of health care at the level of legislation is determined by Act No. 372/2011 Coll., Medical Services Act (Section 98–106) and by Regulation No. 102/2012 Coll., regulating Evaluation of the Quality and Safety of Inpatient Health Care. The stated act regulates preconditions to be met by the person who will carry out the evaluations in particular. Authorization for this activity is granted by the Ministry of Health. Regulation No. 102/2012 determines minimal standards of evaluation for which it stipulates the specific indicators and the ways of their designing and monitoring. Evaluation standards and indicators used to measure are as follows:

1. Minimal Evaluation Standards of Quality and Safety

1.1 A standard of program implementation for improving quality and safety

The standard is met if

- a) A program of improving the quality and safety throughout the healthcare facility is introduced and if this program is regularly updated
- b) There are appointed persons responsible for implementing the program of improving the quality and safety
- c) Principles and activities to improve the quality and safety are included in operational procedures introduced in the practice, which are updated at least once a year
- d) Persons engaged in the provision of inpatient care are actively involved in the program of improving the quality and safety.

1.2 The standard of monitoring and evaluation of undesirable accidents

The standard is met if

- a) The evidence of undesirable accidents is established, at least of unexpected worsening of the clinical condition of the patient, having resulted in permanent physical impairment of health or death of the patient, the incidence of hospital infections, falls, bedsores, accidents associated with the use or preparation of medication and accidents associated with therapeutic or diagnostic performance
- b) An evaluation of the individual undesirable accidents is carried out, including identifying their causes
- c) Time trends of numbers of undesirable accidents are evaluated
- d) Precautionary measures to prevent undesirable accidents are taken.

1.3 A standard of monitoring of patients' satisfaction

The standard is met if

- a) The patients' satisfaction is monitored at least with conditions of hospital stay including meals, approach of health workers and other professionals to patients and providing information to patients about their health status and diagnostic, therapeutic and nursing treatment
- b) Evaluating the satisfaction of patients is carried out and steps to remove identified deficiencies are taken.

1.4 A standard of monitoring and evaluation of complaints and suggestions related to inpatient health care

The standard is met if

- a) A record of all complaints and suggestions of patients and other persons lodged in connection with inpatient medical care including the method of execution is kept
- b) An evaluation of complaints and suggestions, including identifying their causes is carried out
- c) Steps to remove identified deficiencies and necessary preventive measures are taken.

1.5 A standard of the use of recommended diagnostic, therapeutic and nursing procedures

The aim of the standard is to ensure the use of diagnostic, therapeutic and nursing procedures recommended by expert and professional organizations of health workers and other professionals in the health sector.

1.5.1 Indicators of quality and safety to meet the standard

The standard is met if

- a) A provider of inpatient health care uses diagnostic, therapeutic and nursing procedures recommended by specialized and professional organizations, health workers and other professionals in the health sector and
- b) The internal diagnostic, medical and nursing practice in the care for patients with sensory or physical disabilities are developed.

2. Minimal Evaluation Standards of Patient Care

2.1 Standard of observance of the rights of patients and of persons close to patients

The aim of the standard is to respect the rights of patients and those close to patients in providing inpatient health care.

2.1.1 Indicator of quality and safety to meet the standards

A standard is met, if monitoring and evaluation of the rights of patients and persons close to patients is carried out and if the steps to remove identified deficiencies are taken.

2.2 The Standard of setting internal rules of medical records

The aim of the standard is keeping medical documentation, dealing with this documentation and access to it in relation to the specific requirements of providing inpatient health care and the organizational structure of medical equipment.

2.2.1 Indicators of quality and safety to meet the standard

The standard is met if the following are established and respected

- a) Principles of keeping medical documentation in relation to the specific requirements of the provision of inpatient health care and organizational structure of medical equipment
- b) Principles to ensure access to medical documentation in relation to the specific requirements of the provision of inpatient health care
- c) Procedures for medical documentation depositing and its protection against misuse, loss and damage.

2.3 A standard of ensuring consultancy services

The aim of the standard is to provide consulting services for healthcare professionals in providing inpatient health care.

2.3.1 Indicator of quality and safety to meet the standard

The standard is implemented if the consulting services for other disciplines necessary for diagnostic and medical care are provided in individual cases when it is required by a patient's health condition.

2.4 A standard of secure handling with medicines and medical devices

Indicators of quality and safety to meet the standard

The standard is met if the following are identified, observed and evaluated

- a) Internal procedures for ordering, receiving, storing, prescribing, preparation and distribution of medicines and elimination (liquidation) of unused medicines, including documentation of procedures and checks
- b) Internal procedures for ordering, receiving, storing, prescribing and use of medical devices and elimination (liquidation) unusable medical devices, including documentation of procedures and checks
- c) Internal procedures for the use of unregistered medicinal products
- d) Internal procedures for reporting on adverse drug reactions and adverse accidents and side effects of medical devices
- e) Certifications and duties of employees in carrying out the activities listed in letters a) – d).

2.5 A standard of quality of patients' dieting

Indicators of quality and safety to meet the standard

The standard is met if there is

- a) Procedure of organization of nutritional care established
- b) The dietary system is elaborated.

2.6 A standard of providing medical rehabilitation

Indicators of quality and safety to meet the standard

The standard is met if

- a) The plan of curative rehabilitative care is elaborated and the plan of its evaluation following inpatient health care provision
- b) Patients and healthcare professionals are introduced to the curative rehabilitation care plan and to its evaluation to the required extent.

2.7. A standard of health support and of disease prevention

Indicators of quality and safety to meet the standard

The standard is met if

- a) The plan of activities oriented at basic health promotion, disease prevention, in addiction to tobacco, alcohol and other addictive substances and psychological support in particular is elaborated
- b) Patients and staff have access to information on factors influencing health in health care facilities.

2.8 A standard of health care continuity

Indicators of quality and safety to meet the standard

The standard is met if

- a) The procedures for transferring patients among employees in related shifts in the workplace are established, for the transfer of patients among workplaces of a medical device, for the transfer of patients to another healthcare facility and for discharge of patients from medical devices, including ensuring follow-up healthcare
- b) The procedure for cooperation with other healthcare providers and possibly also with social service providers is established.

2.9 A standard identification of a patient

Indicator of quality and safety to meet the standard

The standard is met if the procedure to unique incommutable identification of patients is established and observed.

2.10 A standard of ensuring of cardiopulmonary resuscitation care

Indicators of quality and safety to meet the standard

The standard is met if

- a) The annual training plan including checking medical staff in cardiopulmonary resuscitation is elaborated and fulfilled
- b) The plan of checking equipping workplaces with medicinal products and medical devices for providing cardiopulmonary resuscitation, including checks on their functionality is elaborated and fulfilled
- c) Documentation on the implementation of training and examination of medical professionals is kept under a) and on the implementation of the checks under b).

3. Minimal Evaluation Standards in Human Resource Management

3.1. A standard of personal security of inpatient health care

Indicators of quality and safety to meet the standard

The standard is met if

- a) Working places are divided in accordance with the requirements for personal security of inpatient health care and the program for lifelong training of workers in health care services is elaborated as well
- b) Induction courses/training for workers at their inclusion in a new work place are established
- c) Job descriptions of individual health workers and other professionals are elaborated in accordance with their competence to practice a profession of a medical worker or of other professional worker
- d) Satisfaction of employees with their working conditions for the performance of tasks is monitored and observed and steps are taken to remove identified deficiencies.

4. Minimal Evaluation Standards of Providing a Safe Environment for Patients and Staff

4.1 A standard of a safe environment for patients and staff

Indicators of quality and safety to meet the standard

The standard is met if

- a) A program to ensure a safe environment for patients and staff is introduced; it includes the identification of risk locations in particular and activities in terms of the safety of patients and staff.

- b) A method of providing electricity, drinking water and medical gases is established, both in the usual mode of supply and at supply interruptions.

Regarding the efficiency of health care, the hospital care in the Czech Republic is covered mainly on the basis of internationally accepted methodology, so-called *diagnosis-related group* (hereinafter "DRG"). DRG is a tool creating a limited number of clinically and economically homogeneous groups – cases of acute hospitalization and enables comparison of the relative intensity on resources for the cases included in these groups (sorted by diagnosis or groups). In addition to financing of acute inpatient health care, this system is also used as a tool for hospital management, measuring the provision or the quality of health care. In 2015 in the Czech Republic the previously initiated project DRG Restart continued, whose aim is to develop the mechanism of payment for health care further on the basis of this methodology and its application in practice.

As to what concerns the governance of the healthcare sector, please explain the measures taken to control current expenditures of the sector in a manner which avoids hardship to persons of small means, ensures its long-term financial sustainability and strengthens participatory management of the institutions and service concerned (Article 70 and 71 of the Code).

As mentioned above, the public health insurance system in the Czech Republic is based on a high degree of solidarity that all insured persons are entitled to the same range of health care that is paid from this system, regardless of the amount of insurance that the insured pay and regardless the duration of insurance. At the same time, the state pays premiums for public health insurance for over 60% of the insured. These are mainly dependent children, pensions' beneficiaries, persons on maternity or parental leave, job seekers and other groups.

The Public Health Insurance Act sets a maximum limit of additional payments for drugs or foodstuff for special medical purposes covered by public health insurance that the insured should pay for a calendar year. The limit is CZK 5,000 per year. For children and persons under 18 years of age and persons over 65 years, the amount is CZK 2,500 per year. If the amount of the additional payments that were paid by the insured in a given year exceeds specified limits, the health insurance company is obliged to reimburse the amount by which the limit was exceeded to the insured.

Regarding the overall evaluation of the efficiency of health care in the Czech Republic, we note that according to the independent ratings of European health care systems the Euro Health Consumer Index 2015 (EHCI) published by the Institute of Health Consumer Powerhouse, the Czech Republic was rated 13th out of 35 countries surveyed. After adjusting the score for the volume of spent funds, the Czech Republic was assessed even on the 3rd place among the surveyed countries.

Management of the health sector is governed by the Ministry of Health; the public health insurance is conducted by 7 health insurance companies which are institutions with public mandate. Members of their self-governing bodies are the representatives of insured, i.e. representatives of the state, employers and employees, more precisely of the insured.

➤ II - 7. Promotion of the general health service

§4. Article 10. C102 and ECSS

The institutions or Government departments administering the benefit shall, by such means as may be deemed appropriate, encourage the persons protected to avail themselves of the general health services placed at their disposal by the public authorities or by other bodies recognised by the public authorities.

Report 2016-ECSS:

Health insurance companies organize and finance preventive programmes for their insured, which try to motivate to prevention and healthy lifestyle in order to improve the health status of the insured and reduce expenditures on health care. In 2015, the previously initiated programme of individualised invitations for screening of tumour diseases was conducted jointly by the Ministry of Health in association with health insurance companies. Under this programme the individual invitations were sent to the selected age groups of the insured for screening examination to detect any potential tumour diseases, which are risk in this group.

➤ II - 8. Qualifying period

Article 11. C102 and ECSS

The benefit specified in Article 10 shall, in a contingency covered, be secured at least to a person protected who has completed, or whose breadwinner has completed, such qualifying period as may be considered necessary to preclude abuse.

Article 15. C130

Where the legislation of a Member makes the right to the medical care referred to in Article 8 conditional upon the fulfilment of a qualifying period by the person protected or by his breadwinner, the conditions governing the qualifying period shall be such as not to deprive of the right to benefit persons who normally belong to the categories of persons protected.

Report 2016-ECSS:

In the Czech Republic, the qualifying period during which the person would have to be healthy insured to gain access to covered health care is not established. **Since the first day of the public health insurance every insured in case of a covered contingency is eligible for the full range of paid health services, regardless of the duration of insurance and regardless of the amount of premiums paid.** It can be stated that the public health insurance system in the Czech Republic is based on a high degree of solidarity which is also reflected in this regard.



➤ II - 9. Minimum duration of Benefit

Article 12. C102 and ECSS

The benefit specified in Article 10 shall be granted throughout the contingency covered, except that, in case of a morbid condition, its duration may be limited to 26 weeks in each case, but benefit shall not be suspended while a sickness benefit continues to be paid, and provision shall be made to enable the limit to be extended for prescribed diseases recognised as entailing prolonged care.

Article 16. C130

- 1. The medical care referred to in Article 8 shall be provided throughout the contingency.*
- 2. Where a beneficiary ceases to belong to the categories of persons protected, further entitlement to medical care for a case of sickness which started while he belonged to the said categories may be limited to a prescribed period which shall not be less than 26 weeks: Provided that the medical care shall not cease while the beneficiary continues to receive a sickness benefit.*
- 3. Notwithstanding the provisions of paragraph 2 of this Article, the duration of medical care shall be extended for prescribed diseases recognised as entailing prolonged care.*

Report 2016-ECSS:

Benefits referred to in Article 10 shall be provided throughout the contingency without time limit, supposing that the insurance of the person lasts.



➤ II - 10. Suspension of Benefit

See under Part XIII-1

Article 28. C130

1. A benefit to which a person protected would otherwise be entitled in compliance with this Convention may be suspended to such extent as may be prescribed:

(a) as long as the person concerned is absent from the territory of the Member;

(b) as long as the person concerned is being indemnified for the contingency by a third party, to the extent of the indemnity;

(c) where the person concerned has made a fraudulent claim;

(d) where the contingency has been caused by a criminal offence committed by the person concerned;

(e) where the contingency has been caused by the serious and wilful misconduct of the person concerned;

(f) where the person concerned, without good cause, neglects to make use of the medical care or the rehabilitation services placed at his disposal, or fails to comply with rules prescribed for verifying the occurrence or continuance of the contingency or for the conduct of beneficiaries;

Report 2016-C130:

Concerning a) - no changes.

Concerning b) - no changes.

Concerning c) - no changes.

Concerning d+e) - no changes.

Concerning f) - no changes.

Concerning g) - no changes.

Concerning h) - no changes.

ILO Comments: information contained in the Report 2011-C130 on Article 28 of C130 relates to the cases of suspension of sickness benefit and not medical care.

Access to the public health insurance and medical care is guaranteed to everyone in the Czech Republic, in accordance with the Charter of Fundamental Rights and Freedoms (CFRF). Article 31 of the CFRF stipulates: 'Everyone has the right to protection of his/her health. Citizens are entitled, on the basis of public insurance, to free medical care and to medical aid under the conditions provided for by law.'

Act No. 280/1992 Coll., regulating the Departmental, Professional, Company and other Health Insurance Companies, as amended, stipulates the legal regulation in force that establishes that all health insurance companies are responsible for providing health services to the persons insured. Generally, the rule is that responsibility for health care is primarily on the respective authorised insurance company with which the person is registered for health insurance and which in case of problems is obliged to seek a solution to the problem of the insured person.

[Update 2018](#)

[This has been explained several times already. There is no such thing as "suspension of benefit" in the Czech health insurance. Once a person becomes an insured individual, there may not be any limitation to the health services provided.](#)

➤ II - 11. Right of complaint and appeal

See under Part XIII-2

Article 29. C130

1. Every claimant shall have a right of appeal in the case of refusal of the benefit or complaint as to its quality or quantity.
2. Where in the application of this Convention a government department responsible to a legislature is entrusted with the administration of medical care, the right of appeal provided for in paragraph 1 of this Article may be replaced by a right to have a complaint concerning the refusal of medical care or the quality of the care received investigated by the appropriate authority.

Report 2016-C130:

No changes.

Report 2017-C130:

The doctor has a general responsibility to provide the help needed to prevention/reduce the risk of death at risk, the assistance needed to provide the person at risk, the help needed to prevent further damage to health, assistance needed to treat injuries or other detrimental health issues. Failure to provide such a care can be classified as a criminal offense under Section 150 (2) of the Act No 40/2009 Coll., Criminal Code, as amended. A citizen can also seek judicial protection of an affected right.

Report 2011-C130:

Procedures of Social Security authorities in matters of sickness insurance are regulated by Act No. 582/1991 Coll., as amended, and by Act No. 187/2006 Coll.

ILO Comments: information contained in the Report 2011-C130 on Article 29 of C130 relates to the right of appeal in respect of sickness benefit and not medical care.

Everyone has the right to appeal against the decision of the health insurance company concerning the refusal of health service payment, especially

- a) The appeal against the decisions of the rehabilitation physicians of health insurance companies, authorised by law to approve the payment of some (usually financially more expensive) of health services.
- b) The appeal in cases of payment of health services out of the territory of the Czech Republic.

In cases where a person feels that he/she has not been given proper health service, necessary quality of care, necessary health service is refused, a person is not satisfied with the behaviour of the doctor, considers the information provided to be inadequate or with his or her approach etc., has a right to file a complaint.

The complaint is filed at the provider of the medical facility, Regional Authority in particular administrative district, at the Czech Medical Chamber, the Czech Dental Chamber etc., depending of the case and the provider.

The system of complaints is governed by the Code of Administrative Procedure, which stipulates its settlement within a maximum of 60 days.

➤ II - 12. Financing and Administration

See under Part XIII-3

Article 30. C130

1. Each Member shall accept general responsibility for the due provision of the benefits provided in compliance with this Convention and shall take all measures required for this purpose.
2. Each Member shall accept general responsibility for the proper administration of the institutions and services concerned in the application of this Convention.

Article 31. C130

Where the administration is not entrusted to an institution regulated by the public authorities or to a government department responsible to a legislature:

- (a) representatives of the persons protected shall participate in the management under prescribed conditions;
- (b) national legislation shall, where appropriate, provide for the participation of representatives of employers;
- (c) national legislation may likewise decide as to the participation of representatives of the public authorities.

Report 2016-ECSS:

- Health and pension insurance are managed by public administrative authorities.

See also under Part II-6

Report 2016-C130:

No changes on Article 31.

State administration in Social Security is controlled and managed by the Ministry of Labour and Social Affairs which also manages the Czech Social Security Administration (i.e., the state administration authorities).

The Ministry of Health and the General Health Insurance Company (established by Act No 551/1991 Coll.), share the management of the system in the area of health insurance. The management of the General Health Insurance Company is partially appointed by the Government and partially elected by the Czech Parliament.

The representation of employees and employers in the administrative authorities of the individual sectoral, branch, company and other insurance companies ("employee insurance companies") is regulated by the following provision of Act No 280/1992 Coll.:

Section 10 of the Act

3) The Managing Board of employee insurance company is made up of 5 members named by the government and 10 members elected by employers and the insured of the employee insurance company, and that in a way where 5 members are elected from the candidates proposed by the employer representative organisations and 5 members are elected from the candidates proposed by the union organisations and organisations of patients registered at the Ministry of the Interior. The scope of those entitled to make proposals, method of the election and the election code are defined by the Ministry of Health's Decree. Regularity of the election is monitored by the Ministry of Health.

5) The employee insurance Board of Supervisors is made up of

a) 3 members, who, based on the proposal of the Ministry of Finance, the Ministry of Labour and Social Affairs and the Ministry of Health, are appointed and dismissed by the government,

b) 6 members elected by employers and insured, and that in a way whereby 3 members are elected from the candidates proposed by the employer representative organisations and 3 members are elected from the candidates proposed by the union organisations and

organisations of patients registered at the Ministry of the, the Ministry of Labour and Social Affairs and the Ministry of Health, are appointed and dismissed by the government.

Health care in case of accidents at work and occupational diseases is covered by public health insurance. Cash benefits and compensation to which a protected person is entitled as a result of contingency is covered by other social security schemes.

Financing public health insurance system

The level of insurance premiums depends on the income received, i.e one-third is paid by the employee and two thirds by the employer. The state pays the premium for about 60% of insured persons, especially dependent children, students, pensioners, persons on maternity or parental leave, etc.

NB: no relevant information in the Report 2011-C130.

Additional information

Health insurance funds are financed through contributions from employees and employers, amounting to 13.5 percent of the employees' gross income, up to a ceiling of 48 times the monthly average wage per year. The employee pays 4.5 percent and the employer 9 percent. Self-employed persons pay 13.5 percent of their assessment income. The state covers health insurance for the unemployed, pensioners, students, women on maternity leave, women taking care of one child of less than 7 years or more children aged less than 15 years old, prisoners, soldiers, and people receiving other social security benefits. In total, the state pays for cca 60 percent of the population. People without a taxable income (for example, housewives) pay their contributions themselves, based on the national minimum wage.

The self-governing bodies of all insurance companies include representatives of the insured persons, the insured persons' employers, and the state⁷. The management of the General Health Insurance Company is partially appointed by the government, and partially elected by the Czech Parliament⁸. Representation of employees and employers in the sector, branch, enterprise and other health insurance companies is regulated by Act No. 280/1992 Coll. Section 10 of this Act and the Czech Social Security Administration, on reports of the government, and on determines that the managing board of an insurance company should consist of five members named by the government, five members elected by employers, and five by the insured employees. Moreover, the Board of Supervisors of the insurance companies should consist of three representatives of the Ministry of Finance, the Ministry of Labour and Social Affairs, and the Ministry of Health, appointed by the government, and six representatives of the social partners, equally divided about employers and insured persons. With these rules, the Czech Republic complies with the requirement of the European Code of Social Security and ILO Convention 130 that where the administration of a social security scheme is not entrusted to a public institution, representatives of the persons protected shall participate in the management of the insurance company.

⁷ Tröster & Vysokajová 2006, point 86.

⁸ ILO C130 Report (Cz) 2000-2006, Art.31.

Part III. Sickness Benefit

The Czech Republic has accepted the obligations resulting from Part III of C130 and Part III of the ECSS.

| Category | Full compliance | Request of information | |
|---|--------------------------------|------------------------------|-------------------------------|
| | | insufficient information | no or very little information |
| III-1. Regulatory framework | ➤ Art.13 ECSS Art.18 C130 | | |
| III-2. Contingencies covered | ➤ Art.14 ECSS Art.7(b) C130 | | |
| III-3. Persons Protected | ➤ Art.15 ECSS Art.19 C130 | | |
| III-4. Level and Calculation of Benefit | ➤ Art.16 ECSS Art.21 C130 | | |
| III-5. Qualifying period | 👍 Art.17 ECSS Art.25 C130 | | |
| III-6. Minimum duration of Benefit | ➤ Art.18 ECSS Art.26 C130 | | |
| III-7. Funeral Benefit | Art.27 ECSS | | |
| III-8. Suspension of Benefit | | ➤ Art.68 ECSS Art.28 C130 | |
| III-9. Right of complaint and appeal | Art.69 ECSS Art.29 C130 | | |
| III-10. Financing and Administration | Art.70 ECSS Art.30,31 C130 | | |

List of applicable legislation

Report 2016-ECSS:

- Act No. 187/2006 Coll., Sickness Insurance Act, as amended
- Act No. 262/2006 Coll., the Labour Code, as amended
- Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended

Report 2016-C130:

- Act No. 117/1995 Coll., on state social support, was updated in the given period by Acts No. 364/2011 Coll., 366/2011 Coll., 408/2011 Coll., 375/2011 Coll., 401/2012 Coll. (part), 331/2012 Coll., 428/2011 Coll., 399/2012 Coll., 401/2012 Coll., 482/2012 Coll., 48/2013 Coll., 267/2013 Coll., 306/2013 Coll., 458/2011 Coll. (part), 303/2013 Coll., 344/2013 Coll., 440/2013 Coll., 64/2014 Coll., 101/2014 Coll., 458/2011 Coll., 250/2014 Coll., 252/2014 Coll., 253/2014 Coll., 327/2014 Coll., 332/2014 Coll., 377/2015 Coll., 395/2015 Coll.

<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=43008&nr=117~2F1995&rpp=15#local-content>

- Act No. 187/2006 Coll., on sickness insurance, took effect on 1 January 2007, and was amended in the given period by Acts No. 263/2011 Coll., 341/2011 Coll., 364/2011 Coll., 365/2011 Coll., 470/2011 Coll., 1/2012 Coll., 375/2011 Coll., 410/2011 Coll., 169/2012 Coll., 167/2012 Coll., 470/2011 Coll. (part), 396/2012 Coll., 458/2011 Coll., 250/2014 Coll., 267/2014 Coll., 14/2015 Coll., 332/2014 Coll., 204/2015 Coll., 317/2015 Coll., 131/2015 Coll., 47/2016 Coll., 190/2016 Coll., 298/2016 Coll., 24/2017 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=62555&nr=187~2F2006&rpp=15#local-content>
- Act No. 189/2006 Coll., amending some acts in connection with adopting the Act on sickness insurance
http://portal.gov.cz/wps/WPS_PA_2001/jsp/download.jsp?s=1&l=189%2F2006
- Act No. 582/1991 Coll., on organising and implementing social security, was amended by Acts No. 220/2011 Coll., 263/2011 Coll., 220/2011 Coll. (part), 329/2011 Coll., 341/2011 Coll., 348/2011 Coll., 364/2011 Coll., 365/2011 Coll., 366/2011 Coll., 367/2011 Coll., 470/2011 Coll., 375/2011 Coll., 167/2012 Coll., 428/2011 Coll., 470/2011 Coll. (part), 399/2012 Coll., 401/2012 Coll., 403/2012 Coll., 274/2013 Coll., 303/2013 Coll., 313/2013 Coll., 344/2013 Coll., 64/2014 Coll., 136/2014 Coll., 458/2011 Coll., 250/2014 Coll., 251/2014 Coll., 267/2014 Coll., 332/2014 Coll., 317/2015 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 213/2016 Coll., 298/2016 Coll., 24/2017 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=39631&nr=582~2F1991&rpp=15%20-%20local-content>
- Act No. 589/1992 Coll., on social security premiums and on contributions to the state employment policy, was amended by Acts No. 263/2011 Coll., 341/2011 Coll., 364/2011 Coll., 365/2011 Coll., 470/2011 Coll., 428/2011 Coll., 399/2012 Coll., 401/2012 Coll., 503/2012 Coll., 11/2013 Coll., 344/2013 Coll., 458/2011 Coll., 401/2012 Coll., 250/2014 Coll., 267/2014 Coll., 332/2014 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 24/2017 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=40377&nr=589~2F1992&rpp=15#local-content>

Report 2016-C130:

- Act No. 54/1956 Coll., on sickness insurance of employees was abrogated by Act No. 187/2006 Coll.
- Act No. 32/1957 Coll., on health care in armed forces was abrogated by Act No. 187/2006 Coll.
- Act No. 88/1968 Coll., on extending maternal leave, on benefits and bonuses for children from sickness insurance was abrogated by Act No. 187/2008 Coll.
- Decree N. 165/1979 Coll., on sickness insurance of some workers and on providing sickness benefits to people in special cases, was abrogated by Act No. 187/2006 Coll.

➤ III – 1. Regulatory framework

Article 13. C102 and ECSS

Each Member (Contracting Party) for which this Part of this Convention (Code) is in force shall secure to the persons protected the provision of sickness benefit in accordance with the following Articles of this Part.

Article 18. C130

Each Member shall secure to the persons protected, subject to prescribed conditions, the provision of sickness benefit in respect of the contingency referred to in subparagraph (b) of Article 7.

Report 2016-ECSS:

General requirements for sickness insurance benefits entitlement are regulated by Section 15–17 of the Sickness Insurance Act. Entitlement to sickness benefit is established regardless of the financial circumstances of the insured person.

➤ III - 2. Contingency covered

Article 14. C102 and ECSS

The contingency covered shall include incapacity for work resulting from a morbid condition and involving suspension of earnings, as defined by national laws or regulations.

Article 1 (j). C130

The term "sickness" means any morbid condition, whatever its cause.

Article 7 (b). C130

The contingencies covered shall include

(b) incapacity for work resulting from sickness and involving suspension of earnings, as defined by national legislation.

Report 2016-ECSS:

Sickness benefit entitlement applies to an employee acknowledged in accordance with the Act No. 187/2006 Coll., Sickness Insurance Act (as amended) to be temporarily unable to work if his/her temporary inability to work lasts more than 14 calendar days. The employee is entitled to salary or wage compensation according to Labour Code in the course of the first 14 calendar days of temporary inability to work paid to the employee by the employer.

Temporary incapacity/quarantine of the employee is an obstacle to work for the employee which does not allow the employee from performance of work. The employer is obliged to excuse the employee for the duration of an obstacle to work and the employee is obliged to prove the existence of an obstacle.

III - 3. Persons protected

Article 15. C102 and ECSS

The persons protected shall comprise:

- (a) prescribed classes of employees, constituting not less than 50 per cent of all employees; or
- (b) prescribed classes of the economically active population, constituting not less than 20 per cent of all residents; or
- (c) all residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of Article 67.

Article 19. C130

The persons protected in respect of the contingency specified in subparagraph (b) of Article 7 shall comprise:

- (a) all employees, including apprentices; or
- (b) prescribed classes of the economically active population, constituting not less than 75 per cent of the whole economically active population; or
- (c) all residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of Article 24.

Update 2017

The scope of protected persons determines Section 5 of the Act No 187/2009 Coll., Sickness Insurance Act. This includes also apprentices in accordance with the provisions of Section 5 Subsection 22 of the Sickness Insurance Act who receive the income from which insurance has been paid.

Report 2016-ECSS, Report 2016-C130:

The Czech Republic refers to the provision of letter a) of the Article 15 of the ECSS.

Report 2016-ECSS:

The scope of insured persons is defined by the Sickness Insurance Act. This includes employees in employment, employees active upon the basis of agreement to work outside the scope of employment, judges, community care service volunteers, associates and managing directors of a limited liability company, the directors of charitable companies, members of collective bodies of legal entities, authorized representatives, liquidators and others. Sickness insurance for self-employed persons is voluntary.

Report 2016-C130: Number of self-employed persons covered: 89,626 persons.

Report 2016-ECSS:

Since 1 January 2012, the group of sickness insured employees is enlarged. It now includes among others workers active upon the basis of agreement to work outside the scope of employment, who participate in sickness insurance only if they work in the Czech Republic and the amount of their income exceeds CZK 10,001 in a calendar month during the existence of such an agreement. Employee participates in sickness insurance also if he/she performed with one employer more than one agreement to complete a job in a calendar month and if the total revenue from these agreements reached during the calendar month an amount higher than CZK 10,000.

Since 1 January 2014, the group of insured employees was enlarged again; everyone who pays income taxes from employment is usually covered by insurance.

Participation in sickness and pension insurance emerges automatically if the **arranged** amount of the assessable income from this job for a calendar month **is at least CZK 2,500**.

For employment small in scale, i.e. employment in which assessable income in an amount lower than CZK 2,500 per month was agreed, or income was not agreed at all, the employee participates in sickness and pension insurance only in those calendar months (for the duration of employment) in which assessable income of at least CZK 2,500 was cleared to him/her.

An employee active on the basis of an agreement to complete a job (ACJ) participates in sickness and pension insurance only in those calendar months for the duration of this agreement, in which his/her assessable income of more than CZK 10,000 was cleared; participation in insurance is monitored on monthly basis. This means that e.g. the income from the ACJ in the amount of CZK 9,000 is subject to taxation but not insurance, and participation in the insurance is not requested.

Update 2017

The character of work based on an agreement to complete a job (ACJ) is only casual (a part-time job) frequently performed contemporary with the full-time job as the additional source of income. Due to this fact, there are no statistics available concerning its incidence but it can be presumed that the number of persons not covered by the sickness insurance is relatively small as most workers with ACJ are already insured due to their full-time employment. Similarly it works in the case of small-scale employment.

Report 2017-ECSS, Report 2017-C130:

Statistical information:

Source: The Czech Social Security Administration: the Annual Accounting Report⁹

| | |
|--|---------------------|
| A. Number of employees covered: | - 4,418,031 persons |
| Number of self-employed persons covered: | 89,798 persons |
| B. Total number of employees: | - 4,418,031 persons |
| C. 100% | |

It is compulsory in the Czech Republic to provide sickness insurance to all employees.

⁹ Účetní zpráva za rok ~~2016~~2017, ČSSZ.

Report 2018-ECSS, Report 2018-C130:

Statistical information:

Source: The Czech Social Security Administration: the Annual Accounting Report¹⁰

- A. Number of employees covered: ~~4,418,031~~ 4,418,031 4,511,568 persons
- Number of self-employed persons covered: ~~89,798~~ 89,798 89,513 persons
- B. Total number of employees: ~~4,418,031~~ 4,418,031 4,511,568 persons
- C. 100%

It is compulsory in the Czech Republic to provide sickness insurance to all employees.

ILO Comments: what is the legal definition of “employees”?
An employee is an individual (natural person) legally bound himself/herself to perform dependant work as an employee in labour-law relations (Section 6 of the Act No 262/2006 Coll., Labour Code).

Sickness Insurance Act in Section 5 defines an employee as a person who have/could have an income from a dependent activity based on employment which is/would be a subject to income tax and has not been exempted from such a taxation. The definition includes employees in employment, employees active upon the basis of agreement to work outside the scope of employment, judges, community care service volunteers, associates and managing directors of a limited liability company, the directors of charitable companies, members of collective bodies of legal entities, authorized representatives, liquidators and others, as mentioned in Report 2016-ECSS.

➤ III - 4. Level and Calculation of Benefit

Article 16. C102 and ECSS

1. Where classes of employees or classes of the economically active population are protected, the benefit shall be a periodical payment calculated in such a manner as to comply either with the requirements of Article 65 or with the requirements of Article 66.

2. Where all residents whose means during the contingency do not exceed prescribed limits are protected, the benefit shall be a periodical payment calculated in such a manner as to comply with the requirements of Article 67; [provided that a prescribed benefit shall be guaranteed, without means test, to the prescribed classes of persons determined in accordance with Article 15. a or b - ECSS].

Article 21. C130

The sickness benefit referred to in Article 18 shall be a periodical payment and shall:

(a) where employees or classes of the economically active population are protected, be calculated in such a manner as to comply either with the requirements of Article 22 or with the requirements of Article 23;

(b) where all residents whose means during the contingency do not exceed prescribed limits are protected, be calculated in such a manner as to comply with the requirements of Article 24.

Report 2016-ECSS, Report 2016-C130:

Chapter I

A. Rules for sickness benefit calculation:

a) Wage or salary compensation paid by employers to employees

¹⁰ Účetní zpráva za rok ~~2016~~ 2017, ČSSZ.

1. The compensation is paid for workdays, only during the first 14 days of the temporary incapacity to work.
2. The specified period for setting the average earnings is the previous completed quarter.
3. The amount is set on the basis of the average hourly earnings which are reduced in a similar way as the basis determining the amount of the sickness benefits.
4. The percentage rate is the same as for sickness benefits (60% of reduced average earnings).
5. The compensation is not paid for the first three working days of the temporary incapacity to work (waiting period), but it is possible to conclude an agreement between the employee and an employer or include such an arrangement in a collective agreement or to stipulate by an internal regulation that wage/salary compensation will be provided for the first three days of temporary incapacity to work as well.
6. The daily amount of wage/salary compensation since the fourth working day of temporary incapacity to work corresponds to the amount of 60% of the daily assessment base.

Chapter I

A. Rules for sickness benefit calculation:

a) **Wage or salary compensation** paid by employers to employees

a. The compensation is paid for workdays (i. e. days/shifts missed by an employee due to illness, as a loss of earnings' compensation), during the first 14 days of the temporary incapacity to work. The character of the payment is based on providing the employee with the wage compensation paid by the employer during specified period of time (two weeks) at the beginning of the temporary incapacity to work (with the exception of three-day waiting period), i.e. it is not a form of a sickness benefit, as a covered contingency, in the sense of the Code. After the first 14 days of that compensation paid by an employer, the sickness benefit is paid to the employee by the Social Security Administration.

The contingency envisaged by the Convention/ECSS caused by loss of earnings thus arises with the delay of 14 days. Simultaneously, the rate of sickness insurance contribution paid by the employer was lowered by 1 p. p., as a financial compensation for this obligation. Sickness insurance contributions for employees were abolished by Act No 2/2009, amending the Act No 586/1992 Coll., Income Tax Act. For this reason, the first 14 days of the temporary incapacity to work is not considered as a part of supporting period which was therefore prolonged from 365 days to 380 days in order to formally conform to the requirement of 52 weeks.

The aim of this legislative change is *inter alia* to increase the effectiveness of societal supervision over the abuse of the sickness insurance, primarily in short-term sick leave.

¹¹

b. The specified period for setting the average earnings is the previous completed quarter.

¹¹ Fundamental change of the sickness insurance system (Act No. 187/2006 Coll.) became effective on 1 January 2009.

- c. The amount is set on the basis of the average hourly earnings which are reduced in a similar way as the basis determining the amount of the sickness benefits.
- d. The percentage rate is (60% of reduced average earnings).
- e. The compensation is not paid for the first three working days of the temporary incapacity to work (waiting period), but it is possible to conclude an agreement between the employee and an employer or include such an arrangement in a collective agreement or to stipulate by an internal regulation that wage/salary compensation will be provided for the first three days of temporary incapacity to work as well.
- f. The daily amount of wage/salary compensation since the fourth working day of temporary incapacity to work corresponds to 60% of the daily assessment base.

b) Sickness benefits

1. The sickness benefit is paid out for calendar days, since the 15th calendar day of temporary incapacity to work, in case that the temporary incapacity to work lasts more than 14 days. The employee is thus covered by the sickness benefit every single (calendar) day of the temporary incapacity to work, no matter how many working days/shifts he/she did not work out due to the contingency.
2. The decisive period for determination of average earnings is usually¹² 12 calendar months preceding the calendar month in which the temporary incapacity to work occurred.
3. The daily assessment base is the assessable income divided by the number of calendar days of the specified period (some days are not included in order to avoid unjustified dilution of the daily assessment base, for example the days when sickness benefits were provided).
4. The qualifying income consists of all income subject to social security contributions and contributions to the state employment policy calculated for an employee in the specified period.
5. Reduction of the daily assessment base: 90% of the amount up to the first reduction limit is counted, 60% of the amount between the first and second reduction limit is counted, 30% between the second and third reduction limit is counted and the amount above the third reduction limit is not taken into account.
6. In [2017/2018](#), the first reduction limit is CZK [9421,000](#), the second reduction limit is CZK [1,4121,499](#) and the third reduction limit is CZK [2,8242,998](#).
7. The daily benefit is [calculated from the 15th to 30th calendar day fixed at the fixed rate of 60% of the daily assessment base; from the 31st to 60th calendar day at the rate of 66% of the daily assessment base and from 61st calendar day the rate amounts to 72% of the daily assessment base¹³.](#)
8. Sickness benefit is a multiple of the daily benefit and the number of calendar days of the duration of the temporary incapacity to work.

¹² The specified period is determined in Section 18 par. 3–6 of the Sickness Insurance Act, in which all variants are stated, e.g. a situation when employment has lasted for less than 12 months, etc.

¹³ [According to Act No. 259/2017 Coll., effective from 1 January 2018, amending Act No. 589/1992 Coll., regulating Social Security Premiums and Contributions to the State Employment Policy and other Related Acts.](#)

B.
To evaluate the required level of sickness benefits, it is proceeded in accordance with Article 65, Section 6 Subsection a).

C.
In 2017, the average gross wage of a skilled worker was CZK 29,211 (based on Job Specification CZ-ISCO 72231 – a metal turner – a machine tool setter and an operator).

In 2016, the average gross wage of a skilled worker was CZK 26,919 (based on Job Specification CZ-ISCO 72231 – a metal turner – a machine tool setter and an operator).

Chapter II

Calculation of sickness benefits:

Data of 1 January 2017/2018

D. – G. The calculation of the ratio for the evaluation of the sickness benefits level:

- A gross wage of a skilled worker is used for calculation (based on Job Specification CZ-ISCO 72231 – a metal turner – a machine tool setter and an operator) in 2016/2017, i.e. CZK 26,919/29,211
- Gross wage from employment: CZK 26,919/29,211, of which the net salary after the tax deduction amounts (for a taxpayer with two children) to CZK 23,152/24,931.
- The daily assessment base for the calculation of sickness benefits (DAB): the ratio between the annual wage and the number of days in the specified period: 26,919/29,211 x 12/365 = CZK 885.01/960.36.
- **The daily assessment base** is reduced as follows:
DAB: 885.01/960.36 x 90% = CZK 797/865.
- **Daily amount of sickness benefit:**
It is 60% of the DAB since the 15th to 30th day of temporary incapacity to work, 60% out of 797/865 = CZK 479/519.
From the 31th to 60th day of temporary incapacity to work it is 66% of the DAB: 66% out of 865 = CZK 571
- **The monthly amount of sickness benefit from 15th to 44th day of temporary*] incapacity to work:** 30-16 x 479-519 + 14 x 571 = CZK 14,370/16,298.
- **Child benefits for two children** – amounting to CZK 1,220/1,820 (2 x CZK 610/910).
- **Net income and child benefits = CZK 24,372/26,751**.
- **Sickness benefit and child benefits for two children = CZK 15,590/18,118**.
- **The ratio between** the incomes after the insured claim (sickness benefit + child benefits) and incomes before the insured claim (net wage + child benefits): 15,590/18,118 / 24,372/26,751 = 64/67.7%.

Update 2018

With effect from 1 January 2018, the level of the sickness benefit was increased as follows:

- from 31st calendar day of the temporary incapacity to work, the ratio was increased from 60% to 66% of the daily assessment base (DAB);

Naformátováno: Písmo: Kurzíva

- from the 61st calendar day of the temporary incapacity to work, the ratio was increased from 60% to 72% of the DAB.

Up to now, the daily benefit was calculated as a 60% of the DAB and multiplied by number 30 for the period of 30 days of the temporary incapacity to work. From 1 January 2018, the benefit has been calculated as follows:

- Daily level of the benefit for the period from the 15th till 30th day of the temporary incapacity to work will amount to 60% of the DAB and be multiplied by 16;

- Daily level of the benefit for the period from the 31st till 44th day of the temporary incapacity to work will amount to 66% of the DAB and be multiplied by 14.

| Monthly salary in CZK | | Monthly benefits for 2 children in CZK per month | Monthly sickness benefits in CZK | Ratio sickness benefits / wage in % *) | |
|-----------------------|------------|--|----------------------------------|--|----------|
| gross | net | | | Gross | Net |
| 26,919,211 | 23,152,931 | 1,220,820 | 44,370,298 | 55.458,4 | 64.067,7 |

*) Including increased child benefits as of January 1, 2018.

Source: Ministry of Labour and Social Affairs.

The European Code of Social Security requires the ratio of sickness benefits to the preceding income of an insured individual in the minimum amount of 45%. **The Czech Republic fulfils the required level of the amount of sickness benefit in respect of both gross and net wage.**

III - 5. Qualifying period

Article 17. C102 and ECSS

The benefit specified in Article 16 shall, in a contingency covered, be secured at least to a person protected who has completed such qualifying period as may be considered necessary to preclude abuse.

Article 25. C130

Where the legislation of a Member makes the right to the sickness benefit referred to in Article 18 conditional upon the fulfilment of a qualifying period by the person protected, the conditions governing the qualifying period shall be such as not to deprive of the right to benefit persons who normally belong to the categories of persons protected.

Report 2018-ECSS:

No changes.

Report 2016-ECSS:

The Czech legislation does not establish the fulfilment of a qualifying period as a condition for the establishment of entitlement to sickness benefit. The entitlement of insured individual to sickness benefits arises as the date of his/her entry to employment which constitutes the basis for participation in sickness insurance scheme.

Report 2016-C130:

No changes.

Report 2011-C130:

The Czech legal regulations do not designate the fulfilment of a qualification period as a precondition for the establishment of entitlement. The insured person's entitlement to the sickness benefit arises as of the day of his/her entry into employment which provides the basis for participation in the sickness insurance scheme.

➤ **III - 6. Minimum duration of Benefit**

Article 18. C102 and ECSS

The benefit specified in Article 16 shall be granted throughout the contingency, except that the benefit may be limited to 26 weeks in each case of sickness, [in which event it – C102] need not be paid for the first three days of suspension of earnings.

Article 26. C130

- 1. The sickness benefit referred to in Article 18 shall be granted throughout the contingency: Provided that the grant of benefit may be limited to not less than 52 weeks in each case of incapacity, as prescribed.*
- 2. Where a declaration made in virtue of Article 2 is in force, the grant of the sickness benefit referred to in Article 18 may be limited to not less than 26 weeks in each case of incapacity, as prescribed.*
- 3. Where the legislation of a Member provides that sickness benefit is not payable for an initial period of suspension of earnings, such period shall not exceed three days.*

Report 2016-ECSS:

Temporary incapacity to work of an employee in the first 14 days

In accordance with Section 192 Subsection 1 of the Labour Code, an employee who is temporarily incapable to work has the right to receive compensation of wage / salary paid by the employer for the first 14 days of temporary incapacity / quarantine paid by an employer. The compensation of wage/salary for temporary incapacity / quarantine for the first three days of temporary incapacity to work is not provided (i.e. waiting period).

An employer pays compensation of wage/salary to an employee for the first 14 calendar days of temporary incapacity to work for working days, which are his/her working days (scheduled shifts) and for national holidays, for which the employee is entitled to salary compensation under Section 115 par. 3 of the Labour Code or for which his/her salary is not reduced (Section 135 par. 1 of the Labour Code), if on these particular days he/she complies with the terms of right for the payment of sickness benefits under the Sickness Insurance Act and if the employment lasts but no longer than until the date of expiration of the supportive period intended for the payment of sickness benefits under Section 26 *et seq.* of the Sickness Insurance Act.

Temporary incapacity to work of an employee since 15th day

Sickness benefits are provided according to the Sickness Insurance Act since the 15th calendar day of duration of the temporary incapacity to work up to a maximum period of 380 calendar days since the beginning of temporary incapacity to work. Sickness benefits can be provided even after the expiry of the support period, if it can be expected the insured individual will shortly return to capacity to work upon the basis of a statement from the sickness insurance authority. It is, however, only possible to provide the sickness benefit in this way for a period of a further 350 calendar days. Sickness benefits are paid by the Czech Social Security Administration or by service authorities.

In case of a new temporary incapacity to work, the previous periods of temporary incapacity are included in the period of 380 calendar days since the beginning of temporary incapacity, provided those days fall into a period of 380 calendar days prior to the occurrence of a new case of temporary incapacity to work. Previous periods of temporary incapacity to work are

not included if the insured activity lasted at least 190 calendar days since the end of the last case of temporary incapacity to work.

Report 2016-C130:

Since 1 January 2014, the sickness benefit is provided from the 15th calendar day of the temporary incapacity for work, the maximum period of providing the sickness benefit remains unchanged.

Direct Request (CEACR) - adopted 2011, published 101st ILC session (2012). Medical Care and Sickness Benefits Convention, 1969 (No. 130) Article 26(1) of the Convention.

Duration of sickness benefit. The Committee understands from the Government's report that sickness benefit is provided up to a maximum of 380 calendar days from the beginning of the temporary inability to work. In case of a new temporary inability to work, the previous period of sickness is counted in the period of 380 days; it is not counted however, if the two cases of sickness are separated by a period of the insured activity of at least 190 calendar days. *The Committee invites the Government to explain how these rules are consistent with Article 26(1) of the Convention, which requires provision of benefit for not less than 52 weeks (365 days) in each case of incapacity, and to indicate whether persons having exhausted their rights under sickness insurance are eligible for disability benefits or social assistance.*

Report 2016-C130:

Response to comments of the ILO Committee of Experts

Article 26(1) of the Convention. The duration of providing sickness benefits.

According to Section 26(1) of Act No 187/2006 Coll., on sickness insurance, as amended, the contribution period for a sickness benefit begins on the 15th calendar day of the temporary incapacity for work (quarantine) and lasts no more than 380 calendar days from the day the temporary incapacity for work started.

In some cases, the contribution period for providing the sickness benefit may be, in line with Section 26(2) of the cited Sickness Insurance Act, shorter due to including the previous temporary incapacities for work, if they fall within the period of 380 calendar days before the temporary incapacity for work started in case the insured activity did not last at least 190 calendar days following the end of the last temporary incapacity for work.

However, the sickness benefit may be provided based on Section 27 of the cited Sickness Insurance Act also after the contribution period of 380 calendar days has expired, based on a request of the insured. The condition is that, according to a statement of a physician of the sickness insurance authority, it can be expected that the insured will regain capacity for work within a short period, i.e. no later than 350 calendar days after the general contributory period (**380 calendar days**) has expired. This way, the contribution period of the sickness benefit payments may be extended by further **350 calendar days** beyond the general contribution period, i.e. in total to **730 calendar days**.

The person who has exhausted the contribution period for sickness benefit payment and has not regained capacity for work may solve his/her situation by applying for an invalidity benefit. The entitlement to that arises for persons who have become disabled according to the medical opinion of a medical officer of the District Social Security Administration for invalidity of the 1st, 2nd and 3rd degree and at the same time gained the necessary insurance period prescribed by the Pension Insurance Act. Obtaining the necessary insurance period is not required in cases where the invalidity occurred due to occupational accident or disease. **Persons who have lost capacity to work may also apply for state social support benefits, invalidity benefits and, in the case of low income, for material need assistance benefits.**

III - 7. Funeral Benefit

Article 27. C130

1. In the case of the death of a person who was in receipt of, or qualified for, the sickness benefit referred to in Article 18, a funeral benefit shall, under prescribed conditions, be paid to his survivors, to any other dependants or to the person who has borne the expense of the funeral.

2. A member may derogate from the provision of paragraph 1 of this Article where: (a) it has accepted the obligations of Part IV of the Invalidity, Old-Age and Survivors' Benefits Convention, 1967;

(b) it provides in its legislation for cash sickness benefit at a rate of not less than 80 per cent of the earnings of the persons protected; and,

(c) the majority of persons protected are covered by voluntary insurance which is supervised by the public authorities and which provides a funeral grant.

RF/C130: 1. Please state under what circumstances funeral benefit is paid to the survivors of a deceased person who was in receipt of, or qualified for, sickness benefit, or to other dependants or to the person who bore the expense of the funeral.

2. If recourse is had to the provisions of paragraph 2 of this Article, please:

(i) supplement, if necessary, the information on the application of Articles 21 to 24 by giving additional details confirming that the rate of cash sickness benefit is not less than 80 per cent of the earnings of the persons protected;

(ii) indicate exactly the conditions under which a funeral grant is provided when the majority of protected persons are covered by voluntary insurance which is supervised by the public authorities.

Funeral grant is a lump-sum benefit granted to cover funeral expenses granted to a person who carried out the funeral of a dependent child or of a parent of a dependent child. The condition for entitlement is the permanent residence of a parent/child in the territory of the Czech Republic on the day of death. It is not a mean-tested benefit. The amount of the funeral grant is fixed at the amount of CZK 5,000.

The funeral grant entitlement is not dependent on whether the child or the parent or the person bearing the expense for the funeral is or is not a participant in the pension or sickness insurance.

Details are stipulated in the Act No 117/1995 Coll., State Social Support Act (Sec. 47 and 48) Payment is provided by the Regional Office of the Labor Office according to the place of residence.

The Act No 262/2006 Coll., Labour Code, stipulates, in Sec.271g that where an employee dies as a consequence of an industrial injury or an occupational disease, the employer shall pay adequate costs connected with the employee's funeral, cemetery fee, travel expenses, a gravestone and its finishing at a minimum cost of CZK 20,000 and one third of common expenditures for mourning clothes.

III - 8. Suspension of Benefit

Concerning suspension of benefits please find enclosed a judgement of the Constitutional Court of the Czech Republic.

See under Part XIII-1

Article 28. C130

1. A benefit to which a person protected would otherwise be entitled in compliance with this Convention may be suspended to such extent as may be prescribed:

(a) as long as the person concerned is absent from the territory of the Member;

(b) as long as the person concerned is being indemnified for the contingency by a third party, to the extent of the indemnity;

(c) where the person concerned has made a fraudulent claim;

(d) where the contingency has been caused by a criminal offence committed by the person concerned;
 (e) where the contingency has been caused by the serious and wilful misconduct of the person concerned;
 (f) where the person concerned, without good cause, neglects to make use of the medical care or the rehabilitation services placed at his disposal, or fails to comply with rules prescribed for verifying the occurrence or continuance of the contingency or for the conduct of beneficiaries
 (g) in the case of the sickness benefit referred to in Article 18, as long as the person concerned is maintained at public expense or at the expense of a social security institution or service; and
 (h) in the case of the sickness benefit referred to in Article 18, as long as the person concerned is in receipt of another social security cash benefit, other than a family benefit, subject to the part of the benefit which is suspended not exceeding the other benefit.
 2. In the cases and within the limits prescribed, part of the benefit otherwise due shall be paid to the dependants of the person concerned.

Report 2016-ECSS:

Temporary incapacity to work of an employee in the first 14 days

If the insured individual who is temporarily incapable to work violates the fixed mode during the first 14 days of temporary inability (for example he/she does not fulfil the obligation to stay in the place of residence or works during the time of sickness for another employer), than the reason of obstacle for which the employer is obliged to excuse the employee ceases to exist and the employee should return back to work. If he/she does not do so, such behaviour is considered as a violation of obligations the employer may, according to the provisions of Section 52. h) of the Labour Code, impose a sanction or terminate employment as a result of violating of other employee's obligation specified in Section 301 of the Labour Code in a particularly gross manner. The provision of Section 301a governs the "Other duties of the employees" and states that employees are obliged in the first 14 calendar days of temporary inability to work to fulfil the prescribed regime at the time of temporary incapacity to work regarding the obligation to remain in the place of residence in a period of temporary incapacity and to observe the time and length of permitted leaves, as stipulated by the Sickness Insurance Act.

Report 2016-C130:

Concerning a) - no changes.
 Concerning b) - no changes.
 Concerning c) - no changes.
 Concerning d+e) - no changes.
 Concerning f) - no changes.
 Concerning g) - no changes.
 Concerning h) - no changes.

Report 2016-ECSS, Report 2011-C130:

Temporary incapacity to work of an employee since 15th day

- The insured individual is not entitled to the payment of sickness benefits for the period during which
 - he/she performs work or self-employed activity during the time when drawing sickness benefit from another insured activity,
 - he/she receives chargeable income under the special regulations of employment, of which sickness benefits belong.
- An insured individual or any other recipient of a sickness benefit who has failed to fulfil any of the imposed obligations or has received the benefit or part thereof even though he/she must have been aware from circumstances that it had been paid out wrongly or at a higher amount

than the said individual was entitled to, is obliged to repay the benefit payer any overpayment of the benefit. If another physical or legal entity has caused the benefit to be paid out wrongfully or at an amount higher than the individual was entitled to, said entity will be obliged to repay the benefit payer any overpayment of the benefit.

- If the insured individual has brought about his/her temporary incapacity to work
 - As a result of his/her participation in a fight,
 - As a direct consequence of his/her inebriation or abuse of narcotic or psychotropic substances, or
 - While committing an intentional offence or an intentional misdemeanour,

The said individual will still be entitled to sickness benefits, but at **half the amount**. An insured individual who has deliberately brought about his/her temporary incapacity to work has no entitlement to sickness benefits.

- If an incapacitated insured individual breaches the prescribed medical regime during temporary incapacity to work, his/her sickness benefit may be reduced or suspended for a maximum period of 100 calendar days from the day of the breach in the medical treatment, but no longer than until the end of the period of temporary incapacity to work during which the breach in this treatment occurred.
- The Sickness Insurance Act enables the payment of sickness benefits abroad on the basis of the request of the insured individual. It is only paid to the insured individual's bank account and in return for the payment of the associated costs.
- If an insured person who is temporarily unable to work applies for a disability pension in accordance with Act No. 155/1995 Coll., Pension Insurance Act, as amended (hereinafter the "Pension Insurance Act"), and is acknowledged as disabled by the social security body, the temporary incapacity to work ends at the latest on the thirtieth day since the day following the day on which the insured individual was acknowledged as disabled. The disability pension will be granted since the day following the date of termination of the temporary incapacity to work.
- If an old age benefit is awarded according to the Pension Insurance Act in the period when the insured employment or insured individual's independent gainful activities have not ended, the entitlement to sickness benefit will not end. However, the length of the period of provision of sickness benefit will be limited in case of this temporary incapacity to work alongside the payment of an old age pension. Sickness benefit is paid to a recipient of an old age benefit for a maximum period of 70 calendar days, but not after than the day of the termination of the insured activity and no longer than would be paid out up to the ceasing of the "general length" of the period of support.
In the course of any temporary incapacity to work, an insured individual loses his/her entitlement to sickness benefit in the situation when the insured individual becomes entitled to an old age benefit in the course of said period of temporary incapacity to work and said individual's insured employment or insured independent gainful activities cease before the day on which the individual became entitled to the payment of the old age pension.
- The temporary incapacity to work of an insured individual who is entitled to maternity benefit shall be terminated and payment of sickness benefits shall be terminated at the

beginning of the sixth week before the expected date of birth, if she was not entitled to receive maternity benefits earlier.

Conclusions of the CEACR on the application of the ECSS (adopted in 2015)

Part XII (Common provisions), Article 68(g). Suspension of sickness and unemployment benefits. The Committee recalls that section 301(a) of the Labour Code stipulates that employees are obliged to follow the medical directions in respect of an obligation to remain at their residence and respect the time and range of permitted leaves in accordance with the Health Insurance Act in the course of the first 14 calendar days during temporary incapacity to work. The employer is entitled to check how these two obligations are complied with and impose a sanction when breached (section 192, subsection 6 of the Labour Code). The employer can terminate the employment of the person concerned in accordance with section 52(h) of the Labour Code for gross violation of the employee's obligations stipulated in section 301(a). The insured persons dismissed from employment for this reason in the six months before their inclusion in the jobseekers' register do not have the right to unemployment benefit. The Committee observed in its previous conclusions that these rules may lead to the situation where a sick person, for breaching the set medical treatment during temporary incapacity to work, will be not only deprived of the sickness benefit, but also terminated in employment and denied unemployment benefit, and asked the Government to reconsider the cumulative effect of these sanctions in light of the principle of proportionality and the underlying objective of the sickness and unemployment benefits of ensuring income protection during these risks. In reply, the Government states that if an employee during temporary incapacity for work stays at the place of residence, which may be changed in agreement with the physician, and respects the time of leaves, there can be no breach of the obligations imposed by section 301(a) of the Labour Code and no penalties from the employer. The employer may dismiss an employee only if he/she breached any such obligation grossly (section 52(h) of the Labour Code); in case of lower intensity of violation of obligation, the employee cannot be dismissed. In the event the employee is given notice under section 52(h), wage compensation for temporary incapacity cannot be reduced. The employer can apply only one of the options: either reduce compensatory wage (or not provide it – section 192(5) of the Labour Code) or terminate the employment relationship in case of really gross violation of the medical treatment regime. The double punishment by the employer of his employee, who would lose both his job and the wage compensation for sickness, thus cannot occur.

The Committee understands from this explanation that for having grossly breached the obligation to stay at home in case of sickness, respect leave from work periods and follow the prescribed medical treatment the employee could be sanctioned by the employer during the first 14 days of temporary incapacity to work on the basis of the abovementioned provisions of the Labour Code by (1) either not paying him compensatory wage fully or partially at the employer's discretion, or (2) by lawfully dismissing him with full payment of the compensatory wage for this period of temporary incapacity. With respect to the first option, the Committee points out that the Code does not permit the employer of the person protected to withhold or reduce any payment, such as the compensatory wage, deemed to constitute sickness benefit for the purpose of application of Part III of the Code. More generally, the Code does not permit the employers to impose sanctions with regard to any social security benefit provided in compliance with the Code. With respect to the second option, the Code does not permit the dismissal of an insured person for the breach of social security rules, even a gross one, expressly limiting the sanctions mentioned in its *Article 68* to partial suspension of the benefit concerned. More generally, *Article 68* of the Code protects social security benefits from additional sanctions for other types of offences, which may be imposed on the workers' entitlements by the legal regulations from outside the social security system, including in the Labour Code. Moreover, the types of offences for which sanctions may be imposed on the social security benefits are limited to cases where the gross breach of obligations by the employee has also been the direct cause of the contingency in question and has been qualified as fraudulent, wilful or criminal in nature.

The Committee observes that the regime of sanctions imposed under section 301(a) of the Labour Code to enforce the obligations of employees during temporary incapacity to work contained in the Health Insurance Act goes beyond the enforcement measures foreseen by the Code. The Committee further observes that the report does not take into account subsequent sanctions applied to the dismissed employee after the 14 days of temporary incapacity paid by the employer have elapsed. From the explanations given in the report, it appears that the dismissed employee will see his/her sickness benefit reduced or withdrawn for a maximum period of 100 calendar days from the day of the breach of section 301(a) obligations, and will have to wait six months without any benefits from the social security system before applying for inclusion in the jobseekers' register and the unemployment benefit. ***The Committee asks the Government to confirm that, notwithstanding the above explanations, it is indeed the set of sanctions it considers appropriate to impose under Article 68(g) of the Code in cases where the person concerned neglects to make use of the medical or rehabilitation services***

placed at his/her disposal or fails to comply with residence or leave rules during temporary incapacity to work.

Report 2016-ECSS:

6. Part XII (Common provisions), Article 68(g). Suspension of sickness and unemployment benefits.

The Committee asks the Government to confirm that, notwithstanding the above explanation, it is indeed the set of sanctions it considers appropriate to impose under Article 68(g) of the Code in cases where the person concerned neglects to make use of the medical or rehabilitation services place at his/her disposal or fails to comply with residence or leave rules during temporary incapacity to work.

Concerning the suspension of sickness and unemployment benefits, the Czech Republic invites the possibility to explain inaccuracies in the Conclusions.

a) Job termination – in general, the employee can be dismissed only when he/she breaches his/her obligation in especially gross manner and the employer cannot be justly expected to employ such employee any further (includes excessive unauthorised absences, repeated positive testing for presence of alcohol in blood or intoxication at work, simulate sickness etc.).

The reason of notice of termination must be factually specified, so that it cannot be confused with another reason. The employment will come to end upon the expiry of the notice period. The notice period shall be at least two month and starts to run on the first day of the calendar month following delivery of the notice and come to end upon the expiry of the last day of the relevant calendar month.

ILO Comments: according to the *Section 52. h) of the Labour Code an employer may give notice of termination to an employee for if the employee breaches another obligation pursuant to section 301a in an especially gross manner.* Section 301a of the Labour Code “Other duties of the employees” stipulates that in the first 14 calendar days of temporary incapacity for work employees are obliged to observe the prescribed regimen of an insured person being temporarily unfit for work with regard to their obligation (duty) to dwell, during their temporary incapacity for work, at the place of their stay and to observe the time and scope of permitted walks pursuant to the Sickness Insurance Act. *Therefore, the employer is entitled to impose sanctions in case an employee does not follow the legal regulations in the field of social security.*

Conclusions of the CEACR on the application of the ECSS (adopted in 2015)

Part XII (Common provisions), Article 68(g). Suspension of sickness and unemployment benefits.

More generally, the Code does not permit the employers to impose sanctions with regard to any social security benefit provided in compliance with the Code. With respect to the second option, the Code does not permit the dismissal of an insured person for the breach of social security rules, even a gross one, expressly limiting the sanctions mentioned in its *Article 68* to partial suspension of the benefit concerned.

Dismissed person can be registered as a job seeker at the Labour Office regardless the reason of the job termination (Section 25 of the Act No 435/2004 Coll. Employment Act, as amended).

The only obstacles to inclusion in the register have been described in Sec. 25 Subsec. 8, and cover situations when insured person terminated the employment mediated by Labour Office without any serious reason according to section 52 (g)¹⁴ or was dismissed from employment

¹⁴ Notice of Termination Given by the Employer (Dismissal) Section 52

mediated by Labour Office in accordance with section or 55(1b)¹⁵. Thus, there is no connection with temporary incapacity to work, wage compensation, sickness benefits or double punishment, but with the other breaching of labour law obligations of an employee in his/her labour law relationship mediated by Labour Office. This measurement prevents job seekers misuse unemployment services and benefits.

b) Sickness benefit - employer pays a compensatory wage to employee only during first 14 days of the temporary incapacity to work. Sickness benefit from 15th day of the temporary incapacity to work is provided by Czech Social Security Administration without regard to employment, unemployment or reason of job termination.

ILO Comments: according to the Government report, "if an incapacitated insured individual breaches the prescribed medical regime during temporary incapacity to work, his/her sickness benefit may be reduced or suspended for a maximum period of 100 calendar days from the day of the breach in the medical treatment." Please, explain whether the breach of the medical regime which occurred during the first 14th days of the temporarily of work is considered as a reason for the suspension of sickness benefit by the Czech Social Security Administration.

The contingency covered by sickness benefit paid by the Social Security Administration starts from the 15th day of the temporary incapacity to work. Thus the breach of the medical regime during the first 14th days cannot be considered as a reason for the suspension of sickness benefit by the Social Security Administration, because during the mentioned period of time (the first 14th days), an employee receives a financial compensation from his/her employer.

c) Unemployment benefit – a person during temporary incapacity to work, drawing sickness benefit, cannot be registered as a job seeker and draw unemployment benefit at the same time.

As soon as he/she is able to work, can be registered at the Labour Office and services for the unemployed are fully provided.

ILO Comments: according to the information provided by the Government on Art.24 of ECSS "job seekers are not entitled to apply for unemployment benefits if they are persons who have been dismissed from employment in the period of the last 6 months before the application for inclusion to the job seekers register due to particularly gross breach of their obligations arising from the Section 301a of the Labour Code." The insured person can thus be deprived of unemployment benefit for violation of legal regulations on sickness benefit. Moreover, since the decision on dismissal under Art.301a is made by the employer, the regional branch of the Labour Office granting unemployment benefit might base its decision on the same fact that the employer has considered as a gross violation of the Art.301a.

(1) The employer may give notice of termination to an employee only for the following reasons:

(g) if there are reasons on the employee's side due to which the employer could immediately terminate the employment relationship, or if the employee has seriously breached some obligation arising from statutory provisions and relating to work performed by him; in case of ongoing but less serious breaches of some obligation that arises from statutory provisions and relates to the work performed by the employee, this employee may be given notice of termination by his employer provided that in the last six months the employer notified the employee of this possibility in writing (with regard to breach of some obligation that relates to work performed by this employee);

¹⁵ Section 55 Immediate Termination of an Employment Relationship by the Employer (Instant Dismissal)

Subsec. (1) The employer may immediately terminate an employment relationship only:

(b) If an employee has breached some obligation that arises from the statutory provisions and relates to his work performance in an especially gross manner.

Concerning unemployment benefits and breaching of labour law obligation please find attached a judgement of the Constitutional Court of the Czech Republic.

d) Material need - the benefit system covers also persons who are not in labour-law relationship or registered/not registered at the Labour Office as a job seeker.

Lack of income to secure livelihoods and justified housing costs and the inability to increase one's own income because of age, health or other serious reasons are the criteria for assessing poverty. By meeting these conditions, the assessed person becomes a client of the system of assistance in material need. Depending on the situation, such a person may draw benefits provided for in Act No. 111/2006 Coll., regulating Assistance in Material Need, as amended (hereinafter the " Assistance on Material Need Act ")i. e allowance for living, supplement for housing and extraordinary immediate assistance.

Failure to fulfil the prescribed medical treatment at the time of employee's temporary incapacity to work is not and has never been listed among the legal grounds for not considering a person to be in material need. Such a person does not lose entitlement to family benefits (state social support benefits) and the access to social benefits in the form of assistance in material need benefits is guaranteed.

The Assistance in Material Need Act even covers persons who fail to meet the legal requirements for providing assistance in material need (if there is serious risk of impairment of health under Section 2 para 3 in connection with Section 36-37 of the on Assistance in Material Need Act, or in other justified cases in accordance with Section 3 para 3 of the Assistance in Material Need Act).

e) Sanction - it is preventive measure in Czech legal regulation; a person must be aware that misuse of all benefits, failing to comply with rules prescribed for verifying the occurrence, continuance of the contingency or for conduct of the beneficiaries, when a fraudulent claim was made etc., as stated in Article 68 of the Code.

ILO Comments: in this regard the CEACR recalled "the Code does not permit the employers to impose sanctions with regard to any social security benefit provided in compliance with the Code."

Conclusions of the CEACR on the application of the ECSS (adopted in 2015)

Part XII (Common provisions), Article 68(g). Suspension of sickness and unemployment benefits.

More generally, *Article 68* of the Code protects social security benefits from additional sanctions for other types of offences, which may be imposed on the workers' entitlements by the legal regulations from outside the social security system, including in the Labour Code. Moreover, the types of offences for which sanctions may be imposed on the social security benefits are limited to cases where the gross breach of obligations by the employee has also been the direct cause of the contingency in question and has been qualified as fraudulent, wilful or criminal in nature.

f) Right to appeal in case of refusal of the benefit - judicial decisions concerning dismissal during temporary incapacity to work 21 Cdo 630/2015, 21 Cdo 5126/2014 when the court ruled in favour of employees (Article 70 of the Code).

¹⁸ Source: The state final account for the chapter of MLSA of the Czech Republic for 2016⁷.

¹⁸ Source: The state final account for the chapter of MLSA of the Czech Republic for 2016⁷.

III - 9. Right of complaint and appeal

See under Part XIII-2

Article 29. C130

Every claimant shall have a right of appeal in the case of refusal of the benefit or complaint as to its quality or quantity.

Report 2016-ECSS:

An insured person has a right to lodge an appeal against a decision issued by the appropriate District Social Security Administration concerning the disallowance of his/her claim for sickness insurance benefits (sickness and maternity benefits), the amount of the benefit, the reduction of the benefit or the withdrawal or suspension of the payment thereof in accordance with Act No. 187/2006 Coll., the Sickness Insurance Act, as amended (hereinafter referred to as "Sickness Insurance Act"). The appeal is decided by a superior authority which is the Czech Social Security Administration. The first instance proceedings and appellate proceedings are governed by Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended. An insured person can bring an action against the decision of the appellate authority to a competent regional court (by Act No. 150/2002 Coll., the Judicial Rules of Procedure).

ILO Comments: how the right of complaint and appeal can be exercised against the employer's decision to withhold payment of compensatory wage for the first 14 days of sickness?

Article 7 of C130 defines the contingency as an "incapacity for work resulting from sickness **and involving suspension of earnings, as defined by national legislation**" The wage compensation at the beginning of the temporary incapacity to work is paid by the employer, the contingency envisaged by the Convention caused by loss of earnings thus arises with the delay of 14 days. For this reason, the first 14 days of the temporary incapacity to work is not considered as a part of supporting period which was therefore prolonged from 365 days to 380 days in order to formally conform to the requirement of 52 weeks. As the wage compensation is not part of the sickness benefits system, the administration of the scheme is still entrusted to a public authority in its entirety.

Act No 118/2000 Coll., regulating protection of employees in case of insolvency of the employer and amendment of some laws enables wage compensation (Section 3 Subsection b of the Act) being paid by the Regional Branch of the Labour Office of the Czech Republic to an employee in case of employer's insolvency. Salary compensation during first 14 the days of the temporary incapacity to work is considered as a wage claim.

III - 10. Financing and Administration

See under Part XIII-3

Article 30. C130

1. Each Member shall accept general responsibility for the due provision of the benefits provided in compliance with this Convention and shall take all measures required for this purpose.

2. Each Member shall accept general responsibility for the proper administration of the institutions and services concerned in the application of this Convention.

Article 31. C130

Where the administration is not entrusted to an institution regulated by the public authorities or to a government department responsible to a legislature:

(a) representatives of the persons protected shall participate in the management under prescribed conditions;
(b) national legislation shall, where appropriate, provide for the participation of representatives of employers;
(c) national legislation may likewise decide as to the participation of representatives of the public authorities.

Report 2016-ECSS:

The competent authority in the field of sickness insurance (and maternity benefits) is **the District Social Security Administration** which is responsible for the implementation of the sickness insurance scheme and provides sickness benefits. Sickness benefits are paid by the District Social Security Administration at the latest within one month following the day on which the complete documents relating to payment of benefits were received by the District Social Security Administration.

Total revenues for the year 20162017¹⁸

sickness insurance CZK ~~28 196 734~~31,221,499 thousand

Total expenditures for the year 20162017¹⁹

- sickness insurance CZK ~~26 283 777~~28,315,589 thousand

ILO Comments: whether the District Social Security Administration is obliged to provide the compensatory wage to an employee if his/her employer fails to fulfil this obligation for whatever reason? How the representatives of the employees protected participate in the management of the compensatory wage scheme by their employer?

Observation of the Czech Republic

The District Social Security Administration is obliged to pay out a sickness benefit from the 15th day of temporary incapacity to work, i. e. does not provide an employee with any compensatory wage.

The so-called “compensatory wage scheme managed by the employer” is not part of the sickness benefits system as explained below. Thus the representatives of employees do not participate in such a management.

Additional information

Attention has also to be paid to the new rules on employer’s liability for wage compensation during the first two weeks of sick leave. Apart from the norms pertaining to the level and duration of the payments, the principles on solidarity and state responsibility also have to be taken into account. First of all, according to Article 70 of the ECSS, the benefits must be borne collectively by way of insurance contributions or taxation or both. In contrast to this, the wage compensation during the initial two weeks of illness is paid solely by the employer. Secondly, in the same Article (and in C130 Article 30) it is stated that the government is responsible for the due provision of the benefits. Important in this respect is whether the employer’s obligation is sufficiently regulated in such a way that the stipulated income replacement for the employee is guaranteed. This is not clear in the Czech case. What happens, for instance, if the employer does not pay the required compensation, either willingly or unwillingly? Is a safety net provided in these cases? Furthermore, where the administration is not entrusted to

¹⁸ Source: The state final account for the chapter of MLSA of the Czech Republic for 2016⁶⁷.

¹⁹ Source: The state final account for the chapter of MLSA of the Czech Republic for 2016⁶⁷.

a public authority, the international standards require representatives of the persons protected to participate in the management, which is not the case during this period of employers' liability. In view of these common principles on solidarity and good governance, it is not obvious that this initial period of employers' liability is in line with the conventions. As yet, the supervising committees have not commented on this issue, but these questions will have to be dealt with in the next reports of the government on the application of both the European Code and ILO C130. [Does the state guarantee the wage compensation for the first 14 days in case of the employer has not fulfilled the obligation?]

Observation of the Czech Republic

Article 7 of C130 defines the contingency as an "incapacity for work resulting from sickness **and involving suspension of earnings, as defined by national legislation**" Because of the wage compensation paid by the employer, the contingency envisaged by the Convention caused by loss of earnings thus arises with the delay of 14 days. For this reason, the first 14 days of the temporary incapacity to work is not considered as a part of supporting period which was therefore prolonged from 365 days to 380 days in order to formally conform to the requirement of 52 weeks. As the wage compensation is not part of the sickness benefits system, the administration of the scheme is still entrusted to a public authority in its entirety.

Act No 118/2000 Coll., regulating protection of employees in case of insolvency of the employer and amendment of some laws provides for the possibility of wage compensation (section 3 subsection b of the Act) being paid by the Regional Branch of the Labour Office of the Czech Republic.

An employee may file a claim for payment of wage compensation, as in the case of non-payment of wages.

A employee can also contact the State Labour Inspection Authority which can impose an administrative fine on an employer.

Part IV. Unemployment benefit

The Czech Republic has accepted the obligations resulting from Part IV of the ECSS.

| Category | Full compliance | Request of information | |
|--|-----------------|--------------------------|-------------------------------|
| | | insufficient information | no or very little information |
| IV-1. Regulatory framework | ➤ Art.19 ECSS | | |
| IV-2. Contingency covered | ➤ Art.20 ECSS | | |
| IV-3. Persons Protected | 👍 Art.21 ECSS | | |
| IV-4. Level and Calculation of Benefit | ➤ Art.22 ECSS | | |
| IV-5. Qualifying period | ➤ Art.23 ECSS | | |
| IV-6. Minimum duration of Benefit | ➤ Art.24 ECSS | | |
| IV-7. Suspension of Benefit | | ➤ Art.68 ECSS | |
| IV-8. Right of complaint and appeal | ➤ Art.69 ECSS | | |
| IV-9. Financing and Administration | ➤ Art.70 ECSS | | |

List of applicable legislation

Update 2018

- [Notification of MLSA No. 448/2016 Coll. on the Average Wage Publishing in the National Economy for the 1st to 3rd Quarter of 2016 for the Purposes of the Employment Act](#)
- [Notification of MLSA No. 447/2017 Coll. on the Average Wage Publishing in the National Economy for the 1st to 3rd Quarter of 2016 for the Purposes of the Employment Act](#)
- Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended *[Report 2016-ECSS]*
- Act No. 111/2006 Coll., the Assistance in Material Need Act, as amended *[Report 2016-ECSS]*
- Act No. 589/1992 Coll., on Social Security ~~contributions~~ Contributions and the Contribution towards the State Employment Policy, as amended by Acts Nos. 189/2006 Coll., 264/2006 Coll., 585/2006 Coll., 153/2007 Coll., 261/2007 Coll., 296/2007 Coll., 305/2008 Coll., 2/2009 Coll., 41/2009 Coll., 158/2009 Coll., 221/2009 Coll., 227/2009 Coll., 285/2009 Coll., 303/2009 Coll., 362/2009 Coll., 347/2010 Coll., 73/2011 Coll.
- Act N. 435/2004 Coll., Employment Act, as amended

➤ IV - 1. Regulatory framework

Article 19. ECSS

Each Contracting Party for which this Part of this Code is in force shall secure to the persons protected the provision of unemployment benefit in accordance with the following Articles of this Part.

Report 2016-ECSS:

Legal regulations on unemployment benefits are contained in Act No. 435/2004 Coll., Employment Act, as amended, which among other things defines the requirements for entitlement to unemployment benefits, the determination of its amount as well as support period, the period during which the unemployment benefits are provided to the job seeker. In the reference period the system of providing unemployment benefits was not changed.

➤ IV - 2. Contingency covered

Article 20. C102 and ECSS

The contingency covered shall include suspension of earnings, as defined by national laws or regulations, due to inability to obtain suitable employment in the case of a person protected who is capable of, and available for, work.

Report 2016-ECSS:

The Employment Act determines the conditions under which a natural person may be included into the register of job seekers and the conditions under which the said individual is entitled to unemployment benefits.

A job seeker is an individual who personally applies for finding a suitable employment at the regional branch of the Labour Office. He/she applies at the branch in whose territorial jurisdiction the natural person has residence and when legally stipulated conditions are met, he/she is included in the register of job seekers by the Labour Office (Section 24 of the Employment Act).

Additional information

Suitable employment

In Article 20 of ILO C102 it is stated that 'the contingency covered shall include suspension of earnings, [...], due to inability to obtain suitable employment'. According to the Czech legislation, [each natural person has the right to suitable employment mediation](#). [eE](#)mployment must meet four conditions to be considered suitable²⁰. In the first place, the gainful activity must imply the obligation of paying insurance for old-age pension and contributions to the state employment policy. Secondly, the working hours must be at least 80 percent of the stipulated weekly working hours, which means that the job must cover 32 hours minimum. Thirdly, the employment contract must be for an indefinite period or for a fixed term of more than three months, and, finally, the employment must correspond to the jobseeker's state of health [and, if possible, his /her qualifications, skills, length of previous employment, accommodation possibilities and the traffic accessibility of the work \(as stipulated in Employment Act, Sec. 20 Subsec. 1., covering all categories of jobseeker, including those without qualification, skills, previous employment, etc.\)](#). Thus, qualifications or skills of the jobseeker and length of previous employment are not necessarily taken into consideration. [As a consequence, a jobseeker is obliged to accept a job offered by the Labour Office for which they may be overqualified, from the very beginning of the period of unemployment. Furthermore, the Labour Office may also arrange employment for a period shorter than three months, in which case the jobseeker has to accept the offer, whether the](#)

Okomentoval(a): [VBJ(2): The deleted statement is incorrect and does not correspond to the national law. Describes publicly beneficiary work which is not a support period when a job seeker is provided an unemployment benefit and typical job mediation. A natural person is provided for public beneficiary work a wage not an employment benefit. Explanation please see below.

²⁰ [The ILO Convention No. 168; Act No 434/2004 Coll., Act No 435/2004 Coll., Employment Act, Sec. 20](#) [Website of the Ministry of Labour and Social Affairs.](#)

~~job is suitable or not. The only condition in such cases is that the employment has to correspond to the jobseeker's state of health. After one year of registration as a jobseeker, a job offered by the Labour Office does not have to meet any of the above-mentioned requirements.~~

~~First of all, the Labour Office is not obliged to take into account the qualifications or skills of the jobseeker and the length of their previous employment when offering a job, not even during the first month of unemployment. This regulation is not in line with ILO C102 and the ECSS. This is particularly apparent in the direct request of the CEACR to Denmark concerning Convention 102, where the Committee explains that²¹:~~

~~Part IV of the Convention is based on the concept of "suitable employment", which ensures that at least during the minimum period of protection of 13 weeks provided for in Article 24 of the Convention unemployed persons shall be offered jobs with due regard, inter alia, to their skills, qualifications, acquired experience, and length of service in the former occupation – the criteria normally used in assessing the suitability of employment – and that in no case covered by Article 20 (in relation to Article 69(h) of the Convention) their benefit could be suspended for refusal to accept a job unsuitable in this respect.~~

~~Relevant in this respect is, of course, how the labour offices deal with this concept. Although the research does not cover 'law in practice', it must be noted that, according to the Ministry of Labour and Social Affairs, the labour offices take into account the qualifications of the applicant during the first period of unemployment. However, since it is not laid down in a regulation, it really depends on the official what job is considered suitable in a specific situation.~~

~~Measures for job seekers registered at the Employment Office for more than one year have been tailored to their specific needs by Active Employment Policy (AEP) covering vulnerable groups at the labour market (such as unskilled or low-skilled people, people older than 55 years, people with health restrictions, graduates, etc.). For such a job seekers' category a suitable employment includes also an employment concluded for an indefinite period, fixed term employment for a period shorter than 3 months or in which the working time makes less than 80% of the prescribed weekly working hours. Other conditions determined by law (Sec. 20 of the Employment Act) must be met.~~

~~Publicly beneficial work²² is one of the AEP tools designed especially for low-skilled people. The main aim is to support employment and increase job seekers' chance by offering special care in employment mediation due to low job opportunities²³. The publicly beneficial work helps to maintain and restore the basic working habits of jobseekers and motivates them to~~

²¹ CEACR: Individual Direct Request concerning C102 (Denmark) 2005 and 2007. Similar requests were made in relation to the United Kingdom. See also: Gómez-Herederó 2009. P.129.

²² Employment Act, Section 20 (2) and (3)

(2) For job seekers who are registered in the register of job seekers for more than 1 year, suitable employment also includes employment which:

(a) meets the conditions set out in subsection 1(a), (b) and (d), or (which could be agreed for an indefinite period or for a fixed term of less than 3 months)

(b) meets the conditions set out in subsection 1(a), (c) and (d) and his working time is at least 50% of the prescribed weekly working time²², the working time of which could be less than 80% of the prescribed weekly working hours;

(3) For a job seeker to be placed to perform publicly beneficial work, a suitable job also means such a job whose working hours do not exceed half the length of the weekly working hours pursuant to Section 79 of the Labour Code and which corresponds to the job seeker's health condition.

²³ Employment Act, Section 113, Socially purposeful jobs

(1) Socially purposeful jobs are understood as jobs that an employer creates or reserves on the basis of an agreement with the Labour Office and fills with job seekers who cannot find work by other means. A socially beneficial job is also a job that a jobseeker created in agreement with the Labour Office in order to become self-employed. The Labour Office may provide an allowance to socially useful jobs.

Naformátováno: Písmo: (výchozí) Arial, 11 b., Tučné, Kurzíva

work through earnings from work rather than from social or unemployment benefits. This is a time-limited job opportunity mainly focused on maintenance of the public space, cleaning and maintenance of public buildings, and may also include the work of a personal assistant for disabled people, charitable work, social, cultural, auxiliary staff at schools and school facilities, maintenance work in favour of municipalities, state and charitable institutions and civic associations.

It is organised by Labour Offices which concludes an agreement with the employer (i.e. the municipality or a company) who creates such an activity for a jobseeker carried out within the framework of the employment relationship and an employee is paid wages instead of drawing unemployment benefit. The Employment office provides employers with labour costs for this work up to a maximum of 24 months (including tax, health and social insurance contribution paid by the employer for employees).

ILO Comments: the Government should specify the definition “suitable employment” according to the current law. (The phrase is highlighted in yellow in the Consolidated Report).

The ILO Convention No. 102 does stipulate a definition of “suitable employment”.

The definition of mediation of a suitable employment in Sec. 20 of the Act No 434/2004 Coll., Employment Act, is inspired by Article 21(2) of the ILO Convention No. 168 (despite the fact this Convention has not been ratified by the Czech Republic) according to which the job seeker’s health, qualification, skills, abilities, the length of the previous employment, and accommodation possibilities, and also the accessibility of the work (not only in terms of a distance, but also frequency of the public transport - i.e. transportation services in the area) shall be taken into account in “**appropriate extent**”.

Observation of the Czech Republic

The suitable employment definition set out in *Sec. 20 of the Employment Act* stipulates:

- (1) *Each natural person has the right to suitable employment mediation. Unless stipulated otherwise, a suitable employment is a job,*
- a) which imposes the obligation to pay premiums for pension insurance and contributions to the state employment policy,*
 - b) the working time of which is at least 80 % of the regular weekly working time,*
 - c) which has been agreed for an indefinite period or for a fixed term of more than 3 months, and*
 - d) which corresponds to the health of the natural person, and, if possible, his or her qualifications, skills, length of previous employment, accommodation possibilities and the traffic accessibility of the work.*

As regard to the current situation on the labour market, vacant /suitable jobs, personal situation of the jobseekers etc., the individual cooperation and attitude between Labour Office officer and job seeker cannot be excluded.

The Government notes that such a necessity for a tailored approach (including the necessary leeway for individual consideration on a case-by-case basis) is recognised in Article 21(2) of C168 as well.

IV - 3. Persons protected

Article 21. C102 and ECSS

The persons protected shall comprise:

- (a) *prescribed classes of employees, constituting not less than 50 per cent of all employees; or*

(b) all residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of Article 67.

Report 2016-ECSS:

The Czech Republic refers to letter a). An individual may not be included in the job seekers' register if he/she is in an employment or service relationship (with certain specified exceptions) as well as a self-employed person, an individual gainfully active abroad, an associate or company secretary in a commercial organisation or a member of cooperative, a supervisory board or a board of directors, if he/she performs work for a company or a cooperative which is remunerated at a certain amount, a judge, a member of a parliament, an individual acknowledged as temporarily incapable of work, serving sentences or is in custody, etc. (Section 25 of the Employment Act).

Data of 1 January 2016-2017

| | |
|---|------------------------------|
| A. Number of covered employees: | 4,418,0314,511,680 persons |
| Number of self-employed persons covered | 677,521,680,962 persons |
| B. Total number of employees: | - 4,418,0314,511,680 persons |
| C. 100% | |

Source: Czech Social Security Administration

➤ **IV - 4. Level and Calculation of Benefit**

Article 22. C102 and ECSS

1. Where classes of employees are protected, the benefit shall be a periodical payment calculated in such manner as to comply either with the requirements of Article 65 or with the requirements of Article 66.
2. Where all residents whose means during the contingency do not exceed prescribed limits are protected, the benefit shall be a periodical payment calculated in such a manner as to comply with the requirements of Article 67. [provided that a prescribed benefit shall be guaranteed, without means test, to the prescribed classes of employees determined in accordance with Article 21.a. - ECSS].

Report 2016-ECSS:

Chapter I

A.

The Employment Act stipulates that the amount of an unemployment benefit and support during a retraining is designed as a percentage rate of average net monthly earnings which has been ascertained in the case of the job seeker and was last used for employment purposes in his/her last terminated employment during the specified period according to employment regulations; if these employment regulations were not applied due to the provisions set out in the special legal regulations pertaining to the legal regulations under which the job seeker performed his/her last completed employment, the average of a job seeker's net monthly earnings is ascertained for the purposes of unemployment benefits and support during analogously according to employment regulations.

The amount of unemployment benefits and support during retraining for job seeker, who was self-employed prior to be included in the register of job seekers, is set as a percentage rate of the last assessment base in the specified period recalculated for 1 calendar month.

The unemployment benefit amounts to 65% of the average net monthly earnings for the first two months of unemployment (i.e. the supporting period), for the next two months it is 50% and 45% of the average net monthly earnings or assessment base for the remaining period of support. The percentage rate for support during retraining amounts to 60% of the average net monthly earnings or of assessment base.

If the job seeker has terminated an employment without serious grounds on his own or by an agreement with employer before inclusion in the register of job seekers, he/she is entitled to unemployment benefits for the entire supportive period of 45% of the average net monthly earnings or assessment base.

If a person has fulfilled the conditions of previous employment by means of employment (see below on Article 23) and if this period has been assessed as being the last employment, the unemployment benefit is set at the amount of multiple of 0.15 for the first two months of an average wage in the national economy for the first to third quarters of the calendar year preceding the year in which the benefit application was submitted, in the amount of multiple of 0.12 for the next 2 months and multiple of 0.11 during the remaining period of support period.

There is the maximum upper limit determined for the amount of unemployment benefits which is determined as multiple of 0.58 of the average wage in the national economy for the first to third quarter of the calendar year preceding the calendar year in which the application for unemployment benefits was submitted. The maximal amount of a support during retraining has been set at multiple of 0.65 of the average national wage for the first to the third quarter of the calendar year preceding the calendar year in which the requalification of a job seeker started. The maximum amount of unemployment benefits was CZK - 15,024,660 in 20162017, CZK 15,660,682 in 20172018. The maximum amount of support during retraining was CZK 16,837,550 in 2016-2017 and CZK 17,550,695 in 20172018.

Unemployment a benefit is due once the conditions has been met, regardless of the individual's assets.

Chapter II

Data of 1 January 20162017

D. to G.

The average net monthly wage of a skilled worker with two children amounted to CZK 23,152,931.

The calculation of unemployment benefits of 1 January, 20162017:

The amount of benefit of a standard skilled worker during the first two months of unemployment:

| Benefit amount (65% of the preceding average income) / of net wage / | % of the original income *) |
|---|--------------------------------|
| CZK 15,024,660 | 65% |

The amount of benefit of a standard skilled worker for the next two months of unemployment

| Benefit amount (50 % of the preceding average income) / of net wage / | % of the original income |
|--|-----------------------------|
| CZK 11,576,13,500 | 50% |

The amount of benefit of a standard skilled worker for the remaining support period

| Benefit amount (45 % of the preceding average income) / of net wage / | % of the original income |
|--|-----------------------------|
| CZK 10,41812,150 | 45% |

The average monthly benefit of a skilled worker throughout the entire support period was amounted to $15,024,660 \times 2 + 11,576,13,500 \times 2 + 10,418,12,150 / 5 = \text{CZK } 12,724,14,094$.

The ratio between the income after the insurance claim (unemployment benefits) and the income prior to the insurance claim (net salary) is $(12,724,14,094 : 23,152,24,931) \times 100 = 54,9656,53\%$.

The European Code of Social Security requires the level of unemployment benefits in comparison to preceding wage of at least 45%. **The Czech Republic fulfils the required level.**

➤ **IV - 5. Qualifying period**

Article 23. C102 and ECSS

The benefit specified in Article 22 shall, in a contingency covered, be secured at least to a person protected who has completed such qualifying period as may be considered necessary to preclude abuse.

Report 2016-ECSS:

Job seekers are entitled to unemployment benefit, if they have participated in pension insurance for at least 12 months during the decisive period of employment or other gainful activity under the Pension Insurance Act (Section 39 of the Employment Act). The decisive period for the assessment of entitlement for unemployment benefits is the last two years prior to inclusion in the register of job seekers (Section 41 of the Employment Act).

In the Czech Republic, an entitlement to unemployment benefits is conditioned by completing of the required period of pension insurance obtained in an employment or in other gainful activity. The necessary period of pension insurance is **12 months during the last two years**. Within this time, the so-called substitute employment period can be included.

A substitute employment period is considered to be:

- a) The period of preparation for work by an individual with disabilities,
- b) The period of drawing of a disability benefit for level-three disability,
- c) The period of providing personal care for a child up to age of four years,
- d) The period of providing personal care for an individual who is considered a person dependent on the assistance of another natural person in level-two (medium dependence), level-three (heavy dependence) or level-four (complete dependence) according to Section 8 of Act No. 108/2006 Coll., Social Services Act), if such an individual lives permanently with a job seeker and pay the costs of their needs jointly; these conditions are not required in the case of a person who is considered a close individual for purposes of pension insurance,
- e) The performance of a long-term volunteer service upon the basis of a volunteer contract concluded with posting organization which has been accredited by the Ministry of Interior

according to Act No. 198/2002 Coll., Volunteer Service Act, or of the performance of community service upon the basis of a community service contract according to Act No. 111/2006 Coll., Assistance in Material Need Act, provided the extent of the realised community service in exceeds 20 hours in a calendar week.

f) Personal care for an individual under ten years of age who is considered to be a person with level-one (light dependence) dependent on the assistance of another person according to the special legal regulation,

g) The period of the duration of temporary incapacity to work or of ordered quarantine of a person after the termination of a gainful activity, which established his/her participation in the sickness insurance under a special law, if a person did not bring about temporary incapacity to work intentionally and if the temporary incapacity to work or ordered quarantine did not arise at the time of such a gainful activity or of the protection period under a special law (with effect since 1 October 2015).

➤ IV - 6. Minimum duration of Benefit

Article 24. C102 and ECSS

1. The benefit specified in Article 22 shall be granted throughout the contingency, except that its duration may be limited,

(a) where classes of employees are protected, to 13 weeks within a period of 12 months, [or to 13 weeks in each case of suspension of earnings - ECSS]; or

(b) where all residents whose means during the contingency do not exceed prescribed limits are protected, to 26 weeks within a period of 12 months; [provided that the duration of the prescribed benefit, guaranteed without means test, may be limited in accordance with sub-paragraph a of this paragraph - ECSS].

2. Where national laws or regulations provide that the duration of the benefit shall vary with the length of the contribution period and/or the benefit previously received within a prescribed period, the provisions of paragraph 1 of this article shall be deemed to be fulfilled if the average duration of benefit is at least 13 weeks within a period of 12 months.

3. The benefit need not be paid for a waiting period of the first seven days in each case of suspension of earnings, counting days of unemployment before and after temporary employment lasting not more than a prescribed period as part of the same case of suspension of earnings.

4. In the case of seasonal workers the duration of the benefit and the waiting period may be adapted to their conditions of employment.

Report 2016-ECSS:

1. The period of provision of unemployment benefits (support period) depends on the age of the beneficiary. The support period for a job seeker under 50 years is 5 months, between 50 and 55 years of age it is 8 months and over 55 years the support period is 11 months. The decisive factor for the length of the support period is the job seeker's age at the date of the submission of application for unemployment benefits.

The length of the support period is also affected by the fact as to whether or not the job seeker has used the entire support period at any time during the last two years prior to inclusion to the unemployment register. If the entire support period has not been used and the job seeker has completed pension insurance period of at least 3 months by an employment or other gainful activity after the end of the used part of the support period, such a job seeker is entitled to receive unemployment benefits for the entire support period. If a said job seeker has completed a support period of less than 3 months, he/she is entitled to unemployment benefits for the remaining support period. At the same time, the requirement of the total qualification period of previous employment must also be completed.

If the entire support period had expired in the last two years prior to the inclusion of the job seeker in the job seekers' register, a job seeker is entitled to receive unemployment benefits if

he/she has acquired a pension insurance of at least six since the full use of the original support period; this period is not required when an employment was terminated for health reasons or because an employer breached an of the essential obligation arising from the legal regulations, a collective agreement or agreed employment conditions. The condition of the total period of previous employment must be fulfilled at the same time.

Entitlement to unemployment benefits expires at the end of the support period, by termination of the registration in a register of job seekers or by removal from the register.

2. Duration of provision of unemployment benefits is not graded according to the contribution period or by benefits previously received during a specified period.

3. The waiting period under the European Code of Social Security is not directly determined in the Employment Act.

A job seeker is entitled to unemployment benefits upon the fulfilment of set conditions since the date of the submission of a written unemployment benefit. If a job seeker applies for unemployment benefits at the latest within 3 working days after termination of employment or of other gainful activity or of activities considered to constitute a substitute employment period, the unemployment benefits are awarded since the day following the termination of the employment or aforementioned activities.

A job seeker to whom redundancy payment was paid in the last employment, the unemployment benefits is provided only after expiration of a period determined by the number of multiples of average monthly salary of corresponding to redundancy payment stipulated pursuant to other legal regulations. Provision of unemployment benefits during entire period stipulated in the Employment Act is not affected.

The job seeker who is entitled to unemployment benefit, but he/she had not been paid any form of redundancy payment based on the termination of employment/service relationship on the date of termination of employment or service, will be provided with a compensation by the Labour Office from the day of placement into the job seekers' register for a period corresponding to the amount of the redundancy payment. The amount of compensation is determined by multiplying the period for which redundancy payment severance pay pertains and 65% of the average net monthly income of the job seeker. Unemployment benefits will be provided to a job seeker after expiration of the period covered with said compensation.

4. The Employment Act does not determine any special conditions for granting unemployment benefits to seasonal workers. The general system is applied here.

➤ IV - 7. Suspension of Benefit

See under Part XIII-1, Part III-8 (Sickness Benefit)

Report 2016-ECSS:

Job seekers are not entitled to apply for unemployment benefits if they are persons:

- Who has been dismissed from employment in the period of the last 6 months before his/her inclusion in the job seekers' register due to particularly gross breach of their obligations arising from the legal regulations pertaining to the work which they performed; this also applies in the case of termination of any other employment relation for a similar reason.
- Who has been dismissed from employment in the period of the last 6 months before the application for inclusion to the job seekers register due to particularly gross breach of their obligations arising from the Section 301a of the Labour Code.

ILO Comments: see under Part III-8. Suspension of Benefit. How the "gross breach" is determined in the national legislation or practice?

Observation of the Czech Republic

Please find attached a judgement of the Constitutional Court of the Czech Republic for more detailed explanation.

- Who becomes entitled to a service allowance according to the special legal regulations (Section 131 *et seq.* of Act No. 221/1999 Coll., Professional Soldiers Act, Section 157 *et seq.* of Act No. 361/2003 Coll., providing the Service Conditions for the Members of Security Forces, as amended), and this allowance is higher than the unemployment benefit which the job seeker would otherwise be entitled to, if he/she were not entitled to the service allowance;
- Who performs any of activities stipulated in Section 25 Subsection 3 of the Employment Act to the date on which the unemployment benefits should be granted, i.e., works on the basis of an employment or a service relationship with monthly earnings not exceeding half the minimum wage; performs work under the contract for work or an agreement on working activity with a monthly earning or reward per one month period for which it is stated, not exceeding half the minimum wage;
- Who is on the date on which the unemployment benefits are to be granted, in the position of one of the categories mentioned in Section 25 par. 1 letter c) to f) and s) i.e. e.g. a partner or a manager of a limited liability company, a member of the Board or the Management Board of a joint stock company, a member of a supervisory board of a company; the amount of earnings or remuneration is not taken into account; it does not apply to a member of a housing cooperative, who performs work or services for the housing cooperative outside the employment relationship, or is responsible for the business management of a housing cooperative (effective since 1 October, 2015).

➤ **IV - 8. Right of complaint and appeal**

See under Part XIII-2

Report 2016-ECSS:

A job applicant may lodge an appeal against the decision of the regional branch of the Labour Office of the Czech Republic (hereinafter “the Labour Office”) concerning a removal from the register of job applicants, of the suspension/termination of payment of unemployment and retraining benefits within 15 days since the notification of the decision, in accordance with the instructions set out in the decision. The appeal will be decided by the appellate administrative authority – the Ministry of Labour and Social Affairs.

With regard to reduction/suspension of payment of unemployment and retraining benefits, the job applicant may lodge an appeal to the regional branch of the Labour Office in the administrative proceedings. The Ministry of Labour and Social Affairs is the administrative authority of appeal.

➤ **IV - 9. Financing and Administration**

See under Part XIII-3

[Update 2018](#)

Report 2016-ECSS:

- Administration and payment of unemployment benefits is managed by the state authorities. The regional branch of the Labour Office decides on unemployment benefits.
- The Labour Office decides on granting of unemployment benefits and retraining benefits (Section 39 Subsection 3 and Section 40 subsection 2 of Act No. 435/2004 Coll., the Employment Act, as amended).
- The costs of provided unemployment benefits are paid from contributions to the state employment policy. The Czech Social Security Administration collects the contribution to the state employment policy along with pension contributions from taxpayers (i.e. from employees through their employers along with the contributions from employers themselves). The contribution is a part of the income side of the state budget and - vice versa - the benefits form a part of the state budget expenditure. As such, it is included in the relevant budgetary chapter of the Ministry of Labour and Social Affairs. Through the Ministry, resources are distributed to the regional branches of the Labour Office.

Total revenue for the year ~~2016~~2017²⁴

Contribution to the state's employment policy CZK ~~45,979,075~~18,457,076 thousand

Total expenditures for the year ~~2016~~2017²⁵

Unemployment benefits..... CZK ~~8,254,527~~7,764,343 thousand

²⁴ Source: [National Account for the chapter of MLSA of the Czech Republic for 2016](#). Ministry of Labour and Social Affairs.

²⁵ Source: [Ministry of Labour and Social Affairs National Account for the chapter of MLSA for the year 2016](#).

Part V. Old-age Benefit

The Czech Republic has accepted the obligations resulting from Part III of C128 and Part V of the ECSS.

| Category | Full compliance | Request of information | |
|---------------------------------------|--|------------------------------|-------------------------------|
| | | insufficient information | no or very little information |
| V-1. Regulatory framework | ➤ Art.25 ECSS Art.14 C128 | | |
| V-2. Contingency covered | Art.26 ECSS Art.15 C128 | | |
| V-3. Persons Protected | 👍 Art.27 ECSS Art.16 C128 | | |
| V-4. Level and Calculation of Benefit | ➤ Art.28 ECSS Art.17 C128 | | |
| V-5. Adjustment of Benefit | ➤ Art.65(10)ECSS Art.66(8)ECSS Art.29 C128 | | |
| V-6. Qualifying period | | ➤ Art.29 ECSS Art.18 C128 | |
| V-7. Duration of Benefit | ➤ Art.30 ECSS Art.19 C128 | | |
| V-8. Suspension of Benefit | Art.32 C128 Art.68 ECSS ➤ Art.32-33 C128 | | |
| V-9. Right of complaint and appeal | ➤ Art.69 ECSS Art.34 C128 | | |
| V-10. Financing and Administration | Art.70 ECSS Art.30,35,36 C128 | | |

List of applicable legislation

- **Report 2018-ECSS**
 - [Government Regulation No. 343/2017 Coll. to stipulate Pension Increase in 2018. For pension insurance purposes, also sets the amount of the general assessment base for 2016, and the amount of the recalculation coefficient to adjust the general assessment base for 2018, as well as adjusts the amounts to set the calculation base.](#)
- **Report 2016-ECSS**
Act No. 150/2002 Coll., the Judicial Rules of Procedure, as amended
- **Report 2016-C128:**
Act No. 155/1995 Coll., [on Pension Insurance Act](#), has been amended by Acts

No. 220/2011 Coll., No. 341/2011 Coll., No. 348/2011 Coll., No. 364/2011 Coll., No. 365/2011 Coll., No. 428/2011 Coll., No. 458/2011 Coll., No. 470/2011 Coll., No. 314/2012 Coll., No. 401/2012 Coll., No. 403/2012 Coll., No. 463/2012 Coll., No. 267/2013 Coll., No. 274/2013 Coll., No. 303/2013 Coll., Legislative Measure of the Senate No. 344/2013 Coll., No. 182/2014 Coll., No. 183/2014 Coll., No. 250/2014 Coll., No. 267/2014 Coll., No. 332/2014 Coll., No. 131/2015 Coll., No. 377/2015 Coll., No. 47/2016 Coll., No. 137/2016 Coll., No. 190/2016 Coll., No. 212/2016 Coll., No. 213/2016 Coll., No. 24/2017 Coll., No. 99/2017 Coll., No. 148/2017 Coll. and No. 150/2017 Coll.

<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=43085&nr=155~2F1995&rpp=15#local-content>

- Act No. 582/1991 Coll., [on regulating](#) Organization and Implementation of State Social Security has been amended by Acts No. 220/2011 Coll., No. 263/2011 Coll., No. 329/2011 Coll., No. 341/2011 Coll., No. 348/2011 Coll., No. 364/2011 Coll., No. 365/2011 Coll., No. 366/2011 Coll., No. 367/2011 Coll., No. 375/2011 Coll., No. 428/2011 Coll., No. 458/2011 Coll., No. 470/2011 Coll., No. 167/2012 Coll., No. 399/2012 Coll., No. 401/2012 Coll., No. 403/2012 Coll., No. 274/2013 Coll., No. 303/2013 Coll., No. 313/2013 Coll., Legislative Measure of the Senate No. 344/2013 Coll., No. 64/2014 Coll., No. 136/2014 Coll., No. 250/2014 Coll., No. 251/2014 Coll., No. 267/2014 Coll., No. 332/2014 Coll., No. 131/2015 Coll., No. 317/2015 Coll., No. 377/2015 Coll., No. 47/2016 Coll., No. 137/2016 Coll., No. 190/2016 Coll., No. 213/2016 Coll., No. 298/2016 Coll., No. 24/2014 Coll., No. 99/2017 Coll., and No. 148/2017 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=39631&nr=582~2F1991&rpp=15#local-content>
- Government Regulation No. 325/2016 Coll. stipulating Pension Increase in 2017. For pension insurance purposes, this Government Regulation also sets the amount of the general assessment base for 2015 and the amount of the recalculation coefficient to adjust the general assessment base for 2017, as well as adjusts the amounts to set the calculation base.

Report 2011-C128:

- Government Regulation No. 461/2006 Coll., on Increase of Pensions in 2007;
<http://portal.govcz/wps/NVPS PA 2001/isp/download.jsp?s=1&l=461%2F2006>
- Government Regulation No. 462/2006 Coll., on Determining a Personal assessment base in 2005 and an Amount of Rates for Conversion for Regulation of the Personal assessment base in 2005 and Regulation of Amounts to Specify a Calculation Base for the Purpose of Pension Insurance;
<http://portal.gov.cz/wps/WPS PA 2001/isp/download.jsp?s=1&l=462%2F2006>
- Government Regulation No. 256/2007 Coll., on Increase of Pensions in 2008;
<http://portal.gov.cz/wps/WPS PA 2001/isp/download.jsp?s=1&l=256%2F2>
- Government Regulation No. 257/2007 Coll., on Determining a Personal assessment base in 2006 and an Amount of Rates for Conversion for Regulation of the Personal assessment base in 2006 and Regulation of Amounts to Specify a Calculation Base for the Purpose of Pension Insurance;
<http://portal.gov.cz/wps/NVPS PA 2001/isp/download.jsp?s=1&l=257%2F2007>
- Government Regulation No. 211/2008 Coll., on Increase of Pensions in 2008;
<http://portal.gov.cz/wps/WPS PA 2001/isp/download.jsp?s=1&l=211%2F2008>
- Government Regulation No. 365/2008 Coll., on Determining a Personal assessment base in 2007 and an Amount of Rates for Conversion for Regulation of the Personal assessment base in 2007 and Regulation of Amounts to Specify a Calculation Base for the Purpose of Pension Insurance;
<http://portal.gov.cz/wps/WPS PA 2001/isp/download.jsp?s=1&l=365%2F2008>
- Government Regulation No. 339/2009 Coll., on Determining a Personal assessment base in 2008 and an Amount of Rates for Conversion for Regulation of the Personal assessment base in 2008 and Regulation of Amounts to Specify a Calculation Base for the Purpose of Pension Insurance;
<http://portal.gov.cz/wps/WPS PA 2001/isp/download.jsp?s=1&l=339%2F2009>
- Government Regulation No. 281/2010 Coll., on Pension Increase in 2011
<http://portal.gov.c.7prs/WPS PA 2001/isp/download.jsp?s=1&l=281%2F2010>

- Government Regulation No. 283/2010 Coll., which, for pension insurance purposes, sets the amount of the general assessment base for 2009 and the amount of the recalculation coefficient to adjust the general assessment base for 2009, and which adjusts the amounts to set the calculation base;
<http://portal.gov.cz/wpsNVPS PA 2001/jsp/download.jsp?s=1&l=283%2F2010>
- Government Regulation No. 281/2011 Coll., on Increase of Pensions in 2011;
<http://portal.gov.cz/wps NVPS PA 2001 /jsp/download.jsp?s=1 &l=281 %2F2010>
- Decree No. 286/2011 Coll. on Pension Increase in 2012. For pension insurance purposes, this Decree also sets the amount of the general assessment base for 2010 and the amount of the recalculation coefficient to adjust the general assessment base for 2010, as well as adjusts the amounts to set the calculation base.
<http://portal.gov.cz/app/zakony/download?idBiblio=74952&nr=286~2F2011~2oColl.&ft=txt>
- [Decree No. 324/2012 Coll.](#) on Pension Increase in 2013. For pension insurance purposes, this Decree also sets the amount of the general assessment base for 2011 and the amount of the recalculation coefficient to adjust the general assessment base for 2013, as well as adjusts the amounts to set the calculation base.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=78287&nr=324~2F2012&rpp=15#local-content>
- Decree No. 296/2013 Coll. on Pension Increase in 2014. For pension insurance purposes, this Decree also sets the amount of the general assessment base for 2012 and the amount of the recalculation coefficient to adjust the general assessment base for 2014, as well as adjusts the amounts to set the calculation base.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=80587&nr=296~2F2013&rpp=15#local-content>
- Decree No. 208/2014 Coll. on Pension Increase in 2015. For pension insurance purposes, this Decree also sets the amount of the general assessment base for 2013 and the amount of the recalculation coefficient to adjust the general assessment base for 2015, as well as adjusts the amounts to set the calculation base.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=82662&nr=208~2F2014&rpp=15#local-content>
- Decree No. 244/2015 Coll. on Pension Increase in 2016. For pension insurance purposes, this Decree also sets the amount of the general assessment base for 2014 and the amount of the recalculation coefficient to adjust the general assessment base for 2016, as well as adjusts the amounts to set the calculation base.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=84719&nr=244~2F2015&rpp=15#local-content>

➤ V - 1. Regulatory framework

Article 25. C102 and ECSS

Each Member (Contracting Party) for which this part of this Convention (Code) is in force shall secure to the persons protected the provision of old-age benefit in accordance with the following Articles of this Part.

Article 14. C128

Each Member for which this Part of this Convention is in force shall secure to the persons protected the provision of old-age benefit in accordance with the following Articles of this Part.

➤ V - 2. Contingency covered

Article 26. C102 and ECSS

1. The contingency covered shall be survival beyond a prescribed age.
2. The prescribed age shall be not more than 65 years or such higher age [that the number of residents having attained that age is not less than 10 per cent of the number of residents under that age but over 15 years of age - ECSS] as may be fixed by the competent authority with due regard to the working ability of elderly persons in the country concerned.
3. National laws or regulations may provide that the benefit of a person otherwise entitled to it may be suspended if such person is engaged in any prescribed gainful activity or that the benefit, if contributory, may be reduced where the earnings of the beneficiary exceed a prescribed amount and, if non-contributory, may be reduced where the earnings of the beneficiary or his other means or the two taken together exceed a prescribed amount.

Article 15. C128

1. The contingency covered shall be survival beyond a prescribed age.
2. The prescribed age shall be not more than 65 years or such higher age as may be fixed by the competent authority with due regard to demographic, economic and social criteria, which shall be demonstrated statistically.
3. If the prescribed age is 65 years or higher, the age shall be lowered, under prescribed conditions, in respect of persons who have been engaged in occupations that are deemed by national legislation, for the purpose of old-age benefit, to be arduous or unhealthy.

Report 2018-ECSS

The prescribed age according to Article 26 ECSS and Article 15 C128 in 2018

For persons who obtain at least 15 years of insurance (employment time without non-contributory periods) or 20 years of insurance (including non-contributory periods) the prescribed age for entitlement for old age pension is 67 years and six months (for persons born in 1950) or 67 years and eight months (for persons born in 1951) in 2018. For persons who completed longer contribution period of at least 30 years of contributions (only the period of employment without any non-contributory periods) or 34 years of contributions (with non-contributory periods), the entitlement for an old-age pension arises at lower age in 2018: 63 years and four months for men, 62 years and eight months for childless women, 61 years and eight months for women who raised one child, 60 years and eight months for women who raised two children, 59 years and eight months for women who raised three and four children and 58 years and eight months for women who raised five and more children.

For the prescribed age of 67 years and eight months, the requirement that the number of residents having attained that age is not less than 10% of the total number of the number of residents under that age but over 15 years is met. This share was 23% in 2017*.

The life expectancy of older persons has showed an increasing trend over the last three decades. In 2017, the life expectancy at the age of 67 was 17.98 years for women (17.18 years at the age of 68) and 14.73 years for men (14.07 years at the age of 68).**

Life expectancy in good health at the age of 65 years (HLY indicator) reached 8,9 years for women and 8,4 years for men, according to the latest available data of 2016.***.

In 2017, the unemployment rate was at a very low level of 2.9% in the Czech Republic; in the age group of people over 65 years, the unemployment rate was 0.9%.****

*[Source: Czech Statistical Office 2018: Age Structure of Population 2017].

**[Source: Czech Statistical Office, 2018: Life Charts for the Czech Republic].

***[Source: Eurostat, 2018: Healthy life years and life expectancy at the age of 65 by sex]

**** [Source: Czech Statistical Office, 2018: Labour Force Survey].

Report 2016-ECSS, Report 2016-C128:

Data of 1 January 2015

Retirement age and its gradual increase are determined by the Pension Insurance Act. It increases by two months per year for men and by four, respectively six months per year for women until reaching uniform age limit of 67 for men and women. After this unification, the increasing of retirement age will continue by two months for each year. In 2016, the retirement age of men was 63 years, of childless women 62 years and four months, of women who raised one child it was 61 years and four months, of women who raised two children it was 60 years and four months, of women who raised three and four children the age was 59 years and four months and of women who raised five and more children it was 58 years and four months.



A beneficiary of an old-age pension who has already reached retirement age can be gainfully active. Payment of old-age pension is not stopped or reduced in concurrence with a gainful activity the old-age pension is not reduced as well. On the contrary, such an old-age pensioner may request a pension increase of 0.4% of the calculation basis after having worked for every 360 calendar days.

Report 2017-ECSS, Report 2017-C128:

Retirement age and its gradual increase are determined by the Pension Insurance Act. It increases by two months per year for men and by four, respectively six months per year for women until reaching uniform age limit of 67 for men and women. After this unification, the increasing of retirement age will continue by two months for each year. In 2017, the retirement age of men was 63 years and two months, of childless women 62 years and eight months, of women who raised one child it was 61 years and eight months, of women who raised two children it was 60 years and eight months, of women who raised three and four children the age was 59 years and eight months and of women who raised five and more children it was 58 years and eight months.

An amendment to the Pension Insurance Act²⁶ is currently in the legislative process. The amendment abolishes existing unlimited raise of retirement age and fixes it at 65 years of age for both women and men. It further introduces the retirement age review in five-year intervals on the ground of a report submitted by Ministry of Labour and Social Affairs to Government. This report will be based on the Czech Statistical Office's demographic forecast and will also include information on the retirement age so that an average pensioner can spend a quarter of his/her average life in retirement.

Report 2016-ECSS:

For the retirement age which is 5 years higher than the retirement age set for men with the same birth date, the requirement that the number of residents having attained that age is not less than 10% of the total number of the number of residents under that age but over 15 years is met. This share was 20.5% in 2015. According to the latest available data of 2014, life expectancy in good health reached at the age of 65 years (HLY indicator) 9.3 years for women and 8.5 years for men. Shares of years lived in good health after the age of 65 years (47% of women and 53% for men), the Czech Republic is above the EU average and above this indicator for some countries (e.g. Italy, Finland, France, Germany and Greece) that have set the retirement age higher than 65 years. HLY indicator is not monitored in division by groups of ISCO. In 2015, there were about 5% of the unemployed economically active persons in the

²⁶ [The amendment was adopted and is effective from 1 January 1 2018.](#)

Czech Republic; in the age group over 65 years, the unemployment rate was only 1.1%. The unemployment rate in the age group over 65 years is not published in division by groups of ISCO due to low sample rate and the low statistical reliability.

Report 2017-ECSS:

For the retirement age which is 5 years higher than the retirement age set for men with the same birth date (68 years and 2 months in 2017), the requirement that the number of residents having attained that age is not less than 10% of the total number of the number of residents under that age but over 15 years is met. This share was 21.0% in 2016 (Source: Czech Statistical Office 2017: Age Structure of Population 2016). Life expectancy at the age of 68 years increased from 16.82 in 2015 to 17.51 in 2016 for women and from 14.05 to 14.30 years for men (Source: Czech Statistical Office, 2016 and 2017: Life Tables for the Czech Republic). Life expectancy in good health at the age of 65 years (HLY indicator) reached 8.6 years for women and 8.0 years for men, according to the latest available data of 2015 (Source: Eurostat, 2017: Healthy life years and life expectancy at the age of 65 by sex). HLY indicator is not monitored in division by groups of ISCO. In 4th quarter of 2016, there were about 3.6% of the unemployed economically active persons in the Czech Republic; in the age group of people over 65 years, the unemployment rate was only 1.1% (Source: Czech Statistical Office, 2017: Labour Force Survey).

Report 2016-ECSS:

2. Part V (Old-age benefit, Article 26(2). Pension age.

Taking into account the unification of the retirement age for both sexes, the Committee asks the Government to specify what retirement age is fixed for men who have raised the same number of children and what other factors are taken into account in setting lower age of retirement for particular categories of workers. Please indicate the time schedule for the progressive increase of the retirement ages for men and women up to 67 years.

Retirement age is determined by year of birth and by gender, while the retirement age for men is not differentiated according to the number of children raised. The Czech Republic is aware of the fact that lower retirement age for women and its differentiation according to the number of children raised does not correspond to the principles of equality between men and women in social security, therefore there is a gradual consolidation of retirement ages for men and women and the gradual elimination of differentiation according to the number of children raised. After the unification of the retirement age to 67 years for men and women, its increase will continue by 2 months for each year of birth. The gradual increase of the retirement age for men and women born between 1936–1977 until the age of 67 is noted below in the attached table.

Overview of increasing the retirement age for the insured born between the years 1936–1977

| Year of birth | Retirement age | | | | | |
|---------------|----------------|--|--------|-----|--------|------------|
| | men | Women with the number of raised children | | | | |
| | | 0 | 1 | 2 | 3 to 4 | 5 and more |
| 1936 | 60y + 2m | 57y | 56y | 55y | 54y | 53y |
| 1937 | 60y + 4m | 57y | 56y | 55y | 54y | 53y |
| 1938 | 60y + 6m | 57y | 56y | 55y | 54y | 53y |
| 1939 | 60y + 8m | 57y + 4m | 56y | 55y | 54y | 53y |
| 1940 | 60y + 10m | 57y + 8m | 56y+4m | 55y | 54y | 53y |

| | | | | | | |
|------|---------|---------|---------|---------|---------|---------|
| 1941 | 61y | 58y | 56y+8m | 55y+4m | 54y | 53y |
| 1942 | 61y+2m | 58y+4m | 57y | 55y+8m | 54y+4m | 53y |
| 1943 | 61y+4m | 58y+8m | 57y+4m | 56y | 54y+8m | 53y+4m |
| 1944 | 61y+6m | 59y | 57y+8m | 56y+4m | 55y | 53y+8m |
| 1945 | 61y+8m | 59y+4m | 58y | 56y+8m | 55y+4m | 54y |
| 1946 | 61y+10m | 59y+8m | 58y+4m | 57y | 55y+8m | 54y+4m |
| 1947 | 62y | 60y | 58y+8m | 57y+4m | 56y | 54y+8m |
| 1948 | 62y+2m | 60y+4m | 59y | 57y+8m | 56y+4m | 55y |
| 1949 | 62y+4m | 60y+8m | 59y+4m | 58y | 56y+8m | 55y+4m |
| 1950 | 62y+6m | 61y | 59y+8m | 58y+4m | 57y | 55y+8m |
| 1951 | 62y+8m | 61y+4m | 60y | 58y+8m | 57y+4m | 56y |
| 1952 | 62y+10m | 61y+8m | 60y+4m | 59y | 57y+8m | 56y+4m |
| 1953 | 63y | 62y | 60y+8m | 59y+4m | 58y | 56y+8m |
| 1954 | 63y+2m | 62y+4m | 61y | 59y+8m | 58y+4m | 57y |
| 1955 | 63y+4m | 62y+8m | 61y+4m | 60y | 58y+8m | 57y+4m |
| 1956 | 63y+6m | 63y+2m | 61y+8m | 60y+4m | 59y | 57y+8m |
| 1957 | 63y+8m | 63y+8m | 62y+2m | 60y+8m | 59y+4m | 58y |
| 1958 | 63y+10m | 63y+10m | 62y+8m | 61y+2m | 59y+8m | 58y+4m |
| 1959 | 64r | 64y | 63y+2m | 61y+8m | 60y+2m | 58y+8m |
| 1960 | 64y+2m | 64y+2m | 63y+8m | 62y+2m | 60y+8m | 59y+2m |
| 1961 | 64y+4m | 64y+4m | 64y+2m | 62y+8m | 61y+2m | 59y+8m |
| 1962 | 64y+6m | 64y+6m | 64y+6m | 63y+2m | 61y+8m | 60y+2m |
| 1963 | 64y+8m | 64y+8m | 64y+8m | 63y+8m | 62y+2m | 60y+8m |
| 1964 | 64y+10m | 64y+10m | 64y+10m | 64y+2m | 62y+8m | 61y+2m |
| 1965 | 65y | 65y | 65y | 64y+8m | 63+2m | 61y+8m |
| 1966 | 65y+2m | 65y+2m | 65y+2m | 65y+2m | 63y+8m | 62y+2m |
| 1967 | 65y+4m | 65y+4m | 65y+4m | 65y+4m | 64y+2m | 62y+8m |
| 1968 | 65y+6m | 65y+6m | 65y+6m | 65y+6m | 64y+8m | 63y+2m |
| 1969 | 65y+8m | 65y+8m | 65y+8m | 65y+8m | 65y+2m | 63y+8m |
| 1970 | 65y+10m | 65y+10m | 65y+10m | 65y+10m | 65y+8m | 64y+2m |
| 1971 | 66y | 66y | 66y | 66y | 66y | 64y+8m |
| 1972 | 66y+2m | 66y+2m | 66y+2m | 66y+2m | 66y+2m | 65y+2m |
| 1973 | 66y+4m | 66y+4m | 66y+4m | 66y+4m | 66y+4m | 65y+8m |
| 1974 | 66y+6m | 66y+6m | 66y+6m | 66y+6m | 66y+6m | 66y+2m |
| 1975 | 66y+8m | 66y+8m | 66y+8m | 66y+8m | 66y+8m | 66y+8m |
| 1976 | 66y+10m | 66y+10m | 66y+10m | 66y+10m | 66y+10m | 66y+10m |
| 1977 | 67y | 67y | 67y | 67y | 67y | 67y |

Note: y – year; m – month

Discussion on lower pension age in arduous or unhealthy occupations.

In connection with the raising of the retirement age the CMKOS recalls that the Czech legislation does not contain provisions required by Article 15(3) of the Convention, according to which "If the prescribed age is 65 years or higher, the age shall be lowered, under prescribed conditions, in respect of persons who have been engaged in occupations that are deemed by national legislation, for the purpose of old-age benefit, to be arduous or unhealthy.

Report 2016-ECSS:

Regarding the determination of lower retirement age for certain categories of workers, the professions were in the Czech Republic (more precisely in the former Czechoslovakia)

classified in different categories until 31 December 1992. Entitlement to an old-age benefit in lower age than the general retirement age resulted from number of factors (type of employment, the total period of employment or specific reason of termination of employment). Partial entitlements attained before that date "are decreasing as the citizens in question gradually attain the set reduced retirement age.

An entitlement to a lower retirement age after 31 December 1992 covers only miners with a permanent workplace in underground mines; it is conditioned by the fact that those entered into such an employment before 1 January 1993, and they have worked off the number of shifts worked differentiated by a type of mineral, or by achieving the maximum allowable exposure. In the Regulation No. 363/2009 Coll., regulating the decrease of the retirement age for persons performing the profession of mining underground is adjusted in this way: 5 years are deducted from the general retirement age in accordance with Section 32 of the Pension Insurance Act. Under the approved amendment to the Pension Insurance Act with effect from 1 October 2016, the retirement age of 7 years less than the general retirement age is established for persons working in the mining industry in selected occupations who have a permanent work in underground mines, regardless the period when they had entered into this profession for the first time before the effective date of the amendment. For any other categories of workers a lower retirement age is not set.

Report 2012-C128:

Concerning Article 15(3) of the Convention, the Government believes that such any obligation is in practice conditioned upon the existence of a specific category of "occupations that are deemed by national legislation, for the purpose of old-age benefit, to be arduous or unhealthy". As no occupation is deemed as such by the Czech legislation currently in force, there is nobody who might benefit from lowering the retirement age and there is subsequently no reason to lower it. **Nevertheless, the Government in this connection asks for the clarification of Article 15(3) vis-a-vis the two possible interpretations outlined above in order to ascertain its compliance with the Convention.**

Direct Request (CEACR) - adopted 2013, published 103rd ILC session (2014)

Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128)

Part III (Old-age benefit). Article 15(3) of the Convention. Reduction of pension age for persons engaged in arduous or unhealthy occupations. The Committee notes the concerns expressed by the Czech-Moravian Confederation of Trade Unions (CM KOS) that while providing for the gradual increase of the statutory retirement age beyond 65 years, Czech legislation does not contain provisions giving effect to Article 15(3) of the Convention, which requires lowering of the age limit for persons who have been engaged in occupations that are deemed by national legislation to be arduous or unhealthy. In reply, the Government states that the Czech legislation currently in force does not deem any occupation to be arduous or unhealthy and, consequently, there is nobody who might benefit from lowering of the retirement age. To ascertain that the current Czech legislation complies with the Convention, the Government asks for clarification of the meaning of Article 15(3).

The Committee recalls that Article 15(3) is applicable to pension schemes where the retirement age is 65 or higher, while in the Czech Republic in 2012 the retirement age is 62 years and six months for men, 61 years and four months for childless women and lower ages for women who have raised children. This age will be gradually increased to attain a uniform age limit of 67 for insured men and women born in 1977 who will retire in 2044. In the meantime, the Government may wish to consider, in consultation with the social partners, the experience of other European countries, the legislation of which recognize the need, as does the Convention, to reduce the retirement age in arduous or unhealthy occupations.

Report 2012-C128:

Discussion on the sustainability of the pension system.

Prior to being sent to the International Labour Office the draft report (*Report on the C128 from the period from 31 August 2011 to 31 August 2012*) had been discussed with the Czech-

Moravian Confederation of Trade Unions, the Association of Independent Trade Unions, the Confederation of Employers' and Entrepreneurs' Unions, the Confederation of Industry and Transport and the Czech Confederation of Commerce and Tourism as the most representative organisations of employers and employees. **Comments from the Confederation of Industry were incorporated into the final text of the Report; also, following comments have been received from the Czech-Moravian Confederation of Trade Unions:**

The Government has implemented fundamental reforms in the area of pension insurance, which result in increase of the retirement age with no time limit, reduction of benefit levels and threat to the long-term financial sustainability of the solidarity pension system (PAYG). This happens in particular by introducing private pension savings with effect from 1 January 2013, which will be financed by transferring the portion of the premium from the PAYG pension insurance, which has to be compensated by the increase of value added tax and by the increase of the national debts. Since the current data demonstrate a significant decrease in the collection of value added tax compared to projections published by the Government during the last tax increase this last year, it can be expected that the Government will make further parametric adjustments in PAYG system and will reduce indexation of pensions, which will cause a further decrease in the replacement ratio of the old-age, invalidity and survivors' benefits, and subsequently the criteria of the Convention for the level of pensions will not be met.

These comments were discussed at the session of the tripartite Working Team of the Council of Economic and Social Agreement for the Co-operation with the ILO on 22 August 2012. In response, the Government notes that the CMKOS position on the future of the pension systems is speculative and that the available data do not confirm the allegations of threat to the long-term financial sustainability of the statutory pension system and of reduced benefit levels (see also the information provided below). The report covers the period up to 31 August 2012 and the pension-income ratios have been met during the period. The Government also rejects the speculations on the possible Government measures to be taken in the future as it is pointless to discuss issues that have not been decided yet.

Report 2012-C128:

Reply to Comments by the Committee of Experts

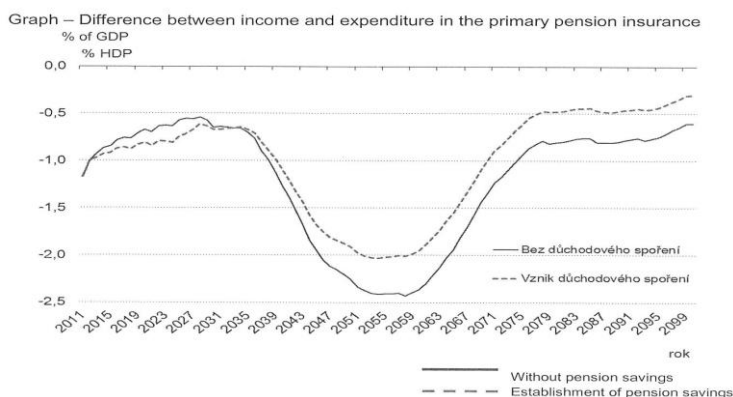
Insurance period - see above, under Article 18

Sustainability

The establishment of the pension savings scheme, which will be based on the transfer of a portion of pension insurance contributions in the amount of 3% of the rate applicable to persons who voluntarily decide accordingly to individual pension funds managed by pension companies, will lead to transformation deficits. The immediate impact on income will not be counterbalanced by expenditure until a certain period of time passes, i.e. until those who have entered the new scheme start to retire.

Being aware of the creation and long-term nature of the transformation deficits, the reform also includes an income increase by a portion of VAT revenue. Even in the case of decrease in the collection of value added tax compared to projections as noted by the CMKOS) there is fixed percentage of the VAT revenues determined by law which will be in any case allocated for the pension reform transition costs.

The analysis conducted (see the graph below) shows that the establishment of the pension savings arrangement does not put at risk the long-term financial sustainability of the primary pension insurance at all. Only in the initial period, the balance will deteriorate slightly, but only within 0.2% of GDP, and after approximately 2030, the balance will be better than it would be if the current system were preserved.



Last but not least, it is necessary to point out that the entire system of primary pension insurance (PAYG) is an integral part of the state budget, and this means that the benefit payments are guaranteed directly by the state budget, without directly depending on the difference between expenditure on the benefits and income from contributions or other particular income.

Report 2016-ECSS:

The percentage rate of the calculation basis for each complete year of insurance is during the time of participation in I and II pension pillars simultaneously just 1.2%. Since the pillar II (pension savings) was abolished with effect since 1 January 2016 (Act No. 376/2015 Coll., regulating the Termination of Pension Savings), the simultaneous participation in the I and II pillars relates only to the years 2013–2015. Former participants of pillar II will have the possibility of paying the rest of reduced premiums paid in those years to pillar I additionally, Those participants paid reduced premium to a compulsory pension insurance (I. pillar) at the time of participation in pension savings (II pillar), i.e. instead of 6.5% only 3.5%, and the difference (3%) was transferred to their private account into II pillar. If they pay the difference, the percentage rate of old-age pension will be in their case for each completed year of the participation in both pillars 1.5% of the calculation basis. Financial means accumulated in pillar II will be paid to them until 31 December 2016 at the latest, until 29 December 2017 they will have an option to pay premiums in pillar I.

Report 2012-C128, Annex 2:

Demographic outlook

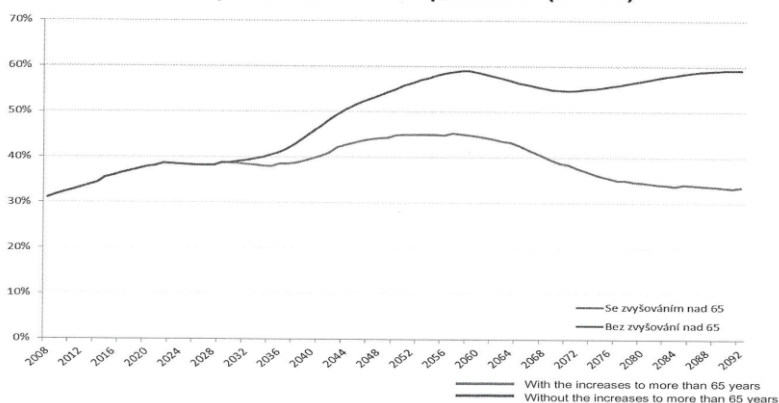
The demographic ageing of the Czech Republic's population is a clear fact. Although one of the contributing factors is the decline in women's fertility, notably in the 1993, the main contributor to the ageing population is the extension of the life expectancy. The ageing population is a phenomenon that is already evident and will persist in the years to come.

Social policy is responsible for reacting, in advance, to the anticipated future development. Its objective is the stabilisation of key factors to prevent a future collapse of social security systems in relation to the ageing population, inter alia of the pension system. Also, the social policy should not be overly restrictive in order to avoid injustice between generations.

The increasing of the retirement age to more than 65 years at the rate of 2 months for each year of birth is a measure that will stabilise the situation but fails to push the key quantities below their initial levels.

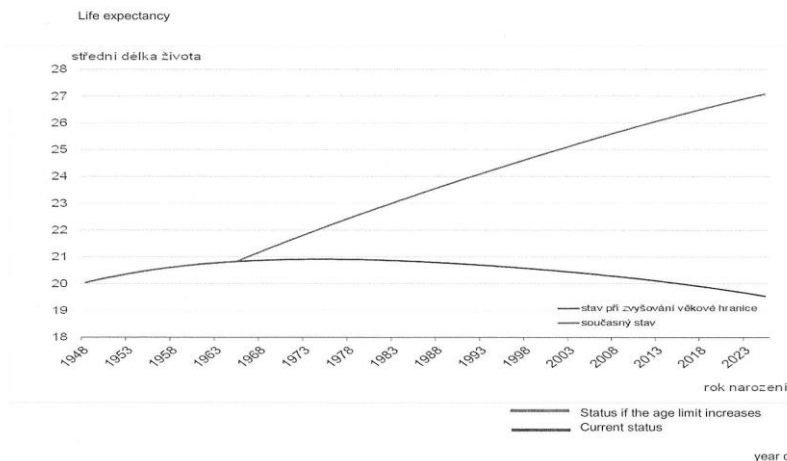
Proportion of people above the retirement age (RA) to the population (aged 20 to RA)

Podíl počtu osob nad DV k počtu osob (20 - DV)



The first graph clearly shows that the increasing of the retirement age will provide the long-term stabilisation of the proportion of people above the retirement age limit to the population in the economically active age from 20 years to the retirement age. Without increasing the retirement age, this proportion would double within the next 50 years, while the legislation adopted will lead to only half that increase in the most critical years.

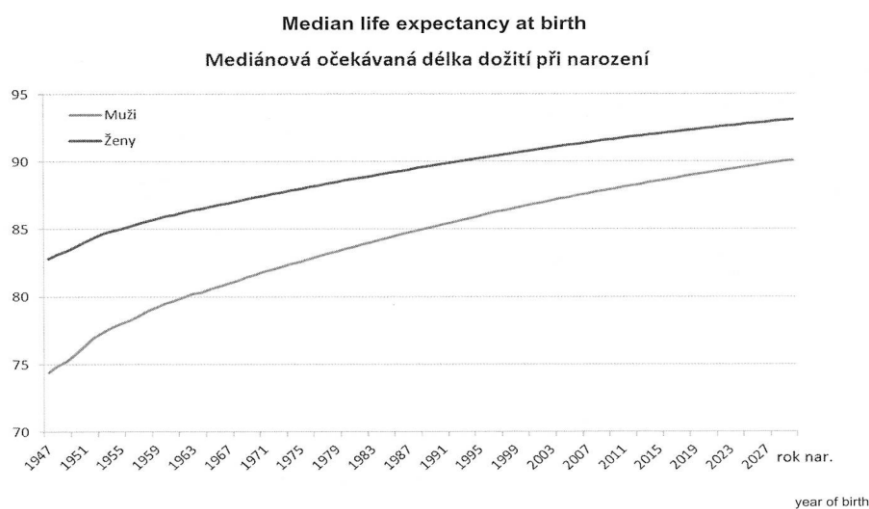
Likewise, the position of pension recipients will not deteriorate. The mean time of receiving a pension, i.e. the average time for which a pension will be received, remains basically stabilised at 20-21 years.



This is again shown in the following table, which also demonstrates that the number of people to be still alive at the age of retirement will not decrease either. Just as in the past, approximately 81% of all men who attain the age of 20 (and thus will most likely be actively confronted with the pension system) will still be alive at the age of retirement. The situation of women is similar but the percentage of women who will still be alive at the age of retirement is approximately 10% higher.

| Year of birth | Retirement age | Probability to be still alive at the age of retirement (from the age of 20) | Life expectancy after attaining the retirement age |
|---------------|----------------|---|--|
| 1959 | 64 | 81.22% | 20.66 |
| 1965 | 65 | 81.42% | 20.82 |
| 1971 | 66 | 81.46% | 20.90 |
| 1977 | 67 | 81.86% | 20.91 |
| 1983 | 68 | 82.07% | 20.86 |
| 1989 | 69 | 82.15% | 20.76 |
| 1995 | 70 | 82.09% | 20.64 |
| 2001 | 71 | 81.93% | 20.47 |
| 2007 | 72 | 81.68% | 20.30 |
| 2013 | 73 | 81.35% | 20.09 |

— Men
— Women



The last graph shows this from a different point of view, presenting the life expectancy of half of people in each population year. Obviously, half of men born even in the mid-1960s, whose retirement age is 65 years, will be retired for longer than 15 years while their female counterparts will be retired for up to 25 years.

As concerns 1995, where the retirement age is 70 years, half of men will also receive pensions for longer than 15 years and half of women for approximately 20 years. The decline in respect of women is mostly due to the unification of the retirement ages of women and men.

V - 3. Persons protected

Article 27. C102 and ECSS

The persons protected shall comprise:

- (a) prescribed classes of employees, constituting not less than 50 per cent of all employees; or
- (b) prescribed classes of the economically active population, constituting not less than 20 per cent of all residents; or
- (c) all residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of Article 67.

Article 16. C128

1. The persons protected shall comprise:

- (a) all employees, including apprentices; or
- (b) prescribed classes of the economically active population, constituting not less than 75 per cent. of the whole economically active population; or
- (c) all residents or residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of Article 28.

Report 2016-ECSS:

The Czech Republic refers to letter a). The scope of protected persons includes persons mentioned under letter b). Protected persons are those who participate or participated in the pension insurance. The scope of persons participating in the pension insurance on the basis of their gainful activity is identical to the scope of persons participating in the sickness insurance – see Part III Article 13 and 14. Participation in pension insurance is for all economically active persons, both in employment and self-employed persons compulsory under conditions stipulated by law. By law, other groups of people are covered by pension insurance without paying it (and thus protected), e.g. the persons who personally care for a child aged up to four years, the persons who personally care for a person under ten years of age dependent on an assistance of another person of the level-one (slight dependence), of the level-two (medium dependence), of the level-three (heavy dependence) or of the level-four (complete dependence) and beneficiary of the level-three disability benefit. Students since 1 January in 2010, do not participate in the pension insurance, however, they have an option to volunteer for participation.

Report 2016-C128/ECSS:

The Czech Republic refers to letter a).

Updated data as of 2017

| | |
|---|------------------------------|
| <u>Population</u> | <u>10,610,055</u> |
| <u>Number of employees:</u> | <u>4,511,680</u> |
| <u>Number of protected self-employed people</u> | <u>680,962</u> |
| <u>Number of protected employees:</u> | <u>4,511,680 (i.e. 100%)</u> |

(Source: concerning population: Czech Statistical Office www.czso.cz; other data: The Czech Social Security Administration: Annual Accounting Report as of December 31, 2017).

| | |
|--|-----------------------|
| Updated data as of 2016 | |
| Population | 10,443,570 |
| Number of employees: | 4,418,031 |
| Number of protected self-employed people | 677,521 |
| Number of protected employees: | 4,418,031 (i.e. 100%) |

(Source: the Czech Social Security Administration: Annual Accounting Report)

➤ V - 4. Level and Calculation of Benefit

Article 28. C102 and ECSS

The benefit shall be a periodical payment calculated as follows:

- (a) where classes of employees or classes of the economically active population are protected, in such a manner as to comply either with the requirements of Article 26 or with the requirements of Article 66;*
- (b) where all residents whose means during the contingency do not exceed prescribed limits are protected, in such a manner as to comply with the requirements of Article 67.*

Article 17. C128

The old-age benefit shall be a periodical payment calculated as follows:

- (a) where employees or classes of the economically active population are protected, in such a manner as to comply either with the requirements of Article 26 or with the requirements of Article 27;*
- (b) where all residents or all residents whose means during the contingency do not exceed prescribed limits are protected, in such a manner as to comply with the requirements of Article 28.*

Report 2016-C128/ECSS:

A benefit is a repeated payment calculated according to the letter a) of this Article. The benefit is calculated in accordance with Article 65, which is based on the wage of a skilled worker.

Chapter I

Data of 1 January 2018²⁷

A. Old-age pension consists of two components:

Basic amount: CZK 2,550-700 per month (9% of the average gross wage).

The percentage amount: depends on the amount of earnings surveyed in the decisive period before the occurrence of an old-age pension and the number of years of insurance. For an old-age benefit it amounts to 1.5% of the calculation basis²⁷ for each completed year of insurance. The calculation basis is determined by the average of the indexed gross earnings (earnings are indexed in relation to the average wage growth in the national economy) usually for the decisive period since 1986 until the year preceding the pension application. For the determination of the calculation basis this average ("personal assessment basis") is reduced in this way: 100% of the income is counted from the amount to the first reduction limit,

²⁷ The percentage rate of the calculation basis for each complete year of insurance is during the time of participation in I and II pension pillars simultaneously just 1.2%. Since the pillar II (pension savings) was abolished with effect since 1 January 2016 (Act No. 376/2015 Coll., regulating the Termination of Pension Savings), the simultaneous participation in the I and II pillars relates only to the years 2013–2015. Former participants of pillar II will have the possibility of paying the rest of reduced premiums paid in those years to pillar I additionally. Those participants paid reduced premium to a compulsory pension insurance (I. pillar) at the time of participation in pension savings (II pillar), i.e. instead of 6.5% only 3.5%, and the difference (3%) was transferred to their private account into II pillar. If they pay the difference, the percentage rate of old-age pension will be in their case for each completed year of the participation in both pillars 1.5% of the calculation basis. Financial means accumulated in pillar II will be paid to them until 31 December 2016 at the latest, until 29 December 2017 they will have an option to pay premiums in pillar I.

between the first and second reduction limit is counted 26%, and the amount higher than the second reduction limit is not taken into account.

[In 2018, the first reduction limit is CZK 13,191 and the second reduction limit is CZK 119,916.](#)

In 2017, the first reduction limit is CZK 12,423 and the second reduction limit is CZK 112,928.

B.
For the assessment of the required level of an old-age pension is proceeded in accordance with Article 65, paragraph 6 point a). In the Czech Republic, economically active population is covered by pension insurance.

C.
[In 2017, the average gross wage of a skilled worker was CZK 29,211 \(according to Job Specification CZ-ISCO 72231 – a metal turner – a machine tool setter and an operator\).](#)

In 2016, the average gross wage of a skilled worker was CZK 26,919 (according to Job Specification CZ-ISCO 72231 – a metal turner – a machine tool setter and an operator).

Chapter III

Data of 1 January ~~2017~~2018

D. - G. **Calculation of the ratio for the evaluation of the amount of the pension benefit:**

- The calculation is based on the gross monthly wage of a skilled worker (according to Job Specification CZ-ISCO 72231 – a metal turner – machine tool setter and an operator) in 2016, i.e. CZK ~~26,919~~29,211.
- A **net wage** for a taxpayer after applying the tax deduction is **CZK ~~20,618~~22,197** monthly.
- The personal assessment basis of CZK ~~26,919~~29,211 is reduced $12,423 + (26,919 - 12,423) \times 26\% = CZK ~~16,192~~17,357$.
- **The percentage amount** of thirty years of insurance is $30 \times 1.5\% \times 16,192 = CZK ~~7,287~~7,357$.
- **The amount of the old-age benefit is composed** of the basic amount and the percentage amount $2,550 + 7,287 = CZK ~~9,837~~10,511$.
- **The ratio between** the income after the insurance claim (an old-age benefit) and the income before the insurance claim (net salary) is $9,837 / 20,618 = 47,74\%$.

| Monthly wage in CZK | | Monthly old-age benefit in CZK | Ratio pension / wage in % | |
|---------------------------------|---------------------------------|--------------------------------|---------------------------|-------|
| Gross | Net | | Gross | Net |
| 26,919 <u>29,211</u> | 20,618 <u>22,197</u> | 9,837 <u>10,511</u> | 36,50 | 47,74 |

The European Code of Social Security requires that the ratio of an old-age benefit in comparison with preceding income of the insured is at least 40%. **The Czech Republic fulfils the required level of the amount of old age benefit in respect to net wage.**

➤ V - 5. Adjustment of benefits

§10 Article 65, §8 Article 66. C102 and ECSS

The rates of current periodical payments in respect of old age, employment injury (except in case of incapacity for work), invalidity and death of breadwinner, shall be reviewed following substantial changes in the general level of earnings where these result from substantial changes in the cost of living.

Article 29. C128

1. The rates of cash benefits currently payable pursuant to Article 10, Article 17 and Article 23 shall be reviewed following substantial changes in the general level of earnings or substantial changes in the cost of living.

2. Each Member shall include the findings of such reviews in its reports upon the application of this Convention submitted under Article 22 of the Constitution of the International Labour Organisation, and shall specify any action taken.

Report 2016-C128/ECSS:

Pensions have been increased regularly in January of a particular year. The total amount of the increase is determined by data of the Czech Statistical Office so that the average old-age benefit increase amounted to an amount equivalent to 100% growth of CPI for households in total and also the amount corresponding to one-third of real wage growth. Basic assessment of the paid pensions are increasing in regular time to maintain the amount of basic pension assessment was always 9% of the average wage, determined in accordance with the Pension Insurance Act for particular calendar year²⁸. The percentage assessment of paid pensions will be increased by the number of percentage to maintain that with the average old-age pension the total amount of basic pension increase and the amount of increase in the pension percentage assessment corresponds to the increase in the average old-age pension established equal to the sum of prices increases and one-third of real wage growth.

Report 2017-C128/ECSS:

On the basis of the amendment of the Pension Insurance Act (No. 212/2016 Coll.), the Government may increase the percentage amount of paid pensions so that the total increase of the average old-age pension amounts to 2,7 %. This can be used in case where the increase of the average-old-age pension according to general rules is lower than 2.7%.

At present, the legislative process is undergoing for further amendments to the Pension Insurance Act, according to which, when increasing pensions, one third of the real wage will be taken into account to one half and the price index will be based either on the growth of prices for households in total or for households of pensioners, depending on which growth will be higher.

Report 2018-C128/ECSS:

Update 2018

Pensions are increased depending on the consumer price index rise and income growth. For this purpose one half of the real wage growth is taken into account and the price index is based either on the growth of prices for households in total or for households of pensioners, depending on which growth is higher (effective from 1 January 2018)²⁹.

²⁸ The average wage is stipulated by the Section 15, par. 4 of Act No. 155/1995 Coll., Pension Insurance Act. The amount of the average wage determined in this way for pension insurance purposes was CZK 27,006 for the year 2016.

²⁹ [According to Act No 203/2017 Coll. amending Act No. 155/1995 Coll., Pension Insurance Act and other related acts effective from 18 August 2017.](#)

2.

| Year | Average wage (for recalculated numbers) | | Average year-on-year index of consumer prices (cost-of-living index) for households in total in % |
|---------------------------|--|------------------------|---|
| | abs. in CZK | index in % | |
| 2011 | 24,455 | 102.5 | 101.9 |
| 2012 | 25,067 | 102.5 | 103.3 |
| 2013 | 25,035 | 99.9 | 101.4 |
| 2014 | 25,768 | 102.9 | 100.4 |
| 2015 2015 | 26,467 26,591 | 102.7 103.2 | 100.3 |
| 2011-2015 2016 | -27,575 | 108.2 103.7 | 105.5 100.7 |
| 2016 2017 | 27,589 29,504 | 104.2 107.0 | 100.7 102.5 |

3.

| Year | An average old-age benefit ¹⁾ | | An old-age benefit of a standard beneficiary | |
|-----------|--|---------------------------------------|---|--------------------------|
| | abs. in CZK | index in % | abs. in CZK | index in % |
| 2011 | 10,542 | - | 8,955 | - |
| 2012 | 10,769 | 102.2 | 8,792 | 98.2 |
| 2013 | 10,963 | 101.8 | 9,015 | 102.5 |
| 2014 | 11,065 | 100.9 | 8,992 | 99.7 |
| 2015 | 11,331 | 102.4 | 9,253 | 102.9 |
| 2016 | 11,437 | 100.9 | 9,432 | 101.9 |
| 2011-2015 | | 108.3 | | 103.3 |
| 2017 | 11,823 | 103.4 | 9,837 | 104.3 |
| 2018 | 11,799 ² 12,363 | 103.2 ² 104.6 ² | 9,837 ¹ 10,511 | 104.3 ¹ 106.9 |

¹⁾ An old-age benefit paid separately (not simultaneously paid with the survivor's benefit).

²⁾ Data of the first quarter of 2016.

Conclusions of the CEACR on the application of the ECSS (adopted in 2015)

Adjustment of benefits to the cost of living. The Committee notes from the European Council country specific recommendation of 14 July 2015 that "there has been some improvement in the outlook for the pension system as a result of more favourable demographic projections. The statutory retirement age is legislated to gradually increase, but the change programmed for the medium term is too slow. Changes to the current system of pension indexation are currently being discussed but no measures have yet been adopted." **The Committee asks the Government to explain its policy of maintaining the purchasing power of the long-term benefits in payment, as well as giving the pensioners a fair share of the growth of the national economy. Please include in the next detailed report full statistics on the adjustment of benefits under Parts V, IX and X for the period 2011-16 requested in the Report Form on the Code under Title VI of Article 65.**

Report 2016-ECSS:

Part XI (Standards to be completed with by periodical payments) Adequacy of social security benefits.

With reference to its previous conclusion on the Code raising similar issues, the Committee of Experts wishes to once again ask the Government to supply more concrete information on the design of the minimum benefits in terms of the conditions of entitlement, effective coverage, number of recipients and amounts payable under each accepted Part of the Code.

An institute of a minimum benefit is not established in the legislation of the Czech Republic.

Adjustments of benefits to the cost of living.

The Committee asks the Government to explain its policy of maintaining the purchasing power of the long-term benefits in payment, as well as giving the pensioners a fair share of the growth of the national economy. Please include in the next detailed report full statistics on the adjustment of benefits under Parts V, IX and X for the period 2011 – 2016 requested in the Report Form on the Code under Title VI of Article 65.

The government determined the increase of benefits by a regulation before 2011. Under certain requirements, the government was compelled to increase benefits, while the act established only minimal increases at a level of 100% in the CPI and of one third of real wage growth. A fundamental change in the rules for benefit increases was enacted in by Act No. 220/2011 Coll. The method of determining the increase in benefits on the basis of statistical data on the development of prices and wages has recently been defined in detail; the amount of increase according to legal rules was determined by the Ministry of Labour and Social Affairs's regulation. The new rules were first used for the adjustment in 2012.

Legal provision specifies that for the increase in benefits in the regular period since January, the aggregate amount of increase is determined by the Czech Statistical Office in a following way: to secure that it will be amounted to equivalent to 100% growth of CPI in the average old-age benefit increase for households in total and also an amount corresponding to one third of the rise in real wages. Basic assessment rates of the benefits paid are increased in the increase of benefits in the regular term to secure that the amount of basic benefit rate was always 9% of the average wage.

The percentage assessment of paid benefits will be increased by the such a number of percentage to secure that with the average old-age pension, the total amount of basic benefit increase and the amount of increase of the benefit percentage rate corresponds to the increase of the average old-age benefit established equal to the sum of prices increases and one-third of real wage growth. In connection with the savings in the State Budget expenditures, there were made temporary arrangements for the adjustments of benefits in the years 2013 to 2015, so only one-third of a percentage increase in the consumer price index was used for the establishment of price increases, taking an increase of real wages into consideration has not changed. The revised rules for pension increases had a negative impact on the real value of benefits, therefore they were abolished in 2014, and for the determination of price growth 100% of the percentage increase in the consumer price index is used again. In order to strengthen the real value of benefits, the special adjustments to the rules for increasing benefits in January 2015 were established. Those are based on the fact that while maintaining all the other rules of benefits increasing, the benefits were increased in a way to maintain total amount of the increase in the basic benefit assessment and the amount of increase in the percentage assessment of the benefit was 1.8% of the average old-age benefit.

On the basis of the approved change of adjustment mechanism, the benefits will be increased by government regulation since 2017 and during an increase in benefits in the regular deadline, the percentage rates of the benefits paid may be increased up by the number of per

cent to ensure that total amount of the increase in the basic benefit rate (considering an old-age benefit) and the amount of increase in the percentage calculation income was 2.7% of its amount if the increase of benefits paid corresponding with 100% growth of CPI and one-third of real wage growth would be lower.

Overview of adjustments of old-age benefits in the years 2011–2016

| Date of increase | 01/01/2011 | 01/01/2012 | 01/01/2013 | 01/01/2014 | 01/01/2015 | 01/01/2016 |
|---|------------|------------|------------|------------|------------|------------|
| Increase of the basic rate of CZK (amount united for all beneficiaries) | 60 | 40 | 60 | 10 | 60 | 40 |
| Increasing of the percentage rate (differentiated according to the amount of the benefit) | 3.9% | 1.6% | 0.9% | 0.4% | 1.6% | 0.0% |
| The amount of the basic rate after the increase (in CZK) | 2,230 | 2,270 | 2,330 | 2,340 | 2,400 | 2,440 |

Note: lump-sum contribution for pensioners to an old-age benefit was paid in the amount of CZK 1,200 in 2016.

Data on development of average pensions, average wages and consumer prices are stated in Parts V, IX and X, Title VI.

V - 6. Qualifying period

Article 29. C102 and ECSS

1. The benefit specified in Article 28 shall, in a contingency covered, be secured at least:

- (a) to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period which may be 30 years of contribution or employment, or 20 years of residence; or
- (b) where, in principle, all economically active persons are protected, to a person protected who has completed a prescribed qualifying period of contribution and in respect of whom while he was of working age, the prescribed yearly average number of contributions has been paid.

2. Where the benefit referred to in paragraph 1 of this article is conditional upon a minimum period of contribution or employment, a reduced benefit shall be secured at least:

- (a) to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period of 15 years of contribution or employment; or
- (b) where, in principle, all economically active persons are protected, to a person protected who has completed a prescribed qualifying period of contribution and in respect of whom, while he was of working age, half the yearly average number of contributions prescribed in accordance with paragraph 1.b of this Article has been paid.

3. The requirements of paragraph 1 of this Article shall be deemed to be satisfied where a benefit calculated in conformity with the requirements of Part XI but at a percentage of ten points lower than shown in the Schedule appended to that Part for the standard beneficiary concerned is secured at least to a person protected who has completed, in accordance with prescribed rules, ten years of contribution or employment, or five years of residence.

4. A proportional reduction of the percentage indicated in the Schedule appended to Part XI may be effected where the qualifying period for the benefit corresponding to the reduced percentage exceeds ten years of contribution or employment but is less than 30 years of contribution or employment; if such qualifying period exceeds 15 years, a reduced benefit shall be payable in conformity with paragraph 2 of this Article.

5. Where the benefit referred to in paragraphs 1, 3 or 4 of this Article is conditional upon a minimum period of contribution or employment, a reduced benefit shall be payable under prescribed conditions to a person protected who, by reason only of his advanced age when the provisions concerned in the application of this Part come into force, has not satisfied the conditions prescribed in accordance with paragraph 2 of this Article, unless a benefit in conformity with the provisions of paragraphs 1, 3 or 4 of this Article is secured to such person at an age higher than the normal age.

Article 18. C128

1. The benefit specified in Article 17 shall, in a contingency covered, be secured at least--

- (a) to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period which may be 30 years of contribution or employment, or 20 years of residence; or
 - (b) where, in principle, all economically active persons are protected, to a person protected who has completed, prior to the contingency, a prescribed qualifying period of contribution and in respect of whom, while he was of working age, the prescribed yearly average number of contributions has been paid.
2. Where the old-age benefit is conditional upon a minimum period of contribution or employment, a reduced benefit shall be secured at least:
- (a) to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period of 15 years of contribution or employment; or
 - (b) where, in principle, all economically active persons are protected, to a person protected who has completed, prior to the contingency, a prescribed qualifying period of contribution and in respect of whom, while he was of working age, half of the yearly average number of contributions prescribed in accordance with subparagraph (b) of paragraph 1 of this Article has been paid.
3. The requirements of paragraph 1 of this Article shall be deemed to be satisfied where a benefit calculated in conformity with the requirements of Part V but a percentage of ten points lower than shown in the Schedule appended to that Part for the standard beneficiary concerned is secured at least to a person protected who has completed, in accordance with prescribed rules, ten years of contribution or employment, or five years of residence.
4. A proportional reduction of the percentage indicated in the Schedule appended to Part V may be effected where the qualifying period for the benefit corresponding to the reduced percentage exceeds ten years of contribution or employment or five years of residence but is less than 30 years of contribution or employment or 20 years of residence; if such qualifying period exceeds 15 years of contribution or employment, a reduced benefit shall be payable in conformity with paragraph 2 of this Article.

Report 2016-ECSS:

The protected person is entitled to an old-age benefit if he/she has completed the qualification period of insurance and has reached a specified retirement age, or has met other requirements stipulated in the Pension Insurance Act.

Data as of 1 January 2016

The benefit is ensured to a protected person who has completed - under the Act on Pension Insurance - qualified period of at least 25 years of insurance and has reached retirement age before 2010; since 2010, this time has been gradually extended each year by 1 year, so the target status of 35 years of insurance period will apply to the insured people who will reach the retirement age after 2018. In addition, even the insured person who reaches the retirement age and obtains insurance for at least 30 years (only employment time without non-contributory periods) is entitled to receive an old-age pension. Entitlement to receive an old-age pension arises also when reaching an age higher by 5 years than the retirement age of men with the same birth date, insured person who has gained at least 15 years of insurance for which insurance was paid, i.e. without non-contributory periods or 20 years of insurance including non-contributory periods.

Conclusions of the CEACR on the application of the ECSS (adopted in 2015)

Article 29(2) of the Code. The report states that old-age pension is provided to an insured individual who had fulfilled the qualification period of at least 25 years in 2009 in accordance with the Pension Insurance Act; this period is gradually increasing by one year from 2010, and the target period of 35 years of insurance will apply for insured individuals who reach retirement age after 2018. The entitlement to an old-age pension also applies to an insured individual who reaches retirement age and achieves an insurance period of at least 30 years (only the period of employment without any non-contributory periods). The Ministry of Labour and Social Affairs was aware of the need for reinstating the right to a reduced old-age pension after 15 years of insurance to make the Czech law compatible with *Article 29(2)* of the Code. Relevant legal regulation was adopted in 2014 and came into effect in 1 January 2015 (Act No. 267/2014 Coll.) and gives the entitlement to an old-age pension to an insured person after 15 years of insurance with effectively paid contributions at reaching the age of five years higher than the retirement age of a man with the same birth date. Legislation also applies to insured persons of the same age and 15 years of pension insurance reached before 1 January 2015 (i.e. in the period from 2010 to 2014); in that case, they became entitled to the old-age pension on the day of fulfilment of these conditions. The

Committee understands from these explanations that, after 1 January 2015, workers who have acquired the right under Article 29(2)(a) of the Code to a reduced old-age pension at the statutory pension age having completed a qualifying period of 15 years of contributions, will receive their pension under the new regulation **only when reaching the age of five years higher than the statutory pension age**. **As the Code does not permit to establish for the entitlement to a reduced pension, an age different from the statutory pension age, the Government is asked to explain how the right to a reduced pension ensured for the persons protected under Part V of the Code who have completed 15 years of contributions at the statutory pension age referred to under Article 26(2) above.**

Report 2016-ECSS:

Article 29(2) of the Code.

As the Code does not permit to establish for the entitlement to a reduced pension an age different from the statutory pension age, the Government is asked to explain how the right to a reduced pension ensured for the persons protected under Part V of the Code who have completed 15 years of contributions at the statutory pension age referred to under Article 26(2) above.

The Czech Republic has reintroduced an amendment into the Pension Insurance Act with effect since 1 January 2015 which stipulates the entitlement to an old-age benefit to the insured individual, who has had at least 15 years of insurance by reaching the age of 5 years higher than the retirement age of a man with the same birth date. This amendment is, in the Czech Republic's opinion, in accordance with the provisions of Article 29 because the European Code of Social Security enables member states to provide in case of failure of the minimal contribution period of 30 years or 30 years of employment instead of the reduced benefits (Article 29, paragraph 2) a benefit under Article 29, paragraph 1, 3 or 4 at higher age than the normal retirement age (Article 29 par. 5).

In its previous reports on the application of the European Code of Social Security, the Czech Republic referred to the provisions of the Article 29, paragraph 2, which regulates the granting of a reduced benefit of a protected person who has, prior to the contingency, completed the qualifying period of 15 years of contribution or 15 years of employment. However, the benefit is not reduced in case of an old-age benefit, to which entitlement arises when reaching higher than the normal retirement age and by completion of a minimum insurance period required in the Czech Republic. The amount of a pension is determined in the same way as in case of an old-age benefit to which an entitlement arises when reaching normal retirement age. A benefit, to which an entitlement emerges after completion of 15 years of insurance, consists of unreduced basic rate and of the percentage rate which amounts to 1.5% of the calculation rate for each complete year of insurance. There is thus no reduction of a benefit due to reduced percentage rate for one year of insurance, but the benefit is usually lower than the average old-age benefit due to the lower number of completed years of insurance.

Ensuring the protection of individuals who do not reach the required insurance period for granting an old-age benefit under Article 29 para 1 is thus modified by a higher retirement age (Article 29 para 5 of the European Code of Social Security, rather than by providing the reduced benefits (the Article 29, paragraph 2).

Provision of an old-age benefit is confirmed historically in the Czech legislation upon achieving a shorter insurance period and achieving a higher retirement age. The current legislation was evolved by gradual modification of legislation from 1948, when it was possible to retire at 60 years of age if completing at least 20 years of contribution. However, the normal retirement age when completing a shorter period of insurance was 65 years and was thus about 5 years higher.

About 9,398 persons, i.e. 0.4% of all old-age beneficiaries, were granted a benefit due to short periods of contribution under the above provisions in April 2016.

ILO Comments: when an insured person at the moment when the provisions of Part V came into force for the Czech Republic did not acquire the necessary qualifying period of 15 years of contributions or employment (§2 of Art.29), he/she had to be entitled to the reduced old-age pension or to the standard old-age pension after the attainment of higher pension age.

Report 2016-C128:

Response to comments of the Committee of Experts

Article 18(2). Payment of reduced benefit.

The relevant change in legislation ensuring entitlement to old-age benefit for persons with 15 years of insurance was adopted in 2014, taking effect on 1 January 2015 (Act No 267/2014 Coll.). Based on that, the insured person who gained at least 15 years of insurance, for which the insurance was paid, is entitled to an old-age benefit by reaching an age higher by 5 years than the retirement age of persons of the same date of birth. That legislation applies also to the insured who reached the said age and 15 years of pension insurance in the period 2010 to 2014 when, according to the previous legislation, persons with 15 years of insurance were not entitled to old-age benefit; in their case, the entitlement to old-age benefit arises on the day the conditions are met.

A pension, to which an entitlement arises with obtaining insurance period of 15 years, consists of the unreduced basic rate and of the percentage rate which amounts to 1.5% of the calculation rate for each full year of insurance. There is thus no reduction of the benefit due to reduced percentage rate for one year of insurance, but the benefit is usually lower than the average old-age pension due to the lower number of acquired years of insurance. The protection of persons who do not gain the necessary period of insurance for receiving the old-age benefit according to Article 18(1) of the Convention is secured not in the form of a reduced benefit, but through a full benefit, albeit at a higher retirement age established with due regard to their lower contribution to the pension schemes as a justifiable economic criterion; this form of protection has been historically embedded in the Czech legislation.

Report 2016-C128:

Prior to being sent to the International Labour Office, the draft report had been discussed with the Czech-Moravian Confederation of Trade Unions, the Association of Independent Trade Unions, the Confederation of Employers' and Entrepreneurs' Associations, and the Confederation of Industry, as the most representative organisations of employers and employees.

Following comments were received from the Czech-Moravian Confederation of Trade Unions:

1. CMKOS asks for the inclusion of the details on the parameters of the Czech pension system and their changes (raising the retirement age, extending the insurance period required for the entitlement to a pension, the amount of the pension relative to gross and net salary) in the form of their consideration in relation to the parameters required by Convention No. 128. e.g. if Article 18(1) of the Convention provides that "The benefit specified in Article 17 shall, in a contingency covered, be secured at least:

(a) to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period which may be 30 years of contribution or employment, or 20 years of residence;"; the answer of the Czech Government must not be confined to a mere description of the current legislation, which implies that the Czech Republic ceases to fulfil this

condition, but must explicitly state the fact in the report. Given that such information will undoubtedly raise question by the ILO Committee of Experts, **it should also be accompanied by an explanation of how the Government intends to ensure compliance with the Convention in the future.**

2. Similarly, when the Convention requires the enactment of a (lower) entitlement to old-age pension for a person that has completed only 15 years of contribution upon the reaching of the statutory retirement age, the Czech Government's response should not be limited to the statement that the Czech Republic protects these persons by giving them a pension five years later, and that this approach is traditional in the Czech Republic, but it should **indicate how it intends to remove the conflict with Convention No. 128.** Given that the Committee of Experts was informed by the Czech Government that the Ministry of Labour and Social Affairs intends to implement legislative amendments which will ensure that the Czech Republic becomes compliant with the provisions of the Convention, and therefore "hopes that the Government will implement the necessary amendments in the near future and will report them as soon as they are adopted", **the explanation of the Czech Government to this issue cannot be accepted.** The Convention clearly seeks to ensure that as of the statutory retirement age, old-age pension is provided to both those who have completed the required insurance period of 30 years, as well as those who have completed at least 15 years of insurance period, the difference between the two groups being only in the amount of the pension.

In response to the request concerning the addition of the parameters of the Czech pension system and its changes, the Government refers to the Report submitted in 2012 on the application of Convention no. 128 as no further projections were made since then and all changes undertaken since then have been based on the data provided in that report.

Update 2018

For persons who completed at least 15 years of insurance (employment period without non-contributory periods) or 20 years of insurance (employment period with non-contributory periods) entitlement for old age pension arises at the age of 67 years and six months (for individuals born in 1950) or 67 years and eight months (for persons born in 1951) in 2018.

For persons with longer contribution period of least 30 years of contributions (only the period of employment without any non-contributory periods) or 34 years of contributions (with non-contributory periods) the entitlement for an old-age pension arises at lower age in 2018: 63 years and four months for men, 62 years and eight months for childless women, 61 years and eight months for women who raised one child, 60 years and eight months for women who raised two children, 59 years and eight months for women who raised three and four children and 58 years and eight months for women who raised five and more children.

Naformátováno: Mezera Před: 0 b., Upravit mezery mezi textem v latině a asijským textem, Upravit mezery mezi asijským textem a čísly, Přístupy klávesou tabulátor: není na 0,5 cm

➤ V -7. Duration of Benefit

Article 30. C102 and ECSS

The benefits specified in Articles 28 and 29 shall be granted throughout the contingency.

Article 19. C128

The benefit specified in Articles 17 and 18 shall be granted throughout the contingency.

Report 2016-ECSS:

As a covered contingency is considered reaching the required age, a benefit payment is provided for the rest of one's life.

V - 8. Suspension of Benefit

Article 69 of C102, Article 68 of ECSS. See under Part XIII-1

➤ **Article 31. C128**

1. *The payment of invalidity, old-age or survivors' benefit may be suspended, under prescribed conditions, where the beneficiary is engaged in gainful activity.*
2. *A contributory invalidity, old-age or survivors' benefit may be reduced where the earnings of the beneficiary exceed a prescribed amount; the reduction in benefit shall not exceed the earnings.*
3. *A non-contributory invalidity, old-age or survivors' benefit may be reduced where the earnings of the beneficiary or his other means or the two taken together exceed a prescribed amount.*

➤ **Article 32. C128**

1. *A benefit to which a person protected would otherwise be entitled in compliance with any of Parts II to IV of this Convention may be suspended to such extent as may be prescribed:*
 - (a) as long as the person concerned is absent from the territory of the Member, except, under prescribed conditions, in the case of a contributory benefit;*
 - (b) as long as the person concerned is maintained at public expense or at the expense of a social security institution or service;*
 - (c) where the person concerned has made a fraudulent claim;*
 - (d) where the contingency has been caused by a criminal offence committed by the person concerned;*
 - (e) where the contingency has been wilfully caused by the serious misconduct of the person concerned;*
 - (f) in appropriate cases, where the person concerned, without good reason, neglects to make use of the medical or rehabilitation services placed at his disposal or fails to comply with rules prescribed for verifying the occurrence or continuance of the contingency or for the conduct of beneficiaries; and*
2. *In the case and within the limits prescribed, part of the benefit otherwise due shall be paid to the dependants of the person concerned.*

Update 2017

Ad a) The only pension for which entitlement the permanent residence is required in the Czech Republic is a level-three disability pension if the disability arose before reaching 18 years of age of the person who has not participated in pension insurance for the required period (i.e. not even one day) - (Section 42 (1) of the Pension Insurance Act). Otherwise the pension benefit shall be paid according to this person's insurance period or substitute insurance period acquired in the Czech Republic (Section 66 (1) of the Pension Insurance Act).

Suspension of benefit

Ad c) When a pension had been granted or paid out wrongfully or at a higher amount than an individual was entitled to, the pension shall be reduced, withdrawn or its payment shall be suspended from the day following the day on which the preceding period has elapsed (Section 56 (1) point. c) of the Pension Insurance Act).

Ad d) Entitlement to a widow's pension ceases as of the day on which the court decides that a widow deliberately causes the death of a spouse as a perpetrator, co-perpetrator or offender. This applies similarly for the widower's entitlement to a widower's pension and to the entitlement of an orphan's entitlement to an orphan's pension (Section 50 (6) and (7) and Section 52 (6) of the Pension Insurance Act).

ad f) Payment of disability pension can be suspended if the pensioner does not attend a medical check-up necessary for an examination of his/her health condition, fails to submit the medical findings or does not provide the data on the education, experience and previous

gainful activities in case the beneficiary of the benefit was informed of this effect in the summons (Section 53 (2) and (3) of the Act on Providing of Organization and Implementation of Social Security).

Article 33. C128

1. If a person protected is or would otherwise be eligible simultaneously for more than one of the benefits provided for in this Convention, these benefits may be reduced under prescribed conditions and within prescribed limits; the person protected shall receive in total at least the amount of the most favourable benefit.

2. If a person protected is or would otherwise be eligible for a benefit provided for in this Convention and is in receipt of another social security cash benefit for the same contingency, other than a family benefit, the benefit under this Convention may be reduced or suspended under prescribed conditions and within prescribed limits, subject to the part of the benefit which is reduced or suspended not exceeding the other benefit.

Observation of the Czech Republic

Where conditions for entitlement to the payment of more than one pension of the same kind or for the payment of an old-age/invalidity pension are met, only one pension is paid out (the higher one).

Where conditions for entitlement to the payment of an old-age/invalidity pension are of the same amount, the pension that is to be paid is chosen by the pensioner.

Where the conditions for entitlement to an orphan's pension after the parent and the same-sex spouse mentioned in Section 52 (1) letter b) of the Pension Insurance Act are met, there is only one pension paid out – higher one; in case these pensions were of the same amount, the pension is chosen by the pensioner (Section 58 of the Pension Insurance Act).

When conditions for entitlement to the payment of an old-age/invalidity pensions and the payment of a widow's or widower's pension or an orphan's pension are met, the highest pension is paid out in the whole amount and from another pension is paid half of the percentage amount. According to the previous sentence, the same principle is applied if the conditions for entitlement to payment of widow's or widower's pension and orphan's pension are fulfilled at the same time. If the both-part orphan child is entitled to two orphan's pensions, the higher orphan's pension is paid in full and the lower orphan's pension is paid as the percentage amount. If the amount of both orphan's pensions is at the same amount, one orphan's fully-paid pension is disbursed and the second orphan's pension is provided in the percentage amount (Section 59 (1) of the Pension Insurance Act).

Report 2016-C128:

A beneficiary of an old-age pension who has already reached retirement age can be gainfully employed. Payment of old-age pension is not stopped or reduced in concurrence with the profit-making, the old-age pension is not reduced as well. On the contrary, such an old-age pensioner may request a pension increase of 0.4% of the calculation basis after having worked for every 360 calendar days.

Otherwise no changes.

➤ V - 9. Right of complaint and appeal

Article 70. C102, Article 69. ECSS. See under Part XIII-2

Article 34. C128

1. Every claimant shall have a right of appeal in the case of refusal of benefit or complaint as to its quality or quantity.

2. Procedures shall be prescribed which permit the claimant to be represented or assisted, where appropriate, by a qualified person of his choice or by a delegate of an organization representative of persons protected.

Report 2016-ECSS:

Since 1 January 2010, a written objection against the decision of a social security authority in matters of pension insurance may be raised, as a regular legal remedy under Act No. 582/1991 Coll., providing the Organization and Implementation of Social Security, as amended (hereinafter referred to as “the Organization Act”) provided this is done within 30 days since the day when the participant in the proceedings was notified of the decision. A social security authority which issued the decision decides on the objections. But the objection proceedings must be held separately from the first-instance social security decision-making body. The proceedings must not be participated in or decided upon by anybody who participated in the proceedings concerning the issuance of the disputed decision. An insured person can take a legal action against the decision upon the objections to the relevant regional court (by Act No. 150/2002 Coll., the Judicial Rules of Procedure).

The decisions which form the basis for decision concerning benefits from the pension insurance, are excluded from the judicial review. The court reviews such a decision only when deciding on an action brought against the decision of the Czech Social Security Administration.

V - 10. Financing and Administration

Article 71, 72 of C102, Article 70, 71 of ECSS. See under Part XIII-3.

Article 30. C128

National legislation shall provide for the maintenance of rights in course of acquisition in respect of contributory invalidity, old-age and survivors' benefits under prescribed conditions.

Article 35. C128

1. Each Member shall accept general responsibility for the due provision of the benefits provided in compliance with this Convention and shall take all measures required for this purpose.

2. Each Member shall accept general responsibility for the proper administration of the institutions and services concerned in the application of this Convention.

Article 36. C128

Where the administration is not entrusted to an institution regulated by the public authorities or to a government department responsible to a legislature, representatives of the persons protected shall participate in the management under prescribed conditions; national legislation may likewise decide as to the participation of representatives of employers and of the public authorities.

Report 2016-ECSS:

- Health and pension insurance are managed by administrative authorities.
- The authorities responsible for the implementation of pension insurance are the Czech Social Security Administration, which decides on pension insurance benefits and pays them, and the District Social Security Administrations that have decision-making power only in terms of the component issues for pension provision, draw up applications for granting of a pension and assess disability of the insured. Within the pension insurance scheme some of the obligations are imposed on employers as well. These obligations include the requirement to keep and report annually to the Czech Social Security Administration the so-called pension insurance records, which contain information on the insurance period and on an assessment base from which the insurance contribution was paid for each employee participating in the pension insurance for a particular year.

Total revenue for the year 2017³⁰

- Pension insuranceCZK 405,025,823 thousand

Total expenditures for the year 2017³¹

Pension insuranceCZK 404,368,050 thousand

Total revenue for the year 2016³²

- Pension insuranceCZK 372,660,905 thousand

Total expenditures for the year 2016³³

Pension insuranceCZK 389,166,960 thousand
(Including lump-sum contribution for pensioners in the amount of CZK 1,200 paid to pensioners in 2016. Total expenditure on lump-sum contribution for pensioners amounted to CZK 3,562,497).

³⁰ Source: National Account for the chapter of MLSA of the Czech Republic for 2016.

³¹ Source: National Account for the chapter of MLSA for the year 2016.

³² Source: National Account for the chapter of MLSA of the Czech Republic for 2017.

³³ Source: National Account for the chapter of MLSA for the year 2017.

Part VI. Employment Injury Benefit

The Czech Republic has accepted the obligations resulting from the C12, C17, 42

| Category | Full compliance | Request of information | |
|--|--|--------------------------|-------------------------------|
| | | insufficient information | no or very little information |
| VI-1. Contingencies and regulatory framework | ➤ Art.1 C12, Art.1 C17 Art.1(1) C42 | | |
| VI-2. Persons Protected | ➤ Art.2 C17 | | |
| VI-3. Definition of Occupational diseases | ➤ Art.2 C42 | | |
| VI-4. Benefits in cash | ➤ Art.5,7 C17 Art.1(2) C42 | | |
| VI-5. Benefits in kind | Art.9 C17 Art.10(1) C17 | | |
| VI-6. Waiting period | Art.6 C17 | | |
| VI-7. Insolvency of employer | Art.11 C17 | | |
| VI-8. Administration and Financing | ➤ Art.8, 10(2) C17 | | |

List of applicable legislation

- Report 2016-C17, C42:*

 - **Government Regulation No. 290/1995 Coll.**, providing the list of occupational diseases, as amended by Government Regulation No. 168/2014 Coll. with effect from 1 January 2015
<https://portal.gov.cz/app/zakony/download?idBiblio=43357&nr=290~2F1995~208b.&ft=pdf>
 - **Decree No. 342/1997 Coll.**, defining the procedure for recognising occupational diseases and issuing a list of healthcare facilities which recognise such diseases, was replaced on 1 April 2012 with Decree No. 104/2012 Coll., laying down detailed requirements for the process in assessing and recognizing occupational diseases and the group of persons to receive the medical opinion about occupational diseases, the conditions under which a disease can no longer be recognized as an occupational disease, and the requirements for medical opinions
http://portal.gov.cz/wgsNVPS_PA_2001/isp/download.isp?s=1&l=342%2F1997
 - **Decree No. 440/2001 Coll.**, on compensation for pain and social impairment caused, was abrogated as of 1 January 2014 by Act No. 89/2012 Coll., the Civil Code, and replaced with Government Order No. 27612015 Coll., on compensation for pain and social impairment caused by accident at work or occupational disease, which took effect on 26 October 2015
<http://portal.gov.cz/app/zakony/download?idBiblio=84905&nr=276~2F2015~20Sb.&ft=pdf>
 - **Act No. 262/2006**, the Labour Code, as amended, has been revised by Act No. 205/2015,
<https://portal.gov.cz/app/zakony/download?idBiblio=62694&nr=262~2F2006~20Sb.&ft=pdf>
 - The effective date of **Act No. 266/2006** on workers' compensation insurance was again postponed in the interim period to 01 January 2015, or 01 January 2020; in the end, Act No. 266/2006 was **abrogated** by Act No. 205/2015 as of 01 October 2015, without ever taking full effect;
<http://portal.gov.cz/app/zakony/download?idBiblio=84496&nr=205~2F2015~20Sb.&ft=pdf>

- **Act No. 373/2011 Coll.**, on Specific Health Services, was adopted, taking effect on 1 April 2012. It was amended several times in the interim period, without relevance to the Convention requirements.
<http://portal.gov.cz/app/zakony/download?idBiblio=75507&nr=373~2F2011~20Sb.&ft=pdf>
- **Government Regulation No. 9/2012 Coll.** has been adopted on compensation for a loss of income after the end of incapacity for work caused by an occupational accident or disease, on compensation for a loss of income after the end of incapacity for work or in invalidity, and on compensation for the costs of sustaining the survivors (compensation);
<https://portal.gov.cz/app/zakony/download?idBiblio=76556&nr=9~2F2012~20Sb.&ft=pdf>
- **Government Regulation No. 483/2012 Coll.** has been adopted on compensation for a loss of income after the end of incapacity for work caused by an occupational accident or disease, on compensation for a loss of income after the end of incapacity for work or in invalidity, and on compensation for the costs of sustaining the survivors (compensation);
<https://portal.gov.cz/app/zakony/download?idBiblio=79223&nr=483~2F2012~20Sb.&ft=pdf>
- **Government Regulation No. 439/2013 Coll.** has been adopted on compensation for a loss of income after the end of incapacity for work caused by an occupational accident or disease, on compensation for a loss of income after the end of incapacity for work or in invalidity, and on compensation for the costs of sustaining the survivors (compensation)
<https://portal.gov.cz/app/zakony/download?idBiblio=81155&nr=439~2F2013~20Sb.&ft=pdf>
- **Act No. 234/2014 Coll.**, on civil service, was adopted, taking effect on 1 January 2015
<https://portal.gov.cz/app/zakony/download?idBiblio=82812&nr=234~2F2014~20Sb.&ft=pdf>
- **Government Regulation No. 306/2014 Coll.** has been adopted on compensation for a loss of income after the end of incapacity for work caused by an occupational accident or disease, and on compensation for the costs of sustaining the survivors according to labour-law regulations (the compensation regulation);
<https://portal.gov.cz/app/zakony/download?idBiblio=83125&nr=306~2F2014~20Sb.&ft=pdf>
- **Government Regulation No. 351/2015 Coll.** has been adopted on compensation for a loss of income after the end of incapacity for work caused by an occupational accident or disease, and on compensation for the costs of sustaining the survivors according to labour-law regulations (the compensation regulation);
<https://portal.gov.cz/app/zakony/download?idBiblio=85281&nr=351~2F2015~20Sb.&ft=pdf>
- **Government Regulation No. 276/2015 Coll.** has been adopted on determining the amounts of compensation for pain and for the social impairment caused due to accidents at work and occupational diseases;
<https://portal.gov.cz/app/zakony/download?idBiblio=84905&nr=276~2F2015~20Sb.&ft=pdf>

➤ VI - 1. Contingencies and regulatory framework

Article 1. C12

Each Member of the International Labour Organisation which ratifies this Convention undertakes to extend to all agricultural wage-earners its laws and regulations which provide for the compensation of workers for personal injury by accident arising out of or in the course of their employment.

Report 2016-C12:

Please refer to the report on Workmen's Compensation (Accidents) Convention No 17. There is no special system of compensating work-related injuries for employees in agriculture.

Article 1. C17

Each Member of the International Labour Organisation which ratifies this Convention undertakes to ensure that workmen who suffer personal injury due to an industrial accident, or their dependants, shall be compensated on terms at least equal to those provided by this Convention.

Report 2016-C17:

Discussions on the future of the system of compensating accidents at work

Following the tripartite discussion on the future form of the system of compensating accidents at work that took several years, the Council for Economic and Social Agreement of the Czech Republic, the supreme body for social dialogue in the Czech Republic, agreed at its meeting on 28 July 2014 to abandon the original intention to secure workers with insurance benefits from accident insurance paid by the Czech Social Security Administration, contained in Act No. 266/2006 Coll.

Act No. 205/2015 Coll. therefore abrogated, as of 1 October 2015, the still ineffective Act No. 266/2006 Coll., and transferred the existing provisions within the Labour Code from the Interim Provisions to a separate part (Part 5, Accidents at work and occupational diseases, Sections 269 – 271u of the Labour Code). The rules for compensating accidents at work and occupational diseases therefore continue to be based on the general liability of the employer for damage and for claims for its compensation and remained without a systemic change in the period covered by this report. In order to enhance legal certainty, the same Act harmonised the terminology with the general rules for damages in the Civil Code, which took effect on 1 January 2014.

Government Regulation No. 276/2015 Coll. was also adopted, determining the amounts of compensation for pain and for the social impairment caused due to accidents at work and occupational diseases.

While the insurance of the employer's liability for accidents at work and work related diseases thus continues to be provided by two commercial insurance companies (Ceska pojistovna and Kooperativa), the Government has decided by its resolution No. 1068 of 21 December 2015 that they should be substituted by the Czech Social Security Administration, the public administrative body (ensuring *inter alia* functioning of the pension system) by the year 2020. Discussions with social partners on specific modalities of this change are currently taking place.

Although no substantial systemic change was made, the Government wishes to provide the following overview as the relevant provisions of the Labour Code have been renumbered.

Accident at work is defined in Section 271k of the Labour Code as damage to health or a death of an employee, if they occurred independently of his/her will in a short-period, sudden and violent action of external factors during the performance of work tasks or in a direct connection with it. An accident at work is also an accident occurred to an employee due to performing work tasks, but not an accident occurred to an employee on their way to work and back. Occupational diseases are diseases listed in Government Regulation No. 290/1995 Coll., defining the list of occupational diseases.

According to Section 269, the employer is obligated to compensate damage or non-material damage caused by an accident at work if the damage or non-material damage arose in performing work tasks or in a direct connection with it. The employer is also obligated to compensate an employee for damage or non-material damage due to an occupational disease, if the employee worked for the employer the last time before diagnosing the disease under conditions that may cause the incurred occupational disease; an occupational disease is also a disease that occurred before it was included in the list of occupational diseases, it is compensated from the time of being included in the list and for the maximum period of 3 years before it was included in the list.

This obligation shall apply even if the duties arising from legal and other regulations ensuring safety and health protection at work were complied with. The employer may be released from the obligation in line with Section 270 if it is proven that the damage or non-material damage

arose exclusively by the fault of the employee. Subsections 2 - 4 of this Section deal with the situation where the employee had a partial share in the damage (the employee broke the health and safety rules, consumed alcohol or addictive substances at workplace etc.).

Section 271 expressly forbids the employer to be released from the duty to compensate damage or non-material damage entirely or in part if the employee has suffered accident at work when averting damage being caused to the employer or hazard directly threatening life or health, where the employee did not deliberately cause such situation.

The manner of compensating the damage or non-material damage and its amount must, according to Section 271r, be discussed by the employer without undue delay with the trade union organisation and with the employee.

The compensation for the loss of income is due according to Section 271a for the period of incapacity for work, and amounts to 100 % of the average income before the damage caused by accident at work or by occupational disease in the guard period of three days, and after that to the difference between the full sickness benefit provided and the average income.

A compensation for the loss of income after the end of the incapacity for work or when invalidity is acknowledged belongs to the employee according to Section 271b at the amount of the difference between the average wage before the damage and the income received after the accident at work or after diagnosing the occupational disease plus any invalidity benefit received for the same reason. Such compensation belongs also to the employee who is maintained in the register of job applicants. The income after an accident at work or after diagnosing an occupational disease is, in such case, the income at the minimum wage; but if the employee received, before becoming a job applicant, a compensation for a loss of income after the end of incapacity for work, such employee is entitled to such compensation at the amount at which he/she had a right to it while being employed. The compensation for a loss of income after the end of temporary incapacity for work belongs to an employee at the latest until the end of the calendar month in which he/she has reached the age of 65 years or the retirement age, if the retirement age is higher than 65 years, or until the date the old-age benefit was granted to them from the pension insurance.

According to Section 271l, these two kinds of compensation (during the incapacity for work and after its end) are separate rights.

If an employee, at his/her own fault, has a lower income than the other employees performing for the employer the same job or a job of the same kind, the income after an accident at work or after diagnosing an occupational disease is then the average income achieved by those other employees. If an employee who without serious reasons rejects to start a job the employer found for him/her, such an employee is entitled to compensation for a loss of income only amounting to the difference between the average income before the damage and the average income the employee could achieve at the job that was offered to him/her. The employer will not pay damage to the employee up to the amount the employee omitted to earn without serious reasons.

The employee will also receive compensation for pain and social impairment caused according to Section 271c as a lump sum and at least at the amount calculated according to Government Resolution No. 276/2015 Coll. The employer must, according to Section 271e, provide also compensation for material damage to an employee who suffered an accident at work or had an occupational disease diagnosed.

According to Section 271d, the efficiently spent costs related to treatment belong to the one who spent them.



For the case of a death of an employee, Sections 271g-j of the Labour Code grant:

1. compensation of efficiently spent costs related to treatment and reasonable costs related to funeral;
2. compensation of the costs of sustaining the survivors belongs to the survivors for whom the deceased employee was or was obligated to be a breadwinner, until the date the employee would have had that duty, but no later than until the end of the calendar month in which the deceased employee would have reached the age of 65 or the retirement age if the retirement age is higher than 65 years. The amount of that compensation is 50% of the average income of the employee before their death where he/she was or was obligated to be the breadwinner for one person, and 80% of the average income in cases where he/she was or was obligated to be the breadwinner for more persons. The benefit granted to the survivors due to the death of the employee is deducted from the amounts appertaining to the individual survivors.
3. a lump-sum compensation for the surviving spouse, partner and dependent child, to each of them at least at CZK 240,000, and also to parents if they lived in the same household.
4. material damage compensation for the heirs of the employee.

These rights do not, according to Section 271q, depend on whether the employee before their death exercised their right to compensation of damage or non-material damage within the set period.

The employer must pay the compensation for a loss of income and the compensation for the costs of sustaining the survivors, according to Section 271m, regularly once a month unless another manner of payment has been agreed.

The employer who, in the case of occupational disease, compensated the damage or non-material damage, has a right, according to Section 271n, to a compensation from all employers for whom the affected employee worked under conditions during which the occupational disease occurred, at an extent corresponding to the period for which the employee worked for those employers under those conditions.

For an employee who is in several employments at the time of the accident at work or of diagnosing an occupational disease, the amount of the compensation for a loss of income is determined, according to Section 271o, based on the average income achieved in all of those basic employments, for the period they could have lasted for.

Section 271p contains a special provision for persons employed for a definite period of time who are entitled to compensation for a loss of income only until the time when that basic employment should have ended. After that period, the compensation for a loss of income may be claimed if it can be assumed, according to circumstances, that the affected employee would have continued to be employed. This is without prejudice to the other rights arising from the duty to compensate damage or non-material damage caused by an accident at work or an occupational disease. Another group of affected workers are pensioners entitled to compensation for a loss of income for the period, unless their employment stopped for reasons not related to the accident at work or occupational disease; if they do not work for reasons related to the accident at work or occupational disease, they are entitled to compensation for a loss of income for the period in which they could have worked with regard to their health condition before the accident at work or occupational disease.

Compensation determined by a regulation may be, according to Section 271s, appropriately increased by court. The rights of employees to compensation for a loss of income due to an accident at work or occupational disease, or a damage or non-material damage to health other than due to an accident at work or occupational disease, and the rights to compensation of costs of sustaining the survivors are not time-barred, according to Section 271t, unlike the

right to the individual performances arising from them. Section 271u allows for the rights and duties to be adjusted in the case of a substantial change in the financial situation of the damaged person, which was decisive for determining the amount of compensation, and it authorises the government to modify, in a regulation, the general conditions, amount and manner of compensation for a loss of income that belongs to employees after the end of incapacity for work caused by an accident at work or occupational disease. The government used this authorisation in five cases over the reporting period.

Selected statistical indicators of insurance claims to compensate pain and social impairment caused for accidents at work or occupational diseases in the period 2000-2013

| | Total number of damages reported for settlement in the calendar year (without annuity) | Paid insurance claims (in CZK thousands) | |
|-------|--|--|--------------------------|
| | | damages for pain | social impairment caused |
| 2000 | 91,566 | 63,389 | 132,883 |
| 2001 | 90,639 | 64,580 | 134,736 |
| 2002 | 89,584 | 144,563 | 197,137 |
| 2003 | 81,215 | 251,654 | 357,241 |
| 2004 | 83,443 | 254,543 | 390,178 |
| 2005 | 83,290 | 303,416 | 268,690 |
| 2006 | 82,233 | 315,029 | 274,371 |
| 2007 | 76,841 | 288,275 | 281,160 |
| 2008 | 76,476 | 287,622 | 305,852 |
| 2009 | 58,917 | 254,986 | 289,591 |
| 2010 | 54,779 | 237,109 | 264,424 |
| 2011 | 56,720 | 248,726 | 285,422 |
| 2012 | 54,273 | 248,623 | 301,096 |
| 2013 | 53,328 | 232,846 | 264,860 |
| 2014 | 54,889 | 233,840 | 268,787 |
| 2015 | 54,257 | 242,483 | 277,162 |
| Total | 1,089,122 | 3,671,684 | 4,293,590 |

**Direct Request (CEACR) - adopted 2011, published 101st ILC session (2012)
Workmen's Compensation (Accidents) Convention, 1925 (No. 17)**

The Committee notes that the entry into force of Act no. 266/2006 on occupational accident insurance instituting the new occupational accident and disease compensation system has been postponed until 1 January 2013. *The Committee would be grateful if the Government would provide, in its next report, detailed information on how the new system gives effect to the provisions of the Convention.*

Report 2016-C17:

Response to comments of the Committee of Experts

Act No. 266/2006 Coll., on Accident Insurance, was abrogated as of 1 October 2015, without ever becoming fully effective. See above.

§1 Article 1. C42

Each Member of the International Labour Organisation which ratifies this Convention undertakes to provide that compensation shall be payable to workmen incapacitated by occupational diseases, or, in case of death from such diseases, to their dependants, in accordance with the general principles of the national legislation relating to compensation for industrial accidents.

Report 2011-C42:

Since the compensation for occupational diseases is subject to generally applicable regulations for compensating occupational injuries and diseases, we refer to details included in the report on the application of Convention No.17 concerning Workmen's Compensation for Accidents.

➤ **VI - 2. Persons protected**

Article 2. C17

1. The laws and regulations as to workmen's compensation shall apply to workmen, employees and apprentices employed by any enterprise, undertaking or establishment of whatsoever nature, whether public or private.

2. It shall nevertheless be open to any Member to make such exceptions in its national legislation as it deems necessary in respect of:

(a) persons whose employment is of a casual nature and who are employed otherwise than for the purpose of the employer's trade or business;

(b) out-workers;

(c) members of the employer's family who work exclusively on his behalf and who live in his house;

(d) non-manual workers whose remuneration exceeds a limit to be determined by national laws or regulations.

Report 2016-C17:

On 1 January 2015, Act No. 234/2014 Coll. on civil service took effect, specifying the working conditions of civil servants. Its Section 124(1) lays down that the liability of a service authority for damage occurred to a civil servant is governed by the Labour Code, and that the security of a civil servant in a service accident or occupational disease is governed by the Labour Code.

➤ **VI - 3. Definition of Occupational Diseases**

Article 2. C42

Each Member of the International Labour Organisation which ratifies this Convention undertakes to consider as occupational diseases those diseases and poisonings produced by the substances set forth in the Schedule appended hereto, when such diseases or such poisonings affect workers engaged in the trades, industries or processes placed opposite in the said Schedule, and result from occupation in an undertaking covered by the said national legislation.

| List of diseases and toxic substances | List of corresponding trades, industries and processes |
|--|--|
| Poisoning by lead, its alloys or compounds and their sequelae. | <ul style="list-style-type: none">▪ Handling of ore containing lead, including fine shot in zinc factories.▪ Casting of old zinc and lead in ingots.▪ Manufacture of articles made of cast lead or of lead alloys.▪ Employment in the polygraphic industries.▪ Manufacture of lead compounds.▪ Manufacture and repair of electric accumulators.▪ Preparation and use of enamels containing lead.▪ Polishing by means of lead files or putty powder with a lead content.▪ All painting operations involving the preparation and manipulation of coating substances, cements or colouring substances containing lead pigments. |
| Poisoning by mercury, its amalgams and compounds and their sequelae. | <ul style="list-style-type: none">▪ Handling of mercury ore.▪ Manufacture of mercury compounds.▪ Manufacture of measuring and laboratory apparatus.▪ Preparation of raw material for the hatmaking industry. |

| | |
|---|--|
| | <ul style="list-style-type: none"> ▪ Hot gilding. ▪ Use of mercury pumps in the manufacture of incandescent lamps. ▪ Manufacture of fulminate of mercury primers. |
| Anthrax infection. | <ul style="list-style-type: none"> ▪ Work in connection with animals infected with anthrax. ▪ Handling of animals carcasses or parts of such carcasses including hides, hoofs and horns. ▪ Loading and unloading or transport of merchandise. |
| Silicosis with or without pulmonary tuberculosis, provided that silicosis is an essential factor in causing the resultant incapacity or death. | Industries or processes recognised by national law or regulations as involving exposure to the risk of silicosis. |
| Phosphorous poisoning by phosphorous or its compounds, and its sequelae. | Any process involving the production, liberation or utilisation of phosphorous or its compounds. |
| Arsenic poisoning by arsenic or its compounds, and its sequelae. | Any process involving the production, liberation or utilisation of arsenic or its compounds. |
| Poisoning by benzene or its homologues, their nitro- and amido-derivatives, and its sequelae. | Any process involving the production, liberation or utilisation of benzene or its homologues, or their nitro- or amido-derivatives. |
| Poisoning by the halogen derivatives of hydrocarbons of the aliphatic series. | Any process involving the production, liberation or utilisation of halogen derivatives of hydrocarbons of the aliphatic series designated by national laws or regulations. |
| Pathological manifestations due to: <ul style="list-style-type: none"> ▪ a) radium and other radioactive substances; ▪ b) X-rays. | Any process involving exposure to the action of radium, radioactive substances, or X-rays. |
| Primary epitheliomatous cancer of the skin. | Any process involving the handling or use of tar, pitch, bitumen, mineral oil, paraffin, or the compounds, products or residues of these substances. |

Report 2016-C17, C42:

Government Regulation No. 290/1995 Coll., providing the list of occupational diseases, was amended by Government Regulation No. 168/2014 Coll. with effect from 1 January 2015
<https://portal.gov.cz/app/zakony/download?idBiblio=43357&nr=290~2F1995~208b.&ft=pdf>

Decree No. 342/1997 Coll., defining the procedure for recognising occupational diseases and issuing a list of healthcare facilities which recognise such diseases, was replaced on 1 April 2012 with Decree No. 104/2012 Coll., laying down detailed requirements for the process in assessing and recognizing occupational diseases and the group of persons to receive the medical opinion about occupational diseases, the conditions under which a disease can no longer be recognized as an occupational disease, and the requirements for medical opinions
http://portal.gov.cz/wgsNVPS_PA_2001/isp/download.isp?s=1&l=342%2F1997

➤ VI – 4. Benefits in cash

Articles 5 and 7. C17

The compensation payable to the injured workman, or his dependants, where permanent incapacity or death results from the injury, shall be paid in the form of periodical payments; provided that it may be wholly or partially paid in a lump sum, if the competent authority is satisfied that it will be properly utilised.

In cases where the injury results in incapacity of such a nature that the injured workman must have the constant help of another person, additional compensation shall be provided.

§2 Article 1. C42

The rates of such compensation shall be not less than those prescribed by the national legislation for injury resulting from industrial accidents. Subject to this provision, each Member, in determining in its national law or regulations

the conditions under which compensation for the said diseases shall be payable, and in applying to the said diseases its legislation in regard to compensation for industrial accidents, may make such modifications and adaptations as it thinks expedient.

See under Part VI-1. Contingencies and regulatory framework

VI – 5. Benefits in kind


Article 9. C17

Injured workmen shall be entitled to medical aid and to such surgical and pharmaceutical aid as is recognised to be necessary in consequence of accidents. The cost of such aid shall be defrayed either by the employer, by accident insurance institutions, or by sickness or invalidity insurance institutions.

The costs of the medical aid are primarily covered by the health insurance. In situations, where such an aid is provided due to the illegal conduct of a third person, incl. breach of a legal obligation of an employer, the health insurance company is entitled (pursuant to Section 55 of Act No 48/1997 Coll., Public Health Insurance Act) for a compensation of those costs.

Article 10. C17

1. Injured workmen shall be entitled to the supply and normal renewal, by the employer or insurer, of such artificial limbs and surgical appliances as are recognised to be necessary: provided that national laws or regulations may allow in exceptional circumstances the supply and renewal of such artificial limbs and appliances to be replaced by the award to the injured workmen of a sum representing the probable cost of the supply and renewal of such appliances, this sum to be decided at the time when the amount of compensation is settled or revised.
2. National laws or regulations shall provide for such supervisory measures as are necessary, either to prevent abuses in connection with the renewal of appliances, or to ensure that the additional compensation is utilised for this purpose.

| | |
|---|--|
| <p>RF/C17: Please state: (a) the nature and duration of the medical, surgical and pharmaceutical aid to which injured workmen are entitled; (b) from whom such aid is due.</p> <p>Please state: (a) the conditions applying to the supply and renewal of such artificial limbs and surgical appliances as are recognised to be necessary for injured workers; Conditions are determined in Part C, Appendix 3 of the Act No 48/1997 Coll., Public Health Insurance Act. (b) the conditions under which the supply and renewal of such artificial limbs and appliances are replaced by the award of additional compensation in cash;</p> <p>Benefits in kind: (a) total cost of benefits in kind; (b) average cost of benefits in kind per person covered by the legislation.</p> |  |
|---|--|

VI - 6. Waiting period

Article 6. C17

In case of incapacity, compensation shall be paid no later than as from the fifth day after the accident, whether it be payable by the employer, the accident insurance institution, or the sickness insurance institution concerned.

| |
|--|
| <p>RF/C17: please state: (a) as from what day after the accident compensation is paid in the case of incapacity; (b) by whom the compensation is payable: the employer, on accident insurance institution or a sickness insurance institution.</p> <p><i>Update 2017</i> According to Section 45 of Act No. 187/2006 Coll., the Sickness Insurance Act, an insured person is entitled to the benefit since the day when the contingency is met.</p> |
|--|

Pursuant to Section 46(1) of the Sickness Insurance Act, the entitlement for the payment of the benefit commences on the day when the conditions for the payment of such a benefit are met and the person concerned applied for this payment (Section 109 of the Act specifies the application procedure). Section 110 of the Act provides for the benefits to be paid in monthly instalments.

VI - 7. Insolvency of employer

Article 11. C17

The national laws or regulations shall make such provision as, having regard to national circumstances, is deemed most suitable for ensuring in all circumstances, in the event of the insolvency of the employer or insurer, the payment of compensation to workmen who suffer personal injury due to industrial accidents, or, in case of death, to their dependants.

RF/C17: please state what provisions of national laws or regulations ensure the payment of compensation to injured workmen or their dependants in the event of insolvency of the employer or insurer.

Report 2006-2016-C17:

There has been no change since the previous report.

Update 2017

The conditions of payment of injured employees or their dependent in the event of employer's/insurer's insolvency is stipulated in Act No 118/2000 Coll., regulating protection of employees in case of insolvency of the employer and amendment of some laws (Insolvency Act).

The financial health of insurance companies providing the statutory insurance of employer's liability for damages relating to an injury at work or an occupational disease is specifically protected by Section 205d, subsections (2) and (5) of Act 65/1965 Coll., the Labour Code, which is still in force per Section 365 of Act 262/2006 Coll., the Labour Code. These provisions specify that should the insurance companies suffer a financial loss as a result of their operation of this statutory insurance, they shall be entitled to compensation for such a loss from the state budget. The Ministry of Finance shall compensate such a loss of the preceding year by 30 June of the current year at the latest.

➤ VI - 8. Administration and Financing

Article 8. C17

The national laws or regulations shall prescribe such measures of supervision and methods of review as are deemed necessary.

See under Part VI-1. Contingencies and regulatory framework

Part VII. Family Benefit

The Czech Republic has accepted the obligations resulting from Part VII of C102 and Part VII of the ECSS.

| Category | Full compliance | Request of information | |
|--|--|--------------------------|-------------------------------|
| | | insufficient information | no or very little information |
| VII-1. Regulatory framework | ➤ <i>Art.39 C102/ECSS</i> | | |
| VII-2. Contingency covered | ➤ <i>Art.40 C102/ECSS</i> | | |
| VII-3. Persons Protected | ➤ <i>Art.41 C102/ECSS</i> | | |
| VII-4. Types of Benefits | ➤ <i>Art.42 C102/ECSS</i> | | |
| VII-5. Qualifying period | 👍 <i>Art.43 C102/ECSS</i> | | |
| VII-6. Level and Calculation of Benefit | ➤ <i>Art.44 C102/ECSS</i> | | 😞 |
| VII-7. Duration of Benefit | ➤ <i>Art.45 C102/ECSS</i> | | |
| VII-8. Suspension of Benefit | <i>Art.69 C102</i> <i>Art.68 ECSS</i> | | |
| VII-9. Right of complaint and appeal | ➤ <i>Art.70 C102</i> <i>Art.69 ECSS</i> | | |
| VII-10. Financing and Administration | ➤ <i>Art.71 C102</i> <i>Art.70 ECSS</i> | | |

List of applicable legislation

Report 2016-ECSS:

- Act No. 586/1992 Coll., regulating Income Tax, as amended
- Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended
- Act No. 111/2006 Coll., the Assistance in Material Need Act, as amended
- Act N. 586/1992 Coll., regulating income tax, as amended

Report 2016-C102:

- Act No. 110/2006 Coll., on living and subsistence minimum, become effective on 1 January 2007, and was amended by Acts No. 329/2011 Coll., 366/2011 Coll., 409/2011 Coll., 399/2012 Coll., 401/2012 Coll., 44/2013 Coll., 458/2011 Coll., 105/2013 Coll., 303/2013 Coll., 344/2013 Coll., 252/2014 Coll. (part), 252/2014 Coll., 332/2014 Coll., 377/2015 Coll., 395/2015 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=62336&nr=110~2F2006&rpp=15#local-content>
- Act No. 117/1995 Coll., on state social support, was amended by Acts No. 364/2011 Coll., 366/2011 Coll., 408/2011 Coll., 375/2011 Coll., 401/2012 Coll. (part), 331/2012 Coll., 428/2011 Coll., 399/2012 Coll., 401/2012 Coll., 482/2012 Coll., 48/2013 Coll., 267/2013 Coll., 306/2013 Coll., 458/2011 Coll. (part), 303/2013 Coll., 344/2013 Coll., 440/2013 Coll., 64/2014 Coll., 101/2014 Coll., 458/2011 Coll., 250/2014 Coll., 252/2014 Coll., 253/2014 Coll., 327/2014 Coll., 332/2014 Coll., 377/2015 Coll., 395/2015 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=43008&nr=117~2F1995&rpp=15#local-content>

- Act No. 582/1991 Coll., on organising and implementing social security, was updated by Acts No 220/2011 Coll., 263/2011 Coll., 220/2011 Coll. (part), 329/2011 Coll., 341/2011 Coll., 348/2011 Coll., 364/2011 Coll., 365/2011 Coll., 366/2011 Coll., 367/2011 Coll., 470/2011 Coll., 375/2011 Coll., 167/2012 Coll., 428/2011 Coll., 470/2011 Coll. (part), 399/2012 Coll., 401/2012 Coll., 403/2012 Coll., 274/2013 Coll., 303/2013 Coll., 313/2013 Coll., 344/2013 Coll., 64/2014 Coll., 136/2014 Coll., 458/2011 Coll., 250/2014 Coll., 251/2014 Coll., 267/2014 Coll., 332/2014 Coll., 317/2015 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=39631&nr=582~2F1991&rpp=15#local-content>

➤ VII - 1. Regulatory framework

Article 39. C102 and ECSS

Each Member (Contracting Party) for which this Part of this Convention (Code) is in force shall secure to the persons protected the provision of family benefit in accordance with the following Articles of this Part.

Report 2018-ECSS:

Family benefits are regulated by Act No. 117/1995 Coll., State Social Support Act (hereinafter the „State Support Act“), as amended.

With the exception of the abolition of the social supplement since 1 January 2012 [and of the changes in the child allowance since 1 January 2018 \(introduction of the increased amount of the child allowance, the eligibility limit adjustment\)](#), there are no changes of legislation or practices that would be reflected in compliance with the provisions of the European Code of Social Security. Currently, there are no measures with significant impacts being prepared.

Report 2016-ECSS:

Family benefits are regulated by Act No. 117/1995 Coll., State Social Support Act (hereinafter the „State Support Act“), as amended.

With the exception of the abolition of the social supplement since 1 January 2012, there are no changes of legislation or practices that would be reflected in compliance with the provisions of the European Code of Social Security. Currently, there are no measures with significant impacts being prepared.

Report 2011-C102:

The social allowance was (until 31 December 2010; for changes after this date see below) provided to families with children whose decisive income was lower than the sum of the amount of the family's living minimum amount times the coefficient of 2.0. The social allowance helped to cover the costs associated with securing the needs of children not only in low income families with children, but also of those in unfavourable health or social situations.

Report 2016-ECSS:

The child allowance and parental allowance are regular family benefits in the Czech Republic under Article 42.

➤ VII - 2. Contingency covered

Article 40. C102 and ECSS

The contingency covered shall be responsibility for the maintenance of children as prescribed.

Report 2016-ECSS:

A dependent child is entitled to receive the child allowance if he or she lives in a family whose decisive income is lower than the sum of the family's living minimum amounts multiplied by

the coefficient of 2.4. The child allowance is provided at three different levels depending on the age of a child.

The parental allowance is provided to a parent who personally provides all-day care for a child who is the youngest in the family. The parental allowance is determined by the total amount that a parent can draw up to four years of a child's age. Gainful activities or income of a parent are not monitored, the placement of a child under two years in preschool facilities is partly limited.

Report 2016-C102:

The child benefit and parental allowance are the regular family benefits in the Czech Republic. The institution of social allowance was abolished as of 31 December 2011.

A dependent child is entitled to receive the child benefit if he or she lives in a family with the relevant income lower than 2.4 times the family's living minimum (without a change against the previous report). The child benefit is provided at three different levels according to the age of the child.

Entitlement to a parental allowance is valid for a parent who cares for the youngest child in the family personally and properly all day long. The parental allowance is provided in three variants (the fastest drawing, normal drawing, and a slower drawing) up to two, three or four years of the child's age, until the total amount of CZK 220,000 is exhausted. By choosing the drawing period, the parent also chooses the size of the monthly allowance. The profit-making activity or income of a parent are not monitored, the placement of a child under two years of age in a pre-school facility is restricted (46 hours a month).

The living minimum of an individual is CZK 3,410 per month with effect from 1 January 2012.

For other jointly assessed persons, the living minimum amounts are graded based on the sequence of the persons; first, persons who are not dependent children are assessed, then, persons who are dependent children are assessed. Within each of these groups of assessed persons, the sequence is determined based on the age of the oldest or the youngest.

The amount of the living minimum of the person who is assessed as the first one is CZK 3,410 a month. The amount of the living minimum of the person who is assessed as the second one or next in the sequence is monthly:

- a) CZK 2,830 for persons from 15 years of age up to when not dependent children,
- b) CZK 2,450 for dependent children from 15 to 26 years of age,
- c) CZK 2,140 for dependent children from 6 to 15 years of age,
- d) CZK 1,740 for dependent children up to 6 years of age.

The living minimum does not include the necessary costs of housing; the provision of aid to pay for the necessary costs of housing is laid down in Act No. 111/2006 Coll., on assistance in material need.

Report 2017-C102:

Entitlement to a parental allowance is valid for a parent who cares for the youngest child in the family personally and properly all day long. The parental allowance is provided until the total amount of CZK 220,000 is exhausted, maximum up to four years of the child's age. With effect from 1 January 2012, the parent participating in sickness insurance chooses the size of the monthly allowance and so the drawing period. The parent non-participating in sickness insurance cannot choose and receives parental allowance at fixed monthly amounts. The profit-making activity or income of a parent are not monitored, the placement of a child under two years of age in a pre-school facility is restricted (46 hours a month).

The living minimum of an individual is CZK 3,410 per month with effect from 1 January 2012.

For other jointly assessed persons, the living minimum amounts are graded based on the sequence of the persons; first, persons who are not dependent children are assessed, then,

persons who are dependent children are assessed. Within each of these groups of assessed persons, the sequence is determined based on the age of the oldest or the youngest. The amount of the living minimum of the person who is assessed as the first one is CZK 3,140 a month.

Report 2018-ECSS:

Legislation effective from 1 January 2018:

The child benefit and parental allowance are the regular family benefits in the Czech Republic. The institution of social allowance was abolished as of 31 December 2011.

A dependent child is entitled to receive the child benefit if he or she lives in a family with the relevant income lower than 2.7 times the family's living minimum (a change against the previous report). The child benefit is provided at three different levels according to the age of the child and in two amounts according to sorts of income. Eligibility for the increased amount is determined by having income from employment or self-employment or from certain social benefits (sickness benefits, pensions, unemployment or retraining benefits, parental allowance, care allowance related to children). The legislation covers all children from a legally residing families fulfilling above mentioned legal conditions.

The living minimum has not been changed since 2012.

A parent who personally and duly cares for a child who is the youngest in the family is entitled to parental allowance. Parental allowance is provided until the total amount of 220,000 CZK is drawn, maximum up to 4 years of child's age. In the case of twins or more children born at the same time, the total amount extends to 330,000 CZK.

A parent may choose the amount of parental allowance and thus the period of its drawing. The calculation of monthly amount of parental allowance is based on daily assessment base for determination of maternity benefit or sickness benefit related to child's confinement or adoption according to the Sickness Insurance Act. When at least one of parents in a family is a person participating in sickness insurance, the amount of parental allowance can get to 70% of 30 multiple of daily assessment base (in 2018 36,750 CZK at the most). When the daily assessment base can be determined for both parents, the higher assessment is used for calculation. If the daily assessment base cannot be set for any parent, parents may choose the monthly amount up to 7,600 CZK. In case of twins or more children born at the same time, the monthly amounts are adjusted relevantly. Choice of the amount of parental allowance can be changed once in 3 month.

The parent's income is not tested; the parent may carry out an occupational activity without losing their entitlement to parental allowance. However, during the period of this occupational activity, the parent must ensure that the child is in care of another adult.

VII - 3. Persons protected

Article 41. C 102 and ECSS

The persons protected shall comprise, [as regards the periodical payments specified in Article 42 - ECSS]:

(a) prescribed classes of employees, constituting not less than 50 per cent of all employees; or

(b) prescribed classes of the economically active population, constituting not less than 20 per cent of all residents.

➤ *[(c) all residents whose means during the contingency do not exceed prescribed limits – C102].*

Report 2016-ECSS:

A dependent child is entitled to receive the child allowance if he or she lives in a family whose decisive income is lower than the sum of the family's living minimum amounts multiplied by

the coefficient of 2.4. The child allowance is provided at three different levels depending on the age of a child.

Report 2015-ECSS:

The scope of covered individual for regular family benefits according to Article 42 is defined by Act No. 117/1995 Coll., State Social Support Act.

For the purposes of the child allowance, dependent children are considered the covered group. As children are considered dependent until the end of compulsory schooling and thereafter, but not later than 26 years of age, if they are continuously preparing for their future profession (study at secondary schools and universities, theoretical and practical preparation for employment, preparing to become a member of a church, education in diagnostic classes), or they cannot systematically prepare for future career or perform gainful activity due to illness or injury, or because of long-term unfavourable health condition to perform gainful activity. A child's entitlement is not dependent on whether the parent is or is not an employee or an economically active individual or a participant in the pension or sickness insurance.

For the purposes of parental allowance, parents caring for small children are considered to be the group covered. Entitlement is not dependent on economic activity of the parent or his/her participation in the insurance scheme.

According to the individuals covered in Czech legislation, it is not possible to apply this to any of the paragraphs of Article 41.

Statistical information for 2010-2017:

| | 2010 ³⁴ | 2011 ³⁵ | 2013 ³⁶ | 2014 ³⁷ | 2015 ³⁸ | 2016 | 2017 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|
| The number of dependent children entitled to a child allowance | 530.0 thousand | 481.3 thousand | 458.0 thousand | 443.5 thousand | 419.9 thousand | 386.0 thousand | 334.7 thousand |
| The number of parents receiving a parental allowance | 337.1 thousand | 323.1 thousand | 293.7 thousand | 279.7 thousand | 277.4 thousand | 274.4 thousand | 278.8 thousand |
| The number of dependent children | 2,305.2 thousand | 2,337.0 thousand | 2,341.1 thousand | 2,308.5 thousand | 2,312 thousand | 2,316.7 thousand | 2,310.5 thousand |
| The number of families with dependent children | 1,452.9 thousand | 1,446.2 thousand | 1,428.4 thousand | 1,420.1 thousand | 1,417.2 thousand | 1,414.1 thousand | 1,417.5 thousand |
| The number of families entitled to the social allowance | 148.4 thousand | 14.4 thousand | | | | | |

Child allowance

In 2017, the child allowance was received by an average of 334,700 of dependent children every month. This means that it was granted to about 14.5% of all dependent children.

³⁴ Report 2011-C102.

³⁵ Report 2012-ECSS.

³⁶ Report 2014-ECSS.

³⁷ Report 2015-ECSS.

³⁸ Report 2016-C102, Report 2016-ECSS.

In 2016, the child allowance was received by an average of 391,100386.000 of dependent children every month. This means that it was granted to about 16.97% of all dependent children.

Report 2015-ECSS:

In 2015, the child allowance was received by an average of 424,000419.900 of dependent children every month. This means that it was awarded to about 18.23% of all dependent children.

Report 2014-ECSS: In 2014, the child allowance was received by an average of 443,5 thousand dependent children every month which means that it was provided to approximately to 19,2 % of all dependent children.

Report 2011-C102: In 2010 the child allowance was received by an average of 530 thousand dependent children every month, which means that it was provided to 23 % of all dependent children.

Parental allowance

On average, 278,800 families with young children received a parental allowance monthly in 2017, i.e. approx. 19.7% of families with dependent children.

By an average of 277,300274.400 families with young children received a parental allowance monthly in 2016, i.e. approx. 19.64% of families with dependent children.

Report 2018-ECSS:

By an average of 271,700277.400 families with young children received a parental allowance monthly in 2015, i.e. approx. 19.56% of families with dependent children.

Report 2015-ECSS: In 2014, the parental allowance was received by an average of 279,7 thousand families with small children, i.e. approximately to 19,6 % of families with dependent children.

Report 2011-C102: In 2010, the parental allowance was received by an average of 337 thousand families with small children, i.e. 24 % of families with dependent children.

ILO Comments: during the period from 2010 till 2015 the number of dependent children entitled to a child allowance decreased by more than 100 000, while the number of families with dependent children remained virtually the same. **The Government is invited to explain this significant decrease.**

The main reason of decrease in number of child allowance recipients is economic growth, growing employment and wages gradually moving upwards. The child allowance is an income tested benefit and increase in mentioned economic categories has a positive impact on family incomes.

VII - 4. Types of Benefit

Article 42. C102 and ECSS

The benefit shall be:

- (a) a periodical payment granted to any person protected having completed the prescribed qualifying period; or
- (b) the provision to or in respect of children of food, clothing, housing, holidays or domestic help; or
- (c) a combination of (a) and (b).

Report 2016-ECSS:

The Czech Republic refers to paragraph a). Family benefits are in the form of monthly periodic financial payments. Child benefits are linked to the cost of living; in terms of the entitlement (families with income up to 2.4 times the subsistence level are entitled). Parental allowance is established by a fixed total amount.

The amount of the child benefit is a fixed monthly amount, which is CZK 500 for a child up to six years of age, CZK 610 for a child between 6 and 15 years and CZK 700 for a dependent child between 15 and 26 years.

The amount of the parent allowance is determined as the total amount of CZK 220,000 to which is entitled a parent caring for the youngest child in a family. A parent-participant to the sickness insurance scheme- draws the allowance monthly in amounts of his/her choice within a maximum of four years of a child's age and the maximum monthly amount of CZK 11,500. Parents without sickness insurance are entitled to receive a parental allowance in fixed amounts of CZK 7,600 monthly up to nine months of a child's age and then CZK 3,800 up to four years.

Report 2018-ECSS:

Legislation effective from 1 January 2018:
The Czech Republic refers to paragraph a).

Family benefits are in the form of monthly periodic financial payments. Child benefits are linked to the cost of living: in terms of the entitlement (families with income up to 2.7 times the subsistence level are entitled). Parental allowance is established by a fixed total amount.

The amount of child benefit is a fixed monthly at amount of CZK 500 in the basic level (from 1 January 2018, CZK 800) for a child up to six years of age, CZK 610 in the basic level (from 1 January 2018, CZK 910) for a child between 6 and 15 years and CZK 700 in the basic level (1 January 2018, CZK 1,000) for a dependent child between 15 and 26 years. Based on the State Social Support Act amendment effective from 1 January 2018, a family (a parent) having regular income from employment or income from certain social benefits stipulated by law, such as old-age benefit, sickness benefit, unemployment benefit etc. is entitled to higher level of family allowance³⁹.

The amount of the parent allowance is determined as the total amount of CZK 220,000 (or CZK 330,000 in case of twins or more children born at the same time) to which is entitled a parent caring for the youngest child in a family, up to four years of a child's age. A parent-participant to the sickness insurance scheme draws the allowance monthly in amounts of his/her choice with a maximum of 70% of 30multiple of the daily assessment base (in 2018 maximum is CZK 36,750). Parents without sickness insurance are entitled to choose parental allowance up to monthly amount of CZK 7,600.

Report 2016-C102:

The Czech Republic refers to paragraph a).

➤ **VII - 5. Qualifying period**

Article 43. ECSS, Article 43 ECSS

The benefit specified in Article 42 shall be secured at least to a person protected who, within a prescribed period, has

³⁹ Act No 117/1995 Coll., State Social Support Act, Sec. 18 Subsec. 2

completed a qualifying period which may be three months [one month - ECSS] of contribution or employment, or one year [six months-ECSS] of residence, as may be prescribed.



Report 2016-ECSS:

To be entitled to receive family benefits a qualifying period is not established. Entitlement is linked to the occurrence of a social situation and to the fulfilment of the conditions stipulated by the State Social Support Act. For foreigners who are not registered for permanent residence in the Czech Republic, or are not citizens of a EU member state, or are not explicitly mentioned in Section 3 of Act No. 117/1995 Coll., (foreigners having a specific kind of residence under a special law) 365 days since the date of signing up residence in the Czech Republic under a special law are required.

Report 2016-C102:

No changes.

VII - 6. Level and Calculation of Benefit

Article 44. C102 and ECSS

The total value of the benefits granted in accordance with Article 42 to the persons protected shall be such as to represent:

[(a) 3 per cent. of the wage of an ordinary adult male labourer, as determined in accordance with the rules laid down in Article 66, multiplied by the total number of children of persons protected; - C102] or

➤ (b) 1.5 per cent. of the said wage, multiplied by **the total number of children of all residents.**

Report 2016-ECSS, Report 2016-C102:

Statistical information of 2015:

| | |
|---|------------------|
| Gross monthly wage of an unskilled worker (according to Job Specification CZ-ISCO 93291 in the wage sphere) | CZK 19,521 |
| Annual expenditure on child allowances | CZK 3.1 billion |
| Annual expenditure on parental allowances | CZK 22.5 billion |
| The number of dependent children of all residents | 2,312,7 thousand |
| The total required expenditure for monetary family benefits | CZK 8.1 billion |


ILO Comments: the data required for calculation is “the total number of children of all residents”.

The total required (monetary) expenditure of family benefits:

19,521 (wage of an unskilled labourer) x 0.015 (1.5% of wage) x 12 (months) x 2,310.4 (thousands of children) = CZK 8.1 b.

In 2015, the total expenditure on family benefits was CZK 25.6 billion which in relation to the total required expenditure on monetary family benefits in the amount of CZK 8.1 billion means that the Czech Republic fulfils Article 44.

Families with dependent children are also supported through tax relief for dependent children through tax exemption and tax bonus, or through a combination of those. The conditions under which a taxpayer is entitled to tax exemption for a dependent child and the manner of its application by the taxpayer are stipulated in Section 35c of Act No. 586/1992 Coll., regulating Income Taxes effective for the relevant accounting period.

 The monthly amount of the tax benefit for a dependent child is higher than the child allowance. Entitlement to child benefit is limited to family income. On the contrary, the tax exemption is applied to all families with dependent children whose income is taxable.

In 2015, under valid legislation a taxpayer was entitled to receive a tax exemption for each dependent child living with him/her at home in the amount of CZK 13,404 per year, for the second child CZK 15,804 per year and for the third and any subsequent child CZK 17,004 per year. A taxpayer may have applied in the form of tax exemption, tax bonus, or of a combination of tax exemption and tax bonus. A family is entitled to tax bonus if the income is at least equal to six times the minimum wage, i.e. at least CZK 55,200 in 2015 (6 x CZK 9,200). The maximum amount of tax bonus for all dependent children in the household was set to CZK 60,300 per year. The conditions for occurrence of an entitlement to tax benefit are defined in the Section 35c of Act No. 586/1992 Coll., regulating Income Taxes, as amended, for the relevant tax periods.

Persons submitting a tax return

Persons submitting the tax return on income claim the tax relief after expiration of the tax period which is the calendar year. This means that in 2015 they drew a lump sum tax benefit according to the tax return of a natural person income for the 2014 tax period. This does not apply for employees who sign the tax declaration, prove an entitlement to a tax relief for the employer and subsequently draw the monthly benefit while running a business or leasing immovable. This group of people can apply for eventual unpaid difference of tax advantage through tax returns on income.

a) The tax advantage provided by the tax payer (the employer)

With regard to the fact that the Czech legislation does not impose an obligation to keep personal data for individual employees to an employer it is not possible to quantify what proportion of the tax relief was provided through the tax exemption from the tax relief because the taxpayer proves after the end of the year the total withheld deposit in the bill after the end of the year, i.e. after all discounts, i.e. even after the reduction of tax relief. The General Directorate of Finance may therefore provide only information on the tax bonus provided, i.e. the total amount of monthly tax bonuses and additional payments for tax bonus from the annual clearing of advances and tax benefits that was paid for individual years:

Report 2016-C102:

In 2015 under valid legislation a taxpayer was entitled to receive a tax relief for each dependent child living with him/her at home in the amount of CZK 13,404 per year, for the second child CZK 15,804 per year and for the third and any subsequent child CZK 17,004 per year. A taxpayer may have applied in the form of tax relief, tax bonus, or of a combination of tax relief and tax bonus. A tax bonus is entitled if the income is at least equal to six times the minimum wage, i.e. at least CZK 55,200 in 2015 (6 x CZK 9,200). The maximum amount of tax

bonus for all dependent children in the household was set to CZK 60,300 per year. The requirements for an entitlement to tax benefit are defined in Section 35c of Act No. 586/1992 Coll., on the Income Tax, as amended for the relevant tax periods.

Report 2017-ECSS:

The entitlement to a tax benefit for dependent children living with a taxpayer in a common household is regulated by Act No 586/1992 Coll., Income Taxes Act in Section 35c and for employees in Section 35d. The total amount of tax bonus provided has an increasing trend each year. In total, regardless of the number of dependent children, a tax bonus of up to CZK 60,300 can be granted.

Monthly bonus paid by an employer in a wage of an employee.

2015: CZK 4,775,050,458 *

2016: CZK 4,416,114,428*

* Source: Ministry of Finance. Preliminary data; final update is expected by the end of August 2017.

b) Data from the tax return for 2016 in CZK

| tax relief to a child | Tax abatement (by how much the tax was reduced) | Tax bonus difference *) (Paid out in bonuses) |
|-----------------------|---|---|
| 13,422,364,046 | 8,115,481,210 | 4,158,623,827 |

*) The amount that was claimed in tax returns taxpayers, reduced by tax bonuses paid by the taxpayer.

Due to the fact that the tax relief is increased year to year for the second, third and another child, there is an assumption that there will be a rise in tax bonuses paid for tax year 2016. It is also possible to expect an increase of the paid tax bonuses by about 8.4%.

Report 2018-ECSS:

The entitlement to a tax benefit for dependent children living with a taxpayer in a common household is regulated by Act No 586/1992 Coll., Income Taxes Act in Section 35c and for employees in Section 35d. The total amount of tax bonus provided has an increasing trend each year. In total, regardless of the number of dependent children, a tax bonus of up to CZK 60,300 can be granted.

Monthly bonus paid by an employer in a wage of an employee.

2016: CZK 4,443,871,902 *

2017: CZK 4,245,624,270*

* Source: Ministry of Finance. Preliminary data; final update is expected by the end of August 2017.

b) Data from the tax return for 2016 in CZK

| tax relief to a child | Tax abatement (by how much the tax was reduced) | Tax bonus difference *) (Paid out in bonuses) |
|-----------------------|---|---|
| 14,330,000 | 8,900,000 | 4,230,000 |

*) The amount that was claimed in tax returns taxpayers, reduced by tax bonuses paid by the taxpayer.

Due to the fact that the tax relief is increased year to year for the second, third and another child, there is an assumption that there will be a rise in tax bonuses paid for tax year 2017. It is also possible to expect an increase of the paid tax bonuses by about 8.8%.

Statistical information of 2016:

| | |
|---|------------------|
| Gross monthly wage of an unskilled worker (according to Job Specification CZ-ISCO 93291 in the wage sphere) | CZK 20,259 |
| Annual expenditure on child allowances | CZK 2,8 billion |
| Annual expenditure on parental allowances | CZK 22.7 billion |
| The number of dependent children* | 2,316.7 thousand |
| The total required expenditure for monetary family benefits | CZK 8.4 billion |

The total required (monetary) expenditure of family benefits:

$19,52120,259$ (wage of an unskilled labourer) x 0.015 (1.5% of wage) x 12 (months) x $2,312316.7$ (thousands of children) = CZK 8.4 b.

In 2016, the total expenditure on family benefits was CZK 25.5 billion which in relation to the total required expenditure on monetary family benefits in the amount of CZK 8.4 billion means that the Czech Republic fulfils Article 44.

In 2016, under valid legislation a taxpayer was entitled to receive a tax exemption for each dependent child living with him/her at home in the amount of CZK 13,404 per year, for the second child CZK 17,004 per year and for the third and any subsequent child CZK 20,604 per year. A taxpayer may have applied in the form of tax exemption, tax bonus, or of a combination of tax exemption and tax bonus. A family is entitled to tax bonus if the income is at least equal to six times the minimum wage, i.e. at least CZK 59,400 in 2016 (6 x CZK 9,900). The maximum amount of tax bonus for all dependent children in the household was set to CZK 60,300 per year. The conditions for occurrence of an entitlement to tax benefit are defined in the Section 35c of Act No. 586/1992 Coll., regulating Income Taxes, as amended, for the relevant tax periods.

Statistical information of 2017:

| | |
|--|-------------------------|
| <u>Gross monthly wage of an unskilled worker (according to Job Specification CZ-ISCO 93291 in the wage sphere)</u> | <u>CZK 22,209</u> |
| <u>Annual expenditure on child allowances</u> | <u>CZK 2.5 billion</u> |
| <u>Annual expenditure on parental allowances</u> | <u>CZK 23.0 billion</u> |
| <u>The number of dependent children</u> | <u>2,310.5 thousand</u> |
| <u>The total required expenditure for monetary family benefits</u> | <u>CZK 9.2 billion</u> |

The total required (monetary) expenditure of family benefits:

$22,209$ (wage of an unskilled labourer) x 0.015 (1.5% of wage) x 12 (months) x $2,310.5$ (thousands of children) = CZK 9.2 billion.

In 2017, the total expenditure on family benefits was CZK 25.5 billion which in relation to the total required expenditure on monetary family benefits in the amount of CZK 9.2 billion means that the Czech Republic fulfils Article 44.

➤ VII – 7. Duration of Benefit

Article 45. C102 and ECSS

Where the benefit consists of a periodical payment, it shall be granted throughout the contingency.

Report 2016-ECSS, Report 2016-C102:

Family benefits are paid throughout the entire contingency (child dependence, care for the youngest child in the family) and do not depend on insurance.

VII - 8. Suspension of Benefit

See under Part XIII-1.

Article 69. C102, Article 68. ECSS

A benefit to which a person protected would otherwise be entitled in compliance with any of Parts II to X of this Convention may be suspended to such extent as may be prescribed--

(b) as long as the person concerned is maintained at public expense, or at the expense of a social security institution or service, subject to any portion of the benefit in excess of the value of such maintenance being granted to the dependants of the beneficiary.

[Report 2018-ECSS](#)

[The Committee requests the Government to indicate whether the dependants of the beneficiary who is in prison or in custody are entitled to receive any portion of the family benefit in accordance with Article 68\(b\) of the Convention No 102.](#)

[Observation of the Czech Republic](#)

[The Czech Republic described the legislation in previous reports \(please see a table below\)](#)

[Dependants of the person who is in prison or in custody are entitled to child allowance if they meet prescribed conditions.](#)

[Child allowance is a personal claim of the dependent child, not of his/her parents.](#)

[Persons being in custody or in prison are not treated as family members \(jointly assessed persons\) on expiration of one month period. In such a case the other parent can draw the child allowance for the child.](#)

[According to Section 19\(3\): if the dependent child under 18 is in full direct maintenance \(provided with accommodation, food and clothing\) of institutional care for children or youth, the child allowance is paid to this institution.](#)

[In accordance to Section 54 \(4\): if the authorized/eligible person is in custody or in imprisonment his/her entitlement to benefits ceases to exist after the first calendar month in custody or in prison. There is an exception for mothers being in custody or prison together with their children – these mothers are eligible for parental allowance.](#)

Report 2017-ECSS

In accordance to the Section 54, para 4: if the authorized person is in custody or in imprisonment his/her entitlement to benefits ceases to exist for the period of second and subsequent calendar months after the commencement of this custody/imprisonment. Entitlement for the benefits for the period before such period is preserved. Entitlement for the parental benefit is also preserved in case of a woman taking care of her child during her custody/imprisonment.

Report 2016-ECSS, Report 2016-C102:

Payment of benefits may be stopped on the grounds of reasons listed in Article 68 par. d) of Act No. 117/1995 Coll.:

- According to the Section 53(2) of Act No. 117/1995 Coll.,: If it is found out that the benefit was granted or is paid in a higher amount than was due, or it was granted or paid unjustly, the benefit should be reduced or withdrawn, or its payment will be stopped.
- In accordance to the Section 54, para 4: if the authorized person is in custody or in imprisonment his/her entitlement to benefits ceases to exist.

ILO Comments: are the dependants of the beneficiary who is in prison or in custody entitled to the benefits according to the Art. 69(b) of C102, Art.68(b) of the ECSS?

Observation of the Czech Republic

Dependants of a person who is in prison or in custody are entitled to child allowance if they meet prescribed conditions. Child allowance is a personal claim of the dependent child, not of his/her parents. Persons being in custody or in prison are not treated as family members (jointly assessed persons) on expiration of one month period.

According to Section 19(3): if the dependent child under 18 is in full direct maintenance (they get accommodation, food and clothing) in child or youth care institution/facility, the child allowance is paid to this institution.

In accordance to the Section 54 (4): if the authorized/eligible person is in custody or in imprisonment his/her entitlement to benefits ceases to exist after the first calendar month in custody or in prison. There is an exception for mothers being in custody or prison together with their children – these mothers are eligible for parental allowance.

➤ **VII – 9. Right of complaint and appeal**

See under Part XIII-2

Report 2016-ECSS:

- Decisions on family benefits are issued in the administrative procedure by the regional branches of the Labour Office. The authority of appeal is the Ministry of Labour and Social Affairs. The proceedings are regulated by Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended. Administrative authorities' decisions may be subject to judicial review.
- Administration and payment of state social support benefits (family benefits) is a responsibility of state authorities. In the first instance it is the Labour Office (regional branches and a branch of the City of Prague), in the second instance it is the Ministry of Labour and Social Affairs.
The scope of participants in the proceedings is determined divergently from the Rules of Administrative which govern these issues in general.
Under Section 68c of the State Social Support Act, the participants in the benefits proceedings are:
a) Authorized person,

b) The recipient of the benefit (the authorized person or the statutory representative of the authorized person, a person into whose care a minor was placed in the custody according to the decision of the competent authority, a person directly maintaining a minor, the institution, if an entitled minor is maintained by such institution.),

c) A person evaluated jointly with the entitled person

d) Natural person or legal entity - a specific recipient (the conditions are regulated by Section 59 of the State Social Support Act).

- The regional branches of the Labour Office decide on the benefits in administrative proceedings. The authority of appeal is the Ministry of Labour and Social Affairs. The decisions concerning the benefits are subject to judicial review.

➤ VII - 10. Financing and Administration













See under Part XIII-3

Report 2016-ECSS:

The costs of family benefits are paid from the state budget; these are mandatory expenditures whose source is general taxation.

Part VIII. Maternity benefit

The Czech Republic has accepted the obligations resulting from Part VIII of C102 and Part VIII of the ECSS.

| Category | Full compliance | Request of information | |
|--|--|--------------------------|-------------------------------|
| | | insufficient information | no or very little information |
| VIII - 1. Regulatory framework |  Art.46 C102/ECSS | | |
| VIII - 2. Contingency covered |  Art.47 C102/ECSS | | |
| VIII - 3. Persons protected |  Art.48 C102/ECSS | | |
| VIII - 4. Types of Benefit | Art.49 C102/ECSS | | |
| VIII - 5. Level and Calculation of Benefit |  Art.50 C102/ECSS | | |
| VIII - 6. Qualifying period |  Art.51 C102/ECSS | | |
| VIII - 7. Minimum duration of Benefit |  Art.52 C102/ECSS | | |
| VIII - 8. Suspension of Benefit |  Art.69 C102  Art.68 ECSS | | |
| VIII - 9. Right of complaint and appeal |  Art.70 C102  Art.69 ECSS | | |
| VIII - 10. Financing and Administration |  Art.71 C102  Art.70 ECSS | | |

List of applicable legislation

Report 2016-ECSS:

- Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended

Report 2016-C102:

- Act No. 187/2006 Coll., on sickness insurance, took effect on 1 January 2007, and was amended in the given period by Acts No 263/2011 Coll., 341/2011 Coll., 364/2011 Coll., 365/2011 Coll., 470/2011 Coll., 1/2012 Coll., 375/2011 Coll., 410/2011 Coll., 169/2012 Coll., 167/2012 Coll., 470/2011 Coll. (part), 396/2012 Coll., 401/2012 Coll., 303/2013 Coll., 344/2013 Coll., 64/2014 Coll., 458/2011 Coll., 250/2014 Coll., 267/2014 Coll., 14/2015 Coll., 332/2014 Coll., 204/2015 Coll., 317/2015 Coll., 131/2015 Coll., 47/2016 Coll., 190/2016 Coll., 298/2016 Coll., 24/2017 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=62555&nr=187~2F2006&rpp=15#local-content>
- Act No. 189/2006 Coll., amending some acts in connection with adopting the Act on sickness insurance
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=62557&nr=189~2F2006&rpp=15#local-content>

- Act No. 582/1991 Coll., on organising and implementing social security, was updated by Acts No 220/2011 Coll., 263/2011 Coll., 220/2011 Coll. (part), 329/2011 Coll., 341/2011 Coll., 348/2011 Coll., 364/2011 Coll., 365/2011 Coll., 366/2011 Coll., 367/2011 Coll., 470/2011 Coll., 375/2011 Coll., 167/2012 Coll., 428/2011 Coll., 470/2011 Coll. (part), 399/2012 Coll., 401/2012 Coll., 403/2012 Coll., 274/2013 Coll., 303/2013 Coll., 313/2013 Coll., 344/2013 Coll., 64/2014 Coll., 136/2014 Coll., 458/2011 Coll., 250/2014 Coll., 251/2014 Coll., 267/2014 Coll., 332/2014 Coll., 317/2015 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 213/2016 Coll., 298/2016 Coll., 24/2017 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=39631&nr=582~2F1991&rpp=15#local-content>
- Act No. 48/1997 Coll., on public health insurance, was amended in the given period by Acts No. 365/2011 Coll., 1/2012 Coll., 369/2011 Coll., 458/2011 Coll., 275/2012 Coll., 401/2012 Coll., 403/2012 Coll., 44/2013 Coll., 238/2013 Coll., 60/2014 Coll., 109/2014 Coll., 458/2011 Coll., 60/2014 Coll., 250/2014 Coll., 256/2014 Coll., 267/2014 Coll., 1/2015 Coll., 200/2015 Coll., 314/2015 Coll., 200/2015 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=45178&nr=48~2F1997&rpp=15#local-content>
- Act No. 592/1992 Coll., on premiums for general health insurance, was amended in the given period by Acts No 138/2011 Coll., 298/2011 Coll., 329/2011 Coll., 369/2011 Coll., 401/2012 Coll., 500/2012 Coll., 11/2013 Coll., 342/2013 Coll., 458/2011 Coll., 344/2013 Coll., 109/2014 Coll., 458/2011 Coll., 344/2013 Coll., 109/2014 Coll., 458/2011 Coll., 401/2012 Coll., 500/2012 Coll., 250/2014 Coll., 267/2014 Coll., 200/2015 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=40381&nr=592~2F1992&rpp=15#local-content>

➤ VIII - 1. Regulatory framework

Article 46. C102 and ECSS

Each Member (Contracting Party) for which this Part of this Convention (Code) is in force shall secure to the persons protected the provision of maternity benefit in accordance with the following Articles of this Part.

➤ VIII - 2. Contingency covered

Article 47. C102 and ECSS

The contingencies covered shall include pregnancy and confinement and their consequences, and suspension of earnings, as defined by national laws or regulations resulting therefrom.

Report 2016-ECSS:

Article 46 and 47

A covered contingency is, according to the Sickness Insurance Act, pregnancy, childbirth and their consequences. The institute of earnings suspension is not explicitly defined in the Czech legislation, however, the fact there is a total suspension of earnings due to absence from work, not only its reduction, can be inferred from the systematic interpretation. The maternity benefit corresponds with this structure.

Report 2016-C102:

No changes.

VIII - 3. Persons protected

Article 48. C102 and ECSS

The persons protected shall comprise:

- (a) all women in prescribed classes of employees, which classes constitute not less than 50 per cent of all employees, and, for maternity medical benefit, also the wives of men in these classes; or
- (b) all women in prescribed classes of the economically active population, which classes constitute not less than 20 per cent of all residents, and, for maternity medical benefit, also the wives of men in these classes.

[Report 2018-ECSS, Report 2016-C102:](#)

[The Czech Republic refers to letter a\). In the case of monetary benefits all employed women are protected.](#)

[Data of 1 January 2017:](#)

[A. Number of covered employees:](#)

[a\) Employees with pension insurance 4,511,568 persons](#)

[b\) Self-employed persons with sickness insurance 89,513 persons](#)

[B. Total number of employees 4,511,568 persons](#)

[C. 100%](#)

[\(Source: the Czech Social Security Administration: the Annual Accounting Report\)](#)

[Report 2016-ECSS, Report 2016-C102:](#)

[The Czech Republic refers to letter a\). In the case of monetary benefits all employed women are protected.](#)

[Data of 1 January 2016:](#)

[A. Number of covered employees:](#)

[a\) Employees with pension insurance 4,418,031 persons](#)

[b\) Self-employed persons with sickness insurance 89,798 persons](#)

[B. Total number of employees 4,418,031 persons](#)

[C. 100%](#)

[\(Source: the Czech Social Security Administration: the Annual Accounting Report\)](#)

VIII - 4. Types of Benefit

Article 49. C102 and ECSS

1. In respect of pregnancy and confinement and their consequences, the maternity medical benefit shall be medical care as specified in paragraphs 2 and 3 of this Article.

2. The medical care shall include at least:

(a) pre-natal, confinement and post-natal care either by medical practitioners or by qualified midwives; and

(b) hospitalisation where necessary.

3. The medical care specified in paragraph 2 of this Article shall be afforded with a view to maintaining, restoring or improving the health of the woman protected and her ability to work and to attend to her personal needs.

4. The institutions or Government departments administering the maternity medical benefit shall, by such means as may be deemed appropriate, encourage the women protected to avail themselves of the general health services placed at their disposal by the public authorities or by other bodies recognised by the public authorities.

Report 2016-ECSS:

See notes with respect to Article 10. **See II-4.Types of Benefit**

Report 2016-C102:

- The personal scope of health care provided in pregnancy and maternity covers all women who are Czech citizens and women who work in the Czech Republic for employers with their registered office in the Czech Republic.
- Since 1 January 2015, the regulatory payment of CZK 30 for a visit at a physician's has been cancelled by an amendment to Act No. 48/1997 Coll. on public health insurance. No further changes.

ILO Comments: the Government Report on Article 10 of the ECSS does not contain sufficient

information with regard to the nature of the Medical Care provided in respect of pregnancy and confinement and their consequences.

Additional information

Since the amendments of the Health Insurance Act (valid as of January 2008), the fees for medication, doctors' visits and prescriptions, hospitalisation, and emergency care which are levied on the patient, constitute an infringement of ILO C102 and the ECSS. According to all relevant international standards, medical care in the event of pregnancy, childbirth, or their consequences should be free of charge. Although the fixed amounts may not be very high, imposing out-of-pocket payments is against the principles of maternity protection because of its discriminatory effect. The limited exemptions for pregnant women in the Czech regulations do not repair this deficit. In its report on 2007/2008, the government explained the rules on cost-sharing extensively, and concluded with the statement that in cases of pregnancy, childbirth and its consequences no participation on the costs of treatment provided is required. However, a thorough investigation of the regulations shows that this conclusion is not accurate.

However, for emergency care and hospitalisation, the general rules apply, thus also imposing out-of-pocket payments for each day spent in hospital on pregnant women and their newborn babies.

➤ VIII - 5. Calculation of Benefit

Article 50. C102 and ECSS

In respect of suspension of earnings resulting from pregnancy and from confinement and their consequences, the benefit shall be a periodical payment calculated in such a manner as to comply either with the requirements of Article 65 or with the requirements of Article 66. The amount of the periodical payment may vary in the course of the contingency, subject to the average rate thereof complying with these requirements.

Report 2016-ECSS/C102:

A. The Czech Republic refers to Article 65.

Chapter I

Data of 1 January 2017

A.

The rules for calculation of maternity benefits

1. The specified period: 12 calendar months (as a rule) preceding the calendar month in which the employee started his/her maternity leave.
2. The daily assessment base (DAB): qualifying income divided by the number of calendar days of the specified period (some days are not included to avoid unjustified dilution of the daily assessment base, for example the days of providing sickness benefits).
3. Qualifying income: all income subject to social security contribution and contributions to the state employment policy is calculated for an employee (employees) for the specified period.
4. Reduction of the daily assessment base: the amount to the first reduction limit is counted in full. Out of the amount between the first and second reduction limit 60% is counted. Out of the amount between the second and third reduction limit 30% is counted and the amount above the third reduction limit is not taken into account.
5. In [2017-2018](#), the first reduction limit is CZK [9421,000](#), the second reduction limit is CZK [1,412,499](#) and the third reduction limit is CZK [2,824,998](#).

6. The daily benefit is fixed at the rate of 70% of the daily assessment base.
7. Maternity benefit is granted for a period of 28 weeks. In the case of women who gave birth to more children at the same time and take care of at least two of them, the maternity benefit is provided for 37 weeks.

B.

The assessment of the required level of maternity benefit is regulated by Article 65, paragraph 6 point a). In the Czech Republic, participation of an employee in sickness insurance is compulsory and these employees are secured by sickness insurance. Insurance of self-employed persons is voluntary.

C. The average gross wage of a skilled worker was CZK ~~26,919,29,211~~ in ~~2016~~2017. As social benefits are not taxed in their vast majority in the Czech Republic and no health or social insurance is paid from them, the shares of benefits may be added to the net wage.

Chapter V

Data of 1 January ~~2017~~2018

D. – G. Calculation of the ratio for the evaluation of the level of maternity benefits

- Gross wage of a skilled worker of ~~2016-2017~~ is used, i.e. CZK ~~26,919,29,211~~.
- **Net wage** (of a taxpayer) is CZK ~~20,618,22,197~~.
- The daily assessment base for the calculation of maternity benefits (DAB) is the ratio of annual wage and the number of days in the year: CZK ~~26,919,29,211~~ x 12/365 = CZK ~~885,019,60,37~~.
- **The daily assessment base** is reduced
DAB since the first day: ~~885,019,60,37~~ x 100% = CZK ~~886,961~~.
- **Daily amount** of maternity benefits from the 1st day: 70% x ~~886,961~~ = CZK ~~621,673~~.
- **Monthly amount of maternity benefits:** 30 x ~~621,673~~ = CZK ~~18,630,20,190~~.
- **The ratio** of income after the insurance claim (maternity benefit) to income before the insurance claim (net wage): ~~18,630,20,190~~ / ~~20,618,22,197~~ = ~~90,491,0~~%.

| Wage in CZK per month | | The amount of maternity benefits in CZK per month | Ratio maternity benefit / wage in % | |
|-------------------------------------|-------------------------------------|---|-------------------------------------|---------------------|
| Gross | Net | | Gross | Net |
| 26,919,29,2 <u>11</u> | 20,618,22,19 <u>7</u> | 18,630,20,190 | 69.21 | 90,491,0 |

The European Code of Social Security requires ratio of maternity benefit to preceding income of the insured 45%. **The Czech Republic fulfils the required level of maternity benefits to gross as well as net wage.**

➤ VIII - 6. Qualifying period

Article 51. C102 and ECSS

The benefit specified in Articles 49 and 50 shall, in a contingency covered, be secured at least to a woman in the classes protected who has completed such qualifying period as may be considered necessary to preclude abuse, and

the benefit specified in Article 49 shall also be secured to the wife of a man in the classes protected where the latter has completed such qualifying period.

Report 2016-ECSS:

Maternity benefit applies to an employee if she participated in a period of at least 270 days of sickness insurance in the last two years before drawing this benefit and if her employment or the protection period after termination of employment continues. The protection period is a maximum of 180 days after the termination of an employment.

The following is also included in the required period of 270 days of insurance:

- A period of study at a high school, at a vocational school or at a university or at a conservatoire considered as systematic preparation for future occupation for purposes of pension insurance, if the study has been successfully completed,
- The period of disability pension drawing for level-three disability, if that pension was withdrawn and the insured activity has arisen or continued after the withdrawal of the benefit.

If the claim is made for maternity benefits from sickness insurance, in which the condition of 270 days of participation in sickness insurance is not met, duration of participation in previous insurances in two years prior to the commencement of maternity is taken into account of this requirement. Overlapping periods of insurance benefits can only be counted once. If at the same time the claim to maternity benefits is made from one or more types of insurance, in which the condition of participation of 270 days of sickness insurance was met, and from insurance, in which this condition has not been met, only days in the period of two years prior to the commencement of maternity benefit, in which the participation in insurance of 270 days occurred in parallel in the given types of insurance, from which the claim for maternity benefit has been made, are counted towards the fulfilment of this condition for the insurance, in which this condition has not been met. If the condition of insurance was not met in multiple types of insurance, the periods of participation of two years prior to the commencement of maternity benefit are only counted for the fulfilment of the said condition in case of insurance which has the highest daily assessment base.

Report 2016-C102:

The conditions of entitlement to the maternity benefit are specified in Section 32 of Act No. 187/2006 Coll., on sickness insurance, without material changes in comparison to the previous legislation.

➤ **VIII - 7. Minimum duration of Benefit**

Article 52. C102 and ECSS

The benefit specified in Articles 49 and 50 shall be granted throughout the contingency, except that the periodical payment may be limited to 12 weeks, unless a longer period of abstention from work is required or authorised by national laws or regulations, in which event it may not be limited to a period less than such longer period.

Report 2016-ECSS:

The period of entitlement to maternity benefit of an insured woman who has given birth to a child must not be shorter than 14 weeks and must not expire earlier than six weeks since the date of birth of the child.



➤ VIII - 8. Suspension of Benefit

See under Part XIII-1

Report 2016-ECSS:

An insured individual is not entitled to the maternity benefit for the period during which:

- Individual performs the insured activity of which this benefit is based, work or is self-employed,
- Individual is entitled to receive the qualifying income from employment, on which this benefit is based under the special legal regulations.

Maternity benefits are not paid:

- To a mother of a child for the period of time when she concludes an agreement with a child's father or husband of the mother as to fact that said individual will assume the care of the child and such insured individual is entitled to receive the maternity benefit; in this case the maternity benefit is not paid to the mother of the child, but to her husband or to the child's father. Such an agreement cannot be concluded sooner than after 6 weeks after birth of the child.
- To an insured individual for the period of time when a child was taken into institutional medical facility care due to medical reasons and the insured person performs work or self-employment in the insured activity of which the maternity benefit is provided at this time,
- To an insured individual for the time when he/she cannot or will not care for a child due to a serious long-term illness, for which he/she was recognized temporarily unable to work, and the child was in the care of another natural person or legal entity due to this reason,
- For the period during which the insured person does not care for a new born child and the child was entrusted to foster care or to institutional care due to this reason,
- To an insured individual for the time a child has been in institutional care due to other than medical reasons of a child or of an insured person except for the first fourteen weeks from the beginning of the supporting period.

The insured woman is in receipt of the maternity cash benefit for the minimum duration of the supporting period pursuant to Section 35 of the Sickness Insurance Act (the first fourteen weeks after the birth), irrespective of whether the woman actually takes care of the child or not over that period.

**Direct Request (CEACR) - adopted 2011, published 101st ILC session (2012)
Social Security (Minimum Standards) Convention, 1952 (No. 102)**

Czech Republic (*Ratification: 1993*). The Committee observes that in the social security law the above cases of the suspension of benefit are usually applied with respect to the childcare benefit granted to the insured person who actually cares for the child, and not to the maternity benefit, which is granted to the mother herself to maintain her income during the minimum period necessary for restoring or improving her health in connection with the pregnancy and confinement. As defined in *Article 47* of the Convention, the maternity benefit is not conditional upon caring for the child. It should be paid out at least for the period of 12 weeks before and after confinement even if the child is stillborn or dies soon after birth, and is not transmissible to the father or any other carer. **In the light of these explanations and taking into account that maternity benefit in the Czech Republic is provided for a much longer period, the Committee wishes the Government to assess the compatibility of the abovementioned provisions with the grounds for the suspension of the maternity benefit allowed by Article 69 of the Convention.**

Report 2016-C102:

Response to comments of the Committee of Experts

The entitlement to the maternity benefit arises when the statutory conditions are met. The period for which the maternity benefit is provided (so-called contribution period) is 28 weeks for women who delivered a child (37 weeks for multiple births). The contribution period begins on the day the maternity benefit starts, while that day is defined by the woman herself, within the period from the start of the 8th week until the start of the 6th week before the planned date of childbirth. For a woman who gave birth, the contribution period must not be shorter than 14 weeks and must not end sooner than 6 weeks after the date of the childbirth. That applies also to cases where the mother does not take care for the child and the child is committed to a care replacing parental care, to institutional care for reasons other than health on the part of the child or the mother. The contribution period must not be shorter than 14 weeks also in cases where the child is stillborn or dies soon after birth.

Concerning the suspension of maternity benefit payments, the entitlement to the benefit payments does not cease and after the obstacles are resolved, the benefit payments are resumed. For example, if a woman who is entitled to maternity benefit cannot or is not allowed to care for the child due to a serious and long-term illness for which she has been assessed as temporarily unable to work and the child is cared for by another person, the maternity benefit payment will be suspended. In such case, the woman is entitled to sickness benefit payment. If during the temporary incapacity for work of the mother the maternity benefit is not paid to the father of the child or to her husband, the mother may draw the remaining part of the contribution period after the end of the temporary incapacity for work, i.e. after the reason for suspension has ceased.

A woman who is entitled to maternity benefit payment may, based on her decision, conclude an agreement with her husband or father of the child on taking up the care for the child, but not sooner than 6 weeks after the date of childbirth and for a period of at least 7 consecutive calendar days. In such case, the mother voluntarily gives up the maternity benefit in favour of the man who may become the recipient of such benefit until the contribution period is exhausted. The total contribution period is usually 28 weeks. In such case, the maternity benefit will be paid to the husband or father of the child and not to the mother, but never before 6 weeks have lapsed after the childbirth. Such option is usually used when the income from occupation or employment of the woman is higher than the income of her husband or father of the child. The number of the individual agreements (alternations in care) within the contribution period is not limited, that means that the mother of the child can, after a suspension, resume receiving maternity benefit if the husband or father of the child stops receiving the benefit, until the total contribution period (usually 28 weeks) has expired.

According to national legislation of the Czech Republic (Section 35 of Act No 187/2006 on sickness insurance, as amended), women have a guaranteed minimum length of the maternity benefit provision for 14 weeks and the benefit is paid during that period regardless of the factual care for the child. The payment of the benefit within this period is thus not directly conditioned upon the physical care for the child.

➤ VIII - 9. Right of appeal

See under Part III-9

➤ VIII - 10. Financing and Administration

See under Part XIII-3

Report 2016-ECSS:

The competent authority in the field of sickness insurance (and maternity benefits) is the District Social Security Administration which is responsible for the implementation of the sickness insurance scheme and provides sickness benefits.

Part IX. Invalidation benefit

The Czech Republic has accepted the obligations resulting from Part IX of C102 and Part IX of the ECSS.

| Category | Full compliance | Request of information | |
|---|---|--------------------------|-------------------------------|
| | | insufficient information | no or very little information |
| IX-1. Regulatory framework | ➤ <i>Art.53 C102/ECSS</i> | | |
| IX-2. Contingency covered | ➤ <i>Art.54 C102/ECSS</i> | | |
| IX-3. Persons Protected | 👍 <i>Art.55 C102/ECSS</i> | | |
| IX-4. Level and Calculation of Benefit | ➤ <i>Art.56 C102/ECSS</i> | | |
| IX-5. Adjustment of Benefit | ➤ <i>Art.65(10)C102/ECSS</i> ➤ <i>Art.66 (8) C102/ECSS</i> | | |
| IX-6. Qualifying period | ➤ <i>Art.57 C102/ECSS</i> | | |
| IX-7. Duration of Benefit | ➤ <i>Art.58 C102/ECSS</i> | | |
| IX-8. Suspension of Benefit | ➤ <i>Art.69 C102</i> ➤ <i>Art.68 ECSS</i> | | |
| IX-9 Right of complaint and appeal | ➤ <i>Art.70 C102</i> ➤ <i>Art.69 ECSS</i> | | |
| IX-10. Financing and Administration | ➤ <i>Art.71 C102</i> ➤ <i>Art.70 ECSS</i> | | |

List of applicable legislation

Report 2016-ECSS:

- Regulation No. 284/1995 Coll., implementing the Pension Insurance Act, as amended
- Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended
- Regulation No. 359/2009 Coll., to determine the Percentage Rate of Decline in Ability to Work and Prerequisites for Disability Assessment and Regulates the Assessment of Capacity to Work for the Purpose of Disability

Report 2016-C102:

- Act No. 582/1991 Coll., on organising and implementing social security, was updated by Acts No 220/2011 Coll., 263/2011 Coll., 220/2011 Coll. (part), 329/2011 Coll., 341/2011 Coll., 348/2011 Coll., 364/2011 Coll., 365/2011 Coll., 366/2011 Coll., 367/2011 Coll., 470/2011 Coll., 375/2011 Coll., 167/2012 Coll., 428/2011 Coll., 470/2011 Coll. (part), 399/2012 Coll., 401/2012 Coll., 403/2012 Coll., 274/2013 Coll., 303/2013 Coll., 313/2013 Coll., 344/2013 Coll., 64/2014 Coll., 136/2014 Coll., 458/2011 Coll., 250/2014 Coll., 251/2014 Coll., 267/2014 Coll., 332/2014 Coll., 317/2015 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 213/2016 Coll., 298/2016 Coll., 24/2017 Coll., 99/2017 Coll., 148/2017 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=39631&nr=582~2F1991&rpp=15#local-content>

- Act No. 48/1997 Coll., on public health insurance, was amended in the given period by Acts No. 365/2011 Coll., 1/2012 Coll., 369/2011 Coll., 458/2011 Coll., 275/2012 Coll., 401/2012 Coll., 403/2012 Coll., 44/2013 Coll., 238/2013 Coll., 60/2014 Coll., 109/2014 Coll., 458/2011 Coll., 60/2014 Coll., 250/2014 Coll., 256/2014 Coll., 267/2014 Coll., 1/2015 Coll., 200/2015 Coll., 314/2015 Coll., 200/2015 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=45178&nr=48~2F1997&rpp=15#local-content>
- Act No. 592/1992 Coll., on premiums for general health insurance, was amended in the given period by Acts No. 138/2011 Coll., 298/2011 Coll., 329/2011 Coll., 369/2011 Coll., 401/2012 Coll., 500/2012 Coll., 11/2013 Coll., 342/2013 Coll., 458/2011 Coll., 344/2013 Coll., 109/2014 Coll., 458/2011 Coll., 344/2013 Coll., 109/2014 Coll., 458/2011 Coll., 401/2012 Coll., 500/2012 Coll., 250/2014 Coll., 267/2014 Coll., 200/2015 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=40381&nr=592~2F1992&rpp=15#local-content>
- Act No. 155/1995 Coll., on pension insurance, was amended by Acts No. 220/2011 Coll., 428/2011 Coll., 341/2011 Coll., 348/2011 Coll., 364/2011 Coll., 365/2011 Coll., 470/2011 Coll., 314/2012 Coll., 463/2012 Coll., 428/2011 Coll., 401/2012 Coll., 403/2012 Coll., 267/2013 Coll., 274/2013 Coll., 303/2013 Coll., 344/2013 Coll., 182/2014 Coll., 183/2014 Coll., 218/2007 Coll., 458/2011 Coll., 250/2014 Coll., 267/2014 Coll., 332/2014 Coll., 267/2006 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 47/2016 Coll., 137/2016 Coll., 212/2016 Coll., 213/2016 Coll., 24/2017 Coll., 99/2017 Coll., 148/2017 Coll., 150/2017 Coll.
- <https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=43085&nr=155~2F1995&rpp=15#local-content>

➤ IX - 1. Regulatory framework

Article 53. C102 and ECSS

Each Member (Contracting Party) for which this part of this Convention (Code) is in force shall secure to the persons protected the provision of invalidity benefit in accordance with the following Articles of this Part.

➤ IX - 2. Contingency covered

Article 54. C102 and ECSS

The contingency covered shall include inability to engage in any gainful activity, to an extent prescribed, which inability is likely to be permanent or persists after the exhaustion of sickness benefit.

Report 2016-ECSS, Report 2016-C102:

Article 53 and 54

A covered contingency is the disability of the level-three according to Section 39 of the Pension Insurance Act. An insured person is disabled of the level-three, if there is decrease of his/her ability to work by at least 70% due to long-term unfavourable health condition.

Report 2016-ECSS:

The percentage rate of decrease of working ability, prerequisites for assessment of disability and assessment of working ability for the purposes of the designation of disability are stipulated by the regulation of the Ministry of Labour and Social Affairs No. 359/2009 Coll.

Report 2011-C102:

Changes in the legislation concerning the definition of invalidity

Levels of invalidity were newly defined by Act No. 306/2008 Coll., which amended the Act on Pension Insurance with effect from 1 January 2010. The existing full and partial invalidity were substituted by three-level invalidity. A single benefit (invalidity pension for a level-one, level-two or level-three invalidity) was introduced instead of full and partial invalidity pension at the same time.

An insured individual is disabled if his/her work ability has fallen

- by at least 35 %, but not by more than 49 %: **level-one disability**
- by at least 50 %, but not by more than 69 %: **level-two disability**
- by at least 70 %: **level-three disability**.

The percentage of the fall in work ability, the prerequisites for the disability assessment and the assessment of the work ability for the purposes of the designation of disability are set out in Decree No. 359/2009 Coll. The contingency covered includes level one, two and three disability.

Report 2011-C102:

Discussion with the Trade Union

Prior sending to the International Labour Organisation, the report draft was discussed with the Czech-Moravian Confederation of Trade Unions, Association of Independent Unions, Confederation of Employers' and Entrepreneurs' Unions, and Confederation of Industry as the most representative organisations of employers and workers.

Comments were received from the Czech-Moravian Confederation of Trade Unions ("CMKOS") concerning the invalidity benefits, where CMKOS emphasised that it did not agree with changes to the definition of invalidity and alleged that these changes were driven by an effort to reduce number of beneficiaries in order to make savings at any cost. About 74-75 % of persons previously found to be partially invalid were categorised to the first level of invalidity (work ability has fallen by at least 35 but not by more than 49 %). Persons with unfavourable health status, whose situation has not changed and who were previously pronounced partially or fully invalid, were deprived of their pension only because of the change in definition of invalidity.

In response, the Government wishes to state the following:

The data presented by CMKOS are based on estimates of MoLSA and the Czech Social Security Administration from 2008, made in connection with the proposed amendment to the Pension Insurance Act (Act 306/2008 Coll.); at that time, the analysis of cases of partial invalidity has shown that 33-49% decline in work ability was recognized in 75% of these cases and 50-65% decline in work ability was recognized in 25% of cases.

In connection with the draft decree on the assessment of invalidity (Decree No. 359/2009 Coll.), about 5 % possibility of change between the degrees of invalidity, due to the progresses in medicine, was estimated. Many cases of invalidity are diagnosed much sooner and/or addressed by new forms of medical treatment with fewer adverse effects when compared to the situation in 1995, with results of treatment better and the negative impact on work ability lower.

These facts correlate with the Ministry of Health data concerning improvements in the health status of population compared to the situation in the early nineties. The pension insurance statistics show that changes between the degrees of invalidity in 2010 corresponded to MoLSA predictions.

Changes between the degrees of invalidity are consistent with the changing effects of invalidity on work ability and with the views of independent health professionals; the legislation (Act No. 306/2008 Coll., Decree. No. 359/2009 Coll.) only implemented the advances of medical science in the period of last 15 years into pension insurance systems. As it is not possible to treat people in 2010 by means that were used in the medicine in the first half of the nineties, it is also not possible to use "health considerations" defined in 1995 to assess invalidity in 2010.

Direct Request (CEACR), C102 - adopted 2011, published 101st ILC session (2012)

Part IX (Invalidity benefit), Article 54. The Committee notes the observation of the Czech–Moravian Confederation of Trade Unions (CMKOS) as well as the Government’s reply to it included in the report. The CMKOS emphasized in particular that the recent changes in the definition of invalidity were driven by an effort to reduce the number of beneficiaries in order to make savings at any cost. *The Committee would like the Government to explain in its next report, by reference to the corresponding provisions of the legislation, what changes were made in the definition of invalidity and what reasons were advanced for introducing them into the national legislation. Please provide statistics comparing the number of new entrants into the invalidity scheme by category in the years before and after the change in the definition and assessment of the level of invalidity, as well as the total expenses encountered by the scheme on provision of invalidity benefits.*

Report 2016-C102:

Response to comments of the Committee of Experts

A new definition of invalidity has been introduced by Act No 306/2008 which abolished, with effect from 1 January 2010, the division of invalidity to full and partial (and therefore the division of invalidity benefits to full invalidity and partial invalidity benefits) and it introduced invalidity benefit whose amount depends on the ascertained degree of invalidity. The purpose of the amendment was mainly to target better the benefit compensation according to the level of the decreased capacity for work, and modernisation and higher precision of the assessment process, not the reduction of expenditure on invalidity benefits.

Invalidity is defined in three degrees, according to the rate of decrease in the capacity for work. An insured is invalid if their capacity for work has decreased

- at least by 35%, but at most by 49%, it is the first-degree invalidity
- at least by 50 %, but at most by 69 %, it is the second-degree invalidity
- at least by 70 %, it is the third-degree invalidity.

The percentage rate of reduction in working capacity, the requirements for invalidity assessment, and the assessment of working capacity for the purpose of invalidity are stipulated by Decree No 359/2009 Coll. This model expresses the equality of the insured in relation to the disability in the system of pension insurance and invalidity where the decisive fact is the statutory decrease in the capacity for work, regardless of the disability it results from.

In 2010, the number of newly granted invalidity benefits decreased, since 2014 their number has been rising again. The decrease in the number of newly granted benefits is significantly influenced by the fact that a change in the invalidity degree is not deemed to be the granting of a new benefit and it has not shown since 2010 in the statistics of the newly granted invalidity benefits. On the contrary, the transition between a full and partial invalidity benefit was recognised in the statistics as the granting of a new invalidity benefit. It must be said that the size of benefits for persons who had received invalidity benefits before the effect of the new legislation has not changed. The impact of the new definition of invalidity on the invalidity benefit expenditure is therefore limited. The drop in the invalidity benefit expenditure between 2009 and 2010 was caused by the transformation of invalidity benefits for persons over 65 years of age to old-age benefits; that transformation was also introduced by Act No 306/2008.

The development of the newly granted invalidity benefits, 2008-2015

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------|-------|-------|-------|------|------|------|------|-------|
| Full disability | 21780 | 20992 | | | | | | |
| Partial disability | 25847 | 26191 | | | | | | |
| III. degree | | | 10488 | 9945 | 9699 | 9539 | 9860 | 10657 |

| | | | | | | | | |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|
| II. degree | | | 5013 | 4859 | 4821 | 4588 | 4674 | 5304 |
| I. degree | | | 12614 | 12486 | 14095 | 13729 | 14828 | 16752 |
| Total | 47627 | 47183 | 28115 | 27290 | 28615 | 27856 | 29362 | 32713 |

Note: Since 2010: a change in the invalidity degree is not the granting of a new invalidity benefit.

The development of invalidity benefit expenditure (in CZK billions), 2008-2015

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------|------|------|------|------|------|------|------|------|
| Full disability | 42,4 | 44,4 | | | | | | |
| Partial disability | 15,0 | 16,6 | | | | | | |
| III. degree | | | 30,9 | 29,5 | 28,1 | 26,9 | 26,1 | 26,5 |
| II. degree | | | 4,3 | 5,1 | 5,3 | 5,5 | 5,6 | 5,8 |
| I. degree | | | 12,5 | 12,8 | 12,2 | 11,8 | 12,0 | 11,7 |
| Total | 57,4 | 61,0 | 47,7 | 47,5 | 45,5 | 44,1 | 43,7 | 44,0 |

Notes: Net expenditure without the impact of advance payments to post offices.

Since 2010: the expenditure on transformed invalidity benefits for persons over 65 years of age is a part of the old-age benefit expenditure.

IX - 3. Persons protected

Article 55. C102 and ECSS

The persons protected shall comprise:

- (a) prescribed classes of employees, constituting not less than 50 per cent of all employees; or
- (b) prescribed classes of the economically active population, constituting not less than 20 per cent of all residents; or
- (c) all residents whose means during the contingency do not exceed limits prescribed in such a way as to comply with the requirements of Article 67.

Report 2018-ECSS

The Czech Republic refers to letter a). The Czech Republic refers to the interpretation of Article 27: the scope of protected persons is the same.

Statistical Data 2017

A. Number of covered employees:

- a) Employees with pension insurance: 4,511,568 persons
- b) Self-employed persons with pension insurance: 680,962 persons

B. Total number of employees 4,511,568 persons

C. 100%

(Source: the Czech Social Security Administration: the Annual Accounting Report)

Report 2016-ECSS, Report 2016-C102:

The Czech Republic refers to letter a). The Czech Republic refers to the interpretation of Article 27; the scope of protected persons is the same.

Statistical Data

A. Number of covered employees:

- a) Employees with pension insurance: 4,418,031 persons
- b) Self-employed persons with pension insurance: 677,521 persons

B. Total number of employees 4,418,031 persons

C. 100%

(Source: the Czech Social Security Administration: the Annual Accounting Report)

IX - 4. Level and Calculation of Benefit

Article 56. C102 and ECSS

The benefit shall be a periodical payment calculated as follows:

(a) where classes of employees or classes of the economically active population are protected, in such a manner as to comply either with the requirements of Article 65 or with the requirements of Article 66;

(b) where all residents whose means during the contingency do not exceed prescribed limits are protected, in such a manner as to comply with the requirements of Article 67.

Report 2016-ECSS/C102:

Chapter I

Data of 1 January 2017/2018

A benefit is a periodic payment calculated according to the same rules as the old-age benefit (see interpretation in the Art. 26).

A.

The rules for calculating invalidity benefit of the level-three disability

The benefit consists of two components:

Basic amount: CZK 2,550-700 per month (9% of the average gross wage).

The percentage amount: depends on the individual's income earnings ascertained in the specified period before the entitlement to the invalidity benefit and the number of years of insurance. For invalidity benefit granted to level-three disability it is 1.5% of the calculation basis for each entire year of insurance. The calculation basis is determined on the basis of the average indexed gross wage (earnings are indexed in relation to the average wage growth in the national economy) for the specified period, i.e. usually since 1986 to the year preceding the year in which the person first qualified for the benefit. To determine the calculation basis, this average ("personal assessment base") is reduced in this way: to the first reduction limit 100% is counted out of this amount, between the first and the second reduction limits 26% is counted and the amount above the second reduction limit is not taken into account.

In 2017, the first reduction limit is CZK 12,423 and the second is CZK 112,928.

In 2018, the first reduction limit is CZK 13,191 and the second is CZK 116,616.

B.

For the assessment of the required level of invalidity benefit is proceeded by Article 65, paragraph 6 point a). In the Czech Republic, economically active population is covered with pension insurance.

C. In 2017⁶, the average gross wage of a skilled worker was CZK 26,919^{29,211} (according to a Job Specification CZ-ISCO 72231 – a metal turner – a machine setter and an operator).

In the Czech Republic, to calculate the invalidity benefit, the insurance period includes the interim period, i.e. the period from the day of entitlement to the invalidity benefit up to reaching the retirement age (for men and women, for this purpose, this means the retirement age prescribed for a women who has not brought up any child), therefore it is possible to reckon with 30 years of insurance for the amount of the benefit.

Chapter II

Data of 1 January [2017/2018](#)

D. – G. Calculation of the ratio for the evaluation of the invalidity benefit of level-three disability

- Gross wage of a skilled worker is used (according to Job Specification CZ-ISCO 72231 – a metal turner – a machine setter and an operator) in 20167, i.e. CZK [26,91929,211](#).
- **Net wage** (after application of the tax relief to a taxpayer and two children) is CZK [23,15224,931](#).
- Personal assessment basis ([26,91929,211](#)) is reduced:
 $12,42313,191 + (26,91929,211 - 12,42313,191) \times 26\% = \text{CZK } 16,19217,357$.
- **The percentage amount** for thirty years of insurance: $30 \times 1.5\% \times 16,19217,357 = \text{CZK } 7,297811$.
- **The amount of the level-three disability benefit:**
basic amount and the percentage amount $2,550,2700 + 7,2977,811 = \text{CZK } 9,83710,511$.
- **Child allowances for two children** – in the amount of [1,220,820](#) (2 x CZK [610,910](#)).
- **The rate of incomes** after the insurance claim (disability benefit of the level-three and allowances for two children) to incomes before the insurance claim (net wage and allowances for two children): $11,05712,331 / 24,37226,751 = 45.446.1\%$.

| Wage in CZK per month | | Allowances for 2 children in CZK | Invalidity benefit in CZK | Ratio benefit / wage *) | |
|------------------------------|------------------------------|----------------------------------|-----------------------------|-------------------------|--------------------------|
| Gross | Net | | | Gross | Net |
| 26,91929,211 | 24,37224,931 | 1,220820 | 9,83710,511 | 39.37 | 45.446.1 |

*) Invalidity benefit and salary including allowances for two children [in the amount from 1 January 2018](#).

The European Code of Social Security requires the rate of incomes of the invalidity benefit to the previous insured incomes of 40%. **The Czech Republic fulfils the required level of invalidity benefit to net wage.**

➤ IX – 5. Adjustment of benefits

See under Part V-5

Report 2016-ECSS:

Chapter VI

- g. See answer in Part V Article 28, Chapter VI
- h. The indexes are stated in Part V Article 28, Chapter VI

i.

| Year | Average invalidity benefit ¹⁾ | | Invalidity benefit of a standard recipient ²⁾ | |
|------------------|--|-------------------------------|--|--------------------|
| | abs. in CZK | index in % | abs. in CZK | index in % |
| 2011 | 10,006 | - | 8,955 | - |
| 2012 | 10,163 | 101.6 | 8,792 | 98.2 |
| 2013 | 10,257 | 100.9 | 9,015 | 102.5 |
| 2014 | 10,274 | 100.2 | 8,992 | 99.7 |
| 2015 | 10,434 | 101.6 | 9,253 | 102.9 |
| 2016 | 10,412 | 99.8 | 9,432 | 101.9 |
| 2011-2015 | - | 104.3 | - | 103.3 |
| <u>2017</u> | <u>10,753</u> | <u>103.3</u> | <u>9,837</u> | <u>104.3</u> |
| <u>2017/2018</u> | <u>10,677,11,081</u> ³⁾ | <u>103,12,5</u> ³⁾ | <u>9,837,10,511</u> | <u>104,3,106,9</u> |

¹⁾ Level-three disability benefit is paid separately (not simultaneously paid with the survivor's benefit) without child allowance.

²⁾ Level-three disability benefit, without child allowances.

³⁾ Preliminary data of the 1st quarter of 2017/2018.

➤ IX - 6. Qualifying period

Article 57. C102 and ECSS

1. The benefit specified in Article 56 shall, in a contingency covered, be secured at least:

(a) to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a **qualifying period which may be 15 years of contribution or employment, or 10 years of residence; or**

(b) where, in principle, all economically active persons are protected, to a person protected who has completed a qualifying period of three years of contribution and in respect of whom, while he was of working age, the prescribed yearly average number of contributions has been paid.

2. Where the benefit referred to in paragraph 1 is conditional upon a minimum period of contribution or employment, a reduced benefit shall be secured at least:

(a) to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period of five years of contribution or employment; or

(b) where, in principle, all economically active persons are protected, to a person protected who has completed a qualifying period of three years of contribution and in respect of whom, while he was of working age, half the yearly average number of contributions prescribed in accordance with subparagraph (b) of paragraph 1 of this Article has been paid.

3. The requirements of paragraph 1 of this Article shall be deemed to be satisfied where a benefit calculated in conformity with the requirements of Part XI but at a percentage of ten points lower than shown in the Schedule appended to that Part for the standard beneficiary concerned is secured at least to a person protected who has completed, in accordance with prescribed rules, five years of contribution, employment or residence.

4. A proportional reduction of the percentage indicated in the Schedule appended to Part XI may be effected where the qualifying period for the pension corresponding to the reduced percentage exceeds five years of contribution or employment but is less than 15 years of contribution or employment; a reduced benefit shall be payable in conformity with paragraph 2 of this Article.

Report 2016-ECSS:

The benefit is granted to protected individuals under the requirement of completing a necessary insurance period. If the disability was a result of a work accident, no insurance period is required. A person who has reached at least 18 years of age, has a permanent residence in the territory of the Czech Republic and is disabled with level-three disability, is also entitled to a corresponding disability benefit if such disability arose before said individual reached 18 years of age and this person has not participated in the insurance system for the required period. The required insurance period for other disabled persons is

graded according to the age reached at the date of disability. There are three phases: up to 20 years, between 20 and 38 years and over 38 years. Till 20 years, the necessary contribution period is [less than](#) one year, between 20 and 28 years it is set in the range of one to four years and since 28 years it is five years and the last ten years preceding the disability occurrence are considered. For an insured individual older than 38 years, the condition of the required insurance period for entitlement to disability benefit is considered to be fulfilled also, if the period was completed in the last 20 years before the occurrence of the disability; the required insurance period in this case is 10 years.

Report 2017-ECSS:

The condition of required insurance period for entitlement to disability benefit of an insured individual older than 38 years is the same as for disabled person over 28 years (i. e. five years in the last ten years preceding the disability occurrence). The condition of necessary contribution period can be also met, if the period was completed in the last 20 years before the occurrence of the disability; the required insurance period in this case is 10 years (the substitute condition of the required insurance period).

Report 2016-C102:

No changes.

➤ IX - 7. Duration of Benefit

Article 58. C102 and ECSS

The benefit specified in Articles 56 and 57 shall be granted throughout the contingency or until an old age benefit becomes payable.

Report 2018-ECSS:

[Level-three disability benefit is granted during the entire duration of disability until the age of 65. On the day of reaching the age, an entitlement to a disability benefit expires and an entitlement to an old-age benefit of the same amount as the previously entitled disability benefit occurs. Nevertheless, the beneficiary of the old-age benefit has an option to ask for a calculation of his/her old-age benefit according to the general rules⁴⁰.](#)

Report 2016-ECSS:

Level-three disability benefit is granted during the entire duration of disability until the age of 65 or the retirement age, if it is higher than 65 years. On the day of reaching the age, an entitlement to a disability benefit expires and an entitlement to an old-age benefit of the same amount as the previously entitled disability benefit occurs. Nevertheless, the beneficiary of the old-age benefit has an option to ask for a calculation of his/her old-age benefit according to the general rules.

Report 2016-C102:

No changes.

Conclusions of the CEACR on the application of the ECSS (adopted in 2015)

Part IX (Invalidity benefit), Article 58. The report states that the disability pension is paid throughout the entire period of disability up to the age of 65, when it is transformed into an old-age pension at the same level, with an

⁴⁰ According to Act No. 203/2017 Coll., amending Act. No. 155/1995 Coll., Pension Insurance Act and other related acts effective from 1 January 2018. The change relates to abolishment of unlimited raise of age for entitlement to an old-age pension.

option to request a determination of the old-age pension amount under the general rules. ***The Committee asks the Government to show in concrete examples in which situation it will be more advantageous to the disabled person to have his disability pension converted into an old-age pension under the general rules.*** The Committee notes, from the 2015 concluding observations of the United Nations Committee on the Rights of Persons with Disabilities, that “a number of disability pension beneficiaries are at risk of being denied access to retirement pensions as the period during which they receive a disability pension is not included in the insurance period”, and that the newly established method of calculating the relevant period from the beginning of disability until the entitlement to retirement pensions has resulted in the amount of the pensions received by persons with disabilities at the third level being below the minimum subsistence level. ***The Committee asks the Government to include in its next report detailed calculations under Article 65 of the Code showing the amounts of the invalidity pension and the subsequent old-age pension which would receive the standard beneficiary (Article 65(5) of the Code) with prescribed levels of disability.***

Report 2016-ECSS:

4. Part IX (Invalidity benefit), Article 58

The Committee asks the Government to show in concrete examples in which situation it will be more advantageous to the disabled person to have disability pension converted into an old-age pension under the general rules.

5. The Committee asks the Government to include in its next report detailed calculation under Article 65 of the Code showing the amounts of the invalidity pension and the subsequent old-age pension which would receive the standard beneficiary (Article 65(5) of the Code) with prescribed levels of disability.

The covered contingency is disability of the level-three disability. The amount of the disability benefit of the level-three disability for a skilled worker with average gross wage CZK 25,932 is CZK 9,432 (without child allowances) in 2016. The detailed procedure for calculating disability benefit is given in Part IX.

By attaining the age of 65, or retirement age (if it is higher), the disability benefit is automatically converted into an old-age benefit (Section 61a of the Pension Insurance Act). If a disability benefit is for example CZK 9,432, the subsequent old-age benefit is granted in the same amount (in this case it is 47.3% of net wage of a skilled worker).

If the beneficiary of a disability benefit has attained retirement age and meets the qualifying period of contribution, he/she is entitled to apply for an old-age benefit under the general rules. As a rule, the higher pension (Section 58 of the Pension Insurance Act) is granted to a beneficiary. If the calculated old-age benefit is higher than the paid disability benefit, the old-age benefit is granted. Otherwise, an entitlement of the disabled person to draw a disability benefit continues in the original amount.

For a benefit entitlement and its calculation, the period of level-three disability benefit drawing as a substitute contribution is included. The protection of beneficiary of a disability benefit is established within the meaning that the future old-age or disability benefit cannot be calculated from the calculation base lower than of what the previous benefit was assessed. If the beneficiary of a disability benefit meets the conditions for entitlement to a benefit under the general rules and applies for it, **he/she will be paid that benefit which is higher.**

However, it cannot be indicated in specific cases, when the calculated old-age benefit will be higher than the previously paid disability benefit because the specific amount of benefit depends on a number of parameters, especially on the method and amount of disability benefit adjustments prior to applying for a benefit, on the development of the average wage in the national economy, if the disabled person was working while drawing disability benefit, and on the amount of his/her earnings. The amount of benefits is therefore very individual and it is not possible to submit examples of the standard situations.

But it can be stated that the transition into an old-age benefit will be more profitable for a disability benefit beneficiary in case of a higher old-age benefit.

➤ IX - 8. Suspension of Benefit

See under Part XIII-1

Report 2016-ECSS:

Regarding Article 68, the following letters are used: **Explained in Part V-8.**

- a) If the disability occurred before reaching the age of 18, and disabled person did not participated in the insurance system for the required period, the benefit is not paid, if the beneficiary is not a permanent resident in the Czech Republic.
- c) Disability benefit is not paid for the period of provision of sickness benefits granted before the entitlement to disability benefit.
- d) If it is discovered that the entitlement to a benefit or to its payment expired, the pension shall be withdrawn or its payment stopped. If the benefit has been granted or is paid at a higher amount than beneficiary was entitled, or has been granted or paid unjustly, the benefit is reduced or withdrawn, or its payment is stopped on the day following the date on which the period for which it was paid has expired. If the pension has been granted at a lower amount than was due, or it was unjustly denied or granted at a later date than since when it was entitled, the benefit is increased or awarded since the date when the benefit or the increase is entitled; five years retroactively is the maximal period since the date of the determination or claim of entitlement to a benefit or its increase. The benefit or its increase is paid since the date on which the benefit or the increase is entitled regardless of the five-years retroactive rule if the benefit was not granted or was paid at a lower amount than the beneficiary was entitled, or was unjustly denied or granted at a later date than since when the entitlement arose as a result of an incorrect procedure of a social security authority.
- e) If the disability arose as a result of intentional self-inflicted injury that the insured individual caused to himself/herself or he/she allowed to another person to cause this harm to health of the insured person which arose as a result of its intentional crime, the add-in period (i.e. the period from the establishment of the entitlement to disability benefit until the attainment of retirement age) is not counted for the purpose of disability benefit amount; - the retirement age of women who have raised no children is taken into account, and the age set for women of the same birth date who have raised no children is taken into account for men.
- f) Payment of disability benefit may be suspended if a beneficiary failed to undergo an examination of his/her health condition.

➤ IX - 9. Right of complaint and appeal

See under Part V-9

➤ IX - 10. Financing and Administration

See under Part V-10

Part X. Survivors' benefit

The Czech Republic has accepted the obligations resulting from Part X of C102 and Part X of the ECSS.

| Category | Full compliance | Request of information | |
|---|--|--------------------------|-------------------------------|
| | | insufficient information | no or very little information |
| X-1. Regulatory framework | ➤ Art.59 C102/ECSS | | |
| X-2. Contingency covered | ➤ Art.60 C102/ECSS | | |
| X-3. Persons Protected | 👍 Art.61 C102/ECSS | | |
| X-4. Level and Calculation of Benefit | 👍 Art.62 C102/ECSS | | |
| X-5. Adjustment of Benefit | ➤ Art.65(10) C102/ECSS Art.66 (8) C102/ECSS | | |
| X-6. Qualifying period | ➤ Art.63 C102/ECSS | | |
| X-7. Duration of Benefit | ➤ Art.64 C102/ECSS | | |
| X-8. Suspension of Benefit | Art.69 C102 /Art.68 ECSS | | |
| X-9. Right of complaint and appeal | ➤ Art.70 C102, Art.69 ECSS | | |
| X-10. Financing and Administration | ➤ Art.71 C102, Art.70 ECSS | | |
| Part XI. Standards to be complied with by periodical payments | ➤ Art. 65,66 C102/ECSS | | |
| Part XII. Equality of treatment of non-national residents | ➤ Art.32 C130 /Article 68. C102 | | |

List of applicable legislation

Report 2016-ECSS:

- Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended

Report 2016-C102:

- Act No. 582/1991 Coll., on organising and implementing social security, was updated by Acts No 220/2011 Coll., 263/2011 Coll., 220/2011 Coll. (part), 329/2011 Coll., 341/2011 Coll., 348/2011 Coll., 364/2011 Coll., 365/2011 Coll., 366/2011 Coll., 367/2011 Coll., 470/2011 Coll., 375/2011 Coll., 167/2012 Coll., 428/2011 Coll., 470/2011 Coll. (part), 399/2012 Coll., 401/2012 Coll., 403/2012 Coll., 274/2013 Coll., 303/2013 Coll., 313/2013 Coll., 344/2013 Coll., 64/2014 Coll., 136/2014 Coll., 458/2011 Coll., 250/2014 Coll., 251/2014 Coll.,

267/2014 Coll., 332/2014 Coll., 317/2015 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 47/2016 Coll., 137/2016 Coll., 213/2016 Coll., 298/2016 Coll., 24/2017., 99/2017 Coll. and 148/2017 Coll.

<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=39631&nr=582~2F1991&rpp=15#local-content>

- Act No. 48/1997 Coll., on public health insurance, was amended in the given period by Acts No. 365/2011 Coll., 1/2012 Coll., 369/2011 Coll., 458/2011 Coll., 275/2012 Coll., 401/2012 Coll., 403/2012 Coll., 44/2013 Coll., 238/2013 Coll., 60/2014 Coll., 109/2014 Coll., 458/2011 Coll., 60/2014 Coll., 250/2014 Coll., 256/2014 Coll., 267/2014 Coll., 1/2015 Coll., 200/2015 Coll., 314/2015 Coll., 200/2015 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=45178&nr=48~2F1997&rpp=15#local-content>
- Act No. 592/1992 Coll., on premiums for general health insurance, was amended in the given period by Acts No. 138/2011 Coll., 298/2011 Coll., 329/2011 Coll., 369/2011 Coll., 401/2012 Coll., 500/2012 Coll., 11/2013 Coll., 342/2013 Coll., 458/2011 Coll., 344/2013 Coll., 109/2014 Coll., 458/2011 Coll., 344/2013 Coll., 109/2014 Coll., 458/2011 Coll., 401/2012 Coll., 500/2012 Coll., 250/2014 Coll., 267/2014 Coll., 200/2015 Coll.
<https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=40381&nr=592~2F1992&rpp=15#local-content>
- Act No. 155/1995 Coll., on pension insurance, was amended by Acts No. 220/2011 Coll., 428/2011 Coll., 341/2011 Coll., 348/2011 Coll., 364/2011 Coll., 365/2011 Coll., 470/2011 Coll., 314/2012 Coll., 463/2012 Coll., 428/2011 Coll., 401/2012 Coll., 403/2012 Coll., 267/2013 Coll., 274/2013 Coll., 303/2013 Coll., 344/2013 Coll., 182/2014 Coll., 183/2014 Coll., 218/2007 Coll., 458/2011 Coll., 250/2014 Coll., 267/2014 Coll., 332/2014 Coll., 267/2006 Coll., 131/2015 Coll., 377/2015 Coll., 190/2016 Coll., 47/2016 Coll., 137/2016 Coll., 212/2016 Coll., 213/2016 Coll., 24/2017., 99/2017 Coll., 148/2017 Coll. and 150/2017 Coll.
 - <https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=43085&nr=155~2F1995&rpp=15#local-content>

➤ X - 1. Regulatory framework

Article 59. C102 and ECSS

Each Member (Contracting Party) for which this Part of this Convention (Code) is in force shall secure to the persons protected the provision of survivors' benefit in accordance with the following Articles of this Part.

➤ X - 2. Contingency covered

Article 60. C102 and ECSS

1. The contingency covered shall include the loss of support suffered by the widow or child as the result of the death of the breadwinner; in the case of a widow, the right to benefit may be made conditional on her being presumed, in accordance with national laws or regulations, to be incapable of self-support.

2. National laws or regulations may provide that the benefit of a person otherwise entitled to it may be suspended if such person is engaged in any prescribed gainful activity or that the benefit, if contributory, may be reduced where the earnings of the beneficiary exceed a prescribed amount, and, if non contributory, may be reduced where the earnings of the beneficiary or his other means or the two taken together exceed a prescribed amount.

Report 2016-ECSS:

Article 59 and 60

The covered contingency is the loss of subsistence resources due to the death of a spouse and, in the case of a child, due to the loss of one or both parents; the entitlement does not depend on the fact the surviving person is not able to take care of himself/herself. The option mentioned in paragraph 2 is not used; survivors' benefits are not reduced nor suspended for concurrence with income or gainful activity. Conditions of entitlement are stipulated in Part IV Title 4 and 5 of the Pension Insurance Act.

Update 2017:

Report 2016-ECSS

A widow's and a widower's pension are granted for the period of one year after the death of a spouse, and then only in cases when the survivor: The Pension Insurance Act (Act No

155/1995 Coll., Pension Insurance Act, Section 50) guarantees the right to a widow's/widower's pension entitlement for one year after the spouse's death and then after that period in case of incapability of self-support (a social occurrence/situation which limits or excludes the employment of the surviving spouse) which is defined as:

- a) Cares for a dependent child,
- b) Cares for a child who is dependent on assistance from others in the level II (medium dependence), level III (heavy dependence) or level IV (full dependence),
- c) Cares for his/her parent or for parents of the deceased spouse who live with him/her in household and is dependent on the care of another person in level II (medium dependence), level III (heavy dependence) or level IV (full dependence),
- d) Is an individual with level-three disability, or
- e) Has completed the age which is four years lower than the retirement age set for men with the same date of birth or retirement age, if the retirement age is lower.

The condition for an entitlement to an orphan's benefit is dependence of a child. Dependence for the purpose of the benefit entitlement is defined by the Pension Insurance Act in Section 20 Subsection 4. According to this definition, the dependency covers the period of compulsory school attendance, and then (if other conditions are met) up to reaching 26 years of age. An entitlement to a widow's or a widower's benefit ceases to exist with remarriage. An entitlement to an orphan's benefit ceases to exist with adoption.

Report 2016-C102:

No changes.

X - 3. Persons protected

Article 61. C102 and ECSS

The persons protected shall comprise:

- (a) the wives and the children of breadwinners in prescribed classes of employees, which classes constitute not less than 50 per cent of all employees; or
- (b) the wives and the children of breadwinners in prescribed classes of the economically active population, which classes constitute not less than 20 per cent of all residents; or
- (c) all resident widows and resident children who have lost their breadwinner and whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of Article 67.

Report 2016-ECSS, Report 2016-C102:

The scope of covered individuals corresponds to the group set out under letter a); see also the statement in Article 27. The protected persons are survivors (a widow/a widower, a dependent child) left after persons who were beneficiary of old-age or disability benefit or who have met conditions of the insurance period required for entitlement to disability benefit or old-age benefit on the date of their death or died as a result of an industrial accident.

Naformátováno: Barva písma: Červená

Data of 1 January 2017–2018

- A. Number of protected employees: 4,418,0314,511,568 persons
- Number of protected self-employed persons: 677,521,680,962 persons
- B. Total number of employees: 4,418,0314,511,568 persons
- C. 100%

(Source: the Czech Social Security Administration: the Annual Report)

➤ X - 4. Level and Calculation of Benefit

Article 62. C102 and ECSS

The benefit shall be a periodical payment calculated as follows:

(a) where the wives and children of breadwinners in classes of employees or classes of the economically active population are protected, in such manner as to comply either with the requirements of Article 65 or with the requirements of Article 66;

(b) where all resident widows and resident children whose means during the contingency do not exceed prescribed limits are protected, in such a manner as to comply with the requirements of Article 67.

Report 2016-ECSS/C102:

Chapter I

Data of 1 January ~~2017~~2018

A:

The rules for calculation the widow's (widower's) pension

The benefit consists of two components:

The basic rate: amounts to CZK ~~2,550~~2,700 per month (9% of the average gross wage).

The percentage rate: depends on the income and number of years of insurance of the insured deceased person.

The percentage rate:

- **Widow's (a widower's)** benefit: 50% of the percentage rate of the level-three disability benefit or of an old-age benefit to which the deceased was or would be entitled (see the old-age or disability benefit).
- **Orphan's** benefit 40% of the percentage rate of disability benefit for level-three disability or of old-age benefit for each parent to which the deceased individual was or would be entitled (see the old-age or disability benefit).

B.

For the assessment of the required level of survivors' benefits the procedure is described in accordance with Article 65, paragraph 6 letter a).

C.

The average gross monthly wage of a skilled worker was CZK ~~26,919~~29,211 in ~~2016~~2017.

Chapter IV

Data of 1 January ~~2015~~2018

D. – G. The calculation of the ratio for the evaluation of the survivor's benefit

- A gross average monthly wage of a skilled worker is used (according to Job Specification CZ-ISCO 72231 – a metal turner – a machine tool setter and an operator) in ~~2016~~2017, i.e. CZK ~~26,919~~29,211.
- **A net wage** after tax relief for a taxpayer with two children is CZK ~~23,152~~24,931.
- Personal assessment rate (CZK ~~26,919~~29,211) is reduced $12,42313,191 + ((26,91929,211 - 12,42313,191) \times 26\% = \text{CZK } 16,19217,357$.

- Percentage rate of an old-age (disability) benefit of the deceased of thirty years of insurance amounts to: $30 \times 1.5\% \times 16,192,17,357 = \text{CZK } 7,287,811$.
- Percentage rate of a widow's benefit: 50% of CZK 7,287 = CZK **3,644**.
- **The amount of a widow's (a widower's) benefit:** the basic and the percentage rate $2,550,2,700 + 3,644,906 = \text{CZK } 6,194,606$.
- The percentage rate of an orphan's benefit: 40% of CZK $7,287,811 = \text{CZK } 2,915,3,215$.
- **The amount of an orphan's benefit:** the basic rate and the percentage rate $2,550,2,700 + 2,915,3,215 = \text{CZK } 5,465,5,825$.
- A widow's benefit and two orphan's benefits $\text{CZK } 6,194,606 + 2 \times \text{CZK } 5,465,5,825 = \text{CZK } 17,124,18,256$.
- **Child allowances for two children** – entitled in the amount of CZK $1,220,1,820$ ($2 \times \text{CZK } 610,910$).
- **The ratio** of income after the insured contingent (survivor's benefit and child allowances) to income prior the insured contingent (net wage and child allowances for two children): $19,344,20,076 / 24,372,6,751 = 75,03\%$.

| Monthly wage in CZK | | Allowances for 2 children in CZK | Survivors' benefit in CZK | Ratio benefit / wage *) | |
|----------------------|----------------------|----------------------------------|---------------------------|-------------------------|--------------|
| Gross | Net | | | Gross | Net |
| <u>26,919,29,211</u> | <u>23,152,24,931</u> | <u>1,220,1,820</u> | <u>17,124,18,256</u> | <u>65,264,7</u> | <u>75,30</u> |

*) Including child allowances (for each child in the amount of CZK 610,910).

The European Code of Social Security requires share of incomes of the survivors' benefits to the previous insured income of 40%. **The Czech Republic fulfils the required level of survivors' benefit in respect to gross and net wage as well as.**

➤ X - 5. Adjustment of benefits

See under Part V-5, IX-5

Report 2016-ECSS:

Chapter VI

1. See answer in Part III, Article 28, Chapter VI
2. The indexes are stated in Part III, Article 28, Chapter VI
- 3.

| Year | Average widow's and widower's benefits | | Average orphan's benefit | | Survivor's benefit of a standard beneficiary ¹⁾ | |
|------|--|------------|--------------------------|------------|--|------------|
| | abs. in CZK | index in % | abs. in CZK | index in % | abs. in CZK | index in % |
| 2011 | 6,801 | | 5,397 | - | 15,433 | - |
| 2012 | 6,926 | 101.8 | 5,525 | 102.4 | 15,289 | 99.1 |
| 2013 | 7,032 | 101.5 | 5,639 | 102.1 | 15,681 | 102.6 |
| 2014 | 7,075 | 100.6 | 5,685 | 100.8 | 15,668 | 99.9 |
| 2015 | 7,222 | 102.1 | 5,827 | 102.5 | 16,111 | 102.8 |
| 2016 | 7,267 | 100.6 | 5,871 | 100.8 | 16,410 | 101.9 |

| | | | | | | |
|-----------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|------------------------------|
| 2011-2015 | | 106.8 | | 108.0 | | 104.4 |
| 2017 | 7,498 | 103.2 | 6,068 | 103.4 | 17,124 | 104.4 |
| 2017-2018 | 7,835 7,492 ²⁾ | 104.5 103,1 ²⁾ | 6,348 6,063 ²⁾ | 104.6 103,3 ²⁾ | 18,256 17,124 ²⁾ | 106.6 104,4 ²⁾ |

¹⁾ A widow's and two orphans' benefits.

²⁾ Data of the 1st quarter of 2017-2018.

[For information on adjustment of benefits see also part V-5.](#)

➤ X - 6. Qualifying period

Article 63. C102 and ECSS

1. The benefit specified in Article 62 shall, in a contingency covered, be secured at least:

(a) to a person protected whose breadwinner has completed, in accordance with prescribed rules, a qualifying period which may be 15 years of contribution or employment, or 10 years of residence; or

(b) where, in principle, the wives and children of all economically active persons are protected, to a person protected whose breadwinner has completed a qualifying period of three years of contribution and in respect of whose breadwinner, while he was of working age, the prescribed yearly average number of contributions has been paid.

2. Where the benefit referred to in paragraph 1 of this article is conditional upon a minimum period of contribution or employment, a reduced benefit shall be secured at least:

(a) to a person protected whose breadwinner has completed, in accordance with prescribed rules, a qualifying period of five years of contribution or employment; or

(b) where, in principle, the wives and children of all economically active persons are protected, to a person protected whose breadwinner has completed a qualifying period of three years of contribution and in respect of whose breadwinner, while he was of working age, half the yearly average number of contributions prescribed in accordance with subparagraph (b) of paragraph 1 of this Article has been paid.

3. The requirements of paragraph 1 of this Article shall be deemed to be satisfied where a benefit calculated in conformity with the requirements of Part XI but at a percentage of ten points lower than shown in the Schedule appended to that part for the standard beneficiary concerned is secured at least to a person protected whose breadwinner has completed, in accordance with prescribed rules, five years of contribution, employment or residence.

4. A proportional reduction of the percentage indicated in the Schedule appended to Part XI may be effected where the qualifying period for the benefit corresponding to the reduced percentage exceeds five years of contribution or employment but is less than 15 years of contribution or employment; a reduced benefit shall be payable in conformity with paragraph 2 of this Article.

5. In order that a childless widow presumed to be incapable of self-support may be entitled to a survivor's benefit, a minimum duration of the marriage may be required.

Report 2016-ECSS:

A survivor's benefit is granted to a covered individual whose spouse was a beneficiary of disability or old-age benefit or would have met the conditions of the insurance period required for entitlement to the benefit on the day of the death or the day he/she had died as a result of an industrial accident.

In case of orphans, the requirement of completing the qualified insurance period by a deceased parent to be entitled to an orphan's pension and draw a disability pension is alleviated: it is sufficient if the deceased parent received at least half of the required period of insurance.

An orphan's benefit is granted in case a deceased child's parent was a beneficiary of disability or old-age benefit or he/she would met the conditions for an old-age benefit entitlement on the date of death or has have **completed at least half of the necessary contribution period for disability benefit entitlement** on the day of the death or who had died as a result of industrial accident.

These are derived pension benefits – see explanation to Article 29 and Article 57.

National legislation does not use paragraphs 3, 4 and 5.

Update 2018

A benefit is granted also to an orphan whose parent obtained on the day of the death at least one year of insurance in the last 10 years or at least two years in the last 20 years (if the parent was older than 38 years of age)⁴¹.

Report 2016-C102:

No changes.

X - 7. Duration of Benefit

Article 64. C102 and ECSS

The benefit specified in Articles 62 and 63 shall be granted throughout the contingency.

Report 2016-ECSS:

A widow's and a widower's pension are granted for the period of one year after the death of a spouse, and then only in cases when the survivor (Section 50 of the Act No 155/1995 Coll. Pension Insurance Act):

- a) Cares for a dependent child,
- b) Cares for a child who is dependent on assistance from others in the level II (medium dependence), level III (heavy dependence) or level IV (full dependence),
- c) Cares for his/her parent or for parents of the deceased spouse who live with him/her in household and is dependent on the care of another person in level II (medium dependence), level III (heavy dependence) or level IV (full dependence),
- d) Is an individual with level-three disability, or
- e) Has completed the age which is four years lower than the retirement age set for men with the same date of birth or retirement age, if the retirement age is lower.

Update 2017

The condition for an entitlement to an orphan's benefit is dependence of a child. Dependence is defined by the Pension Insurance Act in Section 20 Subsection 4. According this definition, the dependence is recognized for the period of compulsory school attendance, and then (if other conditions are met) up to reaching 26 years of age.

An entitlement to a widow's or a widower's benefit ceases to exist with remarriage, as the covered contingency is a loss of support of a breadwinner. An entitlement to an orphan's benefit ceases to exist with adoption.

Pension Insurance Act stipulates in Section 49 Subsection 1 that the widow is entitled to a widow's pension after the spouse who

- was a beneficiary of an old - age or invalidity pension, or
- has fulfilled, at the date of death, the period of insurance required for entitlement to the invalidity pension or the conditions for entitlement to the old-age pension or died as a result of an occupational accident.

A widower shall be entitled to a widower's pension after a spouse under same conditions.

⁴¹ According to Act no. 148/2017 Coll., amending Act No. 187/2006 Coll., on Sickness Insurance and other related acts, effective from 1st February 2018.

As a widow is considered a woman who was maintained by her husband at the time of his death [Art. 1(1) of C102; Art. 60(1)]. The contingency covered shall include the loss of support suffered by the widow or child as the result of the death of the breadwinner; in the case of a widow, the right to benefit may be made conditional on her being presumed, in accordance with national laws or regulations, to be incapable of self-support.

Report 2016-C102:

No changes.

➤ **X - 8. Suspension of Benefit**

See under Part IX-8

Report 2016-ECSS:

As regards Article 68:

e) An entitlement to a widow's or a widower's benefit ceases to exist on the date of the final and conclusive court ruling that the widow or widower intentionally caused the death of his/her spouse as perpetrators or co-perpetrator or a participant in a crime. This is applied to the entitlement to an orphan's benefit likewise.

If it is found that the pension was granted or is paid out at a higher amount than the person was entitled to receive, or was granted or paid unjustly, the pension is reduced or withdrawn, the payment is terminated since the day following the day of the period for which it was paid.

➤ **X - 9. Right of complaint and appeal**

See under Part V-9

➤ **X - 10. Financing and Administration**

See under Part V-10

Part XI. Standards to be complied with by periodical payments

NB: see ILO Technical Note, December 2017. CHAPTER II: Selection of the Article 65, 66 or 67 under C102/ECSS and determination of the Standard Reference Wage used for calculating the replacement level of benefits.

Article 65. C102 and ECSS

1. In the case of a periodical payment to which this Article applies, the rate of the benefit, increased by the amount of any family allowances payable during the contingency, shall be such as to attain, in respect of the contingency in question, for the standard beneficiary indicated in the Schedule appended to this Part, at least the percentage indicated therein of the total of the previous earnings of the beneficiary or his breadwinner and of the amount of any family allowances payable to a person protected with the same family responsibilities as the standard beneficiary.

2. The previous earnings of the beneficiary or his breadwinner shall be calculated according to prescribed rules, and, where the persons protected or their breadwinners are arranged in classes according to their earnings, their previous earnings may be calculated from the basic earnings of the classes to which they belonged.

3. A maximum limit may be prescribed for the rate of the benefit or for the earnings taken into account for the calculation of the benefit, provided that the maximum limit is fixed in such a way that the provisions of paragraph 1 of this Article are complied with where the previous earnings of the beneficiary or his breadwinner are equal to or lower than the wage of a skilled manual male employee.

4. The previous earnings of the beneficiary or his breadwinner, the wage of the skilled manual male employee, the benefit and any family allowances shall be calculated on the same time basis.

5. For the other beneficiaries, the benefit shall bear a reasonable relation to the benefit for the standard beneficiary.

6. For the purpose of this Article, a skilled manual male employee shall be:

(a) a fitter or turner in the manufacture of machinery other than electrical machinery; or

(b) a person deemed typical of skilled labour selected in accordance with the provisions of the following paragraph; or

(c) a person whose earnings are such as to be equal to or greater than the earnings of 75 per cent. of all the persons protected, such earnings to be determined on the basis of annual or shorter periods as may be prescribed; or

(d) a person whose earnings are equal to 125 per cent. of the average earnings of all the persons protected.

7. The person deemed typical of skilled labour for the purposes of subparagraph (b) of the preceding paragraph shall be a person employed in the major group of economic activities with the largest number of economically active male persons protected in the contingency in question, or of the breadwinners of the persons protected, as the case may be, in the division comprising the largest number of such persons or breadwinners; for this purpose, the international standard industrial classification of all economic activities, adopted by the Economic and Social Council of the United Nations at its Seventh Session on 27 August 1948, and reproduced in the Annex to this Convention, or such classification as at any time amended, shall be used.

8. Where the rate of benefit varies by region, the skilled manual male employee may be determined for each region in accordance with paragraphs 6 and 7 of this Article.

9. The wage of the skilled manual male employee shall be determined on the basis of the rates of wages for normal hours of work fixed by collective agreements, by or in pursuance of national laws or regulations, where applicable, or by custom, including cost-of-living allowances if any; where such rates differ by region but paragraph 8 of this Article is not applied, the median rate shall be taken.

10. The rates of current periodical payments in respect of old age, employment injury (except in case of incapacity for work), invalidity and death of breadwinner, shall be reviewed following substantial changes in the general level of earnings where these result from substantial changes in the cost of living.

Article 66. C102 and ECSS

1. In the case of a periodical payment to which this Article applies, the rate of the benefit, increased by the amount of any family allowances payable during the contingency, shall be such as to attain, in respect of the contingency in question, for the standard beneficiary indicated in the Schedule appended to this Part, at least the percentage indicated therein of the total of the wage of an ordinary adult male labourer and of the amount of any family allowances payable to a person protected with the same family responsibilities as the standard beneficiary.

2. The wage of the ordinary adult male labourer, the benefit and any family allowances shall be calculated on the same time basis.
3. For the other beneficiaries, the benefit shall bear a reasonable relation to the benefit for the standard beneficiary.
4. For the purpose of this Article, the ordinary adult male labourer shall be:
- (a) a person deemed typical of unskilled labour in the manufacture of machinery other than electrical machinery; or
- (b) a person deemed typical of unskilled labour selected in accordance with the provisions of the following paragraph.
5. The person deemed typical of unskilled labour for the purpose of subparagraph (b) of the preceding paragraph shall be a person employed in the major group of economic activities with the largest number of economically active male persons protected in the contingency in question, or of the breadwinners of the persons protected, as the case may be, in the division comprising the largest number of such persons or breadwinners; for this purpose, the international standard industrial classification of all economic activities, adopted by the Economic and Social Council of the United Nations at its Seventh Session on 27 August 1948, and reproduced in the Annex to this Convention, or such classification as at any time amended, shall be used.
6. Where the rate of benefit varies by region, the ordinary adult male labourer may be determined for each region in accordance with paragraphs 4 and 5 of this Article.
7. The wage of the ordinary adult male labourer shall be determined on the basis of the rates of wages for normal hours of work fixed by collective agreements, by or in pursuance of national laws or regulations, where applicable, or by custom, including cost-of-living allowances if any; where such rates differ by region but paragraph 6 of this Article is not applied, the median rate shall be taken.
8. The rates of current periodical payments in respect of old age, employment injury (except in case of incapacity for work), invalidity and death of breadwinner, shall be reviewed following substantial changes in the general level of earnings where these result from substantial changes in the cost of living.

Article 67. C102 and ECSS

In the case of a periodical payment to which this Article applies:

- (a) the rate of the benefit shall be determined according to a prescribed scale or a scale fixed by the competent public authority in conformity with prescribed rules;
- (b) such rate may be reduced only to the extent by which the other means of the family of the beneficiary exceed prescribed substantial amounts or substantial amounts fixed by the competent public authority in conformity with prescribed rules;
- (c) the total of the benefit and any other means, after deduction of the substantial amounts referred to in subparagraph (b), shall be sufficient to maintain the family of the beneficiary in health and decency, and shall be not less than the corresponding benefit calculated in accordance with the requirements of Article 66;
- (d) the provisions of subparagraph (c) shall be deemed to be satisfied if the total amount of benefits paid under the Part concerned exceeds by at least 30 per cent. the total amount of benefits which would be obtained by applying the provisions of Article 66 and the provisions of:
- (i) Article 15 (b) for Part III;
- (ii) Article 27 (b) for Part V;
- (iii) Article 55 (b) for Part IX;
- (iv) Article 61 (b) for Part X.

| Part | Contingency | Standard Beneficiary | Percentage |
|------|---------------------------|----------------------------------|------------|
| III | Sickness | Man with wife and two children | 45 |
| IV | Unemployment | Man with wife and two children | 45 |
| V | Old age | Man with wife of pensionable age | 40 |
| VI | <u>Employment injury:</u> | | |
| | Incapacity of work | Man with wife and two children | 50 |
| | Invalidity | Man with wife and two children | 50 |
| | Survivors | Widow with two children | 40 |
| VIII | Maternity | Woman | 45 |
| IX | Invalidity | Man with wife and two children | 40 |

| | | | |
|---|-----------|-------------------------|----|
| X | Survivors | Widow with two children | 40 |
|---|-----------|-------------------------|----|

Article 26. C128

1. In the case of a periodical payment to which this Article applies, the rate of the benefit, increased by the amount of any family allowances payable during the contingency, shall be such as to attain, in respect of the contingency in question, for the standard beneficiary indicated in the Schedule appended to this Part, at least the percentage indicated therein of the total of the previous earnings of the beneficiary or his breadwinner and of the amount of any family allowances payable to a person protected with the same family responsibilities as the standard beneficiary.

2. The previous earnings of the beneficiary or his breadwinner shall be calculated according to prescribed rules, and, where the persons protected or their breadwinners are arranged in classes according to their earnings, their previous earnings may be calculated from the basic earnings of the classes to which they belonged.

3. A maximum limit may be prescribed for the rate of the benefit or for the earnings taken into account for the calculation of the benefit, provided that the maximum limit is fixed in such a way that the provisions of paragraph 1 of this Article are complied with where the previous earnings of the beneficiary or his breadwinner are equal to or lower than the wage of a skilled manual male employee.

4. The previous earnings of the beneficiary or his breadwinner, the wage of the skilled manual male employee, the benefit and any family allowances shall be calculated on the same time basis.

5. For the other beneficiaries the benefit shall bear a reasonable relation to the benefit for the standard beneficiary.

6. For the purpose of this Article, a skilled manual male employee shall be--

(a) a fitter or turner in the manufacture of machinery other than electrical machinery; or

(b) a person deemed typical of skilled labour selected in accordance with the provisions of the following paragraph; or

(c) a person whose earnings are such as to be equal to or greater than the earnings of 75 per cent. of all the persons protected, such earnings to be determined on the basis of annual or shorter periods as may be prescribed; or

(d) a person whose earnings are equal to 125 per cent. of the average earnings of all the persons protected.

7. The person deemed typical of skilled labour for the purposes of subparagraph (b) of the preceding paragraph shall be a person employed in the major group of economic activities with the largest number of economically active male persons protected in the contingency in question, or of the breadwinners of the persons protected, as the case may be, in the division comprising the largest number of such persons or breadwinners; for this purpose, the international standard industrial classification of all economic activities, adopted by the Economic and Social Council of the United Nations at its Seventh Session on 27 August 1948, as amended up to 1958 and reproduced in the Annex to this Convention, or such classification as at any time further amended, shall be used.

8. Where the rate of benefit varies by region, the skilled manual male employee may be determined for each region in accordance with paragraphs 6 and 7 of this Article.

9. The wage of the skilled manual male employee shall be determined on the basis of the rates of wages for normal hours of work fixed by collective agreements, by or in pursuance of national legislation, where applicable, or by custom, including cost-of-living allowances if any; where such rates differ by region but paragraph 8 of this Article is not applied, the median rate shall be taken.

Article 28. C128

In the case of a periodical payment to which this Article applies:

(a) the rate of the benefit shall be determined according to a prescribed scale or a scale fixed by the competent public authority in conformity with prescribed rules;

(b) such rate may be reduced only to the extent by which the other means of the family of the beneficiary exceed prescribed substantial amounts or substantial amounts fixed by the competent public authority in conformity with prescribed rules;

(c) the total of the benefit and any other means, after deduction of the substantial amounts referred to in subparagraph (b), shall be sufficient to maintain the family of the beneficiary in health and decency, and shall be not less than the corresponding benefit calculated in accordance with the requirements of Article 27;

(d) the provisions of subparagraph (c) shall be deemed to be satisfied if the total amount of benefits paid under the Part concerned exceeds by at least 30 per cent. the total amounts of benefits which would be obtained by applying the provisions of Article 27 and the provisions of:

(ii) Article 16, paragraph 1, subparagraph (b) for Part III;

Article 29. C128

1. The rates of cash benefits currently payable pursuant to Article 10, Article 17 and Article 23 shall be reviewed following substantial changes in the general level of earnings or substantial changes in the cost of living.
2. Each Member shall include the findings of such reviews in its reports upon the application of this Convention submitted under Article 22 of the Constitution of the International Labour Organisation, and shall specify any action taken.

SCHEDULE TO PART V: PERIODICAL PAYMENTS TO STANDARD BENEFICIARIES

| Part | Contingency | Standard beneficiary | Percentage |
|------|-------------|----------------------------------|------------|
| III | Old age | Man with wife of pensionable age | 45 |

Article 22. C130

1. In the case of a periodical payment to which this Article applies, the rate of the benefit, increased by the amount of any family allowances payable during the contingency, shall be such as to attain for the standard beneficiary, in respect of the contingency referred to in subparagraph (b) of Article 7, at least 60 per cent of the total of the previous earnings of the beneficiary and of the amount of any family allowances payable to a person protected with the same family responsibilities as the standard beneficiary.
2. The previous earnings of the beneficiary shall be calculated according to prescribed rules, and, where the persons protected are arranged in classes according to their earnings, their previous earnings may be calculated from the basic earnings of the classes to which they belonged.
3. A maximum limit may be prescribed for the rate of the benefit or for the earnings taken into account for the calculation of the benefit, provided that the maximum limit is fixed in such a way that the provisions of paragraph 1 of this Article are complied with where the previous earnings of the beneficiary are equal to or lower than the wage of a skilled manual male employee.
4. The previous earnings of the beneficiary, the wage of the skilled manual male employee, the benefit and any family allowances shall be calculated on the same time basis.
5. For the other beneficiaries the benefit shall bear a reasonable relation to the benefit for the standard beneficiary.
6. For the purpose of this Article, a skilled manual male employee shall be:
 - (a) a fitter or turner in the manufacture of machinery other than electrical machinery; or
 - (b) a person deemed typical of skilled labour selected in accordance with the provisions of the following paragraph; or
 - (c) a person whose earnings are such as to be equal to or greater than the earnings of 75 per cent of all the persons protected, such earnings to be determined on the basis of annual or shorter periods as may be prescribed; or
 - (d) a person whose earnings are equal to 125 per cent of the average earnings of all the persons protected.
7. The person deemed typical of skilled labour for the purposes of subparagraph (b) of the preceding paragraph shall be a person employed in the major group of economic activities with the largest number of economically active male persons protected in the contingency referred to in subparagraph (b) of Article 7 in the division comprising the largest number of such persons; for this purpose, the International Standard Industrial Classification of All Economic Activities adopted by the Economic and Social Council of the United Nations at its Seventh Session on 27 August 1948, as amended up to 1968 and reproduced in the Annex to this Convention, or such classification as at any time further amended, shall be used.
8. Where the rate of benefit varies by region, the skilled manual male employee may be determined for each region in accordance with paragraphs 6 and 7 of this Article.
9. The wage of the skilled manual male employee shall be determined on the basis of the rates of wages for normal hours of work fixed by collective agreements, by or in pursuance of national legislation, where applicable, or by custom, including cost-of-living allowances if any; where such rates differ by region but paragraph 8 of this Article is not applied, the median rate shall be taken.

Conclusions of the CEACR on the application of the ECSS (adopted in 2015)

Part XI (Standards to be complied with by periodical payments). Adequacy of social security benefits. The Committee notes the general information supplied in the report in relation to the significant progress achieved in reducing poverty and social exclusion in the Czech Republic in the last two years. It also notes the 2013 concluding observations of the United Nations Committee on Economic, Social and Cultural Rights on the application by the Czech Republic of Article 9 of the ICESCR establishing the human right of social security. The United Nations Committee expressed concern at the cuts to social security benefits introduced by the State party under its austerity measures programme and the low amounts of social allowances that are not in line with

article 9 of the Covenant. The United Nations Committee was further concerned that the protection for persons whose benefits have been discontinued is based on a material-needs approach with stringent qualifying conditions, and that the adequacy of the measures has been assessed primarily through aggregated statistical data, which do not provide a clear indication of the effects of the cuts on vulnerable groups. *With reference to its previous conclusions on the Code raising similar issues, the Committee of Experts wishes to once again ask the Government to supply more concrete information on the design of the minimum benefits in terms of the conditions of entitlement, effective coverage, number of recipients and amounts payable under each accepted Part of the Code.* In view of the variety of ways in which social security and statutory social assistance are used to prevent or reduce poverty and the complexity of indicators used to assess the adequacy of benefits, the Committee requested the ILO to summarize the relevant information in the country technical notes attached to its conclusions. *The Committee invites the Government to update and supplement the statistical information in the 2015 technical note in its next detailed report, which shall also include for the same time basis (see Article 65(4) of the Code) updated statistics on social security coverage, amount of the reference wage and calculations of the replacement rate of benefits.* The Committee will examine the question of the adequacy of social security benefits under accepted Parts of the Code on the basis of this comprehensive information.

Report 2016-ECSS:

General notes on benefits calculation:

In ~~2016~~2017, the average gross monthly wage of a **skilled blue-collar worker** was CZK ~~26,919~~ 29,211 *(which is considered as previous earnings of the beneficiary for social insurance benefits, i. e. as the personal assessment basis for the purpose of pension benefit calculations and as the assessable income for the sickness and maternity benefit calculations)* and according to the survey results approximately ~~525~~8% of the economically active population earned a lower wage than the stated amount. A skilled worker's wage-corresponds to a wage of a metal turner – a machine tool setter and operator – according to CZ-ISCO 72231. In ~~2016~~2017, the average gross monthly wage of **an unskilled worker** was CZK ~~20,259~~22,209 [CZ-ISCO 93291 – a mechanical handling worker in industry (manufacturing)].

Information system on average earnings is a selective statistical survey of the Ministry of Labour and Social Affairs, which is included in the program of statistical surveys of the Czech Statistical Office annually and as a wage survey with regular periodicity it monitors the wage levels of individual professions in the Czech Republic, based on the CZ-ISCO Job Specification. The data on the average hourly wage of individual employees of selected economic entities is calculated as remuneration for labour law related purposes pursuant to Section 351 *et seq.* of Act No. 262/2006 Coll., the Labour Code, as amended (hereinafter the "Labour Code"). The survey allows monitoring of the amount and structure of the monthly gross wage as well, which indicates the average wage level from the beginning of the year until the end of the given period.

Given that the social benefits in the Czech Republic are not subject to taxation (with the exception of pensions that exceed CZK ~~396,000~~439,200 per year which are included in the taxable income), and they are not subject to health insurance and social contributions either, it is **possible to calculate the ratio of the benefits to the net wage**. For pensions and sickness benefits, the - amount of the annual financial statement - the tax credit of a spouse with a yearly income of up to CZK 68,000 was not taken into account. The net monthly wage of a skilled worker was CZK ~~20,618~~22,197 and the net monthly wage of a skilled worker with two children was CZK ~~23,152~~24,931.

Calculated income tax was reduced by a tax credit in the amount of CZK 2,070 for a taxpayer and the tax credit for dependent children of two 2 x CZK 1,117. Allowances for two children aged 6 and 15 years amounts to CZK ~~1,220~~8200 (~~610~~910 x 2).

- Benefits rate does not differ within regions (Article 65, Paragraph 8 not used).
- The average year-on-year price inflation index in [2016-2017](#) was [100.7102.5%](#).
- Year-on-year index of an average nominal wage in the national economy in [2016-2017](#) accounted for [104,2107.0%](#).

Part XII. Equality of treatment of non-national residents

§1(b) Article 1 C102, §1(e) Article 1 ECSS, §1(d) Article 1 C128 and C130

The term residence means ordinary residence in the territory of the Member and the term resident means a person ordinarily resident in the territory of the Member.

Article 68. C102

1. Non-national residents shall have the same rights as national residents: Provided that special rules concerning non-nationals and nationals born outside the territory of the Member may be prescribed in respect of benefits or portions of benefits which are payable wholly or mainly out of public funds and in respect of transitional schemes.

2. Under contributory social security schemes which protect employees, the persons protected who are nationals of another Member which has accepted the obligations of the relevant Part of the Convention shall have, under that Part, the same rights as nationals of the Member concerned: Provided that the application of this paragraph may be made subject to the existence of a bilateral or multilateral agreement providing for reciprocity.

Report 2016-C102:

No changes.

ILO Comments: please indicate how the person residing in the Czech Republic (registered as resident) is defined in the national legislation and to what extent this definition includes persons ordinary residing in the national territory. What are the qualifying conditions for obtaining the permanent residency permit? What other types of residency permits exist in the country and how are they related to social security rights?

Observation of the Czech Republic

Pension insurance entitlement is not determined **neither by citizenship nor by residence** but by the fact whether the person concerned fits into categories listed in Articles 5 and 6 of Act No. 155/1995, the Pension Insurance Act. These categories include, among others, all employees. Pursuant to Article 66 of the Pension Insurance Act, pension insurance benefits are paid out internationally to persons not permanently residing in the Czech Republic or staying out of the country for longer period (i.e. residing abroad for more than 270 days within a calendar year); sums paid out are determined by the corresponding period of insurance and by qualifying period obtained in the territory of the Czech Republic. These criteria apply to all pensions paid out internationally, regardless of recipients' citizenship.

Article 32. C130

Each Member shall, within its territory, assure to non-nationals who normally reside or work there equality of treatment with its own nationals as regards the right to the benefits provided for in this Convention.

Report 2016-ECSS:

The Czech Republic must also comply with directly applicable EU law on social security coordination which means that the Czech public health insurance system includes also individuals covered on the basis of coordination regulations [i.e. Regulation of the European Parliament and Council Regulation (EC) No. 883/2004, Regulation No. 987/2009 and No. 1231/2010].

Furthermore, citizens outside the EU, European Economic Area and Switzerland also have access to the Czech public health insurance system on the basis of an entitlement arising from the application of relevant international treaties by which the Czech Republic is bound.

Part XIII. Common provisions

➤ XIII – 1. Suspension of benefit

Article 69. C102, Article 68. ECSS

A benefit to which a person protected would otherwise be entitled in compliance with any of Parts II to X of this Convention may be suspended to such extent as may be prescribed--

(a) as long as the person concerned is absent from the territory of the Member;

(b) as long as the person concerned is maintained at public expense, or at the expense of a social security institution or service, subject to any portion of the benefit in excess of the value of such maintenance being granted to the dependants of the beneficiary;

(c) as long as the person concerned is in receipt of another social security cash benefit, other than a family benefit, and during any period in respect of which he is indemnified for the contingency by a third party, subject to the part of the benefit which is suspended not exceeding the other benefit or the indemnity by a third party;

(d) where the person concerned has made a fraudulent claim;

(e) where the contingency has been caused by a criminal offence committed by the person concerned;

(f) where the contingency has been caused by the wilful misconduct of the person concerned;

(g) in appropriate cases, where the person concerned neglects to make use of the medical or rehabilitation services placed at his disposal or fails to comply with rules prescribed for verifying the occurrence or continuance of the contingency or for the conduct of beneficiaries;

(h) in the case of unemployment benefit, where the person concerned has failed to make use of the employment services placed at his disposal;

(i) in the case of unemployment benefit, where the person concerned has lost his employment as a direct result of a stoppage of work due to a trade dispute, or has left it voluntarily without just cause; and

(j) in the case of survivors' benefit, as long as the widow is living with a man as his wife.

Sickness benefits – see section III-8

Pensions – see sections V-8, IX -8 and X-8

XIII – 2. Right of complaint and appeal

Article 70. C102, Article 69. ECSS

1. Every claimant shall have a right of appeal in case of refusal of the benefit or complaint as to its quality or quantity.

2. Where in the application of this Convention (Code) a government department responsible to a legislature is entrusted with the administration of medical care, the right of appeal provided for in paragraph 1 of this article may be replaced by a right to have a complaint concerning the refusal of medical care or the quality of the care received investigated by the appropriate authority.

3. Where a claim is settled by a special tribunal established to deal with social security questions and on which the persons protected are represented, no right of appeal shall be required.

Report 2017-ECSS:

Sickness insurance benefits

An insured person has a right to lodge an appeal against a decision issued by the appropriate District Social Security Administration concerning the disallowance of his/her claim for

sickness insurance benefits (sickness and maternity benefits), the amount of the benefit, the reduction of the benefit or the withdrawal or suspension of the payment thereof in accordance with Act No. 187/2006 Coll., the Sickness Insurance Act, as amended (hereinafter referred to as "Sickness Insurance Act"). The appeal is decided by a superior authority which is the Czech Social Security Administration. The first instance proceedings and appellate proceedings are governed by Act No. 500/2004 Coll., the Rules of Administrative Procedure, as amended. An insured person can bring an action against the decision of the appellate authority to a competent regional court (by Act No. 150/2002 Coll., the Judicial Rules of Procedure).

Pension insurance benefits

Since 1 January 2010, a written objection against the decision of a social security authority in matters of pension insurance may be raised, as a regular legal remedy under Act No. 582/1991 Coll., providing the Organization and Implementation of Social Security, as amended (hereinafter referred to as "the Organization Act") provided this is done within 30 days since the day when the participant in the proceedings was notified of the decision. A social security authority which issued the decision decides on the objections. But the objection proceedings must be held separately from the first-instance social security decision-making body. The proceedings must not be participated in or decided upon by anybody who participated in the proceedings concerning the issuance of the disputed decision. An insured person can take a legal action against the decision upon the objections to the relevant regional court (by Act No. 150/2002 Coll., the Judicial Rules of Procedure).

The decisions which form the basis for decision concerning benefits from the pension insurance are excluded from the judicial review. The court only reviews such a decision only when deciding on an action brought against the decision of the Czech Social Security Administration.

Report 2016-C102:
No changes.

Additional information

Under the current legislation, citizens have the right to stand up against the decision of an administrative body concerning a social insurance benefit. Within two months of the notification of the final decision, an action can be brought before the administrative chamber of the competent regional court. This can be an action for judicial review of unlawful acts, an action for the failure to act, as well as an action against unlawful interference that is not a decision. The petitioner does not need to be legally represented before these regional courts, which act as courts of first and last instance. Additionally, a cassation complaint against the final decision of a regional court, by invoking one of the grounds of cassation, can be filed before the Supreme Administrative Court within two weeks of the regional court's decision becoming final. In this case, the complainant must be represented by an attorney⁴².

⁴² Website of the Supreme Administrative Court; Bobek 2006, point 2.4.2.; Tröster & Vysokajová 2006, points 559-568.

XIII – 3. Financing and Administration

Article 71. C102, Article 70. ECSS

1. The cost of the benefits provided in compliance with this Convention (Code) and the cost of the administration of such benefits shall be borne collectively by way of insurance contributions or taxation or both in a manner which avoids hardship to persons of small means and takes into account the economic situation of the Member (Contracting Party) and of the classes of persons protected.

2. The total of the insurance contributions borne by the employees protected shall not exceed 50 per cent of the total of the financial resources allocated to the protection of employees and their wives and children. For the purpose of ascertaining whether this condition is fulfilled, all the benefits provided by the Member (Contracting Party) in injury benefit, may be taken together.

3. The Member (Contracting Party) shall accept general responsibility for the due provision of the benefits provided in compliance with this Convention (Code), and shall take all measures required for this purpose; it shall ensure, where appropriate, that the necessary actuarial studies and calculations concerning financial equilibrium are made periodically and, in any event, prior to any change in benefits, the rate of insurance contributions, or the taxes allocated to covering the contingencies in question.

Article 72. C102, Article 71. ECSS

1. The Member (Contracting Party) shall accept general responsibility for the proper administration of the institutions and services concerned in the application of the Convention (Code).

2. Where the administration is not entrusted [to an institution regulated by the public authorities or – C102] to a Government department responsible to a legislature, representatives of the persons protected shall participate in the management, or be associated therewith in a consultative capacity, under prescribed conditions; national laws or regulations may likewise decide as to the participation of representatives of employers and of the public authorities.

Report 2017-ECSS:

Social insurance

Expenditure on social insurance benefits (sickness benefits including maternity benefit and pensions) form a part of state budget expenditure side, i.e. is financed from state budget revenues (both insurance contributions and taxes).

Social insurance contributions are part of the income side of the state budget. Contributions on social security and state employment policy amount to 31.5% of gross salary, of which 6.5 percentage points is paid by employees and 25 percentage points by employers.

Any surplus of pension revenues and expenditure balance affect the amount of funds on the special pension insurance account (labelled “special reserve account for the pension reform”), which is a part of the state financial assets. The deficit of the pension balance constitutes a part of the overall state budget deficit and in case of deficit no transfers of funds to the special pension insurance account are made.

Contributions on social security and state employment policy

| | Contribution rate (in %) | | | |
|-------------------------|--------------------------|-------------|-------------|-------------------------|
| | Employees | Employers | Total | Self-employed |
| Pension insurance | 6,5 | 21,5 | 28,0 | 28,0 |
| Sickness insurance | 0,0 | 2,3 | 2,3 | 2,3 ¹ |
| State employment policy | 0,0 | 1,2 | 1,2 | 1,2 |
| Total | 6,5 | 25,0 | 31,5 | 31,5¹ |

¹Sickness insurance is voluntary for self-employed.

² Contributions for health insurance: employees 4.5 %, employers 9 %, total 13.5 %.

Total revenues for the year 2016⁴³

- pension insurance CZK 372,660,905 thousand
 - contributions from employers CZK 267,828,467 thousand
 - contributions from employees CZK 80,787,560 thousand
 - contributions from self-employed CZK 23,563,882 thousand
 - other revenues CZK 480,997 thousand
- sickness insurance CZK 28,196,734 thousand
 - contributions from employers CZK 28,651,435 thousand
 - contributions from employees CZK 0
 - other revenues CZK – 454,701 thousand

Total revenues for the year 2017⁴⁴

- [pension insurance CZK 405,025,823 thousand](#)
 - [contributions from employers CZK 291,515,194 thousand](#)
 - [contributions from employees CZK 88,013,423 thousand](#)
 - [contributions from self-employed CZK 25,060,516 thousand](#)
 - [other revenues CZK 436,689 thousand](#)
- [sickness insurance CZK 31,221,499 thousand](#)
 - [contributions from employers CZK 31,185,346 thousand](#)
 - [contributions from employees CZK 0](#)
 - [other revenues CZK 36,152 thousand](#)

Total expenditures for the year 2016⁴⁵

- pension insurance CZK 389,166,960⁴⁶thousand
- sickness insurance CZK 26,283,777 thousand

Total expenditures for the year 2017⁴⁷

- [pension insurance CZK 404,368,050⁴⁸ thousand](#)
- [sickness insurance CZK 28,315,589 thousand](#)

Necessary actuarial analysis concerning financial equilibrium and other relevant impacts of a measure is a common part of preparation of any change in sickness and pension benefits. In addition, actuarial reports on pension and sickness insurance are published periodically by the Ministry of Labour and Social Affairs⁴⁹.

⁴³ Source: The state final account for the chapter of MLSA of the Czech Republic for ~~2016~~2017. Czech Social Security Administration: Balance tables ~~2016~~2017. Only compulsory contributions included.

⁴⁴ Source: [The state final account for the chapter of MLSA of the Czech Republic for 2017. Czech Social Security Administration: Balance tables 2017. Only compulsory contributions included.](#)

⁴⁵ Source: The state final account for the chapter of MLSA of the Czech Republic for ~~2016~~2017.

⁴⁶ Including lump sum contribution for pensioners in the amount of CZK 1,200 paid to pensioners in 2016. Total expenditure on lump sum contribution for pensioners was CZK 3,562,497.

⁴⁷ Source: [The state final account for the chapter of MLSA of the Czech Republic for 2017.](#)

⁴⁸ Including lump sum contribution for pensioners in the amount of CZK 1,200 paid to pensioners in 2016. Total expenditure on lump sum contribution for pensioners was CZK 3,562,497.

⁴⁹ Available at <https://www.mpsv.cz/cs/1353> and <https://www.mpsv.cz/cs/7>.

Report 2016-C102:

Article 71

The expenditure on the benefits provided is paid from the state budget. The pension and sickness insurance is based on regular payments of the premiums. With effect from 1 January 2016, the pension savings were terminated, i.e. pillar II of the pension system. Former participants of pillar II will have the possibility of paying the rest of reduced premiums paid in those years to pillar I additionally. Those participants paid reduced premiums to a compulsory pension insurance (pillar I) at the time of participation in pension savings (pillar II), i.e. instead of 6.5% only 3.5%, and the difference (3%) was transferred to their private account into pillar II.

Total revenues for the year 2015⁵⁰

- pension insurance CZK 351 805 223 thousand
- sickness insurance CZK 27 141 478 thousand

Total expenditures for the year 2015⁵¹

- pension insurance CZK 385 519 643 thousand
- sickness insurance CZK 24 109 948 thousand

Report 2016-C102:

Article 72

No changes.

See Report 2016-ECSS, Appendix 4. Expenditure on benefits system by types of benefits in the years 2011-2015.

Report 2016-ECSS:

Article 70 – The costs of benefits

The costs of provided unemployment benefits are paid from contributions to the state employment policy. The Czech Social Security Administration collects the contribution to the state employment policy along with pension contributions from taxpayers (i.e. from employees through their employers along with the contributions from employers themselves). The contribution is a part of the income side of the state budget and - vice versa - the benefits form a part of the state budget expenditure. As such, it is included in the relevant budgetary chapter of the Ministry of Labour and Social Affairs. Through the Ministry, resources are distributed to the regional branches of the Labour Office.

Total revenue for the year 2015⁵²

- Pension insurance CZK 351,805,223 thousand
- Health insurance CZK 27,141,478 thousand
- Contribution to the state's employment policy CZK 15,118,349 thousand

Total expenditures for the year 2015⁵³

- Pension insurance CZK 385,519,643 thousand
- Health insurance CZK 24,109,948 thousand

⁵⁰ Source: The state final account for the chapter of MLSA of the Czech Republic for 2016

⁵¹ Source: The state final account for the chapter of MLSA of the Czech Republic for 2016

⁵² Source: National Account for the chapter of MLSA of the Czech Republic for 2015

⁵³ Source: National Account for the chapter of MLSA for the year 2015.

- Unemployment benefits..... CZK 8,303,370 thousand

The total average number of employees was 4,348,261 persons in 2015. If we also include the self-employed persons (participating in the sickness insurance scheme), the total number is 4,437,887 persons.

| | |
|---|-------------------|
| The total number of employees with pension insurance is | 4,348,261 persons |
| Self-employed persons with pension insurance (average for the year of 2014) | 677,359 persons |
| Self-employed persons with sickness insurance | 89,626 persons |

Additional information

The financing of the social insurance system is based on the pay-as-you-go system, which means that the benefits provided in a certain period are paid for from the contributions collected in that same period. Payment of the benefits is guaranteed by the state, in the case of pensions, this is at least the basic part. The contributions for the pension scheme, medical care, sickness benefits, and employment policy, amount to 45 percent of gross salary, of which 11 percent is paid by the employee and 34 percent by the employer. The premiums for the public health insurance are allocated to the health insurance companies, the employment policy premiums are paid into the state budget, and the contributions to the pension scheme are deposited into a separate account for pension insurance that was created in 1996 as a part of the state budget. The funds in this account may only be used for the payment of pension insurance benefits and for making up any deficit between revenues and expenditures.