COUNCIL OF EUROPE

FORM

FOR THE

BIENNIAL REPORT

ON THE

EUROPEAN CODE OF SOCIAL SECURITY

(ARTICLE 76 – PARTS NOT SPECIFIED IN THE RATIFICATION OF THE CODE OR IN A NOTIFICATION MADE SUBSEQUENTLY)

STRASBOURG

REPORT

For the period <u>from 1 July 2022 to 30 June 2024</u> made by the Government of **the Czech Republic** in accordance with Article 76 of the European Code on Social Security on the position of national law and practice in regard to the matters dealt with in Parts of the European Code of Social Security which have not been specified in the ratification of the Code or in a subsequent notification.

I. and II. List of primary legislation

List of laws and regulations

Act No. 262/2006 Coll., the Labour Code, as amended

Act No. 309/2006 Coll., Stipulating Further Requirements for Health and Safety at Work, as amended

Labour Inspection Act No. 251/2005 Coll., as amended

Decree No. 201/2010 Coll., Defining the Method of Evidence, Reporting and Notification of Injuries, as amended

Decree No. 276/2015 Coll., on Compensation for Pain and Social Impairment Caused by Employment Injury or by Occupational Disease, as amended

Decree No. 290/1995 Coll., Determining the List of Occupational Diseases, as amended

Decree No. 125/1993 Coll., Stipulating the Conditions and Rates of Mandatory Statutory Insurance of Liability of an Organization for Employment Injuries or Occupational Diseases, as amended

Decree No. 359/2009 Coll., Regulating the Percentage Rate of Decline in Working Ability and Requirements of Disability Assessment and Providing Work Ability Assessment for Disability.

The fundamental law which addresses the issues related to compensation for employment injury or occupational diseases is the Act No. 262/2006 Coll., Labour Code.

The protection is provided under a compulsory scheme.

1. Scope

Coverage is granted to all employees.

2. Conditions for Entitlement to Benefits

According to the Labour Code, if an employee suffers an injury in connection with the performance of his/her employment task or in direct consequence thereof, or if an occupational disease should be diagnosed which would give rise to damages, such damages must be compensated by the employer. This constitutes an objective liability of the employer. The employer is obliged to provide compensation for such damages even if he was in line with all obligations arising to him from legal and other regulation related to the safety and health protection at work.

Employers may be exempted from such liability for damages in part or in full only for reasons which are defined in an exhaustive list contained in the Labour Code (e.g. if the employee caused injury to himself by his own fault, while being inebriated or otherwise intoxicated or due to breach of safety and health protection rules even though such were made known to him by the employer and their knowledge and compliance was duly enforced and controlled by the employer). Employers may also seek a change in the scope of their rights and obligations in instances where a significant change in circumstances occurred on the part of the injured party which would be decisive for the purposes of determination of the compensation due.

If the employer is not exempted from liability, he/she shall be obliged to provide the employee with the compensation as follows:

- a) For loss of income during sick leave;
- b) For loss of income for the period following the sick leave;
- c) For pain and impairment of social application;
- d) For costs effectively disbursed in connection with treatment;
- e) For material damage
- f) One-off compensation for non-pecuniary harm in the event of a particularly serious injury to an employee.

3. Level of Benefits

(a) Compensation for loss of income during sick leave and for loss of income for the period following the sick leave is provided to employees at the level of an average income achieved prior to the damage occurring.

Compensation for loss of income during sick leave takes into account any sickness benefits provided, and any compensation for loss of income for the period following the sick leave correspondingly takes into account income attained after the injury or diagnosis with the occupational disease, same as any additional potential disability benefits provided for the same reason. An employee is entitled to compensation for loss of earnings after the end of incapacity for work or recognition of invalidity in the amount of the difference between average earnings before the damage and earnings achieved after the employment injury or occupational disease, plus any invalidity pension received for the same reason. An employee is also entitled to compensation for loss of earnings after the end of incapacity for work or in the case of recognition of invalidity if the employee is kept in the register of job seekers; earnings after an employment injury or occupational disease are considered to be earnings in the amount of the minimum wage valid on the day of first inclusion in the register of job seekers.

Compensation for loss of income after the termination of incapacity to work, however at the utmost until the end of the calendar month when he/she attains the age of 65 years or until the date when he/she is granted old-age retirement pension benefit (paid from statutory pension insurance).

Compensation for pain and impairment of social application is regulated by Decree No. 276/2015 Coll., on Compensation for Pain and Social Impairment Caused by Employment Injury or by Occupational Disease, on the basis of a point system. At present time, one point is 1 % of the average wage in the national economy determined on the basis of data from the Czech Statistical Office for the first to third quarters of the calendar year preceding the calendar year in which the obligation to carry out an assessment of pain and hardship of social employment arose.

Compensation of costs effectively disbursed toward treatment shall be borne by the employer and reimbursed to such a person who proves the disbursement of any such costs. Material costs must also be correspondingly proven by an employee.

If an employee passed away as a result of occupational accidents and occupational diseases, the employer:

- a) Compensates purposefully incurred costs connected with the employee's medical treatment;
- b) Compensates adequate costs connected with the employee's funeral;
- c) Compensates the cost of survivors' maintenance;
- d) Provides lump-sum indemnification to the survivors;
- e) Provides compensation for material damage.

Compensation for purposefully incurred costs connected with medical treatment and compensation adequate costs connected with the funeral of the injured party shall be provided to the person who incurred the said costs.

Compensation for the cost of survivors' maintenance shall be due to those survivors whom the deceased maintained, or was under the duty to maintain, until the time until which he/she would have been under such duty, however latest until the end of the month when the deceased would have reached the age of 65 years. Such compensation shall be due to the survivors in the amount of 50 % of the deceased employee's average earnings, as ascertained before his death, if he maintained, or was under the duty to maintain, one person, or 80 % of his average earnings if he maintained, or was under the duty to maintain, two or more persons.

Indemnification in the form of a lump-sum shall be due to the deceased employee's spouse, registered partner¹ or maintained child, where each of them will be paid at least in the amount of twenty times the average wage in the national economy determined for the first to third quarters of the calendar year preceding the calendar year in which the right to such compensation occurred; if the compensation is paid to both parents, each of them shall receive half of this amount. The amount of the one-off compensation for non-pecuniary harm to the survivors is rounded up to the nearest hundred koruna. One-off compensation for non-pecuniary harm is also due to other persons in a family or similar relationship who feel the employee's harm as their own.

The Government may increase, by its Decree, the amount of the lump-sum indemnification in accordance with the changes in wages and living costs.

With respect to material damage, the compensation shall be due to the deceased employee's heirs.

An employee's rights to compensation for a loss of earnings due to an employment injury or an occupational disease or some damage (harm) to health other than an employment injury or occupational disease and the rights to the compensation of the cost of survivors' maintenance shall not become statute-barred. However, the rights to individual payments arising therefrom shall become statute-barred.

(b) Compensation for employment injury and occupational disease rests in the Czech Republic on the principle of settlement, i.e., on compensation of lost earnings. Both employment injury or occupational disease benefits are provided from the general system of pension insurance and the calculation of its amount corresponds to one of disability levels (an insured individual is disabled, if his/her work ability has dropped 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**). Similarly, related sickness benefits are provided from the general system of sickness insurance (same as in cases which occur due to other general causes) and other material benefits [including benefits in kind (medical care, healthcare)] are covered by the national health insurance system.

(c) See paragraph a).

4. Miscellaneous

(a) If the employee considers the amount of compensation provided by employer incorrect or if he/she has not been provided with compensation he/she shall have the right to enforce his rights before the court.

(b) Employer who employs at least one employee is insured by law, for the purposes of occurrence of employment injuries or occupational diseases, with effect from January 1, 1993, and the relevant insurance provider will refund employers providing

¹ Act No. 115/2006 Coll., Registered Partnership Act, as amended, regulating permanent community of two persons of the same sex established by manner prescribed by this Act.

compensation to employees. Employers pay insurance contribution to an insurance provider; it is calculated on the basis of calculation of social security contributions and the state employment policy contribution. The calculation follows the rates listed in Decree No. 125/1993 Coll., Stipulating Conditions and Rates of Mandatory Statutory Insurance of Liability of an Organization for Employment Injuries or Occupational Diseases, as amended, for each corresponding category determined in connection with the prevalent activities which form the business activities of the organization.

If a claim for compensation arose before January 1, 1993, the employer shall be liable for such compensation without recourse to a refund from the insurance provider.

With regard to the fact that the compensation is provided by insurance providers and employers, the Ministry of Labour and Social Affairs does not keep records of the number of injured who are at present in receipt of such compensation.

(c) The supervision of the application of the laws and regulations is performed by the State Labour Inspection Office Czech Republic.

III.

In 2006, Act No 266/2006 Coll., Regulating Accident Insurance of Employees was adopted. It should have come into effect on January 1, 2008 and was supposed to replace the existing legal regulation of compensation for employment injuries or occupational diseases as contained in the Labour Code. However, the act never came into effect and was abolished by Act No 205/2015 Coll. Legal regulation of compensation for damage provided by the employer was kept in Labour Code.

(a) Please indicate whether any modifications have been made in the national legislation or practice with a view to giving effect to all or some of the provisions of the Code.

No, the aim of the amendments to the Labour Code was not to give effect to the provisions of the Code, but in the area of compensation, taking into account the jurisprudence of the Constitutional Court, to straighten out the position of victims so that in the end they are no worse off than victims satisfied under the Civil Code. Changes made to the Labour Code in the meantime are added in the report above.

(b) Please state, where appropriate, any difficulties due to the Code, to the legislation, to the national practice or to any other reason which may prevent or delay the ratification of the Code.

The Czech Republic is not aware of any difficulties.

(c) Please state also whether it is intended to adopt measures to give effect to those provisions of the Code not yet covered by the national legislation or practice.

The Czech Republic is not aware of any inconsistency of its national legislation with the Code.

Under the Labour Code, the Government is empowered, in view of changes in wage levels and the cost of living, to regulate by regulation the conditions, amount and method of compensation for loss of earnings due to employees following incapacity for work resulting from an occupational accident or disease, generally with effect from the beginning of the calendar year; this also applies to compensation for the costs of maintenance of survivors. The Czech Government carries out these indexations on a regular basis.