



# Your social security rights

*in Czech Republic*

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The information provided in this guide has been drafted and updated in close collaboration with the national correspondents of the Mutual Information System on Social Protection (MISSOC). More information on the MISSOC network is available at: <http://ec.europa.eu/social/main.jsp?langId=en&catId=815>

This guide provides a general description of the social security arrangements in the respective countries. Further information can be obtained through other MISSOC publications, all available at the abovementioned link. You may also contact the competent authorities and institutions listed in annex to this guide.

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## Chapter I: Introduction, organisation and financing

### Introduction

The social security system in the Czech Republic comprises the pension, sickness and health insurance systems, as well as national employment policy system and the non-contributory social benefit system. The health insurance system is financed via health insurance funds. Other components of the system are financed from the State budget. Premiums are paid by employers and employees or by self-employed persons. The health insurance, pension insurance and national employment policy system are mandatory for every economically active individual; the sickness insurance scheme is obligatory for employees and voluntary for self-employed people. In addition, some groups are considered to be insured without having to pay any premiums (students, women on maternity leave, etc.) if certain conditions are met.

Health insurance is compulsory for anyone who resides permanently or is working for an employer located in the Czech Republic. EU citizens who hold a job or are self-employed in the Czech Republic are also covered. For certain categories of people, such as children (up to 26 years old) with no financial resources, pensioners, recipients of parental allowance, women on maternity leave, jobseekers and so on, the insurance premiums are paid by the State.

Unemployment insurance is a compulsory social insurance scheme financed by contributions covering the active population (including self-employed persons) and providing earnings-related benefits.

The State social support system is a non-contributory system which is financed from the State budget and administered by the assigned state bodies. By means of the State social support system, the State contributes in particular to families with dependent children in the case of an acknowledged social situation which the family is unable to resolve using its own funds and abilities.

Tax-financed social assistance benefits include, alongside the social services system, benefits provided to persons with disabilities and the system of assistance in material need. This latter system is aimed at people with insufficient income. Its fundamental goal is to ensure basic needs for living and housing. The principal condition is low income and the impossibility to improve it by one's own effort (work, use of property and other priority claims).

### Organisation of social protection

#### Healthcare

The central authority of the State healthcare administration is the Ministry of Health (*Ministerstvo zdravotnictví*), which, *inter alia*, prepares the legislative framework in this field. Health insurance is compulsory for all persons with permanent residence or employment by an employer with a registered office in the territory of the Czech Republic as well as those covered by EU regulations or bilateral agreements. The insurance is provided by seven health insurance companies as independent legal entities. The entitled persons have the right of free choice among the health insurance companies and also among the healthcare providers that have a contract with his/her

health insurance company. The Law guarantees the contracting rules and the accessibility and quality of healthcare.

### Old-Age, Invalidity, Survivors, Sickness Benefits in Cash

The Ministry of Labour and Social Affairs (*MOLSA*) (*Ministerstvo práce a sociálních věcí*) draws up legislation for the whole sphere of social security (except health insurance). The administration is dealt with by offices of the Czech Administration of Social Security (*Česká správa sociálního zabezpečení, CSSZ*), which is subordinated to and supervised by the Ministry. The Centre of the Czech Administration of Social Security (*Ústředí České správy sociálního zabezpečení, CSSZ*) supervises 76 District Social Security Administrations (*Okresní správa sociálního zabezpečení, OSSZ*).

The main task of the *CSSZ* is to collect contributions for the basic pension insurance system, the sickness insurance scheme, and the national employment policy system (unemployment insurance and employment policy programmes). The *CSSZ* is also responsible for the calculation and payment of benefits from pensions and sickness schemes as well as the keeping of records on insured individuals (excluding the system of national employment policy).

### Unemployment

14 regional Labour Offices (*Úřad práce*) and their contact points operate in the individual regions and are subordinated to the Labour Office of the Czech Republic (DG) which is controlled by *MOLSA*'s Section of Labour Market (*Sekce trhu práce*). Their main activities are the payment of unemployment benefits, keeping records on job applicants and promoting and creating employment opportunities. They also develop and organise employment programmes (placement, vocational guidance, resettlement, etc).

### Family

The schemes of State social support, which cover family benefits and a funeral grant, are administrated by the Labour Office of the Czech Republic (*Úřad práce České republiky*) and its regional offices and their contact points. These bodies are responsible for all activities related to the administration of State social support benefits, in particular, collecting applications, registering applicants, compiling the necessary data, operating the nation-wide information system, decision-making concerning benefits and issuing of official decisions.

### Social assistance

Benefits of assistance in material need and benefits for people with disabilities are administered by the Labour Office of the Czech Republic and its regional offices and their contact points.

Under the system of assistance in material need, the following recurrent or one-off benefits are provided: allowance for living, supplement for housing and extraordinary immediate assistance. Benefits are designated for persons with low incomes or in the event of an emergency situation. Under the scheme of benefits for people with disabilities, there are two cash benefits aimed at alleviating the social consequences of disability and supporting social inclusion: one-off grant for special aid and recurrent allowance for mobility.

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Social services provide assistance and support to persons in adverse social situations and a care allowance. The latter is a recurrent monthly allowance provided to persons who are dependent on the assistance of a third person due to long-term adverse health conditions. Care allowance is administered by the Labour Office of the Czech Republic and its regional offices and their contact points.

### **Long-term care**

Long-term care is not ensured by a single system, but it is partially included in the healthcare system, which is the responsibility of the Ministry of Health, and in the social services system, which is run by the Ministry of Labour and Social Affairs.

### **Financing**

The social insurance system and unemployment benefits are financed by contributions from employees and employers. The healthcare system is funded by contributions and taxation. Family benefits and social assistance are financed from the State budget (general taxation).

## Chapter II: Healthcare

### When are you entitled to healthcare?

All permanent residents, employees of companies with a registered office in the Czech Republic and self-employed persons who are subject to Czech law are compulsorily health insured and eligible for public healthcare.

### What is covered?

Insured persons are entitled to free choice of a primary healthcare physician who has a contract with his/her insurance company. They can re-register with a new physician every three months. There are no restrictions on the patient's choice of healthcare provider.

There are charges of CZK 30 (€ 1.15) for a visit to a practitioner, a specialist or a dentist where a clinical examination was carried out, and of CZK 90 (€ 3.46) for a visit to an emergency service doctor. There is a fee for hospital stay (institutional care and comprehensive balneological care). The fee is CZK 100 (€ 3.84) per day.

Several categories of persons are exempted from regulatory charges, notably:

- persons placed in children's homes;
- children in foster care;
- persons placed in homes for disabled persons or for elderly persons if their minimum income remainder (as specified by another legal provision) is less than CZK 800 (€ 31);
- persons ordered a protective treatment by the court;
- those proved to be in material need;
- persons obliged to be treated for an infectious disease.

These charges are also not applicable in cases of preventive examination, dispensary care provided to selected patients (including pregnant women), haemodialysis, laboratory or diagnostic examination, examination by a blood transfusion doctor and for children up to age of 18.

Charges for out-patient healthcare consist of co-payments for medication and medical devices. A regulatory charge of CZK 30 (€ 1.15) has to be paid for a prescription. Exemptions from these charges are the same as above.

Dental services are reimbursed according to a special price list, and a patient does not bear the costs himself, unless the law provides otherwise.

### How is healthcare accessed?

Patients are given direct access, which is not restricted by a gate-keeping system. The only restriction is in cases where they want to have a non-urgent treatment covered by public health insurance: the provider must have a contract with the health insurance company of the person concerned. There is free choice of contracted hospitals after referral by a primary doctor or a specialist.



## Chapter III: Sickness cash benefits

### When are you entitled to sickness cash benefits?

Sickness insurance is a part of the compulsory social insurance scheme for employees with earnings-related benefits. For the self-employed, this part of the insurance scheme is voluntary.

Employees earning less than CZK 2,000 (€ 77) a month, or working less than 14 successive calendar days a month, are exempt from compulsory insurance. The employee sickness insurance system provides four types of benefits:

- sickness benefit;
- family member care benefit;
- pregnancy and maternity indemnity;
- maternity benefit.

Sickness insurance for self-employed persons is voluntary and provides for sickness benefit and maternity benefit.

Sickness benefit is paid subject to the claimant's inability to work, as certified by a doctor from the twenty-second calendar day of illness. From the fourth to the twenty-first calendar day a wage compensation is paid by the employers for every working day missed due to the illness. There is no requirement for a period of work or a qualifying period. To be entitled to the benefit, self-employed persons, who are insured voluntarily and who have selected the amount of the premiums paid for sickness insurance, must have been participating in a self-employed individuals' sickness insurance scheme for a minimum of three months before the temporary inability to work arose.

The family member care benefit provides financial support for employees caring for a sick child or adult family member. To be eligible, the sick person must be part of the employee's household (with the exception of children under ten), and there must be no other person available to provide care and no possibility of hospitalisation.

### What is covered?

The amount of benefits awarded is based on a reference amount (assessment base) calculated using gross earnings for the last 12 months converted to a daily basis and taken into account as follows:

- up to CZK 825 (€ 32): 90%;
- from CZK 825 (€ 32) to CZK 1,237 (€ 48): 60%;
- from CZK 1,237 (€ 48) to CZK 2,474 (€ 95): 30%;
- earnings over CZK 2,474 (€ 95) are not taken into account.

Sickness benefits are calculated by applying a percentage to the daily reference amount, as follows:

- family member care benefit: 60% of the daily assessment base;

- sickness benefit: 60% of the daily assessment base from the fifteenth calendar day.

Sickness benefits are awarded per calendar day. They are awarded for a maximum of 380 days from the beginning of the inability to work, but not beyond the end of the inability to work or after full or partial disability is confirmed.

Old-age pensioners and recipients of third degree invalidity pensions receive payments for the duration of inability to work, if the period is due to an accident at work or an occupational disease. The payments may be granted for a maximum of 70 calendar days in a calendar year, or for a period of 70 days if the inability to work falls into two calendar years. The daily reference amount is calculated on the basis of gross average earnings.

Family member care benefit is awarded for up to the first nine calendar days, or up to 16 calendar days for employees who live alone and must take care of a child who has not yet completed mandatory school attendance, and who would otherwise be alone.

### **How are sickness cash benefits accessed?**

To apply for sickness benefit, you need to submit a form certified by a doctor from the first day of illness. Employees apply for benefits through their employer, while self-employed individuals apply through the social security administration for their district.

Employees whose employment contract has come to an end but who are still in the “protection period” have the right to receive benefits. The protection period lasts seven days from the day when employment came to an end. For people employed for a shorter period than their last period of employment, the protection period lasts only for the number of days actually worked.

## Chapter IV: Maternity and paternity benefits

### When are you entitled to maternity or paternity benefits?

In addition to pre-natal and post-natal care, including free confinement and hospital care, the social security system offers cash benefits for maternity and paternity.

In order to receive maternity benefit, employees must have paid into the sickness insurance fund for at least 270 calendar days within the two years preceding the birth. Self-employed persons must have paid the premiums for sickness insurance and, for at least 180 days, the contributions to the self-employed individuals' sickness insurance scheme during the year preceding the birth.

The maternity compensation benefit is granted to pregnant employees or to mothers until the ninth month after giving birth, if they have been transferred to a position with lower earnings because of the pregnancy.

### What is covered?

Maternity benefit is 70% of the reference amount.

It is awarded for a maximum of 28 weeks, or 37 weeks for women who have given birth to two or more children at the same time and who look after at least two of them, or who are single, widowed, divorced or alone for any other significant reason, or who do not live with a partner. These are granted for a maximum of 22 weeks, 31 weeks, or, exceptionally, until the child reached the age of eight months if the beneficiary gains permanent custody of the child by a decision of the relevant body, or custody of a child whose mother has died, and accepts a child who is in the custody of a man whose wife is not permitted or, for health reasons, is not able to take care of the child and does not receive the maternity benefit.

The amount of maternity compensation benefit is the difference between the average daily income that the employee was entitled to prior to the transfer, and average actual daily income after the transfer.

The reference amount is calculated using gross monthly earnings as follows:

- up to CZK 825 (€ 32): 100%;
- from CZK 825 (€ 32) to CZK 1,237 (€ 48): 60%;
- from CZK 1,237 (€ 48) to CZK 2,474 (€ 95): 30%;
- earnings over CZK 2,474 (€ 95) are not taken into account.

Maternity compensation benefit is awarded, as a maximum, until the woman begins maternity leave and, after maternity leave, as a maximum, until the end of the ninth month after the birth. For women whose employment came to an end while they were pregnant, the protection period is always six months. The same applies to the self-employed.

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## **How are maternity and paternity benefits accessed?**

In order to claim maternity benefit, a doctor's note confirming pregnancy is required. Women who adopt children to raise them must apply for the maternity benefit in writing.

## Chapter V: Invalidity benefits

### When are you entitled to invalidity benefits?

Three degrees of invalidity are recognised. The third degree of invalidity means that the ability to perform any economic activity has been reduced by at least 70%. For second degree invalidity, the ability to perform any economic activity is reduced by 50-69%, and by 35-49% for first degree invalidity. The first degree of invalidity represents the minimum level of incapacity for work for entitlement to benefit.

The minimum period of affiliation for entitlement depends upon the age at which the invalidity appears:

- under 20 years old: less than one year of insurance is sufficient;
- 20 to 22: one year;
- 22 to 24: two years;
- 24 to 26: three years;
- 26 to 28: four years;
- 28 to 38: five years.
- over 38 years: five years (in the last ten years) or ten years (in the last 20 years)

If an insured person is aged between 28 and 38, the minimum number of insurance years is assessed during a ten-year reference period prior to the occurrence of the invalidity. If an insured person is older than 38 years, the reference period is ten or 20 years (see above).

People who have become disabled before the age of 18 are entitled to third degree invalidity pension (“Persons disabled from childhood”).

### What is covered?

Coverage is granted from the time the invalidity arose until recovery or the age of 65. When a disabled person reaches retirement age, he or she can apply for old-age pension which will be paid if its amount is higher.

Average earnings and the period of insurance determine the amount of the pension. All pensions are made up of two components: a basic amount of CZK 2,230 (€ 86) per month, to which is added a percentage amount related to earnings, and calculated from the personal assessment base and the number of years of insurance. The minimum value of the percentage amount is set at CZK 770 (€ 30). The personal assessment base is based on average gross earnings over the years preceding the occurrence of invalidity. This reference period was initially ten years but is extended by one year every year until it reaches a total of 30 calendar years. Currently this period covers all earnings since 1985.

The formula varies according to the type of pension. For the third degree invalidity pension, it amounts to 1.5% of the personal assessment base per year of insurance. For the second and first degree invalidity pension, it is 0.75% and 0.5% of the personal assessment base per year of insurance respectively. For people who have been disabled from childhood, the percentage is 45% of the annual general assessment base, calculated according to the national average monthly wage after

applying the same reductions which apply to the personal assessment base for the year preceding the grant of the pension. This formula is also used for people who have at least 15 years of insurance (excluding credited insurance periods), whose pension would otherwise be lower.

### Special cases

Non-contributory periods (for pensions in general) are credited to:

- full-time students at secondary school or university for periods of studies acquired before 1 January 2010 (maximum six years after the age of 18);
- jobseekers registered at the Labour Office for the periods of receipt of unemployment benefit (maximum three years for persons older than 55 years and maximum one year for those younger than 55 years);
- persons with reduced working capacity undergoing employment training;
- persons on military or civilian service;
- persons caring for a child up to the age of four years (ten years if a child suffers from a long-term severe disability that requires special care);
- persons caring for a disabled person;
- recipients of the third degree invalidity pension until they reach retirement age.

Individuals who are eligible for more than one pension:

- old-age and invalidity pensions: may receive only one pension, i.e. the higher one;
- old-age, any degree invalidity pension and widow's, widower's or orphan's pension: may receive the full amount of the higher pension and half of the percentage amount of the other pension.

Family benefits can be combined with invalidity pensions. Unemployment benefits can be combined with first and second degree invalidity pension. There are no restrictions on combining an invalidity pension with earnings from work.

### Rehabilitation and retraining

Rehabilitation and retraining are implemented according to the health legislation. These may cover preventive medical examinations, special (spa) treatments, outpatient spa treatment, vouchers for special treatment, obligatory special treatment, or rehabilitation treatment following a recommendation by a specialist.

Care allowance is also available for people providing daily, personal and systematic care to a family member or other person who is partly, mainly, or wholly disabled. It is paid by the social assistance system.

### How are invalidity benefits accessed?

A doctor appointed by the Czech Social Security Administration makes the decisions about the individual patient's level of incapacity.

## Chapter VI: Old-age pensions and benefits

### When are you entitled to old-age benefits?

A minimum of 17 years' membership of the insurance scheme is required if the claimant has already reached the statutory retirement age for men plus five years. To retire at the statutory age, a minimum of 29 years' insurance is required if he/she has reached the retirement age in 2013. The required minimum of insurance periods will be constantly raised to 35 years in 2018 and above. The retirement age is different for men and women. Men may retire at the age of 62 years and six months, while for women the time of retirement depends upon the number of children raised:

- no children: 60 years and eight months;
- one child: 59 years and eight months;
- two children: 58 years and eight months;
- three or four children: 57 years and eight months;
- five or more children: 56 years and eight months.

The retirement age will be gradually increased by two months for men and four months for women each year until it reaches 65 years for men and women with one or no children, and from 62 to 64 years for women with two or more children.

### What is covered?

#### Amounts

The value of the pension depends on earnings and the insurance period. The pension is calculated from the following two elements: a basic amount of CZK 2,230 (€ 86) per month, to which is added a percentage amount tied to earnings and calculated from the personal assessment base and the number of years of contributions (1.5% of the personal assessment base per year of insurance). The minimum value of the percentage amount is set at CZK 770 (€ 30) per month.

The personal assessment base is based on the average gross earnings over the years preceding retirement. This period was initially ten years and is extended by one year every year until it reaches a total of 30 calendar years. Currently this period covers all earnings since 1985. All earnings which are taken into account are indexed in relation to the average wage. The personal assessment base is calculated from these gross earnings using the following formula:

- up to CZK 11,000 (€ 423): 100% incorporation;
- from CZK 11,000 (€ 423) to CZK 28,200 (€ 1,084): 30% incorporation;
- over CZK 28,200 (€ 1,084): 10% incorporation.

#### Adjustment

Pensions are adjusted regularly, every January, by a minimum of 100% of inflation (in the 12-month period running to July of the previous year) and by at least one-third of the average growth in real wages (in the 12-month period running to January 1 of the previous year).

Pensions may be adjusted by government decree to speed up the legislative process and to ensure that the value of the pension continually reflects growth in prices and wages. The thresholds for the personal assessment base are also adjusted regularly so that the ratio between existing and newly-granted pensions and between pensions and earnings is maintained. There are no limits on income. All earnings are permitted.

### **Early and deferred pension**

The earnings-related amount of pensions is reduced by 0.9% for every (even incomplete) period of 90 days that the pension is received within a 720-day reference period before normal retirement age, and by 1.5% for every period of 90 days of pension receipt preceding this reference period, up to a maximum of three additional years.

A minimum limit of 90 days after normal retirement age is stipulated for deferred pensions. For every 90 days of economic activity during which the claim for an old-age pension is postponed, an increase of 1.5% of the reference value is provided for.

As long as an old-age beneficiary works (and has only half of his/her pension), his/her pension is increased about 1.5% for every period of 180 calendar days, or 0.4% for every 360 days if the beneficiary works and has whole pension.

### **How are old-age benefits accessed?**

In the Czech Republic, there is a compulsory social insurance system financed by contributions from employers and employees and providing earnings-related benefits according to the length of insurance. Pensions in general are granted by the system of social insurance. It pays out earnings-related benefits linked to the period of insurance coverage. Participation is mandatory for employees, assimilated groups (for example students at secondary school or university for periods of studies acquired before 1 January 2010, the unemployed, people caring for children/the disabled, people in military service etc.), and the self-employed. The Pension Insurance Act lists those required to join the pension insurance scheme, provided they meet the conditions stipulated in the Act. Most people become members in the insurance scheme by law, without having to sign up. There are exceptions for people personally caring for a dependent child (younger than ten years) in the first to the fourth level of dependence, or the older dependent person in the second to the fourth level of dependence, provided that they are part of the same household (in the case of a close relative, the household condition will not be required). People in this case can join the pension insurance scheme by submitting an application for evaluation of the care period after or during the care period in connection with a request for any kind of pension. Applications are to be submitted to the Social Security Administration for the district where the care-giver resides permanently.

### **Self-employed workers**

Self-employed people must inform the Social Security Administration for the district in which they reside permanently (or, if they do not have a permanent residence in the Czech Republic, the Social Security Administration for the district in which they are self-employed) that they have commenced or re-commenced self-employment or co-operation in the self-employment of another person, or that they have terminated their self-employment, by the eighth day of the calendar month following the month in which the event to be reported occurred.



## Voluntary insurance

People over 18 may apply to join the pension insurance scheme voluntarily, provided the application concerns a period where:

- they are registered as jobseekers who are not entitled to unemployment benefit, where this period exceeds the one (three) year(s) referred to in the Act;
- they are studying at a secondary school, higher specialised school or university, with the exception of the first six years of study after the age of 18, which are covered by law (if acquired before 1 January 2010);
- they are staying abroad as a spouse of a person working in the diplomatic service of the Czech Republic;
- they are engaged in a gainful activity abroad;
- they are performing voluntary work on the basis of an agreement signed with the posting organisation under the Volunteer Service Act.

In the first three cases above, an application for participation in the insurance scheme may be submitted and premiums paid at any time prior to the submission of an application for a pension. In the case of a gainful activity abroad, or of voluntary services, premiums may be paid retrospectively for a period equivalent to up to two years before the application to join the insurance scheme was submitted.

Anyone else over 18 may choose to participate in a pension insurance scheme. They may, however, only make retrospective payments covering up to one year before they applied to join the insurance scheme. Up to ten years of pension insurance may be acquired in this way. Applications are to be submitted to the Social Security Administration for the district where the applicant resides permanently. Pension insurance covers the following:

- old-age pension;
- disability pension;
- widow's and widower's pensions and orphan's pension.

## Chapter VII: Survivors' benefits

### When are you entitled to survivors' benefits?

Widows, widowers and orphans are eligible for survivors' pensions. The conditions of eligibility for a survivor's pension are that the deceased person must have been either receiving or entitled to an old-age or invalidity pension or have died as a result of an accident at work or an occupational disease. Orphans may be entitled to a survivors' (orphan's) pension if the deceased parent fulfilled at least half of the years required for entitlement to invalidity pension (i.e. 2 years and 6 months in the last ten years or 5 years in the last 20 years). Moreover they have to be dependent and younger than 26 if they continue education or vocational training.

### What is covered?

#### Amounts

##### Surviving spouse:

- basic amount: flat-rate benefit of CZK 2,230 (€ 86) per month;
- percentage amount: 50% of the percentage amount to which the deceased was or would have been entitled.

The pension is discontinued if the recipient remarries, and a lump-sum grant of 12 times the monthly pension is paid.

Children having lost a parent and orphans:

- basic amount: flat-rate benefit of CZK 2,230 (€ 86) per month;
- percentage amount:
  - children having lost one parent: 40% of the percentage amount to which the deceased was or would have been entitled;
  - children having lost both parents: 40% of the percentage amount of each parent's pension.

##### Minimum pension:

- basic amount: flat-rate benefit: CZK 2,230 (€ 86) per month;
- percentage amount:
  - widow(er)s: CZK 385 (€ 15) per month;
  - children having lost one parent and orphans: CZK 308 (€ 12) per month.

The widow(er)'s pension is always granted for a period of one year from the date of the death. It is maintained after this period if the surviving spouse:

- has reached retirement age;
- is less than four years younger than retirement age for men;
- is in the third degree of invalidity;
- is caring for a dependent child; or
- is caring for a child or the deceased spouse's parent living in the same household who is dependent in the second to fourth level of dependence.

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## **How are survivors' benefits accessed?**

Applications must be submitted to the Social Security Administration office of the district where the applicant resides permanently.

## Chapter VIII: Benefits in respect of accidents at work and occupational diseases

### When are you entitled to benefits in respect of accidents at work and occupational diseases?

All employers who have at least one employee are insured by law against liability for damage caused to the employee by accidents at work and occupational diseases. This insurance provides a range of benefits to all employees without exception and to members of their families, as well as to certain other groups (e.g. retired people and students). All firms and organisations must pay contributions to the statutory insurance scheme for their employees, covering injury, illness or death resulting from the performance of working tasks or in direct connection with such activities. With regard to occupational diseases, a mixed system based upon a list of occupational diseases applies to all businesses. For certain professions or environmental hazards, the highest permissible exposure thresholds are set by the relevant industrial hygiene service body. No minimum periods of exposure to dangerous conditions, chemicals or noise need to be met to be entitled to the benefit.

### What is covered?

#### Temporary incapacity

In the event of temporary incapacity, employees are free to choose a doctor, except in the case of preventive care performed by a business's own health centre. The costs of treatment, called "adequate expenditure" (prescribed by law), are to be borne by the employer. Duration of benefits is unlimited. Compensation for loss of earnings resulting from inability to work is paid until 65 years of age. The employer has unlimited liability for damages as long as he or she is not fully or partially released from liability. The amount of the cash benefit is the difference between the employee's average earnings before the accident at work or the appearance of the occupational disease, and the full amount of sickness benefit.

#### Permanent incapacity

In the event of permanent incapacity, a doctor appointed by the Czech Social Security Administration decides the individual patient's level of incapacity. An individual is considered to be wholly incapacitated when the level drops by 66%. Partial invalidity refers to a 33% reduction. (In such cases, the person will receive an invalidity pension.)

The benefit (indemnity) is based upon previous earnings, i.e. average gross earnings over the three months prior to the incapacity. The allowance ensures that income after the accident or disease is equal to the individual's average earnings before the harm occurred, taking into account any invalidity benefit paid subsequent to the accident or disease. Employers pay this compensation every month until the end of the calendar month in which the recipient reaches 65 years of age. No supplements for dependants or carers are provided for. It may be combined with new earnings from work, because compensation for loss of earnings concerns the amount of earnings obtained following the working accident. It may also be combined with other pensions.

## Other benefits

Compensation for loss and damage and reduced social activities is calculated using a system of points assessed by a doctor.

Compensation for material damage is paid for any damage caused by an accident at work or an occupational disease that is not compensated by the indemnity referred to above (e.g. inability to perform domestic duties which results in reliance on paid assistance).

Compensation for “appropriate expenditure” connected with treatment is paid to the person who covered the costs of the medical treatment.

Sheltered workshops and workplaces serve as a gateway to work for people who are not able to enter the normal labour market. In sheltered workshops more than 60% of the workforce is comprised of people with reduced working capacity. A sheltered workplace has a lower proportion of disabled workers, but it is adapted to their needs. It also covers disabled people working from home. These labour market programmes are funded by the Public Employment Agency at the request of the employer, disabled person or a representative organisation.

Retraining is generally administered by public employment services, which cover the course fees and, if training is provided away from home, also catering, accommodation and travel expenses. Such training programmes normally last no longer than three months.

Employers are obliged to adapt the workplace to the needs of the disabled employee and to provide job training. All employers with more than 20 employees are required to fill at least 4.5% of their positions with people with disabilities and another 0.5% with severely disabled persons. The Regional Employment Agencies assist people with a disability in finding suitable employment. They have specialised consultants who are in direct contact with employers.

## In the event of death

In the event of the death of the person concerned:

- compensation for the costs of care for survivors, is paid to the dependants of the deceased or people for whom he or she had custody.
- one-off lump-sum grants for survivors are:
  - spouse: CZK 240,000 (€ 9,227);
  - orphan: (dependent child): CZK 240,000 (€ 9,227);
  - parent(s) of the deceased (in the same household): CZK 240,000 (€ 9,227);
  - higher amounts may be set in collective agreements or in internal regulations issued by employers.
- compensation of earnings up to 50% (resp. 80%) of the average employee's monthly earnings in case there is no other income within the family
- reimbursement of the cost of maintaining survivors: there are no conditions relating to a qualifying period for the deceased or the age, employment status, etc. of the spouse.
- reimbursement of funeral costs paid to the person who bore the costs: the statutory funeral benefit paid to all survivors by the Czech Social Support system will be deducted from this amount.
- orphans are entitled to a survivor's pension.

The amount of the death (funeral) grant is set at CZK 5,000 (€ 192). It is paid to anyone who organises a funeral for a person who, on the day of his or her death, was a permanent resident of the Czech Republic and had a dependent child. The death grant is paid by the system of State social support.

### **How are benefits in respect of accidents at work and occupational diseases accessed?**

The organisation where the employee last worked prior to contracting the disease is liable for the benefit. There are time limits for declaration which begin from the first appearance of any symptoms.

## Chapter IX: Family benefits

### When are you entitled to family benefits?

#### Child allowance

Child allowance (*Přídavek na dítě*) is a universal scheme, financed by general taxation, providing means-tested, income-related benefits to all residents whose children reside in the Czech Republic.

All children who are residents are eligible for this allowance. The benefit may be paid until compulsory education is completed (generally at the age of 15), but extended up to the age of 26 if the child continues further education or vocational training or cannot work or train for future occupation for serious health reasons. Entitlement to child allowance is limited to families with an income under 2.4 times the family's living minimum (*Životní minimum*).

#### Parental allowance

Parental allowance (*Rodičovský příspěvek*) is intended to assist parents who personally provide full-time and regular care for the youngest child in the family. This is a universal system financed by general taxation and provides a flat-rate benefit to persons who are subject to Czech law or reside in the Czech Republic and whose children reside in the Czech Republic.

#### Birth grant

This is a one-off benefit for low-income families to help them cover costs related to the birth of their first child. Families are entitled to the birth grant provided the family income in the calendar quarter prior to the birth of the child does not exceed 2.4 times the family's living minimum.

#### Other benefits

Other family benefits include:

- foster child allowance;
- foster parent allowance;
- fostering grant;
- motor vehicle grant.

### What is covered?

#### Child allowance

Child allowance is set at a fixed amount according to child's age. It equals:

- CZK 500 (€ 19) for children under six years;
- CZK 610 (€ 23) for children aged six to 15;
- CZK 700 (€ 27) for children aged 15 to 26.

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## Parental allowance

Parental allowance is provided until the total amount of CZK 220,000 (€ 8,458) is drawn, maximum until the child's fourth birthday.

Provided at least one of the parents has sickness insurance, a parent may choose the amount of parental allowance (within certain limits), and thus also the period of its drawing.

The amount of parental benefit is calculated by reference to the daily assessment base used for calculating [sickness benefit](#).

The allowance is not means-tested; the parent may carry out an occupational activity without losing his/her entitlement to parental allowance. However, the parent must ensure that the child is in the care of another adult while s/he is at work.

For more details, please refer to the [MISSOC Tables](#).

## Birth grant

The amount of the birth grant is CZK 13,000 (€ 500) for the first live-born child. In case of twins (or more children born together at the same time) the amount is CZK 19,500 (€ 750).

## How are family benefits accessed?

Family benefits are administered by the [Labour Office of the Czech Republic](#) and its regional offices and their contact points.



## Chapter X: Unemployment

### When are you entitled to unemployment benefits?

The Czech social insurance scheme provides earnings-related unemployment benefits for a maximum of five months (eight months for those aged 50-55, 11 months for those over 55). All Czech and EU citizens are eligible for this benefit, as long as they meet the following conditions:

- recipients must not be working or studying;
- they must be registered as a jobseeker with the Regional Labour Office and must not meet the conditions for eligibility for old-age benefits;
- they must have 12 months of basic pension insurance in the past two years, gained from being in employment or some other working activity (or from the substitute periods of employment – e.g. personal care of child).

Jobseekers who fail to comply with certain conditions (mainly cooperation with the Regional Labour Office) are suspended from the Labour Office register. They may register again after six months. They must also return all benefits that were wrongly paid.

Unemployment benefit is not paid as long as you are entitled to severance pay. Once severance pay comes to an end (e.g. after 3 months), unemployment benefits will be paid.

### Multiple benefits

Unemployment benefit can be combined with family allowances, benefits in material need (*Dávky pomoci v hmotné nouzi*) and social assistance benefits for the disabled. Unemployment benefit cannot be combined with earnings from work.

Applicants can perform short-term employment for a maximum of three months when they accept employment which is not suitable given the claimant's qualifications and experience and the duty to contribute to the pension insurance system.

### What is covered?

Previous earnings and the duration of unemployment determine the amount of unemployment benefit. Unemployment benefits are calculated from the average net monthly earnings over the last quarter. For someone who fulfilled the condition of previous employment through substitute employment periods or who cannot certify the amount of average monthly net earnings or for whom this amount cannot be assessed, a different reference applies, i.e. the national average earnings in the period from the first quarter to the third quarter of the calendar year preceding the one in which the claim to benefit arose.

The amount of unemployment benefit decreases over time, as follows:

- 65% of reference earnings for the first two months;
- 50% of reference earnings for the following two months;
- 45% of reference earnings for the rest of the period of support;

- 60% of reference earnings during retraining;
- 45% of reference earnings during the whole support period in case the person left his/her job of his/her own accord or by agreement with his/her employer.

The maximum unemployment benefit equals 0.58 (during retraining: 0.65) times the national average earnings in the period from the first quarter to the third quarter of the calendar year preceding the one in which the claim to benefit arose.

### **How are unemployment benefits accessed?**

Applicants must register as a jobseeker with the Labour Office, must apply for the unemployment benefits and must fulfil the stipulated conditions.

## Chapter XI : Minimum resources

### When are you entitled to benefits regarding minimum resources?

#### Assistance in material need

Guaranteed minimum support benefits are provided by the system of assistance in material need (*SAMN, Systém pomoci v hmotné nouzi*). SAMN is aimed at people with insufficient income. Its goal is to ensure basic needs for living and housing. The principal condition is low income with little likelihood of improving it by one's own efforts (work, use of property and other priority claims). Benefits provided under the SAMN are subject to a means test.

#### What is covered?

##### Assistance in material need

Three benefits are provided under this system:

- the allowance for living (*Příspěvek na živobytí*) is a benefit provided to a person or a family who have insufficient income to ensure basic needs (except for needs related to housing). It is set as a difference between the 'amount of living' of a person or family and the income of that person or family, less reasonable housing costs (reasonable housing costs are the costs of housing up to a maximum of 30%, in Prague 35%, of the income of the person or family). The amount of living is established on a case-by-case basis, based on an evaluation of a person's or a family's income, efforts, opportunities;
- the supplement for housing (*Doplátek na bydlení*) is a benefit provided to a person or a family who have insufficient income to cover justified housing costs. It is calculated to cover the gap between payment of justified housing costs and the amount of living. Justified housing costs include rent, services related to housing and energy costs;
- extraordinary immediate assistance (*Mimořádná okamžitá pomoc*) is a one-off benefit provided to persons in precarious situations established by law. The amount varies according to the situation it is intended to resolve.

### How are minimum resources benefits accessed?

#### Assistance in material need

Social assistance is organised centrally (administered by the Labour Office of the Czech Republic), but benefits are paid by the regional Labour Offices and their contact points under the same conditions all over the country. The contact points of the Labour Office evaluate the situation of a person in need upon his/her request. A decision to grant a benefit is taken once an application for benefit is submitted on the prescribed form.

Willingness to work is the basic condition for being treated as a person in material need. Recipients, unless being in employment or a similar relationship, must:

- register with the Labour Office as jobseekers;
- actively look for a job;
- accept any employment (even short-term or less paid);
- participate in active employment policy programmes, public works, public service etc.

Certain persons are excluded from work activities due to age, health status or family situation (for example, persons aged 68 or over, pensioners, disabled people, parents taking care of small children, carers of care-dependent persons, dependent children and temporarily ill persons).

Social work with individuals or families precedes the granting of benefits. Social investigation and home visits are an integral part of the evaluation within the system of assistance in material need.

## Chapter XII: Long-term care

### When are you entitled to long-term care?

The target group for long-term care consists of elderly persons, persons with disabilities and persons with chronic illnesses who are limited in self-care and independence (Instrumental Activities of Daily Living (IADL) criteria: assistance with housework, preparation of food, shopping, transport, social activities, etc.); it also includes those who need a higher level of care (ADL criteria: personal hygiene, getting dressed, eating, getting in and out of bed and chair, walking and orientation in the immediate surroundings, etc.).

### What is covered?

The institutional services include social care (help with self-care activities) and healthcare (nursing care) provided in the framework of long-term care. Informal caregivers (family members, friends and other volunteers) contribute to this care in the home environment of dependent persons.

The main benefit of social care services is the care allowance, which is a benefit paid to individuals dependent on care to arrange for necessary care or services. The amount of the care allowance varies according to the age of the beneficiaries (aged under or over 18) and the degree of dependency (based on an assessment of self-care capabilities (ADL, IADL), ranging from CZK 800 (€ 31) to CZK 12,000 (€ 461) per month. Users pay for care from the care allowance which they receive from the State.

A person in need of care has no choice between benefits in kind and cash benefit, but has a choice to use cash benefit (care allowance) for either professional or informal care.

### How is long-term care accessed?

Long-term care of citizens is not ensured by a single system, but it is partially included in the healthcare system and in the social services system, which is run by the Ministry of Labour and Social Affairs.

In the social services system, dependency on care for persons entitled to care allowance is assessed by a social worker employed by the regional Labour Offices (as regards social dependency) and by a medical doctor (as regards dependency due to the health condition). Re-assessment is carried out when the dependent person turns 18 years old, or when the validity of the medical opinion has expired, due to change of health status.

Dependent people are cared for by professional providers either in institutions or at home, with the participation of informal carers (especially in the home environment).

## Annex: Useful addresses and websites

For social security issues concerning more than one EU country, you may search for a contact institution on the Institutions' directory maintained by the European Commission and available at: <http://ec.europa.eu/social-security-directory>.

Ministry of Labour and Social Affairs (MOLSA):

*Ministerstvo Práce a Sociálních Věcí*

Na Poricním pravu 1

128 01 Praha 2

E-mail: [posta@mpsv.cz](mailto:posta@mpsv.cz)

<http://www.mpsv.cz>

MOLSA

Section of Labour Market

*sekce trhu práce*

Na Poricním pravu 1

128 01 Praha 2

E-mail: [posta@mpsv.cz](mailto:posta@mpsv.cz), [ssz@mpsv.cz](mailto:ssz@mpsv.cz)

<http://www.mpsv.cz>

Czech Administration of Social Security:

*Česká Správa Sociálního Zabezpečení*

Krizova 25

225 08 Praha 5

E-mail: [posta@cssz.cz](mailto:posta@cssz.cz)

<http://www.cssz.cz>

Ministry of Health:

*Ministerstvo Zdravotnictví*

Palackeho namesti 4

128 00 Praha 2

E-mail: [verejnost@mzcr.cz](mailto:verejnost@mzcr.cz)

<http://www.mzcr.cz>

Centre for International Reimbursements

*Centrum mezistátních úhrad*

nám. W. Churchilla 2

113 59 Praha 3

E-mail: [info@cmu.cz](mailto:info@cmu.cz)

<http://www.cmu.cz>

Labour Office of the Czech Republic - DG

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128 01 Praha 2

E-mail: [posta@uradprace.cz](mailto:posta@uradprace.cz)

<http://Portal.mpsv.cz/upcr>