



ESPN Thematic Report on Access to social protection of people working as self-employed or on non-standard contracts

Czech Republic

2017

*Tomáš Sirovátka, Robert Jahoda, Ivan Malý
January 2017*



EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion
Directorate C — Social Affairs
Unit C.2 — Modernisation of social protection systems

Contact: Giulia Pagliani

E-mail: Giulia.PAGLIANI@ec.europa.eu

*European Commission
B-1049 Brussels*

European Social Policy Network (ESPN)

**ESPN Thematic Report on
Access to social protection of
people working as
self-employed or on
non-standard contracts**

Czech Republic

2017

Tomáš Sirovátka, Robert Jahoda, Ivan Malý

The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER) and APPLICA, together with the European Social Observatory (OSE).

For more information on the ESPN, see:

<http://ec.europa.eusocialmain.jsp?catId=1135&langId=en>

***Europe Direct is a service to help you find answers
to your questions about the European Union.***

Freephone number (*):

00 800 6 7 8 9 10 11

(*) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

LEGAL NOTICE

This document has been prepared for the European Commission, however it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

More information on the European Union is available on the Internet (<http://www.europa.eu>).

Contents

SUMMARY.....	4
1 CONTEXT: SELF-EMPLOYMENT AND NON-STANDARD WORK RELATIONSHIPS IN THE NATIONAL ECONOMY AND LABOUR MARKET	5
2 DESCRIPTION AND ASSESSMENT OF SOCIAL PROTECTION PROVISION FOR SELF-EMPLOYED AND PEOPLE EMPLOYED ON NON-STANDARD CONTRACTS.....	8
2.1 Description of social protection provision for self-employed and people employed on non-standard contracts	8
2.1.1 Healthcare and sickness: cash benefits and benefits in kind	10
2.1.2 Maternity/paternity cash benefits and benefits in kind	10
2.1.3 Old-age and survivors' pensions	11
2.1.4 Unemployment benefits and social assistance benefits	12
2.1.5 Long-term care benefits	13
2.1.6 Invalidity, accidents at work and occupational injuries benefits.....	13
2.1.7 Family benefits.....	14
2.2 Assessment of the existing social provisions and of the impact of possible extension of their coverage.....	14
3 CONCLUSIONS AND RECOMMENDATIONS.....	19
ANNEX 1	21
REFERENCES	23

Summary

In the Czech Republic, non-standard forms of employment include mainly self-employment (17.3% of total employment) and, to a lesser extent, fixed-term contracts (8.5%), part-time work (6.7%) and marginal categories of agreement to perform work (*dohoda o pracovní činnosti*) and agreement to complete a job (*dohoda o provedení práce*). Self-employment may, to some extent, function as a substitute for the other non-standard forms of work since it is an advantageous form in terms of social insurance obligations and tax duties when compared to standard forms of employment. The policy debate does not recognise many problems in regard to non-standard forms of employment. One issue is more frequently discussed though, and that is a lower tax wedge.

The Czech social security system is, in principle, uniform for employees, self-employed people and other non-standard labour categories, as all forms of economic activity establish very similar rights to social protection, with few exceptions. This is mirrored in a relatively low income poverty rate in society at large, as well as in the case of the self-employed. For this reason, there is neither any urgent need nor a policy debate concerned with extending the right to social protection to the self-employed and non-standard labour categories.

Exceptions are seen mainly in the case of the self-employed. First, sickness insurance (cash benefits) is not compulsory for the self-employed, but they may take out sickness insurance on a voluntary basis. Second, a self-employed person must have been covered by sickness insurance for at least three months immediately preceding the first day of their incapacity for work, while an employee is entitled to benefits from the first day of insurance. Third, the insured self-employed persons are not covered for the first 14 days of their sickness (in the case of employees it is 3 days).

Next, workers who take care of a sick family member are entitled to a cash benefit called Attendance Allowance (*ošetřovné*), while self-employed people are not eligible, even if they voluntarily take part in sickness insurance. Similarly, people who work under either an *agreement to perform work* or *agreement to complete a job* are not eligible.

Part-time and fixed-term contracts don't imply any restrictions in social protection. The *agreement to complete a job* establishes participation in social insurance schemes only in those months in which the employee reached an assessable income in the amount of more than CZK 10,000 (EUR 370). A similar principle applies to *agreements to perform work*, where the assessable income must amount to at least CZK 2,500 (EUR 93). These categories are, however, only marginal: they are typically concluded in parallel with another employment contract.

Considering this situation of almost full coverage, it seems that the biggest problem for pension protection of self-employed persons is their insufficient premiums payments to the pension system, which is due to a low assessment base for premiums calculation. Consequently, since the earnings-related pension component forms the biggest part of the old-age pension, some self-employed people can expect very low pensions.

However, there has been a long-standing debate in the Czech Republic rather on whether the self-employed contribute an adequate share to the social system because of their low/insufficient premiums payments to the deficient social protection system.

It may be recommended to provide some support to those who would prefer part-time working. One measure that could be beneficial is removal of the low ceiling on social security contributions which raises labour costs of part-time work. Second, lowering social security contributions for working parents or other groups disadvantaged in the labour market could possibly boost employment of parents and improve their work-life balance. Most importantly, the extent to which the due pension claims of self-employed workers correspond with their insurance premiums paid should be assessed, along with how sufficient their future pension entitlements will be, and measures should be better considered to strike a fairer balance in this respect.

1 Context: self-employment and non-standard work relationships in the national economy and labour market

Considering the ILO definition, where non-standard work refers to: 'jobs that fall outside of the realm of standard work arrangements, including temporary or fixed-term contracts, temporary agency or dispatched work, dependent self-employment, as well as part-time work, including marginal part-time work, which is characterized by short, variable, and often unpredictable, hours' (see Matsaganis et al. 2015), the Czech Labour Code distinguishes the following: self-employment (self-employed without employees and self-employed with employees), part-time contract/work, and fixed-term/temporary contract/work. Statistics are available only on these first three forms of non-standard work.

The other forms are: agreement to perform work (*dohoda o pracovní činnosti*), which is work outside one's main regular contract not exceeding 20 hours per week, agreement to complete a job (*dohoda o provedení práce*), which covers work not exceeding 300 hours per calendar year for one employer, and lastly, temporary agency work.

Self-employment (without employees) increased from 582 thousand to 666 thousand during 2007-2015, that is to 13.2% of total employment, or from 613.5 thousand to 696.4 thousand, which is 13.8% of total employment, if contributing family members/family workers¹ are counted in (and if also self-employed with employees are counted in, self-employment accounts for 17.3%).² These numbers are above the EU average. At the same time, the numbers of those who are self-employed in their second job increased from 44 thousand to 61.6 thousand persons. Women's self-employment (without employees) represented 186.4 thousand out of 1,975.8 thousand employed women (this is 9.4%) in 2015. If family workers (17.9 thousand) are counted in, this was 10.3%.

Data by the Labour Force Survey (averages for 2015), which provide further breakdowns and other specific information on the self-employed, also recognize a distinct category of self-employed persons with employees, in addition to the category of self-employed persons without employees. This group (i.e. self-employed persons in general) is clearly overrepresented among managers (28%), service and sales workers (23%), skilled agricultural, forestry and fishery workers (48%), and crafts and related trades workers (28%). According to NACE, self-employed persons in general are overrepresented in construction (42%)³, wholesale and retail trade (23%), information and communication (22%), real estate activities (51%), and professional, scientific and technical activities (46%). There are only about 55 thousand self-employed persons below 30 years of age, which is about 6% of their total number.

According to Fondeville et al. (2015), self-employment is less often used as a path from unemployment in the Czech Republic when compared to the other EU countries, and similarly, self-employed people are less at risk of unemployment: after three years, about 14% are out of work in the EU on average, as against only 10% in the Czech Republic.

SILC data indicate that households headed by a self-employed person accounted for 12.4% of all households in 2015 (13.1% in 2010).⁴

These households are characterised by a slightly higher number of members and children, a lower proportion of single-parent families, and more working members of the family when compared to the households of employees. Again, only 13% of the self-

¹ Persons who help a family member to run his/her own business, provided that they are not considered as employees.

² Czech Statistical Office, yearly average for 2015.

³ Common practice indicates that, in this sector, self-employment is sometimes dependent self-employment (a strategy by employers to get around social insurance duties). However, official data are not available.

⁴ Data by the Czech Statistical Office.

employed major wage earners in households are below 35 years of age, while in the case of employees it is 22%.

These households tend to be concentrated in the first two deciles of the income distribution (their share is 16% in the first decile and 15% in the second one) and in the two highest deciles (their share is 14.5% and 23%, respectively). When we look at the shares of households whose income is below the legally set living minimum threshold and take education into account, the situation of households of the self-employed is better than that of employees with a lower level of education, while employees with a higher level of education are apparently doing the best.

Data by Fondeville et al. (2015) document that the Czech Republic belongs among 6 countries in the EU (Finland, Austria, Estonia, Poland, Sweden and the Czech Republic) where self-employed people's life satisfaction is the highest.

To sum up, the position of the self-employed in the labour market seems to be stable and their numbers are growing, even in times of economic recovery. On average, their economic position is better than the position of employees. Nevertheless, data indicate that there is a subgroup of the self-employed whose incomes are in the two lowest deciles. Only some statistics on social exclusion, poverty rates, poor health, and risks of homelessness can be extracted from SILC data. It seems that such risks are less spread among the self-employed than across the rest of the population. The percentage of self-employed (employed persons except employees above 18 years of age) at risk of poverty and social exclusion was 8.8% in 2015 (compared to the EU average of 24.8%), while in the total of population it is 13% (the EU average is 22.9%). The proportion of self-employed people at risk of poverty was 7.7% in 2015 (EU average 22.5%), compared to 8.6% in total of population (EU average was 16.3%).⁵ The proportion of self-employed people whose housing costs amounted to more than 40% of their household's income was 14.4% in 2015 in the Czech Republic; in the case of employees it was 15.5% and in total population it was 17.7%.⁶

The State Labour Inspection Office and its regional inspectorates are authorized to inspect whether employers observe all obligations arising out of the applicable legal regulations. The complaints dealt with by the Office in 2015 (see SLIF, 2015, p.151) mostly drew attention to illegal work of foreigners, as well as citizens of the CR, and to so-called "*švarcsystém*"⁷ (dependent self-employment; for definition see ILO, 2016, p. 98). Out of 1913 Czech citizens working illegally 7.3% were engaged in this form of employment. In the case of EU citizens (140 cases) it was only 4.7%. This phenomenon is more widespread among non-EU nationals. The Office found 858 illegally employed non-EU nationals, of whom 22% were found to be employed on this type of contract.

Data on part-time employment and temporary/fixed-term employment are provided in quarterly publications by the Czech Statistical Office. According to data for the 2nd quarter of 2016, there were 345.6 thousand employees on part-time contracts in the country, that is 6.7% of total employment, 3.2% in the case of men, and 11.2% in the case of women (which is very much associated with caring duties). This is one of the lowest shares of part-time work in the EU. Among the self-employed without employees part-time contracts represented 9% of employment, 5.6% among men and 18.7% among women.

Fixed-term contracts represented 435.3 thousand workers, that is 8.5% of total employment. The share was 7.2% among men and 10.7% among women. About 36% of

⁵ Data by Eurostat database.

⁶ Data by Czech Statistical Office.

⁷ This term is used for dependent self-employment (misclassification of employees as independent contractors) in the Czech Republic. It originates at the beginning of the 1990s when Miroslav Švarc, owner of a building company, employed workers on self-employed contracts. He was later sentenced to 18 months in prison for this.

these contracts were represented by workers below 30 years of age, who account for about 13% of total employment.⁸

To sum up, in the Czech Republic, non-standard forms of employment include mainly self-employment and, to a lesser extent, fixed-term contracts and part-time work. Self-employment may, to some extent, function as a substitute for the other non-standard forms of work since it is an advantageous form in terms of social insurance obligations and tax duties when compared to standard forms of employment (see the sections below).

There is a gap in statistics regarding data on some non-standard forms of employment, such as agreement to perform work (*dohoda o pracovní činnosti*), agreement to complete a job (*dohoda o provedení práce*), and temporary agency work, which deserve more attention. Similarly, data on bogus self-employment should be collected.

In general, the high share of self-employment in the Czech Republic is to some extent due to the considerably lower tax wedge when compared to standard forms of employment (see the section below) and due to the flexibility of this form of employment when compared to fixed-term contracts. For this reason, there are no special job-creation measures to encourage self-employment. Job-creation measures (in the form of wage subsidy) are provided to the unemployed.⁹ They include job creation in the private sector, may be accompanied with counselling or vocational training, and can also be used to initiate self-employment. However, this measure is of minor significance. In 2015, 52,618 unemployed received this subsidy, of whom 2,643 started self-employment (in 2014 it was 2,383).¹⁰ Those who get a wage subsidy can also be given a lump-sum bridging contribution (*překlenovací příspěvek*) for a period of 5 months in the amount of 0.25 times the average wage. In 2015, 273 unemployed were granted this contribution to start self-employment.

Since social insurance rights for workers on non-standard contracts are almost comparable to those on standard contracts there are neither any measures aiming to expand these rights, nor is there recognition of any problems in regard to non-standard forms of employment in the policy debate. One issue is more frequently discussed though, and that is a lower tax wedge (tax bonuses and lower pension fund contributions by the self-employed), connected to the issue of public finance deficit. Some debate has recently emerged regarding support to part-time work. The Commission for Family Policy established by the MLSA recommends, among other measures, to decrease social security contributions for parents on part-time work contracts while keeping them fully insured, in order to improve the conditions for work-family balance.

Discussion is currently underway in the Czech Parliament on paternity leave and paternity benefit. According to the proposal, paternity benefit should be calculated using the same formula as maternity benefit (see section 2.1.2) and should be the same for employed and self-employed people.

⁸ Own computations based on data by CZSO.

⁹ The wage subsidy can be provided up to the level of the labour costs (while typically it covers part of the labour costs, depending on the profile of the unemployed) for a period of up to 6 months.

¹⁰ For data see MPSV/MLSA 2016a.

2 Description and assessment of social protection provision for self-employed and people employed on non-standard contracts

2.1 Description of social protection provision for self-employed and people employed on non-standard contracts

The Czech social security system is, in principle, uniform for employees and the self-employed. The foundations of the current insurance system applicable to the self-employed were laid in 1990 when the definition of the self-employed and of their obligations concerning payment of premiums (for social security, the state employment policy and the public health care system) were adopted.

Act No. 155/1995 Coll., on Pension Insurance, as amended, gives the following definition of the self-employed in the Czech Republic (§9-§10):

- they independently engage in gainful activity, or
- they co-operate with others on independent pursuit of gainful activity, provided they have a share of income from this activity and bear a share of the expenditures, pursuant to Act No. 586/1992 Coll., on the Income Taxes, as amended,
- they have completed the mandatory school attendance and have reached at least the age of 15.

Independent gainful activity (i.e. self-employment) is understood as:

- the business of farming, provided the natural person engaged in farming is registered pursuant to special legislation
- carrying out a trade or service based on a business licence pursuant to special legislation
- being a partner in a partnership or a general partner in a limited partnership and engaging in activities on behalf of this partnership
- carrying out artistic or other creative activities based on copyright relations

Since 1 January 2004, the law has distinguished between major and secondary self-employment:

- Self-employment is always considered to be one's major gainful activity, unless the conditions for secondary self-employment are fulfilled.
- Self-employment is considered secondary if, in the given calendar year, the self-employed person:
 - was employed at the same time (earning at least the minimum wage), or
 - was entitled to disability or old-age pension, or
 - was entitled to parental allowance or maternity cash benefit or sickness benefit due to pregnancy and delivery, provided eligibility for these benefits had been earned by participation in sickness insurance, or personally cared for a person under 10 years old who is dependent on the care of others, if the dependent person is a close relative or forms part of the self-employed person's household, or
 - served in the Czech military, unless they are professional soldiers, or delivered community service, or
 - was a dependent child within the meaning of Act No. 155/1995 Coll., on Pension Insurance, as amended (full-time study).

Apart from a few exceptions, which are described below, the Czech welfare system treats all forms of economic activity in the same way. Economic activity establishes the right to social protection (see two tables in Annex 1).

Like all residents, the self-employed are compulsorily covered by health insurance. Sickness insurance (cash benefits) is not compulsory for the self-employed, but they may take out sickness insurance on a voluntary basis. Pension insurance for old-age, survivor's and invalidity pensions is compulsory. The self-employed are also protected in case of unemployment. Like all residents, self-employed persons are entitled to non-contributory tax-financed benefits such as family allowances. Special rules are applicable to the self-employed concerning the assessment base for social security premiums (see the following Table 1). These rules effectively decrease the premiums amount, with the consequent impact on earnings-related benefits (sickness, maternity, old-age, survivors' and invalidity pensions and unemployment benefits) – for details see the following chapters.

Table 1: Insurance premiums for different types of work contracts

Premiums rate	employed person		self-employed	agreements to:	
	employee	employer	SE1	complete a job	perform work
Healthcare insurance	4.5%	9.0%	13.5%	Same rules as employed persons in case monthly income is above assessable income, otherwise no premiums paid	
Sickness (maternity) insurance	0.0%	2.3%	2.3% (voluntary)		
Pensions insurance (old-age, survivors', invalidity pensions)	6.5%	21.5%	28.0%		
Unemployment insurance	0.0%	1.2%	1.2%		
assessable income	gross salary		50% of the profit	CZK 10,000	CZK 2,500
Personal income tax	Standard rules (mostly 15% of taxable income)				

Source: Czech tax legislation

Agreement-based work establishes eligibility for social protection only when the income exceeds the assessable income. Where this is the case, an obligation arises to assess and pay health and social insurance premiums. As for agreements to complete a job, the monthly assessable income is CZK 10,000 (EUR 370). A person cannot work more than 300 hours per year for one employer. In the case of agreements to perform work, the monthly assessable income is only CZK 2,500 (EUR 93), but the working time limit for one employer is higher (max. 20 hours per week).

In connection with the above-defined assessable income, a mention must be made of a fairly common practice. Employees try to arrange the contractual agreements (and this applies mainly to the agreement to complete a job) in such a way as to avoid exceeding the set amounts. In most of the cases, the contractual agreement is not their first and only employment contract, so they are insured under their main employment. Theoretically, the payment of premiums from the agreements would lead to higher insurance benefits. However, these benefits are little related to income in the Czech Republic. Any additional payment of premiums from agreements is then perceived as disproportional to possible increase in benefits. The above-mentioned does not apply to those individuals for whom the contractual agreement is the main livelihood.

2.1.1 Healthcare and sickness: cash benefits and benefits in kind

Both the self-employed and workers under non-standard contracts are entitled to the same benefits in kind as all permanent residents. The self-employed without permanent residence in the Czech Republic, coming from countries outside the EU, are not compulsorily covered under the Czech public health insurance system.

Generally speaking, this arrangement in itself is not considered to be an issue. On the other hand, there has been a history of occasional disputes concerning the difference in the calculation of premiums between workers and self-employed persons in the country. The latter pay considerably lower premiums, roughly by half, due to a different construction of the basis for the payment. A model calculation of premiums payments and impact on benefits is provided in the section on old-age benefits below.

Participation in sickness insurance is legally mandatory for any employee. For self-employed persons, it is voluntary.¹¹ Employees and self-employed persons who participate in sickness insurance are entitled to the same earnings-related (depending on the assessment base) sickness benefits.

However, in comparison with employees, there exist some differences in entitlement to sickness benefits for self-employed persons:

- To be eligible, a self-employed person must have been covered by sickness insurance for at least three months immediately preceding the first day of their incapacity for work. An employee is entitled to benefits from the first day of insurance.
- During the first two weeks of an employee's temporary incapacity for work, the employer provides the employee with a compensation wage for working days; however, the compensation for wage, salary or remuneration loss is not paid for the first 3 days of this period. The employee is entitled to sickness benefits from the 15th calendar day of his/her temporary incapacity for work. The insured self-employed persons are not covered for the first 14 days of their sickness either. Both categories have to pay 2.3% of the assessment base wage as premiums. Self-employed people can choose to pay more and be eligible for higher benefits.
- Workers who take care of a sick family member, or even of a healthy child under 10 years old whose kindergarten or school has been temporarily closed, are entitled to a cash benefit called Attendance Allowance (*ošetřovné*). Self-employed people are not eligible, even if they voluntarily take part in sickness insurance. Similarly, people who work under either an agreement to perform work (*dohoda o pracovní činnosti*) or agreement to complete a job (*dohoda o provedení práce*) are not eligible.

The *agreement to complete a job* establishes participation in sickness insurance only in those months in which the employee reached an assessable income in the amount of more than CZK 10,000 (EUR 370). A similar principle applies to *agreements to perform work*, where the assessable income must amount to at least CZK 2,500 (EUR 93).

2.1.2 Maternity/paternity cash benefits and benefits in kind

The general conditions for entitlement to maternity benefits in cash applicable to employed persons (insured from the first day of employment, and monthly assessable income above CZK 2,500 – EUR 93) also apply to self-employed persons. In addition, the following two conditions must be met at the same time:

¹¹ There were 92 thousand self-employed persons voluntarily taking part in sickness insurance and actually paying sickness premiums in 2014 (compared to 676 thousand self-employed persons required to pay compulsory pension insurance premiums in the same year.)

- The period of participation of the self-employed person in a sickness insurance scheme must have been at least 180 days during the year preceding the day when the payment of maternity benefits in cash started,
- At the same time, the insurance period must have lasted for at least 270 calendar days during the last two years preceding the day when the payment of maternity benefits in cash started.

The calculation of maternity benefits for self-employed persons is done using the same method as is used for calculation of employees' benefits. Maternity leave of 28 weeks is provided (in the case of twins and more children it is 37 weeks). The amount of maternity benefit is income-related and corresponds to 70% of the daily assessment base. It is calculated from the average income of the insured person from which the premium is paid in the previous calendar year. At the same time progressive reduction from individual claimants' average incomes exceeding the national average wage is applied in the calculation of the daily assessment base. Paternity benefit is currently discussed in the Parliament. If legislated, fathers should be eligible for a one-week paid leave (under the sickness insurance scheme, similarly as in the case of maternity leave). The calculation of 'fathers' benefit' should be the same as that of maternity benefit.

The general rules for contractual agreements were described above.

2.1.3 Old-age and survivors' pensions

The payment of premiums for pension insurance (28% of the assessment base) and contributions to the state employment policy (1.2% of the assessment base) are compulsory. Gross salary is the assessment base for standard employees, for employees on agreements to complete a job (but only if the monthly wage is above CZK 10,000 - EUR 370), as well as for employees on agreements to perform work (but only if the monthly wage is above CZK 2,500 - EUR 93).

As for self-employed persons, the amount of the premium payment is derived from the assessment base which equals to 50% of the average monthly income from independent gainful activity, after deducting expenses. Expenses can be determined either as expenses incurred or as a lump-sum percentage of revenue. The lump-sum rate depends on the type of business and ranges from 30% to 80% of taxable income, with all the lump-sum categories being capped.

All the rules and the manner of old-age pension calculation remain the same for all insured individuals, irrespective of whether their rights originate from previous employment, self-employment or work under a contractual agreement.

Old-age pension consists of a basic element and an earnings-related part calculated according to a progressive formula. The value of the basic pension is equal to 9% of the average wage. The earnings-related pension gives 1.5% of earnings for each service year. The earnings measure averages across all years starting from 1986 (for details, see OECD, 2015).

A survivor (widow, widower) is entitled to a survivor's pension if his/her partner received an old-age (disability) pension or fulfilled the conditions for the entitlement on the date of his/her death. There are mitigating conditions in the system which make survivor's pension accessible even if none of the above conditions is met. The system does not discriminate against insured persons with regard to the type of the employment contract.

2.1.4 Unemployment benefits and social assistance benefits

Unemployment benefits are provided to all categories of workers under the following conditions (with no differences for non-standard forms of employment or for self-employed people).

The unemployed are entitled to the benefit if they were covered by social insurance (worked) for at least 12 months within the last 2 years. In the case of repeated registrations/unemployment spells within a 2-year period (if the benefits were provided for the whole period given by legislation), another condition is also imposed: at least 6 months of continuous social insurance are required for gaining a new benefit entitlement (for the whole period). If the benefits were not provided for the whole period given by legislation, 3 months of continuous social insurance are required to renew the entitlement for the whole period, otherwise only the rest of the period is covered.

Unemployment benefit is provided for the period of 5 months, 8 months (for people over 50 years of age) or 11 months (for people over 55 years of age). The replacement rate is 65% for the first 2 months, 50% for the following two months and 45% afterwards, with a ceiling of 0.58 times the average wage. During retraining programmes, the replacement rate is 60% (the ceiling is 0.65 times the average wage).

The unemployed are obliged to be registered and have to cooperate with Public Employment Services (PES): they have to fulfil the obligations given by Individual Action Plans and accept a suitable job offer (including a temporary job in the case of long-term unemployed) or a targeted employment programme, and other conditions.

In 2011, the positive incentive for the unemployed in the form of 'non-colliding employment' (*nekolidující zaměstnání* – this means that income up to half the minimum wage earned from part-time temporary jobs did not affect entitlement to unemployment benefit, serving as a supplement to unemployment benefits entitlements), implemented in 2009, was abolished.¹² Non-colliding employment is still possible but can no longer be combined with eligibility for unemployment benefits.

The new measure 'activating job opportunities' introduced in 2014 aims to provide positive employment incentives, similar to those under the measure applied until 2011. It consists in tolerating earnings up to the level of half the minimum wage for the period of 3 months.

In practice, although workers on standard and non-standard employment contracts get the same entitlements, temporary workers, who often have shorter performance records, earn their entitlements less often than workers on unlimited contracts (see the conditions above).

There is no difference between standard and non-standard jobs in terms of entitlements to social assistance benefits. Within the Minimum income scheme, there are three means-tested benefits: Allowance for Living, which aims to ensure that basic needs are met; Supplement for Housing, which aims to cover justified housing costs; and Extraordinary Immediate Assistance, a one-off discretionary benefit provided to persons in precarious situations.

Willingness to work is the basic condition for an unemployed to be regarded as a person *in material need*. Recipients, unless in employment, must register with the labour office as jobseekers, actively look for a job, accept any (even short-term or poorly paid) employment, and participate in active employment policy programmes. Refusal means that the person is excluded from the system for 3 months.

The Allowance for Living is set as the difference between the amount needed for a person or family to sustain themselves (the living minimum) and the income of that person or

¹² Act No 354 Coll. from November 6, 2011.

family after deduction of reasonable housing costs (income in the previous 3 months is taken into consideration): the amount required for living is established on a case-by-case basis. Entitlement to the benefit is not time-limited.

The benefit is intended only to cover personal needs. The individual amount is determined for each individual in the household; the household amount is calculated on a sliding scale. The monthly amounts of the living minimum have been as follows since January 2012:

- a single person: CZK 3,410 (EUR 126),
- first person in a household: CZK 3,140 (EUR 116),
- second and other persons, not dependent children: CZK 2,830 (EUR 104),
- dependent child (under 6 years): CZK 1,740 (EUR 64),
- dependent child (6–15 years): CZK 2,140 (EUR 79),
- dependent child (15–26 years): CZK 2,450 (EUR 90).

Supplement for Housing tackles those cases where a person's or family's income, including entitlement to the Housing Allowance within the system of state social support, is insufficient to cover justified housing costs. There is, however, a ceiling on the supplement to housing costs, corresponding to the normative housing costs appropriate in the locality. The Supplement for Housing is provided if the applicant lives in (legally) rented housing or in his/her own accommodation.

2.1.5 Long-term care benefits

The personal care allowance is a main cash benefit provided directly to people in need of long-term care. The allowance is scaled into four levels, according to the recipient's degree of dependency on support and age (for details see Sirovátka et al., 2016). The highest level of dependency entitles the recipient to a care allowance of around half the average salary and slightly above-average pension in the country. The care allowance is not means-tested. There is no difference in entitlement to this allowance between employees and self-employed people.

Specific allowances are guaranteed to persons with disabilities (see Act No 329/2011 Coll.). They include mobility allowance ("*příspěvek na mobilitu*") and special-aid allowance ("*příspěvek na zvláštní pomůcku*"). There is no difference in access to these allowances according to the type of (previous) employment for Czech citizens. Other EU citizens living temporarily in the country may face some limitations in entitlement here, depending on their working status (see § 29 of Act No 329/2011 Coll.). In this respect, labour offices test if the person has not become an "unjustified burden to the system". This may typically concern self-employed person not covered by sickness insurance.

2.1.6 Invalidity, accidents at work and occupational injuries benefits

Since invalidity benefits are defined within the Pension Insurance Act (old-age pension, invalidity pension and survivor's pension), the eligibility conditions and the level of benefits are the same for all insured persons, irrespective of the working contract they have. In the case of invalidity pensions, similar conditions to old-age pensions (see 2.1.3) apply. Generally, the Pension Insurance Act differentiates between three stages of invalidity, according to the degree of the decrease in work capacity. If the insured individual's work capacity decreases:

- by at least 35%, but not more than 49%, this is stage one invalidity
- by at least 50%, but not more than 69%, this is stage two invalidity
- by at least 70%, this is stage three invalidity.

Insured individuals must meet the condition of a stipulated number of years of insurance in the last ten years before the invalidity occurred. The number of years differs in accordance to age of the concerned individuals. For example, individuals who are over 38 years of age must either meet the condition of five years of insurance in the last ten years before the invalidity occurred or ten years of insurance in the last twenty years before the invalidity occurred.

Compensation to employees for accidents at work and occupational injuries was changed under the new Civil Code from 2014. According to the Code, cases are assessed individually. At the same time, accidents at work and occupational diseases are considered under the Labour Code, which, together with the implementing regulation, specifies the minimum amount of compensation paid by the employer. The minimum amount of compensation is determined by the number of points, where each particular mental or physical infirmity is assigned a certain number of points. The points are determined on the basis of a medical report. Since the compensation for accidents at work is paid by the employer to the affected employees, there is no similar coverage for self-employed persons. It is only their responsibility to arrange corresponding private insurance.

2.1.7 Family benefits

Financial support to families is based on the following two principal mechanisms: tax measures and the social security benefits. Together with the above described maternity and parental benefits, the social security scheme mainly provides income and means-tested benefits.

Child allowance makes up about 10% of the total support for children, the remaining 90% are child tax reliefs, which have the form of a negative income tax. Child allowance is a residual benefit today. Since the benefit is income tested, the recipients of this benefit (families) are often also beneficiaries of social assistance benefits.

The increase in child tax reliefs has occurred particularly in recent years after the current government introduced a differentiation of the value of relief by birth order in the household. A further increase in relief for the second and consequent children in the household is expected in the first half of 2017 (Parliamentary Document No. 873). For taxpayers to be able to utilize the full value of child tax relief, their annual income from economic activity (dependent employment, self-employment, contractual agreements) has to reach at least 6 times the national minimum wage. This rule creates a strong labour-participation incentive, mainly for single-parent families.

Self-employed people have a limited access to family benefits (mainly child allowance), since a monthly reference income of at least half the average wage is assumed in their case. This measure is designed to indirectly fight against tax evasion of the self-employed. Another key measure to keep control of self-employed persons' tax returns is that if they apply the system of lump-sum expenses, they cannot claim the child tax relief and other selected tax reliefs. Thus self-employed taxpayers can either choose to apply rather generous tax breaks, but only claim expenses actually incurred, or opt for rather generous lump sum expenses, but without the possibility to claim certain tax reliefs.

Discussion is currently underway in the Parliament (Parliamentary Document No. 873) on the possibility to reduce the lump-sum expenses rate and return selected tax reliefs to these taxpayers.

2.2 Assessment of the existing social provisions and of the impact of possible extension of their coverage

The economy in the Czech Republic currently generates such demand for labour that the unemployment rate has reached record lows and there is a shortage of labour in the market. Human resources specialists in private companies admit that they have recently

been forced to compromise on required staff qualifications. Companies now tend to hire virtually anyone willing to work. This can be evidenced by specific indicators where the Czech Republic takes the lead among the EU countries, be it the Gini coefficient of equivalised disposable income (0.25 in 2015, EU average 0.31; Eurostat table ILC_DI12) or, even more conclusively, the Gini coefficient of equivalised disposable income before social transfers, with pensions included in social transfers (0.449 in 2015, EU average 0.518, Eurostat table ILC_DI12B). The virtually non-existent unemployment then translates into a historically low in-work at-risk-of-poverty rate (4.0% in 2015, EU average 9.5%, Eurostat table ILC_IW01). In these circumstances it is clear that the government does not see the need to tackle social protection of people working as self-employed or on non-standard contracts. In short, this is not currently a problem, and even where it is, it only affects isolated areas, as we have attempted to describe in chapter 2.1 above.

The following tables 2 and 3 show, in more detail, the level of social protection of self-employed persons or people working on non-standard contracts. The risk of income poverty of the self-employed (6.0% for self-employed with employees and 7.8% for self-employed without employees) is slightly higher than that of employees (4.3%), but is still below the average of the Czech Republic (9.7%). A specific category are family workers, whose poverty rate is higher. However, their share is relatively small according to the SILC survey (2015), which raises the question of reliability of the given data.

Table 2: Employment status and distribution into income decile groups (in %)

	Distribution of workers into decile groups							share	AROP
	1	2	3	4	5	6-10	total		
employee	4.4	6.1	6.2	7.5	8.7	67.2	100	88.9	4.3
self-employed with employees	6.0	6.6	7.0	2.7	8.1	69.7	100	3.6	6.0
self-employed without employees	8.0	7.6	7.8	6.9	8.2	61.4	100	13.3	7.8
family worker	39.3	3.4	0.0	8.7	0.0	48.6	100	0.3	39.3
Total	5.0	6.3	6.4	7.2	8.6	66.5	100	100.0	4.9

Source: own estimates based on Czech SILC (2015) microdata

Note: Income decile refers to the distribution (%) of ALL individuals by the income decile class they fall into in the survey year (reference income from previous year). For the distribution, the equalised disposable income is decisive.

Besides standard employment and self-employment, the state permits workers to conclude agreements to carry out work outside employment or to perform temporary agency work. These non-standard forms of employment are defined by the Czech Labour Code (§75-§77 and §307a-§309).

SILC data on contractual agreements suggests that this type of employment is marginal in the Czech Republic. Out of all individuals with a contract job, only 0.6% represented this type of employment in 2015 (see the following table 3). However, common practice confirms that the opposite is true. There are estimates that more than a million such agreements are signed annually in the Czech Republic. At the same time, many of these agreements are signed by workers who already have a regular employment contract. However, there are no solid statistics to prove this.

The following table 3 indicates that the proportion of workers working on job agreements is small. For these workers, the agreement represents their main economic activity and does not serve to bring an extra income on top of their earnings from a parallel permanent job. The table also shows the distribution of workers into decile groups and the risk of income poverty. It is evident that employees with agreements are at an

increased risk of monetary poverty, while this doesn't pose a problem for employees in permanent jobs. It is interesting to compare AROP of the self-employed without employees (7.8%) and workers with a temporary job / work contract (11.5%). Both values are significantly higher than those for employees or people with a permanent job / work contract. This comparison shows not only the position of the former two described groups in the labour market, but also shows their relative position. While the self-employed are more vulnerable to poverty than employees, their income situation is still better than that of employees with temporary employment contracts, for whom the termination of their contract may be seen as a ticket to poverty.

Table 3: Type of work contract and distribution into decile groups (in %)

	Distribution of workers into decile groups							share	AROP
	1	2	3	4	5	6-10	total		
permanent job/work contract	3.0	5.5	5.8	7.4	8.6	69.7	100	85.7	2.9
temporary job/work contract	11.5	9.3	8.8	7.9	9.4	53.1	100	13.7	11.5
agreements with or without contract	33.3	12.4	7.0	4.8	8.2	34.3	100	0.6	30.2
Total	4.4	6.1	6.2	7.5	8.7	67.2	100	100.0	4.3

Note: Agreement means either agreement to perform work or agreement to complete a job; according to SILC data, there exists a minor group of people performing jobs without contract, but this category represents less than 0.1% of all workers. See also the note to table 2.

Source: own estimates based on Czech SILC (2015) microdata

There were some improvements in the protection of temporary workers, especially temporary agency workers (typically foreign labourers), during past years. The government adopted an amendment to the Employment Act, in effect since January 2011, which obliged employment agencies to get insurance coverage for the event of bankruptcy.¹³ Since 2012, employment agencies are not allowed to employ foreigners. Measures were also introduced to increase security for temporary/occasional workers: contracts now must be concluded in written form, and temporary contracts can only be prolonged twice at maximum since 2012. On the other hand, more flexibility was introduced in relation to maximum duration of temporary contracts, with it being extended to nine years. The maximum limit of hours worked on the basis of agreement to complete a job was increased from 150 to 300. The rules for temporary contracts can differ for specific professions and circumstances (such as seasonal work, agency work, building industry). Lastly, the amount of severance pay is based on the duration of the work contract.

There are some measures targeted at the unemployed and aiming to support the transition from unemployment to self-employment (see section 1) but these do not have a significant impact. In general, the social protection system facilitates transitions between an employee status or unemployment and self-employment since, first, the entitlements to social protection for self-employed people and workers in other non-standard forms of employment are nearly identical with those working in standard forms of employment, while the self-employed pay a considerably lower tax wedge when compared to standard forms of employment (see above). Secondly, this is due to the flexibility of this form of employment when compared to fixed-term contracts.

¹³ In 2009, the government was forced to launch a new programme of support for immigrants, in order to make it possible for them to return home (i.e. to provide them with an airline ticket and a lump sum of EUR 500, later reduced to EUR 300), although returning to their home country was not often possible because of their obligations/debts they still needed to pay back.

The Employment Act actually promotes certain non-standard forms of employment that it considers to be a possible bridge to standard contracts. The definition of suitable job (see the Employment Act, par. 20) stipulates that a job should be considered suitable if it corresponds to at least 80% of a full-time job. In the case of those who have been unemployed for more than one year only 50% of the full-time equivalent is considered sufficient, and similarly, a temporary job for a period of 3 months is considered a suitable job, including subsidised public works or jobs in the private sector. If the unemployed people do not accept a job, they may be excluded from the register for the period of 6 months and lose benefit entitlements.

There has been a long-standing debate in the Czech Republic whether the self-employed contribute an adequate share to the social system. This debate takes place at two levels. The first level touches the insufficient premiums payments to the deficient social protection system. These originate in the state's failure to exercise effective income and expenditures control over self-employed workers, who thus tend to pay the least premiums possible. Tepperová, Pavel, Láchová (2015:1025, 1028) report that *almost 52% of the total number of taxpayers with income from business and other forms of self-employment used the lump-sum expenses option in 2012. Most of them – 62% – used the flat rate of 60% and 28% of them used the flat rate of 80%*. They conclude that lump-sum expenses have a negative impact on public revenues and that the proclaimed administrative advantage is practically negligible for taxpayers registered for Value Added Tax (VAT). Therefore they *recommend to limit the use of the lump-sum expense scheme only to those taxpayers who are not at the same time VAT payers*. The state has responded with the current discussion over cuts in the generosity of the lump-sum expenses rates (if legislated, the maximum amount of the lump sum expenses will be halved from 2018; for details see Parliamentary Document No. 873), somewhat tighter benefits and tax calculation rules and, finally, with the Electronic Evidence of Income that is currently being introduced. The second level of the debate concerns a degree of disparity observed between self-employed workers' contributions towards the system and the benefits they later take out of the system. As the principle of merit has a rather little weight in the Czech pension system, the system guarantees a pension even to those self-employed people who have been paying the lowest statutory premiums throughout their whole career. However, their pensions will not be high, as was indeed highlighted in a letter sent to 600 thousand self-employed workers by the Minister of Labour and Social Affairs herself in February 2016. The Minister repeated her concerns again in April (MLSA, 2016b) when she said: "And I would really like to make an appeal to self-employed people, of whom many pay the very minimum lump-sum premiums and their pensions from the public pillar will also be minimum."

One of the important recent changes to the pension system is gradual extension of the insurance period, with the aim to establish the right to an old-age pension after 35 years of insurance coverage. This may seriously affect people on non-standard employment contracts since their working careers are often interrupted and it may be difficult for them to accumulate the minimum insured period. This problem particularly affects long-term and often unemployed people, who may be pushed into non-standard employment conditions (connected with low skills or education). At the same time, the issue of non-eligibility for old-age pension will be more significant in coming years, as more persons with most of their working life after 1989 will reach the statutory retirement age. More details of this aspect are described in the forthcoming Godarová, Trbola et al. (2017).

It seems that the biggest problem for pension protection of self-employed persons is their insufficient premiums payments to the pension system. The reason is the rather low assessment base for premiums calculation. This is shown in the following table 4 which compares the premiums payments and pension rights (in the case of 40 years of working career) for 6 model individuals. Individuals E1 and E2 are standard employees with 67% and 200% of the national average wage, respectively. In contrast, individuals SE1 and SE2 could be marked as dependent self-employed persons. In the calculation we assume that their income from self-employment is the same as are the total labour costs of employees E1 and E2. The SE1 person pays premiums at the minimum possible level,

which would later correspond to a pension lower than the current poverty threshold amount. Even the person SE2, with a significantly above-average income, doesn't contribute enough to the pension system and can expect a lower old-age pension than the person E2. ACJ1 and ACJ2 persons work based on agreements to complete a job. The ACJ1 person with 67% of the average wage earns standard pension entitlements, just like the employee E1. The person ACJ2 will not acquire pension rights, since his/her low incomes do not establish the duty to pay premiums.

Table 4: Premiums payments for selected model employees and corresponding old-age pension entitlements

	employed person		self-employed person		agreement to complete a job	
	E1	E2	SE1	SE2	ACJ1	ACJ2
employee - wage	667	2,000	-	-	667	200
premiums employer	227	680	-	-	227	0
premiums employee	73	220	-	-	73	0
labour costs of employee / revenue of self-employed person	894	2,680	894	2,680	894	200
lump sum expenses of SE	-	-	536	1,608	-	-
profit of SE	-	-	357	1,072	-	-
All premiums of SE	-	-	141	222	-	-
personal income tax	57	325	0	84	57	30
net pay	536	1,455	753	2,367	536	170
	100%	100%	140%	163%	100%	-
old age pension (after 40 years of insurance)	390	598	240	369	390	-
	100%	100%	62%	62%	100%	-

Source: own calculation

We have no information as to whether the Czech Republic is considering developing "individual social security accounts". However, certain features can already be found in the Czech social system. Since the reference period for calculating pensionable earnings is gradually being increased from 30 years to the full-career period, this may be viewed as developing an individual account in the first pillar of the pension system. Similarly, there is a kind of individual account when we speak about parental benefit - parents can use the total benefit amount available (CZK 220,000, that is EUR 8,000) during the period of four years. They can decide about the monthly amount of the benefit, while respecting the ceiling and the maximum duration of receiving the benefit, which is set at the age of 4 years of their youngest child. The total benefit amount is available to all parents, regardless of their previous working contracts. Yet, the monthly amount of the benefit may be limited according to the monthly amount of premiums paid.

From the text above it is evident that the Czech Republic is not considering extension of the current social provisions. Therefore we cannot talk about the financial implications or consequences for the labour market of such an extension of coverage.

3 Conclusions and recommendations

The Czech labour market has long been in good shape, characterised by a low unemployment rate and good permeability for various types of work contracts. The system of social protection is built on the universalistic model; there are no special schemes for self-employed people or workers on non-standard contracts. The result is not only a low rate of unemployment, but also a relatively low income poverty rate in society at large, as well as in the specific part of society studied in this thematic report.

In assessing the level of social protection, consideration must be given to whether evaluation is done from the perspective of various types of work contracts or rather that of various social situations in which individuals can find themselves. To give an example, a low part-time employment rate can, on one hand, be judged favourably, as it eliminates concerns about low earnings and insufficient accumulation of pension entitlements and rights. On the other hand, insufficient offer of part-time jobs may limit specific groups' choice of optimum life strategies. Some people with young children, for instance, or some employees close to pensionable age are highly likely to appreciate wider opportunities for part-time work.

What could be beneficial for part-time working is removal of the low ceiling on social security contributions which raises labour costs of part-time work. Also, lowering social security contributions for working parents or other groups disadvantaged in the labour market could possibly boost employment of parents and improve the work-life balance.

As regards the agreement to complete a job and agreement to perform work it is desirable to discuss the possibility to adjust the bottom limit for health and social insurance premiums. The following distinct adjustment options can be considered: (1) the limits may be harmonised and set at a uniform level, (2) the limit applicable in the case of agreement to complete a job may be lowered, and (3) the limit applicable in the case of health insurance premiums may be removed, as the related benefits in kind are not limited either. The benefit of these contractual agreements should consist predominantly in their flexibility, not in the accrual of tax advantages.

The potentially lower degree of social protection of the self-employed is due to their lower premiums payments. These come down to the possibility to opt for lump-sum expenses calculated as a percentage of earned income, with a relatively generous ceiling. This system was initially designed to simplify paperwork for smaller entrepreneurs. However, this initial argument loses its force in the case of people who still have to record all incomes and expenditures in their accounts because of their VAT registration. This gives rise to the question whether the lump-sum expenses should possibly remain limited only to those self-employed who are not registered VAT payers.

In connection with lump-sum expenses it is necessary to mention the impossibility to reduce tax payments by applying selected tax reliefs, particularly the child tax relief. The nature of this instrument resembles that of the universal child allowance and, in our opinion, it is unconstitutional to restrict entitlement to this tax welfare for selected categories of the self-employed.

The most problematic area in terms of poor social protection is likely to be the area of old-age pensions of the self-employed. If self-employed workers only pay the very minimum pension insurance premiums, they can also expect a very minimum pension on retirement. In this respect, we believe that the state should consider the following possibilities:

- The state should effectively inform the self-employed about the level of pension they may expect. This should not be limited to an occasional general appeal by the Minister, based as it was on three model taxpayers. The Czech Social Security Administration operates a registry with all the necessary data to be able to send a personalised letter to every taxpayer, with an overview of their earned pension rights and with variant outlooks for the coming years. Every taxpayer, including people working as self-employed or on non-standard contracts, should be aware

of the level of pension they may expect and of what they could possibly do in the years to come to increase this level.

- The state should assess the extent to which the due pension claims of self-employed workers correspond with their insurance premiums paid. Subsequently, the state should assess whether the premiums paid correspond with their ability to pay, whilst also taking into account average premium payments made by employees. The state should initiate discussion over the extent to which the Czech Republic benefits from the strategy targeting low unemployment rates, which comes at the price of low labour cost and lower tax collection from certain groups of taxpayers.
- Following up from the previous point, it is also logical to discuss whether the universal pension system for all labour categories can be sustained in the long term. For some, a separate pension system for the self-employed is conceivable. At the same time, it is also conceivable that the pension system stays universal and the calculation formula is modified in terms of lower dependency on the previously paid premiums, and more reliance on the actual period of insurance coverage.

Such debates could help clear the air over the self-employed who are regarded by some parts of society as free-riders of the tax and social system, whilst others argue that small entrepreneurs have their share in creating labour demand, that their spending benefits the whole economy and that they account for a significant part of the revenue from indirect taxes.

Annex 1

SUMMARY TABLE 1: ACCESS TO SOCIAL PROTECTION: SELF-EMPLOYED

	On her/his own account	With employees (self-employed employer)	Dependent on single client	Dependent on contractual relationship with client	Liberal professions (e.g. doctor, notary, lawyer)
Healthcare - cash benefits and benefits in kind	F	F	F	F	F (2)
Sickness - cash benefits and benefits in kind	P 1	P 1	P 1	P 1	P 1
Maternity/paternity - cash benefits and benefits in kind	F	F	F	F	F
Old age pensions (preretirement benefits and pensions)	F	F	F	F	F
Survivors pensions and death grants	F	F	F	F	F
Unemployment benefits	F	F	F	F	F
Social assistance benefits	F	F	F	F	F
Long-term care benefits	F	F	F	F	F
Invalidity benefits	F	F	F	F	F
Accidents at work and occupational injuries benefits	F	F	F	F	F
Family benefits	F	F	F	F	F

Note 1: Filling codes: Full, Partial, None

Note 2: 1 sickness insurance is voluntary in the case of SE; 2 irrelevant category (not distinguished in legislation)

SUMMARY TABLE 2: ACCESS TO SOCIAL PROTECTION: CONTRACTUAL EMPLOYMENT (NON-STANDARD CONTRACTS)

	Full-time employee	Part-time employee	Fixed-term employee	Temporary agency worker	Casual and seasonal workers	On-call workers	Zero-hour workers	Apprentices	Paid trainees	(Other) persons in vocational/professional training	Other 1 (agree to perform work)	Other 2 (agree to complete a job)
Healthcare - cash benefits and benefits in kind	F	F	F	F							N/F 2	N/F 3
Sickness - cash benefits and benefits in kind	F	F	F	F							N/F 2	N/F 3
Maternity/paternity - cash benefits and benefits in kind	F	F	F	F							N/F 2	N/F 3
Old age pensions (preretirement benefits and pensions)	F	F	F	F							N/F 2	N/F 3
Survivors pensions and death grants	F	F	F	F	1	1	1	1	1	1	N/F 2	N/F 3
Unemployment benefits	F	F	F	F							N/F 2	N/F 3
Social assistance benefits	F	F	F	F							F	F
Long-term care benefits	F	F	F	F							F	F
Invalidity benefits	F	F	F	F							N/F 2	N/F 3
Accidents at work and occupational injuries benefits	F	F	F	F							N/F 2	N/F 3
Family benefits	F	F	F	F							F	F

Note 1: Filling codes: Full, Partial, None

Note 2: 1 irrelevant category of employment, not distinguished in legislation; 2 only if monthly salary is above CZK 2,500; 3 only if monthly earnings are above CZK 10,000

References

- Fondeville N., Ozdemir E., Lelkes O. and Ward T. (2015), *Recent changes in self-employment and entrepreneurship across the EU*, Research note no. 6/2015, European Commission. Available at: <http://ec.europa.eu/social/keyDocuments.jsp?policyArea=&type=0&country=0&year=0&advSearchKey=ssonotes&mode=advancedSubmit&langId=en>
- Godarová, J. Trbola, R., Jahoda, R., Rákoczyová, M. 2017. Hodnocení dostupnosti bydlení a stávající bytové situace seniorů; [Evaluation of housing affordability and housing situation of older adults] Research Institute of Labour and Social Affairs. In review process.
- ILO 2016. *Non-standard employment around the world: Understanding challenges, shaping prospects*. International Labour Office – Geneva: ILO. 2016.
- Matsaganis M., Ozdemir E., Ward T. and Zvakou A. (2016), *Non-standard employment and access to social security benefits*, Research note 8/2015, European Commission. Available at: <http://ec.europa.eu/social/BlobServlet?docId=15535&langId=en>.
- MPSV/MLSA (Ministerstvo práce a sociálních věcí/Ministry of Labour and Social Affairs) 2016a. Analýza vývoje zaměstnanosti a nezaměstnanosti v roce 2015 [Analysis of development of employment and unemployment in 2015]. Available at: http://portal.mpsv.cz/sz/politikazamest/trh_prace
- MPSV/MLSA (Ministerstvo práce a sociálních věcí/Ministry of Labour and Social Affairs) 2016b. Michaela Marksová: Hostem v pořadu Partie (Prima Family) [Michaela Marksová: guest speaker in the talk show Partie (Prima Family)]. Available at: <http://www.mpsv.cz/cs/20892>
- OECD 2015. *Pensions at a Glance 2015: OECD and G20 indicators*, OECD Publishing, Paris. Available at: http://dx.doi.org/10.1787/pension_glance-2015-en
- OECD 2016. *Revenue Statistics 2016*, OECD Publishing. Available at: http://dx.doi.org/10.1787/10.1787/rev_stats-2016-en-fr
- Parliament 2016. Sněmovní tisk 873/0. Vládní návrh zákona, kterým se mění některé zákony v oblasti daní. [Parliamentary document No. 873. The amendment to the Act which changes selected acts on taxation]. Available at: <http://www.psp.cz/sqw/tisky.sqw?O=7&T=873>
- Sirovátka, T., Jahoda, R., Malý, I. 2016. *ESPN Thematic Report on work-life balance measures for persons of working age with dependent relatives - Czech Republic*. Available at: <http://ec.europa.eu/social/BlobServlet?docId=15818&langId=en>
- SLIO [State Labour Inspection Office] 2015. Roční souhrnná zpráva o výsledcích kontrolních akcí provedených inspekcí práce za rok 2015. [The annual summary report on the results of inspections carried out by the labour inspectorate for 2015]. Available at: <http://www.suip.cz/files/suip-ff052a3c86273e3ed0bcaab9504b0042/rocní-souhrnna-zprava-o-vysledcich-kontrolnich-akci-provedenych-inspekci-prace-v-roce-2015.pdf>
- Tepperová, J., Pavel, J., Láchová L. 2015. *Impact of Lump Sum Expense Rates on Public Revenue*. Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis, 63(3): 1023–1030.a

