



OUTLINE ON MAIN CHANGES IN
THE SOCIAL SECURITY SYSTEM
IN MEMBER STATES:

CZECHIA
(July 2023 – June 2024)

I. GENERAL

A. Administration/Organisation

Examples:

- . administrative practices
- . organisation e.g. decentralisation
- . rationalisation
- . payment methods
- . computerisation
- . training of social security personnel
- . information and other service to beneficiaries etc.

a) Changes made during the reference period

Administrative practices in the field of social security have not changed during the reference period.

However, the organisational structure of Czech Social Security Administration was changed by Act No. 412/2024 Coll., amending Act No. 582/1991 Coll., on the organisation and implementation of social security, as amended, and other related acts, as of 1 January 2024.

The aim was to reorganise the organisational structure of social security administration while maintaining the current parameters of accessibility so that it would be possible to efficiently carry out the competences in the field of social security (pension insurance and sickness insurance, collection of insurance contributions) and medical assessment services with optimal use of modern information and communication technologies and human potential of the Czech Social Security Administration (CSSA) employees to ensure maximum satisfaction of clients (insured persons and employers). There has been increased flexibility, reduced administrative workload and savings.

The existing CSSA offices in the 14 regions and 77 districts of the Czechia were abolished and the CSSA is now composed only of its headquarters based in Prague and five newly created Territorial social security administrations which merged several regional offices. The CSSA HQs in Prague manages and controls the activities of five newly created Territorial Social Security Administrations instead of 77 district social security administrations. The Territorial Social Security Administrations operate through "Contact offices" located in the former district social security administrations. Accessibility for clients is therefore maintained.

The Medical Assessment Service has been split off and the Institute for Health Assessment has been created.

Payment methods have not changed. Both cashless transfers and cash payments are used to pay benefits. Only cashless transfers can be used to pay contributions.

Clients of the CSSA have interactive forms available on the CSSA ePortal. Communication is mainly electronic. Prescribed forms can only be submitted in a specified format, e.g. xml, signed with a recognised electronic signature or sent via a data box.

For several years now, electronic communication has been successfully implemented in the context of temporary incapacity for work decisions.

Since 1 December 2023, pension claimants can submit their pension claim online using the prescribed form.

The staff of the sickness and pension insurance bodies receive regular training to deepen their knowledge and master the new legislation.

Further, measures were implemented in the administration and organisation of non-contributory social and family benefits leading to the overall simplification, speeding up and digitisation of the administrative procedure process and measures to stabilise and streamline the activities of the Labour Office of the Czech Republic.

The reduction of the bureaucratic burden for clients and employees consists in the automatic acquisition of information (decisive facts for entitlement to benefits), in increasing the degree of computerisation and digitisation, in simplified submission of applications via the client zone.

b) Changes decided, planned or proposed for the following year

The Ministry of Labour and Social Affairs (MoLSA) is working on transferring agendas focused on persons with disabilities (care allowance, mobility allowance, special aid allowance, disability card) from the Labour Office of the Czech Republic to CSSA and its territorial social security administration.

Further, MoLSA is preparing a change in benefit support - the Act on State Social Assistance Benefits - which should merge the existing two state social assistance benefits (housing allowance and child allowance) and two material need assistance benefits (subsistence allowance and housing supplement).

In addition to the preparation of the legislative modification, MoLSA is taking steps to ensure its technical support/implementation (agenda system, digitisation of the process, transformation of the activities of the Labour Office of the Czech Republic - strengthening of advisory activities).

In 2025, it is planned to introduce an electronic form of decision-making on other sickness insurance benefits - attendance allowance, long-term attendance allowance, maternity benefit, paternity benefit, compensatory benefit in pregnancy and maternity.

There will be full electronic communication and data transfer between treating doctors, employers, sickness insurance authorities (or other bodies - e.g. schools).

c) Research (including evaluation), completed or initiated

During the reference period, no research or evaluations were conducted.

B. Benefits

- . personal and material scope
- . compensation for price increases (as compared to actual price increases)

a) Changes made during the reference period

No major changes were made in personal or material scope (see Section VIII for more details on maternity benefit).

Indexation of pensions (old age, invalidity and survivors' pensions) was changed by Act No. 270/2023 Coll. amending Act No. 155/1995 Coll. on Pension Insurance, as amended, as of 1 October 2023.

Pensions are newly automatically adjusted every January according to 100% of the change in the pensioner's consumer price index and by one third of the increase of average real wages. Further adjustments are made when the price index exceeds 5%.

b) Changes decided, planned or proposed for the following year

No changes in personal or material scope or in compensation for price increases are planned.

c) Research (including evaluation), completed or initiated

See Section V.

II. MEDICAL CARE

a) Changes made during the reference period

Foreigners from third countries who are engaged in gainful activity in the Czechia have access to the public health insurance system. These are mainly people who intend to stay in the Czech Republic and live here with their families. Since the Czech system does not recognize derived entitlement to health insurance, children without permanent residence remained without access to the public health insurance system. These individuals had to have private health insurance, which sometimes caused complications in securing and subsequently reimbursing health services.

For this reason, the Act No. 173/2023 Coll., on Public Health Insurance, was amended and guaranteed the right to public health insurance for all minors with granted long-term residence in the territory of the Czech Republic.

At the same time, the premise applies that a foreigner acquires rights with increasing residency entitlement. For this reason, the premiums for public health insurance are paid by the legal representative of the child. The amount of the premium is set to not become an unreasonable burden for the family. The amount is set at 13.5 % of the minimum wage.

b) Changes decided, planned or proposed for the following year

Currently, a bill is being prepared with the aim of streamlining the utilization of cross-border healthcare services. The focus is to ensure quality healthcare provisions in border regions. This involves expanding the existing legal framework, adapting to the Regulation (EC) No 883/2004, and updating the transposition of Directive 2011/24/EU.

c) Research (including evaluation), completed or initiated

During the reference period, no research or evaluations were conducted.

III. SICKNESS BENEFIT

a) Changes made during the reference period

No major changes were made in the reference period.

b) Changes decided, planned or proposed for the following year

No major changes are planned.

c) Research (including evaluation), completed or initiated

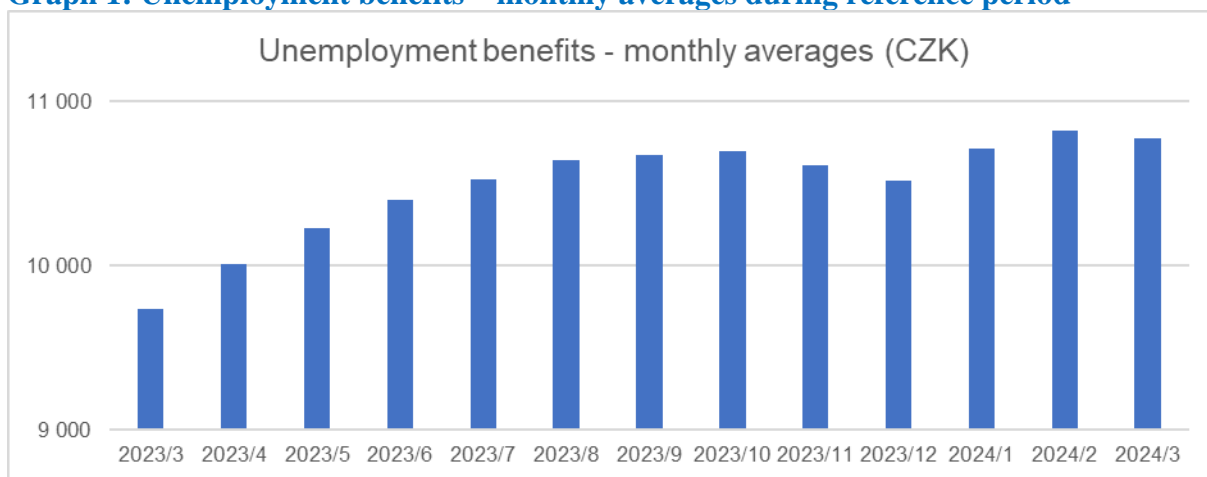
During the reference period, no research or evaluations were conducted.

IV. UNEMPLOYMENT BENEFIT

a) Changes made during the reference period

Following the stabilization of labour market after Covid-19 pandemic and influx of labour force from Ukraine, monthly average number of unemployment benefits during the reference period followed the pattern of unemployment benefits growth since 2017 (except for Covid-19 year 2020).

Graph 1: Unemployment benefits – monthly averages during reference period



In Czech benefits system, amount of unemployment benefit depends on either applicant’s previous monthly average nominal wage (if employed), or on average wages in national economy in previous year (Q1-Q3, if employment condition is not met by previous employment, but by including the substitute period of employment).

As for the growth of the average wage, the annual average of unemployment benefits also increases every year.

Chart 1: Yearly average of unemployment benefit in CZK

year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
monthly average of unemployment benefit	5 958	6 171	6 376	6 746	7 316	7 922	8 534	8 801	9 591	10 255

Detailed view into unemployment benefits recipients by sex during reference period show disparity between men and women; during reference period total number of unemployment benefits recipients increased by 9,38 % (7,72 % for women, 11,14 % for men). However, there are more women (51,3 %) than men (48,7 %) among unemployment benefits recipients.

In addition, total number of unemployed increased between March 2023 and March 2024 by 15,1 thousand (5,25 %), but number of unemployment benefits recipients increased by 8,7 thousand (9,39 %) in the same time period.

Chart 2: Total numbers and shares (percentages) of unemployment benefits recipients by sex and disability

Total unemployed and unemployment benefits recipients	2023										2024		
	3	4	5	6	7	8	9	10	11	12	1	2	3
Unemployed – total (thousands)	273,5	261,7	253,9	249,8	258,9	260,8	263,0	260,6	263,2	279,2	295,5	296,1	288,6
unemployment benefits recipients – total (thousands)	83,9	74,7	71,9	70,3	76,4	77,8	73,4	73,7	77,0	86,3	100,1	99,8	92,6
<i>unemployment benefits recipients – total (percentage of all unemployed)</i>	30,7	28,5	28,3	28,1	29,5	29,8	27,9	28,3	29,2	30,9	33,9	33,7	32,1
of that disabled (thousands)	11,2	10,6	10,4	10,3	10,6	10,6	10,2	10,3	10,7	11,1	11,8	11,7	11,4
<i>of that disabled, (percentage of all unemployment benefits recipients)</i>	13,3	14,2	14,5	14,7	13,9	13,6	13,9	14,0	14,0	12,8	11,7	11,7	12,3
Benefits recipients – women (thousands)	43,8	41,3	41,0	40,5	45,2	46,4	43,4	43,4	44,4	45,9	50,3	49,5	47,5
<i>Benefits recipients – women (percentage of all unemployment benefits recipients)</i>	52,2	55,3	57,0	57,6	59,1	59,6	59,2	58,9	57,6	53,2	50,2	49,6	51,3
of that disabled women (thousands)	6,3	6,1	6,0	6,0	6,2	6,3	6,0	6,0	6,2	6,2	6,5	6,4	6,4
<i>of that disabled women (percentage of all unemployment benefits recipients – women)</i>	14,3	14,7	14,7	14,7	13,8	13,5	13,7	13,8	13,9	13,5	12,9	12,9	13,5

Modification of the conditions in Sections 48 and 49 of the Act No. 435/2004 Coll., Employment Act, as amended

As of 1 January 2024, the conditions for granting and providing unemployment benefits have been modified for job seekers who have exhausted part of the support period or exhausted the entire support period in the decisive period of two years prior to inclusion in the register of job seekers.

The change concerns the extension of the period of pension insurance from employment or other gainful activity, which must be obtained in order to be entitled to unemployment benefits for the entire support period.

In the case of a job seeker who has not completed the entire support period in the last two years before being registered in the register as job seekers, he or she must newly obtain a period of pension insurance from employment or other gainful activity of at least 6 months instead of the previous 3 months.

A jobseeker with an unused support period who has completed a pension insurance period of at least 6 months will be entitled to unemployment benefits for the entire support period.

If a jobseeker obtains a period of pension insurance of less than 6 months from employment or other gainful activity, he or she is entitled to unemployment benefits for the remainder of the support period. The condition of completing the total qualification period of previous employment has been retained.

In the case of a job seeker who, in the last two years before being registered as a jobseeker, has completed the entire support period for which he or she was granted unemployment benefits, he or she is entitled to unemployment benefits if he or she has completed a period of pension insurance of at least 9 months instead of the previous 6 months through employment or other gainful activity. The condition of completing the total qualification period of previous employment has been retained.

Repeal of Sections 44a and 44b

As of 1 January 2024, it is not examined, for the provision of unemployment benefits, whether a job seeker was paid severance pay from the last terminated employment before being included in the register of job seekers.

This change affects the start of disbursement of unemployment benefits. Prior to the legislative amendment, entitlement to unemployment benefit was granted only after a period of time had elapsed, determined by the number of multiples of average earnings or monthly service income from which the minimum amount of severance pay was derived.

The legislative change cancelled the postponement of the start of the disbursement of unemployment benefits, which are now paid from the date of filing the application for these benefits, as is the case for other job seekers entitled to unemployment benefits.

The same procedure applies to a job seeker who is entitled to unemployment benefits but has not been paid severance pay after the termination of employment or service on the next pay date specified by the employer for the payment of wages or salaries or on the date of termination of employment or service.

Unemployment benefits shall be granted from the date of application for such benefits. At the same time, one-off compensation will no longer be provided in these cases of non-payment of severance pay by the Labour Office of the Czech Republic.

b) Changes decided, planned or proposed for the following year

MoLSA is drafting in coordination with other social stakeholders a bill amending Act No. 262/2006 Coll., Labour Code, as amended, and Act No. 435/2004 Coll., Employment Act, as amended. The aim of the proposal is to increase the flexibility of labour relations with the intention of responding to the current needs of the modern labour market, e.g. by simplifying and clarifying the rules for giving notice of termination of employment (flexicurity model).

c) Research (including evaluation), completed or initiated

During the reference period, no research or evaluations were conducted.

V. OLD AGE BENEFIT

a) Changes made during the reference period

Pursuant to the Act No. 270/2023 Coll., amending Act No. 155/1995 Coll. on Pension Insurance, as amended, starting from 1 October 2023, the indexation of pensions was changed (see I. B) and the conditions for granting an old-age pension before the retirement age (early retirement pension) were modified, as well as the determination of its amount (as of this date, an old-age pension may be granted up to three years before the retirement age, with a 1.5% monthly reduction in its percentage for every 90 days even after the retirement age).

b) Changes decided, planned or proposed for the following year

From 1 October 2024, the required period of insurance is increased to 40 years to qualify for early retirement (Act No. 270/2023 Coll. amending Act No. 155/1995 Coll. on Pension Insurance, as amended).

From 1 January 2025, a change is planned to reduce the age at which entitlement to an old age pension arises in case of a shorter contribution period from the retirement age of a man (with 35 years of contributions) of the same date of birth increased by 5 years to the retirement age of a man of the same date of birth increased by 2 years.

c) Research (including evaluation), completed or initiated

The complex “Report on the state of the Czech pension system and its expected development with regard to the demographic situation of the Czech Republic and the expected population and economic development” was published in June 2024 ([f0b43c68-7179-e8b8-2e6c-177d51600ad9 \(mpsv.cz\)](https://www.mpsv.cz/f0b43c68-7179-e8b8-2e6c-177d51600ad9)).

d) Rates of payment during the reference period (Art 65, p 10)

On 1 January 2024 pensions were increased according to (new) general rules (reflecting 100 % of the prices growth plus 1/3 of real wage growth – see I.B).

Year	An average old-age benefit ^{1), 2)}		An old-age benefit of a standard beneficiary	
	<i>abs. in CZK</i>	<i>index in %</i>	<i>abs. in CZK</i>	<i>index in %</i>
2023	19,502	119.8	14,476	105.0
2024	20,682	106.1	15,668	108.2

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

²⁾ Data of the first quarter of the year.

VI. WORK ACCIDENT AND OCCUPATIONAL DISEASE BENEFIT

Non applicable for Czechia

VII. FAMILY BENEFIT

a) Changes made during the reference period

There was only one change in the regulation of family benefits during the reference period. With effect from 1 January 2024, the total amount of the parental allowance for parents of children born from 1 January 2024 was increased to CZK 350,000 (CZK 525,000 in the case of multiple children) and the period of its drawdown was shortened to 3 years of the child's age.

Statistical data for 2023:

Average monthly number of recipients of **parental allowance**: 266,021

Total annual cost of parental allowance: CZK 30.4 billion

Average monthly number of **child benefit** recipients: 348,858

Total annual cost of child benefit: CZK 5.53 billion

b) Changes decided, planned or proposed for the following year

MoLSA has revised the benefit system and proposed a change that consists in transforming four recurrent income-tested benefits, two of which are currently in the state social assistance system (child benefit and housing allowance) and two in the system of material need assistance (subsistence allowance and housing supplement), into one new “*state social assistance benefit*”.

This new benefit will contribute to households' housing costs, living costs and costs associated with raising children.

The means-tested, income- and activity-tested benefit will consist of housing, subsistence and child components, with a work incentive component.

It is expected to come into effect in July 2025.

c) Research (including evaluation), completed or initiated

During the reference period, no research or evaluations were conducted.

VIII. MATERNITY BENEFIT

a) Changes made during the reference period

No significant changes were made during the reference period. There was only an extension of the scope of beneficiaries.

Now, an insured woman who has given birth to a child and who was receiving sickness benefits from a previous job that ended before she started receiving maternity benefit is also entitled to maternity benefit if the conditions are met.

b) Changes decided, planned or proposed for the following year

No major changes are planned.

c) Research (including evaluation), completed or initiated

During the reference period, no research or evaluations were conducted.

IX. INVALIDITY BENEFIT

a) Changes made during the reference period

No significant changes in the reference period.

b) Changes decided, planned or proposed for the following year

No major changes are planned.

c) Research (including evaluation), completed or initiated

During the reference period, no research or evaluations were conducted.

X. SURVIVORS' BENEFIT

a) Changes made during the reference period

No major changes made in the reference period.

b) Changes decided, planned or proposed for the following year

As of 1 January 2025, it is proposed to extend the period within which entitlement to a widow's or widower's pension may be renewed if any of the statutory conditions are met, from the current 2 to 5 years from the previous termination of entitlement to this pension.

c) Research (including evaluation), completed or initiated

During the reference period, no research or evaluations were conducted.

XI. FINANCING OF THE SOCIAL SECURITY SYSTEM

a) Changes made during the reference period

Pursuant to the Act No. 349/2023 Coll., amending certain acts in connection with the consolidation of public finances, employees pay sickness insurance contributions at the rate of 0.6% of the assessment base, starting from 1 January 2024.

Changes were also made to the assessment bases for pension insurance contributions and contributions to state employment policy for self-employed persons.

Contributions on Social Security and State Employment Policy				
Contribution Rate (in %)				
	Employees	Employers	Total	Self-employed
Pension insurance	6.5	21.5 ¹	28.0	28.0
Sickness insurance	0.6	2.1	2.7	2.7 ²
State employment policy	0.0	1.2	1.2	1.2
Total	6.5	24.8	31.3	31.3 ²

¹Higher contribution rates for employers of paramedics and company firefighters (23.5 % in 2023 and 24.5 % in 2024)

²Sickness insurance is voluntary for self-employed.

b) Changes decided, planned or proposed for the following year

No major changes are planned.

c) Research (including evaluation), completed or initiated

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