



Exit of the United Kingdom from the EU and its Impact on the Employment of British Citizens in the Czech Republic and Social Security of People Moving between the Czech Republic and the United Kingdom (Brexit)

At the moment, it is still unclear whether the United Kingdom (UK) will leave the EU on the basis of a Withdrawal Agreement or without it. In either case, the Czech Republic is prepared to preserve the rights of the concerned citizens. In particular, it will temporarily ensure that UK citizens can stay in the Czech Republic and continue to work. Similarly, citizens of the Czech Republic do not have to worry about the loss of social security entitlements due to their previous employment in the United Kingdom. With respect to the uncertain outcome of the UK Brexit from the EU and the smooth protection of the acquired rights of the persons concerned, some preliminary actions are recommended, in particular:

- **Due to Brexit UK citizens will become third-country nationals. We therefore recommend to those who qualify for permanent residence in the Czech Republic that they should apply for it. By acquiring the permanent residence in the Czech Republic, the citizens of the UK will have a comparable position with the citizens of the Czech Republic, in particular with respect to their position on the labour market and social security entitlements related to residence.**
- **Third-country nationals, in this case UK citizens, who move within the EU, can benefit from the protection provided by the European rules on the protection of the social entitlements of migrants under defined conditions (Regulation No. 1231/2010 of the European Parliament and the Council). If UK citizens residing in the Czech Republic after Brexit have a connection to an EU member state (because they formerly worked in that country, their family members live there, etc.), it is necessary that they inform the respective Czech institution to address this issue in a decision making process while dealing with their social security entitlements (the UK citizen's participation in insurance or requests for benefits).**

More details on the UK Brexit scenarios:

A. Situation in the event of the finalisation of the Brexit Withdrawal Agreement

In the period immediately after March 29, 2019 there will be no changes. The Agreement creates a transition period **until the end of 2020** during which the access to the labour market and social security will proceed in the same way as if the UK was still a member of the EU. UK citizens who start working in the Czech Republic from January 1, 2021, will require an employment permit in the same way as any citizens of other third countries. After this date, only the rights related to the period when the UK was a member of the EU shall be protected - i.e. the persons who had been in a cross-border situation at that time, will continue to be allowed to have their rights protected, but new cases and claims for benefits after December 31, 2020 shall be governed only by the national regulations of the



Czech Republic. In the transition period the future relationship agreement between the EU and the United Kingdom should be concluded which is assumed to include the protection of social entitlements, however, we cannot speculate about the wording of such an agreement.

B. Situation in the case of Brexit without agreement

UK citizens and family members access to the labour market

The UK citizens and family members whose employment started under the Czech Labour Code at the latest on the day immediately before the date of Brexit, shall have the possibility to continue to work in the Czech Republic without any work authorization (at the latest until the end of 2020 if the Brexit Withdrawal Agreement is not concluded). Consequently, by December 31, 2020 at the latest, they shall have the obligation to obtain the relevant work authorization (employee card, blue card, employee transfer card, work permit).

Those UK citizens and their family members who are interested in **working in the Czech Republic after Brexit**, shall comply with the Employment Act, i.e. **they will have to obtain work authorization for the performance of work in the Czech Republic** (employee card, blue card, employee transfer card, work permit). Only those who fall into one of the categories of foreigners mentioned in Section 98 and 98a of the Employment Act (e.g. foreigners with permanent residence) shall have free access to the labour market. **The work permit shall be issued by the Labour Office of the Czech Republic. Other types of authorization are issued by the Ministry of the Interior.**

Information on the procedure of a foreigner when obtaining a work permit in the Czech Republic:

http://portal.mpsv.cz/sz/zahr_zam/zz_zamest_cizincu/zz_zamest_ciz

<https://www.mvcr.cz/clanek/sluzby-pro-verejnost-informace-pro-cizince-informace-pro-cizince.aspx>

Maintenance of social security entitlements

Considering that it is currently unclear how the communication with the UK authorities will be carried out in assessing entitlement to individual benefits from the Czech social system, it is advisable to keep all records of employment, in particular, the overviews of all periods of insurance issued by the local institutions, or other similar documents (e.g. PD U1 document which contains data on all periods of insurance and is issued for unemployment benefit purposes).

1. **Health insurance** is under the authority of the Ministry of Health - information on Brexit http://www.mzcr.cz/Unie/obsah/brexit_3919_8.html

2. Sickness insurance

For UK citizens or persons with another connection to the UK participating in sickness insurance in the Czech Republic nothing changes at the moment of Brexit; their participation in sickness and pension insurance and any claims arising from such insurance shall continue to be fulfilled under the conditions set by law.

Any entitlements to sickness insurance benefits by insured persons who were for a certain period of time insured in the UK before March 29, 2019 shall be taken



into account by the Czech institutions (practically this is only considered for persons requesting financial assistance in maternity).

Example:

The insured person worked from January 1, 2015 until December 31, 2018 in the UK, then returned to the Czech Republic where she started working on January 1, 2019 and became pregnant. She requests maternity benefit from August 1, 2019. The health insurance period acquired in the Czech Republic in the last 2 years is only 210 days which in itself is not sufficient to qualify for the benefit. Therefore, the Czech institutions therefore take into account the UK employment/insurance periods in the last two years but will only take into account those periods obtained before Brexit. The decisive period of the insurance is therefore the period from August 1, 2017 until July 7, 2019. The time in the UK which is eligible for the benefit lasts from August 1, 2017 until March 29, 2019, i.e. 600 days. The period of 600 days (time in the UK) + 210 days (time in the Czech Republic) exceeds the required 270 days required by the law to give rise to maternity benefit entitlement in the Czech Republic.

3. Pension insurance

For UK citizens or persons with other connections to the UK participating in pension insurance in the Czech Republic nothing changes at the moment of Brexit; their participation in pension insurance and any claims arising from such insurance shall continue to be fulfilled under the conditions set by law. Taking into account that, according to the Act on Organization and Implementation of Social Security, retirement benefits are provided abroad, the Czech Republic shall continue to pay pensions to the UK. For the purpose of assessing the entitlement to pension insurance benefits from the Czech Republic, periods acquired in the UK before March 29, 2019 shall be taken into account. This process shall be followed also for applications submitted after this date.

Example:

A citizen of the Czech Republic worked in the Czech Republic between 1976 and 2004, which was followed by work in the UK from 2004 until 2019 and then the citizen worked for one year in the Czech Republic. For the assessment of retirement benefit, the Czech institution shall take into account the period of the pension insurance in the United Kingdom - 15 years, sum it up with the Czech insurance period - a total of 44 years, which exceeds the minimum insurance period required for pension entitlement under the Czech law. Subsequently, the Czech institution shall calculate the Czech pension corresponding to 29 years of insurance received under the Czech law. We believe that the UK shall proceed reciprocally, however we cannot confirm it with certainty.

4. Unemployment benefits

For the purposes of assessing the entitlement to Czech unemployment benefit of the persons who had a certain period of insurance in the UK before March 29, 2019, the period in the UK shall also be taken into account by the Czech institution.

Example:

The Czech citizen worked in the UK from 2010 until 2018, then the citizen returned to the Czech Republic where he/she worked from January 1, 2019, but at



the end of May 2019 he/she became unemployed. When assessing the entitlement to the Czech unemployment benefit - the condition is one year of employment in the last two years - the Labour Office takes into account the 5 months of the insurance period obtained in the last job in the Czech Republic (which is not enough in itself) but it also adds the period of insurance previously covered in the UK which satisfies the condition.

5. State social support benefits

If a British citizen (either within or outside the Czech Republic) or a Czech citizen living in the United Kingdom received state social support benefits before March 29, 2019, this benefit shall be retained and the payments shall continue even after Brexit. Applications submitted after Brexit in cases involving the UK shall only be considered under Czech national legislation. This requires the fulfilment of residence conditions in the territory of the state of 365 days and the benefits shall not be paid abroad. For the UK citizens living in the Czech Republic, the period of residence in the Czech Republic before March 29, 2019 shall be taken into account and if necessary also periods of residence in the UK shall be taken into account (in respect of persons who were subject to Czech legislation or another member state at the time of Brexit).

6. Care allowance

If a British citizen (either within or outside the Czech Republic) or a Czech citizen living in the United Kingdom received care allowance before March 29, 2019, this benefit shall be retained and the payment shall continue even after Brexit. Applications of UK citizens submitted after Brexit shall only be considered under the Czech national legislation which requires the fulfilment of residence conditions in the territory of the state and the benefits will not be paid abroad.

7. Material need benefits

As a condition of entitlement to these benefits, the citizens of other countries must have their permanent residence in the Czech Republic. The specific status only applies to EU citizens. Therefore, in the case of applications submitted after March 29, 2019, the UK citizens shall be required to prove their eligibility for such benefits by compliance with the permanent residence condition.