



# **Non-contributory Social Benefits in the Czech Republic**

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## **Non-contributory social benefits**

### **Definition**

- **Non-contributory benefits – contrary to contributory benefits – provided in cases where it is not possible to prepare in advance under the social insurance scheme, that is by postponing a part of income to deal with future social situations**
- **Provided on residential principle**
  - **Entitlement irrespective of participation of the beneficiary or family members in the social insurance scheme**
  - **No contributions required**
  - **The only condition is permanent residence and residence in the Czech Republic**



## **Non-contributory Social Benefits** **Legal regulation**

- **State social support: Act n° 117/1995**
- **Foster Care: Act n° 359/1999**
- **Assistance in material need: Act n° 111/2006**
- **Benefits for People with Disabilities: Act n° 329/2011**
- **Care Allowance: Act n° 106/2006**
- **Life and Existence minimum: Act n° 110/2006**
- **Labour office of the CR: Act n° 73/2011**



## **Non-contributory Social Benefits**

### **Common features**

- **Implementation and organisation is within purview of state authorities.**
- **Decisions on benefits are made in administrative proceedings.**
- **The procedure for granting the benefit is initiated by filling in and submitting the prescribed application form which specify all the details and facts to be provided.**
- **Each system of benefits has its own application program**
- **All data is maintained in the Unified Information system**



## **Non-contributory Social Benefits** **Administration**

- **Benefits are decided and handled by the Labour Office of the CR or by its regional branches, the appellate body is the MOLSA**
- **Labour Office of the CR:**
  - **14 regional branches + more than 400 contact offices**
  - **Amongst its activities and responsibilities are also the employment services, the protection of employees in case of insolvency of employers, active employment policy and paying unemployment benefits**



## **Non-contributory Social Benefits** **Financing**

- **All the costs of the benefits and their administration are covered by the state from the state budget**
  - **The source of funds is general taxation**
  - **Benefits are mandatory expenditures**



# Non-contributory Social Benefits Differences

- **Purpose**
  - **SSP, Foster Care - support to families with children**
  - **AiMN - assistance in poverty, exclusion, exceptional situations (social help)**
  - **Care Allowance, Benewiths for PWD - health problems, dependency and basic life needs**
- **Eligible persons**
  - **Differences set by the EU legislation**
- **Payment - in CZK (bank account, postal order)**
  - **Support for families or disabled persons – form determined by the beneficiary**
  - **Material need – determined by provider (in-kind benefits possible)**
  - **Institute of a specific recipient**





## State social support

- **Family benefits support the income of families with dependent children in specified social situations (childbirth, care for small children, insufficient income, housing, death in the family).**
- **Principle of solidarity of the high-income with the low-income families and of the childless families with the families with children**
- **Concepts of family (jointly assessed persons), dependent child, income, living minimum**



## State social support

- **Family – jointly assessed persons**
  - **Parents and dependent children**
  - **Married couples (companions, partners)**
  - **Persons living in common households who jointly pay for costs**
- **Dependent child**
  - **Child in compulsory school attendance**
  - **Student up to 26 years**
  - **Disabled child – illness, injury**



## State social support

- **Living minimum**
  - **Minimum socially recognized income to provide nutrition and other basic personal needs**
  - **Housing covered separately**
- **Sums of living minimum (in CZK/month)**
  - **Single person** **3 410**
  - **First adult in the household** **3 140**
  - **Second and other adults** **2 830**
  - **Child aged under 6 years** **1 740**
    - **6 – 15 years** **2 140**
    - **15 – 26 years** **2 450**
- **Subsistence minimum** **2 200**



## State social support

➤ **Living minimum of a family is a sum of living minimums of all members of the family**

➤ **Example:**

<b>Family member</b>	<b>amount in CZK</b>
<b>Father/mother</b>	<b>3 140</b>
<b>Mother/father</b>	<b>2 830</b>
<b>Child aged 5 years</b>	<b>1 740</b>
<b>Child aged 12 years</b>	<b>2 140</b>
<b>Child aged 19 years</b>	<b>2 450</b>
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<b>Total</b>	<b>12 300</b>



## State social support

- **Income (decisive income for income-tested benefits)**
  - **From employment, self-employment, rent, capital and other taxable incomes**
    - > **Net income – after deducing expenses incurred, taxes and levies**
  - **Alimony, refunds, other non-taxable incomes**
  - **Sickness and pension schemes benefits, unemployment benefits**
  - **Similar income from abroad**
  - **Certain social benefits (under certain circumstances)**



## State Social Support

➤ **State social support benefits:**

- **Child Allowance**
- **Parental Allowance**
- **Housing Allowance**
- **Birth Grant**
- **Funeral Grant**

**of which income-tested are:**

- **Child Allowance**
- **Housing Allowance**
- **Birth Grant**



## State social support Child Allowance

- **Recurrent benefit provided to families with children with income below 2,7 times the living minimum**
- **Tested for income (and the type of income) in the last 3 months**
- **Amount of allowance:**

<b>Age</b>	<b>Monthly allowance in CZK</b>	<b>Increased amount</b>
<b>Under 6 years</b>	<b>500</b>	<b>800</b>
<b>6- 15 years</b>	<b>610</b>	<b>910</b>
<b>15 – 26 years</b>	<b>700</b>	<b>1000</b>



## **State Social Support** **Parental Allowance**

- **Eligible is parent who personally and duly cares for the youngest child in family**
- **Allowance design:**
  - **Total amount of CZK 220 000 (330 000 for multiples), can be drawn up to the moment when the child is 4 years old**
- **Parent with sickness insurance (working) may elect monthly amount of benefit and thus the period of drawing according to family situation**
- **Monthly benefit is capped at 70% of 30 times the daily assessment base (about CZK 36 000)**
- **The amount can be changed once in 3 months**





## **State Social Support** **Parental Allowance**

- **Uninsured parents receive fixed monthly amounts of maximum 7600 CZK**
- **Parent's income is not tested and his/her working activity is not limited while receiving the benefit; he/she must ensure care for the child by another adult**
- **Child's attendance in facility is taking into account only until the child is 2 years old (limit of 46 hours per month)**



## State Social Support Housing Allowance

- **Benefit aims to help families and low-income individuals with the costs of housing.**
- **Subject to testing of income in the quarter preceding the application**
- **Eligible are owners or tenants of apartment, if 30 % (in Prague 35 %) of family income is insufficient to cover housing costs, provided the amount is lower than normative housing costs set by the law.**
- **Normative housing costs vary according to form of ownership, size of the municipality and number of people in the household**



## State Social Support Birth Grant

- **Benefit targets families with total income below 2,7 times the living minimum**
- **One-off payment to help cover the costs associated with the birth of first and second child (or adoption of first and second child under 1 year of age)**
- **Subject to testing of income for the calendary quarter preceding the childbirth**
- **The amount of the benefit is CZK 13,000 CZK for the first child and CZK 10,000 CZK for the second child**



## **State Social Support** **Funeral grant**

- **Eligible is a person organizing funeral of dependent child or parent of a dependent child**
- **The deceased must have a permanent residence in the Czech Republic**
- **One-off amount of CZK 5,000.**



## Foster Care Benefits

- **Benefits facilitate to cover cost of children entrusted to substitute family care:**
  - **Foster Child Allowance (from CZK 4,995 to 9,900 based on age and dependency level)**
  - **Foster Parent Allowance (from CZK 8,000 to 20,000 by number of children and dependency level)**
  - **Fostering Grant - Inaugural (from CZK 8,000 to 10,000 according to age)**
  - **Motor Vehicle Grant (3 and more children, max. CZK 100,000)**
  - **Fostering Grant - Concluding (CZK 25,000)**



## **Assistance in Material Need**

- **Provided to individuals who do not have sufficient income and their overall social and property situation prevents them from satisfying basic living needs and who are also objectively unable to increase their income through work, use or sale of property, or by making claim or recovering receivables**
- **Subject to evaluation:**
  - **Work (public service 20 hours, registered job seekers) – exceptions (age of 68, retirement or disability pension, sickness, child care or care for a dependent person),**
  - **Effort to increase income with own activities**
  - **School attendance of children**



## Assistance in Material Need

- **Allowances and grants in material need:**
  - **Living Allowance**
  - **Housing Supplement**
  - **Extraordinary immediate assistance**
- **Social work is an integral part of this assistance**



## **Assistance in Material Need** **Living Allowance**

- **Basic benefit, aims to help people (families) with insufficient income to ensure livelihood**
- **Entitlement to allowance: if income of the person (family) minus reasonable housing costs doesn't cover the amount necessary for living**
- **The amount of living is derived from the subsistence and living minimum and based on evaluation of the person's income, efforts and needs**
- **Allowance is calculated as the difference between the amount of living of a person/family plus the income of that person/family and the reasonable housing costs**





## **Assistance in Material Need** **Housing Supplement**

- **Benefit tackles cases where the income (including Housing Allowance) is insufficient to cover justified housing costs**
- **Provided to owners or tenants; in cases of special consideration, the benefit is also provided to people using other forms of housing (non-residential spaces, accommodation facilities)**
- **Supplement is calculated in such a manner so that person (family), after payment of justified housing costs (= rent, services related to housing, energy costs), is left with the amount of living**



## **Assistance in Material Need** **Extraordinary Immediate Assistance**

- **Benefit covers exceptional and unexpected situations that must be resolved immediately:**
  - **Serious health hazard**
  - **Natural or ecological disasters, storm, fire**
  - **Lack of funds to pay expenditure/fee related to e.g. loss of personal documents**
  - **Lack of funds to buy or repair basic furniture or durables**
  - **Lack of funds to cover costs related to education or activities of children, social and legal protection of children**
  - **Risk of social exclusion (orphans, ex-prisoners,..)**



## **Benefits for people with disabilities**

- **Designed to mitigate the social consequences of disability and promote social inclusion**
- **Claim subject to age and health conditions**
- **Benefits:**
  - **Allowance for Mobility**
  - **Grant for Special Aid**
- **Certificate of Person with Disability**



## **Benefits for people with disabilities** **Allowance for Mobility**

- **Recurrent obligatory allowance**
- **For people older than 1 year who are eligible for Certificate of Person with Disability (of higher levels) and are transported repeatedly and against payment**
- **Monthly amount of allowance is 550 CZK**
- **Users of selected residential services are entitled to the benefit only in cases of special consideration**



## **Benefits for people with disabilities** **Grant for Special Aid**

- **One-off obligatory grant for aids not covered by health insurance enabling self-reliance, working activities, education, obtaining information, social contacts (purchase or modification of a motor vehicle, adjustment of a flat, acquisition of guide dog)**
- **List of aids is set by a Decree**
- **For people with severe disabilities of support and motion apparatus, severe visual or hearing impairment; with motor vehicles also for persons with severe mental retardation**
- **Age from 1 year, varies by type of aid**



## **Benefits for people with disabilities** **Grant for Special Aid**

- **Amount is set under 3 regimes:**
  - **For aids up to CZK 10,000 - grant generally provided only to people with income less than 8times the living minimum; client's participation of 10% (at least CZK 1,000)**
  - **Aid with price over CZK 10,000 – grant calculated so that client's participation is of 10 % (in case of low income people, assessed individually - at least CZK 1,000); maximum amount for one aid CZK 350,000 (400,000 for mobile platforms)**
  - **For purchase of vehicle CZK 100 – 200,000 CZK, depending on income**
  - **Maximum of total CZK 800,000 in 5 years**



## Certificate of person with disability

- **For persons older than 1 year with physical, sensory or mental disabilities when the long term health condition significantly reduces mobility and orientation**
- **Brings numerous privileges, e.g. in public transport, discounts on fare and admissions**
- **3 types of certificate depending on seriousness of disability:**
  - **TP**
  - **ZTP**
  - **ZTP/P**



## Care Allowance

- **Provided to people who are due to their long term unfavourable health condition dependent on another person's assistance when dealing with basic living needs**
- **4 levels of dependence (slight, medium-heavy, heavy and total dependence) – ability to manage basic life needs is assessed**
- **Set by Medical Assessment Service together with social worker of Labour Office**
- **10 areas of basic life taken in consideration:**
  - a) **Mobility**
  - b) **Orientation**
  - c) **Communication**
  - d) **Feeding**
  - e) **Dressing**
  - f) **Personal hygiene**
  - g) **Exercise of physiological needs**
  - h) **Health care**
  - i) **Personal activities**
  - j) **Household care**





## Care Allowance

### ➤ Monthly amounts in CZK:

Grade	People below 18	People above 18
I	3 300	880
II	6 600	4 400
III	9 900	8 800
IV	13 200	13 200

### ➤ Care Allowance is increased by CZK 2,000:

- For dependent children under 18 or parents in low income families (under 2 times the living minimum)
- For children from 4 to 7 years in Grade III or IV



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