



All ideals not only need wings,  
but also a place, from where they can ascend.

*ERNEST HEMINGWAY*



Czech Social Security Administration

Annual Report 2006



Czech Social Security Administration

# Annual Report 2006



*All ideals...*

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### The introduction of the Minister of Labour and Social Affairs



The Czech Social Security Administration is one of our largest and most significant administrative agencies and not only within the framework of my resort. I must state that the tasks assigned to the Czech Social Security Administration are not insignificant. The past year was very hectic for the entire area of social security, because many laws with effectiveness as of 1st January 2007 were approved at the last moment before the elections and a number of them were not well prepared.

This involved the new Sickness Insurance Act and the Social Services Act in March 2006 and then the Labour Code in April. These acts fundamentally influenced the activities of the Czech Social Security Administration in the previous year. As well as its regular agenda, the Czech Social Security Administration had to prepare for the launch of the new sickness insurance system in a very short period and to delimit part of the medical advisory service to the Labour Exchanges. Just before the end of last year, the new government managed to implement the postponement of the Sickness Insurance Act coming into effect, because it generates a loss, a number of other inadequacies need to be removed and in particular the realisation of the sickness insurance must be simplified. For the Czech Social Security Administration, this paradoxically meant an increase in administrative activities, because it was necessary to secure the problem-free application of the current legal regulations within a minimal time period.

Even though the Czech Social Security Administration had to realise demanding preparations for the launch of the fundamental changes in the area of sickness insurance in 2006, I must appreciate the fact that this did not negatively effect the fulfilment of one of its priority tasks, which is the collection of social security contributions and the contributions to the state employment policy and the reduction of receivables. The success of the insurance collection was exceptionally high and it reached almost 100%.

The Czech Social Security Administration also dedicated a great deal of attention to traditional information and communication technology. Last year, its priority was the preparation of application support to secure the implementation of the new Sickness Insurance Act. A further priority was the securing of the safe access to data and applications. In 2006, the Czech Social Security Administration managed to conclude the project of individual accounts for policyholders and to bring it into operation. This involves a significant step, which constitutes a good basis for changes within the framework of the continuation of pension reforms. Many policyholders, who last year first had the opportunity to request an informative personal pension insurance sheet, have already had the opportunity to evaluate this.

Some of the modules from the Old Age Pension Administration project, the aim of which is the transfer of pension processing to an electronic system, are also about to be launched in pilot operations.

In 2005, the Czech Social Security Administration was the first public sector organisation, which enabled the e-submission of documents via the Public Service Portal. In 2006, it continued in this trend and extended the service to include the submission of the returns from self-employed individuals. It is pleasing that almost 70% of organisations communicate with the Czech Social Security Administration electronically.

The demands placed on the activities of the Czech Social Security Administration will continue to increase especially in association with the preparation of the 1st stage of the pension reform, which contains a parametric change in pension insurance, and its paragraphed wording under preparation by the Ministry. The Czech Social Security Administration is undoubtedly aware of this and upon the basis of my initial experiences with this organisation, I am sure that it will manage to implement its new tasks in the same way that it has realised its other tasks to date.

This all shows that the Director of the Czech Social Security Administration, Jiří Hoidekr MSc, who completed his employment at the Czech Social Security Administration in the summer of last year at his own request, managed to raise the Czech Social Security Administration to a qualitatively higher level during the last six years. I would therefore like to thank him for his work.



**Dr. Petr Nečas**  
*Deputy Prime Minister and  
Minister of Labour and Social Affairs*

### The introduction of the Deputy Director General, assigned the management of the Czech Social Security Administration

Also in the year 2006 the Czech Social Security Administration has fulfilled its resolutions and this is, at the same time, a short appreciation of the past year. There is no need to pretend that it has been a complex period. 2006 was a complicated period for the Czech Social Security Administration – apart from its regular activities, the Administration had to prepare intensively for the new Sickness Insurance Act, which was supposed to come into effect as of 1st January 2007. The legal regulation had a very short *vacantia legis*, the amount of administration grew in association with the new rules of administrative procedure, submissions within the context of the European Union increased, there were modifications to the widows' benefits and the Director General of the Czech Social Security Administration, Jiří Hoidekr MSc, resigned from his post in the middle of 2006.



The Czech Social Security Administration had to manage all of the aforementioned changes in such a way so as not to threaten the Administration's regular activities. So that our clients received their pensions or sickness benefits, so that the collection of the social security contributions and the contributions to the state employment policy was successful, so that a number of projects in the area of information and communication technology were realised, in short so that the Czech Social Security Administration fulfilled its mission in 2006, which states that:

„The Czech Social Security Administration is a modern agency and a social security administrator which effectively functions in a manner which corresponds to the modern technologies of the information society of the third millennium and it is imbued with an exclusive orientation towards the creation of maximum value for its clients and thus the highest possible fulfilment of the clients' expectations and the greatest possible degree of customer satisfaction.“

Apart from the Czech Social Security Administration's mission, all of the efforts and funds in 2006 went towards the fulfilment of the strategic goals and the priority tasks arising from them. Let us leave the figures to provide the evaluation of their fulfilment:

The long-term high degree of success of the Czech Social Security Administration in the collection of social security contributions and the contributions to the state employment policy continued in 2006. In 2006, the volume of the monies collected to the volume of the total amount (after it had been reduced by the amount of written off, unrecoverable receivables) was a total of 99.50%. This is the greatest rate of success in the collection of the insurance payments realised by the Czech Social Security Administration to date. It is therefore clear that the Czech Social Security Administration fulfilled its main, permanent, high priority task, which arises from its basic obligations set by law, in a highly effective manner in 2006. The influence on the overall earnings for the state budget is obvious: the funds, which the Czech Social Security Administration collects from the social security contributions and the contribution to the state employment policy, constitute more than 1/3 of the state budget of the Czech Republic.

The second permanent priority task of the Czech Social Security Administration is the level of decision-making and inspection activities in the main processes. An evaluation of 2006 shows that this was also of a high quality. Out of the total of 1,272,647 decisions in matters of sickness insurance and social security insurance, including the contributions to the state employment policy, pension insurance and compensation, which the Czech Social Security Administration or its offices issued in 2006, only a total of 3,036 legal suits were brought (0.2%). And the result? In most of cases, the appropriate courts found the Czech Social Security Administration to be in the right. The Czech Social

Security Administration also carried out 163,855 inspections of the fulfilment of the obligations of various organisations during 2006.

At the same time, we must not forget that the Czech Social Security Administration is an organisation, which administers and processes extreme volumes of data. It has almost 8 million clients. This clearly shows the exceptional nature of the Administration's information systems, for which it is difficult to find anything to compare in the other institutions of the state sector. With regard to the goal: of essentially improving the administration of the pension and sickness insurance system and the therewith associated further development of electronic communications and in relation to the European Union, the Czech Social Security Administration continued in the earlier commenced digitalisation and centralisation of data, documents and applications.

Apart from that, the activities of the CSSA in 2006 - including the aforementioned information and communication technologies - were influenced by the preparations for the implementation of the new Sickness Insurance Act. The management dedicated the necessary care and attention to the planned change in the original legal regulation dating from 1956 and the Czech Social Security Administration prepared for the implementation of the new act in a crisis management mode due to the short *vacantia legis*. Amongst other things, this required the centralisation of data, so that sickness benefits could be paid out to all employees within the set deadlines from 1st January 2007, and the realisation of changes in the receipt of social security contributions. In order to ensure the successful realisation of the new legal standard, it was necessary to change the infrastructure of the CSSA's information systems and to create new programme support in record time. It was also necessary to train all of the employees of the Czech Social Security Administration and the state and commercial organisations which were to implement the new Sickness Insurance Act, to prepare and print the necessary forms, to process information material for the wider public, whom the fundamental changes in sickness and other benefits would have affected, to ensure the interconnection between the activities of the CSSA to date and the new rules and all the while to carry out the Administration's regular tasks and obligations. However, in December 2006, the lower chamber of the Parliament of the Czech Republic decided to postpone the implementation of the new Sickness Insurance Act. The Czech Social Security Administration thus had to resolve the change at the last minute and at the same time to ensure the quality of its services in the area of social security for the wider public. The fact that everything was achieved was thanks to the huge efforts and loyalty of all the employees.

Despite the priority orientation towards the implementation of the aforementioned changes in 2006, the CSSA also managed to realise a further highly fundamental matter for its clients: the launch of the sending of personal information sheets for pension insurance. This involves a statement from the individual electronic account of the policyholder, which contains information on the insurance periods, the amount of earnings and the replacement insurance period. Every citizen may now request this once a year. The road to the establishment of the individual accounts was long, but successful. It began with digitalisation and continued with the electronic submissions (so-called e-submission) of pension record sheets and the careful inspection of the collected data. People are very interested in this service. This was confirmed by the fact that by 31st December 2006 the CSSA had sent its clients a total of 99,910 personal information sheets for pension insurance.

In conclusion, I will somewhat untraditionally, but not without reason, leave the final review to the clients of the Czech Social Security Administration. Public opinion research into the Czech pension system, which was realised for the Ministry of Labour and Social Affairs and participated in by clients, self/employed individuals and organisations, found that: people are beginning to view the Czech Social Security Administration and its offices as a service. It should also provide high quality advisory services performed by high quality employees, similarly to banks.

The investigation also showed that almost 85% of people who have already come into contact with the Czech Social Security Administration or with its offices perceive this institution very positively.

## introduction

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I consider this to be a more than good calling card for all of the employees of the Czech Social Security Administration. Amongst other things, the results are based on the strategic orientation of the organisation and its uniform method of work and management. However, the daily conscientious work of all of the employees of the Czech Social Security Administration is without doubt in first place. They are due a great deal of thanks and I personally hope that they will maintain their drive, loyalty, helpfulness, desire to implement changes and the necessary optimism at all times and under any management.



**Mgr. Luboš Vaněk**  
*Deputy Director General,  
assigned the management of the CSSA*

Personality is built from a certain unique conformity  
and nonconformity with the surrounding world.

*JOSEF ČAPEK*



## the organisation profile

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### The role and area of responsibility

The Czech Social Security Administration (CSSA) is the largest financial administration body within the Czech Republic's civil service and is unique with total annual income and expenditure in excess of 633 billion CZK. It administers the affairs of more than 7,793,000 clients, of whom more than 2,683,000 are pensioners. The CSSA pays more than 3,310,000 pensions<sup>1</sup>.

The CSSA secures (either itself or via employers) the payment of sickness benefits, maternity benefits, cost of living allowances in pregnancy and maternity and attendance allowance (support when caring for a family member) for practically the entire working population of the Czech Republic. The CSSA contributes more than 1/3 of the earnings to the Czech budget by collecting social security contributions, the contribution to the state employment policy and voluntary insurance contributions.

According to the EU co-ordinating directives, the Czech Social Security Administration is the contact agency and the competent institution for international institutions with regard to monetary benefits in sickness and maternity, pensions and the assessment of legal applicability.

The Czech Social Security Administration also includes the Medical Assessment Service, which assesses the state of health and the ability to work of citizens for the purposes of sickness and pension insurance. It also carries out the inspection of assessments of temporary incapacity to work realised by physicians.

As an organisational component of the state, the Czech Social Security Administration is subordinate to the Ministry of Labour and Social Affairs of the Czech Republic. The head of the Czech Social Security Administration is the Director General. Jiří Hoidekr MSc performed this function until 31st July 2006. Since 1st August 2006, the management of the Czech Social Security Administration has been assigned to the Deputy Director General of the Czech Social Security Administration, Mgr. Luboš Vaněk.

#### THE MISSION OF THE CSSA

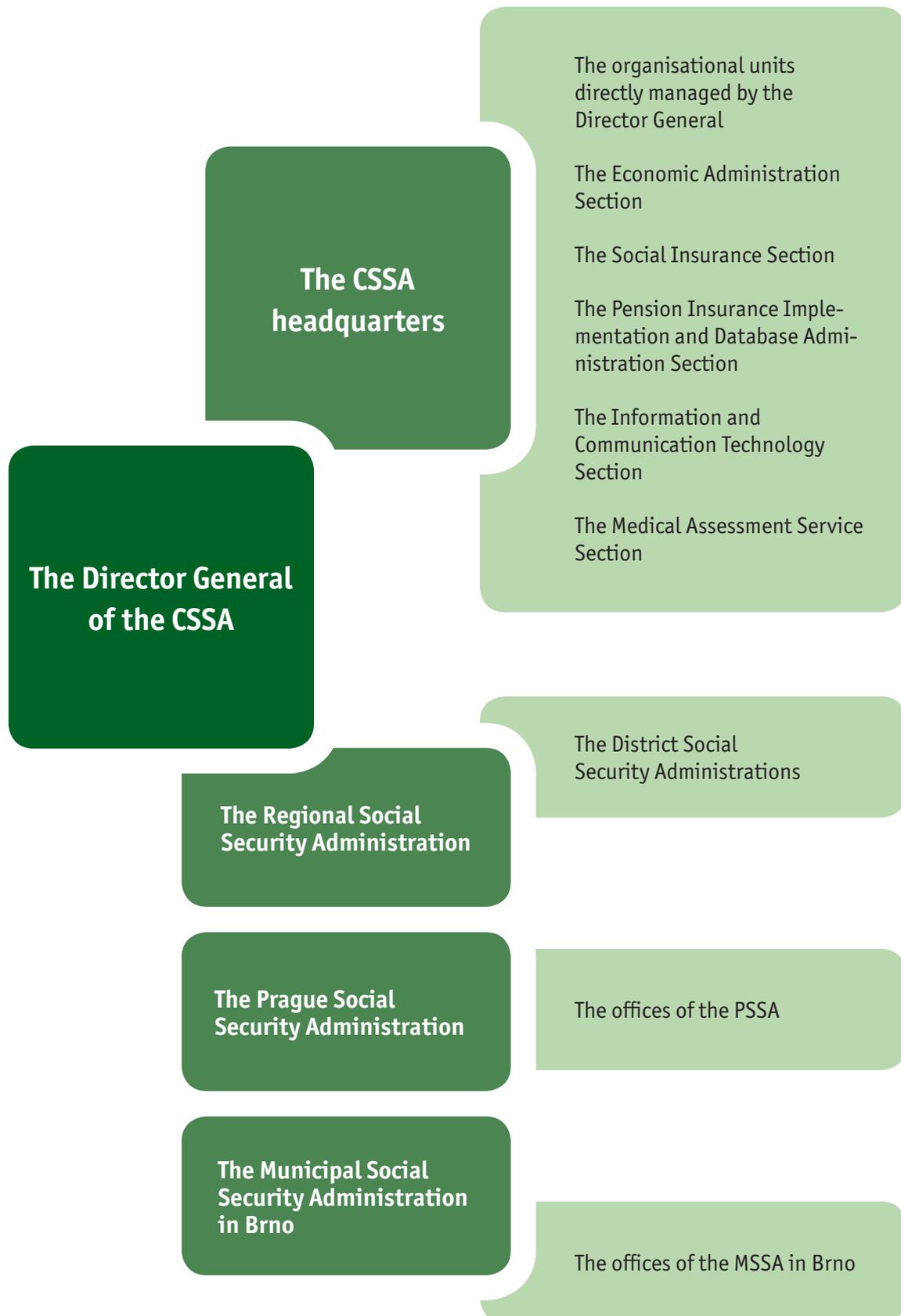
„The Czech Social Security Administration is a modern agency and a social security administrator which effectively functions in a manner which corresponds to the modern technologies of the information society of the third millennium and it is imbued with an exclusive orientation towards the creation of maximum value for its clients and thus the highest possible fulfilment of the clients' expectations and the greatest possible degree of customer satisfaction.“

### The organisational structure

The organisational structure of the CSSA corresponds to the country's regional structure. The headquarters of the Czech Social Security Administration is based in Prague. It consists of five sections with a total of 21 divisions and one independent department and a further six organisational units which are managed directly by the Director General of the CSSA. As well as that, the Director General also manages a total of 13 regional offices – for the South Bohemian Region, the South Moravian Region, the Carlsbad Region, the Hradec Králové Region, the Liberec Region, the Moravian-Silesian Region, the Olomouc Region, the Pardubice Region, the Pilsen Region, the Central Bohemian Region, the Ústí Region, the Vysočina Region and the Zlín Region. The Director General of the CSSA also manages the Prague Social Security Administration (PSSA), which looks after Prague clients, and the Metropolitan Social Security Administration (MSSA) in Brno, which provides services to people in Brno. The services to the public in the area of social security are provided by a total of 92 CSSA offices throughout the entire Czech Republic.

<sup>1</sup> Valid data as December 31<sup>st</sup> 2006

## the organisation profile



### The CSSA Management



**JIŘÍ HOIDEKR MSc**  
(in the post until 31st July 2006)

### the Director General of the CSSA



**Mgr. LUBOŠ VANĚK**  
(assigned the management of the CSSA since 1st August 2006)

### the Deputy Director General of the CSSA

## the organisation profile

### The CSSA Chief Executives



**RADOSLAVA KODYMOVÁ MSc, Ph.D.**

the Chief Executive for the Economic  
Administration Section  
(in the post since 10th April 2006)



**Dr. BOŽENA MICHÁLKOVÁ**

the Chief Executive for the Social  
Insurance Section



**Dr. ELIŠKA VOLFOVÁ**

the Chief Executive for the Pension  
Insurance Implementation and Database  
Administration Section



**VLADIMÍR FANTA MSc**

the Chief Executive for the Information  
and Communication Technology Section



**Dr. LJILJANA BOJIČOVÁ**

the Chief Executive for the Medical  
Assessment Service Section

### The Chief Executives/Heads of units managed directly by the CSSA Director General



**Helena Horynová**

the Head of the General Director's Secretariat



**Jiří Demeš MSc**

the Director of the Security Policy Section



**Dr. Jaromíra Jandourková**

the Director of the Internal Audit,  
Control and Complaints Section



**Jiří Kudlík MSc**

the Director of the European Co-ordination  
and International Relations Section  
(in the post since 23rd January 2006)



**Mgr. Štěpánka Filipová**

the Director of the Communication Section  
and the CSSA Spokesperson



**Dr. Miluše Hájková**

the Director of the Human Resources Section

# the organisation profile

## The Regional Directors



**Dr. JAN STAVINOHA**

the Director of the MSSA Brno

A total of three offices, including the Headquarters:

- *MSSA Brno Headquarters* – Director: Dr. Jan Stavinoha
- *MSSA Brno II* – Office Manager: Hana Manhalterová
- *MSSA Brno III* – Office Manager: Dr. Ludmila Smejkalová (in the position since 1st August 2006)



**Dr. MIROSLAV VOTÝPKA**

the Director of the South Moravian Region RSSA

A total of six offices, including the Regional Office:

- *DSSA Brno-Venkov* – Director: Dr. Miroslav Votýpka
- *DSSA Blansko* – Director: Dr. Libuše Svěráková
- *DSSA Břeclav* – Director: Zlataše Máčelová MSc
- *DSSA Hodonín* – Director: Eva Milošová MSc
- *DSSA Vyškov* – Director: Mgr. Ivo Rotrekl
- *DSSA Znojmo* – Director: Dr. Radoslav Kraus



**associate professor Dr. VILÉM KAHOUN, Ph.D.**

the Director of the South Bohemian Region RSSA

A total of seven offices, including the Regional Office:

- *DSSA České Budějovice* – Director: associate professor Dr. Vilém Kahoun, Ph.D.
- *DSSA Český Krumlov* – Director: Marie Bedlivá MSc
- *DSSA Jindřichův Hradec* – Director: Mgr. Josef Čech
- *DSSA Písek* – Director: Dr. Jaroslava Pitulová
- *DSSA Prachatice* – Director: Dr. Zdeněk Albrecht
- *DSSA Strakonice* – Director: Karel Chod MSc
- *DSSA Tábor* – Director: Dr. Marcela Vašková

## the organisation profile



**LADISLAV PEŇÁZ**

the Director of the Carlsbad Region RSSA

A total of three offices, including the Regional Office:

- *DSSA Carlsbad* – Director: Ladislav Peňáz
- *DSSA Cheb* – Director: Leopold Písek MSc
- *DSSA Sokolov* – Director: Bc. Janka Gajewská



**ZUZANA KRUPIČKOVÁ MSc**

the Director of the Liberec Region RSSA

A total of four offices, including the Regional Office:

- *DSSA Liberec* – Director: Zuzana Krupičková MSc
- *DSSA Jablonec nad Nisou* – Director: Václav Hájek MSc
- *DSSA Semily* – Director: Jaroslava Krausová MSc
- *DSSA Česká Lípa* – Director: Dana Pospíšilová MSc  
(in the position since 1st December 2006)



**Mgr. KAREL BAUER**

the Director of the Hradec Králové Region RSSA

A total of five offices, including the Regional Office:

- *DSSA Hradec Králové* – Director: Mgr. Karel Bauer
- *DSSA Jičín* – Director: Jiří Bílek MSc
- *DSSA Náchod* – Director: Pavel Sobotka MSc
- *DSSA Rychnov nad Kněžnou* – Director: Dana Wirtová MSc
- *DSSA Trutnov* – Director: Daniela Prokešová MSc

## the organisation profile



**Dr. MILAN KEKA**

the Director of the Moravian-Silesian Region RSSA

A total of six offices, including the Regional Office:

- *DSSA Ostrava-City* – Director: Dr. Milan Keka
- *DSSA Bruntál* – Director: Věra Tesolinová MSc
- *DSSA Frýdek-Místek* – Director: Ludmila Babišová MSc
- *DSSA Karviná* – Director: Dr. Martin Nogol
- *DSSA Nový Jičín* – Director: Dr. Jaroslav Juřík
- *DSSA Opava* – Director: Margarita Drastíková MSc  
(in the position since 1st June 2006)



**ALENA ŠMOTKOVÁ MSc**

the Director of the Olomouc Region RSSA

A total of five offices, including the Regional Office:

- *DSSA Olomouc* – Director: Alena Šmotková MSc
- *DSSA Jeseník* – Director: Vítězslav Macek MSc
- *DSSA Prostějov* – Director: Mgr. Zita Popelářová
- *DSSA Přerov* – Director: Jaroslav Pospíšil
- *DSSA Šumperk* – Director: Ľubica Semerádová MSc



**Dr. LUDMILA KNOTKOVÁ**

the Director of the Pardubice Region RSSA

A total of four offices, including the Regional Office:

- *DSSA Pardubice* – Director: Dr. Ludmila Knotková
- *DSSA Chrudim* – Director: Dr. Hana Mikanová
- *DSSA Svitavy* – Director: Jaroslava Müllerová MSc
- *DSSA Ústí nad Orlicí* – Director: Dr. Olga Počtýnská  
(in the position since 1st April 2006)

## the organisation profile



**Dr. ZDENĚK TOR**

the Director of the Pilsen Region RSSA

A total of seven offices, including the Regional Office:

- *DSSA Pilsen-South* – Director: Dr. Zdeněk Tor
- *DSSA Domažlice* – Director: Jindřich Kohout MSc
- *DSSA Klatovy* – Director: Jana Tomanová MSc
- *DSSA Pilsen-City* – Director: Antonín Vacík MSc
- *DSSA Pilsen-North* – Director: Dr. Jiří Hala
- *DSSA Rokycany* – Director: Luboš Koubík MSc
- *DSSA Tachov* – Director: Lydie Regecová MSc



**KAREL PERLÍK MSc**

the Director of the Central Bohemian Region RSSA

A total of twelve offices, including the Regional Office:

- *DSSA Prague-East* – Director: Karel Perlík MSc
- *DSSA Benešov* – Director: Milan Gol MSc
- *DSSA Beroun* – Director: Dr. Václav Klíma
- *DSSA Kladno* – Director: Alena Prajzlerová MSc
- *DSSA Kolín* – Director: Ivana Tluchořová MSc
- *DSSA Kutná Hora* – Director: Robert Velický MSc (in the position since 1st June 2006)
- *DSSA Mělník* – Director: Marie Pechová MSc (in the position since 15th June 2006)
- *DSSA Mladá Boleslav* – Director: Jana Fronková MSc
- *DSSA Nymburk* – Director: Mgr. Ivanka Součková
- *DSSA Prague-West* – Director: Ivana Panochová MSc
- *DSSA Příbram* – Director: Dr. Josef Petrášek
- *DSSA Rakovník* – Director: Dr. Hana Kronichová



**Dr. TOMÁŠ HEJKAL**

the Director of the Prague SSA

A total of thirteen offices, including the Headquarters:

- *The PSSA Headquarters* – provides activities for Prague 8 – Director: Dr. Tomáš Hejkal
- *Prague 1* – Office Manager: Dr. Petr Paris
- *Prague 2* – Office Manager: Dr. Gabriela Hrušíková
- *Prague 3* – Office Manager: Miroslav Novák MSc
- *Prague 4* – Office Manager: Daniela Prančlová
- *Prague 5* – Office Manager: Zuzana Vittvarová MSc
- *Prague 6* – Office Manager: Miroslav Feřtek MSc
- *Prague 7* – Office Manager: Miluše Ponzerová MSc
- *Prague 9* – Office Manager: Jana Jiroušková MSc
- *Prague 10* – Office Manager: Květoslava Cimlerová MSc
- *Prague 21* – Office Manager: Vladimír Derfler MSc
- *Prague 22* – Office Manager: Vladimíra Šujanská
- *Prague 23* – Office Manager: Mgr. Jarmila Bičaníková

## the organisation profile



**ANNA MATULOVÁ MSc**

the Director of the Ústí Region RSSA

A total of seven offices, including the Regional Office:

- *DSSA Ústí nad Labem* – Director: Anna Matulová MSc
- *DSSA Děčín* – Director: Jiří Řezáč MSc
- *DSSA Chomutov* – Director: Mgr. Marek Bergman
- *DSSA Litoměřice* – Director: Věra Kalousová
- *DSSA Louny* – Director: Petr Burdych MSc
- *DSSA Most* – Director: Ivana Henžlová MSc
- *DSSA Teplice* – Director: Dr. Jiří Budek



**Dr. DANIELA VONDROVÁ**

the Director of the Vysočina Region RSSA

A total of five offices, including the Regional Office:

- *DSSA Jihlava* – Director: Dr. Daniela Vondrová
- *DSSA Pelhřimov* – Director: Dr. Libuše Pavlíčková
- *DSSA Havlíčkův Brod* – Director: Dr. Bohuslav Kubát
- *DSSA Třebíč DSSA* – Director: Dr. Zdeněk Nováček
- *DSSA Žďár nad Sázavou* – Director: Mgr. Miroslav Lučka  
(in the position since 1st March 2006)



**IVAN RYBKA**

the Director of the Zlín Region RSSA

A total of four offices, including the Regional Office:

- *DSSA Zlín* – Director: Ivan Rybka
- *DSSA Kroměříž* – Director: Bc. Eva Nováková
- *DSSA Uherské Hradiště* – Director: Bc. Ludmila Hrabcová
- *DSSA Vsetín* – Director: Dr. Rostislav Lucbauer

If you want to get to know  
a person, look at his work.

*FRIEDRICH SCHILLER*



## the employees

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## The number and age structure

As of 31st December 2006, a total number of 8,521 people worked at the Czech Social Security Administration, of which 2,302 worked at the CSSA headquarters and 6,219 worked in the territorial organisational units. Women were predominant, including in the executive positions.

More than 50 % of the employees in the CSSA were people in the age group from 40 to 60. A total of ca 40% of the people working at the CSSA were in the age group from 21 to 40. The number of employees in the age group from 21 to 30 increased in 2006. Whereas this group formed 16.7% of all the employees at the CSSA in 2005, one year later the figure was 18.5%. On the other hand, the number of employees in the age group from 51 to 60 fell from 31.8% in 2005 to 30.1% in 2006.

### The employees according to age and sex - as of 31st December 2006

Age	Men	Women	Total	%
up to 20 years of age	4	57	61	0.7
21 – 30	208	1,370	1,578	18.5
31 – 40	152	1,636	1,788	21.0
41 – 50	190	1,977	2,167	25.5
51 – 60	360	2,207	2,567	30.1
61 and older	150	210	360	4.2
<b>Total</b>	<b>1,064</b>	<b>7,457</b>	<b>8,521</b>	<b>100.0</b>
<b>%</b>	<b>12.5</b>	<b>87.5</b>	<b>100.0</b>	

## The qualifications structure and education

Changes also occurred in the qualifications structure of the employees. There was an increase in the number of employees with a higher specialist education from 2.1% in 2005 to 5.3% in 2006 and the number of employees with a primary and specialist education fell – from a total of 10% in 2005 to 9.5%. The number of employees with a full secondary specialist education remained stable - 70.1%. Given the delimitation and the associated departure of 67 doctors from the Medical Assessment Service to the Labour Exchanges, the share of university graduates at the headquarters fell (from 33% to 32%).

A specialist university education is the prerequisite for the effective performance of state administration. Therefore, in 2006, the Czech Social Security Administration strove for a network of accredited study programmes at university faculties, which will be oriented towards social security law and will thus enable the Administration's employees to acquire a bachelor's degree.

As well as that, a further 28 employees completed the fourth round of the two-semester specialised course for CSSA employees oriented towards administrative, civil, commercial, labour, criminal and financial law in September 2006 and the 5th round of the course began at the same time. The CSSA realises this special course in association with the Law Faculty of Charles University.

In 2006, 159 employees of the CSSA started studies in bachelor's or master's degree courses. 29 CSSA employees began studying the newly opened social policy and social work bachelor's degree course with an orientation towards social work in the state sector at the Pedagogical Faculty in Hradec Králové. 41 CSSA employees began studying the economics and management bachelor's degree course with an orientation towards company financial management at the Faculty of Management and Economics of the Tomáš Bata University in Zlín.

## the employees

### The employees at the Czech Social Security Administration according to education – as of 31st December 2006

Achieved education	Men	Women	Total	%
Primary	9	167	176	2.1
Apprenticed	127	501	628	7.4
Full specialist secondary	397	5,588	5,985	70.1
Specialist upper secondary	62	387	449	5.3
Tertiary	469	814	1,283	15.1
<b>Total</b>	<b>1,064</b>	<b>7,457</b>	<b>8,521</b>	<b>100.0</b>

### Knowledge of languages

In 2006, the CSSA continued in the linguistic education of its employees in the form of both group lessons and individual lessons for selected employees. As of 31st December 2006, 721 employees had attended the courses prepared in association with the Institute for Linguistic and Specialist Preparation at Charles University. Since October 2006, the linguistic training of the employees has been oriented towards the passing of standardised language examinations at the level of KET, PET, FCE and ZD.

### Employment and wages

A significant indicator, which bears witness to the stability of the employee structure within the organisation, is the fluctuation of employees, the number of entries into and departures from employment and the ratio between them and the frequency of the methods of terminating employment. In comparison with 2005, the percentage of fluctuation within the entire Czech Social Security Administration rose from 9.65% to 11.17%. In 2006, the CSSA reduced the number of systematised jobs by 55 to 8033 upon the basis of the schedule of the Ministry of Labour and Social Affairs. In association with the adoption of Sickness Insurance Act no. 187/2006 Coll. in May 2006, the number of systematised jobs was increased by 132 at the central offices and by 210 in the regions as of 1st June 2006. On the other hand, five systematised doctors' positions were delimited to the Ministry of Labour and Social Affairs as of 1st June 2006 and 85 systematised doctors' jobs and 30 systematised secretaries' jobs were delimited to the Labour Exchanges. As of 1st December 2006, a further 40 systematised doctors' jobs, eight systematised clerks' jobs, one systematised lawyer's job and six systematised secretaries' jobs were transferred to the Labour Exchanges, However, this involved unfilled systematised positions.

The CSSA once again exceeded the compulsory four-percent share of employees with disabilities; it employed a total of 369 such people.

The average wage at the Czech Social Security Administration in 2006 was 21,301 CZK. As such, it increased by 1,556 CZK in comparison with 2005. The increase in the personal allowance to 1650 CZK from the original 1,200 CZK as of 1st April 2006 was projected into the amount of the average wage.

The length of employment at the Czech Social Security Administration in 2006 was most frequently up to 5 years – this involved 2,975 people, i.e. 34.9%. 2,148 people, i.e. 25.2% had worked at the Czech Social Security Administration up to 15 years. There are also many employees who have worked at the Czech Social Security Administration for more than 20 years; as of 31st December 2006, there were 2,107 such employees. 3.5% of people worked part-time at the CSSA in 2006.

### The duration of the employment of the employees at the Czech Social Security Administration - as of 31st December 2006

Duration	Number	%
up to 5 years	2,975	34.9
up to 10 years	961	11.3
up to 15 years	2,148	25.2
up to 20 years	330	3.9
over 20 years	2,107	24.7
<b>Total</b>	<b>8,521</b>	<b>100.0</b>

Everything worth doing  
is worth doing well.

*CHARLES DICKENS*



## the core activities

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## The collection of social security contributions

The collection of social security insurance, which is one of the main tasks of the CSSA, includes pension, sickness and state insurance policy contributions. In 2006, the collection success was 100.93%. In comparison with 2005, when this amounted to 99.89%, the collection success in 2006 increased by 1.04%. In order to achieve a more objective evaluation of the success in social security contribution collection in the given year, it is appropriate to remove the written off, unrecoverable receivables. This data shows that the contribution collection success rate up to 2003 remained at 98%, in 2004, it increased to almost 99% and in 2006, it achieved 99.50% which represents the highest achieved value for the given indicator since 2000.

### The development of the earnings from the contributions in total, the prescribed contributions in total and the contribution collection success rate since 2000

Year	2000	2001	2002	2003	2004	2005	2006
<b>Total earnings from contributions</b> (in billions of CZK)	215.71	234.81	250.35	264.21	285.06	302.09	324.35
<b>Total prescribed contributions</b> (in billions of CZK)	222.20	238.70	251.26	265.94	283.28	302.41	321.35
<b>Contribution collection success rate</b> (in %)	97.08	98.37	99.64	99.35	100.63	99.89	100.93

*Comments: Total revenue consists of tax and other revenue from insurance contributions including accessories, i.e. penalties and fines. Revenue from other CSSA operations has not been included. The total prescribed contributions are understood to mean the prescribed insurance contributions including accessories.*

### The development of the earnings from the contributions in total, the prescribed contributions in total and the contribution collection success rate since 2000 after the removal of irrecoverable receivables

Year	2000	2001	2002	2003	2004	2005	2006
<b>Write-offs</b> (in billions of CZK)	0.18	0.88	4.19	3.33	4.82	4.48	4.64
<b>Modified prescribed contributions</b> (in billions of CZK)	222.38	239.57	255.45	269.26	288.10	306.89	325.99
<b>Collection</b> (in billions of CZK)	215.71	234.81	250.35	264.21	285.06	302.09	324.35
<b>Contribution collection success rate</b> (in %)	97.00	98.01	98.00	98.12	98.95	98.43	99.50

### Social security contribution receivables

Whereas the Czech Social Security Administration recorded insurance receivables, including accessories (penalties and fines) at the amount of ca 59 billion, 721 million CZK as of 31st December 2006, one year earlier, i.e. as of 31st December 2005, the amount was ca 62 billion, 180 million CZK. In both cases, this involved receivables for social security contributions, including penalties and fines, which have accumulated since 1993. The amount, which payers owe in contributions, therefore fell year-on-year by almost 4%, i.e. by ca 2 billion, 459 million CZK.

The greatest part (51.06%) of the receivables from social security contributions as of 31st December 2006 consisted of penalties; this involved 30 billion, 497 million CZK in total. Outstanding contributions accounted for ca 28.121 billion CZK, while fines reached the amount of 0.186 billion CZK.

The stated amount was accounted for by small organisations (63.8%), organisations (22.0%) and self-employed individuals (14.2%). In comparison with the previous year, the receivables due from organisations and small organisations fell by ca 3 billion, 411 million crowns. The receivables recorded for self-employed individuals rose by ca 1 billion crowns as opposed to 2005. 411 thousand debtors contributed to the overall amount of the receivables in 2006, which was 14 thousand less than in 2005.

An analysis of the receivable portfolio shows that:

- receivables for penalties account for 51.1% of the overall receivables,
- receivables due from deregistered subjects account for 59.6% of all receivables,
- receivables of more than 30 million CZK due from debtors account for a total of 26.9% of the receivables; there are 187 such debtors and this essentially involves minimally recoverable receivables (bankruptcies and receivership),
- ca 63.8% of receivables are due from small organisations.

The recovery of the receivables is secured by the DSSA/PSSA/MSSA. They make use of administrative and court decisions and also apply the receivables in any bankruptcy or settlement proceedings. In 2006, all of the offices of the CSSA implemented a total of 201,635 decisions; by way of comparison, this figure was 204,868 in 2005. Last year, the CSSA recovered 137,601 receivables in the administrative execution of its decisions and it submitted a further 64,034 proposals for the court execution of decisions. In comparison with 2005, when there were 60,795 court rulings, this means 3,239 (i.e. 5.33%) more court rulings. In 2006, no proposals for the declaration of bankruptcy on the assets of a debtor were submitted, as was also the case in 2005.

## The receivables of the CSSA as of 31st December 2006 (in millions of CZK)

		Receivables					Percentage share (%)
		Total	for insurance contributions	for penalties	for fines	for other	
<b>Deregistered payers</b>	<b>Self-employed businesspeople</b>	2,555	1,550	956	49		
	<b>Small organisations</b>	24,756	10,955	13,728	73		
	<b>Organisations</b>	8,293	3,980	4,310	3		
	<b>total</b>	<b>35,604</b>	<b>16,485</b>	<b>18,994</b>	<b>125</b>		<b>59.62</b>
<b>Registered payers</b>	<b>Self-employed businesspeople</b>	5,696	4,027	1,627	42		
	<b>Small organisations</b>	13,082	5,274	7,790	18		
	<b>Organisations</b>	4,422	2,335	2,086	1		
	<b>total</b>	<b>23,200</b>	<b>11,636</b>	<b>11,503</b>	<b>61</b>		<b>38.84</b>
<b>Subtotal</b>		58,804	28,121	30,497	186		
<b>Instalment system</b>	<b>Self-employed businesspeople</b>	214				214	
	<b>Small organisations</b>	258				258	
	<b>Organisations</b>	445				445	
	<b>total</b>	<b>917</b>				<b>917</b>	<b>1.54</b>
<b>Total</b>	<b>Self-employed businesspeople</b>	8,465	5,577	2,583	91	214	
	<b>Small organisations</b>	38,096	16,229	21,518	91	258	
	<b>Organisations</b>	13,160	6,315	6,396	4	445	
	<b>total</b>	<b>59,721</b>	<b>28,121</b>	<b>30,497</b>	<b>186</b>	<b>917</b>	<b>100</b>
<b>Percentage share (%)</b>		100	47.09	51.06	0.31	1.54	

Comments: Small organisations - up to 25 employees, organisations - over 25 employees

## Pension decisions and payments

The CSSA pays all pensions, with the exception of those pensions, which fall under the jurisdiction of the Ministries of Internal Affairs, Defence and Justice. This involves old age pensions, full or partial invalidity pensions, widows' and widowers' pensions and orphans' benefits.

After taking into account the expenditure of past and future periods (the costs for the instalment paid to the Czech Post Office at the turn of the budget year), the total pension insurance expenditure in 2006 amounted to 261 billion, 464 million CZK. The expenditure on the pension payments includes the instalment paid to the Czech Post Office from December of the previous year and does not include the instalment for January of the following year. From these figures, old age pensions amounted to a total of 188 billion, 949 million CZK.

As of 31st December 2006, there were 2,683,784 pensioners, of that 1,027,504 men and 1,656,280 women. The CSSA paid pensions to a further 41,181 pensioners abroad. In total, this involved 2,724,965 people, who received pension insurance payments from the CSSA. The average amount of the old age pension was 8,187 CZK, while men received an average of 9,157 CZK and women received 7,431 CZK.

## the core activities

In 2006, the CSSA reached decisions on 241,430 new pension applications. Act no. 267/2006 Coll., according to which some widows' benefits have been increased and some ceased to be paid, brought many submissions from clients in association with pension insurance. As of 31st December 2006, the CSSA recorded a total of 126,137 applications for the modification or renewal of the payment of a widows' pension. A further significant increase in submissions was associated with the cancellation of the increase in pensions due to infirmity and its replacement with a contribution towards care administered by the authorised municipalities, which arises from Social Services Act no. 108/2006 Coll..

The CSSA pays out pensions in two ways: in cash or by direct credit to the client's account. In 2006, the CSSA realised a total of 31,656,383 payments, which represents an increase of 434,318 payments in comparison with 2005. Of that, it made 20,924,954 payments via the Czech Post Office, 10,170,547 payments by means of a direct credit to the clients' accounts and 560,882 pension payments to social care institutions.

In practise, this means that in December 2006, for example, the CSSA paid out a total of 1,722,394 pensions via the Czech Post Office, 884,366 pensions by direct credit and 46,481 pensions to social care institutions. It is therefore clear that the numbers of people who have their pensions sent directly to their bank accounts has once again increased – there were 798,413 as of 31st December 2005 and 722,107 the year before.

### Expenditure on pension payments (in millions of CZK)

Year	1999	2000	2001	2002	2003	2004	2005	2006
Amount	173,014	181,921	195,814	210,440	218,273	226,883	243,648	261,464

### The number of pension insurance clients, pensioners and pensions

Year	1999	2000	2001	2002	2003	2004	2005	2006
The number of pension insurance clients	4,722,898	4,660,974	4,528,399	4,581,647	4,593,974	4,841,549	4,786,415	4,846,240
The number of pensioners	2,548,159	2,567,865	2,584,018	2,577,798	2,590,844	2,625,685	2,645,100	2,683,784
of that women	1,591,809	1,603,415	1,610,898	1,606,359	1,611,924	1,629,999	1,637,584	1,656,280
men	956,350	964,450	973,120	971,439	978,920	995,686	1,007,516	1,027,504
The number of paid out pensions	3,158,947	3,183,429	3,203,219	3,199,749	3,212,486	3,249,706	3,268,673	3,310,174
of that old age pensions	1,879,883	1,906,759	1,922,772	1,907,830	1,914,219	1,944,915	1,961,870	1,995,350
invalidity pensions	527,808	528,288	534,287	544,838	553,985	563,376	570,055	580,055
survivors' pensions	751,256	748,382	746,160	747,081	744,282	741,415	736,748	734,769

Note: This involves the pensions paid out in the Czech Republic, i.e. without any payments abroad.

### The average amount of the old age pension

Year	1999	2000	2001	2002	2003	2004	2005	2006
Men	6,555	6,995	7,590	7,622	7,902	8,133	8,662	9,157
Women	5,386	5,729	6,188	6,213	6,429	6,600	7,030	7,431
Total	5,910	6,292	6,808	6,833	7,075	7,270	7,744	8,187

Note: This involves the amount of the old age pensions without any simultaneously paid other types of pensions, for example widows' pensions

### The payment of pensions abroad

In 2006, the CSSA paid the most pensions abroad to Slovakia (11,916 pensioners), Poland (10,827) and the Republic of Germany (5,263 pensioners). The Czech Social Security Administration pays all of its types of pensions abroad, i.e. old age, invalidity and survivor's pensions.

People permanently living abroad are paid pensions and sickness insurance either to a foreign address or to a personal account at a bank/saving's bank abroad or in the Czech Republic. Pensions are paid to addresses abroad 4x a year in March, June, September and December retroactively for each quarter and this was also the case in 2006. Payments to accounts abroad are direct credited in the currency of the given state or in a freely convertible currency via the Czech National Bank and the appropriate bank abroad - the payments are always made retroactively and in intervals, which the pension recipient designates. Payments to accounts in the Czech Republic are always made in crowns and are realised via the Czech National Bank.

### The ten countries, to which the CSSA paid the most pensions in 2006

Country	The number of paid out pensions
Slovakia	11,916
Poland	10,827
The Federal Republic of Germany	5,263
Switzerland	2,016
Canada	1,733
Bulgaria	1,576
the USA	1,413
Austria	1,192
Sweden	527
Australia	480

### The payment of sickness benefits

In 2006, the DSSA/PSSA/MSSA administered sickness insurance for 231,717 small organisations with 1,101,806 employees and 903,944 self-employed individuals, of whom 222,074 participated in sickness insurance. Sickness benefits were paid out in a total of 1,555,996 cases, which is 107,400 less than in 2005. The payments were at the amount of 7,498,879,334 CZK, which means an increase of 3.3% in comparison with 2005.

The total expenditure on sickness benefits in 2006, i.e. including the reimbursements paid to organisations of more than 25 employees, amounted to ca 32 billion, 773 million CZK. The largest amount was spent on sick pay (ca 26 billion, 963 million CZK) followed by maternity benefits at ca 4 billion, 981 million CZK. Attendance allowances meant expenditure of ca 825 million CZK and differential allowances for pregnant and postnatal women accounted for ca 4 million CZK.

Whereas the Czech Social Security Administration recorded a total of 3,185,257 completed cases of sick leave in 2005, one year later there were 2,870,261. This means 314,996 less cases of completed sick leave year-on-year. The average sick leave in 2006 lasted 36.49 days. That is 2.87 days more than in 2005. In 2006, people were ill for a total of 104,747,532 days. This means 2,347,602 less sick days than in 2005. Men were ill more frequently – 1,474,815 completed cases of sick leave. In the case of women, this involved

## the core activities

1,395,446 cases. However, women were ill for a longer period – on average, the period of illness was 37.94 days for women, but only 35.12 days for men.

In 2006, people most frequently fell ill with respiratory illnesses (38.31%). The CSSA recorded a total of 1,099,716 completed cases of sick leave, 19,340,491 sick days and an average sick leave length of 17.59 days due to this type of illness.

### Expenditure on sickness insurance (in millions of CZK)

Year	1999	2000	2001	2002	2003	2004	2005	2006
<b>Sickness</b>	16,434	23,652	25,574	28,222	29,523	24,705	26,258	26,963
<b>Attendance allowance</b>	696	785	957	893	1,004	730	819	825
<b>Maternity benefit</b>	2,151	2,760	3,047	3,487	3,774	4,123	4,579	4,981
<b>Differential Allowance for Pregnant and Postnatal Women</b>	6	8	7	7	6	5	4	4
<b>Total</b>	19,287	27,205	29,585	32,609	34,307	29,563	31,660	32,773

*Comments: attendance allowance = support while caring for a family member, maternity benefit = monetary assistance during maternity*

### The number of clients covered by sickness insurance

Year	1999	2000	2001	2002	2003	2004	2005	2006
<b>Total</b>	4,423,470	4,343,801	4,195,113	4,230,146	4,237,817	4,358,766	4,298,049	4,358,984
of that <b>Self-employed businesspeople</b>	318,080	308,499	299,607	296,528	292,329	267,524	240,825	222,074

### The number of days of paid sick leave

Year	1999	2000	2001	2002	2003	2004	2005	2006
<b>Sickness</b>	103,693,778	113,232,181	113,187,039	113,958,656	112,726,425	97,341,561	100,920,399	98,825,327
<b>Attendance allowance</b>	4,328,991	3,761,041	4,164,754	3,225,096	3,747,177	3,035,134	3,141,523	3,243,589

*Note: The number of paid sick days does not correspond to the total number of sick days which includes, amongst other things, individuals registered at the Labour Exchanges who do not receive sick pay.*

## The development of sick leave

Year	1999	2000	2001	2002	2003	2004	2005	2006
The number of completed cases of sick leave	3,941,292	4,040,986	4,030,539	3,777,066	3,829,738	2,906,149	3,185,257	2,870,261
The number of sick days	108,387,573	116,803,822	119,211,316	120,812,989	121,047,763	105,955,526	107,095,134	104,747,532
The average duration of 1 case of sick leave	27,50	28,90	29,58	31,99	31,61	36,46	33,62	36,49
Sick leave terminated upon the basis of a decision of the CSSA	2,432	1,853	1,607	1,569	1,424	1,539	2,981	2,497
Breaches in treatment conditions	14,444	12,799	12,859	13,818	12,131	11,211	11,066	9,521

## The Medical Assessment Service

In 2006, the organisation and activities of the Medical Assessment Service underwent a number of fundamental changes. Upon the basis of Social Services Act no. 108/2006 Coll. and Act no. 109/2006 Coll. which changes some other acts in association with the adoption of the Social Services Act, the Medical Assessment Service was divided between the CSSA and the Labour Exchanges as of 1st July 2006.

The assessment of an individual's health condition for the purposes of employment, social care and state social support was transferred to the newly established assessment service of Labour Exchanges. A total of 85 doctors' jobs (62.5 occupied workloads) were delimited to this assessment service from the Medical Assessment Service at the CSSA. Despite this, however, the MAS at the CSSA assessed a total of 26,412 cases for the non-insurance systems, for which the proceedings had been commenced before 1st July 2006. The allocation of a further 30 doctors' positions and 25 secretaries' positions from the CSSA MAS to the Labour Exchanges occurred as of 1st November 2006. This case admittedly only involved systematised, i.e. unoccupied positions, but it limited the options of the CSSA to acquire new doctors.

The MAS at the CSSA therefore fulfilled tasks associated with pension and sickness insurance from 1st July 2006. It assessed the state of health of citizens in association with the influence of said state of health on the ability of the citizens to work and did so only for the purposes of the benefits paid out by the CSSA. This specifically means that the doctors at the MAS of the CSSA assessed, for example, invalidity, long-term disorders in children for the purposes of pension insurance, infirmity and whether a child with a severe long-term disability requires exceptional care.

In 2006, the assessing doctors were active in 83 MAS offices throughout the entire Czech Republic. Amongst other things, they assessed and evaluated the influence of citizens' illnesses, injuries or disabilities on their ability to work for the appropriate DSSA. In 2006, the MAS doctors drew up a total of 365,125 assessments. In comparison with 2005, that is 10,240 cases (i.e. 2.73%) less, which was caused by the reorganisation of the Medical Assessment Service and the therewith associated transfer of the jurisdiction in the area of assessments for the purposes of non-insurance systems to the newly created medical assessment service at the Labour Exchanges. Despite the aggravated personnel situation, the number of assessments per doctor increased on average to 1,088.5 assessments per year, which is 80.5 assessments more than in 2005.

The Medical Assessment Service of the CSSA also performed assessment activities for the field of EU social

## the core activities

security laws and bilateral treaties. In 2006, the MAS at the CSSA carried out a total of 7,980 acts within the framework of the realisation of agendas with an international component.

### Compensation according to the special regulations

Despite the fact that compensation is not associated with the social security, which is at the heart of the CSSA's activities, the CSSA has also had this agenda in its jurisdiction for several years.

By the end of 2006, a total of 117,341 claims had been lodged in association with compensation and the CSSA had paid out a total of more than 4 billion, 660 million CZK in connection with them.

The CSSA paid a one-off amount to the victims of Nazi persecution (Act no. 217/1994 Coll.) in 25,390 cases out of a total of 32,792 applicants. And it did so at a total amount of 1 billion, 634 million CZK.

Further compensation was provided as a one-off financial sum to the members of Czechoslovak international and allied armies from 1939 to 1945 (Act no. 39/2000 Coll.). By 31st December 2006, 5,772 people had applied for this. A total of 4,200 entitled individuals were paid a total of 386 million 529 thousand CZK.

By 31st December 2006, the Czech Social Security Administration had paid out one-off monetary sums in 13,839 cases for participation in the national struggle for liberation, political prisoners and individuals confined to concentration camps for racial or religious reasons out of a total of 22,169 applicants in accordance with Act no. 261/2001 Coll. In total, this involved 1 billion, 450 million crowns.

In accordance with Act no. 172/2002 Coll. governing the provision of one-off monetary amounts to individuals deported to the USSR or to camps, which the USSR established in other countries, 22 million, 384 thousand CZK had also been paid out to 59 applicants out of a total of 254 by the end of 2006.

Further compensation, which is paid out by the CSSA, involves pension contributions paid to political prisoners of the communist regime from 1948–1989 or to their survivors (Government Decree no. 622/2004 Coll., Government Decree no. 405/2005 Coll.). The scope of the eligible persons was extended to include individuals only held in custody, widows and widowers who do not receive a widow's or widower's pension due to having exceeded the fixed maximum and to the specified group of orphans. By 31st December 2006, the Czech Social Security Administration had paid 8,525 applicants more than 345 million CZK.

A total of 47,019 applicants applied for compensation according to Act no. 357/2005 Coll., according to which participants in the resistance in World War I and II and persecuted individuals from the period of the communist regime and their survivors are entitled to compensation. As of the end of 2006, 40,349 applications had been positively resolved and the Czech Social Security Administration had paid out more than 821 million CZK.

### Inspections to ensure the adherence to the treatment conditions

The employees of all of the CSSA offices carried out a total of 247,722 inspections of the adherence to the treatment conditions during sick leave in 2006. The most inspections were realised in the Moravia-Silesia Region (32,572), then in Prague (31,606) and in the Central Bohemian Region where the adherence to treatment conditions was inspected in a total of 26,114 cases. Upon the basis of the inspections, all of the offices of the CSSA issued a total of 6,182 reviews due to breaches. In practise, this meant that almost 2.5% of the inspected individuals had their sick pay reduced or withdrawn. In 2006, CSSA employees further terminated 2,497 cases of sick leave in cases where there was no medical reason for the sick leave to continue.

### Inspections to ensure the adherence to the treatment conditions as of 31st December 2006

Region	Number of realised inspections	Number of reviews
South Bohemian	17,673	169
South Moravian	15,273	332
Carlsbad	11,112	149
Hradec Králové	11,824	281
Liberec	8,004	368
Moravian-Silesian	32,572	1,226
The MSSA in Brno	3,840	364
Olomouc	25,550	538
Pardubice	10,892	297
Pilsen	16,111	532
The PSSA	31,606	421
Central Bohemian	26,114	576
Ústí	22,345	526
Vysočina	7,112	151
Zlín	7,694	252
<b>Total</b>	<b>247,722</b>	<b>6,182</b>

### Inspections of organisations

In 2006, all of the offices of the CSSA carried out a total of 163,855 inspections of the fulfilment of the obligations of organisations, upon the basis of which they issued 5,501 payment assessments. Of the more than 81 million, 260 thousand CZK which organisations have outstanding with regard to the insurance, 66 million, 524 thousand CZK is outstanding insurance contributions and the remaining 14 million, 736 thousand CZK is penalties.

The CSSA imposed a total of 1209 fines at an amount of 3 million, 755 thousand CZK on organisations and small organisations due to a lack of co-operation on the part of the employers during the inspections and with regard to their reporting obligations. The inspectors ordered 11,042 corrective measures oriented towards the elimination of ascertained inadequacies, of which 8,818 were in sickness insurance and 2,224 in pension insurance.

In 2006, the inspections of the fulfilment of the obligations in the area of social security were realised by a total of 796 CSSA employees from 92 offices all over the Czech Republic. A total of 137,330 inspections were planned and the CSSA inspectors carried out a further 26,525 inspections over and above the framework of the plan. The CSSA inspected almost 63% of all organisations and small organisations in 2006. The CSSA inspects all organisations and small organisations in regular two-year cycles so as to ensure that it uncovers any eventual problems in time and can implement instant corrections, where possible.

Fortune and humor govern the world.

*FRANÇOIS DE LA ROCHEFOUCAULD*



## economic results

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### Revenue

In 2006, the revenue of the CSSA amounted to a total of 324 billion, 871 million CZK and its total expenditure was 308 billion, 182 million CZK.

The state budget set the CSSA total revenue (tax and non-tax) at the amount of 326 billion, 772 million CZK.

The tax earnings were budgeted at the amount of 325 billion, 700 million CZK. Of that, pension insurance contributions amounted to 270 billion, 331 million CZK, sickness insurance contributions amounted to 39 billion, 892 million CZK and the contribution to the state employment policy amounted to 15 billion, 477 million CZK.

The actual revenue from insurance contributions and the contribution to the state employment policy amounted to 323 billion, 435 million CZK, i.e. the fulfilment of the budget by 99.3%. Of that, the CSSA collected 268 billion, 401 million CZK for pension insurance, 39 billion, 697 million for sickness insurance and 15 billion, 337 million CZK for the contribution to the state employment policy.

The government set the non-tax revenues for 2006 at the amount of 1 billion, 72 million CZK. In reality, the CSSA's non-tax revenue amounted to 1 billion, 436 million CZK, i.e. the budget was met by 133.9%. The greatest difference in fulfilment compared to the budget comes from the transfer of funds from government agencies and the refund of transfers.

### Expenditure

The budget for pension payments for 2006 was set at the amount of 266 billion, 258 million CZK after adjustments. In reality, the amount was 266 billion, 226 million CZK, which means that almost 100% of the budget was spent. In 2006, old age pensions were paid out at the amount of 188 billion, 949 million CZK, invalidity pensions were paid out at the amount of 37 billion, 239 million CZK, partial invalidity pensions were paid out at the amount of 11 billion, 802 million CZK, widows' pensions were paid out at the amount of 18 billion, 924 million CZK, widowers' pensions were paid out at the amount of 1 billion, 810 million CZK and orphans' benefits were paid out at the amount of 2 billion, 740 million CZK.

The budget for other payments for 2006 was set at the amount of 34 billion, 778 million CZK after adjustments. In reality, the amount was 34 billion, 738 million CZK, which means that almost 99,9% of the budget was spent. Of that, the largest amounts went to sick pay (26 billion, 963 million CZK), attendance allowances (825 million CZK), differential allowances for pregnant and postnatal women (4 million CZK) and maternity benefits (4 billion, 981 million CZK).

### Operating expenses

The total operating expenses for 2006 (i.e. the expenditure on the programme financing, wage costs, including the associated expenditure and material costs) after adjustments were set at 5 billion, 811 million CZK. The actual expenses amounted to 6 billion, 195 million CZK. The exceeding of the budget led to the use of off-budget funds from the reserve fund. In a year-on-year comparison with the expenditure in 2005, expenses increased by a total of 11%.

With regard to the constrained budget situation, about which the Ministry of Labour and Social Affairs was regularly informed, the CSSA adopted fundamental economy measures which meant that all purchases which could be postponed were suspended during the course of 2006.

When putting together the budget for a given year and during its regular elaboration and updating, the CSSA submits its requirements to the administrator of the funds, the Ministry of Labour and Social Affairs. In its proposals, the CSSA emphasises the priority of the given activities, the need to cover the expanded or new tasks of the CSSA (for example, new intergovernmental treaties on social security and the agreements

## economic results

pertaining to them, further agendas for the compensation of citizens, expenditure associated with the securing of the tasks arising from the realisation of the recalculation of the widows' pensions according to the change in the Pension Insurance Act and the tasks arising from the implementation of Sickness Insurance Act no. 187/2006 Coll.). Given the expanding area and range of the secured tasks, these requirements are balanced and justified. They are not, however, always acknowledged. The funds which the CSSA truly has available not only do not enable the fulfilment of the plans for the strategic goals and the creation of conditions for the securing of the new incoming agendas, but also complicate the coverage of the requirements for the administration's basic operations under current conditions.

Line number	Specifications	Reality in 2006 (in millions of CZK)	Share of expenditure (in %)
1.	Personnel costs	2,911	46.99
	<sup>of that</sup> wages, other payments and severance pay	2,125	34.30
	Insurance contributions	744	12.01
	the creation of the Cultural and Social Fund	42	0.68
2.	Material purchasing	188	3.02
3.	The purchasing of water, fuel and energy	99	1.60
4.	Postal services	576	9.30
5.	Services, repairs, maintenance and travel expenses	1,411	22.78
6.	Other non-capital expenditure	96	1.55
7.	The transfer of non-investment funds to the reserve fund	169	2.73
8.	Subtotal	5,450	87.97
9.	Capital expenditure, including transfers to the reserve fund	745	12.03
10.	Total operating expenses	6,195	100.0

The indicator of the efficiency of the CSSA expressed as a percentage share of the operating expenses to the realised tax revenue and tax expenditure amounted to 0.90% in 2003, 0.97% in 2004 and 2005 and 0.99% in 2006. The reason for the increase in this indicator is: the preparation for the new Sickness Insurance Act and the institutional preparation for the pension reform (the DIGI III project, the creation of the core records).

## Assets

As of 31st December 2006, the Czech Social Security Administration had long-term tangible assets at a value of 7 billion, 394 million CZK and long-term intangible assets at a value of 744 million, 729 thousand CZK.

All of the assets were used exclusively for the realisation of the CSSA's public administration work. If any of the assets were not necessary for the realisation of its public administration role, the Czech Social Security Administration proceeded in accordance with Act no. 219/2000 Coll. governing the property of the Czech Republic and the representation thereof in legal relations and with implementing regulation no. 62/2001 Coll.. The assets are not written off in accordance with the CSSA statute.

In 2006, there were a total of 33 easements pertaining to the assets of the Czech Social Security Administration. The easements most frequently concerned the securing of an owner's access to his or her property

(on foot, by car, right of passage and so on). The CSSA negotiated six contracts concerning the transfer of chattels. In five cases, this involved a transfer of the authority to administer the assets of the Czech Republic between the CSSA and other state agencies upon the basis of the registration of the given change of authority. One purchase contract concerned the transfer of property of the Czech Republic to a non-state subject – a territorially autonomous unit.

### Long-term tangible assets as of 31st December 2006

	Account number	Name	In millions of CZK
1.	031	Properties	218.964
2.	032	Artwork and collections	1.199
3.	021	Structures	3,752.469
4.	022	Independent chattels	1,686.193
5.	042	The acquisition of long-term tangible assets	596.978
6.	028	Low value long-term tangible assets	1,108.480
7.	OR*	Other low value long-term tangible assets	30.206
<b>Total</b>			<b>7,394.490</b>

Note: \* operating records

### Long-term intangible assets as of 31st December 2006

	Account number	Name	In millions of CZK
1.	012	Intangible results of research and development	48.911
2.	013	Software	303.813
3.	041	The acquisition of long-term intangible assets	200.677
4.	018	Low value long-term intangible assets	177.348
5.	019	Other long-term intangible assets	2.124
6.	OR*	Other low value long-term intangible assets	11.855
<b>Total</b>			<b>744.729</b>

Note: \* operating records

### Limitations to ownership rights in 2006

Ownership Deed Number	Cadastral territory		Easement	Description of easement
<b>CSSA</b>				
292	554782	Prague	V-55000/2005-101	establishment and operation of cabling - Eurotel Praha
452	554782	Prague	Z-13300592/1999-101	pedestrian and vehicle access
			V-24675/2005-101	the placement of an entry

## economic results

Ownership Deed Number	Cadastral territory		Easement	Description of easement
1608	554782	Prague	Z-38916/2003-101	joint use
			Z-38915/2003-101	joint use
2074	554782	Prague	Z-11800553/1997-101	pedestrian and vehicle access
<b>The South Bohemian Region</b>				
1932	544256	České Budějovice	Z-2800339/1996-301	the use of a non-residential area
4624	545881	Jindřichův Hradec	Z-100244/1997-303	pedestrian and vehicle access
			Z-100269/1997-303	pedestrian and vehicle access
			Z-100311/1997-303	pedestrian and vehicle access
5883	549240	Písek	Z-100154/1998-305	repairs and maintenance
<b>The Liberec Region</b>				
3368	576964	Semily	V-1541/2004-608	walking and passage
<b>The Olomouc Region</b>				
1357	500496	Olomouc	Z-8758/2004-805	right of first option
1464	500496	Olomouc	Z-5200523/1998-805	pedestrian and vehicle access
5911	511382	Přerov	Z-618/2003-808	a civil defence shelter
			Z-101839/1998-808	a civil defence shelter
<b>The Moravian-Silesian Region</b>				
2634	554821	Ostrava	V-467/2005-807	establishment and operation of cabling - Eurotel Praha
			V-468/2005-807	establishment and operation of cabling - Eurotel Praha
			Z-1600836/2000-807	pedestrian and vehicle access
1874	597180	Bruntál	Z-6523/2005-801	a legal right of lien
4221	599191	Nový Jičín	Z-200080/2001-804	gas pipes and an electrical connection point
<b>The Carlsbad Region</b>				
3984	560286	Sokolov	Z-101080/2000-409	the operation of a water mains connection

Ownership Deed Number	Cadastral territory		Easement	Description of easement
<b>The Pilsen Region</b>				
4729	559717	Rokycany	Z-5900475/1999-408	pedestrian and vehicle access
<b>The PSSA</b>				
748	554782	Prague	Z-6500055/2001-101	pedestrian and vehicle access
<b>The Central Bohemian Region</b>				
4393	531057	Beroun	Z-102314/1996-202	the use of the English courtyard
5705	537004	Nymburk	V-3040/2006-208	underground thermal energy piping
<b>The Liberec Region</b>				
4626	561380	Česká Lípa	Z-1300206/1998-501	the operation of utility networks
<b>The Pardubice Region</b>				
11760	571164	Chrudim	V-2898/2004-603	pedestrian and vehicle access
<b>The Ústí Region</b>				
4050	554804	Ústí nad Labem	Z-8201510/1999-510	travel, vehicle entry and exit
5000	565971	Louny	Z-5201523/1999-507	pedestrian and vehicle access
3797	567027	Most	Z-9003540/2000-508	the inspection, repair and maintenance of street lighting
<b>The Vysočina Region</b>				
8866	590266	Třebíč	V-1844/2003-710	pedestrian and vehicle access
<b>The Zlín Region</b>				
3124	592005	Uherské Hradiště	Z-100434/2000-711	the right to operate a bakery

## economic results

### Transfers of real estate ownership

Entry, contract number	Type	Dated	The transferring party	The recipient	The type of real estate
232/PH 1/06	The entry of the change in the management of the assets	13. 2. 2006	The CSSA	The Ministry of Labour and Social Affairs	Prague – Lannova: building no. 1235 property plot no. 306
232/PH 2/06	The entry of the change in the management of the assets	13. 2. 2006	The Ministry of Labour and Social Affairs	The CSSA	Prague – Karlovo náměstí: building no. 1359 property plot no. 1257
232/PH 3/06	The entry of the change in the management of the assets	13. 2. 2006	The Ministry of Labour and Social Affairs	The CSSA	Prague – Podskalská: building no. 1290 property plot no. 1288
232-1/06	A purchase contract	9. 3. 2006	CR – CSSA	The Town of Chrudim	Chrudim: property plot no. 922/19
232/PH 10/05	The entry of the change in the management of the assets	13. 4. 2006	The Office of Government Representation in Property Affairs	The CSSA	Vsetín: building no. 303 property plot no. 2790 property plot no. 2789 property plot no. 2792 property plot no. 2805 property plot no. 2808 property plot no. 2811
232/PH 4/06	The entry of the change in the management of the assets	2. 11. 2006	The CSSA	The State District Archive in Třebon	Český Krumlov: property plot no. 1105/19

Get to know a person and you will get to know  
the entire universe.

*A TIBETAN PROVERB*



## international relations

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## The European Union

In accordance with Council Regulations (EEC) 1408/71 and 574/72 (the so-called co-ordination regulations), the CSSA is the competent organisation for pensions, sickness and maternity benefits and cash benefits paid out in the case of occupational injuries and illnesses (this only applies to sickness and pension insurance benefits in cash – sickness benefit and disability benefit). The co-ordination regulations are applied with regard to 29 states in Europe.

In 2006, the Czech Social Security Administration resolved a total of 169,336 submissions associated with social security in the European Union, i.e. in relation to the states of the EU/EEC and Switzerland. On average, the employees of the CSSA thus resolved 14,111 submissions per month, which represents a 30% increase in comparison with 2005. The amount of submissions in 2005 was 9,789 a month.

The most submissions in 2006 (60,275) concerned pensions. This involves a 23% increase in a year-on-year comparison. In 2006, people were most interested in the determination of legal applicability and the CSSA resolved 42,934 submissions concerning this area. As far as sickness and maternity benefits in cash are concerned, the CSSA recorded a total of 20,583 cases.

In 2006, CSSA clients from the Central Bohemian Region (more than 1,280 cases a month), from Prague (912 cases a month) and from the Moravian-Silesian Region (646 cases) were the most interested in social security in association with the European Union. Specialist and linguistically trained employees provided information at all 92 offices of the CSSA throughout the Czech Republic

Clients most frequently contact the CSSA offices in writing and by telephone and queries (92,945) outweighed requests (59,285).

### The statistics of the cases related to the EU from 1st January to 31st December 2006

	Total cases**	DLA*	CSMB*	Pensions	E-forms onfirmed by the CSSA, excluding DLA, CSMB and pensions	Other
January	13,991	4,024	1,618	4,383	2,115	1,851
February	13,496	4,050	1,694	4,735	1,654	1,363
March	14,620	4,139	1,890	5,344	1,568	1,679
April	13,572	4,096	1,592	5,130	1,260	1,494
May	15,052	4,833	1,701	5,504	1,500	1,514
June	15,152	4,918	1,733	5,162	1,550	1,789
July	12,820	4,187	1,482	4,535	1,211	1,429
August	13,672	4,475	1,577	5,048	1,151	1,456
September	13,109	4,037	1,729	4,955	1,080	1,369
October	14,650	4,263	1,932	5,436	1,366	1,654
November	15,655	4,845	1,909	5,595	1,564	1,742
December	13,547	4,842	1,726	4,448	1,087	1,444
<b>Total</b>	<b>169,336</b>	<b>52,709</b>	<b>20,583</b>	<b>60,275</b>	<b>17,106</b>	<b>18,664</b>

Notes: \* DLA – determination of legal applicability, CSMB – cash sickness and maternity benefits, \*\* Total cases means the sum of the cases from the individual areas (the determination of legal applicability, cash sickness and maternity benefits, insurance contributions, pensions) and other unspecified cases, E-forms are printed forms, with which the institutions of the member states provide the necessary information and certify data or which are used for applications for benefit entitlements

### International agreements

In 2006, the CSSA participated in the preparation of new international agreements on social security, which the Czech Republic concluded with other countries.

In February and March 2006, expert negotiations took place on the preparation of the agreement between the Czech Republic and Syria, at which the final text of the agreement was agreed. In March, the 10th round of negotiations on the preparation of the new agreement between the Czech Republic and the Russian Federation was completed with the agreement's text being agreed to at the expert level. The expert negotiations on the proposed agreement between the Czech Republic and Tunis continued. In September 2006, the last round of the expert negotiations on the conclusion of the society security agreement between the Czech Republic and the USA and the administrative agreement for its implementation took place. The texts of both contractual documents were completed at the expert level and after the essential linguistic proof reading the agreement and the administrative agreement will be prepared for presentation and ratification within the framework of the legislative process of both parties. It is expected that the agreement will come into effect during the course of 2008.

The first round of expert negotiations on the proposed bilateral agreement between the Czech Republic and France on the exchange of information in the area of insurance and during the repression of any abuse of social security benefits began in the same month. In October, the second round of expert negotiations on the conclusion of an agreement between the Czech Republic and Japan was held. The Czech Social Security Administration further participated in the preparation of the international agreement on benefit abuse with Germany, when the final text was agreed, and in the preparation of an inter-resort agreement with Holland concerning a similar problem area.

### International projects

In January 2006, the Technical Assistance section of the Phare project for the „Information System for the Administration of the Freedom of Movement in the Czech Republic“, which commenced in 2004, was completed. The aim of the project was to create and launch into operation an information system at the CSSA for the administration and records of workers migrating within the framework of the European job market. The European Union issued a total of 1 million, 250 thousand EUR, of which 400 thousand EUR was for twinning, 400 thousand EUR was for the purchase of technical equipment, 200 thousand EUR was for technical assistance during the construction of the system and 25 thousand EUR consisted of co-financing from the state budget of the Czech Republic.

„The audit of the functionality and security of the social insurance information systems“ was the name of a further EU twinning project, which began at the CSSA in September 2006. The aim of the project was to increase the data security and protection for CSSA clients. Two partner institutions took part in the project – the CSSA and German Pension Insurance Administration for Westphalia on behalf of the Federal Republic of Germany. The overall budget for the project amounted to 695 thousand EUR.

In 2006, the European Committee approved two new twinning projects within the framework of the Transition Facility.

“The strengthening of the capacity of the CSSA in the area of social security co-ordination “ is a programme designated for the training of CSSA employees within the framework of becoming acquainted with Council Regulation (EEC) no. 883/2004 - the fundamental regulation of the co-ordination system for social security in the EU. The overall financial amount from the EU will amount to 400 thousand EUR, while the Czech contribution will amount to 10 thousand EUR.

Another of the projects is „the strengthening of the capacity of the CSSA in the area of the collection of social security contributions, the recovery of receivables and bankruptcy proceedings with an international

element". The orientation is towards the collection of insurance contributions and the resolution of the methods for the recovery of receivables in situations with an international element. The overall financial amount from the EU will amount to 400 thousand EUR, while the Czech co-financing will amount to 10 thousand EUR.

### International conferences and meetings

A number of bilateral meetings with partners from other membership countries took place in 2006 within the context of the membership of the Czech Republic in the European Union and the role of the CSSA. The employees of the CSSA also actively participated in the meetings of the bodies of the European Commission and in the preparation of the new co-ordination regulation within the framework of the Council.

In 2006, the representatives of the CSSA also participated in the activities of the co-ordinating bodies established by the Ministry of Labour and Social Affairs which co-ordinate the approach of the institutions of the Czech Republic in the area of social security towards the other member states and the bodies of the EU.

The CSSA is a member of two international organisations – ISSA (the International Social Security Association) and EUMASS (the European Association for Doctors with Involvement in Disability Assessment Medicine and Healthcare Cost Control) and it also contributes to the activities of ESIP (the European Social Insurance Platform).

In 2006, representatives of the CSSA gave papers at a conference held by the Hungarian social security agency ONYF in Budapest and at the trESS seminar held by the European Commission in Prague. They further attended regular meetings of the European Social Insurance Platform (ESIP) and a conference on the topic of Social Security Reform – the Strengthening of the Role of Administrators in Brussels, which was organised by the regional office of ISSA for Europe in co-operation with the Lithuanian social security agency SoDra (the State Fund for Social Insurance).

The CSSA was visited by a number of significant international guests. In February, it welcomed representatives of the Thai Ministry of Labour, the Social Security Department and the Embassy of the Thai Kingdom. In May, the Bulgarian Minister of Labour and Social Policy, Emilia Maslarová, had meetings with the CSSA within the framework of an official visit to the resort of Labour and Social Affairs of the Czech Republic. The topic of the meeting was the social security systems in Bulgaria and the Czech Republic.

In November, there was a visit from the Director General of the Hungarian Central Administration for National Pension Insurance (ONYF). The main aim of these visits was the development of co-operation between both institutions, support and the exchange of experiences within the framework of Europe.

Everything that is new brings greater surprises  
due to its very novelty.

*GOTTHOLD EPHRAIM LESSING*





### Sickness insurance

The implementation and securing of the realisation of the new Sickness Insurance Act no.187/2006 Coll. and the accompanying acts which were supposed to replace the existing legislation dating from 1956 as of 1st January 2007 was one of the priority tasks of the CSSA in 2006. This involved a fundamental and historical change, which would influence not only the CSSA offices, which are responsible for the realisation of sickness insurance. The main change was to be with regard to all of the CSSA clients, ranging from organisations through to self-employed individuals and on to employees.

The prerequisite for the successful realisation of the new legislation was sufficient time for the essential preparations and also the provision of sufficient personnel and financial resources. The legal regulations regulating sickness insurance also significantly concerned pension insurance and were also supposed to fundamentally influence the procedures during the realisation of social insurance and during the collection of insurance contributions for social security and contributions to the state employment policy.

Therefore, in order for the changes to be realised as of 1st January 2007, the Czech Social Security Administration had to secure all of the work associated with the new Sickness Insurance Act in 2006 in crisis management mode due to the short *vacantia legis*. In practise, this meant the allocation of the greatest priority to the implementation of the new legal regulations. It was necessary, amongst other things, to prepare the methodology and to train the employees of the CSSA in association with the new law and the associated legal regulations, but also to inform the organisations and the wider public of the changes as thoroughly as possible. A further necessity was also the preparation of new applications or the modification of the existing software in accordance with the changes. It was also not possible to neglect the creation and printing of a number of new forms in large print runs, as well as the creation of information fliers, posters and the „Guide to the New Sickness Insurance“ publication which was designated for the wider public or the updating of the CSSA web and internet sites. Part of the intensive work in 2006 also included the amendment of a number of internal regulations and procedures at the CSSA or negotiations with external partners. This all required the maximum efforts of a large number, if not the majority, of the employees at the CSSA and also expenditure of several hundred million CZK.

The effectiveness of Sickness Insurance Act no. 187/2006 Coll. was, however, (except for some exceptions) suspended for one calendar year in December 2006. In practise, this also meant a number of activities on the part of the CSSA. Without in any way being to blame, the Czech Social Security Administration once again found itself in a situation where it had to operatively resolve changes at the last minute and to be a loyal public sector organisation, while at the same time defending its good name and especially securing the quality of its services from the area of social security for the wider public. The fact that the organisation managed to do this is a tribute to the essential efforts made by all of the CSSA employees.

### e - Submissions

The CSSA has enabled the electronic submission (*e* - submission) of documents since 2005. At that time, it launched the *e* - submission of Pension Insurance Records as the first state sector organisation in cooperation with the Ministry of Information Technology and later it also introduced the *e* - submission of Registration/Deregistration of Employees for Sickness Insurance via the Public Services Port.

Since 2006, the CSSA has extended its services to include the *e* - submission of Summaries of Revenue and Expenditure for Self-Employed Individuals.

2006 was also a year for the stabilisation of the system for the receipt of *e* - submissions, the so-called DIS system. Given the fact that the system was used by clients and CSSA employees at an extent for which it was not dimensioned, it proved necessary to rebuild it. It was rebuilt in such a way so as to ensure the reliable functioning and smooth processing of the *e* - submissions at all of the CSSA's office. The rebuilding was successful.

## the new law and ICT

As of 31st December 2006, the CSSA received a total of 8,027,226 Registrations/Deregistrations of Employees for Sickness Insurance, 5,555,731 Pension Insurance Records and 515 Summaries of Revenue and Expenditure for Self-Employed Individuals electronically. Organisations and self-employed individuals therefore successfully sent the CSSA a total of 13,583,472 forms electronically using the Public Service Portal or on CD ROM or disk.

As of the end of 2006, a total of 40,825 organisations (of which 19,507 employed more than 25 employees) had registered with the CSSA for the e - submission of forms. At the end of 2006, there were 29,362 such organisations and they employed a total of 3,149,523 employees. This means that as of 31st December 2006 more than 66% of organisations with more than 25 employees used e - submission for CSSA forms. 21,319 small organisations (up to 25 employees) and 997 self-employed individuals submitted forms electronically.

### Informative personal pension insurance sheets

At the end of 2005, the Czech Social Security Administration successfully completed the individual insurance account project. It launched these accounts into regular operations, which means that as of 1st January 2006 every client may contact the CSSA once a year with a request to be sent an informative personal pension insurance sheet. This involves a statement of the period of insurance from the individual's electronic account recorded at the CSSA. Thanks to the statements, people can be regularly informed as to the period of insurance, which the CSSA has recorded in their case and check if their employer has fulfilled its legal obligations and has sent the necessary documents, especially the Pension Insurance Records, to the CSSA. As well as information on the period of insurance and the compensatory insurance periods, the informative personal pension insurance sheets also include a summary of the assessment basis and any suspension periods from 1986. The Czech Social Security Administration provided informative personal pension insurance sheets to a total of 99,910 clients free of charge in 2006.

### Transformation and infrastructure projects

A number of other projects took place in 2006 within the framework of the architecture of the information and communication infrastructure of the CSSA's information systems. This involved two groups: infrastructure projects, which resolved the infrastructure and communication technology at the CSSA and transformation projects, which were oriented towards application support, management and methodology.

In 2006, for example, the CSSA worked on a fundamental project, which concerned the construction of the core records - the Register of Insured Persons. This involves the creation of a database with comprehensive data about the insured individuals and insurance relations, including a register of all organisations.

A further project was Insurance Contribution Collection with the aim of creating an application for the central administration of the insurance contributions from employers and employees, self-employed individuals and voluntary insurance contributors.

The aforementioned Sickness Insurance project was associated with the priority task of the CSSA in 2006, that being the preparations for the realisation of the new Sickness Insurance Act. The aim of this project was the achievement of effective records of acknowledged sickness benefits, the administration thereof and their co-ordination according to European law, but of course also in accordance with the new domestic legislation.

In the case of the significant Pension Insurance project, which is based on the very essence of why the CSSA exists, this mainly involved the transformation of the existing central system to a system divided into data and application sections. Part of the project, which is still ongoing, was the comprehensive processing of pension matters electronically at all of the CSSA's offices.

In the interests of completeness, it is necessary to add that there were several tens of projects in the area of the individual pension accounts in 2006. Apart from the aforementioned ones, they also concerned the new economic system at the CSSA (EKIS), which the CSSA managed to successfully implement in 2005 for its entire economy. In 2006, the extension of EKIS to include the personnel area and wages (HR) was prepared and tested and an extension involving the area of benefit payments was prepared.

A further significant project following on from the earlier commenced process of the transfer of paper documents into electronic form was digitalisation. In June 2006, the CSSA commenced the stage entitled DIGI III. Within the framework of this stage, the CSSA transferred data about all self-employed businesspeople recorded at the 13 offices of the PSSA into electronic form, and did so within six months. Information in digital form is essential for the correct settlement of the requirements of self-employed individuals at all of the PSSA's offices. All three offices of the Metropolitan Social Security Administration in Brno worked with digital information about their clients in 2006. The digitalisation of the benefit files, which are stored at the CSSA headquarters and form the basis for pension payments, was commenced in this year. Documents from 366,000 benefit files were transferred into electronic form.

The CSSA wishes to continue down this road in the future. Its aim is to create a fully electronic agency, whose clients will be able to settle their matters from the area of social security at any office of the CSSA throughout the entire Czech Republic without the limitation of local pertinence. The international transfer of electronic data, as is also the intention of the European Union, should also be a matter of course.

Words bring people together and we should therefore speak in such a way so that everybody can understand us and everything we say is true.

*AN ORIENTAL PROVERB*





### Information provision

One of the CSSA's priorities is the fast provision of good quality service and information to clients. Clients can contact the Information Office located at the CSSA headquarters, the client centres and information offices at the individual DSSA, the Call Centre and, last but not least, visit the web site at <http://www.cssz.cz>. The Czech Social Security Administration also works closely with the public and commercial media.

### The client centres

More than half of the DSSA/PSSA/MSSA, i.e. 53 of a total of 92 CSSA offices, had a client centre in 2006. Their modern systems provide a guarantee of fast and smooth services for the public, the necessary privacy and security and wheelchair access. In 2006, the CSSA opened four client centres at the new offices of the Jičín DSSA, the Kutná Hora DSSA, the Nymburk DSSA and in the third office of the MSSA in Brno.

Since many years client centres or information centres have been providing services to public every working day. The client centres (or the information centres at the DSSA/PSSA/MSSA, if there is no client centre) have provided services to the public every working day for a number of years. In 2006, this was at least to the following extent: Monday and Wednesday from 8.00 am to 5:00 pm, Tuesday and Thursday from 8.00 am to 2:00 pm and Friday from 8 am to 1:00 pm.

### The Information Office

From 1st January to 31st December 2006, the employees at the Information Office at the headquarters of the Czech Social Security Administration resolved 104,578 client queries. In practise, this means that an average of 417 clients contacted this office every day in 2006. Almost 63 thousand people came to the office in person. The demand for further services from the Information Office grew. In 2006, the office's employees received 5,546 requests concerning social security in the European Union or according to international agreements, they provided copies of records to 11,398 clients and they secured the preparation of confirmations of pension amounts for 19,902 people. They provided advances or cash payments of pensions to clients in difficult financial situations in 2,100 cases and at a total value of 43,745,353 CZK. Within the framework of the sending of written material, the Information Office posted 184 undelivered letters on the official notice board.

### The Call Centre

In 2006, the employees at the CSSA Call Centre dealt with a total of 157,929 telephone calls. That represents approximately one third (52,656) more queries than in 2002, when this workplace began to provide its services to the public. In practise, this means that the Call Centre resolved an average of 629 phone calls every workday in 2006. Requests for information in specific pension matters and queries and request concerning the payment of pensions were most frequent. In 2006, the Call Centre also dealt with 438 faxes and 2,521 queries transferred from the DSSA/PSSA/MSSA by email. It also provided clients with 4,340 confirmations of the pension amounts and secured 213 payments of cash advances on pensions via the CSSA cash desk.

### The media

In 2006, the areas administered by the CSSA or the CSSA itself were the source of a total of 998 media pieces. This number especially includes that media (national dailies, public television and radio, etc.), which the CSSA regularly monitors. Upon the basis of the CSSA's own activities (the publication of press releases, the holding of events and so on.), the monitored media published or filmed 648 pieces. This means that

almost 65% of all media pieces in 2006 were in reaction to the media activities of the Czech Social Security Administration. The media issued the remaining 350 pieces of information as its own topics. However, the CSSA also often played a role in these items and this number includes pieces arising from 508 media queries, which the CSSA answered in 2006. In the interests of completeness, it is necessary to add that the CSSA issued a total of 103 press releases and held 8 press conferences or other media events in 2006.

### The Website

In 2006, a total of 2,012,934 people visited the CSSA website, while this number was 1,550,055 just one year earlier - this involves a year-on-year increase of approximately 500 thousand hits. An average of 167,745 people visited the website every month, while in 2005 this figure was 119,235 visitors. In practise, this means that whereas 5,562 people visited the CSSA web daily in 2006, the average daily hit rate in 2005 was 3,945. The highest visitor numbers to the CSSA website occurred in March (260,326) and November (186,723 people).

The increasing visitor numbers can be put down, amongst other things, to the regular updating of the CSSA website and to the greater accessibility of the internet. The updating of the website in 2006 did not only concern classic information material, but the CSSA also enabled remote access to written materials delivered by public regulation in accordance with Act no. 500/2004 Coll. (the Administrative Procedure Code). In 2006, this involved 7,329 documents, which is more than 610 documents per month on average.

As well as this, the CSSA prepared the reconstruction of the website in 2006 so that it corresponds to the current options in the area of information and communication technology and the rules of the accessible web and so that it is user friendly and in accordance with the established CSSA design.

### Publishing activities

The CSSA's regularly published material in 2006 was the National Insurance monthly journal. Its 37th volume was published in an average print run of 13,100 items monthly. The magazine published more than 140 articles concerning social security and 117 consultations. The editorial team worked with approximately 60 regular contributors.

With regard to one-off materials, the CSSA issued the following publications for the wider public in 2006:

- a flier on the activities of the CSSA entitled „People First...” in Czech, English and German versions, of which the Czech version came out in a print run of 160,000 items, while there were 20,000 copies in English and in German,
- the Czech publication „Social Security 2006“ (Sociální zabezpečení 2006) with an overall print run of 20,000 items,
- for the first time ever, there was also a publication in Czech entitled „A Guide for Future Pensioners in 2006“ (Příručka budoucího důchodce v roce 2006) in a print run of 150,000 items.

The aforementioned material was available to the wider public at all of the offices of the CSSA throughout the Czech Republic and also in electronic form on the CSSA website.

Apart from the aforementioned publications, it is also necessary to mention a further four materials which the CSSA prepared because of the new Sickness Insurance Act. This involved the brochure „A Guide to the New Sickness Insurance in 2007“ (Průvodce novým nemocenským pojištěním v roce 2007), the flier „On the Responsibilities of Insured Individuals during Temporary Sick Leave“ (O povinnostech pojištěnců v dočasné pracovní neschopnosti) and the posters „the Obligations of a Temporarily Incapacitated Insurance Payer“ (Povinnosti dočasně práceneschopného pojištěnce) and the „Rights and Obligations of Participants in Sickness Insurance in Matters of Temporary Sick Leave“ (Práva a povinnosti účastníků nemocenského pojištění

ve věcech dočasné pracovní neschopnosti). Of the aforementioned printed matter, the „Obligations of a Temporarily Incapacitated Insurance Payer“ poster was published and distributed to the CSSA offices in 2006. The CSSA had to suspend the production of other materials just before going to print because of the suspension of the effectiveness of the new Sickness Insurance Act.

As in previous years, the CSSA published the 2005 Pension Insurance Statistical Yearbook, the 2005 CSSA Activity Report and the 2005 CSSA Annual Report in 2006.

### Office hours

All CSSA offices are open to the public on all workdays:

#### The CSSA headquarters

Monday and Wednesday	8.00 am – 5:00 pm
Tuesday and Thursday	9.00 am – 2:30 pm
Friday	9.00 am – 2:00 pm

#### The regional and district offices

Monday and Wednesday	8.00 am – 5:00 pm
Tuesday and Thursday	8.00 am – 2.00 pm
Friday	8.00 am – 1.00 pm

As well as arriving in person, clients can contact the CSSA **Call Centre** by telephone on + 420 257 062 860 in working hours:

Monday and Wednesday	8.00 am – 5:00 pm
Tuesday and Thursday	8.00 am – 2.30 pm
Friday	8.00 am – 2.00 pm

### Contact information

Website: <http://www.cssz.cz>

#### The CSSA headquarters

Address: Křížová 25, 225 08 Prague 5  
The telephone exchange: +420 257 061 111  
Fax: +420 257 063 360  
E-office: [posta@cssz.cz](mailto:posta@cssz.cz)

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