

5. Czechia

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If a third-country national has an employment contract (*pracovní smlouva*) with a Czech entity, their employer has an obligation to pay contributions to the Czech social security and health-care systems, just as with Czech employees. In relation to health care, third-country nationals with an employment contract are insured on the same basis as Czech nationals and because of this they are covered against most risks and health disorders. The insurance is linked to the duration of employment – as long as third-country nationals are employed they are also insured. Those who are not covered by the public health insurance scheme are usually obliged to arrange private health insurance, which can be quite costly. In relation to the social security system, the situation is complex and depends on the type of residence permit that third-country nationals have and also on the length of their stay in the Czech Republic.

Box 1 Sector-specific variations of social security rules

There are no sector-specific variations of social security rules.

Workers posted directly from third countries are usually subject to social security regimes in their own countries. In some cases (if there is an international agreement between Czechia and the third-country national's country of origin¹), the Czech social security regime may apply.

Table 1.5 Overview of the relationship between form of migration and entitlement to a particular social security service

| Third-country-national categories | Social security categories | | | | | |
|-----------------------------------|----------------------------|-----------------------|-------------------------|--|---------------------------------------|---|
| | Health insurance | Pension contributions | Unemployment insurance* | Basic security (social assistance) | Insurance against accidents at work** | Child benefits |
| Posted workers | Usually, no | Usually, no | N/A | Generally, no, except for extraordinary immediate assistance in some situations. | N/A | No |
| Intra-corporate transfers | Private health insurance | No | N/A | Yes, if they stayed in Czechia for more than 365 days | N/A | Yes, if they stayed in Czechia for more than 365 days |
| Seasonal workers | Public health insurance | Yes | N/A | No, except for extraordinary immediate assistance in some situations | N/A | Usually, no |

1. For example, with Ukraine, there is an international treaty on social security, which stipulates that the social security regime of the country of origin applies to a worker if the duration of the posting is less than 24 months.

| Third-country-national categories | Social security categories | | | | | |
|-----------------------------------|----------------------------------|-----------------------|-------------------------|---|---------------------------------------|---|
| | Health insurance | Pension contributions | Unemployment insurance* | Basic security (social assistance) | Insurance against accidents at work** | Child benefits |
| Temporary agency workers | Usually, public health insurance | Usually, yes | N/A | Yes, if they stayed in Czechia for more than 365 days | N/A | Yes, if they stayed in Czechia for more than 365 days |
| High-level professionals | Public health insurance | Yes | N/A | Yes, if they stayed in Czechia for more than 365 days | N/A | Yes, if they stayed in Czechia for more than 365 days |
| Self-employed | Depends on their status*** | Yes | N/A | Yes, if they stayed in Czechia for more than 365 days | N/A | Yes, if they stayed in Czechia for more than 365 days |

Notes: * Under Czech law, this is not considered an insurance scheme even though the system is operated in a similar manner to social insurance. Unemployment benefits are provided by the Labour Office based on the fulfilment of conditions set out in the law. ** There is no insurance scheme under which employees pay premiums in order to obtain coverage in case of an accident. Medical services in case of work accidents are paid from health insurance. Any other damages would be covered by employers, who are obliged to conclude a contract with an insurance company. *** Depends on whether they are included in the public health care system or not and if not, if they have arranged for private health insurance.

Source: Author's analysis, 2022.

As can be seen from Table 1.5, in Czechia there is no separate unemployment insurance and insurance against accidents at work. Periods of unemployment are covered by unemployment benefits provided only for certain groups of third-country nationals – those with permanent residence permits and blue cards. Work accidents are covered by a third-country national's general health insurance, either public or private.

Box 2 Changes during the Covid-19 pandemic

A waiver from minimum social security and health insurance contributions for self-employed people was approved for six months (March to August) in 2020.

Selected employers were able to take advantage of special government programmes contributing to their employment costs with the aim of not laying off employees. Some employees were not assigned work because of obstacles on the employer's side. In such cases, they were entitled to wage compensation.

Provision of most retail sales and services was banned during the first outbreak of Covid-19.

Description of the Czech system

1. Overview of social security rights of short-term third-country-national migrant workers

State social support comprises:

- (i) child allowance
- (ii) housing allowance
- (iii) parental allowance
- (vi) birth grant
- (v) funeral grant

A natural person is entitled to benefits if they and any persons sharing the same household are registered for permanent residence in Czechia (citizens of Czechia) or have a permanent residence permit (foreigners). Foreigners who do not have a permanent residence permit are entitled to receive state social support only after 365 days of stay (there is a possibility to apply for an exemption to the Ministry of Labour and Social Affairs).

Assistance in material need

Only foreigners with a permanent residence permit are entitled to receive benefits from this system. The only exemption is *extraordinary immediate assistance* which can be awarded to anybody in situations that have to be resolved immediately (these situations are described in Act no. 111/2006 Coll., on Assistance in Material Need, as amended).

A third-country national with an employment contract (*pracovní smlouva*)

If a third-country national has an employment contract (*pracovní smlouva*) with a Czech entity, their employer has the same obligation to pay contributions to the Czech social security and health-care systems as they do with a Czech employee.

In relation to the health-care system, a third-country national with an employment contract is insured like a Czech national and because of this they are covered against most risks and health disorders. The insurance is linked to the duration of employment – as long as a third-country national is employed they are also insured.

A third-country national with an agreement to perform work (*DPČ*)

An employer of a third-country national with an agreement to perform work (*DPČ*) which stipulates monthly remuneration higher than CZK 3499 also has an obligation to pay contributions to the Czech social security and health-care systems. If this is the case, the same rights as described above in relation to employment contracts shall apply.

A third-country national with an agreement to complete a job (DPP)

In situations in which a third-country national can also perform work based on an agreement to complete a job (*DPP*),² a third-country national is entitled to public health insurance and their employer pays social security contributions in relation to this agreement only if their monthly remuneration is higher than 10,000 CZK.

2. Differences in social security rights of different categories of short-term third-country-national migrant workers

Everything depends on the type of contract that a third-country national has and their residence permit/duration of stay in Czechia – see above.

Workers posted directly from third countries are usually subject to their home social security regime. In some cases (if there is an international agreement between Czechia and the third-country national's country of origin³), the Czech social security regime may apply.

In relation to health insurance, third-country nationals are not entitled to participate in the public health insurance system if they have not yet been granted permanent residence or are not in an employment relationship that would ensure their participation in this insurance system.

3. Conditions for obtaining different social security rights

Everything depends on the type of contract that a third-country national has and their residence permit/duration of stay in Czechia (please see above).

4. Portability of benefits between host country and country of origin

Third-country nationals who permanently leave the country and return to their country of origin will usually lose their entitlement to most Czech benefits. Other arrangements can be defined in bilateral agreements.

2. In general only in cases in which a third-country national has free access to the labour market.

3. For example, with Ukraine, there is an international treaty on social security, which stipulates that the social security regime of the country of origin applies to a worker if the duration of posting is less than 24 months.

5. Social security rights of short-term third-country-national migrant workers during the Covid-19 pandemic

A government resolution stipulated that for the duration of the state of emergency, the validity of work permits, short-stay Schengen visas for employment issued before the date of publication of the resolution in question, which expire within a maximum of 60 days from the date of the end of the state of emergency, shall be extended by 60 days from the date of the end of the state of emergency. This was only possible, however, if a third-country national actually negotiated an extension of the employment relationship with their employer, so that it would last for the period described in this resolution.

The government's resolutions of spring and autumn also enabled third-country nationals who were holders of dual employment cards and blue cards to change jobs more freely if they wished to perform work for an employer involved in crisis measures or assisting in the implementation of crisis measures in the state of emergency. In this case it was sufficient to notify the Ministry of the Interior about such a change on the day when a third-country national started work for a new employer – no previous consent was needed from the Ministry of the Interior. At the same time, the prohibition on changing employers in the first 6 months after the dual employment card was issued was temporarily removed.

6. Overview of enforcement and monitoring

Monitoring activities related to employment are carried out by the State Labour Inspection Office and regional labour inspectorates. They monitor whether a foreign national carries out work for a legal or natural person on the basis of an employment relationship and whether they carry it out in accordance with a work permit, employee card, Intra-Company Employee Transfer Card and a European Union Member-State Intra-Company Employee Transfer Card, or a Blue card. These monitoring activities are also carried out by customs offices. Although the area of residence of foreigners is entrusted in particular to the DAMP or Ministry of Foreign Affairs, the bodies that issue the residence permits, the Foreign Police Department (*Cizinecká policie*) plays an important role.

It must be emphasised that the rules applicable to third-country nationals posted directly from third countries differ from the rules applicable to third-country nationals posted within the EU. Third-country nationals posted directly from a third country need a work permit and a residence permit. Third-country nationals posted in the area of free movement of services (under Directive 96/71/EC) do not need any public authorisation in form of a work permit, employee or blue card or any other residence permit.