



Annual Report 2004

Czech Social Security Administration



ANNUAL REPORT 2004





CONTENTS

1. Introduction	4
1.1. Introduction by the Minister of Labour and Social Affairs	4
1.2. Introduction by the CSSA Director General	6
2. CSSA Profile	9
3. Organisational Structure	10
4. Employees	15
5. Core Business	19
5.1. Collection of Social Security Contributions	19
5.2. Social Insurance Receivables	20
5.3. Pension Benefits Payments	22
5.4. Sickness Benefits Payments	24
5.5. One-off Allowances for Pensioners	26
5.6. Compensation under Special Rules	26
6. Operating Costs	27
7. EU Accession	29
8. International Relations	31
9. CSSA Transformation	32
10. Information and Communication Technologies	33
10.1. Developing the Technological Base	33
10.2. Digitising the Insurance Records as a Basis for Individual Insurance Accounts	33
10.3. Annual Pension Insurance Records	34
11. Public Relations	37
11.1. Information Provision	37
11.2. Web Site	38
11.3. Publishing	38
11.4. International Conference Marking 80 Years of Social Insurance	38
11.5. Office Hours	39
12. Contacts	40



Ing. ZDENĚK ŠKROMACH

Deputy Prime Minister
and Minister of Labour and Social Affairs

It is very important for every minister look back over the past year. It provides an opportunity to review the achievements, partial achievements and what still requires attention. The year 2004 was an eventful one, both politically - with a government reshuffle midway through the term of office and two elections - and professionally.

The accession of the Czech Republic to the EU was a significant historic event. May 2004 saw the culmination of numerous years of effort and preparation by experts in various fields. A major contribution was also made by the Czech Social Security Administration. The preparation and setting of the conditions for a social security system which would function effectively both in the Czech Republic and throughout the whole of the EU was not an easy task, however one which has been accomplished.

In 2004 the CSSA was busy with preparations for the launch of the electronic submission of Pension Insurance Records. New methods were devised for the co-operation between the public administration and the private sector. And before long, all Czech citizens will be able to view their completed insurance periods

in their individual accounts, which is very important for their future pension entitlement. I can proudly say that this is a unique project, which began in 2004. Once the project is completed, people will be in control of matters closely related to their welfare in sickness and old age.

One fifth of the Czech population is over sixty. This translates into considerable pension costs. As demographic indicators suggest, the numbers of pensioners will steadily grow, while the number of people of working age will continue to decrease. In this context, we have been hearing for years of the need for pension reform. An important step forward taken in spring 2004 was the establishment of a government working group to produce documents necessary for a decision about pension reform. Its establishment is in itself a major achievement. Indeed, representatives of all political parties were in agreement on this point. The working group is not made up of politicians and its main objective is to carry out an economic analysis of possible approaches to pension reform and to recommend concrete steps. It is a very important step both for our population and the Czech Social Security Administration.

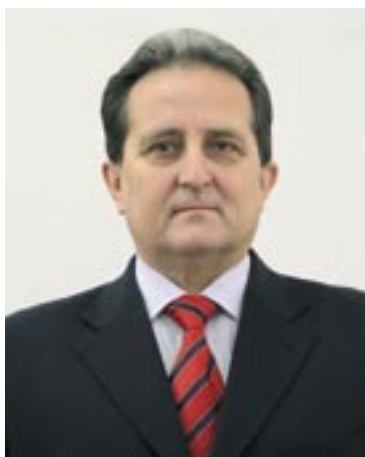
Last year the Ministry of Labour and Social Affairs worked on drafting an amendment of the Sickness Insurance Act. The sickness insurance scheme was in surplus of more than CZK 6 billion and the projected surplus for 2005 is as much as CZK 8 billion. If we consider the fact that annual collections amount to approximately CZK 38 billion, then the expected surplus represents almost one quarter of annual collections. I believe that the current insurance system, in which the surplus is arbitrarily „dissolved“ in the national budget, is certainly not correct. Sickness insurance contributions are collected for a clear purpose and as such should not be used for other purposes. In other words, they should not be used to pay for salaries in the state sector or the purchase of military technology, for example. This is a principle we should respect if we want to know the truth about the real state of public finances. In fact, if we wanted to continue in the same way, sickness insurance contributions should be called „taxes“ and incorporated into the tax system and then their arbitrary use will be fully justified. In my opinion we cannot declare that we are reducing taxes, while using funds collected for completely different purposes to meet budgetary expenditure. One question thus remains to be answered: “What are social security contributions and all that goes to make up the cost of labour, as perceived by the public, for?”

One year remains until the next election and much needs to be done. However, as is clear from the above, a lot of good work has been done and we do not shy away from the challenges facing us.



Ing. Zdeněk Škromach
Deputy Prime Minister
and Minister of Labour and Social Affairs

1.2 INTRODUCTION BY THE CSSA DIRECTOR GENERAL



Ing. JIŘÍ HOIDEKR

CSSA Director General

It is now a year since my introduction in last year's historically first Annual Report and the Czech Social Security Administration has completed the fourteenth year of its modern existence. It is certainly good news namely for our clients, i.e. for nearly 8 million Czech citizens, more than 254,000 businesses, 945,000 self-employed persons, and even for the state that the year 2004 was successful, probably one of the most successful years in the Czech Social Security Administration's history.

In 2004 the national budget required the Czech Social Security Administration to generate an income amounting to CZK 283,181 billion. The actual income was CZK 285,755 billion. This translates into a 100.91% performance, the requirement having been exceeded by CZK 2.6 billion. The collection effectiveness for insurance and state employment policy contributions, measured as a ratio of collections to contributions due exceeded the magic figure of 100 per cent by 0.63 per cent. One of the reasons for this is that for the first time in history, not only did the Czech Social Security Administration's receivables from insurance and state employment policy contribution payers not grow as in 2002-2003, but they even dropped by CZK 1.7 billion.

These extraordinary financial results in terms of income certainly played a role in the financial stabilisation of both social security schemes administered by the Czech Social Security Administration, i.e. both the pension insurance scheme and the sickness insurance scheme. In 2004 we collected CZK 235.8 billion in pension insurance contributions, i.e. approximately CZK 33 billion more than in the same period in 2003. On the other hand, we paid out CZK 225.2 billion in pension benefits, or rather CZK 226.9 billion if we take into account accrual and deferral expenditures, made up of advance payments to Česká pošta (Czech Post) at the turn of each budgetary year. As at 31 December 2004 the pension insurance account, as it is known, administered by the Czech Social Security Administration, was for the first time since 1997 in surplus of CZK 10.6 billion, or rather CZK 8.9 billion. For the sake of comparison, in 2003 the deficit on this account was CZK 17.7 billion or rather CZK 15.5 billion. What substantially contributed to this

turnaround, in addition to the above mentioned success in collection of contributions, was a change in legislation effective from 1 January 2004, according to which a portion of the state employment policy contributions collected together with insurance contributions, namely 2 per cent, would be transferred into pension insurance.

In 2004 we collected CZK 35.8 billion in sickness insurance contributions, i.e. approximately CZK 2.5 billion more than in the same period in 2003. Yet expenditure connected with sickness insurance amounted to CZK 29.6 billion in 2004, which means that the sickness insurance account, as it is known, which is administered by the Czech Social Security Administration, was in surplus of CZK 6.2 billion as at 31 December 2004, while in 2003 it was in deficit of CZK 1 billion. Again, in addition to the successful collection of contributions, a change in legislation as of 1 January 2004 played a major and positive role: the make-up of benefits in the first three days of sick leave was changed and the reference period used to set the daily calculation base was extended.

From the perspective of the Czech Social Security Administration's medium-term strategic plan beyond the financial aspects, 2004 was the year of the Czech Republic's accession to the European Union and also a year of preparations for substantial internal reform. We focused all our human and financial resources accordingly, while the extraordinary creative potential, commitment and dedication of the vast majority of our 8000 staff were an important driving force.

In the preparatory period, we were focusing on developing the expertise necessary to deliver the service which it has been providing since the Czech Republic joined the EU. Since 1 May 2004 we have been applying the EU social security Co-ordination Regulations without any major difficulties, liaising with 27 European countries and performing nationwide the activities of a competent institution, liaison body and institution designated to administer specific provisions of the Co-ordination Regulations. This involves determining the legislation applicable and confirming insurance periods.

Without increasing the total headcount, a network of EU contact points was set up at the district offices throughout the country; the relevant departments at the headquarters were reorganised; and a central liaison office was created, which established close co-operation with all the relevant institutions, both domestically and internationally. The thorough and responsible preparation has paid off, not only for us, but above all for our clients. In the very first month following EU accession we had nearly 6000 „EU submissions“ to process. By the end of 2004, eleven times as many had been filed, totalling 66,985. Over the same period, i.e. from 1 May till the end of the year 2004, we received a mere 61 complaints, which surely speaks for itself.

The expertise of our staff is growing steadily, and judging from the number of incorrect E 101 forms detected by inspection bodies or from determination of the legislation applicable by other institutions, the Czech Social Security Administration seems to be of a higher standard than the institutions in Poland and Slovakia, and even some of the old Member States, such as Italy.

One of our strategic goals - to develop expertise to fulfil the Czech Social Security Administration's tasks related to the Czech Republic's accession to the EU - has been achieved. In spite of budgetary underfunding and insufficient capacities, the Czech Social Security Administration was ready to apply the Co-ordination Regulations on the first day of EU membership, achieving one of the best standards among the new acceding states, and even being on a par with the EU15.

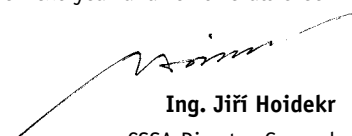
Despite these undisputed achievements of the Czech Social Security Administration, some problems, which are currently only partial, must not be overlooked, as over time they could grow ever more serious. The

problems result from the fact that the organisation, or rather some of its specialised units, are being assigned an ever increasing number of tasks stemming from legislation which exceed their capacity and which have very little connection to the Czech Social Security Administration's responsibilities as a social insurance administrator in the Czech Republic. They include various so-called 'compensation laws' and one-off social allowances payable to pensioners – tasks regularly delegated to the Czech Social Security Administration, although they are a great burden exhausting the organisation's capacity in the area of pension insurance. Services provided to other schemes and bodies are another such example. This includes, first of all, assessment of health for other non-insurance schemes, which translates to 35 per cent of the capacity of the Medical Assessment Service, initially intended only to assess clients' health for schemes administered by the Czech Social Security Administration. The increasing completeness and information value of the Czech Social Security Administration data bases in turn generate a demand for the information stored in them, especially from government security bodies. Without capacity expansion, this once again depletes the capacities in the area of preparatory procedures for pension insurance. As a result, provision of these additional services, together with the expansion of customer services following EU accession, leads to longer benefit processing times, especially for pensions. This issue, which is certainly negative given the Czech Social Security Administration's customer-orientated approach, will require the attention of both the Czech Social Security Administration and its superordinate institution.

An important role should also be played by fundamental changes to the organisation and management system with the consequent optimisation of the organisational structure of the whole Czech Social Security Administration – the preparation for which was a major task in 2004. The systemic foundation for this changeover was the project entitled 'CSSA Process Management and Administration Model and its Proposed Implementation', approved for implementation by the Czech Social Security Administration management in December 2003. This project was followed by two transformation projects, devised in 2004 to be implemented from 1 January 2005. The general objective of these projects is to apply process management of an organisation to the Czech Social Security Administration's specific circumstances, and to carry out a related comprehensive reform of the internal structure in order to rationalise the district offices with the aim of mobilising their internal resources and encouraging full commitment to customer service, as well as rationalising the internal management and administration system, while reducing the inherent administrative costs. This effort should be facilitated, among other things, by a brand new economic information system based on an internationally accepted standard and integration tool – the mySAP platform, which we also implemented as of 1 January 2005. We intend to use the savings to finance the further development of the services we provide to our clients.

In conclusion, allow me to claim that the stage which the Czech Social Security Administration entered on 1 January 2005 in terms of its internal organisation and management is comparable to the initial stage typically undergone by a new authority. It is a key change, which would not be possible without the support and dedicated and efficient work of most Czech Social Security Administration staff, or without the support and understanding of our social partner.

The results achieved last year, in 2004, undoubtedly bode well for the next year and for this all Czech Social Security Administration staff deserve a word of thanks.



Ing. Jiří Hoidekr
CSSA Director General

2. CSSA PROFILE

The Czech Social Security Administration (CSSA) is the largest and unique financial administration body within the Czech Republic's civil service with a total annual income and expenditure exceeding CZK 550 billion. The CSSA looks after the social security issues of nearly 7,723,000 clients including over 2,625,000 pensioners receiving more than 3,249,000 pensions ¹⁾.

The CSSA also pays out – directly or through employers – sickness benefits, maternity benefits, attendance allowance and supplement to wages for pre- and post-natal women for almost the entire working population of the country. By collecting social insurance, state employment policy and voluntary contributions the CSSA accounts for almost 39 per cent of the state budget revenues.

Since the accession of the Czech Republic to the EU on 1 May 2004, the CSSA has been a liaison body for institutions abroad under the EU Co-ordination Regulations, handling sickness and maternity cash benefits, pensions and cash benefits relating to accidents at work and occupational diseases.

The Medical Assessment Service is an integral part of the CSSA. It is responsible for assessment of the clients' health and capacity for work in relation to social security, state social assistance and social care claims, as well as for the review of assessment of temporary incapacity for work.

Being part of the civil service structure, the CSSA answers to the Czech Ministry of Labour and Social Affairs. Since 1 July 2000, the CSSA has been headed by Director General Jiří Hoidekr.

The CSSA's ambition is to be a modern, client-oriented institution making full use of state of the art information and communication technologies. This is formulated in the CSSA's Mission Statement:

“The CSSA is a modern agency, a social insurance administrator whose efficient performance is based on processes using technology of the third millennium information society and whose exclusive focus is on providing maximum value for the client, thus doing the utmost to meet the client's expectations and satisfy his/her needs.”



¹⁾ Data valid as at 31 December 2004.

3. ORGANISATIONAL STRUCTURE

The CSSA has offices throughout the Czech Republic. The CSSA headquarters are located in Prague, with seven regional offices (RSSAs) in Brno, České Budějovice, Hradec Králové, Ostrava, Pilsen, Prague, and Ústí nad Labem. There are 76 District Social Security Administration offices (DSSAs) and the Prague Social Security Administration office (PSSA) with its thirteen Prague offices, all of them reporting to the CSSA headquarters.



CSSA HEADQUARTERS

Ing. JIŘÍ HOIDEKR
CSSA Director General

THE CSSA DIRECTOR GENERAL'S DEPUTIES



JUDr. BOŽENA MICHÁLKOVÁ
First Deputy CSSA Director General, Social Insurance Section



Ing. DUŠAN DRÁBIK
CSSA Deputy Director General, ICT Section (till 18 September 2004)



Ing. MIROSLAV KAUFMAN
CSSA Deputy Director General, Economic Section



Ing. JAN ŠRANK
CSSA Deputy Director General, EU Integration and International Relations Section

CSSA CHIEF EXECUTIVES



MUDr. LJILJANA BOJIČOVÁ
Chief Executive, Medical Assessment Service Section



Ing. VLADIMÍR FANTA
Chief Executive, Design and Application Support Section, and from 1 October 2004 acting Chief Executive of Information and Communication Technologies Section



Mgr. LUBOŠ VANĚK
Chief Executive, Director General's Section



JUDr. ELIŠKA VOLFOVÁ
Chief Executive, Pension Insurance Section

ORGANISATIONAL STRUCTURE

PRAGUE SSA



JUDr. TOMÁŠ HEJKAL

Director

Address: Trojská 1977/13a, 182 00 Praha 8

Thirteen Prague offices:

- Praha 1 – Director RNDr. Petr Paris
- Praha 2 – Director RSDr. Gabriela Hrušíková
- Praha 3 – Director Ing. Miroslav Novák
- Praha 4 – Director Daniela Prančlová
- Praha 5 – Director Ing. Zuzana Vittvarová
- Praha 6 – Director Ing. Miroslav Feřtek
- Praha 7 – Director Helena Kvapilová
- Praha 8 – Director Ing. Miluše Ponzerová
- Praha 9 – Director Ing. Jana Jiroušková
- Praha 10 – Director Ing. Květoslava Cimlerová
- Praha 21 – Director Ing. Vladimír Derfler
- Praha 22 – Director Vladimíra Šujanská
- Praha 23 – Director Mgr. Jarmila Bičaníková

RSSA IN PRAGUE



Ing. KAREL PERLÍK

Director

Address: Kartouzská 4, 150 00 Praha 5

Twelve District Social Security Administration offices:

- Benešov – Director Ing. Petr Soukeník
- Beroun – Director JUDr. Václav Klíma
- Kladno – Director Ing. Alena Prajzlerová (in office from 3 November 2004)
- Kolín – Director Ing. Ivana Tlučořová
- Kutná Hora – Director PhDr. Drahomíra Hurtová
- Mělník – Director Ing. Zdeněk Melichar
- Mladá Boleslav – Director Ing. Jana Fronková (in office from 1 October 2004)
- Nymburk – Director Mgr. Ivanka Součková
- Prague-East – Director Mgr. Pavel Nikodým
- Prague-West – Director Ing. Ivana Panochová (in office from 15 July 2004)
- Příbram – Director PhDr. Josef Petrášek
- Rakovník – Director PhDr. Hana Kronichová

RSSA IN ČESKÉ BUDĚJOVICE



JUDr. VILÉM KAHOUN, Ph.D.

Director

Address: A. Barcala 1461, 370 05 České Budějovice

Eight District Social Security Administration offices:

České Budějovice – Director JUDr. Miluše Stehlíková

Český Krumlov – Director Ing. Marie Bedlivá (in office from 14 July 2004)

Jindřichův Hradec – Director Mgr. Josef Čech

Pelhřimov – Director JUDr. Libuše Pavlíčková

Písek – Director Zdeňka Zemanová

Prachatice – Director PhDr. Zdeněk Albrecht

Strakonice – Director Ing. Karel Chod

Tábor – Director JUDr. Helena Maříková

RSSA IN HRADEC KRÁLOVÉ



Mgr. KAREL BAUER

Director

Address: Šimkova 1224, 502 00 Hradec Králové

Eleven District Social Security Administration offices:

Hradec Králové – Director Ing. Václav Osladil

Havlíčkův Brod – Director JUDr. Bohuslav Kubát

Chrudim – Director JUDr. Hana Mikanová

Jičín – Director Ing. Jiřina Šubrová

Náchod – Director Ing. Pavel Sobotka

Pardubice – Director JUDr. Ludmila Knotková (in office from 20 September 2004)

Rychnov nad Kněžnou – Director Mgr. Karel Hulec

Semily – Director JUDr. Olga Píkorová

Svitavy – Director MUDr. Karel Kratěna

Trutnov – Director JUDr. Jana Štefanová

Ústí nad Orlicí – Director Ing. Věra Bláhová

RSSA IN ÚSTÍ NAD LABEM



Ing. ANNA MATULOVÁ

(in office from 1 March 2004)
Director

Address: Revoluční 3289/15, 400 01 Ústí nad Labem

Ten District Social Security Administration offices:

Česká Lípa – Director JUDr. Marie Kolínská

Děčín – Director Ing. Jiří Řezáč

Chomutov – Director Mgr. Marek Bergman

(in office from 3 November 2004)

Jablonec nad Nisou – Director Ing. Václav Hájek

Liberec – Director Mgr. Jana Kettnerová

Litoměřice – Director Věra Kalousová (in office from 1 March 2004)

Louny – Director Bc. Petr Burdych

Most – Director Ing. Ivana Henžlová (in office from 1 July 2004)

Teplice – Director JUDr. Jiří Budek

Ústí nad Labem – Director Ing. Zdeňka Svobodová (in office from 1 July 2004)

RSSA IN PILSEN



PaedDr. ZDENĚK TOR

Director

Address: Koterovská 162, 304 14 Plzeň

Ten District Social Security Administration offices:

Domažlice – Director Ing. Jindřich Kohout

Cheb – Director Ing. Leopold Písek

Karlovy Vary – Director Ladislav Peňáz

Klatovy – Director Ing. Jana Tomanová

Pilsen-South – Director Dagmar Trinnerová

Pilsen-City – Director Ing. Antonín Vacík

Pilsen-North – Director PhDr. Jiří Hala

Rokycany – Director Ing. Luboš Koubík

Sokolov – Director Bc. Janka Gajewská

Tachov – Director JUDr. František Zítek

RSSA IN OSTRAVA



JUDr. MILAN KEKA

Director

Address: Zelená 3158/34a, 702 00 Ostrava

Eleven District Social Security Administration offices:

Bruntál – Director Ing. Věra Tesolinová (in office from 1 April 2004)

Frýdek-Místek – Director Ing. Ludmila Babišová (in office from 2 November 2004)

Jeseník – Director Ing. Vítězslav Macek

Karviná – Director JUDr. Martin Nogol

Nový Jičín – Director JUDr. Jaroslav Juřík

Olomouc – Director Ing. Alena Šmotková (in office from 12 July 2004)

Opava – Director Mgr. Vladimír Vívšjanik

Ostrava-City – Director Ing. Jiří Groll

Přerov – Director Jaroslav Pospíšil

Šumperk – Director Ing. Lubica Semerádová (in office from 2 August 2004)

Vsetín – Director JUDr. Rostislav Lucbauer

RSSA IN BRNO



PhDr. MIROSLAV VOTÝPKA

Director

Address: Veveří 7, 656 43 Brno

Fourteen District Social Security Administration offices:

Blansko – Director JUDr. Libuše Svěráková

Brno-City – Director JUDr. Jan Stavínoha

Brno-Country – Director JUDr. Petr Šulc

Břeclav – Director Ing. Zlatuše Máčelová

Hodonín – Director Ing. Eva Milošová

Jihlava – Director JUDr. Daniela Vondrová (in office from 2 July 2004)

Kroměříž – Director Bc. Eva Nováková

Prostějov – Director Mgr. Zita Popelářová

Třebíč – Director JUDr. Zdeněk Nováček

Uherské Hradiště – Director Bc. Ludmila Hrabcová

Vyškov – Director JUDr. Dana Pištělková

Zlín – Director Ivan Rybka

Znojmo – Director JUDr. Radoslav Kraus

Žďár nad Sázavou – Director Ing. Karel Jadrný

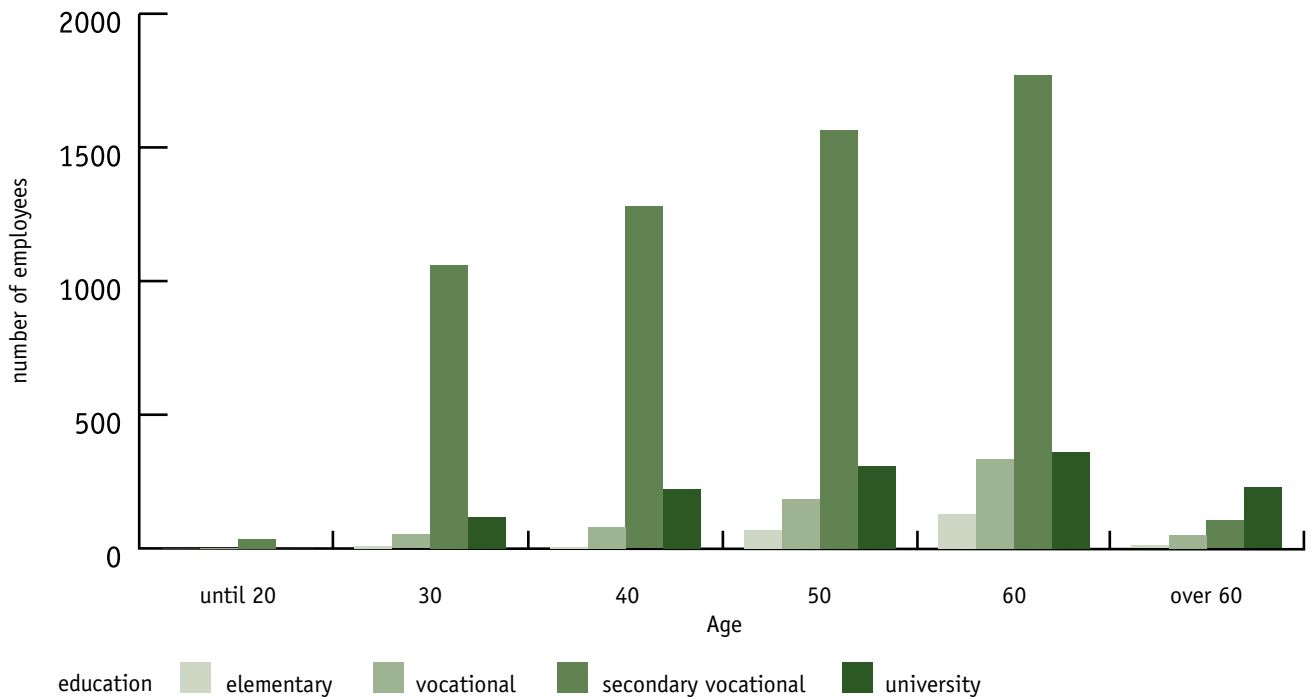
4. EMPLOYEES

The staff at the Czech Social Security Administration view their work as a service to the public. Therefore, in line with the CSSA Mission Statement they place an emphasis on customer satisfaction. High quality service can only be provided by qualified, communicative staff with the ability to empathise. As at 31 December 2004, CSSA employed 7,974 people, of which more than 87 per cent were women.

Most CSSA employees (33 per cent) were aged 51 to 60. On the other hand, 19 per cent of staff at the CSSA headquarters and 15 per cent of staff in the regions were people under 30. The situation in 2003 was the same, which suggests that the CSSA's age structure is stable.

The majority of CSSA employees have a secondary education. They accounted for 78 and 50 per cent in the regions and at the headquarters respectively.

CSSA Staff Age and Qualification as at 31 December 2004



The Czech Social Security Administration is well above the 4% mandatory minimum ratio of employees with disabilities; in 2004 they accounted for 377 staff members.

When compared with 2003, the staff turnover increased by 2.59 per cent, reaching 12.01 per cent. The primary reason is that the CSSA remains a non-lucrative employer. The average monthly salary was only CZK 17,511. Long-term underfunding from the national budget does not enable the CSSA to hire sufficient numbers of professionals.

Education level attained	2001		2002		2003		2004	
	total	%	total	%	total	%	total	%
UNI	1,125	13.9	1,141	14.1	1,212	14.9	1,237	15.5
SV	5,881	72.7	5,882	72.9	5,894	72.7	5,811	72.9
VOC	803	9.9	779	9.7	760	9.4	702	8.8
EL	284	3.5	264	3.3	242	3.0	224	2.8
TOTAL	8,093	100.0	8,066	100.0	8,108	100	7,974	100.0

Notes: UNI – university, SV – secondary vocational, VOC – vocational, EL – elementary

The CSSA has been seeking to at least partially remedy this situation by offering its staff fringe benefits. Canteen lunches as well as the possibility of going to the CSSA's facilities for holidays or training and some other benefits are provided automatically. The CSSA also allows the employees to take out employee loans and get one-off social assistance grants. The social programmes have been run under the 2004 Collective Agreement and the CSSA Principles for the Utilisation of the Cultural and Social Needs Fund.

In 2004, 650 CSSA employees attended either one-to-one or group foreign language courses. An electronically distributed learning (e-learning) project for all its employees continued at the CSSA for the third year. It focused largely on methodology and professional issues concerning social security, as well as computer skills. The importance and relevance of e-learning for the CSSA is confirmed by, among other things, the fact that one of its courses, 'The Customer – Principles of Interaction', was awarded second place in the international 'E-learning in Practice' competition at the 2004 International Conference on Emerging Telecommunication Technologies and Applications (ICETA).

ANNUAL REPORT 2004







5. CORE BUSINESS

5.1. COLLECTION OF SOCIAL INSURANCE CONTRIBUTIONS

One of the CSSA's major tasks is to collect social insurance contributions, which include pension insurance, sickness insurance and state employment policy contributions.

In 2003, when the collection of contributions was affected by the floods in August 2002, the collection effectiveness was 99.35 per cent. The collection effectiveness in 2004 increased by 1.28 per cent compared with 2003. The collection effectiveness is measured by dividing the total collections by the total insurance contributions due. What contributed towards this extremely good result was a higher enforcement rate and the effective enforcement by the District Social Security Administration offices.

Total Revenue, Total Contributions Due and Collection Effectiveness since 1997

Year	1997	1998	1999	2000	2001	2002	2003	2004
Total Revenue (bn. CZK)	185.5	198.1	204.6	215.7	234.8	250.3	264.2	285.1
Total Contributions Due (bn. CZK)	195.6	205.3	213.8	222.2	238.7	251.3	265.9	283.3
Collection Effectiveness (%)	94.85	96.53	95.69	97.08	98.37	99.64	99.35	100.63

Notes: Total revenue is tax and other revenue from insurance contributions including post-maturity payables, i.e. penalties and fines. Revenue from other CSSA operations is not included. Total contributions due mean insurance contributions due including post-maturity payables.

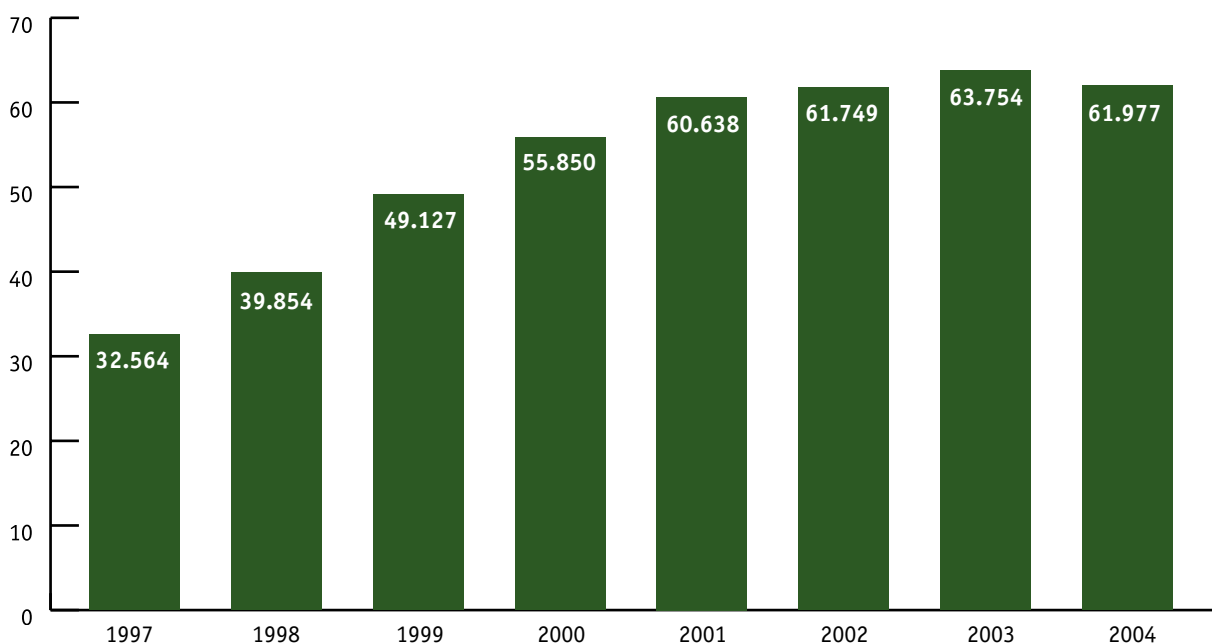
5.2. SOCIAL SECURITY INSURANCE RECEIVABLES

As at 31 December 2004 the CSSA held insurance contribution receivables amounting to CZK 61,977 million. This included CZK 28,113 million of overdue contribution payments, CZK 31,997 million of overdue penalties and CZK 198 million of overdue fines.

A long-term analysis of the receivables portfolio indicates that:

- 51.6% of the total receivables are penalty receivables; this proportion continues to grow;
- 56% of the total receivables are receivables from de-registered payers;
- 29.5% of the total receivables are receivables from debtors whose individual debts exceed CZK 30 million; there are 196 such debtors, most of them under bankruptcy or in liquidation, i.e. the debts are as good as irrecoverable;
- half of the total receivables is from entities undergoing bankruptcy proceedings;
- approximately 65% of total receivables are from small organisations (SO); the number of these debtors continues to grow.

CSSA Receivables throughout the Years (in billions CZK)



CSSA receivables as at 31 December 2004 (millions CZK)

		Receivables Total	Receivables				Percentage
			Contributions	Penalties	Fines	Contributions + penalties by instalments	
Deregistered Payers	SE	1,896.10	1,133.00	715.90	47.20	-	
	S0	24,122.71	10,700.96	13,353.03	68.72	-	
	0	8,701.55	4,235.36	4,463.19	3.00	-	
	Σ	34,720.36	16,069.32	18,532.12	118.92	-	56.02%
Registered Payers	SE	4,174.41	2,867.95	1,251.42	55.04	-	
	S0	16,078.70	6,369.87	9,685.36	23.47	-	
	0	6,060.90	3,162.65	2,896.54	1.70	-	
	Σ	26,314.01	12,400.48	13,833.32	80.21	-	42.46%
Subtotal		61,034.37	28,469.80	32,365.44	199.13	-	
Instalment System	SE	158.93	-	-	-	158.93	
	S0	291.04	-	-	-	291.04	
	0	492.83	-	-	-	492.83	
	Σ	942.80	-	-	-	942.80	1.52%
Total	SE	6,229.44	4,000.95	1,967.32	102.24	158.93	
	S0	40,492.45	17,070.83	23,038.39	92.19	291.04	
	0	15,255.28	7,398.01	7,359.73	4.70	492.83	
	Σ	61,977.17	28,469.80	32,365.44	199.13	942.80	100.00%
Percentage		100.00%	45.94%	52.22%	0.32%	1.52%	

Notes: SE – self-employed persons, S0 – small organisations (up to 25 employees), 0 – large organisations (over 25 employees), Σ – total.

From the perspective of the development of receivables, it can be said that in comparison to previous years the year 2004 was very successful for the CSSA in terms of its portfolio management. Receivables decreased for the first time since 1993, when receivables started to be monitored and recorded on a cumulative basis. They decreased by CZK 1,776 million (down by 2.8%). The main reason was that the largest debtors paid off their debts.

5.3. PENSION BENEFITS PAYMENTS

The CSSA is responsible for payment of pension insurance benefits, except for pensions paid out by the Ministries of the Interior, Defence, and Justice. The CSSA pays out old-age pensions, full and partial disability benefits, widows' and widowers' benefits, and orphans' benefits.

In 2004, pension insurance expenditure amounted to CZK 226,883 million; this figure takes into account accrual and deferral expenditure, i.e. advance payments to Česká pošta (Czech Post) at the turn of each budgetary year. Of this, CZK 163,025 million was paid out in old-age pensions, CZK 32,719 million in full disability pensions, and CZK 9,630 million in partial disability pensions. Widows' benefits accounted for CZK 17,408 million, widowers' benefits for CZK 1,531 million, and orphans' benefits for CZK 2,566 million. As at 31 December 2004 the number of pensioners was 2,625,685, of which 995,686 were men and 1,629,999 women. The average monthly old-age pension was CZK 7,270; for men it was CZK 8,133 and for women CZK 6,600.

Pensions: Payment Method

The CSSA uses two payment methods: cash payments and transfers to clients' bank accounts. In 2004 the CSSA made 30,889,952 pension payments, of which 22,137,226 payments were made through Česká pošta and 8,184,094 were transferred to clients' bank accounts through the Czech National Bank. 568,632 payments were made to social care institutions.

Pension Benefit Expenditure (in millions CZK)

Year	1997	1998	1999	2000	2001	2002	2003	2004
Amount	147,281	161,805	173,014	181,921	195,813	210,439	218,273	226,883

Note: The table shows total expenditure adjusted for accruals and deferrals.

Numbers of Pension Insurance Clients, Pensioners and Pensions

Year	1997	1998	1999	2000	2001	2002	2003	2004
Number of Pension Insurance Clients	4,944,109	4,924,688	4,722,989	4,660,974	4,528,399	4,581,647	4,593,947	4,841,549
Number of Pensioners	2,485,110	2,521,243	2,548,159	4,660,974	4,528,399	4,581,647	2,590,844	2,625,685
Female	1,554,311	1,577,462	1,591,809	1,603,415	1,610,898	1,606,359	1,611,924	1,629,999
Male	930,799	943,781	956,350	964,450	973,120	971,439	978,920	995,686
Number of Pensions Paid	3,065,157	3,123,136	3,158,947	3,183,429	3,203,219	3,199,749	3,212,486	3,249,706
Old-age	1,802,644	1,848,639	1,879,883	1,906,759	1,922,722	1,907,830	1,914,219	1,944,915
Disability	529,350	528,563	527,808	528,288	534,287	544,838	553,985	563,376
Survivors'	733,745	745,934	751,256	748,382	746,160	747,081	744,282	741,415

Note: These are pensions paid out and pensioners getting benefits in the Czech Republic (i.e. excluding payments to other countries).

Average Monthly Old-age Pension (CZK)

Year	1997	1998	1999	2000	2001	2002	2003	2004
Male	5,688	6,172	6,555	6,995	7,590	7,622	7,902	8,133
Female	4,685	5,084	5,386	5,729	6,188	6,213	6,429	6,600
Total	5,148	5,576	5,910	6,292	6,808	6,833	7,075	7,270

Note: No other pensions paid simultaneously, such as widows' pensions, are included in these old-age pension figures.

5.4. SICKNESS BENEFITS PAYMENTS

With effect from 1 January 2004 the provisions on setting sickness benefits were amended. The reference period was extended from a calendar quarter to twelve months prior to incapacity for work, and the method of reducing the daily calculation base as well as the percentage rates of sickness benefits over the first three calendar days was changed. These changes affected sickness insurance expenditure.

In 2004 the District Social Security Administration offices and the Prague Social Security Administration catered for 1,065,759 employees of small organisations and 945,508 self-employed persons; of which 267,524 self-employed persons were affiliated to the sickness insurance scheme.

As a result, the District Social Security Administration offices paid out 1,598,338 sickness insurance benefits amounting to CZK 6,846,199,852.

The total sickness benefit expenditure in 2004, including reimbursements to organisations with over 25 employees, was CZK 29,563 million. The highest amount, as in 2003, was spent on sickness benefits, amounting to CZK 24,704 million. They were followed by maternity benefits, totalling CZK 4,123 million. In 2004, Czech citizens affiliated to the sickness insurance scheme spent 105,955,526 days on sick leave, which is 15,092,237 days less than in 2003. One of the reasons for the decline is the fact that the Czech Republic did not experience viral epidemics during the period in question. On the other hand, the average duration of each sick leave increased to 36.46 working days, up by 4.85 days from the previous year. Conversely, the number of terminated sick leaves dropped by 24.11% to 2,906,332.

Sickness Insurance Expenditure (millions of CZK)

Year	1997	1998	1999	2000	2001	2002	2003	2004
Sickness Benefits	16,958.955	15,733.095	16,434.063	23,653.095	25,574.132	28,222.372	29,523.314	24,704.499
Attendance Allowance	864.031	765.652	696.285	784.704	956.588	892.507	1,003.961	730.076
Maternity Benefits	1,963.088	2,027.694	2,151.124	2,759.569	3,047.465	3,486.893	3,773.687	4,123.377
Differential Allowance for Pregnant and Postnatal Women	7.723	6.822	5.728	7.797	6.907	6.830	5.596	5.331
Total	19,793.797	18,533.263	19,287.173	27,205.165	29,585.092	32,608.602	34,306.558	29,563.243

Clients Covered by Sickness Insurance

Year	1997	1998	1999	2000	2001	2002	2003	2004
Total	4,686,950	4,640,747	4,423,470	4,343,801	4,195,113	4,230,146	4,237,817	4,358,766
Self-employed	330,720	327,285	318,080	308,499	299,607	296,528	292,329	267,524

Days on Sick Leave Covered by Sickness Insurance Benefits

Year	1997	1998	1999	2000	2001	2002	2003	2004
Sickness Benefits	113,406,143	103,735,836	103,693,778	113,414,672	113,187,039	113,958,656	112,726,425	97,341,561
Attendance Allowance	5,702,753	4,964,709	3,898,787	3,761,041	4,164,754	3,141,479	3,747,177	3,035,134

Note: The number of days covered by sickness insurance benefits does not equal the number of days on sick leave, which includes, inter alia, persons who are registered with labour offices and do not receive sickness benefits.

Development of Incapacity for Work

Year	1997	1998	1999	2000	2001	2002	2003	2004
Number of Terminated IW Cases	4,442,443	3,941,742	3,941,292	4,040,986	4,030,539	3,777,066	3,829,738	2,906,332
Days on Sick Leave	120,371,275	109,889,469	108,387,573	116,803,822	119,211,316	120,812,989	121,047,763	105,955,526
Average Duration of IW Case	27.09	27.88	27.50	28.90	29.58	31.99	31.61	36.46
IW Cases Terminated by a DSSA Decision	3,329	2,438	2,432	1,853	1,607	1,569	1,424	1,539
Breach of Treatment Conditions	19,373	18,232	14,444	12,799	12,859	13,818	12,131	11,211

Note: IW – incapacity for work.



5.5. ONE-OFF ALLOWANCES FOR PENSIONERS

In addition to regular pension adjustments, in June 2004 the CSSA carried out a transaction beyond its job description: paying a one-off allowance of CZK 1000 to pensioners including those living abroad. This was to compensate for the increased value added tax. Moreover, the extra payment was made to all pension categories, i.e. old-age, full and partial disability, widows', widowers' and orphans' pensions. In total, the number of one-off allowances paid to pensioners by the CSSA was 2,573,823, amounting to CZK 2,672,385,000. Of this, 1,846,621 of the allowances were paid to the clients in cash through Česká pošta, 679,643 were paid to the clients' bank accounts, and 47,559 were paid to social care institutions.

5.6. COMPENSATION UNDER SPECIAL RULES

For the past ten years, the Czech Social Security Administration has been paying out compensation to Czech (Czechoslovak) citizens persecuted under the Nazi and Communist regimes. It is obliged to do so by four laws, although these tasks go beyond its personnel, financial and technical capacities and jeopardise fulfilment of the CSSA's tasks as a social security administrator.

In 2004 the CSSA continued to process applications for:

- provision of a lump sum to some **victims of Nazi persecution** (Law No. 217/1994 Coll.) – by 31 December 2004 the CSSA had paid out a total of CZK 1.634 billion in 24,441 cases, the total number of applicants being 32,789;
- provision of a lump sum to **members of Czechoslovak foreign and allied armies between 1939 and 1945** (Law No. 39/2000 Coll.) – by 31 December 2004 the CSSA had paid a total of CZK 385.842 million in 3,711 cases, the total number of applicants being 5,766;
- provision of a lump sum to **members of the national liberation struggle, political prisoners and persons interned in military labour camps on racial or religious grounds** (Law No. 261/2001 Coll.) – by 31 December 2004 the CSSA paid a total of CZK 1.445 billion in 12,930 cases, the total number of applicants being 22,117;
- provision of a lump sum to **persons abducted to the USSR or camps established by the USSR in other countries** (Law No. 172/2002 Coll.) – by 31 December 2004 the CSSA paid a total of CZK 19.397 million in 50 cases, the total number of applicants being 254.

Altogether the CSSA paid out over CZK 3,484 million in compensation. By the end of 2004 the CSSA had issued a decision on 52,618 applications out of 60,926, i.e. 86.36%.

6. OPERATING COSTS

In 2004, operating expenditures of the CSSA amounted to CZK 5.300 billion, making for a 1.85% operating expense-to-revenue ratio. In 2004, the operating expense-to-revenue ratio of the Slovak Social Insurance Agency operating within a similar range of activities equalled 3%.

Line no.	Specificaton	2004 (in millions CZK)	Expenditure Propotion (in %)
1	Personnel costs	2,288	43.2
	- salaries, other personnel costs and severance payments	1,670	
	- insurance contributions	584	-
	- provisions for the Cultural and Social Needs Fund	34	-
2	Purchase of material	248	4.7
3	Water, fuel and energy	80	1.5
4	Postal services	582	11.0
5	Services, repairs, maintenance, travel expenses	970	18.3
6	Other non-capital expenditure	3	0.1
7	Transfer of non-investment funds to the reserve fund	203	3.8
8	Subtotal	4,374	82.6
9	Capital expenditure incl. transfers to the reserve fund	926	17.5
10	Total operating expenditure	5,300	100

Notes: Line 1 of the table includes salaries for 7,930 employees (average recorded level converted) who, in 2004, earned on average CZK 17,511.
 Line 4 of the table: the highest fees were charged for pension payments (CZK 417 million) and post remittance (CZK 32 million).
 Line 9 of the table includes construction costs (CZK 608 million), machines and equipment (CZK 28 million) and information technology (CZK 290 million).



The requirements presented by the CSSA to MoLSA in the draft budget phase and in subsequent budgeting phases are balanced and justified by its growing competences and scope of tasks performed. In its proposals, the CSSA stressed the priority of activities related to the Czech Republic's EU membership, the need to cover expenses related to the CSSA's amplified or newly acquired tasks (e.g. new international social security agreements and related provisions, war compensation-related issues, etc.) and the CSSA's transformation into a public institution.

As these requirements have repeatedly not been met, the budget resources allocated by the CSSA to operating costs do not allow for the implementation of priorities to achieve strategic objectives set by the CSSA up to 2005, seriously complicating fulfilment of the CSSA's basic operating requirements.

The CSSA's performance indicator, represented as a percentage ratio of total operating costs to tax revenue and benefit expenditure (the CSSA carries out major tasks both in the field of state revenue – almost 39% of state budget revenue – and expenditure – almost 33% of state budget expenditure), amounted to 0.90% in 2003, 0.86% in 2004 and has been set at a mere 0.82% for the 2005 budget. Such a low operating expense-to-performance ratio remains unparalleled by other similar institutions in the Czech Republic or elsewhere in the world.



7. EU ACCESSION

On 1 May 2004 the Czech Republic joined the European Union. EU membership brought a number of changes in the implementation of social security of Czech insurance clients as well as participants of foreign insurance schemes. The CSSA applies Co-ordination Regulations to 27 European countries and acts as the:

- **competent institution,**
- **institution of the place of residence and stay,** in the scope and in such a way as corresponds to the CSSA's domestic competences in pension and sickness insurance,
- **liaison body** for the whole CR for pension and sickness insurance,
- **institution designated** to implement specific provisions of the Co-ordination Regulations (determination of the legislation applicable, certification of insurance periods) for the whole country.

EU-Related Activities

The CSSA drafted a Plan for CSSA Operations Relating to the Application of EU Social Security Legislation. In the Plan, the CSSA stipulated its priority objectives up to 2005. The objectives for the first stage – from June 2003 to December 2004 – focused on:

- preparation (organisational, technical and personnel) of the headquarters and district offices to co-ordinate national social security systems within the EU,
- full functioning of the headquarters and district contact points within the EU co-ordination system for national social security schemes.

The CSSA was probably one of the few state authorities whose personnel was not increased in connection with the Czech Republic's accession to the EU, even though it was more than likely that it would be carrying out additional tasks and activities. Therefore some of the CSSA Headquarter units had to be partially transformed and, in order to meet the requirements and needs of all clients, EU contact points had to be set up at the individual DSSAs using existing capacities.

In the course of 2004, the CSSA's thorough preparation for the EU accession proved its worth. The CSSA experienced a significant increase in its activities. From 1 May to 31 December 2004, all CSSA offices dealt with a total of 66,985 EU submissions. Most of them were related to pensions (25,531 cases) and determination of the legislation applicable (21,848 cases).



Statistics of Cases Related to EU from May to December 2004:

	Total Cases**	Of which: DLA*	SMCB*	Pensions
May	5,920	1,832	474	2,736
June	9,198	2,883	688	4,751
July	9,445	3,295	522	4,669
August	7,532	2,451	588	2,293
September	9,194	3,179	665	2,821
October	8,006	2,646	824	2,507
November	9,633	3,321	880	3,098
December	8,057	2,241	774	2,656
Total	66,985	21,848	5,415	25,531

Notes: *DLA – determination of the legislation applicable, SMCB – sickness and maternity cash benefits.

**Total cases is the sum of cases from the individual areas (determination of the legislation applicable, sickness and maternity cash benefits, insurance contributions, pensions) and other unspecified cases.

Co-operation with foreign experts and EU Phare twinning projects contributed to the smooth preparation for EU accession. In 2004 the CSSA launched two projects. The 'Information System for the Administration of Free Movement of Persons' project started in co-operation with a Dutch insurance administrator, aiming at the development of a quality information system for data exchange within the EU and sufficient training of CSSA employees in EU social security law. The EU granted EUR 400,000 for the project. In Karlovy Vary the 'CSSA Training Capacity Building' project started, amounting to EUR 3,449,000 (EUR 525,000 from the Phare programme and EUR 2,924,000 from the CSSA budget). Both projects will be concluded in the 1st quarter of 2005.

8. INTERNATIONAL RELATIONS

In 2004, the CSSA helped to draft new international social security agreements with Macedonia, Tunisia, Turkey and Poland and participated in international negotiations on the implementation of international agreements with Turkey, Germany and Slovakia. In 2004, the CSSA implemented 27 bilateral agreements, including two social security agreements with Chile and Romania which entered into force in the period in question.

Export of pension benefits increased due to the Czech Republic's accession to the EU. The CSSA paid out 33,218 pensions containing an international element. In most cases, these were benefits paid under the above-mentioned international social security agreements. Most pensions were paid out to clients in Slovakia (10,477) and Poland (9,954).

Ten States Receiving Most Pension Payments from the CSSA in 2004

State	No. of Pensioners
Slovakia	10,477
Poland	9,954
Germany	1,899
Switzerland	1,696
USA	1,329
Bulgaria	1,323
Canada	1,199
Austria	698
Macedonia	485
Australia	445

9. CSSA TRANSFORMATION

As far as the organisation and management system is concerned, a fundamental transformation of the CSSA's entire organisational structure, i.e. involving both the CSSA headquarters and district offices, was prepared in 2004 and implemented as of 1 January 2005.

The basis of the transformation was the 'CSSA Process Management and Administration Model and Proposed Implementation' project, approved by the CSSA management for implementation in December 2003. The project became the basis of the CSSA's transformation into a modern financial administration body fulfilling its Mission Statement. Based on the above-mentioned project, two transformation projects were prepared in 2004. These projects suggested the optimum steps adapted to the conditions of the CSSA's district offices (Transformation Project 1) and the CSSA headquarters (Transformation Project 2).

The general objectives of the transformation projects were to implement a comprehensive reform of the CSSA's internal organisation so as to prepare the CSSA and its district offices for various possible social security changes (particularly pension reform as well as changes being considered in the field of sickness insurance), and to conclude the implementation of organisation process management in the context of the CSSA.

The specific objectives of the transformation projects were namely:

- the development of an optimal organisational unit structure in the CSSA headquarters and district offices in order to ensure uniform processes and to unify the CSSA's organisational structure in terms of processes;
- the further high-quality extension of the unification and possibly organisational unification of procedures and processes taking place in the CSSA headquarters and district offices in order to ensure their efficient and, in terms of administration, cost-saving performance as well as comparable system outputs at any point;
- the harmonisation of district offices with the country's territorial structure;
- the establishment of internal service centres (economy and administration, information and communication technology, and Medical Assessment Service centres) supporting major value-adding processes.

The goal to be achieved in 2005 is to rationalise the functioning of CSSA's district offices (in order to mobilise their internal resources and involve them fully in client services) and the internal management and administration system in order to reduce administrative costs related to the system and use them purposefully to finance services provided to clients. By successfully completing its transformation, the CSSA began a new significant stage of its existence. This stage will bring major changes in the organisational structure, ensuring efficient management of all organisational components and streamlining process performance to the maximum possible extent so that the progress of processes is monitored by competent units only and all unproductive elements are eliminated.

The optimised organisational unit structure and the most cost-saving organisation of the CSSA also significantly reduce expenses of the activity itself. The main result of the organisational and management system changes, which closely observe process management principles, is the flexible and economical functioning of the CSSA, primarily focusing on the provision of client services. The new organisational structure eliminates remaining duplicities namely in the CSSA headquarters and establishes a direct link between the process owner in the CSSA headquarters and the process holders in the district offices. The transformation (optimisation) of the CSSA's organisational structure and management system has fulfilled its purpose. Both the general and specific transformation project objectives have been achieved and the requirement that the transformation results be neutral in relation to the state budget has been met. No transformation expenses were calculated as none were incurred.

10. INFORMATION AND COMMUNICATION TECHNOLOGIES

Information and communication technologies are an indispensable aid to people and allow for the quicker processing of legal entitlements. Those who use ICT do not have to queue at social security offices and can settle their matters from the comfort of their home 24 hours a day. Electronic services using computers and the internet have been increasing every year. The CSSA is one of the first state administration organisations to introduce electronic communication with clients and the very first organisation which enables its clients to submit documents electronically (e-submission) via the Portal of the Public Administration.

10.1. DEVELOPING THE TECHNOLOGICAL BASE

In connection with the CSSA's strategic goals and projects within the IMAS programme, a Draft Solution for a Comprehensive Central and Back-up Data Communication Centre and a Document for the Information and Communication System Restructuring (ICSR) were drafted in 2004. The latter, being part of the MoLSA IT policy, was approved by the Minister of Labour and Social Affairs on 24 June 2004. Its purpose is to upgrade the CSSA's current information and communication infrastructure in order to provide stable and effective support of the CSSA's value-adding processes by using state-of-the-art technologies of the third millennium.

Information in digital form is a prerequisite for offering modern client services. Therefore, in 2004 the CSSA continued digitising insurance information, a process which started in 2001 when the digitisation of pension insurance records from the CSSA's central archive began.

10.2. DIGITISING INSURANCE RECORDS AS A BASIS FOR INDIVIDUAL INSURANCE ACCOUNTS

Over 12 million documents were entered into the data storage system. At the end of 2004, the CSSA optical archive contained 72 million insurance records.

Digitised data, open to further processing, is the basis for electronic Individual Insurance Accounts (IIAs). IIAs will be introduced in 2006. The citizens of the Czech Republic will thus be able to receive complete information on their periods of insurance and earnings which is important for their pension claims from any CSSA local office. IIAs will also enable easier communication with foreign pension insurance institutions. IIAs are based on annual Pension Insurance Records (PIRs), launched on 1 January 2004.

10.3. ANNUAL PENSION INSURANCE RECORDS

A critical and historic change came about with the introduction of the Annual Pension Insurance Records (PIRs) in 2004, which was made possible by a technical amendment of Act No. 582/1991 Coll., on Social Security Organisation, adopted at the end of 2003. Under this amendment, as of 1 January 2004 employers who are obliged to keep the PIRs for their employees, have to close these records at the end of every calendar year and send them to the CSSA with a copy issued to each employee no later than 8 days after 30 April. The data in the PIRs is important for decisions on pension entitlements and amounts.

The PIRs may be submitted electronically, the necessary conditions having been created by the CSSA in 2004. A data record was defined, i.e., in other words, the required programme output exists and can be implemented into organisations' payroll programmes. The structure of the data record is universal and can be applied to all types of software. At the beginning of 2004, the data record was made available on the CSSA web site.

There are two methods of electronic submission – via the Portal of the Public Administration (preferred by the CSSA) or on a floppy disk or CD ROM. After the data sequence was made available, the CSSA, in cooperation with the Ministry of Informatics, which is in charge of the Portal of the Public Administration, launched an information campaign among organisations to promote the advantages of the PIR e-Submission (*e-Podání*). The purpose was to gain the support and confidence of the public and to convince as many organisations as possible to use PIR e-submission in 2005.

As a result of the campaign, the CSSA recorded 8,841 authorised workers for 11,597 companies by 20 December 2004. These organisations had a total of 1,310,240 employees. This is a good basis for the submission of annual PIRs in 2005. There will be a total of approximately 4.5 million documents, and the CSSA believes that at least half of them will be submitted electronically.



ANNUAL REPORT 2004







11. PUBLIC RELATIONS

11.1. INFORMATION PROVISION

The CSSA is aware of the importance of the principle of 'people first'. The CSSA uses all available means to inform the public about social security changes affecting their lives.

Clients can use the Information Office located in the CSSA headquarters, Client Centres and information offices at the individual DSSAs, the Call Centre and, last but not least, visit the web site at <http://www.cssz.cz>.

The CSSA also co-operates closely with both public and commercial media. In 2004, the CSSA issued 65 press releases, organised 11 press conferences and other media events and responded to 418 media enquiries.

Information Office at the CSSA Headquarters

The CSSA is a client-friendly organisation and is open to the public on all working days. 55,611 clients visited the Information Office at the CSSA headquarters between 1 January 2004 and 31 December 2004, which means an average of 96 clients per day. In connection with the Czech Republic's accession to the EU, Information Office staff responded to 4,320 enquiries concerning EC social security law application and the application of international social security agreements. The Office staff generated 6,967 insurance record searches and issued dozens of pension certificates. The Office staff also paid out pension advances and supplementary payments in cash to clients in difficult financial situations.

Client Centers

At the end of 2004, Client Centres were located in 46 Social Security Administrations and were open to the public on all working days. In 2004, six new client centres were opened. Now the public can visit new Client Centres in Prague 8 - Kobylisy (joint Client Centre for the Prague Social Security Administration, the Prague 8 office and the Prague-West DSSA), as well as at the DSSAs in Pilsen-City, Strakonice, Šumperk, České Budějovice, and Náchod. The Client Centres are easily accessible, and offer fast and comprehensive client services. Social Security Administrations which have not opened Client Centres so far, address the matters of their clients in the individual offices, also open on all working days.

Call Centre

In 2004 Call Centre staff dealt with 144,119 telephone requests, of which 5,978 were answered on the direct DSSA support line. Throughout the year, most enquiries concerned pension issues such as individual pensions or payment of pension insurance benefits.

11.2. WEB SITE – <http://www.cssz.cz>

In 2004, the number of hits on the CSSA web site more than doubled to 58,275 per month. In 2003, there were 28,002 hits per month. In 2004, the number of hits totalled 699,306, which is approximately 1,935 hits a day. The increased interest in the CSSA web site has been the result of its regular updates and the fact that the web site contains downloadable social security forms.

In 2004 the CSSA set up a working group whose task it is to prepare the procedures and take care of the reconstruction of the CSSA's electronic presentation (both extranet and intranet). Its work will result in a CSSA Portal which meets the current e-presentation trends and offers other state-of-the-art client services including easy to use, clear navigation, access for users with special needs and user-friendliness.

11.3. PUBLISHING

The CSSA publishes both regular and one-off materials. In 2004, as in previous years, the CSSA published the *Národní pojištění* (National Insurance) monthly journal. The journal had a print run of 15,100 copies. It provides current information in the fields of pension and sickness insurance, health insurance, the Medical Assessment Service, labour law, social care benefits, employment and state social support. In 2004, the journal brought 170 articles by 70 authors, of which 36 were written by regular contributors. As in previous years, the consultation column where leading experts respond to readers' enquiries was very popular. In 2004 the journal published 122 such questions and answers, and the most frequently asked questions were also published on the CSSA web site.

As far as the one-off publications are concerned, the CSSA published four leaflets:

- People first... (information about the CSSA),
- Czech Social Security Administration (ČSSZ) and Social Security in the EU,
- Sickness and Maternity Benefits in Cash (EU-related),
- Legislation Applicable to Migrant Workers (EU-related).

The leaflets are available to the public in all CSSA offices throughout the country and can be viewed, downloaded and printed from the CSSA web site.

In 2004, the CSSA published a Statistical Pension Insurance Yearbook, the CSSA Activity Report and the historically first Annual Report for 2003.

11.4. INTERNATIONAL CONFERENCE MARKING 80 YEARS OF SOCIAL INSURANCE

A unique event in 2004 was the International Conference Marking 80 Years of Social Insurance. Eighty social security experts from various countries attended the Conference, held on 18 October under the auspices of the Minister of Labour and Social Affairs Ing. Zdeněk Škromach. To mark the occasion, the CSSA published booklet about the history of social security and issued bilingual conference proceedings including all contributions, photographs and media reports.

The international conference was accompanied by a touring exhibition about the history of social security including historical photographs. The exhibition was first on display at the CSSA headquarters in the autumn. After that it was moved to the Prague Social Security Administration and, at the end of 2004, to the CSSA Prague Regional Office. Starting 1 January 2005, the exhibition marking 80 years of social insurance will move on to the future regional social security administrations.

11.5. OFFICE HOURS

All CSSA offices are open to the public on all working days:

CSSA Headquarters

Monday and Wednesday	8 a.m. - 5 p.m.
Tuesday and Thursday	9 a.m. - 2.30 p.m.
Friday	9 a.m. - 2 p.m.

CSSA regional offices and DSSAs/PSSA

Monday and Wednesday	8 a.m. - 5 p.m.
Tuesday and Thursday	8 a.m. - 2 p.m.
Friday	8 a.m. - 1 p.m.

In addition to visits in person, clients can contact the CSSA Call Centre on + 420 257 062 860-8, office hours:

Monday and Wednesday	8 a.m. - 5 p.m.
Tuesday and Thursday	8 a.m. - 2.30 p.m.
Friday	8 a.m. - 2 p.m.

12. CONTACTS

CSSA - Headquarters

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Phone: + 420 257 061 111

Electronic mailing room: posta@cssz.cz

Regional contacts: <http://www.cssz.cz/kontakty/>