



# Annual Report 2014



CZECH SOCIAL SECURITY ADMINISTRATION

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# Introduction



Ladies and Gentlemen,

Allow me to present our Annual Report for the year 2014, which was a turning point for the Czech Social Security Administration. The beginning of the year saw the completion and approval of what is a fundamental program document for the Czech Social Security Administration for the coming period. It is entitled “Czech Social Security Administration Strategic Objectives for the Period 2014-2020”. It states that we have made it our priority to take a client-oriented approach and to enhance the office’s prominent role in relation to public authorities, maintain the stability of our agendas, whilst improving, rationalising and streamlining them and developing an integrated information system and data base.

The public generally associate the Czech Social Security Administration with pension and sickness insurance benefits. Benefits issued by the deadlines laid down by law, and with the necessary due care. The main priority for the Czech Social Security Administration’s work is, and will continue to be, to take an accommodating and equal approach to all its clients. Fulfilment of the office’s strategy, a crucial part of which involves direct contact with people in a wide variety of situations, is always the main aspect when assessing the quality of work, which is the result of great efforts and the steady performance of every employee or team, for which I am very grateful. There is also another aspect of the Czech Social Security Administration’s work that relates to steady performance, and that is the social security premiums collected which goes to the Czech state budget. For a long time now we have been collecting social security premiums with a high success rate – over 99 % – equivalent to one third of the total state budget.

In 2014 the Czech Social Security Administration was well prepared to deal with applications for the topping up of pensions for beneficiaries of Czech and Slovak old-age pensions, which were handled during the first half of the year, as well as for the reintroduction of proceedings relating to physically disadvantaged persons. We successfully managed the launch of new social security agreements between the Czech Republic and Russia and the Czech Republic and India. The Czech Social Security Administration began modernising its forms, to make it easier for clients to communicate with the office via electronic channels, through the CSSA ePortal, which we will continue to develop.

When I look back at 2014, I must also mention that during the second half of the year the Czech Social Security Administration began working hard to prepare for the upcoming anniversary in 2015, twenty-five years since we were established, and are also commemorating the 90th anniversary of the adoption of the Social Insurance Act in the former Czechoslovakia. A satisfied clientele and quality and swift services are what make up the modern office – regardless of its “age”. This was true in the past and will continue to apply.

Ladies and gentlemen, the results of our work in 2014 show that all of the office’s agendas are consistent and settled. Moreover, the Czech Social Security Administration continues to be a strategically controlled state institution with a clear framework and future direction. In 2014 CSSA once again confirmed that it is a stable, functioning institution which meets all of its obligations stipulated by the law, even in difficult economic conditions. Read on and you can judge the truth of my words for yourselves.

prof. JUDr. Vilém Kahoun, Ph.D.  
Director General of the Czech Social Security Administration



# Selected key data for 2014

<b>Premium collection success rate</b>		<b>99.4 %</b>
<b>Revenue from insurance premiums (in million CZK)</b>		<b>373 273</b>
<b>Expenditure on pension insurance benefits (in million CZK)</b>		<b>376 406</b>
<b>Expenditure on sickness insurance benefits (in million CZK)</b>		<b>22 077</b>
<b>Clients</b>		<b>8 529 965</b>
<b>of whom</b>	<b>policyholders</b>	<b>4 328 561</b>
	<b>communicating employers</b>	<b>271 432</b>
	<b>self-employed <sup>1)</sup></b>	<b>972 356</b>
	<b>pensioners in the Czech Republic</b>	<b>2 863 210</b>
	<b>pensioners with non-standard pay-out methods <sup>2)</sup></b>	<b>88 049</b>
	<b>persons with voluntary pension insurance</b>	<b>6 357</b>
<b>Pensions paid out <sup>3)</sup></b>		<b>3 576 472</b>
<b>Countries to which CSSA pays out pensions</b>		<b>85</b>
<b>Pension applications processed</b>		<b>185 956</b>
<b>Personal pension information sheets sent out to clients</b>		<b>140 766</b>
<b>Assessments carried out by CSSA Medical Assessment Service</b>		<b>433 483</b>
<b>Electronically submitted forms received</b>		<b>13 098 979</b>
<b>CSSA employees</b>		<b>8 948</b>

Note: Figures as of 31 December 2014.

<sup>1)</sup> Self-employed – OSVČ in Czech

<sup>2)</sup> pay-outs abroad and other pay-outs

<sup>3)</sup> number of pensions with non-standard pay-out methods



# CSSA profile

The Czech Social Security Administration is the largest financial administration institution in the Czech Republic, holding an exceptional position in the Czech state administration with total revenues and expenditures of CZK 778 billion in 2014. The Czech Social Security Administration is a social security body that provides pension and sickness insurance. It handles the affairs of roughly 8.5 million clients, more than 2.9 million of whom are pensioners. Every month it pays out over 3.5 million pensions and more than 200 thousand sickness insurance benefits.

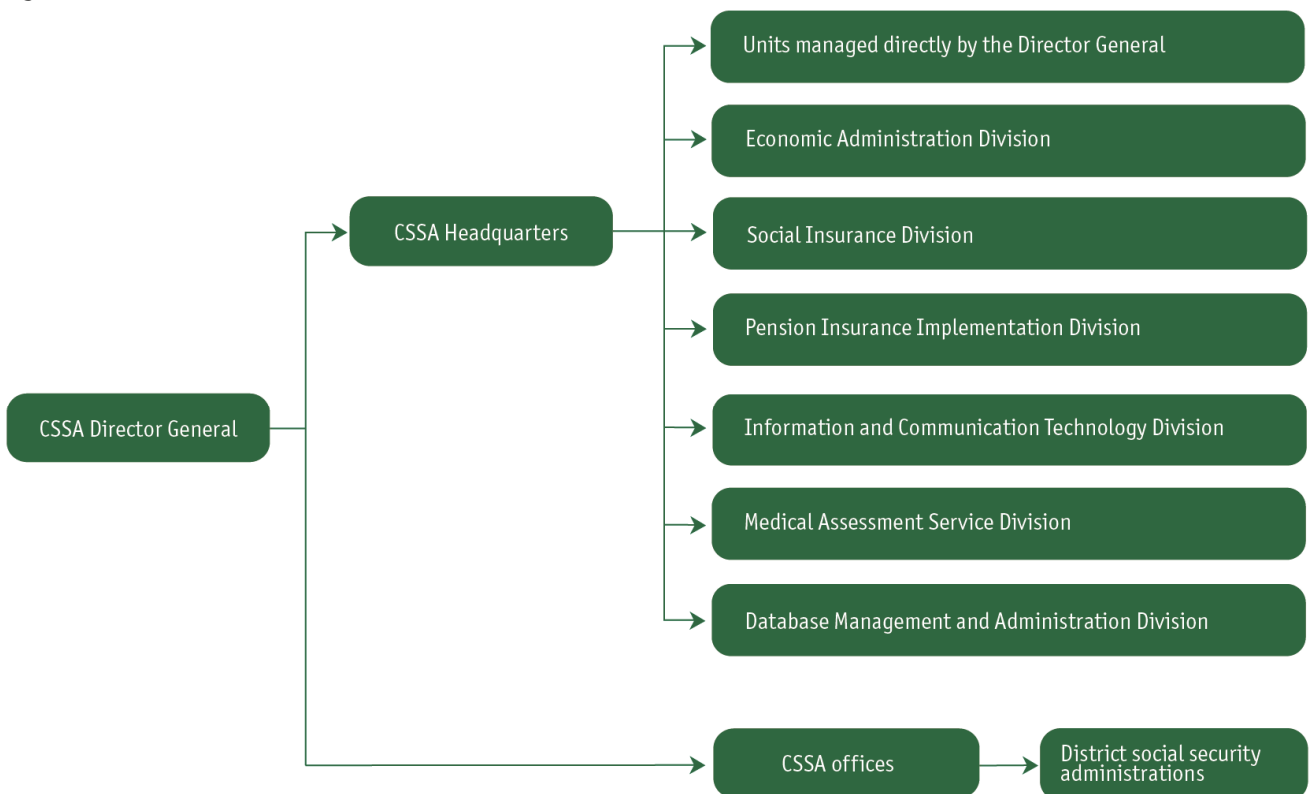
The Czech Social Security Administration provides more than a third of the state budget's revenues through the collection of social security premiums, contributions to the state employment policy and voluntary pension insurance.

The Czech Social Security Administration also has a Medical Assessment Service which assesses degrees of disability that impact a citizen's capacity to work for the purposes of pension insurance. This service also draws up assessments for the provision of non-insurance benefits and other social security systems and performs health assessments for the purposes of sickness insurance. It also checks assessments of temporary incapacity for work carried out by doctors.

The Czech Social Security Administration also carries out an international agenda. Under the so-called European coordination regulations<sup>1</sup> and bilateral international social security agreements it primarily acknowledges and pays out pensions, cash benefits for sickness and maternity, cash benefits in the case of accidents at work and occupational diseases covered under pension and sickness insurance in cases with an international element, recovers receivables and assesses the legislation applicable in relation to other EU countries, the EEA, Switzerland and other countries with which the Czech Republic has signed a social security agreement. The Czech Social Security Administration is the liaison body for the entire Czech Republic in the field of pension and sickness insurance and in determining what legislation is applicable.

The long-standing credo of the Czech Social Security Administration has been to be a modern, swift and client-driven institution that carries out defined priority tasks.

## CSSA organisational structure



<sup>1</sup> Regulation of the European Parliament and Council Regulation (EC) no. 883/2004 and 987/2009 on the coordination of social security systems







# Balance of 2014

The Czech Social Security Administration (CSSA) completed or continued to fulfil the priority tasks it had set itself for 2014. These were:

1. computerization,
2. stability of quality and effective agendas,
3. focus on clients and their needs,
4. organisation and management.

Thanks to the emphasis CSSA has placed on the fulfilment of its priority tasks, all agendas have now been stabilised and the deadlines for proceedings have been met. Likewise, the quality of CSSA's decision-making process is evident in the high success rate in administrative appeals or judicial proceedings and the rate of social security premium collection remains high.

As regards the priority task of "computerization", CSSA collaborated in the preparation of the new legislation effective as of 1st January 2015, which has given clients the option to communicate with social security authorities via electronic channels. It has also focused on developing the CSSA ePortal, through which it offers clients selected services and which has become one of the primary channels of electronic communication since its launch. Therefore, a further 9 services were added to the CSSA ePortal in 2014. Experience has shown that the development of this portal has led to a rise in the number of people using electronic channels to send CSSA the necessary documents, as well as people registering for electronic communication. CSSA employees in all the organisational units see the primary advantage of electronic communication particularly when dealing with clients on a personal basis. The aim is to motivate more and more clients to use electronic channels to communicate with the office. In 2014 CSSA also enhanced and modernised its central computer system, updated existing applications and continued to develop central application software.

"Stability of quality and effective agendas" was the next priority task, which CSSA focused on pension proceedings, regulations concerning sickness insurance benefits, the Medical Assessment Service (MAS) and social security premiums. The administrative deadlines were met as regards decisions made on pension insurance benefits, including objection proceedings. More than 377 thousand decisions were issued concerning pension insurance benefits; the average time taken to settle applications for benefits was 33 days in the case of old-age pensions, 56 days for disability pensions and 30 days for survivor pensions. In objection proceedings CSSA dealt with 13 251 objection cases. The average time taken to settle these objection cases as of the end of 2014 was 50 days in cases involving a health assessment, and 24 days in cases in which no health assessment was carried out. As regards pension insurance, the time needed to valorise pensions was reduced in 2014 and all (approx. 2 200) applications for the topping up of pensions for beneficiaries of Czech and Slovak old-age pensions were settled during the year. Despite the rise in the number of sickness insurance benefits due to changes to the legislation, 99.9 % of sickness insurance cases were settled, i.e. benefits paid by the 15th day of temporary incapacity for work, by the 30-day deadline stipulated by law. In 2014 CSSA processed over 2.7 million sickness insurance benefits. CSSA did not lose a single court case concerning decisions on sickness insurance.

As a result of changes in the legislation (proceedings concerning the granting of disability ID cards and the assessment of physically disadvantaged persons), the Medical Assessment Service saw a considerable increase in its agenda in 2014. This was apparent in the number of assessments carried out against the previous year (an increase of more than 30 000 cases). In 2014 MAS doctors performed a total of 433 483 health assessments, 59.6 % of which were assessments for non-insurance systems and 40.4 % were assessments for insurance systems. In 2014 there was a considerable increase in the agenda concerning health assessment for the granting of a disability ID card, by 186 %. In relation to the change in the legislation, involving the reintroduction of the status of physically disadvantaged person, a total of 3 906 assessments were carried out for these purposes from 1 August to 31 December 2014. Despite the rise in the number of assessments, the CSSA Medical Assessment Service managed to greatly reduce the time needed to process them (by an average of 9.5 days), which is due to hard work aimed at improving and clarifying the health assessment criteria.

When evaluating the collection of premiums, the following figures should be stated: in 2014 total premium billing amounted to CZK 375.7 billion and the total amount collected was CZK 373.3 billion; the success rate for collecting premiums was 99.4 %.

The third of its priority tasks was "focus on clients and their needs". This is closely linked to the CSSA ePortal which is an important aspect of our pro-client approach. Communication with clients focused on greater use of computerization and the importance of meeting social-security-related obligations. Information was passed on to the public through personal consultations in client centres, three specialised call centres, the CSSA website and publication materials. Even in this computerized age the Client Centre continues to hold an important and irreplaceable position, as do the call centres when people contact us by telephone. This pro-client approach is essential for ensuring conflict-free communication with clients and for ensuring that their

needs are met in the proper manner. CSSA has therefore focused on boosting its employees' communication skills as well as professional know-how.

"Organisation and management" was the last, yet no less important priority task. As a procedurally managed institution, CSSA has to regularly test and optimise the flow of the processes that fall under its competence within the framework of the law. During the preparations for the implementation of the Civil Service Act proceedings at the departmental level were abolished, which considerably reduced the size of the organisational structure. Partial changes to the organisational structure were adopted in order to improve the process management system and streamline the CSSA procedural management model. Work was also focused on stabilising the Prague Social Security Administration (PSSA) as a result of the change to its organisational structure as of 1st January 2014, which brought it into line with the model used by the other regional social security administration systems. The effectiveness of these changes was evaluated after a year, and partial corrections were made where necessary. In organisational terms social security and supervisory activities were reshuffled. The optimisation process also included the merger of certain regional PSSA offices. The PSSA is now no longer subordinate to CSSA and has come under the direct control of the CSSA Branch for Prague and Central Bohemia. The fundamental change to the organisational structure has had the requisite effect, which was to ensure the consistency and quality of the individual agendas.

# Pension insurance implementation

Decisions concerning pension insurance benefits are some of CSSA's key tasks. Pension insurance benefits mean old-age pensions, all degrees of disability pensions, widows' and widowers' pensions and orphan's pensions. CSSA also passes decisions on benefits pursuant to the so-called compensation laws (bonuses or pension contributions) which are paid out as part of pensions. Decisions concerning entitlement and the amount and pay-out method for pension insurance benefits are made in accordance with the legislation applicable in the Czech Republic, pursuant to European coordination regulations and international social security agreements.

The length of disability-related proceedings in 2014 was reduced in comparison with 2013. The time taken to settle all types of pension insurance benefits was considerably less than that stipulated by the law. Other client requests were also dealt with by the deadlines stipulated by the law, such as the additional reckoning of insurance periods, applications to suspend or renew pay-outs, applications for the amelioration of the harshness of legislation or for compensation. The exception was the settlement of applications for an increase in old-age pensions (approx. 70 thousand) for other gainful activity. In 2014 there was a twofold increase in this agenda as compared to the previous year.

## Trend in time taken to process pension insurance benefits settled under national legislation as of 31 December (in days)

		2011	2012	2013	2014
Old-age pensions		53	36	31	33
Disability pensions	1st degree	111	70	60	56
	2nd degree	113	72	60	56
	3rd degree	108	69	59	56
Survivor pensions	widowers'	37	29	27	29
	widows'	36	29	27	29
	orphans'	49	35	32	33
<b>Total</b>		<b>59</b>	<b>42</b>	<b>36</b>	<b>36</b>

The CSSA international pension agenda continues to grow, with new international social security agreements coming into force with India and the Russian Federation. One plus point is the fact that the length of proceedings is still being cut further in the agenda with an international element. The pension agenda with an international element plays an ever more important role in the decision-making process concerning pension insurance benefits. The international element (i.e. the application of European coordination regulations and international social security agreements) makes this agenda more complex and therefore more time-consuming than decisions passed in the context of the national legislation. Besides the necessary communication with insurance providers abroad, generally through the standardised European or bilateral forms, a range of circumstances also need to be investigated.

In 2014 CSSA received a total of 16 680 pension benefit applications with an international element (these are applications for a Czech pension, which, due to the insurance period accumulated abroad in another member/agreement state, must also be assessed pursuant to the EU coordination regulations or the relevant bilateral agreement) and another 90 thousand or so queries relating to international pension management. Of these, in 2014 CSSA received and processed a total of 2 264 applications for the topping up of pensions for certain beneficiaries of Czech and Slovak old-age pensions.

## Number of pension applications received as of 31 December

		2011	2012	2013	2014
Applications filed	under national legislation	244 770	168 463	175 134	187 608
	with an international element	18 033	15 258	16 382	16 680
<b>Total</b>		<b>262 803</b>	<b>183 721</b>	<b>191 516</b>	<b>204 288</b>

## Pay-out of pensions

As of 31 December 2014 a total of 1 241 805 pay-outs were made through the Czech Post pension service. There has been a constant decline in this form of pay-out in recent years, while the number of non-cash pay-outs has increased. As of 31 December 2014 a total of 1 559 740 pension pay-outs were credited to bank accounts (there have been more cash pay-outs since 2012). In the Czech Republic pensions are paid out in these two basic ways, in line with our clients' needs. CSSA also pays pensions out to social services facilities, provided that the client is housed in one of these facilities and agrees to this form of pay-out. There has been a slight increase in the total number of monthly pension pay-outs in the Czech Republic. As of 31 December 2014 the main pension records showed a total of 2 840 498 pay-outs.

As of January 2014 the amount of all pensions paid out is governed by MoLSA Decree No. 208/2014 Coll., on the corresponding proportion of the valorisation increase. Pension supplements have also been modified under MoLSA Decree No. 209/2014 Coll., on the corresponding proportion of the valorisation increase.

## Number of pensioners and pensions as of 31 December

	2011	2012	2013	2014
Number of pensioners	2 873 004	2 866 056	2 857 856	2 863 210
of whom				
women	1 733 924	1 725 359	1 715 906	1 715 731
men	1 139 080	1 140 727	1 141 950	1 147 479
Number of pensions paid	3 501 402	3 493 544	3 482 237	3 485 257
of which				
old-age	2 340 147	2 341 220	2 340 321	2 355 144
disability	445 033	438 509	433 414	428 298
survivor	716 222	713 815	708 502	701 815

*Note: The numbers of pensioners and paid-out pensions are for the CR, i.e. not including pay-outs made abroad or non-standard pay-outs.*

## Average amount of old-age pension as of 31 December (in CZK)

	2011	2012	2013	2014
Men	11 700	11 948	12 150	12 259
Women	9 584	9 782	9 955	10 050
<b>Total</b>	<b>10 552</b>	<b>10 778</b>	<b>10 970</b>	<b>11 075</b>

*Note: This is the old-age pension only, with no overlap with other pension types, e.g. widow's pension.*

Pay-outs of pensions abroad continue to rise. In recent years the number of these payments has increased by 30 thousand to a total of approximately 84 thousand. Most pensions are traditionally paid out to Slovakia (around 27 thousand), followed by pay-outs to the Federal Republic of Germany (approximately 18 thousand) and to Poland (roughly 14 thousand pensions paid out).

## Trend in the number of pensions paid out abroad as of 31 December

	2011	2012	2013	2014
Pay-outs abroad	66 689	75 157	80 173	84 252

### Pensions paid out abroad, by state

State	Number of pensioners	State	Number of pensioners
Algeria	2	Macedonia	412
Andorra	2	Malaysia	1
Argentina	5	Mali	1
Australia	2 176	Malta	6
Belgium	134	Morocco	2
Belarus	3	Mexico	10
Bolivia	5	Moldova	14
Bosnia and Herzegovina	123	Monaco	1
Brazil	13	Namibia	1
Bulgaria	2 047	Netherlands	489
Montenegro	40	Norway	109
Denmark	115	New Zealand	23
Dominican Republic	2	Pakistan	1
Egypt	2	Panama	1
Estonia	2	Paraguay	3
Ethiopia	1	Peru	1
Philippines	7	Poland	14 068
Finland	22	Puerto Rico	2
France	702	Portugal	11
Chile	8	Austria	2 670
Croatia	285	Kosovo	2
Indonesia	10	Romania	28
Iraq	1	Russia	9
Iran	2	Greece	1 879
Ireland	31	Seychelles	1
Iceland	2	Slovakia	27 053
Italy	284	Slovenia	148
Israel	118	United Arab Emirates	2
Japan	17	Federal Republic of Germany	18 035
South Africa	55	Serbia	311
Cameroon	2	Syria	1
Canada	3 643	Spain	172
Colombia	1	Sweden	1 369
Costa Rica	5	Switzerland	3 243
Cuba	4	Thailand	8
Kuwait	3	Tunisia	2
Cyprus	24	Ukraine	507
Liechtenstein	6	Uruguay	2
Lithuania	8	USA	2 814
Latvia	5	Great Britain	693
Luxembourg	27	Venezuela	5
Madagascar	1	Vietnam	10
Hungary	187	<b>Total</b>	<b>84 252</b>

Note: Figures as of 31 December 2014

### Pay-out of pensions with an execution deduction

The agenda of execution deductions from pension insurance benefits continues to increase. While 70 997 pensions with an execution deduction were paid out in 2013, as of 31 December 2014 the figure was 75 315. The number of submissions received by CSSA in connection with the execution agenda also continues to rise. During 2014 CSSA received a total of 1 022 thousand of these submissions (in 2013 the figure was 947 thousand), which is an increase of 75 thousand.

There has also been an increase in the number of cases in insolvency; 21 221 of these are recorded as of 31 December 2014, and this agenda is increasing by approx. 600 cases per month.

During the year in question CSSA recorded almost 353 thousand cases in which execution-related issues have been resolved in the past or are still being dealt with. There were roughly 63 thousand cases more than in 2013. Despite this increase, the execution agenda was handled swiftly and steadily throughout the year.

### Trend in pay-out of pensions with an execution deduction as of 31 December

	2011	2012	2013	2014
Pensions with execution deduction	60 874	67 614	70 997	75 315

### Trend in number of submissions received in connection with execution agenda as of 31 December

	2011	2012	2013	2014
Trend in number of submissions received	778 000	864 000	947 000	1 022 000

A significant part of the execution agenda involved providing information to executors and other authorised persons. Information is mostly provided to executors through electronic channels. In 2014 2.7 million submissions were received and processed in this manner.

### Deciding Appeals and Legal Proceedings

A total of 13 383 objections were filed in the period from 1 January 2014 to 31 December 2014. The objection agenda has remained steady during the last four years in terms of the number of objections filed. The filing of objections is a standard remedial measure in administrative proceedings against the decision of a social security authority in matters of pension insurance. These cases are decided on by CSSA, which may also decide to the detriment of the party to the proceedings. Objection proceedings are essential before a case can be heard in court if a suit is filed at a later date.

Most first instance decisions in objection proceedings were acknowledged in 2014, specifically in 64.5 % of cases. 28.2 % of decisions were amended or revoked. CSSA reported a significant proportion of instance decisions in proceedings were the result depended on a health assessment. In 2014 79.6 % of decisions were confirmed in these cases, and the decision was amended or revoked in just 20.4 % of cases. These figures were essentially similar to those for 2013.

During 2014 CSSA received 1 507 new claims. These were predominantly disputes over benefits paid out due to long-term poor health. The composition substantive disputes was virtually identical to that of previous years – most frequently concerning insurance periods, childcare, the assessment of records at the Labour Office, the duty to pay back overpayments. As usual, in 2014 the CSSA success rate in judicial disputes was high, in line with the average for the last few years. A total of 669 disputes were completed, with a nationwide success rate of 81%. CSSA lost the case in a mere 19 % of disputes.

In 2014 13 proceedings on cassation complaints filed with CSSA were completed – CSSA succeeded in six of these cases; in six cases the proceedings were suspended by the Supreme Administrative Court, and only one case was lost by CSSA. A total of 77 cassation complaints were filed in 2014; 74 of these cases were won by CSSA, with the claimants winning in a mere three cases.



# Sickness insurance implementation

Four types of sickness insurance benefit are paid out to employees – sickness benefit, maternity benefits, attendance allowance and compensatory benefits in pregnancy and maternity. These benefits are processed and paid out by the district social security administration (the Prague SSA in Prague, Municipal SSA in Brno – DSSA) from the 15th day of temporary incapacity for work. More than 2.7 million sickness insurance benefits were processed in 2014. Most of these were sickness benefits (67.8 %), followed by maternity benefits (19.2 %) and attendance allowance (13 %). Compensatory benefits in pregnancy and maternity comprised a negligible amount (less than 0.1 %). In comparison with 2013, when almost 2.5 million benefits were processed, in 2014 the figure was 298 thousand more, which was an increase of almost 12 %. The year-on-year rise in the number of benefits processed is primarily due to the termination of the transitional period (from 1 January 2011 to 31 December 2013), when employers paid employees wage compensation for up to three weeks of temporary incapacity for work. As usual, most sickness insurance benefits were processed in March, which was the result of the prevalence of respiratory disorders, which tend to increase during the cooler months of the year.

In 2014 CSSA and DSSA focused particularly on meeting the deadlines set by law for the processing of sickness insurance benefits. 99.9 % of benefits were processed by the 30-day deadline set by law. During the year as a whole only 0.01 % of benefits were processed after this deadline. In comparison with previous years processing quality continues to improve, a fact which is also due to analyses of cases that took more than 30 days to process.

## Number of sickness insurance benefits processed and time taken to settle them as of 31 December

		2011	2012	2013	2014
Number of benefits processed, total		2 542 386	2 371 285	2 487 658	2 786 089
of which	sickness	1 678 866	1 524 226	1 588 891	1 888 113
	MB	567 052	543 462	534 978	534 628
	attendance allowance	295 067	301 860	362 183	360 833
	CBPM	1 401	1 737	1 606	2 515
Proportion of benefits processed (%)	up to 10 days	86.25	91.79	90.83	88.50
	11 – 30 days	13.47	8.17	9.15	11.49
	total of up to 30 days	99.72	99.96	99.98	99.99
	over 30 days	0.28	0.04	0.02	0.01

Note: MB – maternity benefits; CBPM – compensatory benefit in pregnancy and maternity

## Execution deductions from sickness insurance

During the last few years sickness insurance has also included the agenda of deductions from sickness insurance benefits due to execution and insolvency. Once again, in 2014, as in 2013, there was a sharp rise in the number of these deductions. An average of 7 390 deductions were made in 2014. The total number of these deductions during the year was 88 682, exceeding the number of deductions made in 2013 by more than 43 %. Ultimately, therefore, the rise in the number of deductions from sickness insurance benefits due to execution and insolvency greatly increased CSSA's workload, yet even so, benefits, including those with deductions, were paid out on time as usual.

## Numbers of execution and insolvency deductions from sickness insurance benefits as of 31 December

	2012	2013	2014
Sickness benefits with an execution and insolvency deduction	44 020	61 745	88 682

# Collecting Social Security Insurance Contributions

The collection of social security premiums and contributions to the state employment policy is one of CSSA's key activities. By doing so, CSSA contributes 1/3 of its income to the state budget. In 2014 total premium billing amounted to CZK 375.7 billion and the total amount collected was CZK 373.3 billion (income from sickness insurance and pension insurance premiums and contributions to the state employment policy).

## Trend in overall premium and accessories collection success rate as of 31 December (in million CZK)

	2012	2013	2014
Premium billing	365 615	366 221	375 670
Waived penalties	169	200	166
Premium billing adjusted by waived penalties	365 784	366 421	375 835
Amount collected	362 097	362 758	373 273
Collection success rate (%)	99.0	99.1	99.4
Collection success rate adjusted by write-off of irrecoverable receivables (%)	99.0	99.0	99.3

*Note: As of 2012 the write-off of irrecoverable receivables is recorded on separate cost account 557, although waived penalties remain part of account 633 (premium billing including accessories). The table shows two premium collection success rates, one based on the normal premium and the other billing adjusted by waived penalties.*

## Receivables from social security premiums

As of 31 December 2014 CSSA reported receivables from premium payers amounting to a total of 63.9 billion CZK., which comprised:

- debts on premiums 58.4 %.
- debts on penalties 39 %.
- debts on fines 0.3 % a
- receivables in instalment schemes 2.4 %.

In 2014 receivables increased by 489 million CZK, which is a rise of 0.8 % against 2013.

**Structure of receivables**  
(in million CZK)

Payers		Receivables					Percentage (%)
		premiums	penalties	finances	other	total	
Deregistered payers	Self-employed - pension insurance	5 629	2 316	56	-	8 001	
	Employers	16 012	16 417	67	-	32 496	
	Total	21 641	18 733	123	-	40 497	63,41
Non-deregistered payers	Self-employed - pension insurance	7 739	2 302	18	-	10 059	
	Employers	7 911	3 871	12	-	11 793	
	Total	15 650	6 173	30	-	21 853	34,22
Instalments	Self-employed - pension insurance	-	-	-	435	435	
	Employers	-	-	-	1 082	1 082	
	Total	-	-	-	1 517	1 517	2,38
Sum total	Self-employed - pension insurance	13 368	4 618	74	435	18 495	
	Employers	23 923	20 288	79	1 082	45 372	
	Total	37 291	24 906	153	1 517	63 867	100,00
Percentage (%)		58.39	39.00	0.24	2.38	100	

Note: Figures as of 31 December 2014. The individual items are mathematically rounded to millions of CZK, which is why their subsequent sum totals do not match the totals of the displayed (rounded) figures.

**Recovery and legal security of insurance premium receivables**

In 2014 DSSA used all available legal means of administrative execution for the recovery and legal security of receivables, including receivables with an international element. CSSA receivables were also submitted and claimed in insolvency proceedings.

In 2014 a total of 153 268 cases of enforceable title were recovered in administrative execution proceedings, which is around 4.2 % more than in 2013. During the year in question the amount of receivables recovered in administrative execution rose by 3.54 % and receivables amounting to roughly CZK 2.8 billion were recovered. This sum made up 32.2 % of the total sum recovered in this period. The consistent approach adopted by CSSA meant that only slightly less was recovered than in 2013, as a result of the lingering economic crisis. During the year in question a total of CZK 28.5 million was paid in execution costs (in 2013 the figure was CZK 25.2 million).

In 2014 5 188 receivables were registered for insolvency proceedings, which is 1 561, i.e. 43 % more than in 2013. Of these, 1 052 receivables were settled in bankruptcy. The number of receivables settled through debt discharge was double the figure for 2013. During the year in question 513 insolvency proceedings were completed, with CZK 64.6 million paid, i.e. 3.8 % of the total volume of registered receivables.

In 2014 CSSA received 116 applications for assistance in the recovery of receivables from EU member states. The amount of receivables recovered for which EU member states requested assistance from CSSA fell to 15.9 million in 2014, which is 33 % less than in 2013. In contrast, the amount recovered was CZK 304 thousand, i.e. 55 % more than in the previous year. In 2014 CSSA sent a total of 73 applications for assistance in the recovery of receivables in other EU member states, the amount of which fell by CZK 5.6 million in 2014. Despite this, during the period in question the sum of CZK 325 thousand was recovered, which is an increase of 380 % in comparison with 2013, when CZK 67.5 thousand was recovered.

# Social security inspections

Inspections are an important part of CSSA's work and focus on compliance amongst both employers and policyholders.

## Inspections of compliance with employers' obligations

Inspections of compliance with employers' obligations in relation to pension and sickness insurance and their duties as payers of social security premiums and contributions to the state employment policy are carried out by DSSA in accordance with the appropriate legislation. A total of 106 104 inspections were carried out at employers in the calendar year 2014, which is an average of 421 inspections per day. Of these, 19 203 inspections were unplanned. These inspections are carried out particularly due to the dissolution of the inspected entities.

In 2014 employers presented a total of 6 694 188 wage sheets for inspection; other source documentation and accounting records also had to be checked. These inspections found outstanding premiums amounting to CZK 34.7 million and premium overpayments of CZK 52.2 million. These inspection findings resulted in the issue of 2 741 payment assessments, which ordered the payment of premiums owed and penalties amounting to CZK 41.4 million, CZK 31 million of which comprised premiums owed and CZK 10.4 million consisted of penalties. A total of 1 406 fines amounting to CZK 4.2 million were imposed on employers for failure to comply with their duties, particularly reporting obligations and the duty to keep pension insurance records. 1 041 corrective measures were imposed to remedy shortcomings detected in 829 inspections.

## Social security inspections of employers in 2014

Region	Number of inspections	Number of payment assessments issued	Amount of payment assessments issued (in thousand CZK)			Fines imposed	
			Premiums owed	Penalties	Premiums + penalties	Number	Amount (in thousand CZK)
City of Prague	23 736	423	9 800	3 540	13 340	46	228
South Bohemia	6 092	189	1 496	366	1 862	13	64
South Moravia	11 438	268	4 528	1 469	5 997	50	104
Karlovy Vary	2 681	111	906	170	1 076	112	205
Hradec Králové	5 155	185	1 711	346	2 057	170	328
Liberec	3 731	101	745	245	990	122	395
Moravia-Silesia	10 267	271	1 419	288	1 708	96	355
Olomouc	5 980	136	997	253	1 250	78	331
Pardubice	4 619	201	1 630	420	2 050	227	433
Plzeň	5 055	135	1 156	331	1 486	119	393
Central Bohemia	11 136	308	3 866	1 750	5 616	38	175
Ústí nad Labem	6 405	159	1 534	902	2 436	158	522
Vysočina	4 087	83	346	94	440	44	127
Zlín	5 722	171	844	201	1 045	133	519
<b>Total</b>	<b>106 104</b>	<b>2 741</b>	<b>30 978</b>	<b>10 375</b>	<b>41 353</b>	<b>1 406</b>	<b>4 179</b>

Note: Figures as of 31 December 2014.

### Inspections of policyholders' compliance with temporary incapacity for work regimen

In 2014 staff checking policyholders' compliance with their temporary incapacity for work regimen carried out a total of 167 744 inspections, i.e. approximately 22 000 more inspections than in 2013. In 2014 3 391 administrative decisions on the curtailing or revoking of sickness benefits were issued due to breaches of temporary incapacity for work regimens by policyholders.

### Indicators of inspections of compliance with temporary incapacity for work and temporary incapacity for work regimen

Indicator	Number
Number of inspections of compliance with temporary incapacity for work regimen	167 744
Penalties imposed <sup>*)</sup>	3 391
Breach of treatment regimen	4 468
Completed cases of temporary incapacity for work	1 285 642
Number of days missed	57 542 021
Average duration of 1 case of temporary incapacity for work (in days)	44,76
Cases of temporary incapacity for work terminated by a DSSA decision	982

<sup>\*)</sup> Number of decisions issued on the curtailing or revoking of sickness benefits.

Note: Figures as of 31 December 2014.

DSSA – District Social Security Administration (Prague Office in Prague, Municipal Office in Brno)

During 2014 assessment doctors prepared a total of 177 988 inspections evaluating temporary incapacity for work at attending physicians. On the basis of these inspections they compiled a total of 1 043 assessments for DSSA decisions concerning the termination of temporary incapacity for work.

CSSA saw an annual decrease of roughly 3 % in the number of terminated cases of temporary incapacity for work, with the figure falling to 1 285 642. This decline is evident in all regions of the Czech Republic, with the exception of the Plzeň and Karlovy Vary regions. In contrast, there was an increase in the number of days missed. The average duration of one case increased by 1.5 days in 2014. The trends in the figures for the individual regions of the Czech Republic varied.

# Medical Assessment Service Activities

In 2014 the DSSA MAS processed a total of 425 640 assessments (32 041 more than in 2013) for the purposes of providing social security benefits and services due to long-term poor health, and processed 7 843 assessments in objection proceedings. This means that the assessment doctors prepared a total of 433 483 assessments, of which 167 128 were for benefits provided by CSSA (premium systems) (1 061 more than in 2013) and 258 512 for non-insurance social security systems (which is an increase of 30 980 assessments against 2013).

In 2014 the CSSA Medical Assessment Service continued to focus on managing the sharp rise in the number of applications for assessments for non-insurance systems (a 186% increase in the case of disability ID cards), on cutting the time taken to process assessments, and also on health assessments for so-called premium systems (assessing infirmity and temporary incapacity for work). In 2014 it also focused on implementing the legislative change brought about by the amendment to Act No. 435/2004 Coll., on Employment, as amended. From 1 August 2014 MAS again started to carry out health assessments in order to grant the status of physically disadvantaged persons. From August 2014 to the end of the year a total of 3 906 assessments were processed in order to grant the status of physically disadvantaged persons, with the application accepted in 3 586 cases (91.9 %) and denied in 320 cases (8.2 %).

## Assessments carried out by MAS by type as of 31 December

	2011	2012	2013	2014
Ascertaining disability examinations	51 763	51 490	48 837	51 218
Check-up examinations for disabilities and changes to disability degrees	106 541	112 408	100 581	95 903
Objection proceedings in pension insurance	10 589	9 394	7 836	7 843
Assessment of children due to long-term poor health	364	206	148	186
Extension of pay-out of sickness insurance benefits	13 566	15 023	16 520	18 931
Appeals against termination of temporary incapacity for work	-	-	-	840
<b>Premium systems total</b>	<b>182 823</b>	<b>188 521</b>	<b>173 922</b>	<b>174 921</b>
Physically disadvantaged persons	9 189	1 899	-	3 906
State social support	13 923	1 047	-	-
Assessments for special benefits and other assessments for social care	97 395	13 953	-	-
Mobility contribution	-	37 400	36 707	5 117
Contribution for medical aid	-	10 369	12 583	13 621
Disability ID card	-	23 917	34 085	97 528
Assessment of degree of infirmity	133 285	156 170	144 085	138 390
<b>Non-insurance systems total</b>	<b>253 792</b>	<b>244 755</b>	<b>227 460</b>	<b>258 562</b>
<b>Sum total</b>	<b>436 615</b>	<b>433 276</b>	<b>401 382</b>	<b>432 483</b>

Note: MAS – Medical Assessment Service

# Physically disadvantaged persons

Decisions and management in matters concerning physically disadvantaged persons were assigned by law to the local DSSA, which between 1 August 2014 and 31 December 2014 received 5 141 applications for the status of physically disadvantaged persons (PDP). By the end of the year the DSSA had settled 3 963 cases (77 %) – 3 527 of which (almost 89 %) were accepted, 288 were rejected, 147 proceedings were halted due to an impediment (incomplete proceedings on the granting of a disability pension) and 35 were suspended. During the first five months of the new physically disadvantaged persons a total of 87 appeals were filed.

Physically disadvantaged persons are a special group of disabled persons; it is not disability but long-term poor health that prevents them from working. The category of physically disadvantaged persons was reintroduced (after its withdrawal in 2011) by Act No. 136/2014 Coll., which amends Act No. 435/2004 Coll., on Employment, Act No. 582/1991 Coll., on Social Security Organisation and Implementation, and Act No. 51/2005 Coll., on Labour Inspection. The new legislation established the dual efficacy of the amendment, as of 1 January 2015, with the exception of the second part, which came into effect on the first day of the calendar month following the declaration of Act No. 136/2014 Coll., i.e. from 1 August 2014. On 1 August 2014 CSSA began to hold proceedings in matters concerning physically disabled persons, based on applications filed by citizens. However, this did not grant citizens with the status of PDP any entitlement to monetary contributions or benefits.

# Compensation pursuant to special legislation

One specific agenda for CSSA is decision-making concerning benefits pursuant to the so-called compensation laws (supplements or contributions to pensions) paid out together with and as part of pensions.

In terms of compensation, CSSA continued in the implementation of Act No. 357/2005 Coll. and Government Regulation No. 622/2004 Coll., particularly in relation to new pension applications filed by persons damaged by totalitarian regimes. CSSA also continued to handle applications for one-off lump sums according to the applicable laws, where proceedings were still incomplete due to the complexity of the case and the difficulty of furnishing proof. CSSA also issued decisions concerning applications for pensions to be adjusted pursuant to Act No. 262/2011 Coll., on Participants in the Anti-Communist Opposition and Resistance, which sets forth the conditions for adjusting pensions to the set minimum for the persons specified in this Act.

Pursuant to Act **No. 217/1994 Coll.**, one-off lump sums are provided to certain victims of Nazi persecution.

Pursuant to Act **No. 39/2000 Coll.**, one-off lump sums are provided to members of the Czechoslovak foreign armies and allied armies between the years 1939 and 1945.

Pursuant to Act **No. 172/2002 Coll.**, one-off lump sums are provided to persons abducted to the USSR or to camps set by the USSR in other states. No pay-out was made under this Act in 2014.

Pursuant to Act **No. 261/2001 Coll.**, one-off lump sums are provided to participants in the national liberation struggle, political prisoners and persons interned in military work camps on racial or religious grounds. In 2014 this one-off lump sum was paid out to 15 persons to the total value of CZK 251 thousand.

Pursuant to Government Regulation **No. 622/2004 Coll.**, a pension supplement is paid to mitigate some of the social injustices caused by the communist regime. In December 2014 this pension supplement was paid to 5 372 persons. A total of CZK 133 million was paid out for this purpose during the whole of 2014.

Pursuant to Act **No. 357/2005 Coll.**, a payment is made to participants of the national resistance in the establishment and liberation of Czechoslovakia and some of their survivors, a special pension contribution is paid to certain persons, and a one-off lump sum is paid to certain participants in the national struggle for liberation between the years 1939 and 1945. In December 2014 this pension supplement pursuant to Act No. 357/2005 Coll. was paid out to 8 675 persons and a special pension contribution was paid to 16 871 persons. A total of CZK 578 million was paid out on pension supplements and special pension contributions during the whole of 2014. In 2014 one payment of a one-off lump sum was made amounting to CZK 10 000.

Pursuant to Act **No. 108/2009 Coll.**, a one-off lump sum is provided to replace the supplement and special pension contribution. In 2014 this one-off lump sum was paid out to 11 persons to the total value of CZK 4.4 million.

Pensions were adjusted pursuant to Act **No. 262/2011 Coll.** in 17 cases in 2014.



# CSSA economic management

In 2014 CSSA revenues amounted to a total of CZK 373.6 billion, with total expenditure of CZK 404.6 billion. The total revenues set for CSSA by the budget in 2014 amounted to CZK 373.2 million. Tax revenues for 2014 were set at CZK 372.7 billion. Actual tax revenues amounted to CZK 372.89 billion, which is 100.1 % of budget implementation. In 2014 CSSA collected CZK 333.0 billion in pension insurance premiums, i.e. CZK 9.3 billion more than in the same period in 2013 (an increase of 2.8 %). It paid out CZK 376.4 billion in pension insurance benefits. CSSA expenditure on pension insurance as of 31 December 2014 exceeded revenues from pension insurance by CZK 43.4 billion. CSSA collected a total of CZK 26 billion from sickness insurance premiums, i.e. CZK 0.8 billion more than in the same period in the previous year (an increase of 3.2 %). Expenditure on sickness insurance benefits amounted to CZK 22.1 billion. As of 31 December 2014 CSSA revenues from sickness insurance exceeded expenditure by CZK 3.9 billion.

## Expenditure on pension insurance benefits as of 31 December<sup>\*)</sup> (in million CZK)

	2011	2012	2013	2014
Old-age pensions	284 614	295 140	300 574	305 668
Disability pensions for 3rd-degree disability	29 504	28 067	26 903	26 062
Disability pensions for 2nd-degree disability	5 116	5 250	5 457	5 608
Disability pensions for 1st-degree disability	12 831	12 159	12 140	12 025
Widows' pensions	21 483	21 463	21 398	21 210
Widowers' pensions	2 385	2 443	2 505	2 540
Orphan pensions	3 301	3 341	3 358	3 294
<b>Total</b>	<b>359 234</b>	<b>367 864</b>	<b>372 335</b>	<b>376 406</b>

<sup>\*)</sup> The advance payment from December of the previous year is added to pensions and the advance payment for January of the following year is deducted.

Note: Expenditure on the individual items is rounded off to millions of CZK, which is why the resulting sum total might not match the simple sum of the figures.

## Expenditure on sickness insurance benefits as of 31 December (in million CZK)

	2011	2012	2013	2014
Sickness	13 354	11 465	12 035	13 881
Maternity benefits	7 506	7 224	7 258	7 334
Attendance allowance	640	682	843	854
Compensatory benefit in pregnancy and maternity	6	7	7	9
<b>Total</b>	<b>21 505</b>	<b>19 377</b>	<b>20 143</b>	<b>22 077</b>

Note: Expenditure on the individual items is rounded off to millions of CZK, which is why the resulting sum total might not match the simple sum of the figures.

## Operations and asset management

From the beginning of 2014 CSSA continued in the implementation of strict austerity measures. It succeeded in this, despite 2014 being the fourth year of the continuing implementation of the "Development and Renewal of the Material and Technical Base of the Czech Social Security Administration 2011–2015" programme. As of 31 December 2014 CZK 563.5 million was transferred to the CSSA budget for programme funding, intended to fund the subprogrammes "Acquisition and Renovation of CSSA ICT" (CZK 339.3 million) and "Acquisition and Renovation of CSSA Assets" (CZK 224.2 million). 2014 saw the completion of construction investment projects - reconstruction of the outer shell of the DSSA building in Ústí nad Orlicí, extension of a garage, completion of the construction of the archive in the DSSA building in České Budějovice, reconstruction of the gas boiler room in the DSSA building in

Ústí nad Orlicí, completion of the gas boiler room, including connections, in the DSSA building in Louny, purchase of a building and land by DSSA Ústí nad Labem, and reconstruction of courtyard, handling and parking areas on DSSA land in Znojmo. Small-scale machinery-related investment projects were also completed, worth a total of CZK 1 million. Most of these projects were still in the phase of preparing the project documentation and tenders for contractors. These were multiannual projects that will continue in the coming years.

Material expenditure, including separately channelled items and projects co-funded from the EU, was aimed at financing CSSA activities within the approved budget of CZK 1.34 billion, CZK 0.09 million of which was for projects co-funded from the EU. CZK 1.34 billion was set aside for funding net material expenditure, comprising only 72.9 % of the amount drawn from the budget in 2013. This situation was resolved through the implementation of budgetary measures in the second half of the year, with an increase in budgetary funds for material expenditure. This laid the groundwork for funding operations until the end of the year and enabled CSSA to fulfil its priority tasks. The final budget for material expenditure amounted to CZK 1.58 billion as of 31 December 2014.

### Operating expenses as of 31 December (in million CZK)

	2011	2012	2013	2014
Finance for asset replacement	245	318	435	305
Total administrative expenditure	5 210	5 160	4 955	4 801
of which				
wages and other personnel costs	2 282	2 259	2 277	2 382
premiums, cultural and social needs fund and reimbursements	806	805	812	842
material expenditure	2 121	2 096	1 866	1 577
of which: territorial workplaces	420	399	489	541
<b>Total operating expenses</b>	<b>5 455</b>	<b>5 478</b>	<b>5 390</b>	<b>5 106</b>

*Note: Expenditure on the individual items is rounded off to millions of CZK, which is why the resulting sum total might not match the simple sum of the figures.*

In 2014, in accordance with Act No. 136/2006 Coll., the Public Procurement Act, as amended, a total of 10 public contracts were announced pursuant to Section 27 (open tenders), two of which were cancelled, 11 public contracts were announced Section 28 (closed tenders), one of which was cancelled, 7 public contracts were announced pursuant to 34 (negotiated procedures without publication), 7 public contracts were announced pursuant to Section 38 (simplified sub-limit procedures), three of which were cancelled, and one public contract was announced pursuant to Section 22 (negotiated procedure with publication), which was cancelled. Therefore, a total of 36 public contracts were announced, 7 of which were cancelled.

# Staffing

## Employees

A specific feature of the employee structure at the CSSA is the high proportion of women, who made up 88.6 % of the total number of employees in 2014. This fact is reflected in the average of 7 % women exempted and covered by replacements on fixed-term contracts while on maternity and parental leave or with time off to care for a child up to the age of 4 years old.

In recent years the age structure of CSSA has remained virtually unchanged. The largest age group consists of employees between the ages of 51 and 60 (27.8 %) and employees between the ages of 41 and 50 (27.7 %). The qualification structure remains stable, while the largest category of employees comprises people with secondary school education (64.6 %). In 2014 there was a 1 % increase in the proportion of university-educated employees. Due to the specifics of the work and the way in which positions are classified into pay scales it would seem important to increase the number of employees with higher vocational and university qualifications and recruit more employees within the 21 to 30 age bracket.

## Structure of employees by education

Level of education	Total	Proportion (%)
Basic	118	1.3
Skilled	440	4.9
Full secondary vocational	5 784	64.6
Higher vocational	228	2.5
University	2 378	26.6
<b>Total</b>	<b>8 948</b>	<b>100.0</b>

*Note: Figures as of 31 December 2014.*

The basis for CSSA employees' professional training comprised special educational programmes designed in line with the Rules of Education of Employees in Public Administrative Offices, focusing on the development of key competencies for the various different employee groups. Due to the extensive amendments to the new Civil Code, which affected a number of the CSSA agendas, CSSA collaborated with the Lawyers' Institute for Lifelong Learning of the Faculty of Law of Charles University in Prague to hold a two-term course on the new Civil Code. In order to develop managerial skills amongst top and middle management the Faculty of Business Administration of the University of Economics in Prague (VŠE) provided a course in management skills taught by the university's lecturers. In 2014 cooperation also commenced with the VŠE Faculty of Informatics and Statistics, and an educational programme for selected employees focusing on the management, maintenance and connectivity of public administration data as part of a project implemented jointly with CSSA, entitled "Publication of Statistical Yearbook Data in the Open Data Standard", was held in the same year.

In-house training programmes for employees were backed up by supporting agendas including specialised courses held by external training entities. CSSA also devoted considerable attention to seminars on the topic of public procurement, focusing particularly on the practical impact of the amendment to the Public Procurement Act and the new Civil Code. These training courses were mostly held in special teaching centres and training premises.

# Data base administration

CSSA continually updates its database of policyholder identification details, removing any duplicates and errors so as to keep policyholders' data as secure as possible, which is essential for search for data in all the CSSA databases and for quickly handling clients' requirements. The database is mostly updated with automated data from the Basic Registers. In 2014 standard processing work made 418 672 changes and corrections to policyholder identification details. In 2014 there was a considerable reduction in the number of corrections made in comparison with the previous year, which is proof that the quality of data recorded is increasing. CSSA also initiates the allocation or review of personal identification numbers by the Ministry of the Interior of the Czech Republic, or allocates its own number to identify people for social insurance purposes, this number being the Policyholder Record Number.

As regards digitisation, CSSA finalised the creation of its individual policyholder accounts, which contain an overview of insurance periods, substitute periods, assessment bases and excluded periods. This is the culmination of several years of effort to create a centralised pension insurance data base, involving the collection of millions of data, checking everything, and unifying it in the form of uniform data sets. The account contains almost 150 million digitised items of entitlement-related documentation. The groundwork was also laid for providing policyholders with access to their details through the CSSA ePortal.

In 2014 CSSA processed 943 090 paper registration and deregistration forms from employees relating to sickness insurance and starting work notifications, and 2 226 257 forms were received electronically. The assistant on the control line processed 140 010 of these conflicting documents as compared to documents otherwise processed by the automated system. There were 918 000 annual pension insurance records (APIR) processed in forms, of which 643 282 were APIR for 2013, when employment continued until after 31 December 2013. However, 4 665 241 APIR were received electronically. In addition to the annual APIR, CSSA also processed 721 202 record sheets and other documents submitted with new applications for pension insurance benefits or filed in the pension insurance benefit records. 968 945 APIR were processed by extracting data from electronic images. During the last 10 years the number of electronic forms received has risen from less than 50 % to almost 84 %, from a total of roughly 5.6 million APIR. This automation is seeing an upward trend.

When complying with its information-related duties, in 2014 CSSA provided information from the policyholders' register most often to the courts (16 659), the Czech Police (11 904), and other public administration authorities, e.g. customs offices, tax offices, municipal authorities, court executors, etc. (66 419). The DSSA offices also played a major role in this. The vast majority of these submissions in 2014 were in the form of data messages sent via the data box information system.

Due to its competence in the granting of pension insurance benefits, information about 3 881 members of the country's armed forces was passed on from CSSA records to the Ministry of the Interior, Ministry of Defence and the Ministry of Justice in 2014.

# Information and communications technology

In 2014 the CSSA integrated information system (CSSA IIS) continued to focus primarily on the automated support of CSSA processes and the use of modern technology as part of its activities. CSSA holds a certificate for the long-term management of public administration information systems, which is valid until 10 October 2018. The successful completion of the certification procedure is a reflection of CSSA's professional approach and proof that clear rules are in place for the provision of high-quality, secure services through the CSSA IIS. In 2014 work continued to consolidate existing contractual relations in order to improve operational and financial management and further development priorities were defined in accordance with the information and communications technology (ICT) requirements in CSSA.

In 2014 steps were taken to significantly enhance the technical CSSA base, featuring well-developed central processing capacity, and facilities were launched enabling connection to the communications network and the Internet (so-called demilitarized zone facilities with an information and communications interface). From 2014 the public can now use other services on the CSSA ePortal. The migration of e-Submissions to the new interface has been completed. A new ESB Backend bus has been put into operation as part of the necessary integration of selected operational applications.

The implementation of the "information and communications interface" project led to the creation of a central client communication database, which contains information obtained from production databases and which constitutes an important centralised data base with the potential for development in the future.

## Electronic communication

The number of people communicating with CSSA via entirely electronic channels is rising steadily. From January to December 2014 CSSA reported a rise in all electronic submissions of the prescribed forms as compared to the same period in the previous year. Employers mostly send pension insurance records in electronic form. It is important to remember that electronic communication with CSSA is in no way limited to sending electronic submissions (forms) via the data box. Electronic submissions can also be sent without using the data box, if signed by a recognised electronic signature.

## Number of submissions received, by interface type

<b>Number of e-forms received</b>		<b>13 098 979</b>
of which	- from "Data Box Information System"	1 816 390
forms	- from "Public Interface for e - Submissions"	10 325 096
received	- from other interfaces	957 493

*Note: Figures as of 31 December 2014.*

# Public Relations

During the year CSSA staff worked actively with employers, self-employed persons and doctors, providing them with the information they needed. Their priorities were to ensure that clients had access to timely and comprehensive information, with emphasis also placed on enlightenment. They provided clients with practical information on how to proceed in various different situations, clients' rights and obligations in relation to pension and sickness insurance and the conditions governing entitlement to benefits in person at client centres as well as in writing or through leaflets, publications and press releases. One well-established means of passing on information is the lecture work that CSSA and DSSA employees engage in, informing professionals and the public about the latest news in the field of pension and sickness insurance and the Medical Assessment Service at training sessions, seminars and other educational events. In an expert capacity, CSSA and DSSA representatives have also been present at a number of job fairs. Other chance for clients to find out more information in 2014 was the CSSA ePortal, an Internet application providing clients with access to specific information and services electronically from the comfort of their homes.

The CSSA client centres and specialised call centres still play a fundamental role in communication with the public. In 2014, for example, the Pension Insurance Client Centre at the Prague headquarters dealt with a total of 43 133 clients. The waiting time was an average of 2.7 minutes, while the average time taken to serve incoming clients with no appointment was 16 minutes. In terms of the different activities, from 1 January to 31 December 2014 the Client Centre dealt with 16 529 general queries relating to pension insurance, 3 094 applications for confirmation of the insurance period, 5 308 requests for confirmation of receipt and the type and amount of pensions, 1 072 queries concerning execution deductions from pension insurance benefits and 6 919 queries concerning other matters relating to pension insurance. In 2014 the staff of the Pension Insurance Client Centre also dealt with 269 inquiries about the pension reforms, 57 of which were about the second pillar of the pension system and 212 about the third pillar. Clients appreciate the fact that they were dealt with without having to queue, due to the modern ticket system. They also praised the quality and scope of the information and the professionalism with which it was provided. Since 15 May 2012 the Client Centre has also provided another service, i.e. the option to arrange a personal consultation in more complex cases of pension insurance or for an informative calculation of old-age pension. In 2015 clients showed exceptional interest in this service, which is not compulsory for CSSA, and rated it very positively. During the period in question the service was used by 2 251 clients. The average length of these arranged consultations with clients was 38 minutes.

The public is also served by the CSSA call centres, which are three specialised telephone information lines. In 2014 the Pension Insurance Call Centre, which is one of the oldest telephone information lines, dealt with a total of 200 042 telephone queries from clients. Most of the calls concerned pension pay-outs. Compared to last year there was a significant rise in the number of queries relating to pension insurance abroad. Clients were sent a total of 5 794 pension payment confirmations in response to telephone queries.

For the fifth year now CSSA has operated a call centre for sickness insurance, which clients can contact with questions and where they are given qualified answers. In 2014 this call centre worked with the various different DSSA and with CSSA methodical departments and strived to make dealings with clients more efficient. Clients appreciated the active and helpful approach taken by the staff of this workplace when dealing with their affairs, especially in cases where they found themselves in particularly difficult situations financially. During the year the system that processes the call centre's activity indicators logged a total of 122 790 calls from clients, which is more than double the figure in 2013. Of these, 78 827 conversations took place. This call centre began to see the sharpest rise in incoming calls during the last two months of 2014. Therefore, the number of calls in just those two months was the same as the average yearly number of calls in previous years.

The Technical Assistance Call Centre services clients who communicate with CSSA electronically. During the last year the specialists at this workplace assisted clients experiencing communication problems between their information systems and the CSSA information systems. They advised them about certificates (qualified certificates and the CSSA encryption certificate) and provided information not only about e-Submissions, but also on other forms of electronic submission, such as the delivery of human-readable formats to data boxes and to the CSSA electronic submissions office. In 2014 the Technical Assistance Call Centre's services were used by 30 374 clients. There was a rise of almost a third in the number of queries dealt with compared to the figure in 2013. Most of the queries were about error messages in the DIS – the system that receives and processes e-Submissions (37 % of the total number). As the number of CSSA ePortal users gradually increased, so did the number of clients contacting the call centre about problems logging in or asking for help about error messages appearing on ePortal.

The documents published by CSSA during the year were in response to the need to provide the public with clear, up-to-date information about the various different aspects of social security. Leaflets were published to answer frequently asked questions, to keep the public informed about particular topics and to provide a practical guide on how to deal with certain situations. In 2014 CSSA issued the following publications: Handbook for Future Pensioners 2014, Handbook for the Self-employed in 2014, Cash

Maternity Benefits and Parental Allowances (issued in collaboration with the Labour Office of the Czech Republic and EURES CR) and Guide to Sickness Insurance Benefits in 2014. CSSA published a leaflet entitled Mechanical Card Index to mark its upcoming 25th anniversary. Five themed information leaflets were published to keep clients better informed: "How should pension beneficiaries notify CSSA of a change of permanent address?", "How to ask CSSA to change the way in which a pension is paid out?", "How to obtain an overview of pension insurance periods registered in CSSA?", "What is voluntary pension insurance and in which cases can it be claimed?", and "What does 'status of physically disadvantaged person (PDP)' mean?". CSSA also published the "Pension Insurance Statistical Yearbook for 2013" and an electronic version of the "2013 CSSA Annual Report".

The CSSA website is an important part of the pro-client approach, and for clients is a basic source of information about the legislation covering social security and particularly about their social security entitlements and how they can be claimed. A definite advantage for clients is the fact that the CSSA website provides them with the basic know-how they need. In 2014 the number of daily visitors to the CSSA website increased by 8.2 % against 2013. As usual, most of the visits were in March, with a total of 442 930 visitors. The Czech Social Security Administration began modernising its forms with the aim of making it easier for clients to communicate with the office via electronic channels, and will continue to develop this through its ePortal. The website is also available in German, English and French.

The specialist monthly National Insurance, also published by CSSA, came out throughout the year, with an average print run of 7 000 copies. The contents of the various issues of this magazine, as well as the full texts of certain important articles, were also available to readers on the CSSA website. More than 150 main articles on the topics of social security, the Medical Assessment Service, health insurance, labour law, employment, information technology in state administration and personal development were prepared in 2014 by specialist authors, experts on specific subjects, the great majority of whom are employees of CSSA, the Ministry of Labour and Social Affairs of the Czech Republic (MoLSA) and other relevant institutions. In addition to these, there were also the popular consultations, with readers' questions answered by experts in the various different fields that form the content of the magazine. A total of 99 of these consultations were published in 2014. The answers to the competition questions concerning topical issues featured in the magazine were sent in by an average of 70 readers a month, which shows just how popular this competition is.

# Cooperation with partners abroad

## Consultation days

In 2014 CSSA continued to organise bilateral consultation days on the subject of pensions, the primary benefit of which is that clients can find out information about what they are entitled to from the Czech system, as well as from systems abroad. This is an established and popular way of finding out the necessary information about pension-related matters in the countries in question.

In 2014 the traditional Czech-German consultation days held in collaboration with the German insurance agency Deutsche Rentenversicherung (DRV) were held in Frankfurt on the Main and in Plzeň. These consultation days were attended by a record four thousand clients. Due to the success of these consultation days, the CSSA management and DRV have agreed to expand these consultation sessions for clients, and from 2015 have added a regular consultation day in Pasov.

As regards Austria, pensions consultations for clients are organised together with the Austrian institute Pensionsversicherungsanstalt (PVA) and in 2014 consultation days were held in Znojmo and Waidhofen.

After agreement with the Slovak Social Insurance Agency CSSA also proceeded to organise consultation days in collaboration with Slovakia. The first ever Slovak-Czech pension consultation day was held in 2014 at the Social Insurance Agency's head office in Bratislava, followed by a second in Hodonín.

## International negotiations

In 2014 CSSA representatives were involved in the work of the European Commission social security authorities – Administrative Commission for the Coordination of Social Security Systems and its Technical Commission for Data Processing, where, besides the application of the coordination regulations, the main attention focused on the preparations for the international electronic exchange of data between institutions (EESSI - Electronic Exchange of Social Security Information). CSSA was represented in the EESSI Management Committee and also in the following working groups of the EESSI's Administrative Commission for the processing of data for electronic exchange between states: pensions, applicable legislation, horizontality (i.e. common data), medical documentation and data modelling. CSSA staff also participated in discussions of the Security Expert Forum, workshops and work meetings organised on an ad hoc basis by the European Commission on a variety of specialised topics. CSSA specialists also attended seminars organised by the FReSsco professional network on the subject of coordination. CSSA was one of 13 members of the SAFE international consortium of 11 states (a prominent association for EESSI). SAFE, which was established for 4 years, was launched in 2014 and its activities, particularly testing-related, supplemented the role played by the European Commission in EESSI.

In collaboration with MoLSA CSSA also participated in negotiations on bilateral social security agreements:

- Expert negotiations with the Korean National Pension Service, concerning the update to certain cooperation-related matters in the implementation of the agreement and the format of forms in Prague,
- The 4th round of talks on the draft of the Administrative Arrangement for the Social Security Agreement between the Czech Republic and the Republic of Bosnia and Herzegovina in Sarajevo,
- Discussion of the draft bilateral forms and procedures for the implementation of the agreement between the Czech Republic and the Republic of Moldova in Chisinau.

In 2014 CSSA employees were actively involved in the work of the council of interdepartmental authorities coordinated by MoLSA – Departmental Coordination Group (DCG), the Working Subgroup for Social Security Coordination (WS SSC), the Interdepartmental Authority for Combating the Illegal Employment of Foreign Nationals (IACIEFN), and also attended discussions organised as part of cross-border cooperation in the regions, in cooperation with the State Labour Inspection Office or within the framework of pro-client services for expatriate associations.



# Development projects

During 2014 CSSA completed 3 projects, co-financed from European Union Structural Funds, as part of the Operational Programme Human Resources and Employment:

- **Creation and implementation of an operational monitoring system**  
(Reg. No.CZ.1.04/4.1.00/59.00029)

This project was aimed at strengthening the monitoring and security situation in the administration of individual applications and the creation of an operative monitoring system to supervise the activities of individual applications. The aim was to analyse the current information and communications technology environment in CSSA and subsequently to build a complex system to monitor applications and hardware infrastructure, including reciprocal links. The reason for the implementation of the project was the fact that such a system was lacking, posing the threat of unforeseen failures in certain critical applications, which would have a major impact on the availability and quality of the services provided to the general public.

This project was implemented from 1 February 2011 to 31 January 2014.

- **Czech Social Security Administration Project Office**  
(Reg. No.CZ.1.04/4.1.00/59.00042)

In order to ensure effective public administration within the competence of CSSA it has proven essential to introduce modern methods aimed at increasing performance, quality and transparency. Owing to the importance of CSSA, the most suitable course of action seemed to be introducing conceptual development and renovation management in order to comply with the obligations stipulated primarily by the legislation. The benefit of this project was to set up a project environment that would remain sustainable after the completion of the project, would continue to develop, and would have adequate staffing capacity with employees with the requisite skills and experience.

This project was implemented from 1 March 2011 to 28 February 2014.

- **Establishment of processes of information extraction for creation and consolidation of basic records of beneficiaries of insurance and their individual accounts further to the basic registers of public administration – Part 2**  
(Reg. No.CZ.1.04/4.1.00/41.00002)

The aim of this project was to put in place the processes and staffing required to extrapolate and consolidate data within the framework of the CSSA agendas what serves as the basis for the agenda information systems from which information is transferred to the public administration system of basic registers. The main purpose of the project was the consolidation of individual policyholder accounts (IPA) and the related public tender for the creation of the IPA registry, the implementation of which began in 2013. This project included updating policyholders' accounts, accompanied by a thorough check of policyholders' identification data in the policyholders' register, with updates where necessary, meaning that the data base was prepared for the merger with data in the Basic Registers information system. The project improved the way in which sickness insurance data records are kept, as well as the monitoring of sick leave, and made inspections more efficient. The outcomes of the project have also led to greater clarity in the administration of documents and have streamlined the handling of documents and data for the needs of the CSSA agendas.

This project was implemented from 1 April 2011 to 31 March 2014.

During 2014 CSSA began the implementation of the following project co-financed from European Union Structural Funds, specifically the Operational Programme Human Resources and Employment:

- **Integrated Communication Project**  
(Reg. No.CZ.1.04/4.1.00/B6.00042)

The aim of this project is to update and consolidate the principles of integrated communication with emphasis on setting forth rules to govern communication in crises, particularly from the viewpoint of public relations and the communication and presentation of CSSA via the social networks. The principal activities of this project included analysis of CSSA's current standard of integrated communication based on a public opinion poll at CSSA with internal and external members of the public, as well as the modification of the current CSSA Graphic Manual and CSSA employee training, including seminars designed to train selected CSSA employees in media and crisis communication.

The project is planned to be implemented from 2 April 2014 to 31 December 2015.

During 2014 CSSA was also involved in the implementation of the following two projects:

- **Social Agencies of the Future Europe – SAFE** (Prominent association for EESSI)  
(Reg. No. VP/2013/007)

This is a project co-funded from a grant from the European Commission, the aim of which is to enable all institutions concerned to share the opinions, experiences and the benefits of mutual cooperation in mapping and testing the tools needed for the transition to the coordinated interstate exchange of electronic documents. The key task of the SAFE project is to map out and test routes for the integration of electronic data exchange into the existing processes and environments of EU member states. The project is planned to be implemented from 1 February 2014 to 1 February 2018.

- **Effective Management of MoLSA Office**  
(Reg. No. CZ.1.04/4.1.00/D4.00005)

This is an MoLSA project in which CSSA is merely a partner, with no financial involvement. The project is implemented within the framework of the Operational Programme Human Resources and Employment. Its aim is to provide the Ministry and the organisations it directly controls the chance to optimise their operations. Audits of sub-areas will be carried out at CSSA as part of the implementation of this project, particularly staffing, procedural and asset-related, which will result in analyses of the current status in those particular areas, accompanied by proposals for how to optimise the management and implementation of corrective measures.

The project is planned to be implemented from 1 June 2014 to 31 December 2015.

# Contacts

CSSA website: [www.cssz.cz](http://www.cssz.cz)  
CSSA ePortal: [eportal.cssz.cz](http://eportal.cssz.cz)

CSSA **call centres** are open every working day and provide information on:

• **pension insurance**

Tel. **+420 257 062 860**

Monday	8:00 - 17:00
Tuesday	8:00 - 15:30
Wednesday	8:00 - 17:00
Thursday	8:00 - 15:30
Friday	8:00 - 14:00

• **sickness insurance**

Tel. **+420 571 811 081**

Monday	8:00 - 17:00
Tuesday	8:00 - 14:30
Wednesday	8:00 - 17:00
Thursday	8:00 - 14:30
Friday	8:00 - 14:00

• **technical assistance**

Tel. **+420 585 708 290**

Monday	8:00 - 17:00
Tuesday	8:00 - 15:00
Wednesday	8:00 - 17:00
Thursday	8:00 - 15:00
Friday	8:00 - 14:00

## District Social Security Administration

For information on social security clients contact their relevant District Social Security Administration (the Prague SSA in Prague, Municipal SSA in Brno – DSSA). These also allow appointments to be made online.

Branch opening hours and contact details are available on the website at [www.cssz.cz/cz/kontakty](http://www.cssz.cz/cz/kontakty).

**The Pension Insurance Client Centre** at the CSSA headquarters at Křížová 25 in Prague provides information about pension insurance and pension proceedings every working day:

Monday	8:00 - 17:00
Tuesday	8:00 - 14:30
Wednesday	8:00 - 17:00
Thursday	8:00 - 14:30
Friday	8:00 - 14:00

The Client Centre at the Prague headquarters enables clients to arrange personal consultations concerning more complex pension insurance cases or for informative calculations of old-age pensions.

Appointments can be made by calling +420 257 062 869, every working day from 8.00 to 12.00.

**Applications for a person pension insurance information sheet** (contains a summary of insurance periods and assessment bases) may be sent to the address below:

CSSA – odbor správy údajové základny, Křížová 25, 225 08 Praha 5, stating your birth registration number, name and surname, maiden name and mailing address, or electronically via the electronic submissions office (only with an electronic signature) or data mailbox. Clients can also now use the online service available on the CSSA ePortal.



CZECH SOCIAL SECURITY ADMINISTRATION

Prague, 2015