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## **Infoservis – Changes in health insurance and payment of the sickness benefit**

### PAYMENT OF THE SICKNESS BENEFIT

According to the Amendment of the Labour Code effective from 1 January 2011 the employers have to pay wage compensation during the period from 4<sup>th</sup> to 21<sup>st</sup> day of sickness leave of their employee. This regulation is effective from 1 January 2011 to 31 December 2013. An employee does not receive any wage compensation within the first three day of the sickness leave. The Social Security Administration pays the sickness benefit since 22<sup>nd</sup> day of the sickness leave of an employee.

### CHANGE IN HEALTH INSURANCE

Act No. 187/2006 Coll., on Health Insurance, as subsequently amended, came into force on 1 January 2009 and set out several important news in the field of social security and health insurance. One of the most important changes is a different list of persons participated on health insurance.

Executives and shareholders of limited liability companies, limited partners of limited partnerships who work for partnership but not within labour-law relation, members of the cooperatives who do not work within compulsory labour-law relation (hereinafter referred to as the “*executives and shareholders*”) do not participate on health insurance.

### SEVERAL CHANGES OF RIGHTS AND DUTIES

1. Companies, whose executives and shareholders participate on health insurance on the present, are compulsory to exclude these persons from health insurance till 31 January 2009.
2. Executives and shareholders do not participate on health insurance and therefore they do not have title to the subsequent benefits: sickness benefit, benefits paid to mothers to counterbalance loss of earnings after the confinement up to some age of a child maternity benefit, monetary support in motherhood and nurse benefit.

3. Executives and shareholders have to fulfill condition of minimal income in an amount of one quarter of average salary (year 2009 – CZK 5,900 per month) to take a part on pension insurance. If they do not fulfill this condition, they will not pay insurance rate on social security.
4. Employers of executives and shareholders, who participate on pension insurance (their income exceeds CZK 5,900) pay insurance rate on social security in an amount of 21.5 % and income of executives and shareholders diminishes for 6.5 % of assessment basis (as an insurance rate on pension insurance).
5. Conditions of insurance rate to be paid on public health insurance do not change for executives and shareholders.

#### OTHER WAYS OF INCOME ENSURANCE

As a result of the aforesaid changes executives and shareholders lost benefits which flew from participation on health insurance, eventually on pension insurance. These benefits are for example: income during the sickness or retirement pension. It is possible to compensate this lost by ways not mentioned in the subject act.

#### SANCTIONS

A person, who does not fulfill duty to exclude executives and shareholders from district state administration of social security (Prague State Administration of Social Security in Prague and Municipal State Administration of Social Security in Brno) by prescribed manner and who do not notify in writing other facts defined in act commits a delict or administrative infraction and could be punished by fine in a maximal amount of CZK 50,000.