

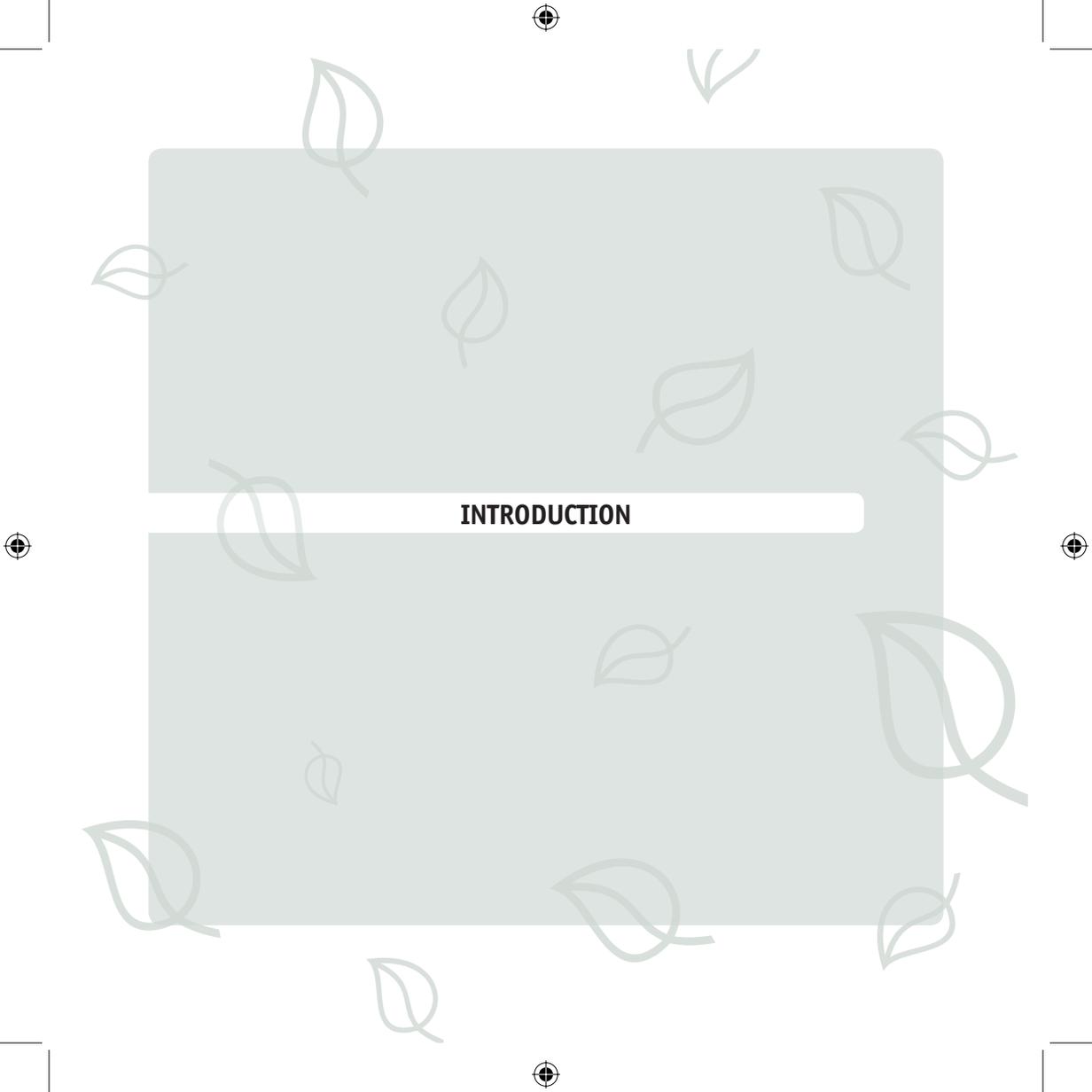


15 Years of Czech Social Security Administration

1990–2005

Czech Social Security Administration 2005





INTRODUCTION



One may look at social security as comprising three areas: social insurance, state social support (family benefits) and social assistance. The Czech Social Security Administration (CSSA) manages social insurance in the Czech Republic.

Social security policy is based on several principles all over the world, such as comprehensiveness, universality and adequacy. The solidarity principle is not missing either; as a rule it is implemented on two levels:

- High-income individuals show solidarity with low-income individuals,
- The economically active population contributes towards the payment of benefits to people in difficult social situations.

The solidarity principle works very well in the world's developed countries. It is applied in the Czech Republic as well. Jiří Hoidekr, the CSSA Director General says:

"The CSSA provides the security that people who cannot earn a proper living, e.g. for health reasons or after reaching a certain age, receive a pension they deserve. By paying insurance contributions, healthy people help those who suffer from long-term illnesses, and young people help older people."

The Czech Social Security Administration was founded in 1990. It underwent a number of changes since then, be it in legislation, management, operation or internal organization. One thing remained constant though; employees have always borne in mind why the CSSA exists. **"People first..."** was true of the CSSA 15 years ago and this holds true in 2005; a year which may be likened to the initial years due to a complete internal transformation.

A 15-year-old daughter is no longer a girl; she is rather a young lady, a woman who has proven her qualities at school. The same holds for the CSSA. It has its place in the state administration and in the life of each person. It develops in harmony with the outside world, and it adapts to the needs of the public and to the requirements for modern communication using IT. Life develops at a faster pace, bringing more diversity and more responsibility. The CSSA builds on the foundations which allow – if properly laid – further growth. For these reasons it is necessary to remember the past, so please familiarise yourself with the 15-year-old history of the Czech Social Security Administration.



The CSSA detached (regional) offices often shared buildings with other state administration bodies in the past. Often employees were processing the clients' applications in an unsatisfactory environment. A view of the former CSSA regional office in Plzeň.

FOUNDATION OF CSSA AND THE FIRST YEARS OF OPERATION

Social security was strongly influenced by the social and economic transition after 1989. Changes were necessary, and the Czech National Council **Act No. 210/1990 Coll.**, on Changes in the Competences of the Bodies of the Czech Republic and on Amendments to Act No. 20/1966 Coll., on Public Health Care, which took effect from 1 September 1990, established the Czech Social Security Administration. It consolidated the former Prague Old-Age Security Office, the Czech Sickness Insurance Administration and the Sickness Insurance Administration of the Association of Czech and Moravian Industrial Co-Operatives. The Minister of Labour and Social Affairs appointed Mr. Ladislav Antošík as the first director of the CSSA.

In many respects, the CSSA has been based on legislation drafted before February 1948. The institution merged sickness and pension insurance into one; just as it was the case during the First Republic. The CSSA was also the first step towards creating a public social security system.

The pension and sickness insurance schemes differed not only in terms of job specifications and ways of working, but also in terms of individual employees' work experience, the workplace and computer equipment of the institution as such. What is more, the records of individual insured persons kept growing in number. It was necessary to start transferring data in a modern way, i.e. electronically and office-wide, yet the computer network and working environment were unsatisfactory and often incompatible. The CSSA had experts specialising either in sickness insurance or pension issues. These experts started to learn to work together, so that individual activities would complement one another and the clients' applications could be processed in the shortest time possible. And they were successful – thanks to the increased commitment of all employees, the CSSA managed all the areas entrusted to it, which were among other things:

- To be responsible for the efficient spending of social security funds managed by the CSSA, especially from the perspective of the client's needs;
- To make decisions about pension scheme benefits and carry out the payment of such benefits;
- To make decisions about sickness insurance benefits and carry out the payment of such benefits;
- To manage and supervise the activities of District Social Security Administrations (DSSAs) and the Prague Social Security Administration (PSSA);

- To communicate with courts in proceedings and in reviewing social security decisions;
- To perform tasks arising from international treaties;
- To enter into economic contracts to secure balneal care, to distribute vouchers for such care and to check the provision of it;
- To cooperate with the relevant trade unions in fulfilling social security duties;
- To meet other requirements stipulated by law.

In order for the CSSA to be able to carry out all its activities effectively, an internal regulation was passed establishing regional offices. They operated on the level of the former regions, in cities where the regional authorities were located. The regional offices were the CSSA's internal organisational departments, and one of their tasks was to provide methodological guidance to District Social Security Administrations (DSSAs).

DSSAs were set up by transforming the former District Sickness Insurance Administrations and took on some employees of the District National Committees responsible for pension security, sickness insurance, the social security assessment service and a part of the social care. Similarly, the Prague Social Security Administration (PSSA) was founded by the transformation of the Prague Sickness Insurance Administration, taking on the employees of District National Committees carrying out the aforementioned tasks.

For example, the DSSAs decided on specific sickness insurance matters, carried out certain tasks in pensions proceedings specified under a special statute, founded health assessment boards to assess the state of health and work capacity of people for social security purposes etc. They were made up of the sickness insurance and balneal care department, the pension scheme department, the economic and administrative department and the assessment board.

The Czech National Council **Act No. 582/1991 Coll.**, on the Organisation and Implementation of Social Security created a new listing of social security bodies, laying down their powers. In terms of government assets administration, the DSSAs had the status of CSSA internal organisational units.

The formerly favoured work categories, for instance in mining, air and sea transport or metallurgy, were abolished by **Act No. 235/1992 Coll.**, on the Abolition of Work Categories and on some other Changes in Social Security.

Act No. 589/1992 Coll., on Social Security Premiums and Contributions to the National State Employment Policy made the first step to renewing the insurance principle that had been applied during the First Republic. At that time, earnings, i.e. insurance contributions, and expenditure, i.e. sickness and pension insurance benefits, were linked. Instead of the security principle, the insurance principle started to be applied. Following a change in the tax system, the costs of sickness insurance, the pension scheme and state employment policy were newly covered by insurance contribution payments. The obligation to pay insurance contributions was imposed on employees, employers and self-employed persons. The Act, with several amendments, is still valid.

Balneal care was transferred from CSSA to the General Health Insurance Company (VZP), and the medical assessment service was restructured at that time. From 1 January 1993 the CSSA had responsibility, among other things, for the following:

- collection of insurance premiums and state employment policy contributions;
- running the short-term and long-term medical assessment service, including keeping records of persons incapacitated for work, and checking compliance with the treatment conditions;
- registration of records necessary for decision-making about pension insurance benefits;
- deciding on pension insurance benefits on the basis of international treaties, and processing applications and enquiries of foreign insurance administrators or Czech nationals living abroad concerning the course of employment (insurance);
- other activities specified in detail in the aforementioned act.

The CSSA also managed and checked the activity of its regional offices, DSSAs and the PSSA, including their management of social insurance funds.



The mechanised register of clients in the CSSA headquarters has been operational since 1936 until the turn of the millennium. The register was stored in an 8-metre-high and 142-metre-long wall containing 9,000 3-metre A5 format metal drawers with a total length of 27 km of stowage space. This sophisticated archiving system became a cultural monument in 2003.

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CSSA IN THE MID-1990s

In the mid-1990s further important laws concerning social security were adopted. These included **Act No. 241/1994 Coll.**, amending and modifying social security and health insurance legislation and laws on social security insurance contributions, state employment policy and health insurance contributions. This act, effective from 1 January 1995, brought changes in the regulation of insurance contributions paid by employers, employees and self-employed persons. It set a new assessment base for social security premiums and for the contribution towards state employment policy. Also, it made it possible to pay outstanding insurance premiums and fines in instalments and it enacted the employer's entitlement to have part of the paid insurance premiums returned to it.

Act No. 155/1995 Coll., on Pension Insurance, effective from 1 January 1996, regulated the entitlements and the various amounts of pension insurance benefits. This piece of legislation, with several amendments, is still valid; it is in fact the single key law governing pension insurance. It lays down three direct pension insurance benefits – old-age, full-invalidity and partial-invalidity pension as well as derivative benefits – widow's, widower's and orphan's benefit. The structure of all pensions derives from the old-age pension.

Whereas the first years of the CSSA's existence were marked by substantial legislative changes the period between 1996 and 2000 can be seen, apart from the implementation of new legislation, as a time of seeking new ways, means and instruments of managing social insurance more effectively by using modern information and communication technologies.

The year 1996 saw the start of the digitisation of more than 10 million "index cards", i.e. the register of assigned birth registration numbers. The digitisation covered records of birth registration numbers assigned to men born between 1 January 1930 and 31 December 1968, women born between 1 January 1940 and 31 December 1968 and a part of the records of women born between 1 January 1930 and 31 December 1939. The digitisation proceeded gradually according to surnames; index cards as far as the letter „P“ were converted into an electronic format.

The digitisation continued in May 1997 – further insurance records of insurance clients from the CSSA's central archive were transcribed into electronic format – the pension insurance records.

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2000: NEW IMPETUS FOR DEVELOPMENT

With Mr. Jiří Hoidekr taking up the office of the CSSA Director General on 1 July 2000, the digitisation came in full swing – it was fast, systematic and had a clear concept. And this did not just involve digitisation. First of all a crucial document called “The CSSA’s Mission and Strategic Objectives until 2005”, was drafted. It defined three strategic objectives for the following period:

1. transformation of the CSSA into a Social Insurance Agency,
2. substantial improvement in the administration of pension and sickness insurance, considerable improvement in the CSSA’s management and administration system and an upgrade of its information system (IS) as an efficient and effective modern tool,
3. achieving professional competence to accomplish the EU-accession-related tasks.

Gradually, the CSSA began delivering these objectives. They had an impact on all areas of its activity, be it pension insurance, payment of pensions, sickness insurance or the medical assessment service. Last but not least, they had a direct impact on the clients, in line with the CSSA’s Mission Statement which says:

“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.”



2001: DIGITAL REVOLUTION

Quite literally, the digitisation of more than 31 million paper records of employment or insurance periods meant a revolution in the CSSA's central archive. The DIGI 1 Project started on 22 January 2001, and 760,000 documents were converted into electronic format by 5 March 2001. It was clear that this way of converting documents into electronic format had proven effective. The 2nd stage of digitisation – DIGI 2 – was to begin as early as September 2001. It was projected to end on 25 October 2002.

The terrorist attacks on the United States in September 2001 showed the potential risks of classical record keeping and led to a substantial acceleration of the digitisation. In October 2001 the CSSA management, together with the Ministry of Labour and Social Affairs, decided on a faster transcription of insurance records kept in the CSSA's central archive into electronic format and about keeping back-up copies. The deadline for finalising the digitisation moved closer, being set on 15 January 2002.

The originally planned minimum capacity of two digitisation lines – 110,000 documents per day – was extended to 250,000. Staff worked on it in three shifts, seven days a week. There were days when the CSSA staff converted up to 500,000 documents into electronic format. As a result, the digitisation of all of the 30 millions documents from the CSSA's central archive was carried out in a record time – 75 days; most likely an unparalleled achievement in the world.

The Czech Republic thus became the third country in Europe to have the clients' insurance records in a digital format and the first country that managed the conversion in such a short time.

The digitisation marked the end of 60 years of keeping paper insurance records in metal drawers in the CSSA's central archive (see page 8).



An original idea – a mobile truck with a digitisation line. The staff inside the truck saved hundreds of thousands of documents damaged by water.

2002: RESCUING FLOOD-DAMAGED DOCUMENTS

In August 2002 some CSSA offices, especially in Southern Bohemia, were struck by a flood which damaged buildings as well as registers. The affected offices were the DSSAs in Český Krumlov, Strakonice, Rokycany, Děčín and the PSSA office in Prague 8. The client records damaged by water had to be saved. Digitisation proved its worth again.

As it would not have been economical to equip all the affected offices with high-performance document-processing technology just as it would not have been effective to bring the damaged documents to one place and then transport them back, an unconventional solution was used: a special truck containing the digitisation line came to the flood-stricken CSSA offices. The line worked round the clock and processed approximately 10,000 records a day. It converted all documents into electronic format, including those unintelligible in some places to the naked eye due to water damage. For security reasons, the electronic materials were stored in several places at the same time – on discs of the local archiving systems, on the back-up server in the CSSA headquarters and also on DVDs in independent depositories. A total of 850,451 documents were saved and stored in the CSSA's optical archive.

The digitisation at the CSSA was truly unique and successful; the project was awarded a prize at the Connection 2003 conference which took place in February 2003 in the United States.



2003: INTEGRATED MANAGEMENT AND ADMINISTRATION SYSTEM

The CSSA started its new Integrated Management and Administration System (IMAS) programme in 2002. One of the aims of this programme was to create the basis for process management. The main objective was to create the conditions for the formation of a modern agency, a social insurance institution using third millennium technologies. For this to happen, a clear description and detailed classification of all the CSSA's internal processes was necessary, as well as the identification of weaknesses and strengths, in order to define an effective and modern management and operation modes for the CSSA. All of this was successfully implemented by the end of 2003. The defined CSSA Process Management Model was based on the following CDU principle:

- Centralisation of data and processes,
- Decentralisation of routine work so that it would be as close to clients as possible,
- Unification of the district offices – clients will be attended to at any office irrespective of their permanent residence or employer address.

According to the IMAS design, the CSSA should become an extensive network of offices equipped with state-of-the-art technology, supported by organisational and technological support at the headquarters. That would make it possible to satisfy the client requirements faster, in better quality and for less money. The CSSA showed again that the motto **"People First ..."** is not just an empty phrase. Thanks to IMAS, it was possible to define what improvements the public may expect from the CSSA in the future:

- Bringing offices processing applications closer to clients;
- Improving and accelerating the processing of social insurance benefit applications;
- Regularly providing the clients with information about their entitlements to benefits; clients will get this information quickly and from any contact point in the Czech Republic;
- Introducing electronic communication while maintaining the safety of clients' personal data which will make the receipt of submissions or the processing of applications faster;
- Making financial flows and the disposing of the national budget funds more transparent.

The IMAS programme comprised four projects: a process model, information technologies, economic and administrative issues, and project management.

2004: CZECH ACCESSION TO THE EUROPEAN UNION

The CSSA prepared intensively for its accession to the European Union. The employees were trained in order to provide clients with relevant and correct information about their rights if the clients decide to work, study or live in another member state after accession. At the same time, they learnt to apply the EU Co-ordination Regulations so as to know the answers and solutions to insurance claims of other EU member states' nationals. The "CSSA Activities Relating to the Application of EU Social Security Legislation" was the basic CSSA policy document underlying the preparations for the EU accession.

As well as the CSSA's own training and education programme, cooperation with international experts was very helpful, too. Foreign assistance often came in the form of pre-accession assistance to candidate countries through EU Phare twinning projects. Experts from the EU member states worked for long periods in the given candidate country institution and provided advice and consultation. "Testing the Preparedness for the Application of EC Social Security Legislation" was probably the most important project for the CSSA, based on a twinning covenant concluded between the Czech Republic and Finland and implemented in 2003. The project tested whether the CSSA was able to apply the *acquis communautaire* in practice. The Finnish partners' answer to the question was positive, qualified by a comment that the CSSA must increase the number of staff carrying out this activity. This, however, has not happened.

The CSSA therefore joined the European Union on 1 May 2004 as one of the very few public administration bodies of the Czech Republic which did not have the necessary number of staff to carry out EU-related activities. This was so despite the fact that it was increasingly clear that the number of EU-related activities would grow. Following the EU accession, the CSSA started to apply Co-ordination Regulations to 27 European countries and act as the:

- competent institution;
- institution of the place of residence, in the scope and in such a way that 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 applicable legislation, certification of insurance periods) for the whole country.

The CSSA was also one of the few public bodies to have set up EU contact points in all of its offices. The CSSA did so to meet the clients' needs, which were to be expected in relation to the country's EU accession.

The CSSA's thorough preparation for the EU accession proved its worth. In the course of 2004 the CSSA dealt with the total of 66,985 EU submissions. Most of them were related to pensions (25,531 cases) and the determination of applicable legislation (21,848 cases). The trend has continued with a large increase in the first half of 2005: there have been 57,249 EU submissions in total, the majority concerning applicable legislation and pensions.



2005: REFORM OF ORGANISATIONAL STRUCTURE

Just as the year 2004 focused on the European Union, the year 2005 may be described as the year of changes. As of 1 January 2005, the CSSA's organisational structure has changed. The regional institutions acquired partners at the level of the Regions, namely the Regional Social Security Administrations (RSSAs). There are RSSAs in the Central Bohemian, Southern Bohemian, Plzeň, Karlovy Vary, Ústí nad Labem, Liberec, Hradec Králové, Pardubice, Vysočina, Southern Moravian, Olomouc, Zlín and Moravian-Silesian Regions.

The Prague Social Security Administration (PSSA) continues to operate in Prague along with its thirteen district offices (DOs), including the headquarters; the city of Brno is the headquarters of the Southern Moravia Regional RSSA, but it also has its Municipal Social Security Administration (MSSA), with two offices competent for the whole city.

Ninety-two CSSA offices all over the country have been providing services to the public since 1 January 2005. Originally, there were 98 of these offices until late 2004. The total number decreased because the former regional offices (ROs) of the CSSA had merged with the local DSSAs in the regional cities to form a Regional Social Security Administration in each region. Other DSSAs remained in existence.

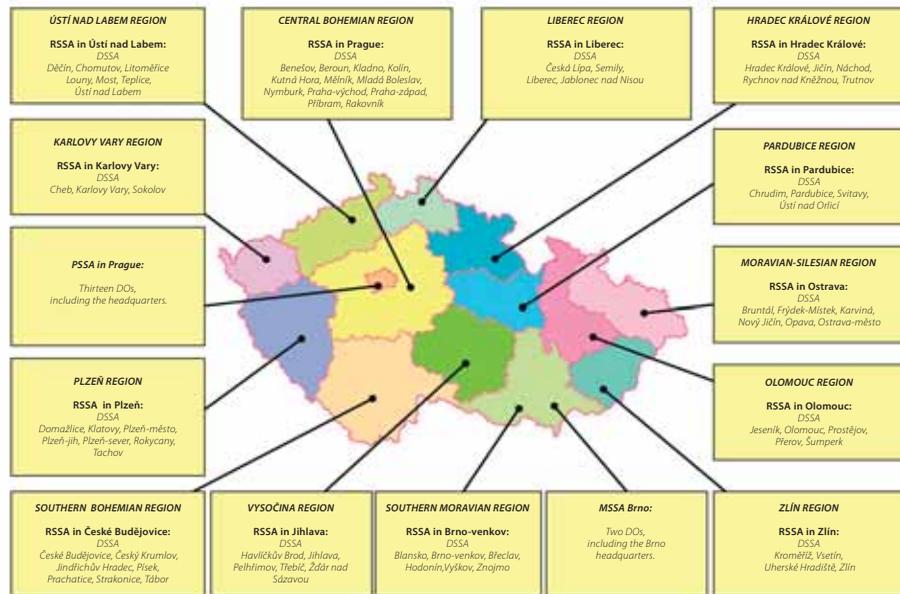
It needs to be said that this change in the CSSA's organisational structure was preceded by thorough preparations – the above-mentioned IMAS served as the basis for the preparations. The objective of the transformation was to implement a comprehensive reform of the CSSA's internal organisation so as to prepare the CSSA and its territorial organisational units for possible changes in the field of social security and to finalize the process management model implementation. The transformation consisted primarily of:

- 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 to reflect the institution's processes;
- qualitatively deeper unification and possibly organisational integration of procedures and processes taking place in the CSSA headquarters and district or regional 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 reflection of district or regional offices of the country's territorial structure;

- the establishment of internal service centres supporting major CSSA value-adding processes. The set targets are currently being carried out. It is a crucial change in the life of the CSSA and all its clients. Jiří Hoidekr, the CSSA General Director, stated this in the following words:

"The stage of development 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 commitment of most Czech Social Security Administration staff, or without the support and understanding of our social partner. I see one thing as crucial: everything was implemented without any transformation costs. In fact, none arose."





Map of CSSA offices in the Czech Republic in 2005. The transformation of the Czech Social Security Administration resulted in faster and more efficient services to the public.

THE CURRENT SITUATION



Client Centres are open to the public on all business days. The centres are easily accessible, providing comprehensive and fast services to the public, using advanced technology. A picture of the RSSA in České Budějovice Client Centre.

CSSA TODAY

The CSSA is absolutely unique and is the largest and financial administration body in the Czech Civil Service, with a total annual income and expenditure of approximately CZK 550 billion. The CSSA looks after the social security of nearly 7,512,000 clients including, over 2,666,000 pensioners; the total amount of pensions is more than 3,291,000. (Data valid as at 30 June 2005)

The CSSA also pays out – directly or through employers – sickness benefits, maternity benefits and attendance allowance 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.

The CSSA has been a liaison body for institutions abroad under the EU Co-ordination Rules, 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 the assessment of the clients' health and capacity for work in relation to social security, family benefits 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.



EMPLOYEES

The CSSA staff have good professional competence, good communication skills and a high level of empathy. They view their job as a public service.

In 2004 the 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 majority of CSSA employees had secondary education. They accounted for 78 and 50 per cent in the regions and at the headquarters respectively in 2004. There were 1,237 university degree holders among the CSSA staff in 2004, i.e. 15.5 per cent.

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. The staff turnover reached 12.01 per cent in 2004. The primary reason for this is that the CSSA remains an unattractive employer. The average monthly salary was CZK 17,511 in 2004.

To put these figures in context we can compare them with some earlier data: the CSSA had 7,893 employees as at 31 December 1996, out of which 6,865 were women. The staff included 1,003 university-educated employees and 5,567 secondary-level graduates. Yet, even at that time, the turnover rate of staff was alarming, ranging from 16 to 19 per cent. The average monthly salary was CZK 10,231.

The CSSA has been seeking to remedy this situation at least in part by offering its staff fringe benefits. The CSSA provides education and training to its staff. This includes foreign language courses led by experienced lecturers and an electronically distributed learning (e-learning). The CSSA e-learning programme started in 2001, focussing primarily 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, inter alia, 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).

The CSSA human resource strategy mirrors the overall development of the institution in building on a strong conceptual basis, provided chiefly by the 'Human Resource Management Policy' endorsed in 2003.

DIRECTORS



Ladislav Antošík

(Born 27 June 1942, Died 21 February 2000)

Graduated from the Law Faculty, Charles University, Prague. In 1969 Ladislav Antošík joined the Czech Sickness Insurance Administration as a lawyer. Later on, he took the same job at the Central Sickness Insurance Administration, where he stayed until early 1990. Then he became an advisor to the Minister of Health and Social Affairs. Afterwards he joined the Ministry of Labour and Social Affairs and became Head of Section. From September 1990, when the CSSA was set up and launched its operations, Ladislav Antošík was in charge of the management of this institution. On 1 October 1990 the then Minister of Labour and Social Affairs appointed him the CSSA General Director. Ladislav Antošík headed this institution until his sudden death in 2000.



Jiří Hoidekr

(Born 25 October 1948)

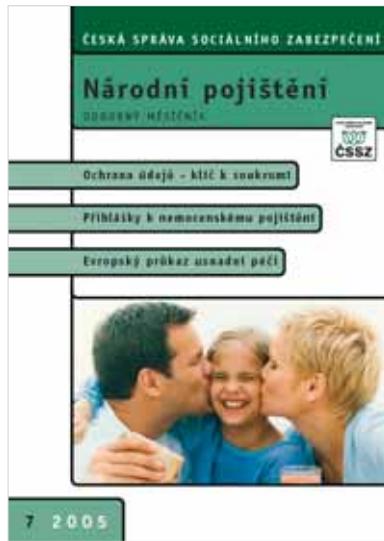
Jiří Hoidekr graduated from the Czech Technical University in Prague (ČVUT), majoring in technical cybernetics, and holds a doctoral degree from the Faculty of Management, Prague School of Economics (VŠE). From 1976 Jiří Hoidekr was employed by a foreign trade organisation (Informatics and Management Section), which he left in 1991 as a member of the Board of Directors and Deputy General Director. Following a successful tender, he became a managing director in an ICT trade and service firm which grew into a holding company over the years. He left this company in 1999, having become a member of the Board of Directors and a CEO. Between 1991 and 1998 he was a member of a multinational insurance company based in Bratislava. Between 1999 and 2000 he enjoyed a short career as an insurance broker. In June 2000 he won a MoLSA tender for the job of a CSSA General Director and was appointed on 1 July 2000 by the Minister of Labour and Social Affairs.

PUBLIC RELATIONS – PEOPLE FIRST

The CSSA is not a closed-off state institution. Clients can use the Information Office located at the CSSA headquarters, the Client Centres at the individual DSSAs, the Call Centre and, last but not least, visit the web site at <http://www.cssz.cz/>.

As at 30 June 2005 the CSSA had 49 Client Centres in total, as well as an information office at the CSSA headquarters. This means that people could have their administrative needs met in a convenient and modern environment with calling equipment and disabled access in over half of the CSSA offices. Like all other CSSA offices, Client Centres are open for the public on all working days.

A modern Call Centre provides pension service to the public, too. The Call Centre, located at the CSSA headquarters, was founded in 2002, and the staff have received hundreds of thousands telephone requests so far. In the first half of 2005, for example, staff answered 81,183 telephone requests from clients asking mainly about the administration of their own pensions. The CSSA information office at the headquarters was also very busy: it provided information to as many as 29,553 people in the first half of 2005.



The layout of a CSSA journal called 'National insurance' has been developed in line with the CSSA Corporate Identity Manual.

The CSSA website, launched in 2000, has seen more and more visitors over the past few years. In June 2005, 151,768 people visited the <http://www.cssz.cz> website. This is a year-on-year increase of 104,351 people. The average day visitor rate was at 5,058 people in June 2005, much more than the 1,580 visitors in June 2004.

The CSSA publishes the *Národní pojištění* (*National Insurance*) monthly journal. The journal has been published for 35 years. 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 family benefits. The journal includes an advice column, where leading experts respond to readers' enquiries. In the first half of 2005, the journal published over 70 articles on social security and 51 advice columns to assist the readers.

The CSSA has developed a communication policy, a 'CSSA Integrated Communication Policy for 2004-2006'. This policy defines three strategic goals: effective internal communication, good public relations and effective communication with public service bodies. This document includes a CSSA Corporate Identity Manual setting out a common visual identity of the CSSA so that the institution is instantly visible and recognisable to the public and the CSSA staff.

ADVANCED TECHNOLOGY – FASTER AND BETTER CLIENT SERVICE

The CSSA development mirrors societal trends in all directions of development, including advanced information and communication technology (ICT). The CSSA prides itself on making substantial use of ICT, chiefly for the benefit of the organisation's clients.

Once again, the above mentioned 2003 IMAS programme must be pointed out. One of the IMAS projects focused on ICT specifically. As a follow-up, 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 drawn up. Several projects have been launched, many of them still being implemented and some new projects taking up where the previous, finished projects ended.

An Individual Insurance Account (IIA) development project has been one of the most significant tasks for the CSSA clients. The IIAs will be introduced in 2006, making it possible for the citizens of the Czech Republic to find out about their insurance periods and earnings necessary for their pension insurance purposes from any CSSA district office. This will also make communication with foreign insurance institutions easier.

The already mentioned digitisation was an absolute prerequisite, without which the IIA could not be implemented. Over 78 million documents were stored in the CSSA digital optic archive as at 30 June 2005. Newly



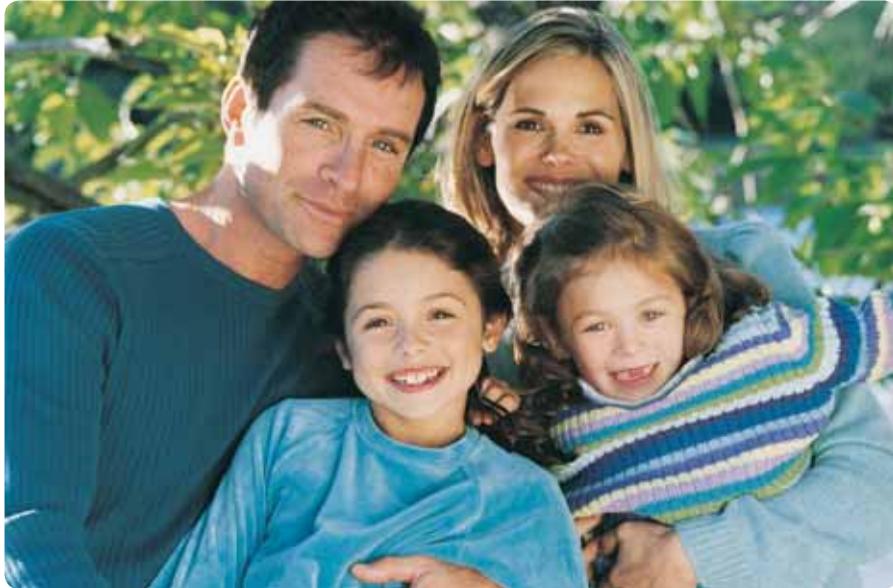
e – form symbol

All CSSA e – forms have a uniform graphic layout symbolising the benefits of electronic services for the CSSA and for the institution's clients.

received client data are digitised immediately after receipt and, even more importantly, clients may submit them electronically themselves. It was the e-submission that, along with the digitisation, allowed for the IIA development. The e-submission involves mainly Annual Pension Insurance Records (PIRs) providing the CSSA with an annual overview of insurance periods and earnings of individual clients. E-submission may, however, also be used for submission of sickness insurance registration and de-registration sheets by employees, providing the CSSA with up-to-date information on its clients. The PIR e-submission service has been available to the general public since 2004. Half a year later, in mid-2005, the e-submission of employee registration and de-registration sheets was launched, too, and there are still other CSSA forms that can be submitted electronically.

The e-submission service has been popular: as many as 28,945 organisations (companies) were registered for e-submission, 75,808 documents were correctly e-submitted and the CSSA received as many as 2,040,061 PIRs as at 30 June 2005. This makes for some 45 per cent of the total number of PIRs expected to be submitted to the CSSA in 2005.

The CSSA was awarded the 2005 Czech Minister of Informatics Award for its RIP e-submission project. As one of four central government bodies it was also nominated for the European Commission's 2005 eEurope Awards for eGovernment Good Practice. This award is for eGovernment project implementation managers from central government bodies.



STATISTICS

	1993	2004	30 June 2005
Number of Clients	5 051 932	4 841 549	4 846 092
Number of Pensions Paid ¹⁾	3 047 171	3 284 918	3 292 711
Number of Pensioners ¹⁾	2 516 906	2 658 952	2 667 509
Pension Benefits Expenditure ²⁾ (CZK billion)	73 638	226 883	121 596
Sickness Benefits Expenditure (CZK billion)	26 554	29 563	17 414
Total Contributions (CZK billion)	106 027	285 064	145 242

Note:

¹⁾ including payments abroad

²⁾ total expenditure adjusted for accruals and deferrals of past/future budgetary period



80 YEARS OF SOCIAL INSURANCE

In spite of the CSSA marking 15 years of its existence, in 2004 it was 80 years since the modern social insurance came to the Czech lands. Act No. 221/1924 Collection of Laws and Regulations, on Sickness, Disability and Pension Insurance for Employees was adopted on 30 October 1924. The act introduced different insurance types, insurance courts and criminal liability for failure to pay insurance contributions as well as penalties for breaching other obligations, without which the system would not function. This progressive piece of legislation was the result of the effort of the entire Czechoslovak political representation.

The CSSA continued this tradition, and thus it celebrated the 80th anniversary of social insurance and hosted an international conference in Prague under the title "80 Years of Social Insurance", held under the auspices of Minister of Labour and Social Affairs Zdeněk Škromach on 18 October 2004. The conference focused on the history of, and current developments in, social insurance as well as on social insurance in the international context and on IT in social insurance. The conference attendees included, *inter alia*, Ludovít Kaník, the Slovak Minister of Labour, Social Affairs and Family, Kari Välimäki, the General Director of the Finnish Ministry of Social Affairs and Health, and Dalmer D. Hoskins, the General Secretary of the International Social Security Association (ISSA). Social insurance experts from Poland, Germany and Austria as well as from the European Commission, World Bank and International Labour Organisation came to Prague to discuss all these issues. Representatives of Czech employee associations and trade unions were also present.

The international conference marking 80 years of social insurance was not the only event organised by the CSSA to celebrate this anniversary. Together with the State Central Archive in Prague, the CSSA prepared a travelling exhibition with photographs, various forms and correspondence documenting the history of social insurance. The exhibition opened in the Prague CSSA headquarters in October 2004 and subsequently travelled to all CSSA regional offices so that people from the entire Czech Republic could see this special display. In addition, a unique booklet was published to summarize the development of social insurance in the Czech Lands.



80 Years of the Social Insurance Logo

A special logo marked the events celebrating 80 years of social insurance. A smiling face, a general symbol of good humour, appears on this logo. The CSSA's aim is to provide such service to its clients so that they have a reason to smile.



VISION

CSSA has been developing a client register in which each insured person will have an Individual Insurance Account (IIA). From 2006 clients will be able to ask the CSSA for an extract from this register, giving an overview of their IIA. They will have an opportunity to continuously monitor their insurance data and deal with any potential problems right away so that all data is correct when they retire.

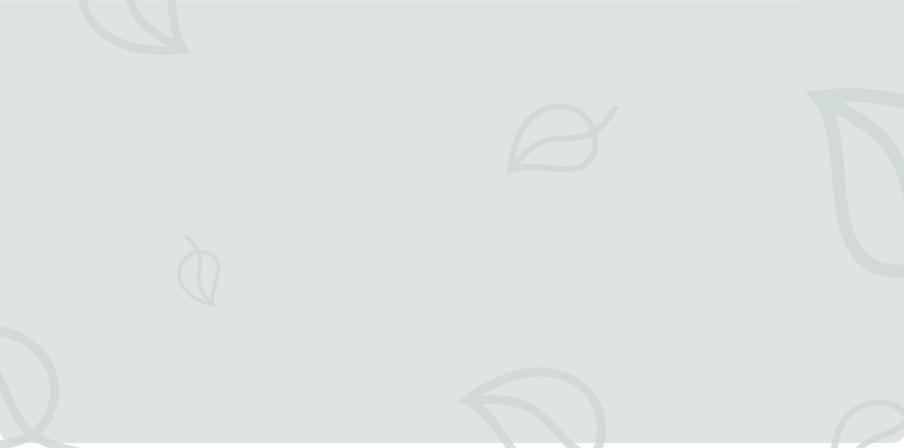
Besides IIAs, there are a number of other projects implemented by the CSSA aimed at customer satisfaction. It is this goal that the Czech Social Security Administration has been always striving at.

In the introduction to this booklet we likened the CSSA to a 15-year old girl. Retaining this simile, we may say that in 2005 this young lady is certainly achieving the three goals she set for herself in 2000. Only one of them has not been achieved so far. The first goal - transforming the organisation into a public Social Insurance Institution - could not be achieved due to a lack of political will. The second one - a substantial improvement of the pension and sickness insurance administration, major improvement of the CSSA management and administration system, and rebuilding of the CSSA information system into an advanced, effective and efficient tool - has been achieved over time. And the third goal - developing professional competence within the CSSA for the administration tasks related to the Czech Republic's accession to the EU - was achieved in 2004, with very good results.

Soon to reach adulthood, the CSSA will be looking for its further direction and other strategic goals. Given the CSSA's position, the necessary political will and responsibility of relevant authorities will always be needed for the CSSA to achieve its objectives. This political responsibility must take into account that the CSSA will always put **"People First ..."**.



SPONSORS



Česká pošta



Česká pošta, s. p., (Czech Post) was founded by the Ministry of Economy of the Czech Republic and started its operation on 1 March 1993. Česká pošta (ČP) operates across the whole Czech Republic. ČP's mail services include the receipt, transport and delivery of letters, packages and money, both domestically and internationally. ČP offers express and courier services with guaranteed delivery time as well. Besides traditional postal services, ČP also pays out pension benefits and acts as a provider of bank, insurance and lottery services. Increasingly, ČP has been delivering electronic services, too.

HEWLETT-PACKARD



HP is a global provider of technology solutions for individual clients, businesses and institutions across the whole world. HP delivers IT infrastructure, global services, professional and home computer equipment and electronic imaging and printing equipment. HP's total income for the of past fiscal quarters ending 30 April 2005 reached USD 83.3 billion. For further information on HP (NYSE, Nasdaq: HPQ), go to <http://www.hp.cz/>.

IBM Czech Republic



The IBM Corporation is the world's biggest IT firm, building on more than eighty years of tradition as a leader in innovations that help businesses. Using all internal and its main business partners' resources, IBM offers a wide range of services, solutions and technologies allowing large and smaller customers to make the most of the new e-business era. For more information on IBM, visit www.ibm.com.

MICROSOFT



The Czech branch of Microsoft Corporation producing and selling software and hardware was opened in 1992. Microsoft's mission is to allow the people and organisations in the Czech Republic to make the full use of their potential stimulating the development of a learning and prospering knowledge-society through top quality software that ensures a secure and trusted environment, thanks to the skills of Czech and Slovak experts, usable in any field and human activity.

PAMÁTKY TÁBOR



The Památky Tábor s. r. o., building company was set up in 1994, after an old Czech state construction company was transformed into a new entity. It operates throughout the entire Czech Republic, constructing buildings mainly for central government and municipal investors. The company specialises in new, renovated and upgraded administrative buildings. The Czech Social Security Administration is one of its long-term and highly valued clients.

Siemens Business Services



Siemens Business Services is one of the leading IT service providers. Part of the Siemens Group, Siemens Business Services provides IT services in the whole value chain. Siemens Business Services is among the top ten world providers of outsourcing services and a leading supplier of e-Government solutions in Europe. It is one of the five largest system integrators in the Czech Republic. This position as one of the leading IT companies was also confirmed by experts as Siemens Business Services was voted the 2004 TOP system integrator.

Skanska CZ

The Technology division is a special Skanska CZ Group unit providing comprehensive technology supplies. These include installations, i.e. heating; public health engineering; wiring; air-conditioning; heat and ventilation, steel construction and siding production and installation; fixed fire-extinguishers or asbestos building rehabilitation, as well as piping and equipment complexes and building-and -technology supplies to chemical and energy producers.

The Skanska logo consists of the word "SKANSKA" in a bold, blue, sans-serif font.

STAVBA PRAHA

Building on its 80-year tradition, Stavba Praha is a typical construction company with its own technical base and professional staff. The current motto of the firm's corporate culture is to meet the individual requirements of a customer. These have recently included mainly system changes, such as building the network of information client centres of the Czech Social Security Administration, bringing a major change to the external communication of the firm's clients, businesses or institutions, with a corresponding impact on their overall image, including the environment in which such communication takes place.



MEDIA PARTNERS



(Czech Broadcasting)



(Economic Weekly)



(Labour and Social Policy Journal)

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