

INCAPACITY FOR WORK DUE TO DISEASE OR INJURY IN THE FIRST HALF OF 2008

In the first half of 2008, incapacity for work caused by disease or injury in the Czech Republic was significantly affected by changes in sickness insurance introduced on 1 January 2008. In the framework of Act No. 261/2007 Sb., the Public Budget Stabilisation Act, in particular the following adjustments to the way of determining the amounts of sickness insurance benefits were made:

- the amount of sickness benefit or financial support for care of family members is determined by 90% of the daily assessment basis for the first reduction ceiling also after the first 14 days of incapacity for work or care of family members;
- there is no eligibility for sickness benefit (wage compensation)¹ for the first three calendar days of incapacity for work;
- the amount of sickness benefit (for a calendar day) is determined from the daily assessment basis – 60% of daily assessment basis for the 4th to 30th calendar day of incapacity for work, 66% for the 31st to 60th calendar day of incapacity for work, and 72% starting from the 61st calendar day of incapacity for work.

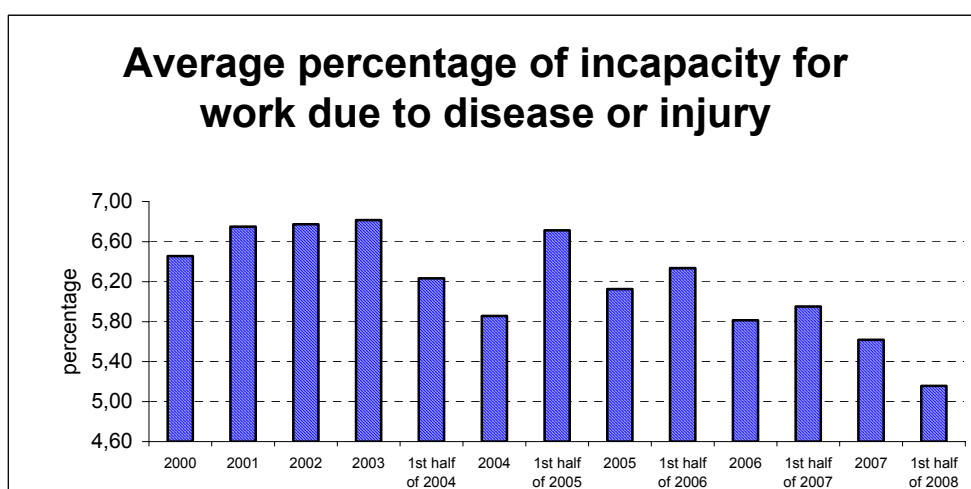
These adjustments had a considerable impact on statistics on incapacity for work due to disease or injury in the first half of 2008. The number of insured persons increased by 1.2% (in comparison to the first half of 2007) and the number of newly notified cases of incapacity for work in total (i.e. due to disease or accidents at work and other accidents) decreased substantially by 23.2% and the number per 100 insured persons fell by 24.7% (from 32.67 cases in the first quarter of 2007 to 24.61 cases).

At the same time, however, the average duration of one case of incapacity for work grew by nearly 16% (from 32.91 days in the first quarter of 2007 to 38.14 days in the first quarter of 2008). This increase reflected the sharp decrease of short-term cases and increase of long-term cases of incapacity for work.

The sharp decrease in the number of cases of incapacity for work on the one hand, and increase in the average duration of incapacity for work on the other resulted in a total **drop in the percentage of incapacity for work** by 13.2% (from 5.941% to 5.157%).

In the first quarter of 2008 thus 235 867 insured persons were not at work every day on average (down by 32 505 insured persons year-on-year) because of incapacity for work caused by disease or injury; 212 478 due to disease (down by 30 963 insured persons), 9 390 due to accidents at work (down by 342) and 13 999 due other accidents (down by 1 200).

The graph below shows the average percentage of incapacity for work over a longer period of time (since 2004 including figures for the first half years).



¹ There is a change since 30 June 2008 caused by a finding of the Constitutional Court.

The graph reveals the high flexibility of the average percentage of incapacity for work in relation to the legislative amendment in the area of sickness insurance benefits. The average percentage of incapacity for work was on the increase up to 2003 when it topped out at 6.814%. That means nearly 7 employees/insured persons out of 100 were not at work on grounds of disease or injury. In 2004, in consequence of changes in the sickness benefit calculation (amendment to Act No. 54/1956 Sb., on health insurance, in effect since 1 January 2004), the average percentage of incapacity for work decreased markedly for the first time and reached 5.857; then, in 2005, it grew temporarily, and the next periods saw a gradual decrease, with the most marked fall in the first half of 2008 caused by legislative amendments mentioned above.