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# Gateway Policy Explorer: Retirement Series

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## Czech Republic

### Public Own Old-Age Benefit Plan Details

**1995-2022**

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## Preface

This document is intended for researchers who want to understand the evolution of policy or the policy in place at a particular point in time. This document is not intended for financial advice or to aid in decision-making. The authors have made significant effort to identify and collect historical information pertaining to these policies, to accurately represent these policies, and to communicate how policies may interact to determine legal requirements, eligibility for benefits, and/or benefits levels. The policies presented in this document focus on rules applicable to most individuals aged 50 and older from 1992. Many systems include special policies or alternative eligibility rules for specific groups. We encourage all users to complete their own review of literature in this area depending on the research questions they have in mind.

If you have feedback or questions or identify an error, please contact [policy@g2aging.org](mailto:policy@g2aging.org).

## Background — Gateway Policy Explorer: Retirement Series

The *Gateway Policy Explorer* (<http://g2aging.org/policy-explorer>) is part of the Gateway to Global Aging Data (<http://g2aging.org>) project. The *Retirement Series* captures historical policy that affects the birth cohorts of respondents in the surveys covered by the Gateway. It was motivated by the rapid evolution of policies affecting older people across the world. As the Health and Retirement Study (HRS) began in 1992 and many of the international network of studies (HRS-INS) cover more than a decade, understanding the policies in place at the time of the survey has become more demanding for researchers.

*Why are we tracking past policy?* Individuals make choices based on current policies and the outcomes we see today may reflect responses to past policies. When interpreting the survey responses of individuals, an understanding of the policy environment under which those individuals operate is critical. The collection of contextual information in the *Gateway Policy Explorer* aims to support researchers who want to understand or use policy changes in their research and provide context for longitudinal or cross-country differences. Over the period 2023–2026 the *Gateway Policy Explorer* will be expanded to include information on retirement, long-term care, education, and other policies affecting the life cycle.

The key dimensions to the *Gateway Policy Explorer: Retirement Series* are country and time. We prioritize data collection for each country based on its first interview wave and are continuing to expand our data collection back in time to 1992, the earliest survey date in the HRS-INS.

A separate document, like this one, is developed for each country and each broad category of policies covered in the *Gateway Policy Explorer: Retirement Series*.

## Author and Contributor Disclaimers

† The opinions expressed here are those of authors and do not necessarily reflect the views of the OECD or of its member countries.

# Czech Republic

Own Old-Age Benefits  
Plan details 1995-2022 \* †

The basic structure of the current organization of the Czech Republic old-age pension (“*starobní důchod*”) is based on pension reforms in the 1990s. It is a defined benefit system based on a person’s contribution years and earning history. The old-age pension is administered by the Czech Social Security Administration (Česká správa sociálního zabezpečení, ČSSZ).

## Key Dates

First law: 1906

Major changes since 1992: 1997, 1999, 2001, 2002, 2010, 2014

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\* If you have questions or suggestions, please contact [policy@g2aging.org](mailto:policy@g2aging.org).

† Detailed information and definitions are provided in tables, formulas and a glossary at the end of this document. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: “Alt” + “←”; In Adobe Acrobat on a MAC: “command” + “←”; In Preview on a MAC: “command” + “[”.

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## Chapter 1: Policy enacted 1995-2002

### Overview

The old-age pension (starobní důchod) is a monthly benefit intended to secure the basic needs of the elderly. The old-age pension has a two-tier benefit structure consisting of a fixed basic amount and a percentage amount of the indexed average of a worker's recent earnings history. Participation is mandatory for all economically active people, and it provides a uniform benefit framework for all insured individuals. It is a pay-as-you-go system, administered by the Czech Social Security Administration (Česká správa sociálního zabezpečení, ČSSZ).

The pension system was enacted in 1995. The law which governs the entitlement to a pension from the basic pension insurance, including how pension benefits are determined and eligibility for benefit payment, is the New Basic Pension Insurance Act ([Act 155/1995](#)) on pension insurance, as amended, which came into effect on January 1, 1996. The New Basic Pension Insurance Act ([Act 155/1995](#)) introduced a pension system that had the following features:

- A two-tier structure for benefits, with a fixed amount plus an earnings-related component —The fixed amount was set at 680 Kč per month in 1995 and the earning-related component was based on average wages earned during the 10 years prior to starting benefits
- Created a gradual increase in the statutory retirement age (SRA) between 1995 and 2007 from age 60 to 62 for men and from 53-57 to 57-61 for women depending on number of children
- Early retirement 2 to 3 years before the SRA was possible with a permanent or temporary reduction depending on the beneficiary's circumstances
- Benefits were adjusted annually based on a statutory minimum rate reflecting 100% of the change in consumer prices and one-third of real-wage growth —the government was permitted to increase pension benefits by more than the statutory minimum without any upper limit
- Increases in benefit amounts were awarded for delayed claiming

In 1994 ([Act 42/1994](#)) the government also introduced the option for individuals to create a private retirement savings account called a “supplementary pension” where the government makes a matching contribution. From 1994-2012, the match was 50 Kč if the individual contributed 100 Kč, and increased up to a maximum of 150 Kč if the individual contributed 500 Kč (In 1995, 1 Kč = 0.038 USD).

Other reforms during this period include:

- [Act 134/1997](#) —enacted June 11, 1997 and effective from June 1, 1998 —made the following changes:
  - A person qualifying for disability pensions or who is partly disabled may access their old-age pension at an earlier age
  - The benefit reduction was changed to 0.3% for those claiming before their SRA if they reached their retirement after 1995 —This amendment is then repealed in 2001
- [Act 289/1997](#) —enacted November 12, 1997 and effective from January 1, 1998 —made the following changes:
  - Early eligibility rules were changed such that all individuals who meet the full insurance period requirement (i.e., 25 years) can claim up to three years before their retirement age (the rule does not apply to those who are in the jobseekers registry for at least 180 days, who can apply up to two years before their retirement age)
  - Credit for periods in which no insurance contribution was paid but which are included in the pension calculation are now provided at a rate of 80%; Exceptions that are still paid at 100% include individuals receiving credits for military service, caring for young or disabled children, or caring for severely or fully dependent adults of any age, or partially dependent adults over the age of 80
  - Changed the benefit adjustment rule from 100% of inflation plus one-third of real wage growth to 70% of inflation plus one-third of real wage growth
  - From January 1, 1999, the old-age benefit would increase if the consumer price index increased by at least 5% (Previously, the old-age benefit would increase if the consumer price index increased by at least 10% and could increase at the government's discretion if the consumer price index increased by at least 5%)
- [Act 116/2001](#) —enacted February 28, 2001 and effective from July 1, 2001 —made the following changes:
  - The percent amount of the pension increased from 1% to 1.5% for every 90 calendar days of gainful activity for those who delay starting benefits after reaching their SRA
  - Reduction rates for starting benefits before SRA increased from 1.0% to 1.3% for temporarily decreased pensions, and from 0.6% to 0.9% for permanently decreased pensions
- [Act 264/2002](#) —enacted May 30, 2002 and effective from July 1, 2002 —introduced the following reforms:
  - The benefit adjustment rule reverted to 100% of consumer price index increases plus one-third real wage growth
  - Pensions are increased in “extraordinary” periods (i.e. outside the regular pension increase period in January of every year) if price growth reaches 10%

## Contributions

- **Employee contribution rate**  
6.5% of taxable income
- **Employer contribution rate**  
19.5% of taxable income
- **Self-employed contribution rate**  
26.0% of taxable income

## Eligibility

### Age requirements to start benefits without penalty

- **Statutory retirement age (SRA)**  
SRA varies by sex, number of children and year of birth:
  - Men: Age 60 in 1995 and rising gradually by 2 months per year until age 62 in 2007
  - Women, raised no children: Age 57 in 1995 and rising gradually by 4 months per year until age 61 in 2007
  - Women, raised 1 child: Age 56 in 1995 and rising gradually by 4 months per year until age 60 in 2007
  - Women, raised 2 children: Age 55 in 1995 and rising gradually by 4 months per year until age 59 in 2007
  - Women, raised 3 to 4 children: Age 54 in 1995 and rising gradually by 4 months per year until age 58 in 2007
  - Women, raised 5 or more children: Age 53 in 1995 and rising gradually by 4 months per year until age 57 in 2007
- **Does SRA vary by birth year?** Answer: Yes
- **Does SRA vary by sex?** Answer: Yes
- **Details by birth year:** See [Table 1](#) for eligibility age by birth year

### Contribution requirements to be eligible to receive benefit

An individual is entitled to start receiving an unreduced old-age pension benefit if they satisfy one of the [eligibility tracks](#). Eligibility tracks depend on age, contribution requirements and, in some cases, other conditions. Contribution requirements are fulfilled by insurance years that are accrued when individuals make insurance premium contributions from employment or self-employment, or through replacement periods of insurance in which credits are awarded for participation in specific non-earning activities (e.g., child care, elder care, military and civil service).

#### Eligibility Track 1: Aged

- Age requirement: Age 65
- Contribution requirement: 15 insurance years

#### Eligibility Track 2: Long work history

- Age requirement: Age 60 for men in 1995, gradually increasing to age 62 by 2007; Ages 53-57 for women depending on number of children, gradually increasing to ages 57-61 by 2007 — See [Table 1](#) for age requirements by sex and birth year
- Contribution requirement: 25 insurance years

#### Eligibility Track 3: Unemployed

- Age requirement: Two years prior to the age requirement for eligibility track 2
- Contribution requirements: 25 insurance years
- Other requirements: Before starting benefits, the individual must satisfy both of the following conditions —
  - Be in the jobseekers registry for at least 180 days
  - Less than two years before the their [SRA](#)

**Note:** Benefits paid under eligibility track 3 are temporarily reduced until the SRA is reached, then benefits are paid at an unreduced rate

### Alternative eligibility requirements that permit starting benefits early, but with a penalty

- **Can an individual start benefits before SRA?** Answer: Yes
- **Earliest eligibility**  
Eligibility to claim benefits at a permanently reduced rate varies by [eligibility track](#) —

[Eligibility Track 1](#) and [3](#)

Claiming benefits early at a reduced rate is not possible.

### Eligibility Track 2

- Age requirement: Approximately age 57 for men and 50-54 for women in 1995 and gradually increasing to 52-56 from 2007  
—The exact age varies by year:
  - \* 3 years before SRA for years prior to 2001 (e.g., SRA for men varies between age 60 and age 60 and 10 months during this period)
  - \* 4 years before SRA from 2001 to 2006 (e.g., SRA for men varies between age 61 and age 61 and 10 months during this period)
  - \* 5 years before SRA from 2007 (e.g., SRA for men is 62 from 2007)
- See Table 1 for SRA by birth year
- Contribution requirement: 25 insurance years (same as full benefits)

- See the subsection **Adjustments for starting benefits before SRA (Early claiming or retirement)** within the **Benefits** section for details on the penalty applied for claiming at earliest eligibility.

## Benefits

To receive a benefit, **does an individual have to claim it?** Answer: Yes

### Payment type

- Payment options (i.e., Annuity, cash balance, or lump sum): Annuitable

### Factors effecting computation of benefit entitlement

- Does the formula for computing benefit entitlement differ by birth year? Answer: Yes
- Is the formula for computing benefit entitlement **progressive**? Answer: Yes
- Does the benefit entitlement depend on the individual's own contribution/work history? Answer: Yes
- Does the benefit entitlement depend on **national income**? Answer: No
- Does an individual receive credits for military service (above any credits normally received for employment)? Answer: Yes  
Credits are provided for years of military service in the Army of the Czech Republic (but not for professional soldiers) and for years of civil service. These periods qualify as **insurance years**, but are excluded from the calculation of the **personal assessment base**.
- Does an individual receive credits for number of children? Answer: Yes  
Credits are provided for the main carer of a child under age 4 or under age 18 with severe disabilities. These credits qualify as **insurance years**, but are excluded from the calculation of the **personal assessment base**.
- Does an individual receive credits for unemployment? Answer: Yes  
Credits are provided for unemployed individual “jobseekers” for a period of up to three years. These credits qualify as **insurance years**, but are excluded from the calculation of the **personal assessment base**. Effective January 1, 1998, these credits are taken into account at a rate of 80%.
- Are future benefit entitlements adjusted for **cost of living**? Answer: Yes, and adjusted according to national income as well
- If so, what measure is used for adjustment?

Current old-age pension beneficiaries receive a benefit adjustment in January of every year. Effective from 1996 to 1998, outside the regular benefit increases (called “extraordinary periods”) benefits may increase if the index increases by at least 5%, and must increase if the index increases by at least 10%. Effective January 1, 1999, benefits will increase when the consumer price index increases by at least 5%. Effective July 1, 2002, benefits will increase when the consumer prices index increases by at least 10%.

From 1996 to 1997, the magnitude of the benefit adjustment rule is 100% of the inflation (i.e., increase in consumer price index) plus one-third of real wage growth published by the Czech Statistical Office (Český statistický úřad, ČSÚ) and the Ministry of Labor and Social Affairs (Ministerstvo práce a sociálních věcí, MPSV) for the calendar year. Effective January 1, 1998, the adjustment is decreased to 70% of consumer price index increase plus one-third of real wage growth. Effective July 1, 2002, it is reverted to 100% of consumer price index increase plus one-third of real wage growth. These adjustments apply to both the basic amount and the percentage amount of the old-age benefit.

See Table 5 for increases in the percentage portion of the pension and Table 2 for increases in the basic portion of the pension over time.

### Benefit formula for claiming at SRA

The monthly pension consists of a fixed amount (known as the “basic” amount) and an earnings-related amount (known as the “percentage” amount) calculated as 1.5% of the personal assessment base (also known as the “calculation base”) for each

**insurance year.** The basic amount is set by Government Order. The minimum of the percentage amount is set at a fixed amount of 770 Kč. The personal assessment base (see below for determination) is converted into a benefit based on particular thresholds including 100% of the amount below the first threshold, 30% of the amount between the first and second threshold, and 10% of any amount over the second threshold. The monthly pension benefit may further depend on the **eligibility track** a beneficiary qualifies to start their benefits and their claiming age relative to their **SRA**. See **Formula 1** for computational details.

**Determining the personal assessment base:** The personal assessment base is based on indexed average gross earnings since 1986. When calculating the personal assessment base, past earnings are indexed to current values. Indexation of past earnings is based on the product of a conversion factor and the ratio of the current to the past “general assessment base” (collectively known as the average monthly wage) at the time the income was earned. The personal assessment base is the average of indexed earning over a “decisive period” reflecting the years of potential work from 1986 or the year a person reaches age 18, whichever is later. The decisive period is reduced based on credits for acceptable non-work activities (e.g., military service, child and elderly care, unemployment). See **Formula 1** for computational details.

#### Eligibility Tracks 1 and 2

After satisfying the eligibility conditions, the individual is entitled to the full amount described above and in **Formula 1**.

#### Eligibility Track 3

After satisfying the eligibility conditions, the individual is entitled to a reduced amount until their SRA and then the full amount described above and in **Formula 1** after reaching their SRA. The reduced amount is based on 4.0% per year (1.0% per quarter) benefits are started prior to the SRA. See **Formula 2** for computational details.

For detailed reference tables used in the calculation of benefits, see:

- **Table 2** for changes in the fixed amount over time
- **Table 3** for details on the reduction limits over time
- **Table 4** for changes in the general assessment base and conversion factor over time

### Adjustments for starting benefits before SRA (Early claiming or retirement)

- **Are benefits reduced for starting benefits before SRA?** Answer: Yes

- **Is so, what is the earliest eligibility?**

Eligibility to claim benefits at a permanently reduced rate varies by **eligibility track** —

#### Eligibility Track 1 and 3

Claiming benefits early at a reduced rate is not possible.

#### Eligibility Track 2

- Age requirement: Approximately age 57 for men and 50-54 for women in 1995 and gradually increasing to 52-56 from 2007 —The exact age varies by year:
  - \* 3 years before **SRA** for years prior to 2001 (e.g., SRA for men varies between age 60 and age 60 and 10 months during this period)
  - \* 4 years before SRA from 2001 to 2006 (e.g., SRA for men varies between age 61 and age 61 and 10 months during this period)
  - \* 5 years before SRA from 2007 (e.g., SRA for men is 62 from 2007)
 See **Table 1** for SRA by birth year
- Contribution requirement: 25 insurance years (same as full benefits)

- **Adjustment formula**

#### Eligibility Track 2

Benefits for early claimants are permanently reduced by 0.6% for every 90 days until retirement age before July 1, 2001. Effective July 1, 2001, the reduction rate is increased to 0.9% (**Act 116/2001**).

See **Formula 3** for computational details. The amount of the benefit may not be lower than the minimum for the percentage of the old age pension, set at 770 Kč per month.

### Adjustments for starting benefits after SRA (Delayed claiming or retirement)

- **Are benefits increased for starting benefits after SRA?** Answer: No, although benefits can be increased through additional work beyond **SRA** (see benefit formula for details)



**Adjustments for starting benefits and continuing to work (Earnings Test)**

- **Are benefits reduced or eliminated while working?** Answer: Yes

- **Adjustment formula**

Reductions for collecting benefits while continuing to work differ by eligibility tracks. Exceptions apply to people who have reached 65.

[Eligibility Tracks 1 and 3](#)

No penalty

[Eligibility Track 2: Long work history](#)

The earnings-test depends on whether the worker started benefits early (i.e., have a permanent reduction in benefits for starting benefits before [SRA](#)):

- Worker started benefits early: The old-age benefit is suspended —work is defined as the beneficiary being engaged in gainful employment or receiving job-seekers benefit
- Worker started benefits on or after SRA: If a beneficiary works, the old-age benefit is suspended for up to two years (or up to age 65) in which they satisfy either of the following conditions:
  - \* Their income from gainful employment or from self-employment exceeds twice the amount of the subsistence minimum applicable to the beneficiary (income here includes sickness insurance benefits) —see the policy document *Czech Republic: Public Old-Age Social Assistance Plan Details for more information about subsistence minimum*
  - \* The beneficiary is gainfully employed abroad, even for part of the month

Beneficiaries who work after starting their benefits may be eligible for permanent adjustments to their benefit. The adjustment may vary based on whether their old-age benefits are reduced or suspended while working. See [Formula 1](#) for computational details.

- **If benefits are reduced while working, does it effect future benefits?** Answer: Yes

- **If so, how does claiming and continuing to work affect future benefits?**

Beneficiaries who work after starting their benefits may be eligible for permanent adjustments to their benefit. The adjustment may vary based on whether their old-age benefits are reduced or suspended while working. See [Formula 1](#) for computational details.

**Additional Benefit Adjustments**

- **Adjustment 1:** Credits are provided for certain periods of care of individuals of any age who are moderately to completely dependent on assistance.
- **Adjustment 1 details:** Periods in which an individual does not work because they are caring for individuals of any age who are moderately to completely dependent may be credited. These periods qualify as insurance years but are excluded from the calculation of the assessment base.

## Chapter 2: Policy enacted 2003-2007

### Policy change in 2003

Act 425/2003, enacted in 2003 and effective from January 1, 2004, made the following substantial reforms to the old-age benefit system:

- **SRA** increased for men born after 1946
- Individuals are no longer eligible to claim their temporarily reduced old-age benefit before their **SRA** if they are in gainful employment or receive job-seeker benefits (pension [Eligibility Track 3](#))
- Gradual extension of the early retirement period from three to five years
- People receiving benefits through [Eligibility Track 2](#) can work up to 1 year while claiming after which their benefits will be suspended if they continue working
- Introduced maximum earnings contribution level for the self-employed, i.e., 486,000 Kč

Other reforms introduced during this period include:

- [Act 264/2006](#), effective January 1, 2007, regulated that adjustment for cost of living in case of higher inflation only applies to the percentage amount of pension benefits
- [Act 261/2007](#), enacted September 19, 2007 and effective January 1, 2008, made the following changes:
  - Introduced credits for years of care for children under age 10 who are dependent on care
  - Introduced the maximum earnings contribution level, i.e., 48 times the average wage

## Overview

The old-age pension (starobní důchod) is a monthly benefit intended to secure the basic needs of the elderly. The old-age pension has a two-tier benefit structure consisting of a fixed basic amount and a percentage amount of the indexed average of a worker's recent earnings history. Participation is mandatory for all economically active people, and it provides a uniform benefit framework for all insured individuals. It is a pay-as-you-go system, administered by the Czech Social Security Administration (Česká správa sociálního zabezpečení, ČSSZ).

The pension system was enacted in 1995. The law which governs the entitlement to a pension from the basic pension insurance, including how pension benefits are determined and eligibility for benefit payment, is the New Basic Pension Insurance Act ([Act 155/1995](#)) on pension insurance, as amended, which came into effect on January 1, 1996.

The old-age pension system in the Czech Republic consists of two components. First is the basic pension insurance, which is described in this document. The second component (not included in this document) is a voluntary retirement account called “supplementary pension insurance system with a state contribution” where the government makes a contribution. This was introduced in 1994 ([Act 42/1994](#)). Individuals could choose to join independent pension funds, and the state would make a contribution to incentivize participation. Act 42/1994 sets out the amount of the state contribution as determined by the participant's contribution. Annual matching values are reported in [Table 6](#).

## Contributions

- **Employee contribution rate**  
6.5% of taxable income
- **Employer contribution rate**  
21.5% of taxable income
- **Self-employed contribution rate**  
28.0% of taxable income and, effective January 1, 2004, up to 486,000 Kč

## Eligibility

### Age requirements to start benefits without penalty

- **Statutory retirement age (SRA)**

SRA varies by sex, number of children and year of birth:

- Men: Age 60 in 1995 and rising gradually by 2 months per year until age 63 in 2012
- Women, raised no children: Age 57 in 1995 and rising gradually by 4 months per year until age 63 in 2012
- Women, raised 1 child: Age 56 in 1995 and rising gradually by 4 months per year until age 62 in 2012
- Women, raised 2 children: Age 55 in 1995 and rising gradually by 4 months per year until age 61 in 2012
- Women, raised 3-4 children: Age 54 in 1995 and rising gradually by 4 months per year until age 60 in 2012
- Women, raised 5 or more children: Age 53 in 1995 and rising gradually by 4 months per year until age 59 in 2012

- **Does SRA vary by birth year?** Answer: Yes

- **Does SRA vary by sex?** Answer: Yes

- **Details by birth year:** See [Table 7](#) for eligibility age by birth year

### Contribution requirements to be eligible to receive benefit

An individual is entitled to start receiving an unreduced old-age pension benefit if they satisfy one of the [eligibility tracks](#). Eligibility tracks depend on age, contribution requirements and, in some cases, other conditions. Contribution requirements are fulfilled by insurance years that are accrued when individuals make insurance premium contributions from employment or self-employment, or through replacement periods of insurance in which credits are awarded for participation in specific non-earning activities (e.g., child care, elder care, military and civil service).

#### Eligibility Track 1: Aged

- Age requirement: Age 65
- Contribution requirement: 15 insurance years

#### Eligibility Track 2: Long work history

- Age requirement: Age 60 for men in 1995, gradually increasing to age 62 by 2007; Ages 53-57 for women depending on number of children, gradually increasing to ages 57-61 by 2007 —See [Table 7](#) for age requirements by sex and birth year
- Contribution requirement: 25 insurance years

### Alternative eligibility requirements that permit starting benefits early, but with a penalty

- **Can an individual start benefits before SRA?** Answer: Yes

- **Earliest eligibility**

Eligibility to claim benefits at a permanently reduced rate varies by [eligibility track](#) —

#### [Eligibility Track 1](#)

Claiming benefits early at a reduced rate is not possible.

#### [Eligibility Track 2](#)

- Age requirement: Approximately age 57 for men and 50-54 for women in 2003 and gradually increasing to 52-56 from 2007 —The exact age varies by year:
  - \* 3 years before SRA for years prior to 2001 (e.g., SRA for men varies between age 60 and age 60 and 10 months during this period)
  - \* 4 years before SRA from 2001 to 2006 (e.g., SRA for men varies between age 61 and age 61 and 10 months during this period)
  - \* 5 years before SRA from 2007 (e.g., SRA for men is 62 from 2007)
- See [Table 7](#) for SRA by birth year
- Contribution requirement: 25 insurance years (same as full benefits)

- **See the subsection *Adjustments for starting benefits before SRA (Early claiming or retirement)* within the *Benefits* section for details on the penalty applied for claiming at earliest eligibility.**

## Benefits

To receive a benefit, **does an individual have to claim it?** Answer: Yes

### Payment type

- Payment options (i.e., Annuity, cash balance, or **lump sum**): Annuitable

### Factors effecting computation of benefit entitlement

- Does the formula for computing benefit entitlement differ by birth year? Answer: Yes
- Is the formula for computing benefit entitlement **progressive**? Answer: Yes
- Does the benefit entitlement depend on the individual's own contribution/work history? Answer: Yes
- Does the benefit entitlement depend on **national income**? Answer: No
- Does an individual receive credits for military service (above any credits normally received for employment)? Answer: Yes  
Credits are provided for years of military service in the Army of the Czech Republic (but not for professional soldiers) and for years of civil service. These periods qualify as **insurance years**, but are excluded from the calculation of the **personal assessment base**.
- Does an individual receive credits for number of children? Answer: Yes  
Credits are provided for the main carer of a child under age 4 or under age 18 with severe disabilities. These credits qualify as **insurance years**, but are excluded from the calculation of the **personal assessment base**.
- Does an individual receive credits for unemployment? Answer: Yes  
Credits are provided for unemployed individual “jobseekers” for a period of up to one year. These credits qualify as **insurance years** at a rate of 80%, but are excluded from the calculation of the **personal assessment base**.
- Are future benefit entitlements adjusted for **cost of living**? Answer: Yes, and adjusted according to national income as well
- If so, what measure is used for adjustment?  
Current old-age pension beneficiaries receive a benefit adjustment in January of every year. Outside the regular benefit increases (called “extraordinary periods”) benefits will increase when the consumer prices index increases by at least 10%.

Additionally, the benefit adjustment rule is 100% of the inflation (i.e., increase in consumer price index) plus one-third of real wage growth published by the Czech Statistical Office (Český statistický úřad, ČSÚ) and the Ministry of Labor and Social Affairs (Ministerstvo práce a sociálních věcí, MPSV) for the calendar year. These adjustments apply to both the basic amount and the percentage amount of the old-age benefit. From 2007, additional adjustments for “extraordinary periods” only apply to the percentage amount of the old-age benefit.

See [Table 5](#) for increases in the percentage portion of the pension and [Table 2](#) for increases in the basic portion of the pension over time.

### Benefit formula for claiming at SRA

The monthly pension consists of a fixed amount (known as the “basic” amount) and an earnings-related amount (known as the “percentage” amount) calculated as 1.5% of the personal assessment base (also known as the “calculation base”) for each **insurance year**. The basic amount is set by Government Order. The minimum of the percentage amount is set at a fixed amount of 770 Kč. The personal assessment base (see below for determination) is converted into a benefit based on particular thresholds including 100% of the amount below the first threshold, 30% of the amount between the first and second threshold, and 10% of any amount over the second threshold. The monthly pension benefit may further depend on the **eligibility track** a beneficiary qualifies to start their benefits and their claiming age relative to their **SRA**. See [Formula 1](#) for computational details.

Determining the personal assessment base: The personal assessment base is based on indexed average gross earnings since 1986. When calculating the personal assessment base, past earnings are indexed to current values. Indexation of past earnings is based on the product of a conversion factor and the ratio of the current to the past “general assessment base” (collectively known as the average monthly wage) at the time the income was earned. The personal assessment base is the average of indexed earning over a “decisive period” reflecting the years of potential work from 1986 or the year a person reaches age 18, whichever is later. The decisive period is reduced based on credits for acceptable non-work activities (e.g., military service, child and elderly care, unemployment). See [Formula 1](#) for computational details.

### Eligibility Tracks 1 and 2

After satisfying the eligibility conditions, the individual is entitled to the full amount described above and in [Formula 1](#).

For detailed reference tables used in the calculation of benefits, see:

- [Table 2](#) for changes in the fixed amount over time
- [Table 3](#) for details on the reduction limits over time

- [Table 4](#) for changes in the general assessment base and conversion factor over time

### Adjustments for starting benefits before SRA (Early claiming or retirement)

- **Are benefits reduced for starting benefits before SRA?** Answer: Yes
- **Is so, what is the earliest eligibility?**  
Eligibility to claim benefits at a permanently reduced rate varies by [eligibility track](#) —

#### Eligibility Track 1

Claiming benefits early at a reduced rate is not possible.

#### Eligibility Track 2

- Age requirement: Approximately age 57 for men and 50-54 for women in 2003 and gradually increasing to 52-56 from 2007  
—The exact age varies by year:
  - \* 3 years before [SRA](#) for years prior to 2001 (e.g., SRA for men varies between age 60 and age 60 and 10 months during this period)
  - \* 4 years before SRA from 2001 to 2006 (e.g., SRA for men varies between age 61 and age 61 and 10 months during this period)
  - \* 5 years before SRA from 2007 (e.g., SRA for men is 62 from 2007)
- See [Table 7](#) for SRA by birth year
- Contribution requirement: 25 insurance years (same as full benefits)

- **Adjustment formula**

#### Eligibility Track 2

Benefits for early claimants are permanently reduced by 0.9% for every 90 days until retirement age.

See [Formula 3](#) for computational details. The amount of the benefit may not be lower than the minimum for the percentage component of the old age pension, set at 770 Kč per month.

A retirement pension claimed before SRA will not be paid if gainful employment is performed or if the individual receives job-seekers benefits.

### Adjustments for starting benefits after SRA (Delayed claiming or retirement)

- **Are benefits increased for starting benefits after SRA?** Answer: No, although benefits can be increased through additional work beyond [SRA](#) (see benefit formula for details)

### Adjustments for starting benefits and continuing to work (Earnings Test)

- **Are benefits reduced or eliminated while working?** Answer: Yes
- **Adjustment formula**  
Reductions for collecting benefits while continuing to work differ by eligibility tracks. Exceptions apply to people who have reached 65.

#### Eligibility Tracks 1

No penalty

#### Eligibility Track 2: Long work history

The earnings-test depends on whether the worker started benefits early (i.e., have a permanent reduction in benefits for starting benefits before [SRA](#)):

- Worker started benefits early: The old-age benefit is suspended —work is defined as the beneficiary being engaged in gainful employment or receiving job-seekers benefit
- Worker started benefits on or after SRA: If a beneficiary works, the old-age benefit is suspended for up to two years (or up to age 65) in which they satisfy either of the following conditions:
  - \* Their income from gainful employment or from self-employment exceeds twice the amount of the subsistence minimum applicable to the beneficiary (income here includes sickness insurance benefits) —see the policy document *Czech Republic: Public Old-Age Social Assistance Plan Details for more information about subsistence minimum*
  - \* The beneficiary is gainfully employed abroad, even for part of the month

Effective January 1, 2004, the pensioner is not subject to income threshold and may work up to 1 year while claiming.

Beneficiaries who work after starting their benefits may be eligible for permanent adjustments to their benefit. The adjustment

may vary based on whether their old-age benefits are reduced or suspended while working. See [Formula 1](#) for computational details.

- **If benefits are reduced while working, does it effect future benefits?** Answer: Yes

- **If so, how does claiming and continuing to work affect future benefits?**

Beneficiaries who work after starting their benefits may be eligible for permanent adjustments to their benefit. The adjustment may vary based on whether their old-age benefits are reduced or suspended while working. See [Formula 1](#) for computational details.

#### **Additional Benefit Adjustments**

- **Adjustment 1:** Credits are provided for certain periods of care of individuals of any age who are moderately to completely dependent on assistance.
- **Adjustment 1 details:** Periods in which an individual does not work because they are caring for individuals of any age who are moderately to completely dependent may be credited. These periods qualify as insurance years but are excluded from the calculation of the assessment base.

## Chapter 3: Policy enacted 2008-2010

### Policy change in 2008

[Act 306/2008](#), enacted on July 17, 2008 and effective January 1, 2010, made the following substantial reforms to the old-age benefit system:

- **SRA** increased gradually to 65 for men and women without children born after 1952. For women with children, the SRA also increased, but the change varied based on her birth year and number of children
- Required insurance period gradually increased from 25 to 35 years by 2019
- The earliest retirement age was changed to three years before SRA
- Individuals who meet the requirements for disability benefits may claim an old-age pension at 65 —Disabled beneficiaries receiving an old-age pension no longer receive full disability benefits
- People can continue working while claiming if they have reached SRA

Other reforms introduced during this period include:

- [Act 178/2008](#), enacted and effective from April 23, 2008, changed the benefit adjustment policy set by a previous amendment ([Act 264/2002](#)), such that old-age benefit amounts would occur outside January each year if the consumer price index increased by at least 5% (previously 10%) since the previous adjustment

## Overview

The old-age pension (starobní důchod) is a monthly benefit intended to secure the basic needs of the elderly. The old-age pension has a two-tier benefit structure consisting of a fixed basic amount and a percentage amount of the indexed average of a worker's recent earnings history. Participation is mandatory for all economically active people, and it provides a uniform benefit framework for all insured individuals. It is a pay-as-you-go system, administered by the Czech Social Security Administration (Česká správa sociálního zabezpečení, ČSSZ).

The pension system was enacted in 1995. The law which governs the entitlement to a pension from the basic pension insurance, including how pension benefits are determined and eligibility for benefit payment, is the New Basic Pension Insurance Act ([Act 155/1995](#)) on pension insurance, as amended, which came into effect on January 1, 1996.

The old-age pension system in the Czech Republic consists of two components. First is the basic pension insurance, which is described in this document. The second component (not included in this document) is a voluntary retirement account called “supplementary pension insurance system with a state contribution” where the government makes a contribution. This was introduced in 1994 ([Act 42/1994](#)). Individuals could choose to join independent pension funds, and the state would make a contribution to incentivize participation. Act 42/1994 sets out the amount of the state contribution as determined by the participant's contribution (see [Table 6](#) for details).

## Contributions

- **Employee contribution rate**  
6.5% of taxable income up to the maximum earnings contribution level (48 times the average wage) —see [Table 8](#) for changes in premium rates and [Table 3](#) for changes in average wage over time
- **Employer contribution rate**  
21.5% of taxable income up to the maximum earnings contribution level (48 times the average wage) —see [Table 8](#) for changes in premium rates and [Table 3](#) for changes in average wage over time
- **Self-employed contribution rate**  
28.0% of taxable income up to the maximum earnings contribution level (48 times the average wage) —see [Table 8](#) for changes in premium rates and [Table 3](#) for changes in average wage over time



## Eligibility

### Age requirements to start benefits without penalty

- **Statutory retirement age (SRA)**

SRA varies by sex, number of children and year of birth:

- Men: Age 60 for those born before 1936 and rising gradually until age 65 for those born in 1968 and after
- Women, raised no children: Age 57 for those born before 1936 and rising gradually until age 65 for those born in 1965 and after
- Women, raised 1 child: Age 56 for those born before 1936 and rising gradually until age 65 for those born in 1966 and after
- Women, raised 2 children: Age 55 for those born before 1936 and rising gradually until age 64 for those born in 1967 and after
- Women, raised 3 children: Age 54 for those born before 1936 and rising gradually until age 63 for those born in 1968 and after
- Women, raised 4 children: Age 53 for those born before 1936 and rising gradually until age 62 for those born in 1965 or after
- Women, raised 5 or more children: Age 53 for those born before 1936 and rising gradually until age 62 for those born in 1969 or after

- **Does SRA vary by birth year?** Answer: Yes

- **Does SRA vary by sex?** Answer: Yes

- **Details by birth year:** See [Table 13](#) for eligibility age by birth year

### Contribution requirements to be eligible to receive benefit

An individual is entitled to start receiving an unreduced old-age pension benefit if they satisfy one of the [eligibility tracks](#). Eligibility tracks depend on age, contribution requirements and, in some cases, other conditions. Contribution requirements are fulfilled by insurance years that are accrued when individuals make insurance premium contributions from employment or self-employment, or through replacement periods of insurance in which credits are awarded for participation in specific non-earning activities (e.g., child care, elder care, military and civil service).

#### Eligibility Track 1: Aged

- Age requirement
  - Before 2010: Age 65
  - From 2010: 5 years over their [SRA](#)
- Contribution requirements: 15 years for those at least age 65 before 2010, gradually increasing to 20 years by 2014 —see [Table 9](#) for changes overtime

#### Eligibility Track 2: Long work history

- Age requirement: SRA —See [Table 10](#) for age requirements by sex and birth year. For age requirements by sex and birth year after 2018, see [Table 11](#)
- Contribution requirement: 25 years of contributions, raising gradually to 35 years by 2019 —see [Table 12](#) for changes overtime

#### Other Eligibility Tracks: Disability

- Individuals with at least a Degree 1 disability may claim an old-age pension at 65. Disabled beneficiaries receiving an old-age pension no longer receive full disability benefits

### Alternative eligibility requirements that permit starting benefits early, but with a penalty

- **Can an individual start benefits before SRA?** Answer: Yes

- **Earliest eligibility**

Eligibility to claim benefits at a permanently reduced rate varies by [eligibility track](#) —

#### Eligibility Track 1

Claiming benefits early at a reduced rate is not possible.

#### Eligibility Track 2

- Age requirement: Up to 3 years before their [SRA](#) and they have reached age 60 —See [Table 13](#) for SRA by birth year
- Contribution requirement: 25 years of contributions in 2008, but gradually increasing to 35 years by 2019 (same as full benefits) —see [Table 12](#) for changes overtime
- **See the subsection *Adjustments for starting benefits before SRA (Early claiming or retirement)* within the *Benefits* section for details on the penalty applied for claiming at earliest eligibility.**



## Benefits

To receive a benefit, **does an individual have to claim it?** Answer: Yes

### Payment type

- **Payment options (i.e., Annuity, cash balance, or lump sum):** Annuitable

### Factors effecting computation of benefit entitlement

- **Does the formula for computing benefit entitlement differ by birth year?** Answer: Yes
- **Is the formula for computing benefit entitlement progressive?** Answer: Yes
- **Does the benefit entitlement depend on the individual's own contribution/work history?** Answer: Yes
- **Does the benefit entitlement depend on national income?** Answer: No
- **Does an individual receive credits for military service (above any credits normally received for employment)?** Answer: Yes  
Credits are provided for years of military service in the Army of the Czech Republic (but not for professional soldiers) and for years of civil service. These periods qualify as **insurance years**, but are excluded from the calculation of the **personal assessment base**.
- **Does an individual receive credits for number of children?** Answer: Yes  
Credits are provided for the main carer of a child under age 4, children under age 10 with some degree of dependence, and under age 18 with severe disabilities. These credits qualify as **insurance years**, but are excluded from the calculation of the **personal assessment base**.
- **Does an individual receive credits for unemployment?** Answer: Yes  
Credits are provided for unemployed individual “jobseekers” for a period of up to one year. These credits qualify as **insurance years** at a rate of 80%, but are excluded from the calculation of the **personal assessment base**.
- **Are future benefit entitlements adjusted for cost of living?** Answer: Yes, and adjusted according to national income as well
- **If so, what measure is used for adjustment?**  
Current old-age pension beneficiaries receive a benefit adjustment in January of every year. Outside the regular benefit increases (called “extraordinary periods”) benefits will increase when the consumer prices index increases by at least 10%.

Additionally, the benefit adjustment rule is 100% of the inflation (i.e., increase in consumer price index) plus one-third of real wage growth published by the Czech Statistical Office (Český statistický úřad, ČSÚ) and the Ministry of Labor and Social Affairs (Ministerstvo práce a sociálních věcí, MPSV) for the calendar year. The annual adjustment applies to both the basic amount and the percentage amount of the old-age benefit. Additional adjustments for “extraordinary periods” only apply to the percentage amount of the old-age benefit.

See [Table 5](#) for increases in the percentage portion of the pension and [Table 2](#) for increases in the basic portion of the pension over time.

### Benefit formula for claiming at SRA

The monthly pension consists of a fixed amount (known as the “basic” amount) and an earnings-related amount (known as the “percentage” amount) calculated as 1.5% of the personal assessment base (also known as the “calculation base”) for each **insurance year**. The basic amount is set by Government Order. The minimum of the percentage amount is set at a fixed amount of 770 Kč. The personal assessment base (see below for determination) is converted into a benefit based on particular thresholds including 100% of the amount below the first threshold, 30% of the amount between the first and second threshold, and 10% of any amount over the second threshold. The monthly pension benefit may further depend on the **eligibility track** a beneficiary qualifies to start their benefits and their claiming age relative to their **SRA**. See [Formula 1](#) for computational details.

**Determining the personal assessment base:** The personal assessment base is based on indexed average gross earnings since 1986. When calculating the personal assessment base, past earnings are indexed to current values. Indexation of past earnings is based on the product of a conversion factor and the ratio of the current to the past “general assessment base” (collectively known as the average monthly wage) at the time the income was earned. The personal assessment base is the average of indexed earning over a “decisive period” reflecting the years of potential work from 1986 or the year a person reaches age 18, whichever is later. The decisive period is reduced based on credits for acceptable non-work activities (e.g., military service, child and elderly care, unemployment). See [Formula 1](#) for computational details.

### Eligibility Tracks 1 and 2

After satisfying the eligibility conditions, the individual is entitled to the full amount described above and in [Formula 1](#).

For detailed reference tables used in the calculation of benefits, see:

- [Table 2](#) for changes in the fixed amount over time

- [Table 3](#) for details on the reduction limits over time
- [Table 4](#) for changes in the general assessment base and conversion factor over time

### Adjustments for starting benefits before SRA (Early claiming or retirement)

- **Are benefits reduced for starting benefits before SRA?** Answer: Yes
- **Is so, what is the earliest eligibility?**  
Eligibility to claim benefits at a permanently reduced rate varies by [eligibility track](#) —

#### Eligibility Track 1

Claiming benefits early at a reduced rate is not possible.

#### Eligibility Track 2

- Age requirement: Up to 3 years before their [SRA](#) and they have reached age 60 —See [Table 13](#) for SRA by birth year
- Contribution requirement: 25 years of contributions in 2008, but gradually increasing to 35 years by 2019 (same as full benefits) —see [Table 12](#) for changes overtime

- **Adjustment formula**

#### Eligibility Track 2

Benefits for early claimants are permanently reduced as follows:

- 0.9% for every 90 days, during the first 720 days calendar days
- 1.5% for every 90 days during from the 721st calendar day

See [Formula 4](#) for computational details. The amount of the benefit may not be lower than the minimum for the percentage component of the old age pension, set at 770 Kč per month.

### Adjustments for starting benefits after SRA (Delayed claiming or retirement)

- **Are benefits increased for starting benefits after SRA?** Answer: No, although benefits can be increased through additional work beyond [SRA](#) (see benefit formula for details)

### Adjustments for starting benefits and continuing to work (Earnings Test)

- **Are benefits reduced or eliminated while working?** Answer: Yes
- **Adjustment formula**

Reductions for collecting benefits while continuing to work differ by eligibility tracks. Exceptions apply to people who have reached 65. Effective January 1, 2010, this age requirement is changed to SRA.

#### Eligibility Tracks 1

No penalty

#### Eligibility Track 2: Long work history

The earnings-test depends on whether the worker started benefits early (i.e., have a permanent reduction in benefits for starting benefits before [SRA](#)):

- Worker started benefits early: The old-age benefit is suspended —work is defined as the beneficiary being engaged in gainful employment or receiving job-seekers benefit
- Worker started benefits on or after SRA: If a beneficiary works, the old-age benefit is suspended for up to two years (or up to age 65) if they work more than 1 year. Effective January 1, 2010, no penalty applies

Beneficiaries who work after starting their benefits may be eligible for permanent adjustments to their benefit. The adjustment may vary based on whether their old-age benefits are reduced or suspended while working. See [Formula 1](#) for computational details.

- **If benefits are reduced while working, does it effect future benefits?** Answer: Yes
- **If so, how does claiming and continuing to work affect future benefits?**  
Beneficiaries who work after starting their benefits may be eligible for permanent adjustments to their benefit. The adjustment may vary based on whether their old-age benefits are reduced or suspended while working. See [Formula 1](#) for computational details.

### Additional Benefit Adjustments

- **Adjustment 1:** Credits are provided for certain periods of care of individuals of any age who are moderately to completely dependent on assistance.
- **Adjustment 1 details:** Periods in which an individual does not work because they are caring for individuals of any age who are moderately to completely dependent may be credited. These periods qualify as insurance years but are excluded from the

calculation of the assessment base.

## Chapter 4: Policy enacted 2011-2022

### Policy change in 2011

**Act 220/2011**, enacted June 21, 2011 and effective September 30, 2011 introduced the following substantial changes to the old-age benefit system:

- **SRA** for people born in 1943 and after were increased, converging for all individuals at age 67 born in 1977. For individuals born after 1977, the retirement age is determined by adding to the age of 67 the number of calendar months corresponding to twice the difference between the insured person's year of birth and 1977. Some of these increases were reversed in 2017 with **Act 203/2017**, when a retirement age cap of 65 was introduced for those born after 1971
- New provisions for early retirement were instituted. These provisions establish that individuals that meet the period of insurance requirements may claim if one of the following conditions is satisfied:
  - 3 years before SRA if their SRA is less than 63 years
  - 5 years before SRA if their SRA is at least 63 years and the individual is at least age 60
- Early benefits rules were changed such that the benefit amount is subject to the following reductions: the amount of the percentage assessment of a pension claimed before normal retirement age is reduced by 0.9% for each 90 days for the first 360 days; 1.2% from day 361 to day 720, and 1.5% from the 721st day until reaching retirement age
- New rules were introduced for determining the reduction limits for the benefit calculation —See **Table 14** for description of new rule
- The amount of the basic component of the pension benefit was set at 9% of the average wage per month
- Modified the pension benefit adjustment for cost-of-living

Other reforms introduced during this period include:

- **Act 428/2011**, effective January 1, 2013, changed the percentage amount of pension benefits for periods when the insured is enrolled in a pension savings scheme. Effective January 1, 2016, **Act 377/2015** repealed this change and only insurance periods from 2013 to 2015 are subjected to this change.
- **Act 267/2014**, effective January 1, 2015, introduced a new condition for entitlement to old-age pension: from 2015, individuals who do not obtain the standard insurance period for eligibility may claim their pension 5 years or more after the retirement age set for people of the same year of birth if they have completed 15 years of insurance. This eligibility track, however, does not take into account replacement years of insurance (i.e. years of credit for non-gainful activity such as military service or childcare).
- **Act 213/2016**, effective October 1, 2016, introduced two reforms, which entered into force that same year:
  - It changed the decisive period for the calculation of the personal assessment base from the period between 1986 and the year prior to award of the pension, to the period between when the individual turns 18 to the year prior to award of the pension
  - It determined that certain mining workers' retirement age will be 7 years less than the normal retirement age depending on year of birth, for both women and men
- **Act 203/2017**, effective January 1, 2018, introduced the following reforms:
  - Gradual increases in **SRA** were capped at age 65 for those born after 1971 (64 years and 8 months for women with 5 or more children) —See **Table 11** for new age requirements by sex and birth year
  - The indexation rule was changed so that increases in pensions would be at least half of real wage growth, up from one third
- **Act 191/2018**, effective January 1, 2019, introduced the following reforms:
  - It increased the amount of the fixed component of the pension benefit from 9% to 10% of the average wage per month
  - It increased pension benefits for those reaching ages 85 and over as follows:
    - \* 1,000 Kč per month when the pension recipient reaches the age of 85
    - \* 2,000 Kč per month when the pension recipient reaches the age of 100
- **Act 469/2020**, effective December 1, 2020, introduced an one-off pension contribution to persons who claimed pension benefits before December 1, 2020. The amount of the contribution was set at 5,000 Kč. This amount was paid without application by the state (i.e. individuals did not need to file a claim).
- **Act 323/2021**, effective January 1, 2023, increased the benefit amount for individuals with children. The increase per child amounted to 500 Kč per month. In addition, 300 Kč are added to the “regular” increase in the percentage component of the pension.

## Overview

The old-age pension (starobní důchod) is a monthly benefit intended to secure the basic needs of the elderly. The old-age pension has a two-tier benefit structure consisting of a fixed basic amount and a percentage amount of the indexed average of a worker's recent earnings history. Participation is mandatory for all economically active people, and it provides a uniform benefit framework for all insured individuals. It is a pay-as-you-go system, administered by the Czech Social Security Administration (Česká správa sociálního zabezpečení, ČSSZ).

The pension system was enacted in 1995. The law which governs the entitlement to a pension from the basic pension insurance, including how pension benefits are determined and eligibility for benefit payment, is the New Basic Pension Insurance Act (Act 155/1995) on pension insurance, as amended, which came into effect on January 1, 1996.

The old-age pension system in the Czech Republic consists of two components. First is the basic pension insurance, which is described in this document. The second component (not included in this document) is a voluntary retirement account called “supplementary pension insurance system with a state contribution” where the government makes a contribution. This was introduced in 1994 (Act 42/1994). Individuals could choose to join independent pension funds, and the state would make a contribution to incentivize participation. Act 42/1994 sets out the amount of the state contribution as determined by the participant's contribution (see Table 6 for details).

## Contributions

- **Employee contribution rate**  
6.5% of taxable income up to the maximum earnings contribution level (48 times the average wage) —see Table 3 for changes in average wage over time
- **Employer contribution rate**  
21.5% of taxable income up to the maximum earnings contribution level (48 times the average wage) —see Table 3 for changes in average wage over time
- **Self-employed contribution rate**  
28.0% of taxable income up to the maximum earnings contribution level (48 times the average wage) —see Table 3 for changes in average wage over time

## Eligibility

### Age requirements to start benefits without penalty

- **Statutory retirement age (SRA)**  
SRA varies by sex, number of children and year of birth:
  - Men: Age 60 for those born before 1936 and rising gradually until age 67 for those born in 1977
  - Women, raised no children: Age 57 for those born before 1936 and rising gradually until age 67 for those born in 1977
  - Women, raised 1 child: Age 56 for those born before 1936 and rising gradually until age 67 for those born in 1977
  - Women, raised 2 children: Age 55 for those born before 1936 and rising gradually until age 67 for those born in 1977
  - Women, raised 3 or 4 children: Age 54 for those born before 1936 and rising gradually until age 67 for those born in 1977
  - Women, raised 5 or more children: Age 53 for those born before 1936 and rising gradually until age 67 for those born in 1977

For individuals born after 1977, the retirement age is determined by adding to the age of 67 the number of calendar months corresponding to twice the difference between the insured person's year of birth and 1977.

From 2018, Act 203/2017, capped gradual increases in the SRA at age 65 for those born after 1971 (64 years and 8 months for women with 5 or more children). See Table 11 for details.

- **Does SRA vary by birth year?** Answer: Yes
- **Does SRA vary by sex?** Answer: Yes
- **Details by birth year:** Applicable policies vary by time period —
  - Before 2018: See Table 10 for eligibility age by birth year
  - From 2018: See Table 11 for eligibility age by birth year

### Contribution requirements to be eligible to receive benefit

An individual is entitled to start receiving an unreduced old-age pension benefit if they satisfy one of the [eligibility tracks](#). Eligibility tracks depend on age, contribution requirements and, in some cases, other conditions. Contribution requirements are fulfilled by

insurance years that are accrued when individuals make insurance premium contributions from employment or self-employment, or through replacement periods of insurance in which credits are awarded for participation in specific non-earning activities (e.g., child care, elder care, military and civil service).

#### Eligibility Track 1: Aged

- Age requirement
  - Before 2010: Age 65
  - From 2010: 5 years over their [SRA](#)
- Contribution requirements: 15 years for those at least age 65 before 2010, gradually increasing to 20 years by 2014 —see [Table 9](#) for changes overtime

#### Eligibility Track 2: Long work history

- Age requirement: SRA —See [Table 10](#) for age requirements by sex and birth year. For age requirements by sex and birth year after 2018, see [Table 11](#)
- Contribution requirement: 25 years of contributions, raising gradually to 35 years by 2019 —see [Table 12](#) for changes overtime

#### Eligibility Track 3 (effective January 1, 2015): Short work history

- Age requirement: 5 years or more after the SRA of people of the same birth year who have completed 15 years of insurance.
- Contribution requirements: 15 years of insurance (this eligibility track does not take into account replacement years of insurance, i.e., years of credit for non-gainful activity such as military service or childcare)

#### Other Eligibility Tracks: Disability

- Individuals with at least a Degree 1 disability may claim an old-age pension at 65. Disabled beneficiaries receiving an old-age pension no longer receive full disability benefits

### Alternative eligibility requirements that permit starting benefits early, but with a penalty

- **Can an individual start benefits before SRA?** Answer: Yes
- **Earliest eligibility**  
Eligibility to claim benefits at a permanently reduced rate varies by [eligibility track](#) —

#### [Eligibility Tracks 1 and 3](#)

Claiming benefits early at a reduced rate is not possible.

#### [Eligibility Track 2](#)

- Age requirement: Must satisfy one of the following conditions —
  - \* Before September 30, 2011: Up to 3 years before their [SRA](#) and they have reached age 60
  - \* Effective September 30, 2011:
    - Up to 3 years before their [SRA](#) if their SRA is less than 63 years
    - Up to 5 years before their [SRA](#) if their SRA is at least 63 years and they have reached age 60

See the following tables for SRA by birth year:

- \* Before 2018: See [Table 10](#) for eligibility age by birth year
- \* From 2018: See [Table 11](#) for eligibility age by birth year

- Contribution requirement: At least 25 years of contributions, but gradually increasing to 35 years by 2019 (same as full benefits) —see [Table 12](#) for changes overtime

- **See the subsection *Adjustments for starting benefits before SRA (Early claiming or retirement)* within the *Benefits* section for details on the penalty applied for claiming at earliest eligibility.**

## Benefits

**To receive a benefit, [does an individual have to claim it?](#)** Answer: Yes

#### Payment type

- **Payment options (i.e., Annuity, cash balance, or [lump sum](#)):** Annuitable

#### Factors effecting computation of benefit entitlement

- **Does the formula for computing benefit entitlement differ by birth year?** Answer: Yes
- **Is the formula for computing benefit entitlement [progressive](#)?** Answer: Yes

- **Does the benefit entitlement depend on the individual's own contribution/work history?** Answer: Yes
- **Does the benefit entitlement depend on [national income](#)?** Answer: Yes
- **Does an individual receive credits for military service (above any credits normally received for employment)?** Answer: Yes  
Credits are provided for years of military service in the Army of the Czech Republic (but not for professional soldiers) and for years of civil service. These periods qualify as [insurance years](#), but are excluded from the calculation of the [personal assessment base](#).
- **Does an individual receive credits for number of children?** Answer: Yes  
Credits are provided for the main carer of a child under age 4, children under age 10 with some degree of dependence, and under age 18 with severe disabilities. These credits qualify as [insurance years](#), but are excluded from the calculation of the [personal assessment base](#).
- **Does an individual receive credits for unemployment?** Answer: Yes  
Credits are provided for unemployed individual “jobseekers” for a period of up to one year. These credits qualify as [insurance years](#) at a rate of 80%, but are excluded from the calculation of the [personal assessment base](#).
- **Are future benefit entitlements adjusted for [cost of living](#)?** Answer: Yes, and adjusted according to national income as well
- **If so, what measure is used for adjustment?**  
Current old-age pension beneficiaries receive a benefit adjustment in January of every year. Outside the regular benefit increases (called “extraordinary periods”) benefits will increase when the consumer price index increases by at least 5%.

Additionally, the benefit adjustment rule is 100% of the inflation (i.e., increase in consumer price index) plus part of real wage growth published by the Czech Statistical Office (Český statistický úřad, ČSÚ) and the Ministry of Labor and Social Affairs (Ministerstvo práce a sociálních věcí, MPSV) for the calendar year:

- Until December 31, 2017, pension benefits were adjusted by at least one-third of the average real wage growth for the calendar year
- From January 1, 2018, the indexation rule was changed so that increases in pensions would be at least half of real wage growth.

The annual adjustment applies to both the basic amount and the percentage amount of the old-age benefit. Additional adjustments for “extraordinary periods” only apply to the percentage amount of the old-age benefit.

See [Table 5](#) for increases in the percentage portion of the pension and [Table 2](#) for increases in the basic portion of the pension over time.

### Benefit formula for claiming at SRA

The monthly pension consists of a fixed amount (known as the “basic” amount) and an earnings-related amount (known as the “percentage” amount) calculated as 1.5% of the personal assessment base (also known as the “calculation base”) for each [insurance year](#). Additionally, if the insured is enrolled in a pension saving scheme from 2013 to 2015, their percentage amount for this period is calculated as 1.2% of the calculation base for the corresponding insurance year. The minimum of the percentage amount is set at a fixed amount of 770 Kč. The basic amount is set by Government regulation:

- Until December 31, 2018, the basic amount was set at 9% of average wage
- From January 1, 2019, the basic amount was increased to 10% of average wage

The personal assessment base is converted into a benefit based on particular thresholds including 100% of the amount below the first threshold and 26% of the amount between the first and second threshold. Until September 31, 2016, the personal assessment base was based on indexed average gross earnings from 1986 until the year prior to an individual's pension in granted. From October 1, 2016, the calculation is based on indexed average gross earnings from the year after an individual turns 18 until the year prior to the pension being granted. Past earnings are indexed to current values. Indexation of past earnings is based on the product of a conversion factor and the ratio of the current to the past “general assessment base” (collectively known as the average monthly wage) at the time the income was earned. The monthly pension benefit may further depend on the [eligibility track](#) a beneficiary qualifies to start their benefits and their time relative to their SRA. See [Formula 1](#) for computational details.

In 2019 and 2020 benefits were increased for certain individuals:

- In 2019, pension benefits for those reaching ages 85 and over were increased by 1,000 Kč per month when the pension recipient reaches the age of 85, and by 2,000 Kč per month when the pension recipient reaches the age of 100
- From December 1, 2020, an one-off pension contribution of 5,000 Kč was granted to pensioners who claimed benefits before December 1, 2020
- In 2023, the benefit amount for individuals with children increases by 500 Kč per month.
- Also in 2023, 300 Kč are added to the regular increase in the percentage component of the pension

### [Eligibility Tracks 1, 2, and 3](#)



After satisfying the eligibility conditions, the individual is entitled to the full amount described above and in [Formula 1](#).

For detailed reference tables used in the calculation of benefits, see:

- [Table 2](#) for changes in the fixed amount over time
- [Table 3](#) for details on the reduction limits over time
- [Table 4](#) for changes in the general assessment base and conversion factor over time
- [Table 14](#): For the new percent calculations introduced in 2011

#### Adjustments for starting benefits before SRA (Early claiming or retirement)

- **Are benefits reduced for starting benefits before SRA?** Answer: Yes
- **Is so, what is the earliest eligibility?**  
Eligibility to claim benefits at a permanently reduced rate varies by [eligibility track](#) —

##### Eligibility Tracks 1 and 3

Claiming benefits early at a reduced rate is not possible.

##### Eligibility Track 2

- Age requirement: Must satisfy one of the following conditions —
  - \* Before September 30, 2011: Up to 3 years before their [SRA](#) and they have reached age 60
  - \* Effective September 30, 2011:
    - Up to 3 years before their [SRA](#) if their SRA is less than 63 years
    - Up to 5 years before their [SRA](#) if their SRA is at least 63 years and they have reached age 60

See the following tables for SRA by birth year:

- \* Before 2018: See [Table 10](#) for eligibility age by birth year
- \* From 2018: See [Table 11](#) for eligibility age by birth year

- Contribution requirement: At least 25 years of contributions, but gradually increasing to 35 years by 2019 (same as full benefits) —see [Table 12](#) for changes overtime

#### • Adjustment formula

##### Eligibility Track 2

Benefits for early claimants are permanently reduced as follows:

- 0.9% for every 90 days for the first 360 days
- 1.2% for every 90 days from day 361 to day 720
- 1.5% for every 90 days from the 721st day

See [Formula 5](#) for computational details. The amount of the benefit may not be lower than the minimum for the percentage component of the old age pension, set at 770 Kč per month.

#### Adjustments for starting benefits after SRA (Delayed claiming or retirement)

- **Are benefits increased for starting benefits after SRA?** Answer: No, although benefits can be increased through additional work beyond [SRA](#) (see benefit formula for details)

#### Adjustments for starting benefits and continuing to work (Earnings Test)

- **Are benefits reduced or eliminated while working?** Answer: Yes
- **Adjustment formula**

Reductions for collecting benefits while continuing to work differ by eligibility tracks. Exceptions apply to people who have reached SRA.

##### Eligibility Tracks 1 and 3

No penalty

##### Eligibility Track 2: Long work history

The earnings-test depends on whether the worker started benefits early (i.e., have a permanent reduction in benefits for starting benefits before [SRA](#)):

- Worker started benefits early: The old-age benefit is suspended —work is defined as the beneficiary being engaged in gainful employment or receiving job-seekers benefit
- Worker started benefits on or after SRA: No penalty

Beneficiaries who work after starting their benefits may be eligible for permanent adjustments to their benefit. The adjustment may vary based on whether their old-age benefits are reduced or suspended while working. See [Formula 1](#) for computational



details.

- **If benefits are reduced while working, does it effect future benefits?** Answer: Yes
- **If so, how does claiming and continuing to work affect future benefits?**

Beneficiaries who work after starting their benefits may be eligible for permanent adjustments to their benefit. The adjustment may vary based on whether their old-age benefits are reduced or suspended while working. See [Formula 1](#) for computational details.

#### **Additional Benefit Adjustments**

- **Adjustment 1:** Credits are provided for certain periods of care of individuals of any age who are moderately to completely dependent on assistance.
- **Adjustment 1 details:** Periods in which an individual does not work because they are caring for individuals of any age who are moderately to completely dependent may be credited. These periods qualify as insurance years but are excluded from the calculation of the assessment base.

Tables and Formulas

**Table 1: Statutory Retirement Age (1995 - 2002)**

Birth year	Men	Women (no children)	Women (1 child)	Women (2 children)	Women (3-4 children)	Women (5+ children)
Before 1936		57 years	56 years	55 years	54 years	53 years
1936	60 years	57 years and 4 months	56 years and 4 months	55 years and 4 months	54 years and 4 months	53 years and 4 months
1937	60 years and 2 months	57 years and 8 months	56 years and 8 months	55 years and 8 months	54 years and 8 months	53 years and 8 months
1938	60 years and 4 months	57 years	56 years	55 years	54 years	53 years
1939	60 years and 6 months	58 years	57 years and 4 months	56 years and 4 months	55 years and 4 months	54 years and 4 months
1940	60 years and 8 months	58 years and 4 months	57 years and 8 months	56 years and 8 months	55 years and 8 months	54 years and 8 months
1941	60 years and 10 months	58 years and 8 months	57 years	56 years	55 years	54 years
1942	61 years	59 years	58 years	57 years	56 years	55 years
1943	61 years and 2 months	59 years and 4 months	58 years and 4 months	57 years and 4 months	56 years and 4 months	55 years and 4 months
1944	61 years and 4 months	59 years and 8 months	58 years and 8 months	57 years and 8 months	56 years and 8 months	55 years and 8 months
1945	61 years and 6 months	60 years	59 years	58 years	57 years	56 years
1946	61 years and 8 months	60 years and 4 months	59 years and 4 months	58 years and 4 months	57 years and 4 months	56 years and 4 months
After 1946	61 years and 10 months	60 years and 8 months	59 years and 8 months	58 years and 8 months	57 years and 8 months	56 years and 8 months
	62 years	61 years	60 years	59 years	58 years	57 years

**Source:** Author's compilation from Act 155/1995 (ČESKO, 1995)

**Formula 1: Old-Age Pension Benefit Formula**

$$B_{OA,i,t,t_c} = BA_t + 0.015 \times IY_{i,t} \times PA_{i,t,t_c} \times CUMADJ_{i,t}$$

- $B_{OA,i,t,t_c}$  = Individual  $i$ 's benefit at age  $t$  if starting benefits at  $t_c \leq t$
- $BA_t$  = The basic amount for beneficiaries at time  $t$  —See Table 2 for value by year
- $IY_{i,t}$  = Individual  $i$ 's total number of insurance years earned or credited through year  $t$  —this value is capped at  $i$ 's SRA:
  - If  $i$  has at least 25 insurance years when  $i$  reaches his or her SRA, then  $IY_{i,t}$  can not grow through additional work
  - If  $i$  has less than 25 insurance years when  $i$  reaches his or her SRA, then  $IY_{i,t}$  can grow until 25 through additional work
- $PA_{i,t,t_c}$  = The percentage amount is a progressive function of  $i$ 's personal assessment base:

$$PA_{i,t,t_c} = \begin{cases} PAB_{i,t,p} & \text{if } PAB_{i,t,p} < T_t^1 \\ T_t^1 + M_t^2 \times (\min\{PAB_{i,t,p}, T_t^2\} - T_t^1) & \text{if } T_t^1 \leq PAB_{i,t,p} < T_t^2 \\ T_t^1 + M_t^2 \times (T_t^2 - T_t^1) + M_t^3 \times (\min\{PAB_{i,t,p}, T_t^3\} - T_t^2) & \text{if } T_t^2 \leq PAB_{i,t,p} < T_t^3 \\ T_t^1 + M_t^2 \times (T_t^2 - T_t^1) + M_t^3 \times (T_t^3 - T_t^2) + M_t^4 \times (PAB_{i,t,p} - T_t^3) & \text{if } T_t^3 \leq PAB_{i,t,p} \end{cases}$$

where,

- $p$  = Year individual  $i$  started their old-age pension or their SRA, which ever came first ( $t_c \leq p \leq t$ )
- $T_t^k$  = Threshold  $k$  in year  $t$  (there are 2 to 3 thresholds depending on time period) —See Table 3 for thresholds by year; in cases where  $T_t^2$  does not exist, set  $T_t^2 = T_t^1$
- $M_t^k$  = Multiplier for earnings above threshold  $k - 1$  in year  $t$  and, if applicable, below threshold  $k$  —See Table 14 for multipliers by threshold by year
- $PAB_{i,t,p}$  = Individual  $i$ 's personal assessment base, which is based on contributions since age 18 (or since 1986) through time  $t$  and when  $i$  started benefits relative to their SRA,  $p$

$$PAB_{i,t,p} = \frac{1}{DP_{i,p}} \times \left( \sum_{s=p-1}^t EARN_{i,s} + \sum_{s=p}^{p-2} EARN_{i,s} \times \frac{GAB_{p-2}}{GAB_s} \times CF_{p-2} \right) \times \left( \prod_{s=p}^t (1 + COLA_s) \right)$$

where,

- \*  $p$  = 1986, or the year individual  $i$  reaches age 18, which ever comes later
- \*  $DP_{i,p}$  = The decisive period for individual  $i$  based on their number of years of possible contribution between  $p$  and 1986 or the year  $i$  reached age 18, whichever is later —this period may be reduced for creditable periods (e.g., maternity, caretaking)
- \*  $EARN_{i,s}$  = Individual  $i$ 's annual earnings covered by social security in year  $s \leq t$  —covered earnings may be subject to an annual maximum
- \*  $GAB_s$  = General assessment basis for year  $s$  —See Table 4 for values by year
- \*  $CF_s$  = Conversion factor for year  $s$  —See Table 4 for values by year
- \*  $COLA_s$  = Annual increase of the percentage amount in year  $s$  —See Table 5 for values by year

- $CUMADJ_{i,t}$  = Cumulative adjustment factor based on quarters an individual continues to work after starting benefits

$$CUMADJ_{i,t} = 1 + \sum_{s=\max\{t_c, t_{25}\}}^{t-1} C_s^{0\% \text{ benefit}} + \sum_{s=\max\{t_c, t_{25}\}}^{t-1} C_s^{50\% \text{ benefit}} + \sum_{s=\max\{t_c, t_{25}\}}^{t-1} C_s^{100\% \text{ benefit}}$$

where  $CUMADJ_{i,t} = 1$  if  $i$  did not work after starting benefits and is greater than 1 otherwise

- $\max\{t_c, t_{25}\}$  = The year individual  $i$  starts old-age benefits or accrues 25 insurance years ( $t_{25}$ ), whichever comes last
- $C_s^{0\% \text{ benefit}}$  = is the adjustment credit for each quarter in year  $s < t$  where  $i$  worked but has not started their benefit —Varies by period:
  - \* 1995 - 2002: 0.01 per quarter
  - \* 2003 - 2022: 0.015 per quarter
- $C_s^{50\% \text{ benefit}}$  = is the adjustment credit for each quarter in year  $s < t$  where  $i$  worked but receives 50% of their old-age benefit —Varies by period:
  - \* 1995 - 2007: 0 per quarter
  - \* 2008 - 2022: 0.0075 per quarter
- $C_s^{100\% \text{ benefit}}$  = is the adjustment credit for each quarter in year  $s < t$  where  $i$  worked but receives 100% of their old-age benefit —Varies by period:
  - \* 1995 - 2007: 0 per quarter
  - \* 2008 - 2022: 0.001 per quarter

Source: Author's interpretation of § 33 - § 36 of Act 155/1995 (ČESKO, 1995)

**Notes:**

1. Czech beneficiaries may reduce or suspend old-age benefit receipt while working in exchange for permanent adjustments to the percentage amount of the benefit. We refer to the reduction or suspension of these benefits while working as a current adjustment. Current adjustments accrue adjustment credits based on the percentage of benefits reduced and the sum of these credits permanently increase future benefits.
2. The minimum of the percentage amount of the old-age benefit can never be less than 770 Kč except when a person opts for a reduction or elimination of current benefits to receive greater future benefits.
3. From October 1, 2016, the calculation is based on indexed average gross earnings from the year after an individual turns 18 until the year prior to the pension being granted.
4. If the insured is enrolled in a pension saving scheme from 2013 to 2015, their percentage amount for this period is calculated as 1.2% of the calculation base for the corresponding insurance year. Therefore, the multiplier 0.015 in this formula is replaced by 0.012 for these individuals' earning history from 2013 to 2015.

**Formula 2: Temporary Reduction in Benefits if Started Before SRA Due to Unemployment**

$$B_{OA(unemp),i,t,t_c} = \left(1 - (\text{PENALTY}(unemp)_t^Q \times \text{EARLYTIME}_{i,t}^Q)\right) \times B_{OA,i,t,t_c}$$

- $B_{OA(unemp),i,t,t_c}$  = Individual  $i$ 's benefit in year  $t$  if starting benefits prior to  $i$ 's SRA due to unemployment at  $t_c$
- $B_{OA,i,t,t_c}$  = Individual  $i$ 's benefit at age  $t$  if starting benefits at  $t_c$  —See [Formula 1](#) for computational details
- $\text{PENALTY}(unemp)_t^Q$  = Quarterly penalty factor for beneficiaries claiming before SRA due to unemployment in place at time  $t$  —0.01 in 1995
- $\text{EARLYTIME}_{i,t}^Q$  = Number of quarters that individual  $i$  starts benefits before SRA (if benefits are started between quarters, round up to the next highest quarter) —See the following tables for SRA by birth year depending on policy in place at  $t_c$ 
  - SRA by birth year and sex, 1995 - 2002: [Table 1](#)
  - SRA by birth year and sex, 2003 - 2007: [Table 7](#)
  - SRA by birth year and sex, 2008 - 2010: [Table 13](#)
  - SRA by birth year and sex, 2011 - 2017: [Table 10](#)
  - SRA by birth year and sex, 2018 - 2022: [Table 11](#)

**Source:** Author's interpretation of § 33 - § 36 of Act 155/1995 ([ČESKO, 1995](#))

**Table 2: Basic Amount and Increases by Year**

Year	Basic amount	Annual Change
1996 (January)	680 Kč	
1996 (April)	920	240 Kč
1996 (October)	1,060	140
1997	1,260	200
1998	1,310	50
2005	1,400	90
2006	1,470	70
2007	1,570	100
2008 (January)	1,700	130
2008 (August)	2,170	470
2011	2,230	60
2012	2,270	40
2013	2,330	60
2014	2,340	10
2015	2,400	60
2016	2,440	40
2017	2,550	110
2018	2,700	150
2019	3,270	570
2020	3,490	220
2021	3,550	60
2022	3,900	350

**Source:** For 1996 to 2011, author's compilation from Government Orders setting new amounts, archived in the Czech Laws for People website ([ČESKO, 2022](#)). From 2011 onwards, data is compiled from "What enters into the pension calculation" ([Finance.cz, 2022](#))

**Notes:** The basic amount of the pension was set to 9% of average wage per month in 2011 ([Act 220/2011](#)) and increased to 10% in 2019 ([Act 191/2018](#))

**Table 3: Reduction Limits by Year**

Year	Average Wage	Threshold 1	Threshold 2	Threshold 3
1996	8,216 Kč	5,000 Kč		11,200 Kč
1997	9,788	5,600		11,200
1998	10,831	5,900		11,800
1999	11,649	6,100		13,000
2000	12,687	6,300		14,200
2001	13,440	6,600		15,300
2002	14,761	7,100		16,800
2003	15,655	7,400		17,900
2004	16,837	7,500		19,200
2005	17,884	8,400		20,500
2006	18,833	9,100		21,800
2007	20,139	9,600		23,300
2008	21,560	10,000		24,800
2009	23,555	10,500		27,000
2010	23,708	10,500		27,000
January 1, 2011	24,739	11,000		28,200
- September 29, 2011				
September 30, 2011		10,886	28,699 Kč	98,960
- December 31, 2011				
2012	25,137	11,061	29,159	100,548
2013	25,883	11,389	30,026	103,536
2014	25,942	11,415	30,090	103,768
2015	26,610	11,709		106,444
2016	27,005	11,883		108,024
2017	28,231	12,423		112,928
2018	29,979	13,191		119,916
2019	32,698	14,388		130,796
2020	34,834	15,328		139,340
2021	35,440	15,595		141,764
2022	38,911	17,121		155,644

**Source:** Author's compilation and calculations from Government Orders and relevant Acts archived in the Czech Laws for People (ČESKO, 2022). The most recent Government Order setting threshold amounts can be found in Government Order 283/2010 (ČESKO, 2010).

**Notes:** The average wage is based on the product of the general assessment base and the conversion factor. Threshold values are set by legislation issued annually. The rules determining the reduction limits were amended in 2011 — See Table 14 for associated reduction factors by threshold.

**Table 4: General Assessment Base and Conversion Factor by Year**

Year	General Assessment Base	Conversion Factor
1986	2,964 Kč	
1987	3,026	
1988	3,095	
1989	3,170	
1990	3,286	
1991	3,792	
1992	4 644	
1993	5,817	
1994	6,896	1.1914
1995	8,172	1.1978
1996	9,676	1.1194
1997	10,696	1.0891
1998	11,693	1.0850
1999	12,655	1.0620
2000	13,490	1.0942
2001	14,640	1.0693
2002	15,711	1.0717
2003	16,769	1.0665
2004	17,882	1.0532
2005	18,809	1.0707
2006	20,050	1.0753
2007	21,527	1.0942
2008	23,280	1.0184
2009	24,091	1.0269
2010	24,526	1.0249
2011	25,093	1.0315
2012	25,903	1.0015
2013	25,903	1.0273
2014	26,357	1.0246
2015	27,156	1.0396
2016	28,250	1.0612
2017	30,156	1.0843
2018	32,510	1.0715
2019	34,766	1.0194
2020	36,119	1.0715

**Source:** “What enters into the pension calculation” ([Finance.cz, 2022](#))

**Notes:** The conversion factor is a component of the calculation of the coefficient of increase of the general assessment base (GAB). The coefficient of increase is determined as the ratio of the GAB for the calendar year two year preceding the pension year, multiplied by the conversion factor and the GAB for the calendar year for which the annual assessment base is calculated. The GAB is determined by government regulation, and the conversion factor is determined by the Ministry of Labor and Social Affairs ([2022](#))

**Table 5: Annual Increases in the Percentage Amount by Year**

Period	Increase in the percentage portion of the pension	Alternative rate for pensions awarded before 1996
1996 (April)	8.0 %	
1996 (October) <sup>1</sup>	6.0	
1997	8.0	
1998	5.0	9.0 %
1999	5.0	7.5
2000	5.0	9.0
2001	8.0	11.0
2002	3.8	4.0
2003	2.5	
2004	5.4	
2005	4.0	6.0
2006	5.6	6.6
2007	3.0	
2008	4.4	
2009	0.0	
2010	3.9	
2011	1.6	
2012	0.9	
2013	0.4	
2014	1.6	
2015	1.6	
2016	0% (+ 1,200 Kč in the month of February)	
2017	0.0	
2018	3.5	
2019	3.4	
2020	5.2% (+ 151 Kč)	
2021	0.1	
2022	1.3% (+ 300 Kč)	

**Source:** From 1996 to 2010, author's compilation from legal archives of the Ministry of Labor and Social Affairs Ministry of Labor and Social Affairs.

**Notes:** In 2016, 2020 and 2022 a lump sum increase was applied to the percent portion of the benefit.

<sup>1</sup> This increase only applies to pensions granted from October 1, 1996 to December 31, 1996



**Formula 3: Permanent Reduction in Benefits if Started Before SRA (1995-2007)**

$$B_{OA(early),i,t,t_c} = \left(1 - (\text{RED}_{i,t} \times \text{EARLYTIME}_{i,t}^Q)\right) \times B_{OA,i,t}$$

- $B_{OA(early),i,t,t_c}$  = Individual  $i$ 's benefit at age  $t$  if starting benefits prior to  $i$ 's SRA in period  $t_c$
- $B_{OA,i,t,t_c}$  = Individual  $i$ 's benefit at age  $t$  if starting benefits at  $t_c$  —See [Formula 1](#) for computational details
- $\text{RED}_{i,t}$  = Reduction coefficient applicable at time  $t$  due to early claiming. By June 30, 2001, it was set at 0.6%. Effective July 1, 2002, it increased to 0.9%.
- $\text{EARLYTIME}_{i,t}^Q$  = Number of quarters that individual  $i$  starts benefits before SRA (if benefits are started between quarters, round up to the next highest full quarter) —See the following tables for SRA by birth year depending on policy in place at  $t_c$ 
  - SRA by birth year and sex, 1995 - 2002: [Table 1](#)
  - SRA by birth year and sex, 2003 - 2007: [Table 7](#)

**Source:** Author's interpretation of § 33 - § 36 of Act 155/1995 ([ČESKO, 1995](#))

**Note:** A quarter is defined as 90 calendar days in Czech pension law, meaning that four quarters is slightly less than one calendar year (i.e., 360 days). The amount of the benefit may not be lower than the minimum for the percentage component of the old age pension, set at 770Kč per month.

**Table 6: State Contribution to Supplementary Pension**

Monthly payment	State contribution until 2012	State contribution since 2013
100 Kč	50 Kč	0 Kč
200	90	0
300	120	90
400	140	110
500	150	130
600	150	150
700	150	170
800	150	190
900	150	210
1000 +	150	230

**Source:** State Contribution to Pension Savings, [Finance.cz \(2022\)](#).

**Notes:** The amount of the state contribution was amended in 2013.

Table 7: Statutory Retirement Age (2003 - 2007)

Birth year	Men	Women (no children)	Women (1 child)	Women (2 children)	Women (3-4 children)	Women (5+ children)
Before 1936	60 years	57 years	56 years	55 years	54 years	53 years
1936	60 years and 2 months	57 years and 4 months	56 years and 4 months	55 years and 4 months	54 years and 4 months	53 years and 4 months
1937	60 years and 4 months	57 years and 8 months	56 years and 8 months	55 years and 8 months	54 years and 8 months	53 years and 8 months
1938	60 years and 6 months	58 years	57 years	56 years	55 years	54 years
1939	60 years and 8 months	58 years and 4 months	57 years and 4 months	56 years and 4 months	55 years and 4 months	54 years and 4 months
1940	60 years and 10 months	58 years and 8 months	57 years and 8 months	56 years and 8 months	55 years and 8 months	54 years and 8 months
1941	61 years	59 years	58 years	57 years	56 years	55 years
1942	61 years and 2 months	59 years and 4 months	58 years and 4 months	57 years and 4 months	56 years and 4 months	55 years and 4 months
1943	61 years and 4 months	59 years and 8 months	58 years and 8 months	57 years and 8 months	56 years and 8 months	55 years and 8 months
1944	61 years and 6 months	60 years	59 years	58 years	57 years	56 years
1945	61 years and 8 months	60 years and 4 months	59 years and 4 months	58 years and 4 months	57 years and 4 months	56 years and 4 months
1946	61 years and 10 months	60 years and 8 months	59 years and 8 months	58 years and 8 months	57 years and 8 months	56 years and 8 months
1947	62 years	61 years	60 years	59 years	58 years	57 years
1948	62 years and 2 months	61 years and 4 months	60 years and 4 months	59 years and 4 months	58 years and 4 months	57 years and 4 months
1949	62 years and 4 months	61 years and 8 months	60 years and 8 months	59 years and 8 months	58 years and 8 months	57 years and 8 months
1950	62 years and 6 months	62 years	61 years	60 years	59 years	58 years
1951	62 years and 8 months	62 years and 4 months	61 years and 4 months	60 years and 4 months	59 years and 4 months	58 years and 4 months
1952	62 years and 10 months	62 years and 8 months	61 years and 8 months	60 years and 8 months	59 years and 8 months	58 years and 8 months
After 1952	63	63 years	62 years	61 years	60 years	59 years

Source: Author's compilation from Act 425/2003 (ČESKO, 2003)

Notes: The 2003 reform increased the retirement age for men claiming benefits after 2012.

**Table 8: Contribution Rates by Year**

Periods	Employer	Employee	Self-employed
1992	21.5 %	6.5 %	28.0 %
1993-1994	20.4	6.8	27.2
1995-2002	19.5	6.5	26.0
2003-present	21.5	6.5	28.0

**Source:** Author's compilation from Amendments to Act 589/1992 ([ČESKO, 1992](#)) on Social Security Premiums and Contributions to the State Employment Policy

**Notes**

1. Premium is percent of taxable income.
2. Only pension insurance premium is reported; overall premium includes pension insurance, health insurance, and state employment policy.

**Table 9: Contribution Requirement for Eligibility Track 1: Aged**

Year	Contribution Years
Before 2010	15
2010	16
2011	17
2012	18
2013	19
2014	20

**Source:** § 29 of [Act 155/1995](#)

Table 10: Statutory Retirement Age (2011 - 2017)

Birth year	Men	Women (no children)	Women (1 child)	Women (2 children)	Women (3-4 children)	Women (5+ children)
Before 1936		57 years	56 years	55 years	54 years	53 years
1936	60 years	57 years	56 years	55 years	54 years	53 years
1937	60 years and 2 months	57 years	56 years	55 years	54 years	53 years
1938	60 years and 4 months	57 years	56 years	55 years	54 years	53 years
1939	60 years and 6 months	57 years	56 years	55 years	54 years	53 years
1940	60 years and 8 months	57 years and 4 months	56 years	55 years	54 years	53 years
1941	60 years and 10 months	57 years and 8 months	56 years and 4 months	55 years	54 years	53 years
1942	61 years	58 years	56 years and 8 months	55 years and 4 months	54 years	53 years
1943	61 years and 2 months	58 years and 4 months	57 years	55 years and 8 months	54 years and 4 months	53 years
1944	61 years and 4 months	58 years and 8 months	57 years and 4 months	55 years	54 years and 4 months	53 years and 4 months
1945	61 years and 6 months	59 years	57 years and 8 months	55 years and 4 months	55 years	54 years
1946	61 years and 8 months	59 years and 4 months	58 years	55 years and 8 months	55 years and 4 months	54 years
1947	61 years and 10 months	59 years and 8 months	58 years and 4 months	57 years	55 years and 8 months	54 years and 4 months
1948	62 years	60 years	58 years and 8 months	57 years and 4 months	56 years	54 years and 8 months
1949	62 years and 2 months	60 years and 4 months	59 years	57 years and 8 months	56 years and 4 months	55 years
1950	62 years and 4 months	60 years and 8 months	59 years and 4 months	58 years	56 years and 8 months	55 years and 4 months
1951	62 years and 6 months	61 years	59 years and 8 months	58 years and 4 months	57 years	55 years and 8 months
1952	62 years and 8 months	61 years and 4 months	60 years	58 years and 8 months	57 years and 4 months	56 years
1953	62 years and 10 months	61 years and 8 months	60 years and 4 months	59 years	57 years and 8 months	56 years and 4 months
1954	63 years	62 years	60 years and 8 months	59 years and 4 months	58 years	56 years and 8 months
1955	63 years and 2 months	62 years and 4 months	61 years	59 years and 8 months	58 years and 4 months	57 years
1956	63 years and 4 months	62 years and 8 months	61 years and 4 months	60 years	58 years and 8 months	57 years and 4 months
1957	63 years and 6 months	63 years	61 years and 8 months	60 years and 4 months	59 years	57 years and 8 months
1958	63 years and 8 months	63 years and 4 months	62 years and 2 months	60 years and 8 months	59 years and 4 months	58 years
1959	64 years	64 years	63 years and 2 months	61 years and 8 months	60 years and 4 months	58 years and 8 months
1960	64 years and 2 months	64 years and 2 months	63 years and 8 months	62 years and 2 months	60 years and 8 months	59 years and 2 months
1961	64 years and 4 months	64 years and 4 months	64 years and 2 months	62 years and 8 months	61 years and 2 months	59 years and 8 months
1962	64 years and 6 months	64 years and 6 months	64 years and 4 months	63 years and 2 months	61 years and 8 months	60 years and 2 months
1963	64 years and 8 months	64 years and 8 months	64 years and 6 months	63 years and 8 months	62 years and 2 months	60 years and 8 months
1964	64 years and 10 months	64 years and 10 months	64 years and 8 months	64 years and 2 months	62 years and 8 months	61 years and 2 months
1965	65 years	65 years	65 years	64 years and 8 months	63 years and 2 months	61 years and 8 months
1966	65 years and 2 months	65 years and 2 months	65 years and 2 months	64 years and 2 months	63 years and 8 months	62 years and 2 months
1967	65 years and 4 months	65 years and 4 months	65 years and 4 months	65 years and 2 months	64 years and 2 months	62 years and 8 months
1968	65 years and 6 months	65 years and 6 months	65 years and 6 months	65 years and 4 months	64 years and 8 months	63 years and 2 months
1969	65 years and 8 months	65 years and 8 months	65 years and 8 months	65 years and 6 months	64 years and 2 months	63 years and 8 months
1970	65 years and 10 months	65 years and 10 months	65 years and 10 months	65 years and 8 months	65 years and 2 months	64 years and 8 months
1971	66 years	66 years	66 years	66 years	66 years	64 years and 2 months
1972	66 years and 2 months	66 years and 2 months	66 years and 2 months	66 years and 2 months	66 years and 2 months	65 years and 8 months
1973	66 years and 4 months	66 years and 4 months	66 years and 4 months	66 years and 4 months	66 years and 4 months	65 years and 2 months
1974	66 years and 6 months	66 years and 6 months	66 years and 6 months	66 years and 6 months	66 years and 6 months	66 years and 8 months
1975	66 years and 8 months	66 years and 8 months	66 years and 8 months	66 years and 8 months	66 years and 8 months	66 years and 2 months
1976	66 years and 10 months	66 years and 10 months	66 years and 10 months	66 years and 10 months	66 years and 10 months	66 years and 10 months
After 1976	67 years and twice the difference between the person's year of birth and 1977	68 years and twice the difference between the person's year of birth and 1977	69 years and twice the difference between the person's year of birth and 1977	70 years and twice the difference between the person's year of birth and 1977	71 years and twice the difference between the person's year of birth and 1977	72 years and twice the difference between the person's year of birth and 1977

Source: Table adapted from Act 220/2011 (ČESKO, 2011)

Notes: The 2011 reform changed the eligibility such that they converged for all women and men at 67 years for those born in or after 1977

Table 11: Statutory Retirement Age (2018 - present)

Year of birth	Men	Women (no children)	Women (1 child)	Women (2 children)	Women (3 or 4 children)	Women (5+ children)
Before 1936		57 years	56 years	55 years	54 years	53 years
1936	60 years	57 years	56 years	55 years	54 years	53 years
1937	60 years and 2 months	57 years	56 years	55 years	54 years	53 years
1938	60 years and 4 months	57 years	56 years	55 years	54 years	53 years
1939	60 years and 6 months	57 years and 4 months	56 years	55 years	54 years	53 years
1940	60 years and 8 months	57 years and 8 months	56 years and 4 months	55 years	54 years	53 years
1941	61 years	58 years	56 years and 8 months	55 years and 4 months	54 years	53 years
1942	61 years and 2 months	58 years and 4 months	57 years	55 years and 8 months	54 years and 4 months	53 years
1943	61 years and 4 months	58 years and 8 months	57 years and 4 months	55 years	54 years and 8 months	53 years and 4 months
1944	61 years and 6 months	59 years	57 years and 8 months	55 years and 4 months	55 years	53 years and 8 months
1945	61 years and 8 months	59 years and 4 months	58 years	55 years and 8 months	55 years and 4 months	54 years
1946	61 years and 10 months	59 years and 8 months	58 years and 4 months	57 years	55 years and 8 months	54 years and 4 months
1947	62 years	60 years	58 years and 8 months	57 years and 4 months	55 years	54 years and 8 months
1948	62 years and 2 months	60 years and 4 months	59 years	57 years and 8 months	55 years and 4 months	55 years
1949	62 years and 4 months	60 years and 8 months	59 years and 4 months	58 years	55 years and 8 months	55 years and 4 months
1950	62 years and 6 months	61 years	59 years and 8 months	58 years and 4 months	57 years	55 years and 8 months
1951	62 years and 8 months	61 years and 4 months	60 years	58 years and 8 months	57 years and 4 months	56 years
1952	62 years and 10 months	61 years and 8 months	60 years and 4 months	59 years	57 years and 8 months	56 years and 4 months
1953	63 years	62 years	60 years and 8 months	59 years and 4 months	58 years	56 years and 8 months
1954	63 years and 2 months	62 years and 4 months	61 years	59 years and 8 months	58 years and 4 months	57 years
1955	63 years and 4 months	62 years and 8 months	61 years and 4 months	60 years	58 years and 8 months	57 years and 4 months
1956	63 years and 6 months	63 years	61 years and 8 months	60 years and 4 months	59 years	57 years and 8 months
1957	63 years and 8 months	63 years and 4 months	62 years	60 years and 8 months	59 years and 4 months	58 years
1958	63 years and 10 months	63 years and 8 months	62 years and 4 months	60 years and 8 months	59 years and 4 months	58 years and 8 months
1959	64 years	64 years	63 years	61 years	59 years	58 years
1960	64 years and 2 months	64 years and 2 months	63 years and 2 months	61 years and 4 months	59 years and 4 months	58 years and 4 months
1961	64 years and 4 months	64 years and 4 months	63 years and 4 months	61 years and 6 months	59 years and 6 months	58 years and 6 months
1962	64 years and 6 months	64 years and 6 months	64 years	62 years and 2 months	60 years and 2 months	59 years and 2 months
1963	64 years and 8 months	64 years and 8 months	64 years and 4 months	63 years and 6 months	61 years and 4 months	60 years and 4 months
1964	64 years and 10 months	64 years and 10 months	64 years and 8 months	63 years and 8 months	62 years and 6 months	60 years and 8 months
1965	65 years	65 years	64 years and 10 months	64 years and 2 months	62 years and 8 months	61 years and 2 months
1966	65 years	65 years	65 years	64 years	63 years and 2 months	61 years and 8 months
1967	65 years	65 years	65 years	65 years	64 years and 8 months	62 years and 2 months
1968	65 years	65 years	65 years	65 years	64 years and 10 months	62 years and 4 months
1969	65 years	65 years	65 years	65 years	65 years	63 years and 2 months
1970	65 years	65 years	65 years	65 years	65 years	63 years and 8 months
1971	65 years	65 years	65 years	65 years	65 years	64 years and 2 months
1971	65 years	65 years	65 years	65 years	65 years	64 years and 8 months

Source: Table adapted from Act 203/2017 (ČESKO, 2017)

Notes: The 2017 reform introduced a retirement age cap of 65, applicable to all except women who raised 5 or more children, for whom the cap is 64 years and 8 months

**Table 12: Contribution Requirement for Eligibility Track 2: Long Work History**

Year	Contribution Years
Before 2010	25
2010	26
2011	27
2012	28
2013	29
2014	30
2015	31
2016	32
2017	33
2018	34
2019	35

**Source:** § 29 of [Act 155/1995](#)

Table 13: Statutory Retirement Age (2008 - 2010)

Birth year	Men	Women (no children)	Women (1 child)	Women (2 children)	Women (3 children)	Women (4 children)	Women (5+ children)
Before 1936	60 years	57 years	56 years	55 years	54 years	54 years	53
1936	60 years and 2 months	57 years	56 years	55 years	54 years	54 years	53 years
1937	60 years and 4 months	57 years	56 years	55 years	54 years	54 years	53 years
1938	60 years and 6 months	57 years	56 years	55 years	54 years	54 years	53 years
1939	60 years and 8 months	57 years and 4 months	56 years	55 years	54 years	54 years	53 years
1940	60 years and 10 months	57 years and 8 months	56 years and 4 months	55 years	54 years	54 years	53 years
1941	61 years	58 years	56 years and 8 months	55 years and 4 months	54 years	54 years	53 years
1942	61 years and 2 months	58 years and 4 months	57 years	55 years and 8 months	54 years and 4 months	54 years and 4 months	53 years
1943	61 years and 4 months	58 years and 8 months	57 years and 4 months	56 years	54 years and 8 months	54 years and 8 months	53 years and 4 months
1944	61 years and 6 months	59 years	57 years and 8 months	56 years and 4 months	55 years	55 years	53 years and 8 months
1945	61 years and 8 months	59 years and 4 months	58 years	56 years and 8 months	55 years and 4 months	55 years and 4 months	54 years
1946	61 years and 10 months	59 years and 8 months	58 years and 4 months	57 years	55 years and 8 months	55 years and 8 months	54 years and 4 months
1947	62 years	60 years	58 years and 8 months	57 years and 4 months	56 years	56 years	54 years and 8 months
1948	62 years and 2 months	60 years and 4 months	59 years	57 years and 8 months	56 years and 4 months	56 years and 4 months	55 years
1949	62 years and 4 months	60 years and 8 months	59 years and 4 months	58 years	56 years and 8 months	56 years and 8 months	55 years and 4 months
1950	62 years and 6 months	61 years	59 years and 8 months	58 years and 4 months	57 years	57 years	55 years and 8 months
1951	62 years and 8 months	61 years and 4 months	60 years	58 years and 8 months	57 years and 4 months	57 years and 4 months	56 years
1952	62 years and 10 months	61 years and 8 months	60 years and 4 months	59 years	57 years and 8 months	57 years and 8 months	56 years and 4 months
1953	63 years	62 years	60 years and 8 months	59 years and 4 months	58 years	58 years	56 years and 8 months
1954	63 years and 2 months	62 years and 4 months	61 years	59 years and 8 months	58 years and 4 months	58 years and 4 months	57 years
1955	63 years and 4 months	62 years and 8 months	61 years and 4 months	60 years	58 years and 8 months	58 years and 8 months	57 years and 4 months
1956	63 years and 6 months	63 years	61 years and 8 months	60 years and 4 months	59 years	59 years	57 years and 8 months
1957	63 years and 8 months	63 years and 4 months	62 years	60 years and 8 months	59 years and 4 months	59 years and 4 months	58 years
1958	63 years and 10 months	63 years and 8 months	62 years and 4 months	61 years	59 years and 8 months	59 years and 8 months	58 years and 4 months
1959	64 years	64 years	62 years and 8 months	61 years and 4 months	60 years	60 years	58 years and 8 months
1960	64 years and 2 months	64 years and 2 months	63 years	61 years and 8 months	60 years and 4 months	60 years and 4 months	59 years
1961	64 years and 4 months	64 years and 4 months	63 years and 4 months	62 years	60 years and 8 months	60 years and 8 months	59 years and 4 months
1962	64 years and 6 months	64 years and 6 months	63 years and 8 months	62 years and 4 months	61 years	61 years	59 years and 8 months
1963	64 years and 8 months	64 years and 8 months	64 years	62 years and 8 months	61 years and 4 months	61 years and 4 months	60 years
1964	64 years and 10 months	64 years and 10 months	64 years and 4 months	63 years	61 years and 8 months	61 years and 8 months	60 years and 4 months
1965	65 years	65 years	64 years and 8 months	63 years and 4 months	62 years	62 years	60 years and 8 months
1966	65 years	65 years	65 years	63 years and 8 months	62 years and 4 months	62 years	61 years
1967	65 years	65 years	65 years	64 years	62 years and 8 months	62 years	61 years and 4 months
1968	65 years	65 years	65 years	64 years	63 years	62 years	61 years and 8 months
After 1968	65	65	65	64	63	62	62

Source: Table adapted from Act 306/2008 (ČESKO, 2008)

Notes: The 2008 Amendment changed retirement ages for men and women.

**Formula 4: Permanent Reduction in Benefits if Started Before SRA (2008-2010)**

$$B_{OA(early),i,t,t_c} = \begin{cases} \left(1 - (0.009 \times \text{EARLYTIME}_{i,t}^Q)\right) \times B_{OA,i,t} & \text{if } \text{EARLYTIME}_{i,t}^Q < 8 \\ \left(1 - (0.072 + 0.015 \times (\text{EARLYTIME}_{i,t}^Q - 8))\right) \times B_{OA,i,t} & \text{if } 8 \leq \text{EARLYTIME}_{i,t}^Q \end{cases}$$

- $B_{OA(early),i,t,t_c}$  = Individual  $i$ 's benefit at age  $t$  if starting benefits prior to  $i$ 's SRA in period  $t_c$
- $B_{OA,i,t,t_c}$  = Individual  $i$ 's benefit at age  $t$  if starting benefits at  $t_c$  —See [Formula 1](#) for computational details
- $\text{EARLYTIME}_{i,t}^Q$  = Number of quarters that individual  $i$  starts benefits before SRA (if benefits are started between quarters, round up to the next highest full quarter) —See the following tables for SRA by birth year depending on policy in place at  $t_c$ 
  - SRA by birth year and sex, 2008 - 2010: [Table 13](#)

**Source:** Author's interpretation of § 33 - § 36 of Act 155/1995 (ČESKO, 1995)

**Note:** A quarter is defined as 90 calendar days in Czech pension law, meaning that four quarters is slightly less than one calendar year (i.e., 360 days). The amount of the benefit may not be lower than the minimum for the percentage component of the old age pension, set at 770Kč per month.

**Table 14: Reduction Factors by Threshold**

Period	Threshold 1	Threshold 2	Threshold 3
1996 - 2010	0.30	0.00	0.10
January 1, 2011	0.30	0.00	0.10
- September 29, 2011			
September 30, 2011	0.29	0.13	0.10
- December 31, 2011			
2012	0.28	0.16	0.08
2013	0.27	0.19	0.06
2014	0.26	0.22	0.03
2015 - 2022	0.26	0.00	0.00

**Source:** Act 220/2011 (ČESKO, 2011)

**Notes:** A transitional period was introduced for determining reduction limits between 2011 and 2014. New rule applies from 2015 onwards, with only two reduction limits in place.



**Formula 5: Permanent Reduction in Benefits if Started Before SRA (2011-2022)**

$$B_{OA(early),i,t,t_c} = \begin{cases} \left(1 - (0.009 \times \text{EARLYTIME}_{i,t}^Q)\right) \times B_{OA,i,t} & \text{if } \text{EARLYTIME}_{i,t}^Q < 4 \\ \left(1 - (0.036 + 0.012 \times (\text{EARLYTIME}_{i,t}^Q - 4))\right) \times B_{OA,i,t} & \text{if } 4 \leq \text{EARLYTIME}_{i,t}^Q < 8 \\ \left(1 - (0.084 + 0.015 \times (\text{EARLYTIME}_{i,t}^Q - 8))\right) \times B_{OA,i,t} & \text{if } 8 \leq \text{EARLYTIME}_{i,t}^Q \end{cases}$$

- $B_{OA(early),i,t,t_c}$  = Individual  $i$ 's benefit at age  $t$  if starting benefits prior to  $i$ 's SRA in period  $t_c$
- $B_{OA,i,t,t_c}$  = Individual  $i$ 's benefit at age  $t$  if starting benefits at  $t_c$  —See [Formula 1](#) for computational details
- $\text{EARLYTIME}_{i,t}^Q$  = Number of quarters that individual  $i$  starts benefits before SRA (if benefits are started between quarters, round up to the next highest full quarter) —See the following tables for SRA by birth year depending on policy in place at  $t_c$ 
  - SRA by birth year and sex, 2011 - 2017: [Table 10](#)
  - SRA by birth year and sex, 2018 - 2022: [Table 11](#)

**Source:** Author's interpretation of § 33 - § 36 of Act 155/1995 ([ČESKO, 1995](#))

**Note:** A quarter is defined as 90 calendar days in Czech pension law, meaning that four quarters is slightly less than one calendar year (i.e., 360 days). The amount of the benefit may not be lower than the minimum for the percentage component of the old age pension, set at 770Kč per month.

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OECD (2022). Reviews of Pensions Systems: Czech Republic. As of April 25, 2022. [\[Link\]](#)

## Glossary of terms

This section summarizes key definitions from the main text. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: “Alt” + “←”; In Adobe Acrobat on a MAC: “command” + “←”; In Preview on a MAC: “command” + “[”.

**Annuitable System:** A pension system that provides a periodic payment for life after the benefit begins.

**Basic Amount:** A portion of the old-age pension consisting of a fixed sum. This amount is equal for all pensions, provided as part of all old-age pensions, and is variable over time.

**Cash Balance System:** A pension system that provides each individual an account that is drawn down over time.

**Claimable Benefit:** A pension where the beneficiary must actively file a claim for benefits with the government’s pension authority.

**Cost-of-Living Adjustments (COLA):** Adjustments after an individual begins receiving benefits that increase benefit payments, typically in line with consumer prices or average earnings.

**Decisive Period:** The period of time for which the personal assessment base is calculated; i.e. from the year after an individual turns 18 until the calendar year before an individual claims their pension.

**Earliest eligibility:** Earliest age and/or years of contributions required to be eligible to start receipt of a particular type of benefit. Earliest eligibility is the same as statutory eligibility in countries where there is no benefit penalty for claiming before the statutory retirement age.

**Eligibility Track:** Requirements for an individual to start receiving an unreduced old-age pension benefit. An individual typically must satisfy only one eligibility track.

**Eligibility Track 1 (Standard):** This eligibility track typically requires an individual to be older (age 65), but have the minimum contribution years to ever receive a benefit (15 insurance years)

**Eligibility Track 2 (Long work history):** This eligibility track typically allows an individual to start full benefits at a younger age (age 60 for men and as early as age 53 for women with at least 5 children in 1992), but requires a greater number contribution years (25 insurance years)

**Eligibility Track 3 (Unemployment):** This eligibility track typically allows an individual to start full benefits at a younger age than any other option, but only if they had a long contribution history (25 insurance years) and were unemployed. This eligibility track ended in 2003.

**Eligibility Track 3 (Short work history):** This eligibility track allows individuals with less than 15 years of contributions to claim an old-age pension if they are 5 or more years over the retirement age set for individuals of the same birth year who have 15 years of more of contributions. This track was introduced in 2014 and came into effect in 2015.

**Extraordinary Period/s:** Times of the year outside the ‘regular period’, in which increases in the consumer price index are higher than a legally determined threshold, triggering an increase in the old-age pension.

**General Assessment Base:** National monthly average wage, set every year by the Ministry of Labor and Social Affairs (MLSA).

**Insurance Years:** Tax years in which an individual paid or is given credit for pension contributions to make that year qualify towards an old-age pension.

**Latest claiming age:** Latest age where a benefit may be claimed such that benefit payments are increased as an incentive for delaying the start of benefits past the statutory retirement age. Latest claiming age is the same as statutory retirement age in countries where there is no benefit to delayed claiming. Not applicable for non-claimable benefits.

**Lump Sum Benefit:** A pension system that provides an individual with a one-time or limited number of payments. Lump sum benefits are distinct from annuitable or cash balance benefits because they do not continue past a specified time frame. Lump sum benefits use varies by country, but they are sometimes used as death benefits, incentives to delay claiming, or payments to individuals with an insufficient contribution history to be eligible for annuitable benefits.

**National Income Measure:** In some pension systems, the benefit is dependent on a national income measure, such as average wages. We indicate a pension system depends on the national income measure if the benefit paid is determined by a national income measure (as opposed to an individual's earnings history). For example, the benefit level for the United Kingdom Basic State Pension depends on a level set by the government and does not depend on an individual's earnings. This distinction does not include systems that adjust annual benefits based on a national income measure or index past earnings using a national income measure.

**Ordinary Period/s:** The yearly period (typically, January) when increases in old-age pension are legislated.

**Other Eligibility Tracks: Disability:** This eligibility track typically allows an individual to receive an old-age pension at age 65 if they are eligible for a disability pension or receiving a disability pension. This eligibility track started in 2010.

**Percentage Amount:** The portion of the old-age pension that is determined from the earnings (assessment base) over the insurance period.

**Personal Assessment Base:** The average monthly wage of the insured individual over his economically active years. In the calculation of the personal assessment base, previous income is multiplied by a coefficient to account for inflation over time.

**Progressive Benefit:** A benefit is progressive if people with lower earnings have a greater replacement rate for their contributions.

**Qualified Benefit:** A benefit is qualified if an individual must continue to meet certain standards, such as a means test, to continue receipt of benefits.

**Statutory Retirement Age (SRA):** The age at which individuals are eligible to receive their full benefit. In the United States, this is known as the normal retirement age. In the United Kingdom, this is known as the state pension age.

**Taxable Income:** Taxable income (called assessment base in the Czech pension system) is income from employment or self-employment. Exclusions apply, such as severance pay, reimbursement of expenses, and certain social assistance for workers

## Version information

*Current Version: 1.1 (August 2023)*

### Version History

- 1.0 (November 2022): First version
- 1.1 (August 2023): Updated formatting

## Additional resources

The following resources provide additional details for the interested reader:

OECD (2021) *Pensions at a Glance 2004-2017, Country Report: Czech Republic*.

Available at: <http://www.oecd.org/els/public-pensions/oecd-pensions-at-a-glance-19991363.htm>

Features: This is the latest edition of the OECD review of pension system reforms in member countries, including Czech Republic.

OECD (2020) *OECD Reviews of Pensions Systems: Czech Republic*.

Available at: [https://www.oecd-ilibrary.org/social-issues-migration-health/oecd-reviews-of-pension-systems-czech-republic\\_e6387738-en](https://www.oecd-ilibrary.org/social-issues-migration-health/oecd-reviews-of-pension-systems-czech-republic_e6387738-en)

Features: This document describes the Czech Republic's pensions system.

Czech Social Security Administration (nd) *Retirement Calculator*.

Available at: <https://www.cssz.cz/duchodova-kalkulacka>

Features: This online portal of the Czech Social Security Administration provides up-to-date information to the public about old-age pension eligibility, including a pension calculator.