

Tax Flash

Social Security edition

May 2016 Tax Flash is an electronic newsletter prepared by PricewaterhouseCoopers Česká republika, s.r.o.

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Health Insurance Coverage of Employees Assigned from/to the USA.

As of 1 May 2016, a new supplementary agreement to the Social Security Treaty between the CR and the US covering the area of health insurance is now in force.



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The agreement allows the employee or self-employed person who performs the work activities in the CR or in the USA to be subject of the statutory health insurance scheme of one of the contracting states only. Simultaneous coverage in the statutory health insurance schemes of both states is not permitted. The special provisions of the treaty for determining the competent state have to be followed.

Based on the general rule of the treaty, the person is subject to the statutory health insurance scheme of the state where he/she physically performs the work activities.

In case the employee is assigned by his/her employer to perform work activities in the other contracting state for a period not exceeding 5 years, the employee remains subject to the home statutory health insurance scheme. This rule applies for self-employed person as well.

The assignment is proven by the certificate of coverage ("CoC") issued by the home country social security office based on the application filed by the employer and employee or the self-employed person.



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The scope of an already issued CoC, which solely covered the area of social security before 1 May 2016, is automatically extended to the area of health insurance also.

Employers / employees / self-employed persons should review whether there is any change in their obligation related to the area of statutory health insurance and entitlements from the health insurance scheme during their work activities in the other contracting state in connection with the new supplementary agreement valid as of 1 May 2016.

Should you wish to review the impact on the health insurance obligation or coverage in more detail, please contact Ms Jaroslava Špinarová or Ms Petra Bobková.

