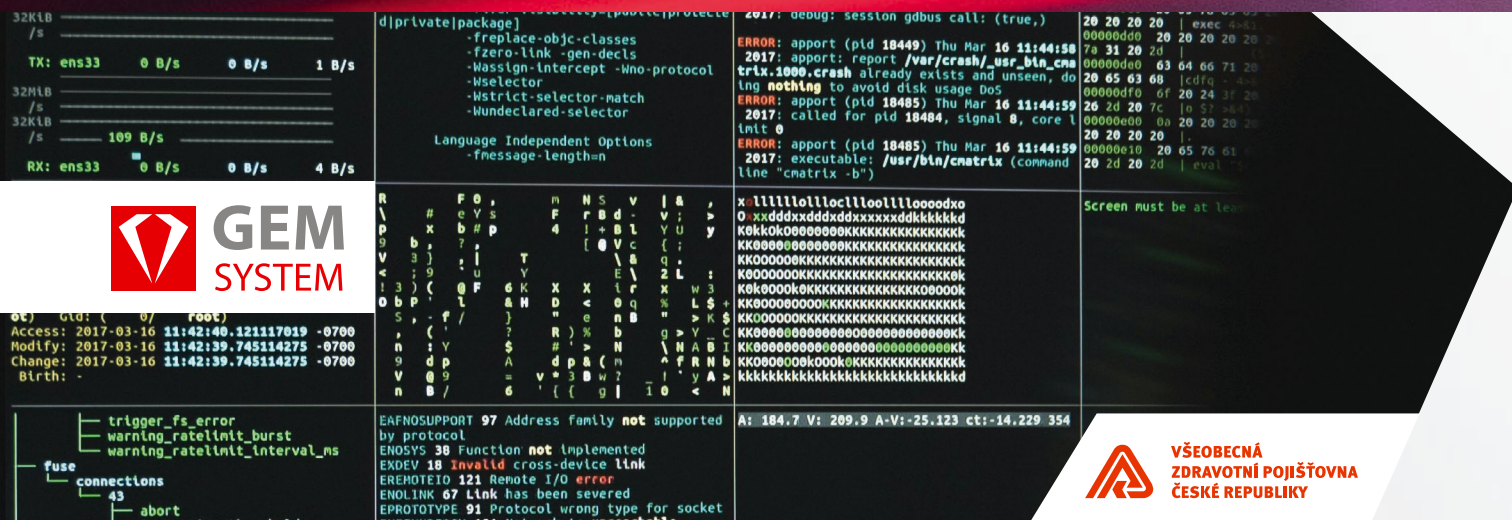




Reference – Introduction of support for self-employed persons in the flat-rate regime within the IS VZP ČR

Contracting authority: General Health Insurance Company of the Czech Republic

PROJECT DESCRIPTION

Following the amendment to Act No. 586/1992 Coll., on income tax, which introduced a so-called flat-rate tax for self-employed persons (OSVČ), GEM System implemented comprehensive modifications to the information system of the General Health Insurance Company of the Czech Republic (VZP ČR).

The legislative change allowed OSVČ to pay a single monthly payment covering income tax, health insurance, and social security. The taxpayer notifies the Financial Administration (FS) of their entry into this regime (OSVČ in the flat-rate regime), which then forwards the information to health insurance companies and the Czech Social Security Administration (ČSSZ).

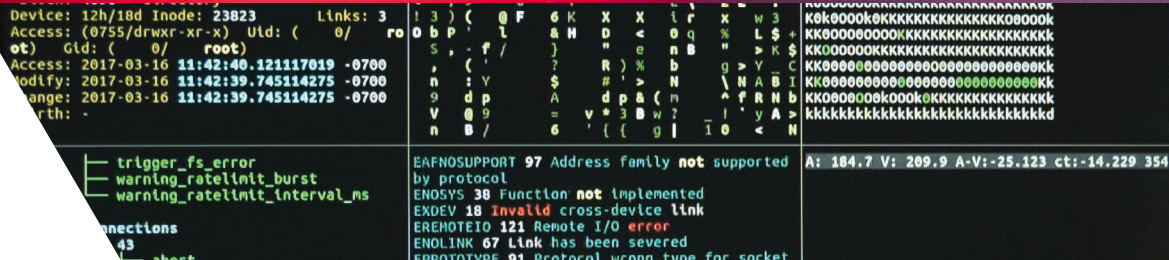
The Financial Administration (FS) ensures the following as part of the registration of self-employed persons in the flat-rate regime: receipt of notifications of entry, verification of participation in public health insurance and other conditions (e.g., tax liability, insolvency), maintenance of a register of persons in the flat-rate tax regime, collection and distribution of payments between social, health, and tax components, transfer of collected health insurance to a special

collective redistribution account, monthly transfer of payment overviews to health insurance companies, monitoring of the payment balance of self-employed persons in the flat-rate regime and debt collection, termination of the self-employed person's flat-rate regime (culpable/non-culpable, even retroactively) and provision of inventory overviews to health insurance companies.

On the part of VZP ČR, it was necessary to implement a solution that would enable accurate and secure processing of data from the FS, verification of the insured person's affiliation with VZP, and fully automated registration of a new category of payers. The FS does not provide health insurance companies with a breakdown by affiliation — this information is available to VZP ČR through the Central Register of Insured Persons (CRP).

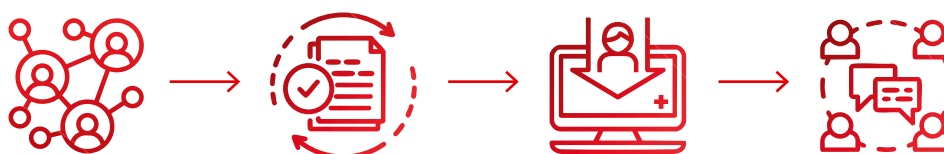
The main objective of the project was to ensure the technical and procedural readiness of VZP ČR for the new legislative agenda, enable its administration without manual intervention, and ensure compliance with legal and security requirements.





SCOPE OF THE SOLUTION – IMPLEMENTATION WAS DIVIDED INTO FOUR MAIN AREAS:

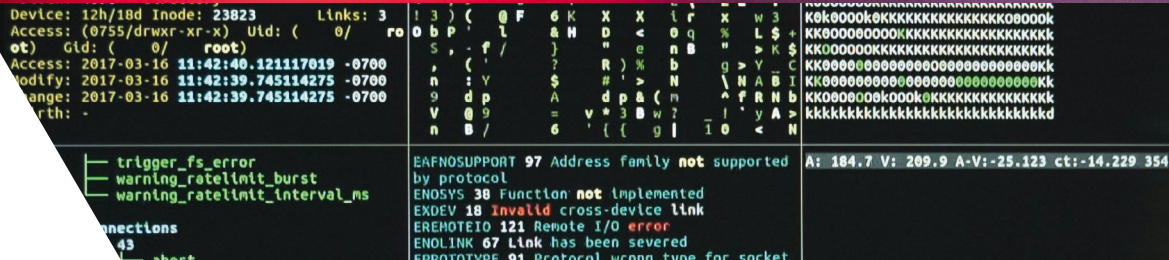
- 1 | Introduction of communication between public authorities via ISSS (Integrated Shared Services System, formerly eGSB), which enables secure and standardized data exchange between the Financial Administration, CSSA, and health insurance companies.
- 2 | Creation of CRP HUB (central integration hub within VZP), which verifies whether the insured person is actually a client of VZP or another health insurance company, ensures the correct transfer of data between the Financial Administration and VZP, secure storage and logging of all received information, and provides a user interface for the management and monitoring of this data.
- 3 | Modifications to the Health Insurance Entities Register (RSZP), introduction of a new category “Self-employed persons in the flat-rate regime” for the registration of these payers, automatic checks of received data (e.g., validation of insured persons, checking of terminated insurance, removal of persons with dependent activities, etc.), automatic termination of this category if conditions are not met, return to the normal regime, adjustment of payments and records, and ensuring regular processing of statistical data.
- 4 | Two-way communication between VZP and the Financial Administration, which includes timely notification of the FA about the termination of the flat-rate regime for self-employed persons, confirmation and feedback on the type of termination (culpable or non-culpable), regular monthly transfer of payment overviews from the Financial Administration to VZP, and recording of payments by self-employed persons in the flat-rate regime separately from standard self-payers.



TECHNOLOGIES USED

- Platform: J2EE, WS/SOAP, 4FD low code platform, Oracle Forms, Oracle Reports, Oracle SOA Suite
- Databases and tools: Oracle DB, Oracle AQ





KEY BENEFITS OF THE SOLUTION

- ✓ Streamlined communication between institutions: The introduction of ISSS has enabled fast, secure, and auditable data transfer between the Financial Administration, health insurance companies, and the Czech Social Security Administration without manual intervention, thereby minimizing errors and speeding up processes.
- ✓ Accurate identification of insured persons: Thanks to CRP HUB and integration with basic state registers, VZP can be sure that it is registering the right people, eliminating duplication and errors in data.
- ✓ Automation of checks for flat-rate regime conditions: The system itself evaluates whether a self-employed person meets the legal conditions, automatically terminates the regime in case of non-compliance, recalculates payments, and transfers the documents for further enforcement, significantly reducing the administrative burden.
- ✓ Compliance with high security standards: The system is designed to comply with cybersecurity and personal data protection laws, with all necessary controls, logging, and access management.
- ✓ Seamless deployment without downtime: The new agenda was implemented in a modular manner and without disrupting VZP's existing operational processes, ensuring smooth system operation and customer and employee satisfaction.



BUSINESS ASSESSMENT

The project to introduce a flat tax for self-employed persons is an example of successful digitization of public administration with interdepartmental impact.

GEM SYSTEM HAS DEMONSTRATED ITS ABILITY TO DELIVER A COMPREHENSIVE SOLUTION THAT:

- ✓ significantly simplifies and automates processes between state institutions,
- ✓ reduces the administrative burden on self-employed persons and authorities,
- ✓ ensures full compliance with applicable legislation and security standards,
- ✓ allows for easy adaptation to future legislative changes thanks to its modular architecture,
- ✓ guarantees stable operation and high data quality in all key processes.

