

Netherlands

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1901.

Current laws: 1957 (old-age pension), 1959 (survivor pension), 1966 (disability pension for employed persons), 1998 (disability pension for self-employed persons), and 1998 (disability assistance for handicapped young persons).

Type of program: Social insurance system.

Coverage

Old-age and survivor pensions: All residents.

Disability pension: Employed workers, self-employed workers, resident persons disabled since childhood, and students.

Source of Funds

Insured person: 17.9% of income for the old-age pension and 1.25% for the survivor pension. Self-employed persons contribute 8.8% for the disability pension.

Employer: 5.85% of payroll, plus a variable-rate contribution (on average, 0.85%) for the disability pension for employed persons. The employer pays a supplement of 2.2% of payroll up to a maximum of €67 a day to compensate for part of the employee's contribution.

Government: A subsidy to bring low benefits up to the social minimum (€78.24 a month for a single person and €1,156.54 for a couple). The cost of pensions for persons disabled since childhood and any deficit.

The minimum annual earnings for contribution purposes are €3,160.

The maximum earnings for contribution purposes are €29,543 a year for old-age and survivor pensions; €67 a day for the disability pension for employed persons; and €38,118 a year for the disability pension for self-employed persons.

Qualifying Conditions

Old-age pension: Age 65 with 50 years of residence between ages 15 and 64 and, if income was earned, contributions paid each year from age 15 through age 64 for a full pension.

Partial pension: A reduced pension is paid if the qualifying conditions are not met in full (no reduction is made for the pre-1957 period if the insured is a resident citizen with 6 years of residence after age 59).

Two persons sharing a household can qualify for a couple's pension if both are over age 65; if under age 65, the younger partner must satisfy the income test.

Retirement is not necessary. Pensions are payable abroad under certain conditions.

Disability pension: The loss of over 80% of earning capacity in the current occupation for a full pension.

Partial pension: The loss of 15% to 80% of earning capacity for employed workers; 25% to 80% of earning capacity for unemployed workers, resident persons disabled since childhood, or students.

Survivor pension: Payable to a widow(er), unmarried permanent partner, or full orphan. The survivor pension is income tested for survivors born before 1950, for those with children under age 18, and for a surviving partner who is 45% disabled.

Old-Age Benefits

Old-age pension: Single persons receive €21.28. Couples, whether married or not, and both aged 65 or older receive €31.76 a month each. A pensioner who is a single parent caring for a child under age 18 receives €1,141.28. A person aged 65 or older with a partner younger than age 65 receives a monthly pension of €31.76 and an income-tested supplementary allowance up to a maximum of €31.76.

Income-tested supplementary allowance: Special rates operate if one partner, whether married or not, is under age 65. The supplementary allowance is added to the elder partner's pension if the younger partner's income from employment is less than €1,137.36. The maximum supplement is payable if the partner's income from employment is below €89.72. Income related to employment (including, unemployment benefit, disability benefit, and sickness benefit) is subtracted in full; the supplementary allowance is payable if income amounts to less than €31.76.

Partial pension: The pension is reduced by 2% for each unexcused year of noncontribution.

Benefit adjustment: Automatic adjustment twice a year for changes in the net minimum wage.

Permanent Disability Benefits

Disability pension (employed workers): Up to 70% of earnings for a loss of earning capacity of at least 80%; 14% to 50.75% of earnings for a loss of earning capacity of 15% to 80%.

The maximum benefit is €67.70 a day.

Constant-attendance allowance: 30% of the full pension.

Benefit adjustment: Automatic adjustment twice a year for changes in the net minimum wage.

Disability pension (self-employed workers): Up to 70% of earnings for a loss of earning capacity of at least 80%; 14% to 50.75% of earnings for a loss of earning capacity of 25% to 80%.

The maximum earnings for benefit purposes equal the minimum wage of €1,264.80 a month (before taxes).

Constant-attendance allowance: 30% of the full pension.

Benefit adjustment: Automatic adjustment twice a year for changes in the minimum wage.

Disability pension (resident persons disabled since childhood and students): Up to 70% of the minimum wage of €1,264.80 a month (before taxes) for a loss of earning capacity of at least 80%; 14% to 50.75% of the minimum wage for a loss of earning capacity of 25% to 80%.

Constant-attendance allowance: 30% of the full pension.

Benefit adjustment: Automatic adjustment twice a year for changes in the net minimum wage.

Survivor Benefits

Survivor pension: €84.99 a month to a widow(er) or a surviving unmarried permanent partner caring for a child under age 18. The benefit is reduced by the survivor's income.

Income test: Part of the income from employment, covering 50% of the minimum wage (€32.40 per month) plus 1/3 of all earnings in excess of this amount, is disregarded. No benefit is paid if monthly income is €1,109.89 or more. Income related to employment (including unemployment benefits, disability benefits, and sickness benefits) is subtracted in full from the survivor's benefit.

Dependent child allowance: An allowance of €23.73 per child is paid without an income test until the child is age 18.

Orphan's pension: €15.20 a month for each full orphan under age 10, €472.80 if aged 10 to 15, and €30.39 if aged 16 to 18 (aged 16 to 21 if a student).

Benefit adjustment: Automatic adjustment twice a year for changes in the net minimum wage.

Death benefit: 100% of earnings up to daily maximum earnings of €67 for employed workers; up to the minimum wage (€1,206.60 a month) for unemployed workers. Benefit is payable for 1 month for the death of a beneficiary of sickness benefits or disability benefits. For the death of an old-age pensioner or survivor pensioner, the benefit is 100% of the old-age or survivor pension.

Administrative Organization

Social Insurance Bank administers old-age and survivor pensions.

Inspection of Work and Income provides general supervision of contributions and administers cash benefits.

Institute for Employee Benefit Schemes collects contributions and implements the Disablement Benefits Act, the Self-Employment Benefits Act, and the Sickness Benefits Act.

National Revenue Department collects contributions for old-age and survivor pensions and for the disability pension for unemployed workers.

Sickness and Maternity

Regulatory Framework

First law: 1931.

Current laws: 1964 (medical benefits); 1966 (cash sickness and maternity benefits for wage earners and salaried persons); 1968 (exceptional medical expenses compensation); and 1998 (cash maternity benefits for unemployed workers), implemented in 2001.

Type of program: Social insurance system.

Coverage

Cash benefits: Employees who have lost their jobs in the first 2 years of sickness, sick unemployed persons, temporary workers on sick leave without a permanent contract, the voluntarily insured, apprentices, organ donors, vocationally rehabilitated persons as defined in the Disability Reintegration Act, and women whose sickness is caused by pregnancy or childbirth.

Beginning in March 1996, coverage under the Sickness Benefits Act is mostly privatized. Under the civil code, employers must continue to pay 70% of wages (up to a maximum of €67.70 a day) during an employee's absence due to sickness for a maximum of 104 weeks; may be extended to 156 weeks. Employers may deduct the amount of the benefit from the weekly salary.

Medical benefits: Wage earners and salaried employees earning less than €2,600 a year and pensioners. Subject to certain conditions, coverage is extended to a partner and children.

Exceptional medical expenses: All residents.

Source of Funds

Insured person: A flat-rate contribution set by the sickness fund, plus 1.25% of earnings for medical benefits and 13.25% of earnings for exceptional medical expenses insurance.

The contribution for sickness and maternity benefits for (un)employed workers is included in the contribution for unemployment benefits. The contribution for maternity benefits for self-employed workers is included in the contribution for disability benefits for self-employed workers.

Employer: 6.75% of payroll for medical benefits. The contribution for sickness and maternity benefits is included in the contribution for unemployment benefits for employed workers.

Government: Annually determined contribution toward the financing of medical benefits.

The minimum annual earnings for contribution purposes are €3,159.

The maximum earnings for contribution purposes are €13 a day (medical benefits); €29,543 a year (exceptional medical

expenses); and €8,117 a year (cash sickness benefits and maternity benefits for unemployed workers).

Qualifying Conditions

Sickness benefit: Inability to perform normal work.

Maternity benefit: Employed or unemployed.

Medical benefits: Registered with an approved sickness fund.

Sickness and Maternity Benefits

Sickness benefit: 70% of earnings up to the daily maximum earnings of €67.70. Benefit is payable for up to 104 weeks; may be extended to 156 weeks.

Maternity benefit: 100% of earnings up to the daily maximum of €67.70. Benefit is payable for a period of 16 weeks around childbirth.

Workers' Medical Benefits

Service benefits are provided by doctors, hospitals, and pharmacists under contract with, and paid directly by, sickness funds. Benefits include general and specialist care, hospitalization, laboratory services, medicines, limited dental care, maternity care, appliances, rehabilitation, and transportation.

Cost sharing: Specific cost-sharing arrangements for long-term hospitalization, artificial limbs, and transportation.

There is no limit on duration (except for physiotherapy).

Exceptional medical expenses insurance takes over the cost of hospital stay from the 366th day.

Dependents' Medical Benefits

Service benefits are provided by doctors, hospitals, and pharmacists under contract with, and paid directly by, sickness funds. Benefits include general and specialist care, hospitalization, laboratory services, medicines, limited dental care, appliances, rehabilitation, and transportation.

Cost sharing: Specific cost-sharing arrangements for long-term hospitalization, artificial limbs, and transportation.

There is no limit on duration (except for physiotherapy).

Exceptional medical expenses insurance takes over the cost of hospital stay from the 366th day.

Maternity care: The partner and children of an insured man receive the same nursing or hospitalization benefits as that of an insured woman.

Death benefit: 100% of earnings up to the daily maximum of €67.70. The benefit is payable for a maximum of 1 month.

Administrative Organization

Inspection of Work and Income provides general supervision of cash benefits.

Institute for Employee Benefit Schemes collects contributions for medical benefits and administers cash benefits for sickness and maternity.

Supervisory Board for Health Care Insurance provides general supervision of medical benefits and exceptional medical expenses benefits.

National Revenue Department collects contributions for cash benefits for maternity on behalf of unemployed workers and for exceptional medical expenses insurance.

Work Injury

Regulatory Framework

First law: 1901.

Note: Beginning in 1967, there is no specific work injury program. The provisions of the 1966 and 1968 legislation under the sickness and maternity benefits and disability pensions programs (see above) apply to all incapacities, whether work-related or not.

Unemployment

Regulatory Framework

First law: 1949.

Current law: 1987.

Type of program: Social insurance and social assistance system.

Coverage

Employed persons.

Special system for public-sector employees.

Source of Funds

Insured person: Variable contribution rates according to industry (the average is 5.80% of earnings).

Employer: Variable contribution rates according to industry (the average is 1.55% of payroll).

Government: None.

The maximum daily earnings for contribution and benefit purposes are €67.70.

Qualifying Conditions

Unemployment benefit: Employed for at least 26 weeks during the 39 weeks before unemployment for the basic benefit. The basic benefit is paid for 6 months. An earnings-

related benefit is paid with at least 52 days of employment in 4 of the last 5 years. The duration of the earnings-related benefit (from 6 months up to 5 years) depends on the insured's employment record.

Follow-up benefit: If unemployment continues after the salary-related benefit expires, a follow-up benefit provides for an additional 2 years. The follow-up benefit is based on the minimum wage. (Follow-up benefit was abolished for persons becoming unemployed after August 11, 2003.)

Periods spent caring for children under age 12 also count (fully or partially) toward the qualifying period. The insured must be registered at the public labor exchange and be capable of, available for, and looking for work.

Unemployment Benefits

The basic benefit is 70% of the minimum wage. The salary-related benefit is 70% of the last salary with daily maximum earnings of €167.70.

Follow-up benefit: 70% of the minimum wage. (Follow-up benefit was abolished for persons becoming unemployed after August 11, 2003.)

Administrative Organization

Inspection of Work and Income provides general supervision. Institute for Employee Benefit Schemes collects contributions and administers the Disablement Benefits Act, the Unemployment Benefits Act, and the Sickness Benefits Act. Social security agencies deliver benefits on a contractual basis.

Family Allowances

Regulatory Framework

First law: 1939.

Current law: 1963.

Type of program: Universal system.

Coverage

All covered persons with one child or more.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances

Child under age 16: The child must be a member of the insured's household; if the child is not a member of the household, the benefit may be paid under certain conditions.

Children aged 16 and 17: School-going children must spend at least 213 full hours per quarter receiving instruction (excluding homework and traveling time). Children who do not meet this condition may also be regarded as school-going if they attend higher vocational or university training with a course load of at least 1,680 hours per school year or if they spend at least 1,600 hours per school year attending some other type of training. No benefit is payable for children who receive a student grant or loan under the Dutch Student Financing Act.

No benefit is payable if the child spends more than 19 hours per week in employment or receives an unemployment benefit. (Unemployed children must be seeking work for at least 19 hours per week and be registered at a Work and Income Center.)

Children who are ill or handicapped must be unable to earn 55% or more of the normal earning capacity of healthy children in the same age group.

Family Allowance Benefits

Family allowances: Depending on the composition of the family, benefit ranges from €176.62 to €343.81 per child per quarter.

Benefit adjustment: Twice a year according to changes in the price index.

Administrative Organization

Inspection of Work and Income provides general supervision. Social Insurance Bank administers allowances.