

## Netherlands

Exchange rate: US\$1.00 equals 0.70 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), 1998 (disability assistance for young persons), and 2006 (disability pension for employed persons).

**Type of program:** Social insurance system.

#### Coverage

**Old-age and survivor pensions:** All persons residing in the Netherlands.

**Disability pension:** Employed workers, persons receiving benefits since before 2006, persons disabled since childhood, and students residing in the Netherlands.

#### Source of Funds

**Insured person:** 17.9% of covered earnings for the old-age pension and 1.1% of covered earnings for the survivor pension.

The maximum annual earnings used to calculate contributions are €32,738.

**Self-employed person:** 17.9% of covered earnings for the old-age pension and 1.1% of covered earnings for the survivor pension.

The maximum annual earnings used to calculate contributions are €32,738.

**Employer:** 5.7% of covered payroll for the disability pension for employed workers plus a variable contribution for persons receiving disability benefits since before 2006.

The maximum annual earnings used to calculate contributions are €48,715.56.

**Government:** A subsidy to increase all benefits up to the applicable social minimum; the cost of pensions for persons disabled since childhood and students.

#### Qualifying Conditions

**Old-age pension:** Age 65 and a resident of the Netherlands between ages 15 and 65; if income was earned, the insured paid contributions each year from ages 15 to 65.

**Income-tested supplementary allowance:** Aged 65 or older with a partner younger than age 65 if the younger partner's employment income is less than €1,237.35. Employment income (including unemployment benefits, disability benefits, and sickness benefits) is subtracted from the old-age pension; the supplementary allowance is paid if this income is less than €698.58. (Paid to new beneficiaries until 2015.)

**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 Dutch citizen residing in the Netherlands with 6 years of residence after age 59).

Two persons sharing a household can qualify for a couple's pension if both are older than age 65; if one partner is younger than age 65, the younger partner must satisfy an income test for the pensioner to receive a supplementary allowance on his or her behalf.

Retirement is not necessary.

Old-age benefits are payable abroad if residing in a European Union country; otherwise, under reciprocal agreement.

**Disability pension:** Paid to employees younger than age 65 with a reduced working capacity. A distinction is made between employees who are fully and permanently disabled after a 2-year period and employees who are temporarily disabled, according to the assessed loss of earning capacity.

**Permanent disability pension:** Paid to workers with assessed disabilities of at least 80% who have a full and permanent incapacity for work, a current earning capacity of less than 20% of former earnings, and little or no prospect of recovery.

The degree of disability is assessed on medical grounds; in certain cases, on medical grounds and work-related factors.

**Partial disability:** Paid to workers with assessed disabilities of 35% to 79% who are capable of some work.

**Constant attendance allowance:** Paid if the insured is assessed with a total permanent disability and requires the constant attendance of others to perform daily functions.

**Supplementary allowance:** Paid if the insured's family income is less than the applicable social minimum.

Benefits are also paid to persons younger than age 65 residing in the Netherlands who are incapable of work at age 17 or whose disabilities began from age 17 to 30 and were students for at least 6 months in the year immediately before that date.

**Survivor pension:** Paid to a widow(er), an unmarried permanent partner, or a full orphan up to age 16 (age 18 if disabled, age 21 if a student). The survivor pension is income-tested for survivors born before 1950, for survivors with children younger than age 18, and for surviving partners who are assessed with disabilities of at least 45%.

The survivor pension ceases on marriage, registered partnership, or cohabitation.

The survivor pension ceases at age 65 and may be replaced by the old-age pension.

**Death benefit:** Paid for the death of an employed or unemployed worker, a beneficiary of sickness benefits or disability benefits, an old-age pensioner or his or her partner, or a survivor pension beneficiary and his or her dependent children.

Benefits are payable abroad if residing in a European Union country; otherwise, under reciprocal agreement.

### Old-Age Benefits

**Old-age pension:** Unmarried persons receive €1,017.97 a month. Couples, whether married or not, and both aged 65 or older, receive €698.58 a month each. A pensioner who is a single parent caring for a child younger than age 18 receives €1,289.67 a month. A person aged 65 or older with a partner younger than age 65 receives a monthly pension of €698.58.

Income-tested supplementary allowance: Up to €698.58 is paid.

Partial pension: The pension is reduced by 2% for each year starting from 1957 for which the insured had earnings but did not pay contributions.

Benefit adjustment: Benefits are adjusted twice a year according to changes in the legal minimum wage.

### Permanent Disability Benefits

**Disability pension:** During the first 2 years of disability, an employee with a disability receives at least 70% of his or her statutory wage.

**Permanent disability pension:** 75% of the insured's daily wage is paid. The benefit is normally paid after 2 years of sick leave during which the statutory wage has been paid; persons may qualify before 2 years if assessed with a full and permanent disability.

Partial disability: Up to 75% of the insured's daily wage is paid, depending on the degree of disability. The benefit is paid for at least 6 months up to 5 years, depending on the number of years of previous employment.

Constant-attendance allowance: 85% to 100% of the insured's daily wage is paid.

After a medical review of an assessed full and permanent disability, a partial disability benefit may be paid; otherwise, the benefit for a full and permanent disability is paid up to age 65.

Supplementary allowance (means-tested): An allowance is paid.

Benefit adjustment: Benefits are adjusted twice a year according to changes in the legal minimum wage.

**Wage-related disability benefit:** The benefit consists initially of a wage-related payment of 75% of the maximum

daily wage and is paid for the first two months; thereafter, 70% for a limited period, depending on the individual's employment history (the benefit payment period varies from 6 months for less than 5 years of employment to up to 5 years for 40 years of employment).

After the initial benefit payment period is exhausted, unemployed persons with partial disabilities are entitled to a benefit of 28% to 70% of the legal minimum wage, according to the assessed degree of disability.

After the initial benefit payment period is exhausted, employees with partial disabilities who are earning a wage-related income of at least 50% of their assessed residual earning capacity can apply for a wage supplement. The wage supplement is 70% of the difference between the employee's maximum daily wage and his or her work-related income or the assessed residual earning capacity (in case this is higher than the work-related income). Persons with partial disabilities who do not meet this condition are entitled to a follow-up allowance of 70% of the legal minimum wage multiplied by the assessed degree of disability.

The monthly minimum wage is €1,407.60

The maximum benefit is €186.65 a day.

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

Supplementary allowance (means-tested): A supplementary allowance may be paid.

Benefit adjustment: Benefits are adjusted twice a year according to changes in the legal minimum wage.

**Disability pension (self-employed workers):** The 1998 act for self-employed persons was revoked as of August 1, 2004. Self-employed persons disabled before this date or already receiving a disability pension continue to receive the benefit for as long as the qualifying conditions are met.

**Disability pension (young persons and students):** Up to 70% of the gross minimum wage is paid per month for a loss of earning capacity of at least 80%; 21% to 50.75% of the gross minimum wage is paid for a loss of earning capacity of 25% to 79% after a waiting period of 52 weeks. There is no limit to duration.

The monthly minimum wage is €1,407.60

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

Supplementary allowance (means-tested): A supplementary allowance may be paid.

Benefit adjustment: Benefits are adjusted twice a year according to changes in the legal minimum wage.

### Survivor Benefits

**Survivor pension:** €1,087.96 a month is paid to a widow(er) or an eligible unmarried partner.

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Income test: Income from employment up to 50% of the minimum wage plus 33.3% of all earnings in excess of this amount is disregarded. No benefit is paid if monthly income is €2,335.74 or more. Income from employment (including unemployment benefits, disability benefits, and sickness benefits) is deducted in full from the survivor pension.

The monthly minimum wage is €1,407.60

Dependent child's allowance: An allowance of €247.20 is paid for one child per household until the youngest child in the household reaches age 18. There is no income test.

**Orphan's pension:** Each full orphan younger than age 10 receives €348.15 a month; €522.22 if aged 10 to 15; or €696.29 if aged 16 to 18 (age 21 if a student).

Benefit adjustment: Benefits are adjusted twice a year according to changes in the legal minimum wage.

**Death benefit:** A lump sum of 100% of monthly earnings (up to €186.65 a day) is paid; up to the minimum wage for unemployed workers. A lump sum of 1 month of benefits is paid when a beneficiary of sickness or disability benefits dies. For the death of an old-age pensioner, the deceased's partner receives a lump sum of 100% of the monthly old-age pension; for the death of a survivor pension beneficiary, 100% of the monthly survivor pension is paid to dependent children.

The monthly minimum wage is €1,407.60.

### Administrative Organization

Inspection Service for Work and Income (<http://www.iwiweb.nl>) provides general supervision of contributions and cash benefits.

Social Insurance Bank (<http://www.svb.nl>) administers old-age pensions and survivor pensions.

Employers pay disability benefits to employees with assessed disabilities for the first 2 years.

Institute for Employee Benefits (<http://www.uvw.nl>) administers disability benefits.

National Revenue Department of the Tax and Customs Administration (<http://www.belastingdienst.nl>) collects contributions.

### Sickness and Maternity

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#### Regulatory Framework

**First law:** 1931.

**Current laws:** 1964 (medical benefits); 1966 (sickness and maternity benefits); 1968 (exceptional medical expenses); 1998 (maternity benefits for unemployed workers), implemented in 2001; and 2005 (health insurance).

**Type of program:** Social insurance system.

#### Coverage

**Cash sickness and maternity benefits:** Coverage is mostly through private providers. (Under the Civil Code, employers must pay 70% of wages during sick leave periods for up to 104 weeks.)

Social insurance covers workers who have no employer or no longer have an employer (and, in a few special circumstances, wage earners and salaried employees), including employees who have lost their jobs in the first 2 years of incapacity, incapacitated unemployed persons, temporary workers on sick leave without a permanent contract, the voluntarily insured, apprentices, organ donors, vocationally rehabilitated persons, and women incapacitated due to pregnancy or childbirth. (Entrepreneurs and directors with a major shareholding in a company are excluded.)

**Medical benefits:** All persons residing in the Netherlands and persons who reside outside the Netherlands but conduct their professional activities in the Netherlands.

**Exceptional medical expenses:** All persons residing in the Netherlands and persons who reside outside the Netherlands but conduct their professional activities in the Netherlands.

#### Source of Funds

**Insured person:** A flat-rate contribution set by the private insurer on annual earnings up to €33,189; 12.15% of annual earnings up to €32,738 for exceptional medical expenses insurance.

For sickness and maternity benefits, see source of funds under Unemployment Benefits.

**Self-employed person:** A flat-rate contribution set by the private insurer for medical benefits; 4.95% of taxable income up to €33,189 a year for medical benefits; 12.15% of income up to €32,738 a year for exceptional medical expenses insurance.

**Employer:** 7.05% of covered payroll for medical benefits.

The maximum annual earnings used to calculate contributions are €33,189

For sickness and maternity benefits, see source of funds under Unemployment Benefits.

**Government:** An annually determined contribution for medical benefits.

#### Qualifying Conditions

**Cash sickness benefits:** The insured must be employed or receiving unemployment benefits and incapable of performing normal work.

**Cash maternity benefits:** The insured must be employed or receiving unemployment benefits.

**Medical benefits:** Covered by an insurance policy with a private insurer.

### Sickness and Maternity Benefits

**Sickness benefit:** The benefit is 70% of earnings, up to €186.65 a day, and is paid for up to 104 weeks; may be extended for an additional 52 weeks.

**Maternity benefit:** The benefit is 100% of earnings, up to €186.65 a day, and is paid for up to 16 weeks.

**Death benefit:** The benefit is 100% of earnings, up to €186.65 a day, and is paid for up to 1 month.

### Workers' Medical Benefits

Doctors, hospitals, and pharmacists provide medical services under contract with the insurer, depending on the contract between the health care insurer and the insured. The insurer reimburses the insured for medical costs.

Benefits include general and specialist care, hospitalization, laboratory services, medicine, limited dental care, maternity care, appliances, rehabilitation, and transportation.

**Cost sharing:** There are 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 finances the cost of hospitalization from the 366th day.

### Dependents' Medical Benefits

All individuals are insured in their own right.

### Administrative Organization

Inspection Service for Work and Income (<http://www.iwiweb.nl>) provides general supervision of cash benefits.

Dutch Health Care Authority (<http://www.nza.nl>) provides general supervision of medical benefits and exceptional medical expenses benefits.

### Work Injury

#### Regulatory Framework

**First law:** 1901.

Note: 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.

#### Source of Funds

**Insured person:** Variable contribution rates are paid to the general unemployment fund, according to industry. The average contribution is 3.5% of covered earnings. None for the redundancy payment fund.

The maximum monthly earnings used to calculate contributions are €3,850.40.

The insured's contributions also finance sickness and maternity benefits.

**Self-employed person:** Not applicable.

**Employer:** 4.75% of covered payroll for the general unemployment fund. Variable contribution rates are paid to the redundancy payment fund. The average contribution is 1.02% of covered payroll.

The maximum monthly earnings used to calculate contributions are €3,850.40.

The employer's contributions also finance sickness and maternity benefits.

**Government:** None.

#### Qualifying Conditions

**Unemployment benefits:** There must be a loss of income and a loss of at least 5 working hours a week (or half the working hours a week when employed for less than 10 hours a week). The insured must be registered at the public labor exchange, be capable of and available for work, and must not refuse suitable employment.

**Salary-related benefit:** To qualify for the first 3 months of benefits, the insured must have been in paid employment for at least 26 of the last 36 weeks. Benefits are paid from the 4th up to the 38th month if the insured had at least 52 days of paid employment in at least 4 of the 5 years before the year of unemployment and depending on the total number of years of coverage.

**Supplementary allowance (means-tested):** If unemployment benefits are less than the social minimum, a means-tested supplement may be paid.

## Unemployment Benefits

**Salary-related benefit:** For the first 2 months, the benefit is 75% of the average salary in the 12 months before unemployment, up to €186.65 a day; thereafter, 70%. After the first 3 months, the insured receives one month of benefits for each year of employment, up to 38 months. Years of employment include years from the time the insured was age 18 to 1997, years with at least 52 days per year of paid employment from 1998 onward, child-rearing years, and years of informal caregiving after 1997.

**Follow-up benefit:** The benefit is 70% of the statutory minimum wage (or 70% of the daily wage if this is less than the statutory minimum wage). A person who was aged 57 and 6 months or older when unemployment began can receive the benefit until age 65. (The follow-up benefit was abolished for persons who became unemployed after August 11, 2003.)

The monthly minimum wage is €1,407.60.

**Supplementary allowance (means-tested):** A means-tested supplement is paid.

## Administrative Organization

Inspection Service for Work and Income (<http://www.iwiweb.nl>) provides general supervision.

National Revenue Department of the Tax and Customs Administration (<http://www.belastingdienst.nl>) collects contributions.

Institute for Employee Benefits (<http://www.uwv.nl>) implements the different programs.

Social security agencies deliver benefits on a contractual basis.

## Family Allowances

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### Regulatory Framework

**First law:** 1939.

**Current law:** 1963 (child benefits), 2000 (care allowances for children with disabilities), and 2007 (child budget).

**Type of program:** Universal system.

### Coverage

All persons residing in the Netherlands with one or more children.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

## Qualifying Conditions

### Family allowances

**Children younger than 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.

Benefits are payable abroad if residing in a European Union country; otherwise, under reciprocal agreement.

**Children aged 16 or 17 (born before October 2, 1993):** Children attending school must spend at least 213 full hours per quarter receiving instruction (excluding homework and travel time). Children who do not meet this condition may also qualify 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 paid for children who receive a student grant or loan under the Dutch Student Financing Act, spend more than 19 hours a week in employment, or receive unemployment benefits. (Unemployed children must be seeking work for at least 19 hours a week and be registered at a Work and Income Center.)

Children with disabilities must have a reduced earning capacity of 55% or less of the normal earning capacity of healthy children in the same age group.

Benefits are payable abroad if residing in a European Union country; otherwise, under reciprocal agreement.

**Children aged 16 or 17 (born after October 1, 1993):** Children must fulfill the requirements of the Dutch School Attendance Act of 1969 (or be waived of these requirements) and pursue a basic qualification. Unemployed children must have a basic qualification, be registered job seekers, and be apprentices or have applied to be apprentices. No benefit is paid if the child spends more than 16 hours a week in employment or receives a student grant or loan under the Dutch Student Financing Act.

Benefits are payable abroad if residing in a European Union country; otherwise, under reciprocal agreement.

**Disabled child care allowance (income-tested):** Paid for children aged 3 to 17 with long-term physical or mental disabilities who live at home. The child must not receive a similar benefit from another source.

The Social Insurance Bank contracts an independent authority to assess the child's disability.

**Child budget allowance:** Children younger than age 18 who qualify for child benefits may also be eligible for monthly means-tested social assistance benefits under the Child Budget.

### **Family Allowance Benefits**

**Family allowances:** Depending on the composition of the family, the benefit for children born before 1995 is €278.55 to €375.64 per child per quarter. For children born after January 1, 1995, €194.99 is paid for children up to age 6; €236.77 if aged 7 to 12; €278.55 if aged 13 to 18.

**Disabled child care allowance (income-tested):** €211.45 a month is paid.

Benefit adjustment: Benefits are adjusted twice a year according to changes in the price index.

**Child budget allowance:** Depending on the composition of the family and family income, €1,011 a month is paid for one child, €1,322 for two children, €1,505 for three children, €1,611 for four children, and €51 for each additional child over 4 children.

### **Administrative Organization**

Inspection Service for Work and Income (<http://www.iwiweb.nl>) provides general supervision.

Social Insurance Bank (<http://www.svb.nl>) administers child allowances (except child budget allowance).

National Revenue Department of the Tax and Customs Administration (<http://www.belastingdienst.nl>) administers the child budget allowance.