

## Netherlands

Exchange rate: US\$1.00 = 0.73 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

Residents or persons working in the Netherlands.

#### Source of Funds

**Insured person:** 17.9% of covered earnings (old age) and 0.6% of covered earnings (survivors).

The maximum annual earnings used to calculate contributions are €33,363.

**Self-employed person:** 17.9% of covered earnings (old age) and 0.6% of covered earnings (survivors).

The maximum annual earnings used to calculate contributions are €33,363.

**Employer:** None (old age); 5.7% of covered payroll (disability); a variable contribution for persons receiving disability benefits since before 2006.

The maximum annual earnings used to calculate contributions are €49,297.

**Government:** A subsidy to increase all benefits up to the applicable social minimum; the cost of pensions for persons with a disability since childhood.

The social minimum is a variable amount based on household income.

#### Qualifying Conditions

**Old-age pension:** Age 65 and 2 months (gradually rising to age 67 by 2023) and a resident of the Netherlands or working in the Netherlands from ages 15 (gradually rising to 17 by 2023) to 65 (gradually rising to 67 by 2023); if income was earned, the insured paid contributions each year from ages 15 (gradually rising to 17 by 2023) to 65 (gradually rising to 67 by 2023). Two persons sharing a household can qualify for a couple's pension if both have reached retirement age.

**Partial pension:** Meets the age requirement for the old-age pension but did not have paid contributions from earned income in each year from ages 15 (gradually rising to 17 by 2023) to 65 (gradually rising to 67 by 2023). Two persons sharing a household can qualify for a couple's pension if both have reached retirement age.

**Wage-related partial disability pension:** A reduced pension is paid if the insured was not a resident of the Netherlands or working in the Netherlands for the entire period from ages 15 (gradually rising to 17 by 2023) to 65 (gradually rising to 67 by 2023).

**Partial disability wage supplement:** Paid after the initial benefit payment period is exhausted to employees with wage-related income of at least 50% of their assessed residual earning capacity.

**Follow-up partial disability benefit:** Paid to employees who earn a wage-related income less than 50% of their assessed residual earnings capacity.

**Constant-attendance allowance:** Paid if the insured requires the constant attendance of others to perform daily functions.

**Supplementary allowance for younger partners:** Must be aged 65 or older before January 1, 2015, and the partner younger than age 65 with income from employment less than €1,324.46 a month (or income from benefits less than €734.41 a month). The allowance is paid until the younger partner is age 65.

No allowances will be paid beginning April 2015.

Means-tested income support is possible if a partial old-age pension is paid. The family income must be less than the social minimum, depending on household composition, income and assets.

Old-age benefits are payable abroad if residing in a European Union country; otherwise, under reciprocal agreement. The income-tested supplementary allowances are not payable abroad.

**Permanent disability pension:** Paid to employees younger than age 65 (gradually rising to 67 by 2023) who are assessed with a full (at least 80%) and permanent incapacity for work, an earning capacity of less than 20% of former earnings, and little or no prospect of recovery.

**Partial disability pension:** Paid to employees younger than age 65 (gradually rising to 67 by 2023) who are assessed with a partial (35% to 79%) or temporary incapacity for work with an earning capacity of less than 65% of former earnings.

**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 (means tested):** Paid if the insured's family income is less than the applicable social minimum.

The social minimum is a variable amount based on household income.

**Disability pension (young persons):** Must be younger than age 65 (gradually rising to 67 by 2023) and assessed as incapable of work by age 17 (by age 30 if a student for at least six months in the year before the disability began).

Constant-attendance allowance: Paid if the insured requires the constant attendance of others to perform daily functions.

**Survivor benefits:** 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 remarriage, registered partnership, or cohabitation.

The survivor pension ceases at age 65 (gradually rising to 67 by 2023) and may be replaced by the old-age pension.

**Death benefit:** Paid when an employed or unemployed worker, a beneficiary of sickness benefits or disability benefits, an old-age pensioner, spouse, or partner, or a survivor pension beneficiary and dependent children die.

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

### Old-Age Benefits

**Old-age pension:** The full pension is paid for a full 40-year coverage period. Unmarried persons receive €1,099.37 a month. Couples, regardless of marital status, and both aged 65 or older, receive €759.53 a month each. A pensioner who is a single parent caring for a child younger than age 18 receives €1,387.32 a month. A person aged 65 or older with a partner younger than age 65 receives a monthly pension of €759.53 (February 2014).

The benefit is automatically increased by €25.12 a month for certain taxpayers aged 65 or older. An additional holiday allowance of €50.11 to €100.22 is paid once a year in May.

Partial pension: The full pension is reduced by 2% for each year that the insured was not covered.

Supplementary allowance for younger partners: Up to €734.41 is paid. The allowance is reduced by up to 10% if the couple's joint income is more than €2,599.21 a month and by 2% for each year from age 15 to 65 that the younger partner was not covered (February 2014).

No allowances will be paid beginning April 2015.

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

### Permanent Disability Benefits

**Permanent disability pension:** 75% of the insured's daily wage is paid. The benefit is normally paid after two years (104 weeks) of sick leave. At the pensionable age, the disability pension is replaced with an old-age pension.

Wage-related partial disability pension: 75% of the insured's daily wage is paid for the first two months; 70% thereafter. The benefit is paid for three to 38 months, depending on the number of years of employment. Benefits are reduced for persons who continue to work by 75% of earnings in the first two months and by 70% of earnings thereafter.

Partial disability wage supplement: 70% of the difference between the maximum daily wage and work-related income or the assessed residual earning capacity (in case this is greater than the work-related income).

Follow-up partial disability benefit: 28% to 50.75% of the legal minimum wage is paid.

The maximum benefit is €197 a day.

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

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

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

The legal monthly minimum wage is €1,485.60.

**Disability pension (young persons):** Young persons with a disability may receive a supplement to bring the total income (earnings and benefit) to at least 75% of the minimum wage and a maximum of 100% of the minimum wage. Following the determination of the insured's work capacity after age 27, the benefit is paid to persons assessed with a full disability (80% or more) and no earnings.

The legal monthly minimum wage is €1,485.60.

The maximum benefit is €197 a day.

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

Supplementary allowance (means tested): An allowance may be paid.

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

### Survivor Benefits

**Spouse's benefit:** €1,143.67 a month is paid to a widow(er) or an eligible unmarried partner. €1,421.54 if caring for a child younger than age 18.

A holiday allowance of €83.93 to €107.92 a month is paid once a year in May.

Income test: Income from employment up to 50% of the legal minimum wage plus 33.3% of all the insured's

earnings in excess of this amount is disregarded. Income from employment (including unemployment benefits, disability benefits, and sickness benefits) over this amount is deducted in full from the survivor pension. No benefit is paid if monthly income is €2,433.56 or more, or €2,850.36 or more if the survivor has a child younger than age 18.

The legal monthly minimum wage is €1,485.60.

A top-up of €16.50 a month is paid in addition to the spouse's benefit.

**Orphan's benefit:** Each full orphan younger than age 10 receives €377.19 a month; €557.54 if aged 10 to 15; or €737.89 if aged 16 to 20 (age 21 if a student).

A top-up of €16.50 a month is paid in addition to the orphan's benefit.

**Death benefit:** A lump sum of 100% of the insured's monthly earnings (up to €197 a day) is paid; up to the legal minimum wage for unemployed workers. For the death of a beneficiary of sickness or disability benefits, a lump sum of one month of benefits is paid. For the death of an old-age pensioner, a lump sum of 100% of the monthly old-age pension is paid. For the death of a survivor pension beneficiary, a lump sum of 100% of the monthly survivor pension is paid. The benefit is paid to the deceased's partner, dependent children and other survivors.

The legal monthly minimum wage is €1,485.60.

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

### Administrative Organization

Inspection SZW (<http://www.inspectieszw.nl>) provides general supervision of contribution and collection and the payment of cash benefits.

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

Employers pay disability benefits to employees for the first two 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

#### 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.

Social insurance covers workers who have no employer, including employees who have lost their jobs in the first two years of incapacity, incapacitated unemployed persons, temporary workers on sick leave, the voluntarily insured, apprentices, vocationally rehabilitated persons, and women incapacitated due to pregnancy or childbirth.

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

**Exceptional medical expenses:** All residents of 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 health insurer and an income-related contribution on the insured's annual earnings up to €51,414 (medical benefits); 12.65% of annual earnings up to €33,363 (exceptional medical expenses).

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

**Self-employed person:** 12.65% of income up to €33,363 a year (exceptional medical expenses insurance).

**Employer:** 7.7% of covered payroll (medical benefits).

The maximum annual earnings used to calculate contributions are €51,414.

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

**Government:** An annually determined contribution (medical benefits).

### Qualifying Conditions

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

**Cash maternity benefits:** Must be employed or receiving unemployment benefits.

**Medical benefits:** Covered by an insurance policy with an authorized health insurer (private companies).

### Sickness and Maternity Benefits

**Sickness benefit:** Employers pay 70% of the insured's earnings, up to €197 a day for up to 104 weeks.

**Maternity benefit:** 100% of the insured's earnings, up to €197 a day, is paid for up to 16 weeks.

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**Death benefit:** 100% of the insured's earnings, up to €197 a day, is paid for up to one month.

### Workers' Medical Benefits

Doctors, specialists, hospitals, and pharmacists provide medical services, including 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 SZW (<http://www.inspectieszw.nl>) provides general supervision of cash benefits.

Authorized private insurance companies administer and provide sickness insurance.

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

## Work Injury

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### 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

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### Regulatory Framework

**First law:** 1949.

**Current law:** 1987.

**Type of program:** Social insurance and social assistance system.

### Coverage

Employed persons.

Exclusions: Self-employed persons.

### Source of Funds

**Insured person:** Variable contribution rates are paid to the general unemployment fund, according to industry. The average contribution is 4.2% of covered earnings. None for the redundancy payment fund.

The maximum daily earnings used to calculate contributions are €197.

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

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

**Employer:** 4.2% of covered payroll for the general unemployment fund. Variable contribution rates are paid to the redundancy payment fund. The average contribution is 1.47% of covered payroll.

The maximum daily earnings used to calculate contributions are €197.

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

**Government:** None.

### Qualifying Conditions

**Unemployment benefits:** Must have a loss of income and a loss of at least five 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 three 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 fourth to the 38th month if the insured had at least 52 days of paid employment in at least four of the five years before the year of unemployment and depending on the total number of years of contributions.

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

The social minimum is a variable amount based on household income.

### Unemployment Benefits

**Salary-related benefit:** For the first two months, the benefit is 75% of the average salary in the 12 months before unemployment, up to €197 a day; thereafter, 70%. After the first three 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 up to 1997, years with at least 52 days a year of paid employment from 1998 onward, child-raising years, and years of informal caregiving after 1997.

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

### Administrative Organization

Inspection SZW (<http://www.inspectieszw.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.uvw.nl>) administers unemployment benefits.

Social security agencies provide benefits on a contractual basis.

### Family Allowances

#### 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 residents or persons working in the Netherlands.

#### 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 (except under certain conditions).

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

*Children aged 16 or 17:* Must comply with the school attendance rules and pursue a basic qualification, or be exempt from the obligation to pursue a basic qualification by the school attendance officer. Unemployed children must have a basic qualification, be registered job seekers, and must have applied to be or currently be an apprentice. Children who already have a basic qualification can only qualify for child benefit if they are full-time students, are unable to pursue advanced education, or are unemployed and registered as job seekers. No benefit is paid for children who are employed or who receive 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 with an independent authority to assess the child's disability.

**Child budget allowance (means tested):** Younger than age 18 and qualifies for a child benefit.

#### Family Allowance Benefits

**Family allowances:** €191.65 is paid from birth until the child reaches age 6, €232.71 until the child reaches age 11, and €273.78 until the child reaches age 18.

**Disabled child care allowance (income tested):** €215.80 is paid quarterly.

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

**Child budget allowance (means tested):** Up to €1,017 a year is paid for one child; €1,553 for two children; €1,736 for three children; €106 for the fourth and each subsequent child.

#### Administrative Organization

Inspection SZW (<http://www.inspectieszw.nl>) provides general supervision.

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

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