

Netherlands

Exchange rate: U.S.\$1.00 equals 1.12 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 workers), 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: 17.90% of income for the old-age pension, 1.25% for the survivor pension. Self-employed persons contribute 8.80% 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 2.20% of payroll up to a maximum of •159 a day to compensate for part of the employee's contribution.

Government: Funds needed to bring low benefits up to the social minimum (•721.41 a month for a single person and •1,023.46 for a couple). The cost of pensions for those disabled since childhood and any deficit.

Maximum earnings for contribution purposes are •27,847 a year for old-age and survivor pensions, •159 a day for the disability pension for employed workers, •38,118 a year for the disability pension for self-employed workers (minimum earnings •13,160 a year).

Qualifying Conditions

Old-age pension: Age 65. Fifty years of residence from age 15 through age 64 and, if income earned, contributions paid each year from age 15 through age 64 for a full pension; otherwise reduced pension (no decreases for pre-1957 period if 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 or, if under age 65, the younger partner satisfies the income test.

Retirement is unnecessary. Pensions are payable abroad under certain conditions.

Disability pension: Loss of over 80% of earning capacity in current occupation for a full pension, 15% to 80% for a partial pension under the system for employed workers, or 25% to 80% for unemployed workers or resident persons disabled since childhood and for students.

Survivor pension: Payable to widow, widower, unmarried permanent partner, or full orphan.

Income-tested for survivors born before 1950, or 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 •869.24. Couples, whether married or not, and both aged 65 or older, receive •598.07 a month each. A single parent caring for a child under age 18 receives •1,077.54.

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 single-person pension if the younger partner's income is less than •1,078.10. The full allowance, including the single-person pension, is •1,196.14. The maximum supplement is payable if the partner's income is below •180.99.

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

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

Permanent Disability Benefits

Disability pension (employed workers): Up to 70% of earnings for at least 80% disability and 14% to 50.75% of earnings for 15% to 80% disability.

The maximum benefit is •159.99 a day.

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

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

Disability pension (self-employed workers): Up to 70% of earnings for at least 80% disability and 14% to 50.75% of earnings for 25% to 80% disability.

Maximum earnings equal the minimum wage of •1,206.60 a month.

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

Benefit adjustment: Automatic adjustment of all pensions 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 for at least 80% disability and payments of 14% to 50.75% of the minimum wage for 25% to 80% disability.

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

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

Survivor Benefits

Survivor pension: •932.38 a month to a widow(er) or an unmarried permanent partner caring for a child under age 18. Benefit is reduced by the survivor's income from employment. Part of the income from work, covering 50% of the minimum wage (•603.30 per month) plus 1/3 of all earnings in excess of this amount, is disregarded. No benefit is paid if monthly income is •2,002.54 or more.

Dependent child allowance: An allowance of •213.23 per child is paid without an income test until the child is age 18.

Orphan's pension: •298.36 a month for each full orphan under age 10, •447.54 if aged 10 to 15 years, and •596.72 if a student and aged 16 to 27 years or disabled and aged 16 to 18 years when disability pension becomes payable.

Benefit adjustment: Automatic adjustment of all pensions twice a year for changes in net minimum wages.

Death benefit: 100% of earnings up to daily maximum earnings of •159 for employed workers; 100% of earnings up to minimum wage (•1,206.60 a month) for unemployed workers, both payable for 1 month for the death of a disabled person; 100% of the old-age and survivor pension is payable for 1 month.

Administrative Organization

Board of Supervision of Social Insurance provides the general supervision of contributions and administers cash benefits.

Social Insurance Bank administers old-age and survivor pensions.

National Institute for Social Security 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 benefits for sickness and maternity for wage earners and salaried persons), 1968 (exceptional medical expenses compensation), and 1998 (cash benefits for maternity for unemployed workers).

Type of program: Social insurance system.

Coverage

Medical benefits: Wage earners and salaried employees earning less than •30,700 a year and pensioners. Subject to certain conditions, coverage is extended to partner and children.

Exceptional medical expenses: All residents.

Cash benefits: Sickness and maternity benefits for all wage earners and salaried employees. Effective March 1996, the Sickness Benefits Act is mostly privatized. Under the Civil Code, employers must continue the payment of 70% of wages (up to a maximum of •159.99 a day) during an employee's absence for sickness for a maximum of 52 weeks.

Maternity benefits for unemployed workers are payable for 16 weeks.

Source of Funds

Insured person: Flat-rate contribution set by the sickness fund, 1.7% of earnings for medical benefits, and 10.25% for exceptional medical expenses insurance.

The contribution for sickness and maternity benefits is included in the contribution for unemployment for employed workers, and the contribution for maternity benefits is included in the contribution for disability benefits for unemployed workers.

Employer: 6.25% of payroll for medical benefits. The contribution for sickness and maternity benefits is included in the contribution for unemployment for employed workers.

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

Maximum earnings for contribution purposes: Medical benefits, •108 a day; exceptional medical expenses, •21,860 a year; cash sickness benefit and maternity benefits for unemployed workers, •38,117 a year. Minimum earnings for contribution purposes: •13,159 a year.

Qualifying Conditions

Medical benefits: Registration with approved sickness fund.

Sickness benefit: Inability to perform own work.

Maternity benefit: Employed or unemployed person.

Sickness and Maternity Benefits

Sickness benefit: 70% of earnings up to the daily maximum earnings of •159.99. Benefit is payable for up to 52 weeks.

Maternity benefit: 100% of earnings up to the daily maximum of •159.99 a day is payable during pregnancy for a total of 16 weeks and may be extended up to 52 weeks in case of disability caused by the pregnancy or during childbirth.

Maternity benefit for unemployed workers: 100% of earnings with a maximum of the minimum wage (•1,066 a month), payable for a total of 16 weeks.

Workers' Medical Benefits

Service benefits 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.

Specific cost-sharing arrangements operate for long-term hospitalization, for 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

Medical benefits for dependents: Same as for insured person (above).

Maternity care: Partner and children of an insured man receive the same nursing or hospitalization benefit as that of an insured woman.

Death benefit: 100% of earnings up to the daily maximum of •159.99 a day. The benefit is payable for 1 month.

Administrative Organization

Board of Supervision of Social Insurance provides the general supervision of cash benefits.

National Institute for Social Security is responsible for collecting contributions for medical benefits and administering cash benefits for sickness and maternity.

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

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

Work Injury

Regulatory Framework

First law: 1901. The provisions of the 1966 and the 1968 legislation under the sickness and disability programs (see above) apply to all incapacities, whether work-related or not.

No specific work injury insurance since 1967.

Unemployment

Regulatory Framework

First law: 1949.

Current law: 1987.

Type of program: Dual social insurance and unemployment assistance systems.

Coverage

Employed persons. Special system for public employees.

Source of Funds

Insured person: Variable contribution rates according to industry (the average is 4.95% of earnings).

Employer: Variable contribution rates according to industry (the average is 3.60% of payroll).

Government: None.

The maximum earnings for contribution and benefit purposes are •159.99 a day.

Qualifying Conditions

Unemployment benefit: Employed for at least 26 weeks during the 39 weeks immediately prior to becoming unemployed for the basic benefit (6 months); for at least 52 days in 4 years of the 5 preceding years for the salary-related benefit. The duration of the salary-related benefit depends on a person's employment record, from 6 months up to 5 years.

Follow-up benefit: If unemployed after the salary-related benefit expires, a follow-up benefit provides for an additional 2 years. Periods spent caring for children under age 12 also count (fully or partially) toward the qualifying period.

Registered at the public labor exchange. The person must 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 •159.99.

Follow-up benefit: 70% of the minimum wage.

Administrative Organization

Board of Supervision of Social Insurance provides general supervision.

National Institute for Social Security is responsible for collectioning contributions and administering 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 insured 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 still be payable under certain conditions.

Children aged 16 and 17 years: 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 (WSF).

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

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

Depending on the composition of the family, benefit rates range from •168.88 to •327.74 per child per quarter.

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

Administrative Organization

Board of Supervision of Social Insurance provides general supervision.

Social Insurance Bank administers allowances.