Austria

Exchange rate: US$1.00 equals 0.84 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1906 (pensions), implemented in 1909; and 1938 (insurance regulations), implemented in 1939.

Current laws: 1955 (social insurance), implemented in 1956, with 2006 amendment; 1978 (self-employed), implemented in 1979, with 2005 amendment; 1978 (farmers), with 2006 amendment; 1978 (professional persons), with 2005 amendment; and 2004 (pension harmonization), implemented in 2005.

Note: The 1955 act applies to insured persons older than age 50 on January 1, 2005. The 2004 law applies to insured persons younger than age 50 on January 1, 2005. Under the 2004 law, all special systems now provide similar benefits.

Type of program: Social insurance system.

Coverage

Wage earners and salaried employees (separate systems with essentially identical provisions) earning €333.16 or more a month and apprentices.

Special systems for miners; notaries; public-sector employees; and self-employed persons, including those in trade and agriculture.

Source of Funds

Insured person: 10.25% of earnings.

The maximum monthly earnings for contribution purposes are €3,750.

Self-employed person: Contributions vary between 15.25% and 20% of earnings, according to profession; farmers contribute 14.75% of earnings.

The maximum monthly earnings for contribution purposes are €3,750.

Employer: 12.55% of payroll.

The maximum monthly earnings for contribution purposes are €3,750.

Government: A subsidy from the federal government (about 26% of pension costs in 2004) and the cost of the care benefit and income-tested allowance.

Qualifying Conditions

Old-age pension: Age 65 (men) or age 60 (women) with at least 180 months of insurance coverage in the last 30 years, a total of at least 300 months of insurance coverage, or 180 months of contributions.

For insured persons covered by the 2004 law: Age 65 (men) or age 60 (women born before December 2, 1963) with 180 months of insurance coverage, including at least 84 months while in employment. (The retirement age for women born after June 1, 1968, is increasing gradually by 6 months per 6-month period up to age 65.)

Early pension: Age 62 and 3 months (men) or age 57 and 3 months (women) with between 420 months and 450 months of insurance coverage and with monthly earnings no greater than €333.16, subject to conditions. The early pensionable age is increasing gradually by 1 month per quarter. (The early pension will be phased out gradually by October 1, 2017.)

Early pension for workers in physically demanding jobs (beginning January 1, 2007): Age 60 with 45 years of insurance coverage, of which at least 120 months are based on employment in physically demanding jobs in the last 240 months and with monthly earnings no greater than €333.16, subject to conditions. (The early pension for women in physically demanding jobs will come into effect in 2024. At present, women can claim the statutory old-age pension or the early pension for the long-term insured at age 60.)

Early pension for the long-term insured: The pensionable age varies according to the year of birth: from age 60 (men born before July 1, 1950) to age 64 (men born in 1954) with 45 years of contributions or from age 55 (women born before July 1, 1955) to age 59 (women born in 1959) with 40 years of contributions, subject to conditions.

Corridor pension (new early old-age pension): Age 62 (men and women) with 450 months of insurance coverage and with monthly earnings (including the pension) no greater than €333.16, subject to conditions. (The corridor pension for women will come into effect in 2028. Until then, women can claim the statutory old-age pension or the early pension for the long-term insured at age 60.)

Deferred pension: A deferred pension is possible.

Benefits are payable abroad (a reciprocal agreement may be required if the benefit is paid abroad for a period longer than 2 months).

Disability pension: Payable for an assessed loss of more than 50% of earning capacity. The insured must have 60 months of contributions (plus 1 month for each month from age 50) in the last 10 years (plus 2 months for each month from age 50), 300 months of insurance coverage, or a total of least 180 months of contributions. The qualifying conditions are relaxed for persons aged 57 or older.

Reduced pension: A reduced pension is paid if monthly earnings are greater than €958.30.

Survivor pension: The deceased met the insurance coverage or contribution requirements for a disability pension or was a pensioner at the time of death.

Old-Age Benefits

Old-age pension: The benefit accrues at 1.88% (2006) of the assessment base for each year of insurance coverage. (The accrual rate is to be lowered to 1.78% by 2009.)

The assessment base is equal to adjusted average earnings in the best 18 years, up to an annual maximum of €3,131.94. (The assessment period will be increased gradually by 12 months a year until it reaches 40 years in 2028.)

For insured persons with insurance coverage only after January 1, 2005, the level of the pension benefit is calculated on the basis of 1.78% of the sum of contributions for each calendar year plus the sum of the adjusted annual contributions of all years of contributions divided by 14.

Dual (hypothetical) pensions are calculated for persons younger than age 50 as of January 1, 2005. A first (hypothetical) pension is calculated according to the 2004 law. A second (hypothetical) pension is calculated according to the previous regulations. To calculate the pension payable, the value of each hypothetical pension is split in proportion to the respective duration of the insured's total insurance coverage period before and after the 2004 law. (The dual calculation method does not apply if one of the respective insurance coverage periods represents less than 5% of the total insurance period or less than 12 months of insurance coverage.)

Pensions based on the dual calculation method will be payable beginning in 2010, when women born after 1955 reach age 55, and in 2015, when men born after 1955 reach age 60 (early pension for the long-term insured).

Early pension: The benefit is reduced by 4.2% for each year it is received before age 65 (men) or age 60 (women), up to a maximum of 15%.

Early pension for workers in physically demanding jobs (beginning January 1, 2007): The benefit is reduced by 1.8% a year (0.15% a month).

Early pension for the long-term insured: Under special rules, the benefit accrues at 2% of the assessment base for each year of insurance coverage until 2007. The accrual rate will be lowered by 0.05% a year between 2007 and 2010 to 1.85% and will be reduced to 1.78% in 2011.

Corridor pension (new early old-age pension): The benefit accrues at 1.88% of the assessment base for each year of insurance coverage. (The accrual rate is to be lowered to 1.78% by 2009.) The benefit is reduced by 4.2% for each year it is awarded before age 62, up to a maximum of 12.6%. Pensions for insured persons born before January 1, 1955, are calculated according to previous regulations. The dual calculation method applies to insured persons born after December 31, 1954.

Deferred pension: The pension is increased by 4.2% for each year of deferral. The maximum deferral period is 3 years.

The maximum pension is 80% of the assessment base (up to 91.76% for a deferred pension).

Child's supplement: €29.07 is paid for each child younger than age 18 (age 27 if a student or in training, no limit if disabled).

Income-tested allowance: An amount is paid to raise the pension for an individual to €690 a month; to €1,055.99 for a married couple, plus €72.32 for each child for whom a person receives a child's supplement.

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Benefits are adjusted annually (beginning with the second calendar year after the year in which the pension is awarded).

Care benefit: Pensioners who need personal care may be entitled to a monthly benefit varying from €148.30 to €1,562.10, depending on the amount of care required. The benefit is paid 12 times a year.

Permanent Disability Benefits

Disability pension: The benefit accrues at 1.88% of the assessment base for each year of insurance coverage. (The accrual rate is to be lowered to 1.78% by 2009.)

If the insured person is younger than age 60, the insurance coverage period is projected to age 60 for benefit calculation purposes.

The assessment base is equal to adjusted average earnings in the best 18 years, up to an annual maximum of €3,131.94. (The assessment period will be increased gradually by 12 months a year up to age 40 in 2028.)

The maximum pension is equal to 60% of the assessment base.

Reduced pension: 30% of monthly earnings between €958.30 and €1,437.50 is deducted from the disability pension; 40% of monthly earnings between €1,437.50 and €1,916.60; and 50% of monthly earnings above €1,916.60.

Child's supplement: €29.07 is paid for each child younger than age 18 (age 27 if a student or in training, no limit if disabled).

Income-tested allowance: An amount is paid to raise the pension for an individual to €690 a month; to €1,055.99 for a married couple, plus €72.32 for each child for whom a person receives a child's supplement.

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Benefits are adjusted annually (beginning with the second calendar year after the year in which the pension is awarded).

Care benefit: Pensioners who need personal care may be entitled to a monthly benefit varying from €148.30 to €1,562.10, depending on the amount of care required. The benefit is paid 12 times a year.

Survivor Benefits

Survivor pension: A widow(er) receives up to 60% of the deceased's pension.

Income-tested allowance: An allowance is paid to raise the survivor pension to €690 a month.

Orphan's pension: Each orphan younger than age 18 (age 27 if a student or in training, no limit if disabled) receives 40% of the survivor pension; 60% for a full orphan.

Income-tested allowance: An allowance is paid to raise the orphan's pension to €253.80 a month (€381.06 for a full orphan); after age 24, the allowance raises the orphan's pension to €450.98 a month (€690 for a full orphan).

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Benefits are adjusted annually (pensions for the survivors of deceased persons whose old-age pension was first paid after 2003 are first adjusted in the second calendar year after the year in which the survivor pension was awarded).

Care benefit: Pensioners who need personal care may be entitled to a monthly benefit varying from €148.30 to €1,562.10, depending on the amount of care required. The benefit is paid 12 times a year.

Administrative Organization

Federal Ministry of Social Security, Generations, and Consumer Protection (http://www.bmsg.gv.at), the Federal Ministry for Health and Women (http://www.bmgf.gv.at), and the Federal Ministry of Finance (http://www.bmf.gv.at) provide general supervision.

Consisting of self-governing pension insurance institutions composed of elected representatives of insured persons and employers, the Federation of Austrian Social Insurance (http://www.sozialversicherung.at) coordinates the program.

Pension Insurance Institution (http://www.pensionsversicherung.at) administers 85% of all pensions. Separate institutions operate for railroad employees, mining employees, and self-employed persons.

Sickness funds collect contributions and transfer them to pension insurance institutions and maintain contribution records for individual workers. The pension insurance institutions of self-employed persons collect contributions directly from the insured.

Sickness and Maternity

Regulatory Framework

First law: 1888 (sickness insurance), implemented in 1889.

Current laws: 1955 (social insurance), implemented in 1956, with 2005 amendment; 1974 (employees), with 2000 amendment; 1978 (self-employed), implemented in 1979, with 2005 amendment; 1978 (farmers), with 2006 amendment; and 1978 (professional persons), with 2005 amendment.

Type of program: Social insurance system.

Coverage

Employed persons earning €333.16 or more a month, apprentices, and pensioners.

Special systems for public-sector and railway employees and self-employed persons in agriculture and trade.

Source of Funds

Insured person: 3.95% of wages (wage earners), 3.75% of salary (salaried employees), or 4.95% of the pension (pensioners).

The maximum monthly earnings for contribution purposes are €3,750.

Self-employed person: Between 7.5% and 9.1% of earnings, according to profession.

The maximum monthly earnings for contribution purposes are €3,750.

Employer: 3.55% of payroll (wage earners) or 3.75% of payroll (salaried employees).

The maximum monthly earnings for contribution purposes are €3,750.

Government: 70% of cash maternity benefits.

The maximum monthly earnings for contribution purposes are €3,750.

Qualifying Conditions

Cash sickness and maternity benefits: Currently in covered employment.

Medical benefits: Currently in covered employment.

Sickness and Maternity Benefits

Sickness benefit: The employer pays 100% of earnings for up to 12 weeks (plus an additional 4 weeks at 50%), depending on the insured's length of service.

After the right to full benefits from the employer is exhausted, sickness funds pay 50% (60% after 6 weeks) of covered earnings (25% to those receiving 50% of earnings from the employer), plus family supplements (depending on the regulation of the sickness fund) for 26 to 52 weeks, depending on the length of the contribution period.

The maximum benefit is equal to 75% of covered earnings, depending on the number of dependents.

Maternity benefit: The benefit is equal to 100% of average earnings (during the last 13 weeks or 3 months of employment) and is paid for 8 weeks before and 8 weeks (12 to 16 weeks in special cases) after the expected date of childbirth.

Workers' Medical Benefits

Service benefits are ordinarily provided by doctors, hospitals, and pharmacists under contract with and paid directly by sickness funds; some funds operate their own clinics or hospitals. Benefits include medical (including psychotherapy), maternity, and dental care; hospitalization; medicines; appliances; home care; preventive examinations; and transportation.

Cost sharing: Patients pay €4.60 per prescription, part of the cost for dental care, and up to 20% of the cost of appliances. A contribution of at least €25 is made by the insured toward the cost of appliances; exceptions are made for patients with limited means.

There is no limit to duration.

Dependents' Medical Benefits

Service benefits are ordinarily provided by doctors, hospitals, and pharmacists under contract with and paid directly by sickness funds; some funds operate their own clinics or hospitals. Benefits include medical (including psychotherapy), maternity, and dental care; hospitalization; medicines; appliances; home care; preventive examinations; and transportation.

Cost sharing: Patients pay €4.60 per prescription, part of the cost for dental care, up to 20% of the cost of appliances, and 10% of the cost during the first 4 weeks of hospitalization. A contribution of at least €25 is made by the insured toward the cost of appliances; exceptions are made for patients with limited means.

The wife of an insured man receives the same maternity care as an insured woman.

There is no limit to duration.

Administrative Organization

Federal Ministry for Health and Women (http://www.bmgf.gv.at) provides general supervision.

Nine district and eight occupational sickness funds administer contributions and benefits. Sickness funds are managed by elected representatives of insured persons and employers.

Separate institutions operate for railroad, mining, and public-sector employees and self-employed persons.

Work Injury

Regulatory Framework

First law: 1887 (accident insurance), implemented in 1889.

Current laws: 1955 (social insurance), implemented in 1956, with 2005 amendment; 1978 (self-employed), implemented in 1979, with 2005 amendment; 1978 (farmers), with 2006 amendment; and 1978 (professional persons), with 2005 amendment.

Type of program: Social insurance system.

Coverage

Employed and self-employed persons, apprentices, and students.

Special system for public-sector employees.

Source of Funds

Insured person: None.

Self-employed person: Between 1.4% and 1.9% of income or a flat-rate contribution of €7.09 a month, according to profession.

The maximum monthly income for contribution purposes are €3,750.

Employer: 1.4% of payroll.

The maximum monthly earnings for contribution purposes are €3,750.

Government: Federal government contributes to farmers' accident insurance.

Family Allowances Equalization Fund reimburses the General Accident Insurance Fund for students' accident insurance.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The insured receives the sickness benefit (see Sickness and Maternity, above) until a decision on permanent disability is made.

The employer pays 100% of earnings for up to 12 weeks (plus an additional 4 weeks at 50%), depending on the insured's length of service.

After the right to full benefits from the employer is exhausted, sickness funds pay 50% (60% after 6 weeks) of covered earnings (25% to those receiving 50% of earnings from the employer), plus eventual family supplements (depending on the regulation of the sickness fund) for 26 to 52 weeks, depending on the length of the contribution period.

The maximum benefit is equal to 75% of covered earnings, depending on the number of dependents.

Permanent Disability Benefits

Permanent disability pension: The full pension (66.6% of the assessment base) is paid for a 100% reduction in earning capacity.

The assessment base is equal to average covered earnings during the last year before the onset of disability.

Partial pension: A proportionately reduced pension is payable with at least a 20% reduction in earning capacity; a 50% reduction in earning capacity for a severe disability pension.

Supplementary pension: 20% of the severe disability pension is paid for a reduction in earning capacity from 50% to 70%; 50% if the reduction in earning capacity is greater.

Child's supplement: 10% of the disability pension is paid for a 50% or greater reduction in earning capacity for each child younger than age 18 (age 27 if a student or in training, no limit if disabled).

The maximum supplement is €76.31 for each child.

The combined total disability pension, supplementary pension, and supplements for children must not exceed 100% of the assessment base.

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to the rules of the accident insurance institution.

Care benefit: Pensioners who need personal care may be entitled to a monthly benefit varying from €148.30 to €1,562.10, depending on the amount of care required. The benefit is paid 12 times a year.

Workers' Medical Benefits

Comprehensive care, including rehabilitation (the first 4 weeks are provided under sickness insurance) and allowances for training and relocation.

Survivor Benefits

Survivor pension: A widow aged 60 or older or a widower aged 65 or older receives 40% of the assessment base. Other widow(er)s receive 20% of the assessment base.

The assessment base is equal to the deceased's average earnings during the last year before death.

Orphan's pension: Each orphan younger than age 18 (age 27 if a student or in training, no limit if disabled) receives 20% of the assessment base (30% for a full orphan).

The assessment base is equal to the deceased's average earnings during the last year before death.

Other dependents' pension: A maximum of 20% of the assessment base is payable for all other dependents, including parents, grandparents, and for brothers and sisters younger than age 18 (age 27 if a student or in training, no limit if disabled).

The assessment base is equal to the deceased's average earnings during the last year before death.

Survivor allowance: A flat-rate payment equal to 40% of the assessment base is payable to a widow(er) who is not eligible to receive the survivor pension.

The assessment base is equal to the deceased's average earnings during the last year before death.

The total survivor pension must not exceed 80% of the assessment base.

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to the rules of the accident insurance institution.

Funeral grant: Partial reimbursement of funeral and transportation costs, up to a maximum of 1/15 of the assessment base.

The assessment base is equal to the deceased's average earnings during the last year before death.

Administrative Organization

Federal Ministry for Health and Women (http://www.bmgf.gv.at) provides general supervision.

General Accident Insurance Institution (http://www.auva.at) administers long-term benefits (a separate institution operates for railway employees, public-sector employees, and the agricultural self-employed).

Sickness funds collect contributions and transmit them to accident insurance institutions.

Unemployment

Regulatory Framework

First law: 1920 (unemployment insurance).

Current laws: 1977 (unemployment insurance), with 2006 amendment; and 1994 (labor market), with 2005 amendment.

Type of program: Social insurance system.

Coverage

Employed persons earning €333.16 or more a month and apprentices.

Exclusions: Public-sector employees and self-employed persons.

Source of Funds

Insured person: 3% of earnings.

The maximum monthly earnings for contribution purposes are €3,750.

Self-employed person: Not applicable.

Employer: 3% of payroll.

The maximum monthly earnings for contribution purposes are €3,750.

Government: Any deficit.

Qualifying Conditions

Unemployment benefit: Must have 28 weeks of contributions in the last 12 months; 52 weeks in the last 24 months for a first claim to a benefit. The insured must be registered at an employment office and be capable of and willing to work.

For a first-time claim made before age 25, the insured must have 26 weeks of contributions in the last 12 months, subject to conditions.

Unemployment is not due to voluntary leaving without good reason, misconduct, work stoppage, or the refusal of a suitable offer, in which case disqualification usually lasts 4 weeks.

Emergency assistance (income-tested): The insured must be unemployed, capable of and willing to work, and assessed as requiring emergency assistance.

Unemployment Benefits

The benefit is equal to 55% of net earnings and is payable for up to 20 weeks; may be extended to 30 weeks (with 156 weeks of insurance coverage in the last 5 years); 39 weeks (if aged 40 or older with 312 weeks of insurance coverage in the last 10 years); or 52 weeks (if aged 50 or older with 468 weeks of insurance coverage in the last 15 years). The duration of payment is extended by periods of participation in training provided by the labor-market service.

Family supplement: €0.97 a day is paid for each dependent. The total benefit including the family supplement must not be more than 80% of net earnings.

Supplementary benefit: For a single person with low income, the unemployment benefit is raised to €690 but must not be more than 60% of net earnings.

Emergency assistance (income-tested): The allowance varies according to the number of dependents and the income of the unemployed person and his or her spouse or cohabiting partner. Between 92% and 95% of the unemployment benefit is paid to unemployed citizens without time limit when social insurance unemployment benefits are exhausted; 95% of the unemployment benefit is paid if the unemployment benefit is less than €690; between 92% and 95% if the unemployment benefit is greater than €690.

In addition, family supplements are paid for each dependent.

Administrative Organization

Federal Ministry of Economics and Labor (http://www.bmwa.gv.at) provides general supervision.

Regional offices of the Labor Market Service (http://www.ams.at) administer benefits and offer jobseeking services.

Sickness funds collect contributions from employers.

Family Allowances

Regulatory Framework

First law: 1948.

Current law: 1967, with 2006 amendment.

Type of program: Universal system.

Coverage

Persons residing permanently in Austria with one or more children. (Noncitizens are eligible if employed for more than 3 months or residing permanently in Austria for at least 5 consecutive years.)

Source of Funds

Insured person: None.

Self-employed person: None. (A portion of the land tax is allocated to finance family allowances for the agricultural self-employed.)

Employer: 4.5% of payroll.

Government: States contribute €1.74 a year for each inhabitant. A portion of federal tax receipts is transferred to the Family Allowances Equalization Fund.

Federal government, states, and municipalities with more than 2,000 inhabitants pay family allowances out of their own budget but do not pay employer contributions.

Child care allowances are financed entirely from the funds of the Family Allowances Equalization Fund.

Qualifying Conditions

Family allowances: The child must be younger than age 18 (age 26 if a student, in training or vocational training, or severely disabled).

Child care allowance: Paid to parents with annual earnings below €14,600 and with children born after January 1, 2002, who are eligible for family allowances.

Family Allowance Benefits

Family allowances: €105.40 a month is paid for the first child younger than age 3, €112.70 for the first child between ages 3 and 9, €130.90 for the first child between ages 10 and 18, and €152.70 for the first child from age 19.

The benefit for the first child is increased by €12.80 a month for the second child and by €25.50 a month for the third and each subsequent child.

Severely disabled child supplement: A supplement of €138.30 a month is paid for a severely disabled child.

Child care allowance: €14.53 a day is paid for a child up to age 30 months; up to age 36 months in certain cases.

Supplement (income-tested): The daily amount is increased by €6.06 for single parents with annual earnings up to €5,200; for a mother or father whose spouse or partner has income up to €7,200, subject to conditions. If the income of the spouse or partner exceeds €7,200, the difference is deducted from the supplement. The supplement must be repaid before the child reaches age 15.

Large family supplement: If eligible for family allowances and if the taxable family income does not exceed a defined income limit, a supplement of €36.40 a month is paid for the third and each subsequent child.

Multiple birth supplement: A supplement of €7.07 a day is paid for the second and each subsequent newborn child in the event of multiple births.

Administrative Organization

Family Allowances Equalization Fund of the Federal Ministry of Social Security, Generations, and Consumer Protection (http://www.bmsg.gv.at) administers the program.

Tax administration pays allowances directly to recipients.

Federal government, states, and municipalities with more than 2,000 inhabitants pay family allowances out of their own budget.

Separate organization for public-sector employees.