

Netherlands

Exchange rate: US\$1.00 = 0.77 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 prior to 2006 and persons with a disability since childhood.

Source of Funds

Insured person: 17.9% of covered earnings (old age) and 1.1% of covered earnings (survivor).

The maximum annual earnings used to calculate contributions are €33,436.

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 €33,436.

Employer: 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.

Qualifying Conditions

Old-age pension: Age 65 and a resident of the Netherlands or working in the Netherlands from ages 15 to 65; if income was earned, the insured paid contributions each year from ages 15 to 65. Two persons sharing a household can qualify for a couple's pension if both are older than age 65.

Partial 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 to 65.

Supplementary allowance for younger partners: An insured must be aged 65 or older before January 1, 2015, and the partner younger than age 65 with income from employment less than €1,288.47 a month (or income from benefits less than €799.05 a month). The allowance is paid until the younger partner is age 65.

Means-tested supplementary allowance: The family income must be less than the social minimum, depending on household composition, income, and assets.

Retirement is not necessary.

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 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 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.

Disability pension (young persons): Benefits are paid to residents of the Netherlands younger than age 65 who are assessed as incapable of work at age 17 or whose disabilities began from age 17 to age 30 and were students for at least six months in the year before the disability began.

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, spouse, or partner, or a survivor pension beneficiary and dependent children.

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 coverage period from age 15 to 65. Unmarried persons receive €1,046.28 a month. Couples, regardless of marital status, and both aged 65 or older, receive €718.47 a month each. A pensioner who is a single parent caring for a child younger than age 18 receives €1,327 a month. A person aged 65 or older with a partner younger than age 65 receives a monthly pension of €718.47.

The benefit is automatically increased by €33.65 a month for certain taxpayers aged 65 or older. An additional holiday allowance of €44.47 to €78.25 is paid once a year in May.

Supplementary allowance for younger partners: Up to €718.47 is paid.

Partial pension: The full pension is reduced by 2% for each year from age 15 to 65 that the insured was not covered.

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 of sick leave during which the legal wage has been paid; persons may qualify before two years if assessed with a full and permanent disability. At the pensionable age, the disability pension is replaced with an old-age pension.

Partial disability pension: Up to 75% of the insured's daily wage is paid, depending on the degree of disability. The benefit is paid for at least three months up to 38 months, depending on the number of years of previous employment.

After the initial benefit payment period is exhausted, employees with partial disabilities who earn 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 work-related income or the assessed residual earning capacity (in case this is greater than the work-related income). Persons with partial disabilities who do not meet this condition are entitled to a follow-up allowance of 28% to 50.75% of the legal minimum wage, according to the assessed degree of disability.

Constant-attendance allowance: 85% to 100% of the insured's daily wage is paid if the insured requires the constant attendance of others to perform daily functions.

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 €1,446.60

The maximum benefit is €191.82 a day.

Disability pension (young persons): Young persons with a disability may receive a supplement on their earnings 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 supplement depends on earnings and work capacity. A young person with a full disability (80% or more) who has no earnings may receive 75% of the minimum wage.

The legal monthly minimum wage is €1,446.60

The maximum benefit is €191.82 a day.

Constant-attendance allowance: 85% to 100% of the insured's daily wage is paid if the insured requires the constant attendance of others to perform daily functions.

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: €1,127.83 a month is paid to a widow(er) or an eligible unmarried partner.

A holiday allowance of €73.27 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 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 €2,335.74 or more.

The legal monthly minimum wage is €1,446.60

Dependent child's allowance: An allowance of €269.65 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 €371.10 a month; €549.62 if aged 10 to 15; or €727.53 if aged 16 to 20 (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 €190.32 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, 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 €1,446.60.

Administrative Organization

Inspection SZW (<http://www.inspectieszw.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 two years.

Institute for Employee Benefits (<http://www.uwv.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. (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, 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 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 €33,427 for medical benefits; 12.15% of annual earnings up to €33,436 for exceptional medical expenses insurance.

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

Self-employed person: 12.15% of income up to €33,436 a year for exceptional medical expenses insurance.

Employer: 7.75% of covered payroll for medical benefits.

The maximum annual earnings used to calculate contributions are €33,427

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: 70% of earnings, up to €191.82 a day, is paid for up to 104 weeks.

Maternity benefit: 100% of earnings, up to €191.82 a day, is paid for up to 16 weeks.

Death benefit: 100% of earnings, up to €191.82 a day, is paid for up to one month.

Workers' Medical Benefits

Doctors, hospitals, and pharmacists provide medical services under contract with an insurer. The insurer reimburses the insured for medical costs.

Benefits depend on the contract between the health care insurer and the insured. They 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 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

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.

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 €191.82.

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

Self-employed person: Not applicable.

Employer: 4.20% 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 €191.82.

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 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 up 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.

Unemployment Benefits

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 €191.82 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.uwv.nl>) implements the different programs.

Social security agencies deliver 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 persons residing or working 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: Children must comply with the school attendance rules and pursue a basic qualification. Unemployed children must have a basic qualification, be registered job seekers, and must have applied to be or are currently an apprentice. No benefit is paid if the child is employed for more than 19 hours a week 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: The benefit for children born before 1995 is from €269.39 to €415.56 for each child a quarter. For children born after January 1, 1995, €188.57 is paid for children up to age 6; €228.98 if aged 7 to 12; €269.39 if aged 13 to 18.

Disabled child care allowance (income-tested): €212.34 a month is paid.

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

Child budget allowance: Up to €1,017 a month is paid for one child, €1,478 for two children, €1,661 for three children, and €106 for each additional child over three children.

Administrative Organization

Inspection SZW (<http://www.inspectieszw.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.