

## Netherlands

Exchange rate: US\$1.00 = 0.92 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 and 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 €33,715.

**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 €33,715.

**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 €52,763.

**Government:** A subsidy to increase all benefits up to the applicable social minimum; the total 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 (algemene ouderdomswet (AOW)):** Age 65 and six months (gradually rising to age 67 by 2021) and a resident of the Netherlands or working in the Netherlands from age 15 and six months (gradually rising to age 17 by 2021) to age 65 and six months (gradually rising to age 67 by 2021); if income was earned, the insured must have paid contributions each year from age 15 and six

months (gradually rising to age 17 by 2021) to age 65 and six months (gradually rising to age 67 by 2021). 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 live or work continually in the Netherlands for the entire 50-year period preceding the normal retirement age.

**Supplementary allowance for younger partners:** Must have reached the normal retirement age before January 1, 2015, and live with a partner who is younger than the normal retirement age with income from employment less than €1,366.28 a month (or income from benefits less than €758.39 a month). The allowance is paid until the younger partner reaches the normal retirement age.

The supplementary allowance for younger partners is no longer paid to new AOW pensioners as of 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. Means-tested income support is not payable abroad.

**Permanent disability pension (inkomensvoorziening volledig arbeidsongeschikten (IVA)):** Paid to employees younger than the normal retirement age 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.

**Wage-related partial disability pension (werkhervatting gedeeltelijk arbeidsongeschikten (WGA)):** Paid to employees younger than the normal retirement age who are assessed with a partial (35% to 79%) or full but temporary (80% to 100%) incapacity for work with an earning capacity of less than 65% of former earnings.

**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 of less than 50% of their assessed residual earning capacity.

**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 for young persons:** Must be aged 18 to the normal retirement age, 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), not currently a student, and reside in the Netherlands.

The disability pension for young persons ceases under certain conditions, such as if the pensioner is able to return to work, lives abroad, or reaches the normal retirement age.

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

**Survivor benefits:** The deceased received or was entitled to receive an old-age pension.

Eligible survivors include a widow(er) or unmarried permanent partner born before 1950, caring for children younger than age 18, or assessed with at least a 45% incapacity for work; and full orphans up to age 16 (age 18 if disabled, age 21 if a student).

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

The survivor pension ceases at the normal retirement age 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 (algemene ouderdomswet (AOW)):**

The full pension is paid for 50 years of coverage. €1,112.67 a month is paid to single persons; €758.39 a month each is paid to couples, regardless of marital status, who have both reached the normal retirement age; and €758.39 a month is paid to old-age pensioners with a partner younger than the normal retirement age.

The benefit is automatically increased by up to €25.48 a month. An additional holiday allowance of €49.51 to €99.02 is paid once a year in May.

Partial pension: The full pension (including the automatic increase and holiday allowance) is reduced by 2% for each year that the insured was not covered.

Supplementary allowance for younger partners: Up to €758.39 a month is paid. The allowance is reduced by up to 10% if the couple's joint income is more than €2,667.24 a month and by 2% for each year from age 15 and six months (gradually rising to age 17 by 2021) to the normal retirement age that the younger partner was not covered (February 2016).

The supplementary allowance for younger partners is no longer paid for new AOW pensioners as of April 2015.

Benefit adjustment: Benefits are adjusted in January and July according to changes in the legal minimum wage.

### Permanent Disability Benefits

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

Wage-related partial disability pension (werkherhaving gedeeltelijk arbeidsongeschikten (WGA)):

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 €202 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 in January and July according to changes in the legal minimum wage.

The legal monthly minimum wage is €1,524.60.

**Disability pension for 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 €1,524.60.

The maximum benefit is €70 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:** €1,150.91 a month is paid to a widow(er) or an eligible unmarried partner.

A holiday allowance of €85.55 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 benefits (including unemployment benefits, disability benefits, and sickness benefits) above this amount is deducted in full from the survivor pension. No benefit is paid if monthly income from employment is at least €2,488.67.

The legal monthly minimum wage is €1,524.60.

**Orphan's benefit:** €368.29 a month is paid to each full orphan younger than age 10; €552.44 if aged 10 to 15; or €736.59 if aged 16 to 18 (age 21 if a student).

A top-up of €16.74 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 €1,524.60.

**Benefit adjustment:** Benefits are adjusted in January and July 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.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:** 1992 (sickness benefits); 1998 (maternity benefits for unemployed workers), implemented in 2001; 2005 (health insurance), implemented in 2006; and 2014 (long-term care), implemented in 2015.

**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.

**Exclusions:** Self-employed persons.

**Medical and long-term care benefits:** Residents of the Netherlands and persons who reside outside the Netherlands but conduct their professional activities in the Netherlands.

### Source of Funds

#### Insured person

**Cash sickness and maternity benefits:** See source of funds under Unemployment Benefits.

**Medical benefits:** Persons aged 18 or older pay a flat-rate contribution set by the health insurer and an income-related contribution of 6.75% of the insured's annual earnings.

The maximum annual earnings used to calculate contributions are €52,763.

**Long-term care benefits:** 9.65% of annual earnings.

The maximum annual earnings used to calculate contributions are €33,715.

#### Self-employed person

**Cash sickness and maternity benefits:** Not applicable.

**Medical benefits:** 5.5% of annual declared earnings.

The maximum annual earnings used to calculate contributions are €52,763.

**Long-term care benefits:** 9.65% of annual declared earnings.

The maximum annual earnings used to calculate contributions are €33,715.

#### Employer

**Cash sickness and maternity benefits:** See source of funds under Unemployment.

**Medical benefits:** 6.75% of covered payroll.

The maximum annual earnings used to calculate contributions are €52,715.

## Netherlands

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*Long-term care benefits:* None.

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

### 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:** Must be covered by an insurance policy with an authorized health insurer (private companies).

**Long-term care benefits:** Must be assessed with a need for care.

The Care Indication Determination Center (CIZ) assesses the need for care and the type and amount of care required.

### Sickness and Maternity Benefits

**Sickness benefit:** 70% to 100% of the insured's earnings, up to €202 a day, is paid for up to 104 weeks.

**Maternity benefit:** 100% of the insured's earnings, up to €202 a day, is paid for up to 16 weeks (up to 20 weeks for multiple births); may be extended if the child is hospitalized.

**Death benefit:** 70% to 100% of the insured's earnings, up to €202 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, certain laboratory services, medicine, limited dental care, maternity care, appliances, rehabilitation, and transportation.

Cost sharing: A compulsory deductible of €485 a year for persons aged 18 or older.

There is no limit on duration (except for physiotherapy).

Long-term care benefits: Benefits include intensive care or supervision in an institution or at home. Benefits in kind are also provided.

### 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:** None.

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

**Employer:** 2.44% of covered payroll for the general unemployment fund. Variable contribution rates are paid to the redundancy payment fund. The average contribution is 2.16% 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 €202 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 or 208 hours of paid employment a year 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

Residents and 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, be exempt from the obligation to pursue a basic qualification by the school attendance officer, or already have a basic qualification. Unemployed children must have a basic qualification. No benefit is paid for children who are employed with earnings of at least €1,266 a quarter 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:** €197.67 a quarter is paid from birth until the child reaches age 6, €240.03 a quarter until the child reaches age 11, and €282.39 a quarter until the child reaches age 18.

**Disabled child care allowance (income tested):** €197.67 a quarter is paid from birth until the child reaches age 6; €240.03 a quarter until the child reaches age 11; and €282.39 a quarter until the child reaches age 18.

The disabled child care allowance is paid in addition to family allowances.

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; plus an additional €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.