

## Netherlands

Exchange rate: US\$1.00 = 0.83 euro (€).

### 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 2005 (disability pension for employed persons), implemented in 2006.

**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 0.1% of covered earnings (survivors).

The maximum annual earnings used to calculate contributions are €33,994.

**Self-employed person:** 17.9% of covered earnings (old age) and 0.1% of covered earnings (survivors).

The maximum annual earnings used to calculate contributions are €33,994.

**Employer:** None (old age); 6.27% of covered payroll (disability); a variable contribution for persons receiving disability benefits since before 2006.

The maximum annual earnings used to calculate contributions (disability) are €54,614.

**Government:** Provides a subsidy to increase all benefits up to the applicable social minimum; the total cost of pensions for persons with a disability since childhood; contributes as an employer.

The social minimum varies depending on age, dwelling type, and family situation (a single person or a married couple).

#### Qualifying Conditions

**Old-age pension (Algemene Ouderdomswet, AOW):**

Age 66 (gradually rising to age 67 and three months by 2022) and a resident of the Netherlands or working in the Netherlands from age 16 (gradually rising to age 17 and three months by 2022) to age 66 (gradually rising to age 67 and three months by 2022); if income was earned, the insured must have paid contributions each year in this

period. Two persons sharing a household can qualify for a couple's pension if both have reached the normal retirement age.

**Holiday allowance:** Paid to old-age pensioners.

**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.

**Supplemental allowance for younger partners:** Must have reached the normal retirement age before January 1, 2015, and live with a partner (same sex or opposite sex) who is younger than the normal retirement age with monthly income from employment less than €1,411.13 (or monthly income from benefits less than €782.95). The allowance is paid until the younger partner reaches the normal retirement age.

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

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

The social minimum varies depending on age, dwelling type, and family situation (a single person or a married couple).

Old-age benefits are payable abroad if residing in a European Union country; otherwise, under reciprocal agreement. The supplemental allowance is not payable abroad.

**Disability pension (Inkomensvoorziening Volledig Arbeidsongeschikten, IVA):** Must be younger than the normal retirement age, be assessed with a full (at least 80%) and permanent incapacity for work, have an earning capacity of less than 20% of former earnings, have little or no prospect of recovery, and have been employed before the loss of work and earning capacity. Must no longer be receiving cash sickness benefits.

A medical doctor appointed by the Institute for Employee Benefits assesses the degree of disability.

The disability pension ceases at the normal retirement age and is replaced by the old-age pension.

**Wage-related partial disability pension (Werkhervatting Gedeeltelijk Arbeidsgeschikten, WGA):** Paid to employees younger than the normal retirement age who are assessed with a partial (35% to 79%) temporary or permanent incapacity for work or a full (80% to 100%) but temporary incapacity for work with an earning capacity of less than 65% of former earnings. Must no longer be receiving cash sickness benefits.

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

Follow-up partial disability benefit (Vervolguitering, VVU): 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 full (at least 80%) temporary or permanent incapacity for work and requires the constant attendance of others to perform daily functions.

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

The social minimum varies depending on age, dwelling type, and family situation (a single person or a married couple).

**Disability pension for young persons (wajong):** Must be aged 18 to the normal retirement age, be assessed with an incapacity for work by age 17 (age 30 if a student for at least six months in the year before the disability began), and not currently be a student.

The disability pension for young persons ceases under certain conditions, such as if the insured 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.

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

The social minimum varies depending on age, dwelling type, and family situation (a single person or a married couple).

The disability pension for young persons is not payable abroad.

**Survivor benefits (income tested):** The deceased was insured in the social security system.

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).

Holiday allowance: Paid to a person receiving a survivor pension.

The survivor pension ceases upon 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, or a survivor pension beneficiary dies.

Survivor 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 with 50 years of coverage. €1,148.40 a month is paid to a person if living alone; €782.95 a month each is paid to persons living with another adult (other than the insured's child or parent) who have both reached the normal retirement age (€782.95 a month to the insured, if the other adult has not reached the normal retirement age).

The benefit is automatically increased by up to €24.93 a month.

Holiday allowance: An additional holiday allowance of 12 times €51.01 to €102.02, depending on the age and number of adults in the household, 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 missing year of coverage.

Supplemental allowance for younger partners: Up to €782.95 a month is paid. The allowance is reduced by up to 10% if the couple's joint income is more than €2,760.87 a month and by 2% for each year from age 16 (gradually rising to age 17 and three months by 2022) to the normal retirement age that the younger partner was not covered.

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

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

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

### Permanent Disability Benefits

**Disability pension (Inkomensvoorziening Volledig Arbeidsongeschikten, IVA):** 75% of the insured's daily wage before the disability began is paid. The benefit is normally paid after two years (104 weeks) of sick leave.

Wage-related partial disability pension (Werkhervatting Gedeeltelijk Arbeidsgeschikten, WGA): 75% of the insured's daily wage before the disability began 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 the insured's current earnings in the first two months and by 70% of earnings thereafter.

Partial disability wage supplement (Loonaanvullingsuitkering, LAU): 70% of the difference between the maximum daily wage and the insured's work-related income or assessed residual earning capacity (whichever is greater) is paid.

Follow-up partial disability benefit (Vervolguitering, VVU): 28% to 50.75% of the legal minimum wage is paid.

The legal daily maximum wage is €209.26.

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

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

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

**Disability pension for young persons (wajong):** A supplement is paid to bring the insured's total monthly income (earnings and benefit) up to at least 75% of the legal monthly minimum (youth) wage but no more than 100% of the legal monthly minimum wage. Following the determination of the insured's work capacity at age 27, 75% of the legal monthly minimum wage is paid to persons assessed with a full disability and no earnings.

The legal monthly minimum (adult) wage is €1,578.00 (if aged 22 or older).

The legal monthly minimum (youth) wage varies from €749.55 (if age 18) to €1,341.30 (if age 21).

The maximum daily disability pension for young persons is €72.55.

Constant-attendance allowance: 85% to 100% of the applicable legal monthly minimum wage is paid.

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

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

## Survivor Benefits

### Survivor pension

*Spouse's pension:* €1,178.38 a month is paid to a widow(er) or an eligible unmarried partner; €755.92 a month if there are other people aged 21 or older living in the household (excluding students and tenants).

Holiday allowance: An additional holiday allowance of 12 times €37.87 to €85.47, depending on the age and number of adults in the household, is paid once a year in May.

Partial pension: The full pension (including holiday allowance) is reduced for periods that the insured was not covered or did not live or work continually in the Netherlands.

Income test: Income from employment up to 50% of the legal monthly 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 €2,556.57.

The legal monthly minimum wage is €1,578.00.

*Orphan's pension:* €377.08 a month is paid to each full orphan younger than age 10; €565.62 a month if aged 10 to 15; or €754.16 a month if aged 16 to 18 (age 21 if a student).

Holiday allowance: An additional holiday allowance of 12 times €27.35 to €54.70, depending on the orphan's age, is paid once a year in May.

A top-up of €16.92 a month is paid in addition to the spouse and orphan's benefit.

**Death benefit:** A lump sum of 100% of the insured's monthly earnings (up to €205.77 a day) is paid; up to the legal monthly 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 based on changes in the legal minimum wage.

## Administrative Organization

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

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

Employers pay disability benefits to employees for the first two years.

Institute for Employee Benefits (<https://www.uvw.nl/>) administers disability benefits.

National Revenue Department of the Tax and Customs Administration (<https://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

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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.

Voluntary coverage for persons who previously had mandatory coverage, including self-employed persons (cash sickness benefits).

Exclusions: Self-employed persons.

Special system for self-employed persons (maternity benefits only; Zelfstandig en Zwanger).

**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:* None.

*Medical benefits:* Persons aged 18 or older pay a flat-rate contribution set by the health insurer. Insured persons can choose to withhold their employer's contributions and pay an income-related contribution of 5.65% of the insured's annual earnings.

The maximum annual earnings used to calculate contributions are €54,614.

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

The maximum annual earnings used to calculate contributions are €33,994.

#### Self-employed person

*Cash sickness and maternity benefits:* Not applicable; for the voluntarily insured, the contribution depends on the level of coverage chosen.

*Medical benefits:* 5.65% of annual declared earnings.

The maximum annual earnings used to calculate contributions are €54,614.

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

The maximum annual earnings used to calculate contributions are €33,994.

#### Employer

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

*Medical benefits:* 6.90% of covered payroll.

The maximum annual earnings used to calculate contributions are €54,614.

*Long-term care benefits:* None.

### Government

*Cash sickness and maternity benefits:* None; contributes as an employer.

*Medical benefits:* Pays an annually determined contribution; a subsidy for low-income insured persons.

*Long-term care benefits:* No information available.

### Qualifying Conditions

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

**Cash maternity benefit:** 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 (Algemene Wet Bijzondere Ziektekosten, AWBZ):** Must be assessed with a need for care.

The Care Needs Assessment 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 is paid for up to 104 weeks.

The minimum daily sickness benefit is the legal daily social minimum.

The legal daily social minimum is €53.87 for a single person aged 22 or older living alone.

The maximum daily sickness benefit is the legal daily maximum wage.

The legal daily maximum wage is €209.26.

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

The legal daily maximum wage is €209.26.

### Workers' Medical Benefits

**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 €385 a year for persons aged 18 or older.

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



**Long-term care benefits (Algemene Wet Bijzondere Ziektekosten, AWBZ):** 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 (<https://www.inspectieszw.nl/>) provides general supervision of cash benefits.

Authorized private insurance companies administer and provide sickness insurance.

Dutch Health Care Authority (<https://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:** 1986.

**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:** 2.85% of covered payroll for the general unemployment fund (Awf). For employers in certain sectors, variable contribution rates, depending on sector, are paid to the redundancy payment fund. The average contribution is 1.37% of covered payroll.

The maximum daily earnings used to calculate contributions are €210.05.

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

**Government:** None; contributes as an employer.

### Qualifying Conditions

**Salary-related benefit (WW-uitkering, social insurance):**

Must be younger than the normal retirement age, have a loss of income, and have 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 not refuse suitable employment.

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 month if the insured had at least 52 days (or 208 hours) 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.

Supplemental allowance (means tested): Paid if unemployment benefits and the insured's family income is less than the applicable social minimum.

The social minimum varies depending on age, dwelling type, and family situation (a single person or a married couple).

**Older worker benefit (Inkomensvoorziening Oudere Werklozen, IOW, social assistance, income tested):**

Paid after the salary-related benefit (WW) or wage-related partial disability pension (WGA) is exhausted to persons aged 60 or older at the time the benefit (WW or WGA) was first received. Must be younger than the normal retirement age and not receive any other income or benefits. The salary-related benefit (WW) or wage-related partial disability pension (WGA) must have begun before January 1, 2020. The benefit will be phased out in January 1, 2030.

**Partially incapacitated older worker benefit (Inkomensvoorziening Oudere en gedeeltelijk Arbeidsongeschikte werkloze werknemers, IOAW, social assistance, income tested):** Paid after the salary-related benefit (WW) or wage-related partial disability pension (WGA) is exhausted to persons with a partial (35% to 79%) incapacity for work who were aged 50 or older at the time the benefit (WW or WGA) was first received. Household income must be less than the applicable social minimum. The benefit is being gradually phased out and is only available for persons born before January 1, 1965.

The social minimum varies depending on age, dwelling type, and family situation (a single person or a married couple).

### Unemployment Benefits

**Salary-related benefit (WW-uitkering, social insurance):**

For the first two months, the benefit is 75% of the average

salary in the 12 months before unemployment, up to the legal daily maximum wage; thereafter, 70%. After the first three months, the insured receives one month of benefits for each year of employment in the first 10 years, and a half month of benefits for each subsequent year, up to 32 months (gradually decreasing by one month per quarter until reaching 24 months by April 2019). 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 (if the child was younger than age 5), and years of informal caregiving after 1998.

The legal daily maximum wage is €209.26.

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

**Older worker benefit (Inkomensvoorziening Oudere Werklozen, IOW, social assistance, income tested):** Up to 70% of the legal monthly minimum wage is paid.

The legal monthly minimum wage is €1,578.00.

**Partially-incapacitated older worker benefit (Inkomensvoorziening Oudere en gedeeltelijk Arbeidsongeschikte werkloze werknemers, IOAW, social assistance, means tested):** A means-tested supplement may be paid.

### Administrative Organization

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

National Revenue Department of the Tax and Customs Administration (<https://www.belastingdienst.nl/>) collects contributions.

Institute for Employee Benefits (<https://www.uwv.nl/>) administers unemployment benefits.

Social security agencies provide benefits on a contractual basis.

## Family Allowances

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### Regulatory Framework

**First law:** 1939.

**Current laws:** 1962 (child benefits), 2000 (care allowances for children with disabilities), 2004 (child care allowance), 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

#### Child benefit (algemene kinderbijslagwet, AKW)

**Children younger than age 16:** The children must be a member of the insured's household (except under certain conditions).

**Children aged 16 or 17:** The children 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 €1,265 a quarter or who receive a student grant or loan under the Dutch Student Financing Act.

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

**Disabled child care allowance:** Paid for children aged 3 to 17 with long-term physical or mental disabilities who live at home. The children 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):** Paid for children younger than age 18 who qualify for the child benefit.

**Child care allowance (kinderopvangtoeslag):** Paid to assist with childcare costs for a parent who is working, studying, or enrolled in an approved training, job search program, or integration course. The child must be registered in an approved child care or preschool facility.

### Family Allowance Benefits

**Child benefit (algemene kinderbijslagwet, AKW):** 70% of the basic quarterly child benefit is paid for each child younger than age 6, 85% for each child aged 6 to 11, and 100% for each child aged 12 to 17.

The basic quarterly child benefit is €287.21.

These amounts may be doubled for eligible children not living at home because of study or disability.

Benefit adjustment: Benefits are adjusted twice a year based on changes in the price index.

**Disabled child care allowance:** €201.05 a quarter is paid from birth until the child reaches age 6; €244.13 a quarter until the child reaches age 11; and €287.21 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 based on changes in the price index.

**Child budget allowance (means tested):** Up to €1,152.00 a year is paid for one eligible child; €2,129.00 a year for two children; €2,417.00 a year for three children; plus an additional €288.00 a year for the fourth and each subsequent child. An additional €236 a year is paid for each eligible child aged 12 to 15; €236 a year if aged 16 to 17. Single parents receive an additional benefit up to of €3,101 a year.

**Child care allowance (kinderopvangtoeslag):** From €5.91 to €7.45 an hour is paid for up to 230 hours per month per household.

### **Administrative Organization**

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

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

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