

available, data on incurred losses (which include amounts set aside to cover liabilities from future claims payments) as a percentage of premiums earned would, no doubt, show a higher figure for 1975. In 1974, this ratio was 72 percent, 19 percentage points higher than the rate based on premiums written.

Corresponding loss ratios for the State-operated insurance funds have always been higher than those for private carriers. The ratio of losses paid to premiums written for this group was 77 percent in 1975. Unlike the pattern for private carriers, the figures for State funds indicate a notable rise in the loss ratio in each of the past few years from the 68-percent level of 1972. Comparisons between private carriers and State funds should take into account the premium income returned to employers as dividends but not provided for in the reported data, particularly with respect to private carriers. Available data indicate that dividends, when related to total premium payments for both dividends and non-dividend-paying companies, generally average 4-6 percent.

Social Security Abroad

Alimony and Public Income Support: Fifteen Countries*

In recent years the social welfare institutions of a number of countries have become increasingly involved in providing cash payments to a divorced parent when alimony payments are delinquent. This involvement stems from social welfare legislation in most industrial countries that makes

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The information presented here is based on a larger study of 27 countries queried about their special security provisions for women, including maintenance support systems for those divorced or legally separated. See Christine Cockburn and Dalmer Hoskins, "Social Security and Divorced Persons," *International Social Security Review* (International Social Security Association, Geneva), Vol. 29, 1976, pages 111-151.

the institution responsible for maintaining family income through public assistance programs, particularly when dependent children are involved. When alimony payments are not properly made, the social welfare institution often steps in to help locate the delinquent parent, tracing him through work records and, in some cases, the institution may call for legal action to ensure payment. If the full court-ordered alimony cannot be secured, the social welfare program usually provides for income support to the family through publicly funded cash benefits.

The increasing number of single parents who, because of delinquent support payments, have become dependent on public assistance is of growing concern. The recent sharp rise in divorce rates, particularly among couples who have young children and have been married less than 5 years is reflected in rising benefit costs as social welfare cash payments have been used to replace delinquent alimony. This trend has, in turn, led to the implementation of new cash payment programs that provide income support for needy single-parent families and to the development of new provisions for enforcing alimony payments.

MEASURES TO ENFORCE ALIMONY PAYMENTS

Before public assistance is made available to single-parent families in court ordered alimony cases, an effort usually is made to ensure that such payments are made in full. Social welfare legislation thus may contain provisions designed to assist courts and welfare authorities in locating parents who are delinquent in their private support payments. Towards this end, many countries require that social security records be made available to the appropriate authorities.

Denmark, Finland, France, the Netherlands, Norway, Sweden, the United Kingdom and the United States require that information on employment and residence be provided from the records. In France and the United Kingdom, access to social security records requires a court order. In the Scandinavian countries and the Netherlands, social welfare authorities can receive information from the records. Under the parent locator service established in the United States in August 1975, the parent or guardian of the child, through the welfare agency and the court,

may receive information from the social security files to help locate a delinquent parent

In general, certain restraints govern the release of information about a delinquent parent. In 1975 the United Kingdom authorized the disclosure of an address from social security records to court clerks solely for the purpose of facilitating maintenance proceedings and collection. The address is not made known to the complainant or to anyone else except as may occur in the normal course of proceedings. The practice of giving the address to a woman who is receiving supplementary benefits (or to her lawyers), however, appears to be permitted if the wife is seeking to locate a liable ex-husband.

In France, also, only the local court representative is authorized to receive the address of the delinquent parent, the identity and the address of the employer, and information about creditors. The law in France (and most other countries) specifies that such information is to be provided by the institution only when outstanding private support obligations are involved.

PROVIDING BENEFITS IN DELINQUENT ALIMONY CASES

Various measures have been taken to enforce the payment of alimony. Despite these measures, social welfare institutions have found themselves increasingly in the position of having to provide some kind of income support to divorced women whose alimony payments are in default. Two basic approaches have been used: Means-tested benefits and advance maintenance grants. Under the means-tested benefit approach the ex-wife and dependent children receive the benefit, either as an assistance allowance or a widow's pension from the social security institution which, in turn, attempts to collect payment from the father. The wife is encouraged or, in some cases, required to seek court-ordered alimony payments as a condition of entitlement.

A number of countries have established advance maintenance grants programs that guarantee a set level of income, independent of any legal obligations for alimony payments, for the children of divorced, separated, or unmarried couples. If possible, however, any court-awarded payment is secured from the father by the State. The original

program was established in Sweden, and similar programs are in effect in Austria, Finland, Denmark, Israel, Norway, and Poland, and one has been proposed in Switzerland. A limited experimental program of advance maintenance grants payable through the Family Allowance Funds has been established in France. Both approaches are discussed in detail below.

Assistance Payments

For alimony cases, assistance payments refer to income-tested cash benefits paid to divorced parents with dependent children who are not receiving their full court-ordered alimony. Specific provisions vary among systems, but the basic intent is to provide a temporary substitute for alimony while the social security institution helps in enforcing or collecting private support payments from the delinquent parent.

In New Zealand, for example, a divorced woman is entitled to an income-tested benefit if she has dependent children and if she has taken legal action to obtain support. The social welfare institution then assumes the responsibility for enforcing and collecting the court-ordered alimony. If the amount collected from the father in a year exceeds the benefit paid out by the institution, the excess is paid to the wife.

In Australia the approach is somewhat different. Divorced, separated, and deserted women are eligible for a means-tested benefit under the widow's pension program. No benefit is granted, however, until the woman has made a reasonable effort to obtain a court-ordered maintenance judgment against her husband or former husband by initiating legal action. The maintenance judgment against her husband or social welfare institution does not provide for the collection or enforcement of the support payment. Support payments are treated as income and reduce the pension amount.

In the United Kingdom, divorced and separated women are not required by law to prosecute their ex-husbands as a condition for receiving assistance. The assistance payment is a supplementary benefit under the social security system. If a wife refuses to take action against her husband for nonpayment of alimony, the supplementary benefits commission assumes responsibility for prose-

cutting the liable husband but the wife continues to receive the full supplementary benefit

The benefit is income-tested, however, and any private payments received (including alimony) reduce the benefit amount (The first £4 per week from part-time earnings are disregarded)¹ If alimony payments, in response to a support order, are paid irregularly or in differing amounts, the woman must return to the appropriate office each week to have the supplementary benefit recalculated. This cumbersome method can be avoided if the woman signs over to the supplementary benefits commission all private support payments. The woman can then regularly receive the full amount of the supplementary benefit.

Advance Maintenance Grants

An advance maintenance grant is a guaranteed public payment that is made available when private support obligations are not, or cannot be, met. In theory, the grant is an advance of a private alimony payment that the Government authorities will, it is assumed, subsequently collect. In practice, it is not always possible to enforce the payment obligations of those concerned.

Advance maintenance grants, which originated in the Scandinavian countries, seek to provide a guaranteed monthly income level for all children of unmarried, separated, or divorced parents. In contrast to assistance payments requiring or encouraging legal efforts to get alimony from the father, the grants aim at assuring each child of a single-parent family a certain cash income, independent of the willingness or ability of the father to pay.

Although legal action to force a father to make alimony payments is not an eligibility requirement for a maintenance grant, the national Government may take action to collect the alimony. Such action is taken in order to offset the amount of public funds expended. The Government may pay it directly to the single-parent family. The amount of the total advance maintenance payment is usually a guaranteed level of income based on the number of children in the family. To ensure full payment of the statutory amount, the grant is, in some cases, adjusted to supplement what the

father can afford, as in Sweden. In other cases, either the Government or the father must pay the fixed support level in full, as in Denmark and Norway. Under a program recently adopted in Austria, the amount of the advance payment corresponds to the minimum benefit payable to half-orphans under the social security system.

In Denmark, the private maintenance grant is a flat-rate benefit payable to each child of a divorced, separated, or unmarried couple regardless of the parents' resources. The obligation to pay extends not only to the father, but also to the mother when circumstances demand. When payments are in default, legal redress is available. The Government takes over the payment of the grant and subsequently attempts to recoup its expenditure from the responsible party.

The Government in Denmark does not make partial support payments for fathers (or mothers) of modest means. These parents either must pay back the full amount or go into default, in which case the Government pays the full sum. In 1971, the latest year for which data are available, the grant amounted to 2,268 kroner annually per child when paid by the father and 1,500 kroner when paid by the mother.² Both amounts are indexed to changes in prices.

It is possible for a wife to be granted a maintenance payment in her own right, in addition to child support payments, in case of separation or divorce. The amount of the payment depends on the duration of the marriage, the wife's age, and her potential of self-support. In 1973, maintenance had been granted in about 16 percent of the divorces and women had been granted the payments in almost all instances.

Norway also operates a program of advance maintenance payments, guaranteeing a certain monthly sum to children whose private maintenance (alimony) payments are in default or are smaller than the guaranteed sum. The local authority can require that the person entitled to a private maintenance allowance, usually the mother, take legal steps to obtain the stipulated allowance or to have the private maintenance allowance increased if it is lower than the advance maintenance grant. The outcome of the legal action does not affect the advance maintenance grant.

¹One British pound equaled \$1.65 in U.S. dollars, as of November 23, 1976.

²One Danish krone equaled \$0.17 in U.S. dollars as of November 23, 1976.

Public advance maintenance grants are paid for the child regardless of the mother's cohabitation with another man or remarriage (unless the child is adopted by the subsequent husband) The grant is not payable if the mother and father are living together

In 1972, the guaranteed amount was 200 kroner per month for each child, up to age 18³ This grant is not tied to any index but is changed on an ad hoc basis The guaranteed maintenance has been increased on five occasions since its inception at 50 kroner in 1957

The advance maintenance grant in Sweden provides a guaranteed monthly income for each child of unmarried, separated, or divorced parents On an annual basis the payment amounts to 40 percent of a social security index called the "base amount" The base amount is tied to the consumer price index and is used as a basis for computing social security pensions

The size of the private benefit payment is determined by the court, based on standard means tests that take into account what the parent can afford If the private payment is not being paid or is less than the guaranteed amount, the social welfare authorities, upon receipt of an application, pay the difference up to the guaranteed level It is not a prerequisite that the father's identity be known As of June 1976, the base amount was 10,000 kronor, yielding a monthly advance maintenance grant of 333 kronor per child⁴

Increasing interest has been shown in the Scandinavian experiment Several other countries—France, Israel, and Poland, for example—have established modified programs for advance maintenance grants In these countries, however, such programs have been placed under the jurisdiction of the social security institutions rather than the social welfare authorities, as in the Scandinavian countries In Israel the grants are administered by the National Insurance Institute and in Poland by the Social Insurance Institute In France the Family Allowance Fund administers the grants As of January 1, 1976, the Fund made available, on a discretionary basis,

advance maintenance grants to divorced women with children when their private support payments were in default The French Government assumed responsibility for collecting the payment from the ex-husband The advance grants are payable for 3 months and, in theory, cannot be renewed unless the woman again requests that the court enforce her private support agreement The 1976 measure differs from proposals under consideration to establish a separate advance maintenance grants fund in France

No fixed level of advance grant is payable in France In Israel and Poland, as in the Scandinavian countries, a specified level is set for all recipients The beneficiary receives the specified amount even if the grant is higher than the private support payments awarded by the court (If the court-awarded payment is higher, money collected from the father in excess of the grant paid out is awarded to the wife) In both countries, however, the grants are reduced if the mother's earnings exceed a certain level In this respect, the grants are unlike their Scandinavian prototypes that consider an advance maintenance grant an entitlement of the child and therefore not affected by the mother's earnings

The Polish Social Insurance Institute charges interest on outstanding support payments Because the number of delinquent payments is so large, the Institute is considering a requirement that defaulting debtors must notify the bailiff of every change of employment or residence or face a fine

In Israel, the advance maintenance grant is payable at the same rate as the flat-rate, old-age pension The grant, like the old-age pension, includes a basic pension and a supplement and increases with the number of dependents Both payments are subject to an income test

Once an advance maintenance grant has been awarded, the social security institutions in both Israel and Poland assume the legal responsibility of collecting the private support payment from the father The Israeli National Insurance Institute charges interest on overdue private support payments and imposes a collection fee A husband or former husband who is financially able to make the required payments but fails to do so may be imprisoned or fined

³One Norwegian krone equaled \$0.19 in U.S. dollars, as of November 23, 1976

⁴One Swedish krona equaled \$0.24 in U.S. dollars, as of November 23, 1976