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The Commission's White Paper
"European Social Policy; paving a way for unity"

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NEWS AND TRENDS

BELGIUM

Unemployment insurance

It is necessary to mention that, within the scope of the Belgian government's recent "global plan", various restrictive measures have been taken in the field of unemployment insurance. Consequently, as of next July, the period of time before which waiting allowances are granted to young workers on the basis of their study records will be nine months (previously six months); in addition, after two years of receipt of compensation, the young people who benefited from these waiting allowances may be denied unemployment insurance for an unusually long period of time. Moreover, workers, in order to be eligible for unemployment allowances based on previous work, will now have to prove 312 days worked (or equivalent), if they are under 26, instead of the previous 78 or 156 days. Furthermore, workers who cohabit with a paid worker in recipient of a replacement income will, after one year's unemployment, only be compensated at 35 % of their previous salary (upper limit imposed) for a period of three months as opposed to six months as was previously the case. Finally, in the event of a return to work, unemployed persons will have to have worked full time and continuously over a period of twelve months (instead of six) to be re-entitled to receive compensation for unemployment at 60 or 55 % of their previous salary (upper limit imposed).

Employment

A regulation published 1 June determines the functioning of the local employment agencies (agences locales pour l'emploi = A.L.E.), established in the form of non-profit-making associations whose aim is to provide "minor jobs" for the unemployed.

The local unemployment agencies are only able to offer those activities which are not covered by the channels of regular work.

In this way, physical persons can call upon local unemployment agencies for the following activities:

- * domestic help of a housework nature;
- * assistance with the looking after or accompaniment of ill persons or children;
- * assistance with the accomplishment of administrative formalities;

- * assistance with basic maintenance of the garden.

The local authorities, non-commercial associations, education establishments and the sector of agriculture and horticulture are also able to call upon the services of the ALE for certain, pre-defined activities.

The regulation stipulates the registration fees to be paid to the ALE by the user (the "employer") and the hourly wage to be paid to the unemployed person for the tasks accomplished.

Normally, for the execution of such work, those workers who have declared themselves "volunteers" for the work are asked first.

The sanctions for the other unemployed persons (the "non-volunteers"), who turn down such work, are limited to the suspension of the right to receive benefits for a certain period (no exclusion).

Pensions

A study on the individualisation of social security rights was conducted by the University of Women at the request of the Minister of Social Affairs and is the subject a report decided upon in May of 1994.

This report highlights the need to proceed with the individualisation of these rights for reasons of financial equilibrium vis-à-vis the social security system, of enforcement of equal treatment between male and female workers and of establishment of adequate social protection for all persons absent from the labour market.

Based on the reports of experts on the Danish, English and Portuguese systems, the study explains the transformation of the pension sector for salaried workers - where the benefits drawn account for one third of the expenditure -, by the introduction of an individual, lump sum, generalised old-age pension, paid to everybody fulfilling certain requirements relating to length of residence and financed essentially by a generalised, social contribution in the context of the distribution which is 100 % tax deductible.

Besides the old-age pensions, each worker receives, from the age of 65 onwards, a retirement pension which is financed by social security contributions. The amount of this (personalised) pension remains proportional to the upper limit of earnings.

By virtue of this new system, the income guaranteed to the elderly will be annulled, calculated from the "normal" pension rate and from the survival pensions.

However, the quoted study is as yet not completed and the report currently remains the responsibility of its authors, in view of the fact that the ministers involved have not yet given a verdict on the subject.

Health care

The various individuals concerned with health matters (ministers, doctors and insurance bodies) are currently discussing the possibility of incorporating bar codes on doctor's certificates and medicine prescriptions.

This would allow data to be collected on tape which could be transmitted by the insurance bodies to the national sickness - invalidity insurance fund (l'Institut national d'assurance maladie-invalidité - INAMI).

The above mentioned body will accordingly be in a position to establish medical profiles.

The intention thereby does not consist of punishing the doctor who over-prescribe.

The objectives of the planned system are twofold:

- * make decisions concerning reimbursement of medication with knowledge of the cause;
- * contact those who have not adhered to the norms relating to prescriptions in order to discuss the reasons for this phenomenon and examine with them possible solutions.

In conclusion, the measures envisaged aim to make the doctors more accountable for their actions in order to improve the quality of the medical prescriptions and as a result the finances of the health care sector.

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DENMARK

An institution responsible for granting the anticipated pensions

The point of departure was ruling of "the district commissions for re-education and pensions" on the degree of incapacity and the date of commencement of invalidity. These decisions were thus taken at a level superior to local level, this guaranteed a certain consistency.

The subject of who should be responsible for awarding the anticipated benefits has been a subject for discussion for many years. It was a matter of balancing the respect for the equality of treatment and for an administration that would be as close to the citizen as possible.

In 1992 the communes were made responsible for the anticipated pensions as far as incapacity of at least 50 % or relating to social reasons were concerned. The other anticipated pensions, the applications for medium and maximum disability pensions, which are essentially based on a medical assessment were still judged by the district commissions.

The Commission of Anticipated Pensions which commissioned a report in 1992 recommended the power to grant all the anticipated benefits be transferred to the communes.

With its amendment to the law on social pension, voted on 26 May 1994 and which will take effect as of 1 July 1994, the government took a step in this direction by according the communes the opportunity to put forward an application to have the power to administer all the anticipated pensions. This measure enables a gradual transition towards a situation where decisions are made at local level.

One condition for having this competence is that the commune organises a permanent committee with advisory powers in these matters. The committee will be composed of local representatives of management and labour, general practitioners of medicine, training establishments, town council bodies and of organisations for handicapped persons.

The committees must oversee the decisions taken by the communes and assist the commune administration in its efforts to reactivate the claimants of anticipated pensions which still have the possibility to re-enter the labour market instead of according them a pension which may encourage passivity.

At the same time, the Committee of Appeal in Social Matters (supreme appeal court) will have a co-ordinating role concerning the engagement of the communes. The committee must set up a commission responsible for giving advice and making recommendations to the communes. The committee will also have extended powers to judge, on its own initiative, communes' decisions relating to anticipated pension claims.

The Head Office of the Social Security and of Social Aid

According to the same modification made to the above mentioned law, the Head Office of the Social Security and of Social Aid will have the exclusive right to grant and pay pensions to people whose registered address is abroad.

This modification represents a simplification of administrative procedures.

The age at which pensions can be claimed

The same modification to the law equally states that it is the age on the date on which the pension is applied for which determines the pension the claimant may receive. This clause is important for the granting of maximum-invalidity pensions. These pensions can not be granted to persons over 60 years old and for the anticipated pension where the claimants under 60 have the "early-retirement aggregate".

* * *

GERMANY

Compulsory state insurance for the nursing of old or handicapped people (nursing-insurance)

After many years of discussion, the legislative body agreed in spring of this year on the introduction of a compulsory state insurance for the nursing of old or handicapped people. The scheme will come into force on 1 January. The benefits for nursing in people's own homes will be introduced as the first stage on 1 April 1995. The cost of care in old people's homes will be paid for from July 1996.

Compulsory insurance is based on the following principle: "Nursing-insurance follows health-insurance." The insured group of persons of the nursing-insurance encompasses those that are insured under the state insurance scheme, whether insured compulsorily or voluntarily. This accounts for around 90 % of the population. Those who have voluntarily opted to insure themselves in the state insurance scheme have the possibility of fulfilling their duty to insure themselves by taking out a private nursing-insurance policy of equal value and leaving the social nursing-insurance scheme. Persons who insure themselves against illness with a private medical insurance company are obliged to take out a nursing-insurance policy of equal value and leaving the social nursing-insurance scheme. Persons who insure themselves against illness with a private medical insurance company are obliged to take out a nursing-insurance policy with this company. The private nursing-insurance scheme must ensure that its benefits correspond to those of the social nursing-insurance scheme. The private nursing-insurance scheme applies to around 7 million German citizens.

The social nursing-insurance scheme is established as the fifth social insurance pillar under the roof of the state medical insurance scheme. It will be financed by social security contributions, to be paid half and half by employers and employees. The membership rate will initially equal 1 % and will rise to 1.7 % on 1 July 1996. The amount of contribution to be paid depends on the amount of contributory income of the individual members. The standard ceiling in the normal health-insurance scheme for employees earning DM 5,700 a month applies.

The benefits of the nursing-insurance depend on whether home nursing or in-patient nursing is necessary. The benefits for nursing in people's own homes are staggered according to the need of care and attention (Nursing levels I to III). Benefits in kind for nursing equal:

- * up to DM 570/month for persons in need of considerable care (Level I)
- * up to DM 1,800/month for persons in need of substantial care (Level II)
- * up to DM 2,800/month for persons in need of total care (Level III), whereby in particularly severe cases the benefits in kind can equal up to DM 3,750 per month.

Cash attendance allowances equal

- * DM 400/month for persons in need of considerable care
- * DM 800/month for persons in need of substantial care
- * DM 1,300/month for persons in need of total care

It is possible to be in receipt of a cash attendance allowance and benefits in kind for nursing at the same time. In the event that the member of nursing staff is unable to come, the nursing-insurance company contributes up to DM 2,800 to the cost of a replacement once a year for four weeks. The benefits for short-term nursing equal up to DM 2,800 per month, for day and night nursing up to DM 2,100. The nursing-insurance company also contributes to the cost of nursing equipment (for example wheelchairs, nursing beds, lifting devices), pays grants of up to DM 5,000 per measure for the necessary conversion of accommodation and provides free nursing courses for the training of family members and voluntary nursing staff.

For nursing staff who provide unpaid home assistance the nursing-insurance company makes contributions to the pension scheme. The amount of contribution is between DM 200 and DM 600 per month, depending on the degree of need of care and the work done. In addition, the nursing activities of these nursing staff are covered by the state accident insurance.

Where care is provided in old people's homes, the nursing-insurance company contributes to the necessary expenses up to a monthly limit of DM 2,800 (on average DM 2,500 is paid per person in need of nursing attention). To avoid severe cases, for people in need of total care an exceptional amount of DM 3,300 per month is available. The cost of food and accommodation is paid by the old or handicapped people themselves.

The nursing-insurance companies are commissioned to guarantee a level of care that meets the demand and is equally distributed, in accordance with the generally recognised developments of medical science. To this purpose they will develop working relationships with the representatives of in-patient and out-patient nursing institutions.

The financing of the investment costs for the nursing institutions is the responsibility of the *Länder*, the details are set down in federal state legislation.

The financing of the modernising of eastern German facilities will be met for 8 years by the savings made in war victims' welfare and provisions. The Federal Government stands to save DM 640 million and its *Länder* DM 160 million from the savings. Thus a total of DM 6,4 billion will be made available to the East in 1995 to contribute to the financing of its institutions.

For economic reasons it is necessary to offset the increased burden on the economy of the employer contributions made as a result of the nursing-insurance scheme (compensation). For this reason, relating to the first level of the nursing-insurance scheme (home care), the *Länder* are cancelling a paid public holiday.

The Federal Government will be able to, by virtue of the statutory order, with agreement of the upper house of parliament, determine the execution of the second stage of the nursing-insurance scheme (care provided in old people's homes). Provided that in a report by the "council of experts for the assessment of national economic development" the question is clarified as to whether a further

compensation by the cancellation of a second paid public holiday is necessary and if this is an appropriate measure to take.

In so far as it is judged inappropriate by any *Land* to drop one, or possibly two, paid public holidays, the employees must pay the full contribution for the nursing insurance.

* * *

SPAIN

Amended Social Security Law

The government, the Council of State having already given their verdict, by virtue of the authorisation granted by the "Cortes Generales" (parliament), will ratify, in June of this year, the amended social security law, in which all modifications incurred by the previous regulations having legal ranking are taken up again, duly explained, regularised and harmonised in order to provide the social security system with more systematic structure, a good depth of knowledge and improved legal security. The amended text incorporates a total of 38 laws which have been passed over the years, since Decree 2.065/74 of 30 May which forms the basis of social security legislation up until the last three laws passed during this year of 1994. It is to the latter laws that this report refers.

It is worth mentioning that the new amended law does not in itself introduce anything novel in the way of regulations in as much as it respects, in the majority of cases, the literal content of the amended regulations. Nevertheless, it is very significant as it clarifies, regularises and harmonises in one single text all the clauses mentioned. Moreover, it introduces technical purification and a greater degree of harmony, and occasionally also eliminates certain regulations which have lost their significance with time.

The amended text comprises 3 titles, 234 articles, 29 additional clauses, 13 provisional clauses, 1 exceptional clause and 6 final clauses.

Changes as regards social security resulting from the labour reform

As was pointed out in the previous reports, the government has presented the legislative chambers with diverse proposals with the fundamental objective of combating unemployment and increasing the generating capacity of employment: This has been done on the understanding that it is vital to adopt, alongside these measures of a strictly economic nature, reforms within the framework of labour relations regulations. These proposals gave rise to three important acts:

- * Act 10/1994 of 19 May, concerning urgent measures to encourage activity;
- * Act 11/1994 of 19 May which modifies the status of workers, the Act on offences and sanctions in social order and the Act on working procedure;
- * Act 14/1994 of 1 June in which temporary work is regulated.

Act 10/94 of 19 May 1994 concerning urgent measures to promote employment

This act makes provisions for the hiring of workers, modifies social protection regulations as regards apprenticeship contracts and part time work, and introduces a reduction in employer contributions with the aim of promoting the employment of handicapped persons, the elderly unemployed and the long-term unemployed.

The hiring of personnel

The hiring of personnel by authorised temping agencies is sanctioned for the first time in this act. As far as the social protection of the workers is concerned, the act defines the temping agencies' obligations to make contributions. Societies that make use of the services of hired personnel only have a secondary responsibility with respect to social security protection.

Traineeship contracts

In order to increase the number of apprenticeship contracts, the act has restricted the level of social protection for the apprentices. From now on, the latter will be excluded from certain general social security benefits. Thus they will no longer be able to claim either transitory employment incapacity benefits (*Incapacidad Laboral Transitoria*, ILT) or the subsequent temporary employment incapacity benefits (*Invalidez Provisional*). Moreover, they are no longer entitled to permanent partial invalidity benefits (*Invalidez Permanente Parcial*), to benefits in the event of death (*Subsidio de defunción*), to death grants or to survivors' allowances that are granted to families neither in receipt of a pension, nor to assistance relating to dependent children.

This restriction of potential rights has led to a reduction in social protection contributions for people serving under an apprenticeship contract. The amount of contribution to be paid corresponds to 75% of the minimum contribution rate and varies according to the age of the person concerned.

Part-time employment

The social protection of part-time workers is the subject of new regulations. As a rule, it is the number of hours worked which will henceforth be the determining factor for the calculation of contributions, whereas before it was not only the number of hours but also the number of days that was taken into account. This change is extremely important for unemployment benefits whereby, up until present, each working day, regardless of the amount of hours worked, was considered as a contribution day.

In accordance with act 10/94, restricted social protection is planned for employment involving less than 12 working hours per week or less than 48 working hours per month. This protection is henceforth limited to benefits paid in the event of an employment injury or an occupational disease, to health care, to maternity benefit and to income guarantee

fund benefits (Fondo de Garantia Salarial). Other social security benefits are no longer granted. This includes, for example, temporary and permanent invalidity benefits (ILT, Invalidez Provisional, Invalidez permanente), benefits in the event death and survivors' allowances, unemployment benefit, old age benefits and family allowances, in as far as these benefits are contributory. This restriction of social protection is accompanied by a reduction in contribution levels.

Promotion of employment for certain categories of people

In order to promote training and the employment of handicapped persons, the elderly unemployed (over 45) and the younger long-term unemployed (under 45), act 10/94 has modified the regulations in force by considerably reducing employer contributions.

The following regulations are now in force relating to the employment of handicapped persons:

- * Handicapped persons with a full-time work placement contract: social costs to the employer (with the exception of the insurance covering employment injuries or occupational diseases) are halved for a maximum of two years.
- * Handicapped persons with an apprenticeship contract: all expenses to the employer within the framework of the contract are halved for a maximum of three years (providing no other collective agreement exists).
- * Handicapped persons employed full time for a fixed period of time, who formerly received unemployment benefits: employer contributions (with the exception of the insurance covering employment injuries or occupational diseases) are reduced by 75% for a maximum of three years.
- * Furthermore, where this work also constitutes the person concerned's first job since 1 January 1994, the reduction is increased to 100% (except where employment injuries or occupational diseases are concerned).
- * Handicapped persons whose fixed-term contracts are transformed into long-term contracts (full/part time): 70% reimbursement of all employer contributions if the handicapped person is under the age of 45 and of 90% if over the age of 45.

Regulations relating to the employment of elderly unemployed persons:

- * Persons aged over 45, hired on a full-time basis with a fixed-term contract, who were previously in receipt of unemployment benefits: employer contributions (with the exception of the insurance covering unemployment injuries or occupational diseases) are reduced by 75% for a maximum of three years.

- * Where the employment also constitutes the person concerned's first job since 1 January 1994, the reduction is increased to 100%.
- * Transformation of a fixed-term contract to a long-term contract, regardless of whether full-time or part-time: reimbursement of 50% of employer contributions made.

Two regulations have been formulated for the long-term unemployed (who have been out of work for at least 1 year) aged under 45:

- * Companies with under 25 employees who hire an unemployed person fulfilling the above conditions for a fixed period are granted a 50% reduction in employer contributions (with the exception of the insurance covering employment injuries or occupational diseases) for a maximum of three years.
- * Where this work also constitutes the person concerned's first job since 1 January 1994, the reduction is increased to 75%.

ITALY

Developments in legislation

Statutory order 31.5.1994, n. 331

Modification to the regulation concerning employment procedures in the form of a greater freedom to employ directly. The only condition being that this employment is communicated "ex post" to the office at the ministry of labour.

Statutory order 10.6.1994, n. 357

Introduction of measures of a fiscal nature aimed to encourage employment and to support economic growth. These measure include:

- * self-employed work: new substitute tax scheme for productive initiatives which involve a non-capital investment inferior to LIT 300m, set up for the first time by:
 - Young persons under 32 years of age;
 - the unemployed;
 - recipients of benefits for partial unemployment which do not meet the requirements relating to age and the period over which contributions must be paid before a pension can be draw;
 - handicapped persons.

These individuals are able to group all the tax charges for the period 1994-6, with the exception of VAT, in one single tax which is equal to LIT 2,000,000 for the first year of activity, to LIT 3,000,000 for the second year and LIT 4,000,000 for the third year.

The aim of this measure is rather to "simplify" the procedure necessary to start up a new productive activity, by reducing the administration costs, accounting costs and time-wasting. It is claimed that the effect on state revenue will be neutral as the majority of firms either

make a loss or just cover their costs during the first year of business.

- * Waged work: a "hiring bonus" has been introduced for employers who increase the amount of paid workers by employing young persons, the unemployed and handicapped people. This premium is equal to 25 % of the salary - with an individual upper limit of LIT 30,000,000 per year - given to the newly hired employees. The premium takes the form of a tax credit for the firms and remains in force until the end of 1996.

It is estimated that the consequences of this measure on state revenue will be positive as the cost of the hiring premiums is compensated by:

- the taxes paid by the new employees;
- the increase in revenue linked to the increase in VAT as another result of the employment;
- the rise in social security contributions

UNITED KINGDOM

New voluntary work rules for incapacity benefits

With effect from 16 May, people receiving social security benefit in respect of incapacity for work are allowed to do

up to 16 hours voluntary work a week without it affecting their benefit. Benefits covered include Sickness Benefit, Invalidity Benefit and Severe Disablement Allowance. Hitherto, benefit could only be paid where the work had therapeutic value. The change recognises the significant role that voluntary work can play in helping some people back to work, and the value to society of work done in the voluntary sector. The original implementation date of April 1995 (to coincide with introduction of the proposed new Incapacity Benefit - see last issue) was brought forward in the light of representations from voluntary organisations.

Proposals to enhance Disability Working Allowance (DWA)

On 10 May, the Government announced its intention to increase the income threshold below which DWA can become payable for certain disabled people who work. From April 1995, the benefit for couples and lone parents will be increased by up to £ 8.35 a week, and a disabled child's premium of £ 19.45 a week will be available to families in receipt of DWA who have a dependent disabled child. The weekly amount a single person with a disability may earn and continue to qualify for DWA will be increased from £ 108 to £ 118.

CHANGES IN THE COMPARATIVE TABLES

The "Comparative Tables" on the social protection legislation contained in the 1994 edition of "Social Protection in the Member States of the Community" relate to the situation as of 1 July 1993. MISSOC-Info intends to provide regular, up to date information on the main changes that have taken place since the last edition.

DENMARK

Table IX - Employment injuries and occupational diseases

Former and current benefit levels (annual readjustment):

Basic salary for the calculation of pension:

Before	DKR 288,000
Since 1 April 1994	DKR 293,000

Damages:

Before	DKR 350,000
Since 1 April 1994	DKR 352,000

Capital lump sum on death:

Before	DKR 91,000
Since 1 April 1994	DKR 92,000

ITALY

Tables IV, V, VI, VII, VIII, XI - Taxation, Upper income limits

These ceilings represent the upper limits of income for which no tax is levied. The limits are not stipulated by law but are determined in a "practical" way as the amount of tax to be paid is equal to the sum of the deductions envisaged. These amounts thus depend on the level of taxation and the parts of income liable to taxation and also on the deductions: as of 1992, the variation is solely linked to the variations in the deductions.

These ceilings are applicable for all the benefits featured in the MISSOC tables with the exception of cash benefits drawn as compensation for employment injuries and occupational diseases and for family allowances.

Single person:	LIT 8,638,000
Married couple without children	LIT 12,236,000
Married couple with one child:	LIT 12,652,000
Married couple with 2 children	LIT 13,068,000

Table VII - Conditions, Minimum period of membership and legal retirement age

Minimum period of membership:

16 years of contributions. Progressive increase by one year every two years until it has reached a period of 20 years.

Legal retirement age:

Men: 61; women: 65. Progressive increase by one year every two years until the period equals 65 years for men and 60 for women.

Tables VI, VII, VIII - Benefits, Amount of pension)

Payment groups (LIT)	Formula
Up to 55,363,00 (upper limit)	$0.0200 \times n \times S$
55,363,00 - 73,632,790 (upper limit x 1.33)	$0.0160 \times n \times S$
73,632,790 - 91,902,580 (upper limit x 1.66)	$0.0135 \times n \times S$
91,902,580 - 105,189,700 (upper limit x 1.90)	$0.0110 \times n \times S$
over 105,189,700	$0.0090 \times n \times S$

n = number of years of insurance (max. 40)

$S = S_{10}$ = the average upper-limit of income earned over the 10 previous years adapted to consumer price index increased by 1 % for each year of service. This formula is valid for those who on 31.12.92 had worked 15 or more years.

$S = S_m$ = the average upper-limit of income earned over a variable period of between the 10 previous years and the entire period of employment adapted to consumer price index increased by 1 % for each year of service. This formula is valid for those who on 31.12.92 had worked less than 15 years

$S = S_n$ = the average upper-limit of income earned during the entire period of employment adapted to consumer price index increased by 1 % for each year of service. This formula is valid for those who were newly hired after the 31.12.92

Tables VI, VII, VIII - Benefits, Amount of pension

Minimum pension levels: (applicable for invalidity, old-age and survivors pensions): LIT 7,893,850

Income thresholds corresponding to the right to draw the minimum pension:

- * Old-age and survivors:
personal limit of LIT 15,661,000
(2 x minimum pension on 1 January of each year)
- * Invalidity:
- single person: LIT 8,996,000

(2 x social pension)

- married person: LIT 13,494,750
(3 x social pension)

Minimum pension supplement:

Age of recipient *Supplement amount*
65 and over LIT 1,040,000
60 - 65 LIT 390,000

Income thresholds corresponding to the right to receive minimum pension supplements:

- * single person: LIT 8,933,850
(minimum pension + supplement)
- * married person: LIT 13,432,100
(minimum pension + supplement + social pension)

Table VI - Benefits, Amount of benefit; Table XII - Specific minima - Old-age, points 3 and 4)

Pension level:..... LIT 4,498,250

Income thresholds corresponding to the right to draw the social pension:

- * single person: LIT 4,498,250
- * married person: LIT 19,082,600

Social pension supplement:..... LIT 1,625,000

Income thresholds corresponding to the right to receive social pension supplements:

- * single person: LIT 6,123,250
(social pension + supplement)
- * married person: LIT 14,017,100
(social pension + supplement + social pension)

Tables VI, VII, VIII - Benefits, Annual earnings ceiling

The annual earnings ceiling applicable for the calculation of invalidity, old-age and survivors benefits is

..... LIT 55,363,000

SUBJECTS IN DISCUSSION

BELGIUM

Autonomy insurance project in Belgium

In October 1992, the government agreed to the principle of reinstating a social insurance scheme based on the principle of solidarity encompassing dependants and the elderly.

Although initial discussions are still in progress, it already looks likely that the new insurance scheme will be set out along the following lines.

Insurance autonomy aims to cover the additional costs necessitated by persons aged over 65 following the advent of a state of dependence. This state is assessed not only on the basis of medical criteria but also by taking into account economic and social criteria. A multi-disciplinary assessment carried out under the responsibility of the insurance bodies would be envisaged.

The medical and paramedical fees linked with medical treatment and the normal costs of day to day living would not be taken into account for the purposes of this new insurance scheme.

The benefit received could take the form of a monthly, lump-sum benefit. Controls would nevertheless have to be undertaken in order to verify that the benefit is put to good use, that is to say in view of the improvement of the autonomy of the elderly dependants. It is planned that the amount of benefit should be set in relation to the dependence and the capacity to contribute of each individual. The recipients of this allowance would be observed within the framework of an accompaniment plan.

This financing of this new social security insurance scheme would be based on compulsory social security contributions set in relation to income. This would thus be an inter and intra-generational scheme based on the principle of solidarity. Within the framework of a system encompassing as many people as possible, the financing would be essentially based on a system of distribution. The contribution would be payable until death of the insured party, whether he/she became dependent or not.

Certain allowances currently paid to handicapped, elderly people as well as the resources currently spent by the sickness-invalidity fund on the assistance benefits for daily life (e.g. basic personal hygiene) could be integrated into the financing.

A dialogue with the communities and the insurance bodies (mutual insurance schemes) concerning the establishment of this insurance scheme is currently underway.

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NETHERLANDS

Introduction General Act on Administrative Law (AWB)

As per 1 January 1994 the General Act on Administrative Law (Algemene Wet Bestuursrecht - AWB) entered into force. The AWB aims in the first instance at administrative uniformity. To that effect the Act provides inter alia for a general and uniform period for appeal of six weeks.

Secondly the AWB intends to simplify the administrative legislation and to make it more systematically. A systematic provision in one act for structural problems that occur in various sectors may prevent or remove gaps in administrative law. An example of such a gap was for instance the missing of an arrangement in social security legislation concerning the consequences of the institution not taking any decision on an application for benefits. In case the decision remained forthcoming, the administrative law did not offer the applicant any possibility to appeal. Such a possibility is now created in the AWB.

Thirdly the AWB provides for a codification of a number of rules and principles of administrative law, which have particularly been developed in jurisprudence. The most striking in this connection is that various general principles of good management, such as the principles of motivation and due caution have been incorporated in the AWB in general terms.

The introduction of the AWB is a large legislative operation, which will be made fully effective in so-called blocks ("tranches"). On 1 January 1994 the first two blocks have become operative. The first block concerns the relation between the administrative institutions and civilian people, the second block regulates administrative law and forms part of the revision of the juridical organisation. The third block will deal with inter alia subsidies, mandate, delegation and supervision and will possibly come effective in 1996.

Measures to reduce absenteeism due to illness

A provisional evaluation of the effects of the measures taken to reduce the number of sick and disabled persons shows that the number of new claimants of sickness benefits dropped to 54,000 in February 1994. In January 1994 96,000 new beneficiaries were registered; in February 1993 this number amounted to 467,000. As a result of the Reduction of Sick Leave Act (TZ) which was introduced on 1 January 1994, the employer is obliged to pay their employees 70 % of the employee's wage during the first six weeks of illness (for companies with less than 15 full-time employees this period is two weeks).

As a result of this reduction of the number of beneficiaries the contribution due under the Sickness Benefits Act de-

creased from 6.7 % to 5.3 %. In February 1993 the contribution still amounted to 8 %. The expenses of sickness benefits amounted in February 1994 to HFL 429 million, whereas in February 1993 still an amount of HFL 711 million was paid; meaning a drop of 40 %.

Social Renewal

In the so-called Progress Report of the Minister of Inland Affairs it is mentioned that social renewal has taken roots in the municipal approach of social problems. Social renewal has not only led to a modification in the municipal method of working, but also to a change in the relation between the municipalities and the central government. According to the report the relation can be characterised as a strong administrative interaction orientated towards a collective effort. Despite the attained results especially in the field of employment and education a reconsideration of the method of working is however necessary, because of the increasing concentration of problems in some district of notably larger cities. In the report special warning is given that social renewal in itself does not offer a solution for long-term unemployment. Without sufficient employment for persons with lower education and the long-term unemployed it remains banging one's hard against a brick wall. Yet, social renewal might contribute to unemployment not striking continuously upon the same groups.

The report also pays attention to the position of the ethnic minorities in the various districts. Through educational projects and a larger diversity in housing the imbalance of the local structure can be broken. This requires a cooperation between municipalities and housing-corporations. On this point social renewal has given incentives for more attention for an integrated approach of all social deprivations and for cooperation between schools and other institutions.

The integration policy for elder people appears to fit in with the social renewal approach. As a result of social renewal certain projects have certainly been accelerated. The quality of life in many districts has been improved and through the deployment of so-called jobpoolers provisions for the elderly have been realised.

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EUROPEAN UNION

The Commission's White Paper

"European Social Policy;paving a way for unity"

The White Paper - origin, procedure, aims and objectives

To supplement the White Paper entitled "Growth, Competitiveness and Employment", the Commission has submitted a White Paper on European Social Policy.

The Commission's Green Paper on European Social Policy starts by posing the question: "*What kind of society do Europeans want?*". The White Paper summarises the outcome of the reactions provoked by the Green Paper.

The proposals outlined in the White Paper will be, according to the Commission's plan, the subject of discussion some time between now and the end of this year. At the beginning of 1995, the new Commission will draw up a work programme based on the White Paper and the results of the discussions.

The White Paper thus marks the beginning of the political procedure involved in organising a community social programme. It is more than an approach concentrated mainly on the achievement of a single market. "*If economic growth is to raise the standard of living, so must it also take into account social and ecological matters. Equally, striving for a higher level of social protection must not be considered solely as cost, but also as a primordial element of the code of competitiveness*".

Thus the publication of the White Paper on European Social Policy also aims to provide the new member states with a standpoint.

Fundamental congruence between the White Papers

The fundamental principles on which the White Paper on Social Policy is based are the same for the White Paper on Growth, Competitiveness and Employment, that is to say:

- * accumulated economic growth, which in the opinion of the Commission will considerably help in finding solutions to unemployment problems,
- * achievement of gains in productivity,
- * significant investment in new technologies,
- * an educated, motivated population capable of adapting to changes

Basically, increased competitiveness is the underlying philosophy.

The Commission nevertheless mentions the need to change the notion of employment, the use of productivity gains as a means to create new jobs instead of increasing the standard of living for those who are already in

employment, and finally, the incorporation of costs related to environmental protection into market prices.

Progress defined as such can not be purely based on a performing economic system. Social and ecological policies would serve to reinforce this conception.

Convergence without harmonisation

The Commission reiterates that it is not aiming to harmonise the existing differences relating to social matters in Europe. It indeed confirms its wish for the member states to strive for common goals and policies.

The Commission stresses the importance of minimal norms in order to prevent unfair competition, this exploits a reduction in social norms to increase competitiveness

The instruments

The Commission foresees using the following such instruments:

- * financial assistance (European Social funds),
- * co-operation and building networks among the parties concerned,
- * information in the member states
- * the analysis of future trends, particularly in the context of observatories

The Commission specifically underlines that legislative measures undertaken in the past by the Community by no means entail vast legislative programmes in the future. The foundations of social security, in the opinion of the Commission, have now been laid. Convergence therefore constitutes a procedure between the member states and is not a matter for community legislation.

The measures in detail

1. Invest in a first-rate workforce

Still within the framework of an improvement in European economic competitiveness, the Commission puts forward the following measures:

- * Guarantee a certain level of qualification (train young people, combat illiteracy, improve initial professional education, expand the range of programmes offered, improve the co-ordinated career and placement services, introduce tax incentives for the continuation of education).
- * Improve the European Social Fund (access and quality of the training, reinforcement of a systematic approach to continued training, improvement of instruments to facilitate integration into the labor market).

* Announce a new series of community initiatives to combat unemployment.

* The Leonardo programme, recently adopted by the Council, which aims to promote and encourage the quality of and the capacity for innovation in the area of training.

2. Promote better employment norms for a competitive Europe

Within this context, the Commission plans an improvement in the exchange and quality of information and of consultation with workers, a minimal protection benefit in the event of secondment, measures to create new kinds of jobs, a directive on working hours, a consolidation of a firm base of employment norms, and finally, an improvement of health and safety at the workplace.

3. The establishment of a European labour market

The Commission puts forward measures to facilitate the free movement of workers in general, to adapt social security systems to the reality of free movement, and to improve the EURES system, whose aim is to facilitate the exchange of information concerning the labour market. The Commission also intends to improve the integration of immigrants into the labour market and to step up the fight against racism and xenophobia.

4. Equal chances for men and women

The Commission's aims are to do away with the existing segregation, to conciliate professional and family life and to increase the role of women in decision-making.

5. Social policy and social protection

The Commission expresses its wish to maintain and adapt the European model of the "guardian State". Within this framework the Commission has put forward, *inter alia*, the following three recommendations for consideration:

- * a supplementary recommendation on the adaptation of social protection systems in line with the development of family structures, notably by rendering entitlement and contributions more specific to individual situations, based on a comparison of real inequalities between men and women in social security matters.
- * a recommendation on the financing of social security involving setting guide lines to promote a better adaptation of social security systems to the promotion of employment whilst maintaining solidarity networks and enabling different national schemes to coexist side by side.

* a recommendation on long-term sickness insurance for persons who become dependent.

The Commission regards the marginalisation of major social groups as a challenge to the social cohesion of the Union calling for a mobilization of efforts by Member States and all the parties concerned, and for a reinforcement of the bulwark of social rights. At a time when major technological, economic and social changes are increasing the insecurity of a growing number of people, the Union needs to ensure that the most vulnerable are not excluded from the benefits of - and from making an active contribution to - the economic strength of a more integrated Europe.

While the primary responsibility for both policy and action must lie with Member States, and indeed at regional and local levels, action is also needed at the Union level. The Union must demonstrate that it is not silent or inactive on this issue, and that it is able to act not only in the interest of the employed but also of the unemployed and socially excluded.

The Commission therefore believes that there is a good case for examining the possibility of further Union action on the integration of those excluded from the labour market, covering both the economic and social dimensions of this integration, providing a legal framework for supporting and stimulating the efforts in the Member States,

The Commission also intends to promote the social integration of disabled people. Based on the positive experience of the European Social Fund, the Horizon initiative and the Helios action programme, including the Handynet system, the Commission will continue its efforts to ensure that to a maximum extent possible Union programmes are accessible to disabled people and that they are actively encouraged to participate in them. As a part of a process to encourage model employers, the Commission will prepare a code of good practice in relation to its own personnel policies and practices, and encourage discussions within the framework of social dialogue on how such a model could be extended more widely.

6. Action to be taken in the field of public health

The Commission refers to the significant links between public health and social and environmental policy. These include the adverse effects of poverty, unemployment and social exclusion on health, the increasing pressures on health and social protection systems caused by demographic changes and the impact of environmental conditions on public health.

In formulating and developing the Union's action, the Commission will aim to maximize synergy between social and health measures

The Commission underlines the role of trade unions, management organisations and voluntary groups.

It proposes increased exchanges with other industrialised countries and central and eastern Europe.

Finally, in order to achieve a more efficient implementation of European law, the Commission in particular proposes to exert tighter control where enforcement of legislation is concerned, to adapt the legislation currently in force to a changing world and to render legislation as accessible and as transparent as possible.

Summing up

The White Paper on Social Policy is the logical continuation of the White Paper "Growth, Competitiveness and Employment" incorporating training, social policy, and labour market policy instruments. It gives concrete expression to measures aimed at improving competitiveness in a Europe faced with the challenge of a more open, more liberal and more competitive global market. In this context the Commission proposes to strive for closer cooperation between the industrialised countries.