

Social Protection in the Nordic Countries, 2008/2009

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Scope, Expenditure and Financing

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Preface

The Nordic Social Statistical Committee (NOSOSCO) is a permanent committee under the Nordic Council of Ministers. The aim of the Committee is partly to coordinate social statistics from the Nordic countries, partly to compare analyses and descriptions of the scopes and contents of social welfare measures.

The Committee is composed of three representatives from each country and a number of substitutes. The countries chair the Committee in turn for three years with Sweden having the chairmanship for the period 2008-2010.

In its report, *Social Protection in the Nordic Countries*, NOSOSCO publishes its findings regarding current social development. In 2005, the Faroe Islands gained full membership of the Committee, and data from the Faroe Islands have been included in this publication as from the 2003 publication.

As a result of their EU membership or participation in the EEA co-operation, all Nordic countries are obliged to report data on social protection to EUROSTAT, the EU statistical office, and consequently, NOSOSCO has decided to adopt the specifications and definitions used in ESSPROS, EUROSTAT's nomenclature.

The data in the report are the most recent ones available in the spring of 2010, i.e. data are, where possible, from 2009 and otherwise from 2008. In respect of legislation and benefit rates, reference is made to current legislation and the rates applying in 2009.

To assist the Committee Secretariat in its preparation of the present report, NOSOSCO set up an editorial group. Besides, a working group has contributed calculations regarding typical cases and income distribution. On www.nom-nos.dk, a list of NOSOSCO's members and its working groups can be seen.

The present edition of the publication is only available in electronic form on NOSOSCO's homepage together with supplementary information.

Johannes Nielsen, Head of Secretariat, NOSOSCO's Secretariat, is the editor of *Social Protection in the Nordic Countries, 2008/2009*.

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Symbols Used in the Tables:

Data not available.....	..
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Less than half of the used unit.....	0 or 0.0
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Chapter 1

Changes in Nordic Social Policies in 2009 and 2010

DENMARK: The international financial crisis in the autumn of 2008 had dramatic financial consequences for the Danish economy in 2009. After a slight economic downturn in 2008 (-0.9 per cent), economic growth reached -4.9 per cent in 2009. In 2010, a positive growth rate of 1.4 per cent is again expected, and in 2011, a further growth rate of 1.8 per cent is expected.

From 2008 to 2009, the employment rate decreased by 93 000 people. In 2010, the employment rate is expected to decline by a further 78 000 people and then to stabilize in 2011 with a minor increase in the employment rate of 2 000 people.

The unemployment rate as a percentage of the labour force (cf. the EU definition) was 3.3 per cent in 2008 and increased to 6.0 per cent in 2009. In 2010 and 2011, an unemployment rate of 7.5 per cent is foreseen.

Despite the recession, there was still an inflation in 2009 of 1.3 per cent which was, however, considerably less than in 2008, when the inflation was 3.4 per cent. In 2010, an inflation rate of 2.2 per cent and in 2011 of 1.7 per cent is expected.

The surplus of the public finances in 2008 of DKK 59.8bn was in 2009 turned into a deficit of DKK 47.0bn. In 2010 and 2011, deficits of DKK 80.1bn and 78.7bn, respectively, are foreseen.

With a view to obtaining a structural balance in 2015, a political agreement on restoration of the Danish economy was reached. In the employment area, the unemployment benefit period will be reduced from four to two years with effect from 1 July 2010. At the same time, the preventive measures against long-term unemployment will be enhanced, among other things by means of job-directed education and training of the long-term unemployed.

As follow-up to the restoration agreement, a maximum will be introduced for the total payment of family allowance per recipient of DKK 35 000. The maximum will be phased in in 2011 and 2012. In practice, the maximum will limit the total family allowance for some families with three children and for all families with four or more children.

As to pensions, the maximum of available funds allowed retirement and disability pensioners according to the old scheme (disability pension awarded before 2003) when receiving supplementary pension ("pensioner's check) was increased by DKK 10 000 to DKK 74 100 with effect from 2010.

With a view to preventing abuse of social services, pensioners staying temporarily in a country outside the EU/EEA and Switzerland for more than two months are as from 1 July 2010 obliged to notify the authorities. Such pensioners have furthermore become obliged to inform about any income from other countries each month.

Local authorities' options as to obtaining information from financial institutions and employers for random checks of pensioners' incomes and means have furthermore been improved.

In the social service area, a number of changes have been made concerning children: the so-called "Child's Reform". The reform implies that for the period 2010-2013 DKK 928mn will be earmarked for enhanced measures in respect of children and young people at risk. The main subjects of the reform are presence and care, enhancement of children's and young people's rights, early measures and enhanced quality of measures.

The rules laying down that all pre-school children in day-care institutions must be provided with a healthy lunch no later than 1 January 2011 have been changed to the effect that each parent committee may choose to drop the meal. The charges payable by parents for a place in a day-care institution has at the same time been reduced to a maximum of 25 per cent of the estimated gross expenditure. To this should be added charges for lunch (if the meal has not been dropped) payable by parents which must at most amount to the local authorities' estimated expenditure on the meal. Free places are provided and sibling subsidies given to payments for the meal.

In the handicap area, it was with effect from 1 November 2010 decided to introduce free choice of technical aids and adaptation of dwellings. The aim is to ensure that disabled people are free to choose suppliers of all kinds of technical aids and adaptation of their homes. Besides, by paying the difference, people can also buy more expensive technical aids than what has been granted by the local authority. The aim is also to ensure that people

with disabilities are at liberty to choose craftsmen to carry out adaptation of their dwellings to suit their disabilities, just as it by paying extra will be possible to choose other materials for the adaptation than those provided by the local authority.

Also in the handicap area, it was decided with effect from 1 November 2010 to implement improvements and simplifications of the rules governing subsidies towards purchase of a handicap car. The amendment includes five elements: clarification of the target group, a more flexible approach to the testing of cars, cancellation of remaining debt in case of withdrawal of the car, when the withdrawal is made as a result of reduced capacities, possibility of making use of simplified case-handling procedure concerning re-allocations as well as proportional distribution of sales proceeds in cases where the user has paid for extra purchases with his/her own means.

As to the elderly, a maximum for user charges for meal services for elderly people living in a home of their own was introduced as per 1 July 2010. A main course brought to the home or which the recipient picks up him/herself or eats at a day centre must cost the elderly no more than DKK 45.

In connection with the deregulation in the municipalities concerning the elderly, the following amendments were made as per 1 July 2010:

- The requirements will be changed to the effect that only one preventive home visit will be provided a year in stead of the present two visits.
- The rules governing visitation of practical help and personal care, training, etc. will be simplified to become less time-consuming.
- The obligation to prepare care plans for inhabitants of nursing units, etc. will be rescinded.
- The number of local authority inspections in nursing units, etc., will be reduced from two to one inspection a year.
- It will be optional for the local authorities to charge for temporary home help.
- It will be optional for the local authorities to set up user and relatives councils in connection with nursing units, etc.
- The rules governing councils of elderly will be simplified.
- The special complaints councils for the elderly will be abolished.

At the central level, the Ministry of Interior and Social Affairs was closed down on 23 February 2010 in connection with a reconstruction of the Government. The Ministry of the Interior was amalgamated with the Ministry of Health and Prevention and is now called the Ministry of the Interior and Health. The Ministry of Social Affairs is once again an independent ministry

and includes the social service measures and the social housing area. Social security, housing and cash assistance benefits still fall under the Ministry of Employment.

THE FAROE ISLANDS: The economic development in 2008 also affected the Faroe Islands, but caused to begin with no adverse growth. The growth rate in 2008 was, however, reduced from 5.8 per cent to 0.5 per cent. In 2009, the crisis became more visible with a negative growth rate of 3.2 per cent. The prospects for 2010 paint a picture of an economy which as a whole is progressing with a growth rate of 3.2 per cent in the first months of the year.

The cost of living in the Faroe Islands has been increasing in recent years, measured by way of the price index. The community has a high consumption of oil for the production of electricity, heating and especially so in the fishing industry. Parallel with the economic crisis, the growth rate of the price index was in 2008 6 per cent, but was reduced to 1.9 per cent in 2009.

The unemployment rate as a percentage of the labour force changed from 1.3 per cent in 2008 to 3.9 per cent in 2009. The development of the unemployment situation at year-end 2009 showed an increase to 6 per cent. So far, the unemployment rate remains at that level in 2010.

At the beginning of the *Lagting* year, in the summer of 2009, the home government presented a package of proposals concerning the economic development, including cutbacks and reforms in the social sector. This work has in the spring of 2010 resulted in a framework agreement concluded by the *Lagting* to the effect that the national deficit be reduced in the next five years, which in 2010 is anticipated to be a little less than DKK -800mn. In the social field, reforms of the voluntary early retirement scheme and the care and nursing sector are in focus.

The need for cutbacks has among other things resulted in increased user charges for home help and increased payments for residence in communal housing. Besides, with effect from 2009, a reduction has been implemented of the projection of all social services and benefits from 4 per cent to 3 per cent. With effect from 1 January 2010, entitlement to sickness benefits shall no longer apply to people aged 70+ years, or to recipients of retirement pension.

The reform of the care and nursing sector has so far resulted in an alteration of the rules applying to technical aids that entered into force on 1 April 2010.

The Faroese sickness insurance funds were abolished as from 1 January 2010 and replaced by a Sickness insurance scheme. In future, the expenditure on medicine shall be financed by way of this scheme by fixed subsidies depending on the need for medicine. The new scheme shall be tax-financed contrary to the sickness insurance funds, in which membership subscriptions that could vary around the country were compulsory.

As to dementia, daily activities have been established and cooperation with the capital authorities has been set up with a view to preventive measures and rehabilitation of the elderly.

In the labour market, a change was made in 2009 to the effect that foreigners, who have held a working permit in the Faroe Islands, in future may apply for contributions from the labour-market pension scheme on a basis of solidarity, which was previously only available for resident Faroese. For fishermen, a change of the entitlement to unemployment benefits has resulted in them having become entitled to daily cash benefits as from 2010.

In the housing sector, where a rent Act from the 1940s still apply today, a new rent Act shall enter into force in September 2010. This Act shall apply to the entire country contrary to the present one which only applies to the capital area.

FINLAND: In the current economic downturn, the Finnish economy has suffered relatively more than the economy in the EU area on the whole. In 2009, the gross domestic product decreased by 8.0 per cent. This represents the largest fall in the annual level for the present time series that started in 1975. During the recession of the 1990s, the largest decrease in GDP occurred in 1991 when the volume went down by 6.0 per cent. To find a similar collapse of GDP in the historic time series, one must look as far back as 1918.

In the first quarter of 2010, the volume of GDP decreased by 0.4 per cent from the previous quarter. Compared with the first quarter of 2009, GDP adjusted for working days decreased by 0.8 per cent. In the second quarter of 2010, the volume of GDP increased by 1.9 per cent in relation to the previous quarter. GDP adjusted for working days was 3.7 per cent larger than in the second quarter of 2009.

In 2009, the unemployment rate started to increase for the first time since 1994. At the same time, the growth in the employment rate that had continued for several years came to a halt. In 2009, the employment rate declined in all age groups, but more sharply so among young people than among older employees, and more in respect of men than of women. As to people

over 55 years, the employment rate did not deteriorate considerably. Enterprises have made use of temporary lay-offs to curb the number of dismissals.

No essential changes took place in the employment situation in the first quarter of 2010. The number of people in employment increased by 0.5 per cent from the previous quarter, but was 2.4 per cent lower than the year before. In the second quarter of 2010, the number of people in employment increased by 0.4 per cent from the previous quarter, but was 0.4 per cent lower than the year before.

The demand for social security benefits and services increased in 2009. The social security expenditure in ratio to GDP rose to about 29 per cent in 2009, while this ratio was 25.4–26.3 per cent of GDP in 2006–2008.

The Committee for reforming social protection (the SATA Committee) that was set up in 2007 completed its work in 2009. Its proposals aim at improving basic protection and earnings-related benefits, promoting employment, clarification of social protection and reducing bureaucratic traps. Some of the proposals are already being included in the drafting of relevant legislation. Furthermore, the Government decided in 2009 on the implementation of some of the Committee's proposals and on an implementation timetable.

One objective of the reform committee was to enhance the incentives for work. The revised unemployment benefits and benefits related to adult education have been applied from the beginning of 2010. As part of the reforms, an increased allowance payable for the period of participation in active employment measures was introduced regarding both the earnings-related and the basic benefits for the unemployed.

To improve the situation of people on small incomes, increases have been made to the minimum benefits. From the beginning of 2009, the minimum rate of sickness benefits, maternity, paternity and parental benefits as well as rehabilitation benefits was raised considerably. At the same time, the home care allowance and private care allowance for children were raised. The child allowance was raised starting from a family's third child. The social security for scholarship recipients improved when they became entitled to employment pension and industrial injury insurance as well as to earnings-related sickness and parental benefits from the beginning of 2009. At the beginning of 2010, the paternity leave period was extended by two weeks, and the maximum length of the so-called father's month is now about six weeks. In order to improve the income for people living on the lowest pension incomes, it was decided to introduce a guaranteed pension as from 1 March 2011. From that date, the rate of the minimum benefits will be linked to the

national retirement pension index.

The amended Services and Assistance for the Disabled Act that entered into force in September 2009 involves that personal assistance is now covered by the local authorities' special responsibility for organizing services. At the same time, provisions were enacted e.g. on the assessment of service needs within a prescribed period and on the drawing up of an individual service plan. The right of older people to an assessment of their need for social services within a period of seven working days was expanded from covering those aged 80+ to covering those aged 75+ years.

The right to use service vouchers was extended on 1 August 2009 to cover all social and health care services with the exception of emergency services and treatment irrespective of a person's own will. The local authorities decide on the introduction of the service voucher system and which services are offered as well as approve the service providers whose services can be purchased with a service voucher. The aim of the Service Voucher Act is to increase the clients' options, improve the availability of services, diversify the service provision and promote the cooperation between local authorities, the business sector and private service providers.

The legislative basis for promoting the health and wellbeing of children, young people and families and for preventive services was reinforced in 2009 by enacting the Government Decree on guidance clinic services, health care for school children and students and preventive oral health care for children and young people.

The provisions on the reference price system for medicinal products enacted to curb the increase in the costs of medicines and to ensure access to affordable medicines came into force in April 2009.

The system of central government transfers to local government is to be reformed at the beginning of 2010 to make it simpler and more transparent.

The aim of the reform of the local government and services that was started in 2007 is to strengthen the municipal structure and financial basis and to intensify inter-municipal cooperation. As regards social and health care, the uniformity of the system and a clear definition of the responsibilities for organizing services have been emphasized in recent years.

A new Health Care Act is being drafted with provisions on health care operations and tasks and on the content of health care services. The purpose of the new Act is to reinforce primary health care and to promote wellbeing and health as well as to promote the availability and efficient provision of health services. Another objective of the Act is to ensure client-orientation and a close cooperation between primary health care and specialized medical

care. The Act also enables patients to choose health services across municipal borders. The patient or client will have more freedom to choose in which health care unit s/he wants to be treated.

A reform of social welfare legislation was also commenced in 2009. As a first step, proposals have been drafted regarding the central policy definitions in the legislative reform, and alternative ways of developing the legislation regarding older people have been examined. Furthermore, legislative issues related to social and health care structures have been under preparation. One area of emphasis in the drafting of legislation is to strengthen the structures for promoting welfare and health.

The development goals for social and health care for the years 2008–2011 and the most important measures to implement them have been defined in the National Development Programme for Social Welfare and Health Care, called the KASTE programme. In 2008–2009, grants were awarded from the appropriations under the programme for projects to promote population health and functional capacity, for development of service structures and processes in social and health care, improvement of the structures for promotion of welfare and health, and development of the health care staff structure and wellbeing at work.

ICELAND: The financial crisis and the collapse of leading Icelandic banks and financial institutions in the autumn of 2008 have had serious consequences for all sectors. Experts have stated that Iceland has seen the worst currency and financial crisis experienced by any country in peacetime. The IMF has cooperated with the Icelandic Government almost from the beginning of the crisis. The governmental action plan for initiatives to alleviate the burden of debt and to demonstrate individuals' and families' debts consists of a combination of general amendments and new special solutions. The Parliament (*Altinget*) set up an investigative committee to locate the reasons for the financial crisis. The report was completed in April 2010 and the work with the reorganization and reforms was started on the basis of the report. The difficult financial situation of the State has resulted in higher taxes and diminished purchasing power. Wages and salaries have not increased, in some cases they even decreased, but the aim has always been to avoid a reduction of the lowest wages/salaries and the social security. That does not change the fact that the purchasing power has decreased as part of a trend that includes increased inflation and an unfavourable currency for the Icelandic *Krone* in relation to foreign currencies. The unemployment rate has e.g. never been higher in Iceland in all the years it

has been measured. It has been about 2 per cent in Iceland in the past decade, from being less than 1 per cent to being up to 4 per cent. The unemployment rate increased steeply after the collapse of the financial system from 1.6 per cent in 2008 to 8 per cent in 2009. Iceland now sees an unusual ratio of unemployed people as well as an unusual number of people without work in this situation. In June 2010, the unemployment rate was 7.6 per cent as against 8.1 per cent in June 2009. The unemployment rate is higher among men than among women in the capital region than in other parts of the country. It is also higher among those aged 24 years or younger than among other age groups.

Iceland has put up with a recession from the beginning of the financial crisis. The growth rate is expected to be -2.9 per cent in 2010 as against -6.5 per cent in 2009 and 0.3 per cent in 2008. To put this in perspective, growth was 3.8 per cent in 2007 and 7.5 per cent in 2005. The inflation increased steeply towards the end of 2008 as a consequence of the financial crisis and the devaluation of the Icelandic *Krone*. The inflation was on average 18.1 per cent in 2008 and 12 per cent in 2009 when it decreased considerably as the year went on from 18.6 per cent in January to 7.5 per cent in December. The forecast is that the inflation will continue to decrease in 2010. Following the collapse of the banks, the financial situation has been very difficult for many families. Many families took out loans from banks and financial institutions. The problems are especially serious for those who took out loans in a foreign currency. Following an extensive accumulation of debt as a result of the banks' intense lending to individuals and enterprises, as well as quickly increasing property prices in the last couple of years prior to the collapse, the Government is now steering towards adjustment and re-organization of debt.

After the recession, the Government has initiated a number of measures, and more are underway. Numerous initiatives have been taken to comply with individuals and families who are suffering financial problems. These initiatives include among others better legislation concerning debt rescheduling, the setting up of an ombudsman for the debt-ridden; considerable help schemes for people with foreign car loans and initiatives concerning housing. A decision was made to introduce an official minimum amount for provision and to introduce official social indicators for the entire country.

The 'welfare watch' was set up shortly after the collapse and its main task is to follow up on and watch the financial and social consequences of the crisis for families and children, especially with focus on preventive measures, to avoid the consequences experienced by other Nordic countries due to the

same kind of crises and to present proposals as to how families, children and individuals in Iceland may be helped. Acts on child welfare have been re-evaluated with a view to making the system better adapted to provide preventive help and assistance, and the Government adopted an action plan 2007-2011 to improve conditions for children and young people.

Activation of young people aged 24 years or younger has been a prioritized project with the Public Employment Centre in addition to the activation programmes for all age groups. Steps were taken in the summer of 2010 to get young people in work and implemented due to predictable unemployment; in total, 850 summer jobs for students were established.

The Social Welfare Department and the social protection legislation must be re-evaluated, and as part thereof a new child insurance system must be established to replace various payment schemes for children and young people. Foreseen is also an amalgamation of the Ministry of Health and the Ministry of Social Affairs and Social Security.

In 2011, care for the disabled will be transferred from Central to local government, and it has also been planned to transfer care for the elderly from Central to local government in 2012. These changes are parts of the development towards the responsibility for running these services becoming rooted in the municipalities, while the responsibility for supervision, rights and complaints rests with Central Government.

NORWAY: In the wake of the international financial crisis, the Norwegian economy experienced a recession at the beginning of 2009. In the financial markets worldwide, circumstances were rather dramatic from the middle of September 2008. The gross national product (GDP) for "mainland Norway" (excluding income from oil and foreign shipping trade) decreased by 1.5 per cent compared with the year before. The economic setback in Norway was, however, less serious than in most other OECD countries. This is among other things due to means having been used more expediently in the Norwegian economic policy than in most other countries. An expansive economic policy contributed to stimulating demand in the economy by way of enhanced purchasing of goods and services from the private sector, and to some extent of increased public employment. In addition to the changes in the policy, the relatively large public sector in Norway has stabilized the development in production and demand.

Despite the vigorous recession, the unemployment rate has not increased considerably. In 2009, the unemployment rate was 3.2 per cent as against 2.5 per cent in 2008. The unemployment rate increased somewhat in the

first six months of 2009 to settle later. While the labour market was quite good for typical female occupations in the public sector, 2009 was a heavy year for the classic male occupations.

There were no considerable changes in the labour force from 2008 to 2009. The participation rate in the age group 15-74 years was reduced from 73.9 per cent in 2008 to 72.8 per cent in 2009. The participation rate for men is 75.6 per cent and for women 69.8 per cent. The gender differences in the participation rates are largest in the oldest age groups of the labour force. The education level in the labour force is increasing. In the period 2006-2009, the number of people in the labour force with higher education increased by 12 per cent, and in 2009, 35 per cent of the labour force had completed education at university or college level. Norway differs, as do other Scandinavian countries, from many OECD countries in that the participation rate among women and elderly is high.

In 2009, 27.3 per cent of all people in the age group 15-74 years were out of the labour force. Of these, 36 per cent were disability pensioners or disabled, 24 per cent were retirement pensioners, 28 per cent were receiving education, while 5 per cent worked from home (7 per cent not stated). At the end of 2009, about 11 per cent of the population between 18 and 67 years drew disability benefits.

The labour and welfare administration were reorganized in the years 2006-2009 by way of the implementation of the NAV reform. One of the main aims of the organizational reform is to get more people in work or activation, and that fewer people get benefits or allowances as their main means of income. A more user friendly, coordinated and efficient administration is another key aim of the reform. The reform resulted in an amalgamation of the two former state departments *Aetat* (labour market administration) and the Social Welfare Department to the Ministry of Labour and Social Inclusion. In all, 457 labour and social inclusion centres (NAV centres) will be established on the basis of a cooperation agreement between the Ministry of Labour and Social Inclusion and the local authority in question. The centres are to attend to the Ministry's tasks and as a minimum to the municipal tasks connected with financial social assistance, the qualifying programme and pertaining qualification benefits, counselling and guidance. The aim of the NAV centres is that users only have to contact one single authority. 447 NAV centres have been set up, nine centres will be established during 2010, and in 2011, the last centre will be set up.

From 1 February 2010, everyone wishing or needing assistance to get in work is legally entitled to have his or her need for assistance evaluated by

the labour and welfare administration and to participate in the preparation of a specific plan as to how to achieve this (activity plan). From 1 March 2010, rehabilitation allowance, sickness benefits and temporary disability pension were replaced by a work-clarification allowance. Work clarification allowance shall be granted people who due to illness, injuries or reduced capacities have had their working capacity reduced by at least 50 per cent, and who are in need of assistance in order to be able to get or maintain work, which he or she can manage. The work-clarification allowance shall be payable for as long as is necessary to implement the necessary measures with a view to finding work, but for no longer than four years as a rule.

The pension system in Norway is being reformed. As part of this work, the Parliament adopted a bill on retirement pension from the national social security fund in the autumn of 2009 based on a governmental proposal. The Act concerns new rules applying to accumulation, life expectancy adjustments, flexible retirement pension and new rules applying to adjustment of pension. The reformation of the pension system was commenced in 2001 with the establishment of a pension commission, and this commission's proposal from 2004 has later been followed up by two parliamentary decisions from 2005 and 2007. The overall objective is to make the pension system financially sustainable in the long run. The pension model is to stimulate an increase of jobs, at the same time as it must contribute to a levelling of incomes. It will be possible to draw flexible retirement pension from the age of 62 to 75 years, and it will be possible to combine retirement pension and work without the pension being reduced. Retirement pension shall consist of a work pension and a minimum pension by way of a guaranteed pension. Work pension shall be accumulated on the basis of income from work from the first *kroner*, and every year counts. Pension to new retirement pensioners shall be adjusted in relation to life expectancy for the age groups in question at the time of award of the pension. The Act entered into force on 1 January 2010, but important changes such as flexible pension for the age group 62-75 years shall enter into force on 1 January 2011.

The agreement between the Government and the labour-market parties concerning a more including working life has been continued. The new agreement period runs till 31 December 2013. The three intermediate aims at national level from previous IA agreements have been continued and apply to:

- Reduction of the absence due to illness by 20 per cent in relation to the level in the second quarter of 2001. This implies that the absence due to illness at the national level must not exceed 5.6 per cent by

the end of 2013. The absence due to illness in the fourth quarter of 2009 was 7.6 per cent in lost days' work for the employed in the age group 16-69 years.

- Increase the employment rate for people with reduced capabilities. The ratio of employed people with reduced capabilities has been stable at about 45 per cent for quite some time.
- The participation rate after age 50 must be extended. During the first two IA agreements (2001-2005 and 2006-2009), there has been a very positive development with regard to this aim. The actual pensionable age has increased from 63.1 year in 2004 to 64 years in 2008.

SWEDEN: The recession characterizing the Swedish economy since 2007 has continued, and in 2009, Sweden experienced a slump. GDP decreased in 2009 by 5.2 per cent. The recession has, however, hit the bottom, and growth is expected to be 4.3 per cent in 2010 and 3.4 per cent in 2011. The improvement is a result of the expansive economic and monetary policy with among other things tax reliefs and low interest rates. Increased export, growing consumption and the improved international trend are also factors contributing to the improvements in GDP.

The employment rate decreased in 2009 by 2.5 per cent. The decline was most significant in the production industry, but even the service sector was affected. In 2009, on average 4 499 000 people of the age group 15-74 years were in work, which was a decline of 94 000 people in comparison to 2008. The decline was largest among men. In the public sector, the employment rate is expected in 2010 and 2011, first and foremost as a result of an expansive economic policy. This together with the growing optimism in both enterprises and households contribute to the employment rate on the whole is anticipated to increase by 1 per cent in 2010 and 1.1 per cent in 2011.

In 2009, 408 000 people of the age group 15-74 years were unemployed, which accounts for 8.3 per cent of the labour force. That was an increase of 104 000 people compared with 2008. The unemployment rate continues to increase and will total 8.5 per cent in 2010, after which it will decrease further in 2011 to 8.2 per cent.

The absence due to illness was at its highest in 2002, but after that the number of sickness benefit days has decreased every year. The expenditure on sickness has been reduced by almost 50 per cent since 2002. Also in 2010, the number of days for which sickness benefits are payable decrease,

but in 2011, the number of sickness benefit days begins to increase again. The growing trend will continue in 2012.

2008 was the fourth year in a row in which the number of whole-year equivalents receiving social transfer incomes and assistance such as sickness benefits, sickness and activity allowances, labour market support and financial support declined. A whole-year equivalent corresponds to a person, who is supported with full compensation for a whole year, i.e. two people, who have been unemployed for six months, will, put together, become one whole-year equivalent. In 2009, the downward trend stopped and the number of whole-year equivalents increased by just under 5 per cent to 862 169. The increase first and foremost took place in the ranks of the unemployed where the number increased by 42 per cent, but also among those receiving economic assistance. The number of whole-year equivalents receiving sickness benefits and those receiving sickness and activity allowances continued to decline.

The increase is expected to go on in 2010, and the aggravated labour market is the largest contributing factor to the development in the number of whole-year equivalents on social transfer incomes and assistance.

In order to get more people in work and to reduce the marginalization, tax on earned income was reduced. This was done partly via reduced tax on income from work in four stages and partly via a reduction of state income tax. The reduction is made in such a way that low income and medium income wage earners will get a higher tax relief in relation to their earned income than will high income earners. Taxation was also curbed by the lower limit being increased as at 1 January 2009.

In 2007, the income tax was lowered by SEK 40bn; in 2008 and 2009, by SEK 10 and 15bn, respectively, and in 2010 by another SEK 10bn. The fourth step in income tax reduction involves that the income tax deduction will be increased for those under the age of 65 years and those earning incomes from work exceeding about SEK 38 600 per year. For the majority of wage earners, the improvement of the income tax deduction entails that they get between SEK 200 and 250 more in their pockets each month. The fourth step in the income tax reduction entered into force on 1 January 2010.

Also pensioners got tax relief, and the tax reduction is carried out through an increase in the basic allowance. Furthermore, housing benefits for people on sickness and activity allowance will be increased.

In 2010, the sickness insurance scheme was improved which meant that it in very special cases will be possible to have one's sickness benefit period ex-

tended beyond the 550 days which applied earlier. As a result of the sickness insurance reform from 2008, 54 000 people are estimated to leave the sickness insurance scheme in 2010. Enhanced measures for these people and for the unemployed for them to get back in work, will be implemented in 2010 in the form of among other things enhanced communicative measures, work training and education.

On 1 January 2010, the Pension Authority was established in Sweden. It is the task of the Pension Authority to administer the general retirement pension, but also housing supplements to pensioners and survivor's pension. The Pension Authority takes over some tasks from the Insurance Fund and all tasks from the Premium Pension Fund.

On 1 July 2010, the multiple birth supplement was increased by SEK 50 for the second child; SEK 100 for the third child; SEK 150 for the fourth child and SEK 200 for the fifth child and any subsequent children.

Chapter 2

Population and Income Distribution

Link to supplementary information:

[EUROSTAT - database](#)

[EU-SILC database](#)

Table 2.1 Total fertility rate in the EU, Faroe Islands, Iceland and Norway, 2008

Denmark	1.9	Austria	1.4	Greece	1.5	The Netherlands	1.8
Faroe Islands	2.5	Belgium	.	Hungary	1.4	Poland	1.4
Finland	1.9	Bulgaria	1.5	Ireland	2.1	Portugal	1.4
Iceland	2.2	The Czech Republic	1.5	Italy	.	Romania	1.4
Norway	2.0	Cyprus	1.5	Latvia	1.4	Slovakia	1.3
Sweden	1.9	Estonia	1.7	Lithuania	1.5	Slovenia	1.5
		France	2.0	Luxembourg	1.6	Spain	1.5
		Germany	1.4	Malta	1.4	United Kingdom	.

Source: EUROSTAT; Statistics Faroes

Population

The demographic composition of the populations in the Nordic countries varies somewhat from one country to another, which is significant in relation to the need for child-minding facilities, activities for children and adolescents, the number of unemployed people and their age groups, the number of old-age pensioners, as well as the need for care and nursing of the oldest age groups.

The overall fertility rate has been relatively stable in the Nordic countries during recent years, with the Faroe Islands and Iceland having the highest fertility rates and Denmark, Finland and Sweden the lowest.

At the same time, the number of people in the oldest age groups has increased in all the countries and consequently also the need for care and nursing. There are, however, marked differences among the various countries and between the two genders. In all the countries, there are more women than men in the oldest age groups, which naturally results in many women living alone during the last years of their lives.

Of the Nordic countries, Sweden has the oldest population and Iceland and the Faroe Islands the youngest. In relation to the rest of Europe, the average figures for the EU countries show a marked population decrease in respect of the youngest age groups, and the trend towards there being more people in the oldest age groups, in particular as far as women are concerned, is also found in the EU countries as a whole.

This development can be explained by the markedly low birth rates, especially in the Southern European countries.

Figure 2.1 shows the development of the Nordic populations until 2050 based on the national population projections.

It should be noted that there are differences in the premises, which the individual countries have applied, as to development in fertility, anticipated average life and migration, cf. Table 2.3.

POPULATION AND INCOME DISTRIBUTION

Table 2.2 Mean population by gender and age, 2009

	Denmark		Faroe Islands		Finland		Iceland		Norway		Sweden	
	1 000	Per cent	1 000	Per cent	1 000	Per cent	1 000	Per cent	1 000	Per cent	1 000	Per cent
<i>Men</i>												
0-6 years	234	9	3	1	212	8	16	10	215	9	380	8
7-17 "	388	14	4	16	344	13	25	16	353	14	608	13
18-24 "	232	9	3	10	235	9	17	10	219	9	430	9
25-49 "	944	35	8	33	883	34	59	36	859	36	1.555	34
50-64 "	545	20	5	18	577	22	28	17	456	19	903	20
65-79 "	312	11	3	10	298	11	13	8	232	10	547	12
80- "	80	3	1	3	77	3	4	3	77	3	181	4
In total	2 736	100	25	100	2 625	100	162	100	2 411	100	4 604	100
<i>Women</i>												
0-6 years	223	8	2	10	203	7	15	10	205	8	360	8
7-17 "	370	13	4	17	330	12	24	15	334	14	576	12
18-24 "	222	8	2	9	224	8	16	10	210	9	409	9
25-49 "	927	33	7	31	848	31	55	35	820	34	1 495	32
50-64 "	545	20	4	17	587	22	26	17	444	18	895	19
65-79 "	350	12	2	11	365	13	14	9	262	11	605	13
80- "	147	5	1	5	170	6	6	4	143	6	312	7
In total	2 783	100	23	100	2 726	100	158	100	2 418	100	4 653	100
<i>Men and women</i>												
0-6 years	457	8	5	10	414	8	32	10	419	9	740	8
7-17 "	758	14	8	16	674	13	49	15	687	14	1.185	13
18-24 "	454	8	5	10	459	9	33	10	430	9	839	9
25-49 "	1.871	34	16	32	1.730	32	114	36	1.679	35	3.049	33
50-64 "	1.090	20	9	18	1.163	22	54	17	900	19	1.798	19
65-79 "	662	12	5	10	663	12	27	9	494	10	1.152	12
80- "	227	4	2	4	247	5	10	3	220	4	493	5
In total	5 519	100	49	100	5 351	100	319	100	4 829	100	9 256	100

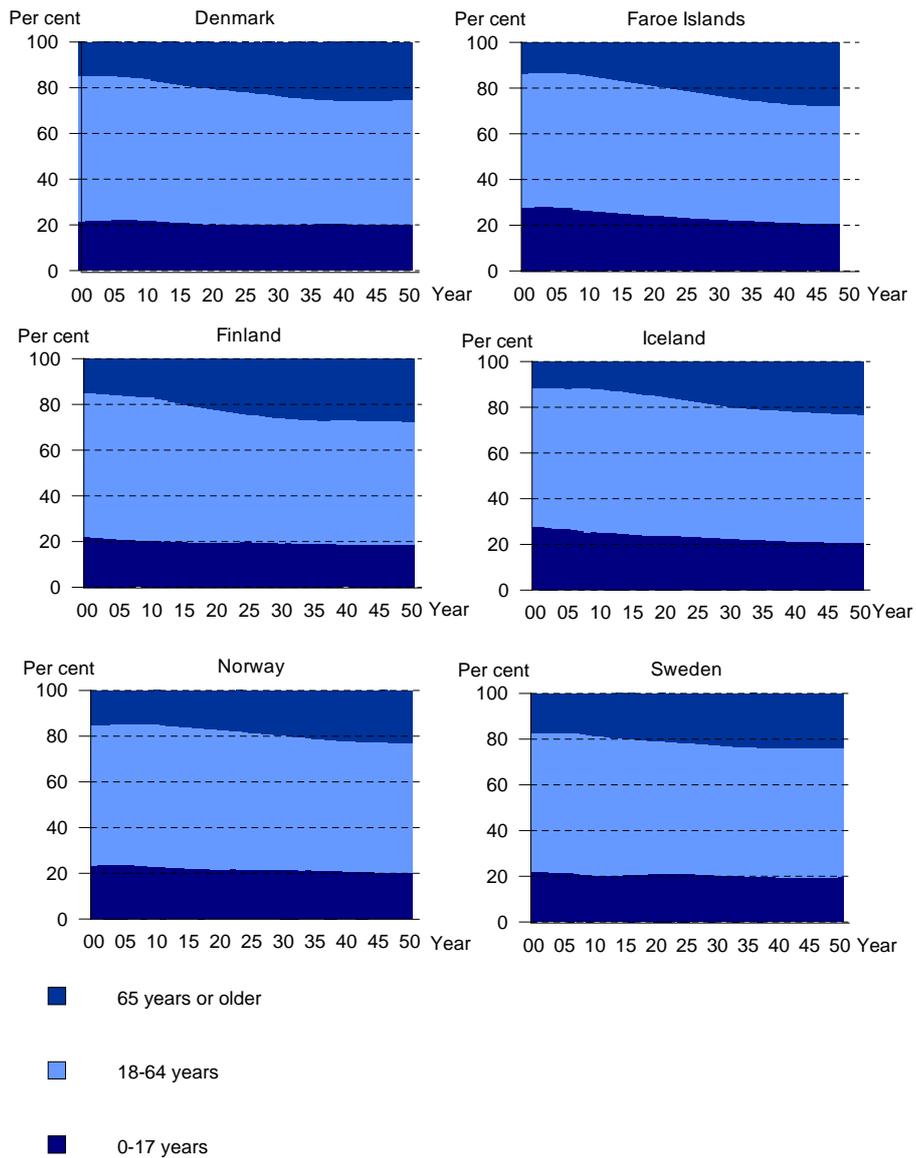
Table 2.3 Outline of the background for the population projection in the Nordic countries

	Denmark ¹⁾		Faroe Islands		Finland		Iceland		Norway		Sweden	
	2009	2049	2009	2048	2009	2050*	2008	2050	2009	2050	2009	2050
<i>Anticipated average life</i>												
Men	77	84	77	80.4	77	86	80	85	79	86	79	84
Women	81	86	82	82.5	83	90	83	87	83	89	83	86
Fertility rate	1.9	1.9	2.3	2.5	1.9	1.9	2.1	1.9	2.0	1.9	1.91	1.8
Number of children born, 1 000	64	65	13	..	60	59	5	5	62	74	112	94
Anticipated net migration	5.0	4.5	-0.3	3.5	15.0	15.0	-4.8	0.8	38.6	19.0	49.0	19.7

1 Fertility for people of Danish origin only.

* Population projections, 2000-2060.

Figure 2.1 Mean populations in percentages broken down by age groups 2000-2009 and projections 2010-2050



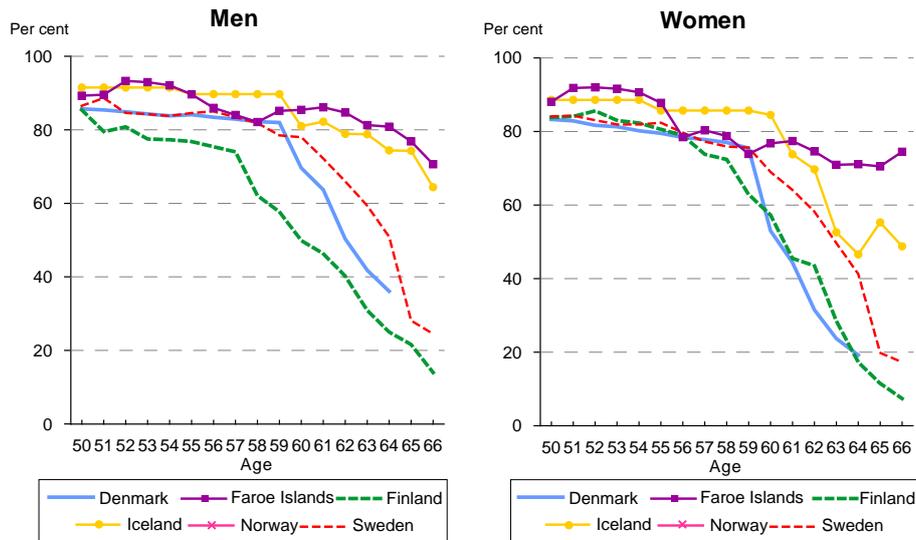
Early Retirement from the Labour Market

A significant issue in relation to the expenditure on the elderly and the disabled is especially the length of time for which people in active employment remain in the labour market.

Figure 2.2 shows the employment rate for men and women in the age group 50-66 years in 2009, and Figures 2.3 and 2.4 show the development in the employment rate for 60- and 64-year-old men and women, respectively, in the period 2000-2009.

As it appears from Figure 2.2, men have a higher employment rate in general than do women. In all the Nordic countries, the employment frequency declines markedly with age in respect of both men and women. There are, however, also large differences from one country to another. The reasons for such differences are mainly to be found in different occupational structures, with the resulting different damages to the health of the labour force, differences in the unemployment patterns, as well as differences in the possibilities of retiring early from work with public income-substituting benefits.

Figure 2.2 People in employment as percentages of the population, broken down by age and gender, 2009



Early retirement from the labour market is most common in Denmark and Finland. These two countries have the most comprehensive public retirement schemes. In the Faroe Islands, there are no other public retirement schemes than health-related disability pension, and besides, the unemployment problem is very limited. This also applies to sailors receiving public pension in Iceland. In Denmark, there is the voluntary early retirement scheme, in Finland, the unemployment pension and in Norway, pension laid down by agreement. Sweden holds a position in between in respect of public retirement schemes.

There are distinct differences amongst the countries as to the employment rate for the 60- and 64-year-old men and women. The development in the period 2000-2009 also differs from one country to another. The employment rate for the 64-year-olds shows a somewhat more heterogeneous pattern, however. Particularly in Finland and Denmark, there has in recent years been an increasing employment frequency for the 60-year-olds and to a lesser degree for the 64-year-olds. This applies to both men and women.

Figure 2.3 Women of the ages 60 and 64 years in employment. Per cent, 2000-2009

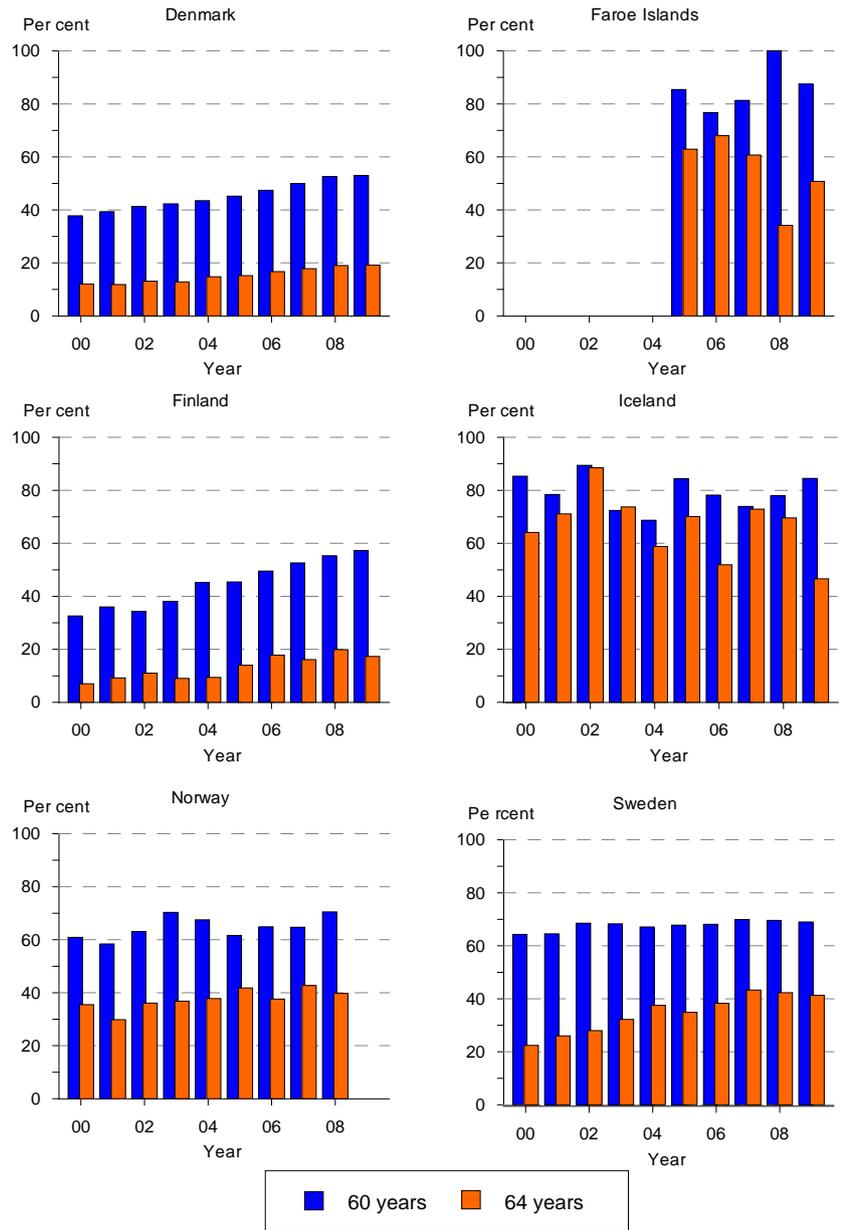
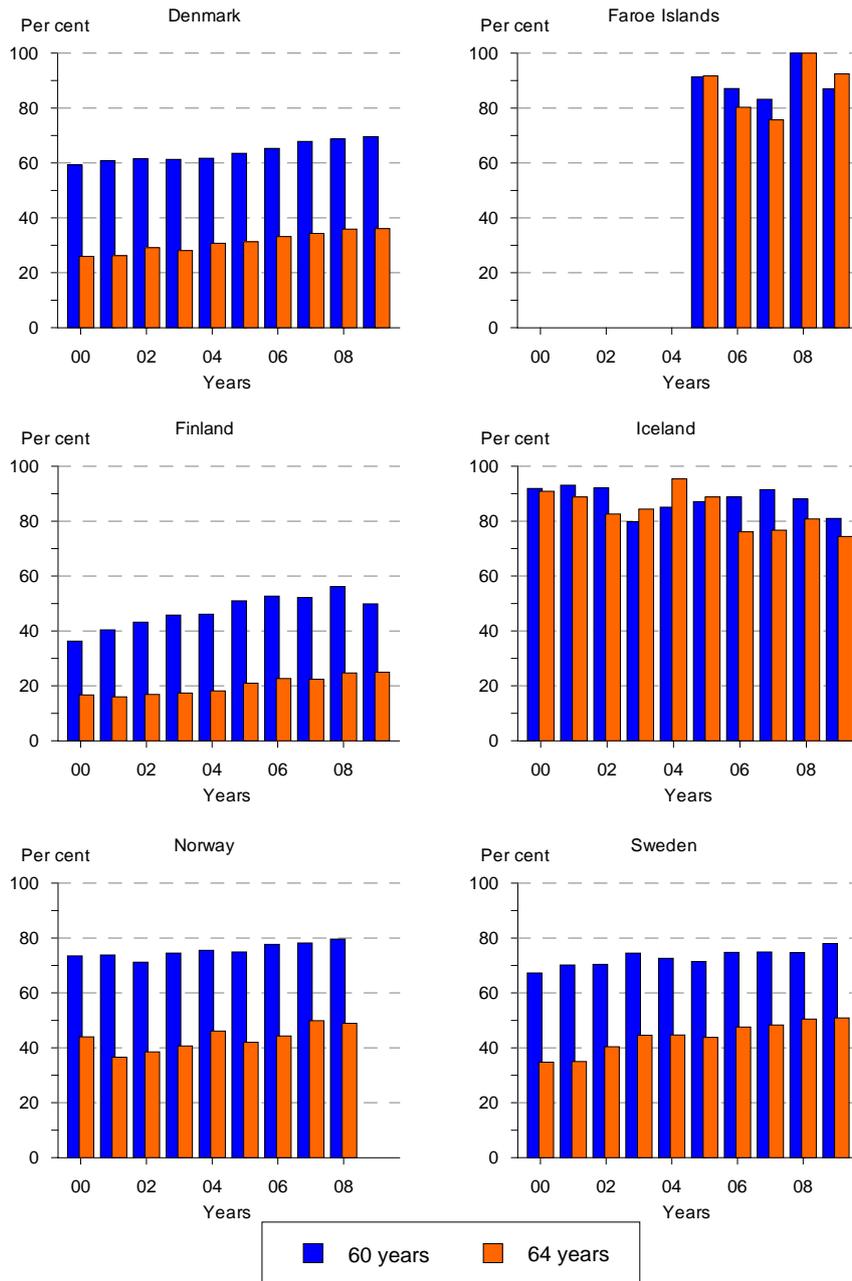


Figure 2.4 Men of the ages 60 and 64 years in employment. Per cent, 2000-2009



Income Distribution

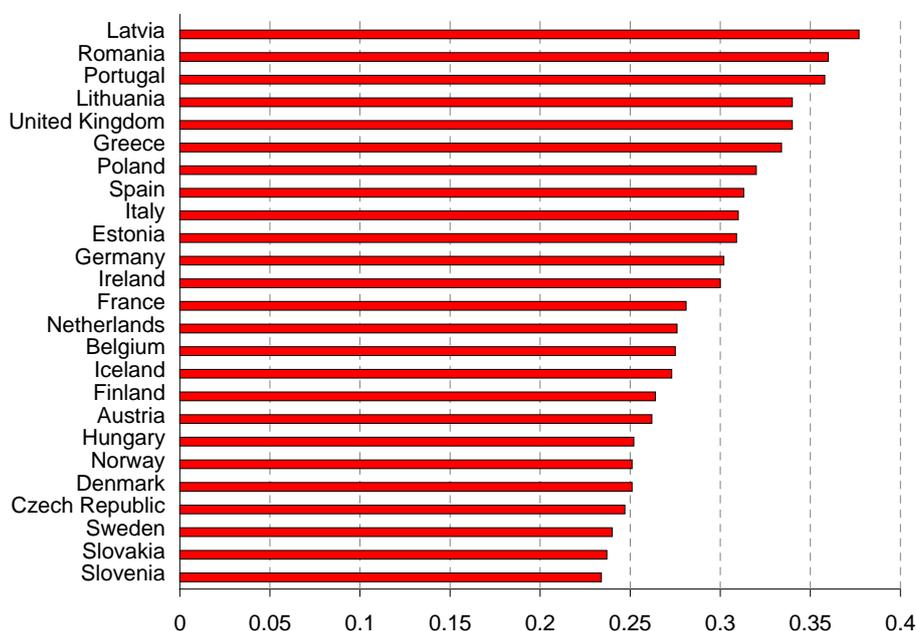
Figure 2.5 shows income distribution expressed by way of Gini coefficients for the Nordic countries and selected EU countries in 2008 (the Gini coefficient is a measure of dispersion, where the lowest value is 0 and the highest is 1).

Compared with other countries, the differences in the income levels in the Nordic countries are rather slight. The differences are not very significant in Sweden, Norway and Denmark and somewhat more so in Finland and Iceland.

The similarities in the income distribution in the Nordic countries are results of many different factors.

Undoubtedly, income transfers and taxation are significant factors for the similarities. It is, however, difficult to establish the direct effect on the income distribution as the income distribution may also be influenced by attitudes and previous transfers.

Figure 2.5 Gini coefficients for the Nordic countries and selected EU countries in 2008



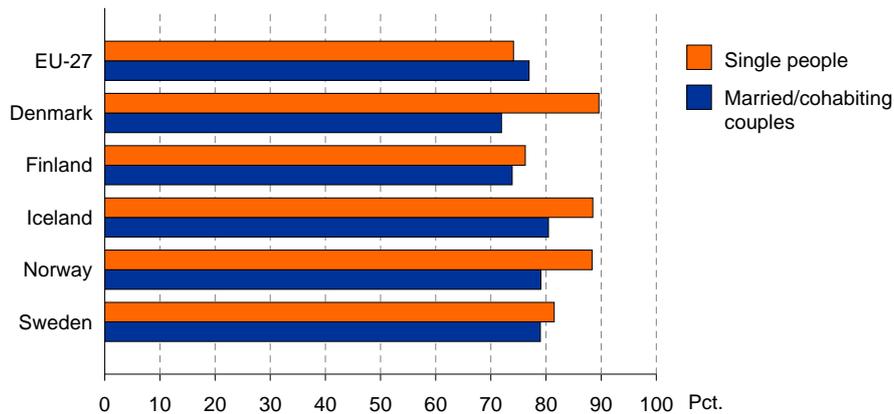
Source: EU-SILC.

Pensioners' Incomes Compared with Other Households

Figure 2.6 shows the disposable incomes in families where at least one person in the household is over 65 years (65+ years). The incomes are shown as percentages of the disposable incomes for single people and couples under 65 years.

As can be seen from the Figure, families over 65 years have a lower disposable income on average in all the countries than have families under 65 years. This applies to both single people and couples, but single people have a considerably higher percentage share than do couples, however (for the EU-27, it is the other way round).

Figure 2.6 Equivalent incomes for single people/couples 65+ years as percentages of the equivalent incomes for single people/couples under 65 years, 2008



Source: EU-SILC.

Relative Poverty

Tables 2.4 and 2.5 show the ratio of the population living in households with an income of less than 50 and 60 per cent, respectively, of the median of the equivalent disposable income in 2008.

It should be mentioned, however, that calculations of relative poverty are susceptible to the definitions used. The largest differences among the countries and in relation to the EU average are in particular to be found for single parents and for single elderly people.

Table 2.4 Ratio of the total population living in households with an income of less than 50 per cent of the median of the equivalent disposable income, per cent, 2008

	Denmark	Finland	Iceland	Norway	Sweden	EU27
Single parents	3	15	9	11	12	20
Single people under 65 years	18	18	15	22	16	17
Couples younger than 65 years	3	3	5	4	5	7
Couples with dependent children:						
- couples with one dependent child	4	4	3	3	5	7
- couples with two dependent children	3	3	1	2	3	8
Single people 65+ years	5	14	10	10	8	14
Couples, of whom at least one part is 65+ years	2	3	2	1	2	7
All households	6	7	5	7	6	10

Source: EU-Silc.

Table 2.5 Ratio of the total population living in households with an income of less than 60 per cent of the median of the equivalent disposable income, per cent, 2008

	Denmark	Finland	Iceland	Norway	Sweden	EU27
Single parents	16	25	28	21	26	35
Single people under 65 years	27	29	21	28	24	24
Couples under 65 years	5	6	7	6	7	10
Couple with dependent children:						
- couples with one dependent child	5	7	6	5	9	12
- couples with two dependent children	4	8	4	4	6	14
Single people 65+ years	21	40	36	33	28	27
Couple, of whom at least one part is 65+ years	14	11	5	3	6	15
All households	12	14	10	11	12	16

Source: EU-Silc.

Chapter 3

Families and Children

Links to supplementary information:

[EUROSTAT - database](#)

[EU-SILC database](#)

[Typical cases](#)

[Social expenditures](#)

While the Nordic countries spend almost identical ratios of the total social expenditure on families and children in per cent of the GDP, there are somewhat larger differences in the spending patterns of the EU countries.

Table 3.1 Expenditure on families and children as percentages of the GDPs in the EU, Faroe Islands, Iceland and Norway, 2007

Denmark	3.7	Austria	2.8	Greece	1.5	The Netherlands	1.6 ^p
Faroe Islands	4.7	Belgium	2.0	Hungary	2.8	Poland	0.8
Finland	2.9	Bulgaria	1.3	Ireland	2.6	Portugal	1.2
Iceland	2.9	The Czech Republic	1.7	Italy	1.2 ^p	Romania	1.7
Norway	2.8	Cyprus	2.0 ^p	Latvia	1.2 ^p	Slovakia	1.5 ^p
Sweden	3.0 ^p	Estonia	1.4	Lithuania	1.2 ^p	Slovenia	1.8 ^p
		France	2.5 ^p	Luxembourg	3.2	Spain	1.2 ^p
		Germany	2.8 ^p	Malta	1.1	United Kingdom	1.5 ^p

^p Preliminary data.

Note: The source is EUROSTAT: Database for Social Protection Expenditure and Receipts. The source for the Faroe Islands is the Ministry of Social Affairs and Health.

One characteristic trait of Nordic families is that there are relatively many single parents. In all the countries, the number of single mothers is considerably higher than that of single fathers. The large number of one-parent families reflects the frequent changes in family structures.

The Nordic countries also differ from the other European countries in that women have a high participation rate (cf. Chapter 4), which increases the need for childminding options during parents' working hours. Moreover, childminding falls under the educational system in the rest of Europe, and so the figures in Table 3.1 are not quite comparable.

FAMILIES AND CHILDREN

Table 3.2 Families by family type

	Denmark	Finland	Iceland ¹⁾	Norway	Sweden ²⁾³⁾
	2009	2009	2009	2009	2009
<i>Total no. of families with children aged 0-17 years in 1 000</i>	766	584	51	618	1 090
Of whom in per cent:					
- Married	61.7	61.5	60.1	55.5	78.3
- Cohabiting couples	16.1	18.4	23.3	23.0	
- Single people	22.1	20.1	16.6	21.5	21.7
Total	100.0	100.0	100.0	100.0	100.0
<i>Distribution of children (per cent)</i>					
-1 child	40.8	43.6	47.3	44.0	43.2
-2children	42.8	38.3	33.8	39.3	41.9
- Three or more children	16.4	18.1	18.9	16.7	14.9
Average number of children per family	1.8	1.8	1.5	1.8	1.8
<i>Total no. of families without children in 1 000</i>	2 048	2 337	75.0	1601	4 372
Heraf (pct.):					
- Married	27.5	25.7	43.8	30.8	28.2
- Cohabiting couples	8.4	8.7	5.1	6.5	
- Single people	64.1	65.6	51.1	62.7	71.8
Total	100.0	100.0	100.0	100.0	100.0
<i>Single people with children in per cent</i>					
Men	17.0	13.2	8.7	18.4	19.7
Women	83.0	86.8	91.3	81.6	80.3
Total	100.0	100.0	100.0	100.0	100.0
<i>Single people without children in per cent</i>					
Men	50.0	48.6	53.0	49.3	50.7
Women	50.0	51.4	47.0	50.7	49.3
Total	100.0	100.0	100.0	100.0	100.0
<i>Average number of people per family</i>	2.0	1.8	2.5	2.2	1.8

Note: For further information, see Appendix 5.

- 1 Figures taken from Hagstofa Iceland's committee survey on living conditions (EU-SILC).
- 2 Figures projected by means of the simulation model FASIT and based on Statistics Sweden's committee survey of household economies.
- 3 Cohabiting individuals counted as married people.

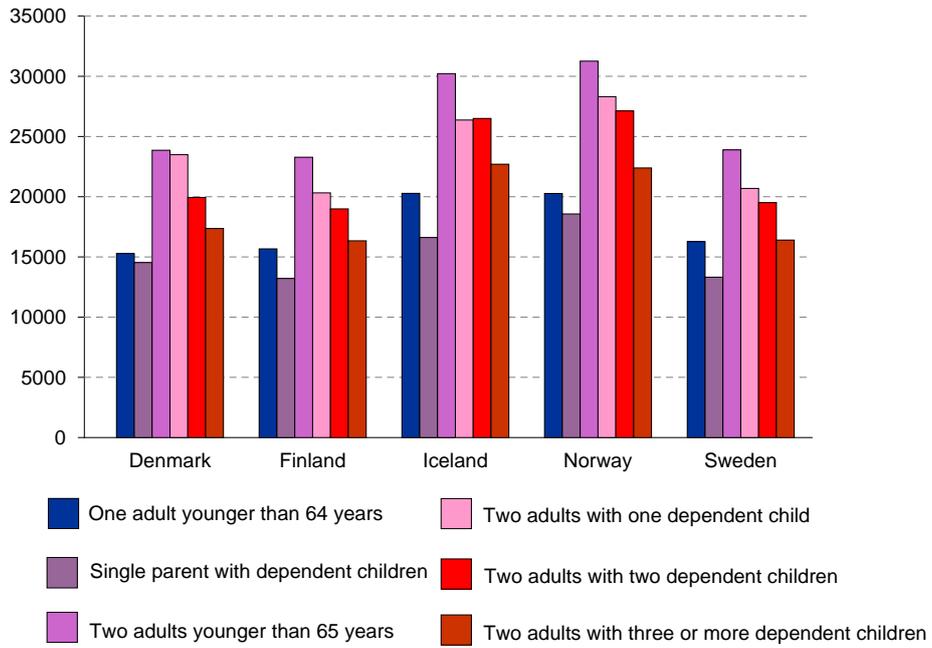
Figure 3.1 shows the average disposable incomes broken down by family types and measured in PPP-Euro in 2008. The incomes have been adjusted in relation to household sizes and compositions in order to make household sizes more comparable (see Appendix 1).

The purpose of Figure 3.1 is to compare different household types, and the Figure thus shows the disposable incomes for the adults in the household, for which reason households without children include only households without elderly members. Especially the category single-adult households includes many students and others who are not in permanent employment. This partly explains the relatively low incomes for single-adult households. In all the countries, single providers have the lowest incomes.

In all the countries, couples with many children have lower incomes than have couples with no children or couples with one child. The number of children increases the divisor used for the calculation of equivalent income.

Besides, several other factors contribute to the levels of income of the various household types. Participation rates and levels of education vary in respect of the various household types, just as the average earnings increase with age.

Figure 3.1 Equivalent average disposable incomes broken down by family types, PPP Euro 2008



Source: EU-SILC data. Average equivalent net income in PPP.

Cash Benefits to Families and Children¹

Daily Cash Benefits in Connection with Childbirth and Adoption

In all Nordic countries, compensation is granted to cover any loss of income in connection with childbirth during the last few weeks prior to and at least the first months after childbirth. In all the countries, a similar benefit is payable in the event of adoption.

In all the countries, the benefit amount depends on any previous income but also on the length of the leave period. In all countries, employees may receive their pay in full according to collective agreements.

In Denmark, a prerequisite for obtaining the benefit is that one complies with the employment requirement, i.e. either by having worked for 120 hours within the latest 13 weeks; by being entitled to daily cash benefits; or by having concluded a vocational qualification course of a duration of at least 18 months within the past month; or by being an apprentice in paid trainee service.

In the Faroe Islands, it is also a condition for receiving the benefit that one is affiliated with the labour market by way of employment or by being self employed, or that one draws unemployment benefit. Other people are entitled to means-tested social assistance.

In the other Nordic countries, people who are not affiliated with the labour market also qualify for a benefit. In Finland, Iceland and Sweden, only a small amount is awarded (a basic amount), however, and in Norway, the benefit is a non-recurrent payment. In 2010, the amount is NOK 35 236 per child. Both in Norway and Sweden, the benefit shall increase the shorter the period of time in which it is drawn.

In all the countries, mothers are entitled to compensation for any lack of income if they are forced to terminate their work early in their pregnancy period due to work that could be detrimental to the foetus or in case of a difficult pregnancy. The rules governing such incidents vary somewhat from one country to another; in some countries, maternity benefits will be payable, in some cases sickness benefits and in other cases a special benefit.

¹ Benefits payable to children who have lost one or both parents are described in Chapter 6. Special benefits that may be granted as supplementary social benefits to families and children are described in Chapter 8.

Table 3.3 Rules governing award of income-substituting cash benefits in the event of childbirth, 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Gainfully employed (employees)</i>						
Maximum number of weeks in which maternity benefit will be payable	50 ¹⁾	52	44 (46) ²⁾	39	46/56 ⁴⁾	69
- Maternity benefit to mothers before birth (weeks)*:	4	4-8	5-8	4	3	9
Maternity benefit (weeks)::						
- Mother only	18	14	18	13	9	8
- Father only	-	4	(2) ²⁾	13	10	8
- Either mother or father	32 ¹⁾	30	26 ³⁾	13	⁵⁾	53
Additionally:						
- Father together with mother	2	2	3	-	2 ⁵⁾⁶⁾	2
Benefits subject to tax?	Yes	Yes	Yes	Yes	Yes	Yes
<i>Not gainfully employed</i>						
Maximum number of weeks in which maternity benefits will be payable	..	..	44	39	Lump sum ⁷⁾	69
Benefit subject to tax?	..	..	Yes	Yes	⁷⁾	Yes
Leave period sharable with father?	..	..	Yes, for a max. of 26 weeks	Yes	⁶⁾	Yes

* Note: The total number of reimbursable weeks includes the number of weeks, in which mothers are entitled to benefits prior to giving birth.

- 1 The common leave period of 32 weeks may be prolonged by 8 or 14 weeks to 40 or 46 weeks. The total leave period will consequently be 58 or 64 weeks. When a leave period is prolonged, the daily cash benefits will be reduced accordingly, so that the total amount for the 40 or 46 weeks equals the amount payable for 32 weeks.
- 2 Fathers, who receive parental daily cash benefits during the last 12 working days of the parental daily cash benefit period, are entitled to paternal daily cash benefits for another 12 working days (the so-called bonus days of leave).
- 3 In the event of multiple births, the maternity-benefit period will be extended by 60 days for the second child and any subsequent children.
- 4 46 weeks at a compensation level of 100 per cent or 56 weeks at a compensation level of 80 per cent.
- 5 27 weeks in case of 46 weeks of maternity benefits and 37 weeks in case of 54 weeks of daily cash benefits.
- 6 Fathers are entitled to two weeks of unpaid leave in connection with childbirth. The two weeks may either be taken just before the child is born or immediately thereafter. Entitlement to two weeks unpaid leave does not apply in the event of adoption. In the public sector and in large parts of the private sector, there are, however, collective agreements granting compensation for those two weeks.
- 7 The non-recurrent payment of NOK 35 263 is exempt from tax. A father is entitled to a non-recurrent amount if the mother has died, and/or he has assumed sole custody of the child.

Table 3.4 Amount of income-substituting cash benefits in the event of childbirth, 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Gainfully employed (employees)</i>						
Amount of maternity benefit (per week) in per cent of previous income	100 ²⁾	100	Normally 90-70 ⁴⁾	80	100/80	80/77.6 ⁹⁾
Income ceiling per week for full compensation ¹⁾	3 940	6 250		ISK 87 209	NOK 8 409	SEK 8 208
Income ceiling per week for full compensation in PPP-Euro ¹⁾	374	594		584	736	790
Minimum amount per week	.	.	EUR 132	ISK 19 113 ⁵⁾	NOK 701	SEK 1 260 ¹⁰⁾
Minimum amount per week in PPP-Euro	.	.	106	128	61	115
Maximum amount per week	3 625	5 580 ³⁾		ISK 87 209	7)	SEK 6 370
Maximum amount per week in PPP-Euro	344	530		584		579
<i>Not gainfully employed</i>						
Amount of maternity benefit (per week)	-	.	EUR 132	ISK 11 559 ⁶⁾	8)	SEK 1 260
Amount of maternity benefit (per week) in PPP-Euro	-	.	106	77		114

1 The income ceiling is the income maximum (previous income) in relation to which the maternity benefit is calculated. The calculation of the income ceiling is made according to different principles in the various countries.

2 When the joint leave period of 32 weeks is extended to 40 or 46 weeks, daily cash benefits will be reduced accordingly, so that they correspond to 80 per cent for 40 weeks and to about 70 per cent for 46 weeks.

3 90 per cent of an earned income of a maximum of EUR 49 003 per year for the first 56 days of the maternal leave period. For incomes exceeding EUR 49 003, the figure is 32.5 per cent. For the following 49 days, it is 70 per cent of an earned income of up to EUR 31 850 per year.

4 Calculated as maternity benefits for mothers in work, the maximum amount will be NOK 8 049 per week at 100 per cent compensation for 46 weeks, or NOK 6 727 at 80 per cent compensation for 56 weeks.

5 For those who have not earned a right to maternity benefits, a non-recurrent payment of NOK 35 263 may be granted.

6 The minimum amount is payable when the employment has been between 25 and 49 per cent. The minimum amount payable when the employment has been between 50 and 100 per cent is ISK 26 489 per week. ISK 26 489 per week is payable to full-time students.

7 Shall also be payable when the employment is less than 25 per cent.

8 Benefits at the lowest level (for a total of 90 days) apply to parents in and out of employment, respectively.

9 The compensation level is 80 per cent, but a conversion factor for the income on which the compensation is based makes the compensation level 77.6 per cent.

10 Maximum amount per week is less contribution to holiday pay of 12 per cent.

In Denmark, the Faroe Islands, Finland and Sweden, fathers are also entitled to daily cash benefits for a number of days immediately after childbirth, at the same time as mothers draw maternity benefit. In Iceland, 13 weeks of the parental leave is reserved for fathers and may be used at the same time as the mothers' leave, and another 13 weeks may be divided freely between them. In Norway, six weeks of the parental-benefit period are reserved for fathers. Fathers are also entitled to two weeks of unpaid leave in connection with birth. In the public sector and in large parts of the private sector there are, however, collective agreements granting compensation for those two weeks.

The period, in which daily cash benefit is payable in connection with birth and adoption is generally relatively long in the Nordic countries. Maternity leave is, however, significantly longer in Sweden than in the other countries. The number of days with parental benefits is 480 days per child. If the parents mind the child jointly and equally, each parent will be entitled to half of those days. 60 days are reserved for an evaluation of the parents and cannot be transferred.

In Denmark, maternity leave is one year and very flexible. Parents may, for example, divide the last 32 weeks of leave between them and may take turns to go on leave, or they may do it one after the other or at the same time. The 32 weeks may be extended by eight or 14 weeks, but the total amount of daily cash benefit will not be changed. The parents may furthermore postpone parts of the leave period till later and use them before the child turns 9 years.

Equivalent Disposable Income and Compensation Grades when Receiving Maternity Benefit

In this year's edition of *Social Protection*, we have decided to use the equivalent disposable income for single parents and for couples with or without children, respectively. This means of course that the compensation grades for single parents with a newborn and for couples with two children apart from a newborn changes as the comparison previously was made using a couple with two children and a single childless person. The definition of the equivalent incomes appears from Annex 1. The first adult counts as 1. The second adult counts as 0.5, and each child counts as 0.3.

The compensation level in connection with childbirth also varies considerably from one country to another. Figure 3.2 shows the equivalent disposable income at three different income levels, i.e. for a single parent with a newborn who draws maternity benefits.

Figure 3.3 shows the equivalent disposable income at two different income levels for a couple with no other children than the newborn, and for a couple who already has two children.

As can be seen from Table 3.5, the compensation payable to a single parent receiving maternity benefit differs somewhat in the Nordic countries. The higher compensation payable in Denmark, the Faroe Islands and Norway for an AW (the average pay for a blue-collar worker) = 67 per cent is primarily due to the child allowance payable for newborn children, but also to the housing benefit being higher for families with children than it is for childless families.

For couples with two children besides the newborn, the lower compensation level to a single person with no children in Denmark, the Faroe Islands, Norway and Sweden for AW=67 per cent is due to the payment for places in day-care institutions for the other two children. The compensation levels appear from Tables 3.5 and 3.6.

Figure 3.2 Equivalent disposable income for a single parent, who draws maternity benefit, per month (December) 2009 in PPP-Euro

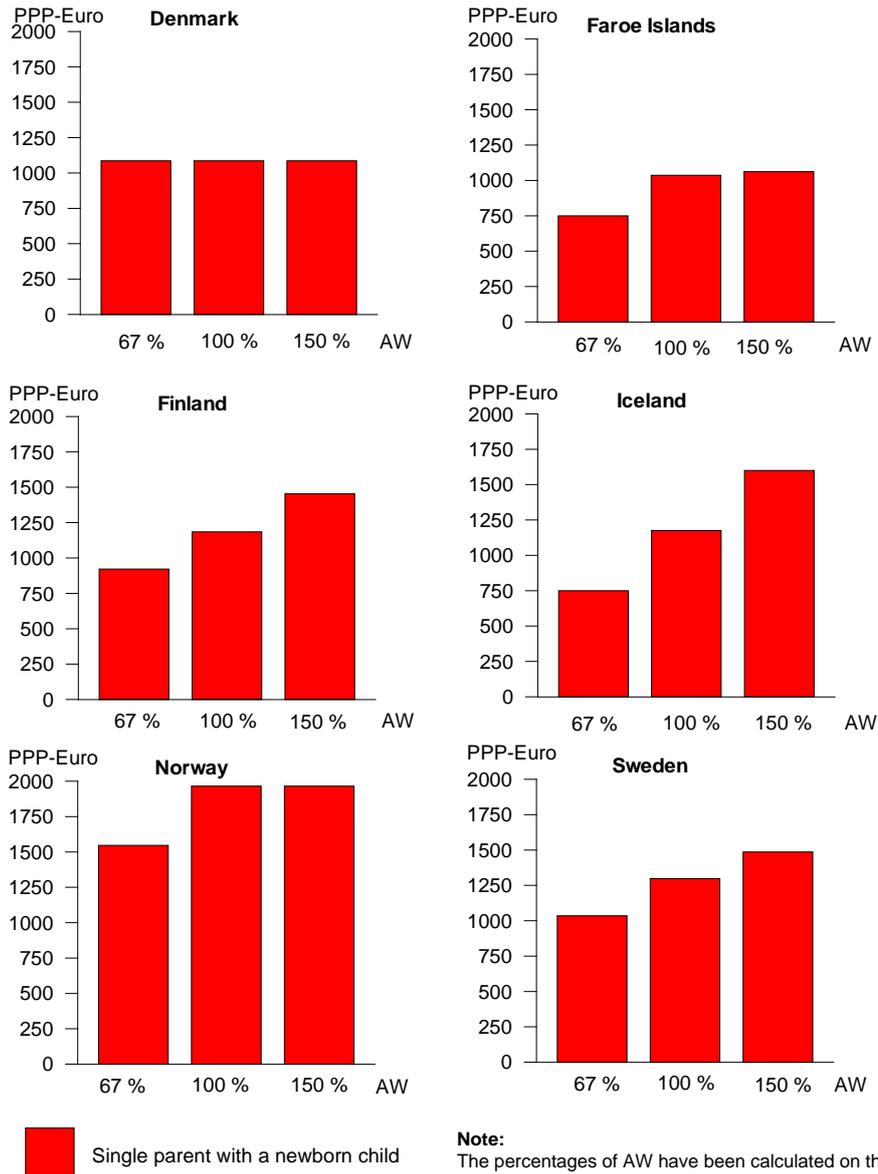


Table 3.5 Equivalent compensation grades per month for a single parent who draws maternity benefits, as percentages of disposable income per month when in work (December) 2009

	<i>Denmark</i>	<i>Faroe Islands</i>	<i>Finland</i>	<i>Iceland</i>	<i>Norway</i>	<i>Sweden</i>
<i>67 per cent. AW</i>	88	77	70	61	93	74
<i>100 per cent. AW</i>	62	77	66	69	83	64
<i>150 per cent. AW</i>	47	58	59	67	60	55

Figure 3.3 Equivalent disposable income for a couple drawing parental benefits per month (December) 2009 in PPP-Euro

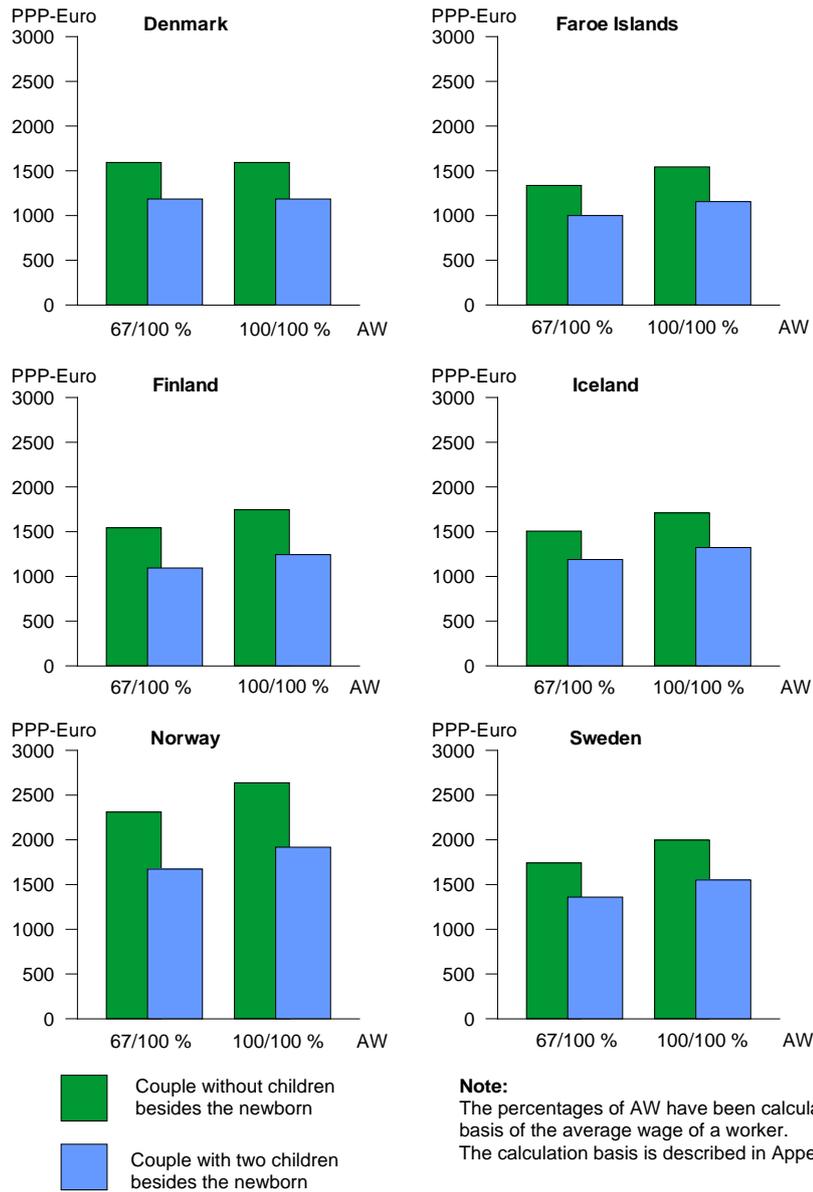


Table 3.6 Equivalent compensation grades for a couple when drawing parental benefits as percentages of disposable income when in work, when the partner earning the most draws benefits, 2009

	Denmark	Faroe Islands	Finland	Iceland ¹⁾	Norway	Sweden
<i>Couple with no other children than the newborn</i>						
67/100 per cent. AW	81	86	77	77	86	76
100/100 per cent. AW	69	86	77	76	84	74
<i>Couple with two children besides the newborn</i>						
67/100 AW	86	89	70	83	87	81
100/100 AW	72	89	71	82	85	79

1 Almost half of the women in the labour-force are employed by public services or by employers, who they receive full pay during maternity leave instead of maternity benefits.

The compensation grades also depend on the level of the daily cash benefits in relation to previous income. Daily cash benefits are lowest in Finland and highest in Denmark, measured in relation to previous income (cf. Table 3.4). In Finland, there is, however, no upper limit to the level of the daily cash benefits, but the compensation rate is lower at higher incomes. In Iceland, an income maximum for the daily cash benefits was introduced on 1 January, 2005. The maximum amount of daily cash benefits is highest in Iceland and lowest in Denmark. The compensation level is generally high in the Faroe Islands, also in respect of the upper income brackets. In Sweden and Finland, the compensation levels are also relatively high for the upper income brackets, whereas the level in Denmark is relatively low for those groups.

Men and Women's Use of the Daily Cash Benefit Schemes

It is characteristic that more and more men make use of the daily cash benefit schemes in connection with childbirth and adoption. However, both the number of recipients and the number of days in which maternity benefits are payable vary considerably from one country to another.

Table 3.7 Number of days with daily cash benefits in the event of pregnancy, childbirth and adoption during the year, 2000-2009

	Denmark ¹⁾	Finland	Iceland ²⁾	Norway	Sweden ³⁾⁴⁾
<i>Number of days (1 000) in which maternity benefits were payable</i>					
2000	13 150	15 232	696	10 920	37 100
2005	20 281	15 751	1 122	11 026	44 254
2008	22 536	16 306	1 258	12 027	49 002
2009	21 475	16 534	1 282	12 647	49 561
<i>Of which men in per cent</i>					
2000	5.5	4.2	2.9	6.9	13.7
2005	5.9	5.5	32.7	8.8	20.5
2008	6.2	6.6	34.2	11.3	22.3
2009	7.3	6.7	33.9	11.6	23.1

1 The calculation method was revised in 2002.

2 Before 2000, entitlement to daily cash benefits during maternity leave did not apply to mothers who were entitled to full pay from their employers.

3 Data relate to recipients of parental benefits.

4 Data relate to net days with parental benefits, pregnancy benefits and temporary parental benefits in connection with childbirth and adoption.

This partly reflects differences in the coverage of the schemes, partly in the duration of the period in which one is entitled to the benefit. In Denmark, maternity leave was extended to one year in 2002. In Iceland, the new legislation on parental leave, which took effect in 2001, was fully developed in 2003, granting fathers the same independent entitlement to paternity leave for 13 weeks as mothers enjoy. These changes can be seen from the statistics, which reveal that there are significantly more men than before receiving paternity benefits.

In Norway, the scheme giving fathers an exclusive right to part of the benefit period (father quota) was prolonged from four to five weeks in 2005 and to six weeks in July 2006. The latest prolongation concerns children born after 1 July 2009. The quota is now 10 weeks. So far, the prolongation has been visible in the statistics by fathers taking more days with paternity benefits. The number of fathers exceeding the father-quota period is also increasing, albeit relatively slowly. Fathers' entitlement to paternity benefits still depends on mothers being gainfully employed after childbirth; receiving publicly approved education; or depending on assistance to take care of the child due to illness or injury.

The Swedish figures are not comparable with those from the other countries, as the benefits are payable for more days per child than is the case in any of the other countries. Besides, parental daily cash benefits may be payable until a child reaches the age of eight years. In 2009, 83 per cent of the total number of days in which parental benefits was paid for children under the age of three years, and in 2008, it was 84 per cent. As to women, about 88 per cent of the days were for children under the age of three, and as to men, about 68 per cent in 2009.

Adoption Allowances

Adoptive parents are by and large granted the same benefits as biological parents with some exceptions. Adoptive parents are for example not entitled to maternity leave, but to parental benefits for a longer period than are biological parents.

In connection with adoption of a child from another country, an allowance shall be granted to cover the expenses occurred by the adoption. The adoption allowance is tax free and is a non-recurrent payment. In Finland, the adoption must take place by way of an international agency.

In Sweden, an allowance may be payable in the event of adoption by the National Social Insurance Fund. The amount is SEK 40 000 and is tax free. It is, however, a precondition that the child has been born by foreign citizens who are not resident in Sweden at the time of adoption. Moreover, the child must not yet have turned 10.

Table 3.8 Newly adopted children during the year who receive adoption allowance, 2000-2009

	Denmark	Faroe Islands ¹⁾	Finland	Iceland	Norway	Sweden
2005	586	9	..	..	602	976
2006	448	25	222	..	498	875
2007	429	10	155	20	404	707
2008	395	14	162	34	327	695
2009	497	13	197	34	315	720

1 As to the Faroe Islands, it applies that the High Commissioner attends to the provision of children for adoption. Statistics from and including 2005 are taken from the annual report of the High Commissioner.

Cash Benefits to Parents Minding Children

Table 3.9 Rules applying to leave schemes concerning childminding as per December 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Leave schemes for people in work?	Yes ¹⁾	No	Yes	No	Yes	Yes
Length of leave period	52 weeks	-	Until the child turns 3 years	-		480 days ³⁾
Amount of supplement	60 per cent of the daily cash benefit maximum	-	EUR 314 per month + EUR 94 for subsequent children under 3 years + EUR 60 for each subsequent child under 7 years + income-tested supplement of a maximum of EUR 168	-	Graded parental benefits	390 days with basic amount of sickness benefits and 90 days with the minimum amount
Number of children covered by the scheme	1 140 ²⁾	-	97 617	-	..	212 954

* Note: The number of weeks in which the mother is entitled to daily cash benefits prior to giving birth is included in the total number of weeks in which the mother qualifies for maternity benefits.

1 The scheme has been abolished with effect from 2011.

2 Number of parents, 4th quarter of 2009.

3 The level of parental benefits payable is adjusted in relation to the extent of the recipient's work. If the mother works 50 per cent, she will be granted 50 per cent of the parental benefits.

In Denmark, the rules applying to childminding leave were revoked with effect from 2011 in connection with the extension of the maternity leave to one year in 2002. Parents of children, who were born prior to the introduction of the new maternity-leave scheme, are thus still entitled to go on childminding leave until the child turns nine.

In Finland, parents may after a period of receiving parental daily cash benefits choose between a place in a municipal day care institution or an allowance for the minding of young children. The allowance may be granted as a supplement towards payment for childminding in the home or as a supplement towards payment for private childminding. The allowance towards childminding in the home may be granted if a family has a child under the age of three years.

Parents may also choose to work reduced hours if they have children under the age of three. They will then be awarded a reduced minding allowance of EUR 70 per month.

In the Faroe Islands, there are no schemes for parental benefits in connection with childminding.

In Iceland, some municipalities subsidize minding of young children, if they are waiting for a place in a municipal day care institution. Rules and amounts vary.

In Norway, the benefit is graded. The scheme applies in the event of childbirth or adoption and makes it possible to claim part of the maternity benefits in combination with income from work for a period exceeding the standard periods of 44 or 54 weeks. The benefits must be drawn before the child turns three years. The scheme was simplified in 2007, which has increased the use of the combination options.

In Sweden, parents are entitled to parental benefits for 69 weeks in connection with childbirth. This period may be divided into several short periods until a child turns eight or has completed its first year at school.

Moreover, there are schemes in Norway, Finland and Sweden entitling parents to stay at home without pay to take care of their children. In Sweden, this scheme applies until a child turns 18 months. Besides, one is entitled to work part-time, 75 per cent of full time, until a child turns eight.

In Sweden, a voluntary municipal minding contribution was introduced on 1 July 2008. Local authorities may pay a minding contribution of a maximum of SEK 3 000 for children who have turned one but not yet three years and who do not make use of any child-minding schemes. The minding contribution cannot be combined with parental benefits for the recipient or his/her cohabiting partner or spouse. The minding contribution is tax free.

For children born from 1 July 2008 it is possible to apply for an equal opportunities bonus. The bonus encompasses parents sharing the minding and involves a reduction of tax of a maximum of SEK 3 000 per month (SEK 100 per day) to parents who have claimed minimum parental benefits. The bonus cannot exceed SEK 13 500 per child.

In Norway, cash benefits are payable to children between the ages of 12 and 35 months (one- and two-year-olds) who are not attending kindergarten on a full-time basis. The amount is NOK 3 303 per child per month. The benefit is neither needs- nor income-tested and is tax free. A relatively reduced amount is payable if a child attends kindergarten on a part-time basis.

Minding of ill children

In all Nordic countries, parents are to some extent entitled to stay at home to mind an ill child. In Norway and Sweden, this right is governed by law and in the other countries by collective agreements.

In all the countries, parents themselves decide whether the mother or the father shall stay at home to mind a child. In Sweden, it is also possible for an insured person other than one of the parents to take time off to mind an ill child and to collect daily cash benefits. In Norway, single providers are entitled to 20 days of absence and couples to 10 days of absence each to mind an ill child.

As to the length of the period in which one is entitled to stay at home to mind an ill child, the scheme is most generous in Sweden, allowing 120 days per year per child, and least so in Denmark, the Faroe Islands and Iceland.

In Denmark, the Faroe Islands, Finland and Iceland, full pay compensation is made, however, in connection with child minding during short-term illness. In Sweden, a compensation corresponding to 80 per cent of one's income from work is payable up to a certain income level (corresponding to the upper limit for sickness benefits).

In all the countries, there are special rules applying to the minding of chronically or seriously ill children.

Child Allowance

Table 3.10 Rules applying to child allowance, 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Child allowance income-tested?	No ¹⁾	No	No	Yes	No	No
Child allowance exempt from tax?	Yes	Yes	Yes	Yes	Yes	Yes
Equal allowances granted for children of all age groups?	No/Yes ²⁾	Yes	Yes	No	Yes	Yes
Supplements for any additional children?	No	No	Yes	Yes	No	Yes
Extra child allowance to single parents?	Yes	Yes	Yes	Yes	Yes	No
Special child allowances granted to special groups?	Yes ³⁾	No	No	No	⁴⁾	No

1 The special child allowance, which will be granted where one or both a child's parents have been granted disability pension before 1 January 2003 or retirement pension, is, however, income-adjusted. Child allowances to special groups of children receiving education are also income-adjusted.

2 The family allowance is age-dependant; other child allowances are not age-adjusted.

3 Multiple-birth allowance payable for children born in multiple births.

4 A special supplement to the child allowance is payable in Norway for children resident in the Finmark, a couple of municipalities in the northernmost part of Troms and in Svalbard. This supplement amounts to NOK 3 480 per child in 2009.

In all the countries, an allowance is payable for children. The allowance is tax free and independent of parents' income, with the exception of Iceland, where the child allowance is income-tested. In Iceland, a fixed amount is payable irrespective of income as from 2001, however, as an extra supplement for all children under the age of seven. In Denmark, the Faroe Islands, Iceland and Norway, the allowance is payable until a child reaches the age of 18; in Finland, until a child reaches the age of 17; and in Iceland and Sweden, until a child reaches the age of 16 years - 20 years, however, if a child receives education. In all the countries, with the exception of the Faroe Islands, child allowance is financed by Central Government. In the Faroe Islands, local authorities finance 43 per cent of the expenditure on child allowances by way of a deduction from one of the parents' income. If the deduction is not used in full, the remaining amount will be payable as a supplement to the parents.

Table 3.11 Annual amount of child allowance, 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK ¹⁾	DKK	EUR	ISK ²⁾	NOK ³⁾	SEK ⁴⁾
<i>Couple with:</i>						
1 child	13 004	10 321	1 200	84 108	11 640	12 600
2 children	26 008	20 642	2 526	71 311	23 280	26 400
3 children	39 012	30 963	4 218	123 220	34 920	43 248
<i>Single parent with:</i>						
1 child	22 480	16 501	1 759	284 414	23 280	12 600
2 children	40 180	33 002	3 644	498 936	34 920	26 400
3 children	57 880	49 503	5 896	728 705	46 560	43 248
<i>Allowance in PPP-EURO</i>						
<i>Couple with:</i>						
1 child	1 235	981	965	563	1 019	1 145
2 children	2 471	1 961	2 032	477	2 038	2 398
3 children	3 706	2 942	3 393	825	3 057	3 929
<i>Single parent with:</i>						
1 child	2 136	1 568	1 415	1 903	2 038	1 145
2 children	3 817	3 135	2 932	3 339	3 057	2 398
3 children	5 499	4 703	4 743	4 877	4 076	3 929

1 Calculations were made on the basis of a family allowance for 3-6-year-olds of DKK 3 251 per quarter to both single parents and couples. The allowance payable for 0-2-year-olds amounted to DKK 4 107 per quarter and to DKK 2 558 per quarter for 7-17-year-olds.

2 In Iceland, the amount of the allowance is subject both to the number of children in a family and to the family income. The maximum allowance to a couple with one child aged 0-16 years is ISK 152 331 and ISK 253 716 to single parents. For each child in addition to the first one, a maximum of ISK 181 323 is payable to cohabiting couples and ISK 260 262 to single parents. Besides, a supplement of ISK 61 191 is payable for children between 0 and 6 years irrespective of income. Where a couple's annual income (in 2008) exceeds ISK 3 600 000 and that of a single parent ISK 1 800 000, the allowance will be reduced by 2 per cent of the earnings exceeding the maximum amount for one child, 5 per cent for two children and 7 per cent for three or more children. All calculations in the table were made for one child under 7 years and the average annual income for couples with children and for single parents. The average amount is for all children between 1 and 16 years (children born in the years 1993-2008).

3 The average amount includes infant supplement to single providers and the supplement for Svalbard and Northern Norway.

4 The average amount per child was calculated by adding the amounts of child allowance, multiple-birth supplement and prolonged period of child allowance in 2009, divided by the number of children receiving child allowance and the number of children with prolonged periods of receiving child allowance in December 2009.

Advance on Maintenance Allowance for Children

For children whose parents do not live together, a maintenance allowance will normally be payable by the parent not living with the child. A maintenance allowance for children will be fixed in connection with dissolution of marriage or as part of the legal proceedings in connection with birth of a child out of wedlock. The allowance will be fixed either according to agreement between the parents, by way of a court decision or a decision rendered by the local authorities.

In Denmark, Finland and Sweden, people with high incomes may be ordered to pay a higher amount than the standard allowance.

In Norway, new rules were introduced in respect of the fixing of advance maintenance allowances in 2003. The amount of the allowance is based on the principle that the mother and the father share the expenses of the maintenance of the child in relation to their individual economic situation. The division between the parents takes into account the allowance-paying party's access to the children to the effect that parents who have much access pay smaller allowances.

Where the party liable to pay does not comply on time, the public authorities may in all the Nordic countries pay the party entitled to the allowance in advance. In Denmark, the Faroe Islands, Iceland and Finland, only an amount equalling the ordinary allowance shall be payable in advance, however. In Norway, the allowance advance is income-adjusted. The age limit for entitlement to payment in advance of the maintenance allowance is 18 years. In Iceland, Finland and Sweden, the period may be extended to 20 years if a child is receiving education.

Table 3.12 Amounts of maintenance-allowance advances (KR/EUR) in 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Maximum amount per child per year	13 536	12 192	1 637	259 884	16 020	15 276
Maximum amount per child per year, PPP-Euro	1 286	1 158	1 317	1 739	1 402	1 388

1 Maximum maintenance-allowance advances (annual average). There are three different advance rates depending on the income of the party receiving the allowance.

Table 3.13 Number of children receiving maintenance-allowance advances as percentages of the population under 18 years, 2000-2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden ¹⁾
2000	14	9	10	19	18	16
2005	13	9	9	19	14	13
2008	11	9	9	19	12	13
2009	11	9	9	..	12	12

1 Number of children under 19 years.

Other Benefits

In Norway, tax relief for minding children supplements the ordinary child allowance. The expenditure on this relief is, however, not included in the social expenditure statistics. The social security fund may also grant single providers a so-called transition allowance for maintenance, financial support towards child minding and education grants.

In Finland, Iceland, Norway and Sweden, a child pension has been introduced in the form of a basic pension and a supplementary/employment pension. In Denmark, a special child allowance is payable.

Child pension is payable to children who have lost one or both parents. Child pension is described in detail in Chapter 6.

Services to Families and Children

In the Nordic countries, it has been decided to provide children and families with an extensive service on a daily basis. The responsibility for the operation of such services rests basically with the local authorities, who provide day-care institutions for children and adolescents, pre-school classes, family day care, child-minding in the homes as well as child and youth welfare schemes.

Children who are physically or mentally disabled will, as far as possible, be integrated in the general care schemes.

In all the countries, families with children may, in exceptional cases, be granted home help. This applies for example where the person taking care of the home and the children is unable to do so due to illness, childbirth or the like.

Families may furthermore be granted assistance in order to avoid that children and adolescents be placed away from their homes.

Day-Care Institutions and Family Day Care

Day-care institutions for pre-school children

Children of pre-school age are received in day-care institutions. In all the countries, both full-time and part-time places are available.

In Denmark, Finland and Norway, parents may, according to slightly dissimilar rules, be granted a cash amount for minding their children in their own homes, either part-time or full-time.

In all the countries, local authorities must ensure that there are sufficient places available. As a supplement, there are in all the countries also private minding schemes that play a significant part.

In Denmark, a national child-minding guarantee was adopted in 2004 to the effect that local authorities are obliged to supply places in day-care facilities adjusted to the children's ages to all children from the age of 26 weeks and until school start.

Moreover, parents are entitled to choose a place in a day-care facility in another municipality. Local authorities may, however, decide to close the waiting lists for admission of children from other municipalities for reasons of capacity.

In the Faroe Islands, local authorities are not obliged by law to supply all children with a kindergarten place.

In Finland, all children under seven years are entitled to a place in a municipal day-care institution or in family day care. Parents may also have their children looked after in a private home with municipal subsidies. The Social Insurance Institution pays the amount direct to the institution/private individual looking after the child/children.

In Iceland, some municipalities subsidize minding of small children, if they are waiting for a place in a municipal day-care institution. Rules and amounts vary.

In Norway, local authorities are obliged to provide a kindergarten place to parents who so wish. Parents have, however, no legal right to a place.

In Sweden, pre-school activities include all activities for children from one year to school age. The activities may be “pre-school” family day care or day-care institutions with pre-school activities. The municipalities are obliged to provide pre-school activities or family day care to:

- children, whose parents work or study
- children, whose parents are unemployed or on parental leave. In such cases, children must be offered at least three hours per day or 15 hours per week
- children, who are in need of such activities.

A place must be provided without any unnecessary delay, i.e. usually within three to four months after parents have enrolled a child. Local authorities must take into due consideration parents' wishes as to type of minding, and

the place should be provided as close to a child's home as possible. Moreover, all children must be offered at least 525 hours free of charge at a pre-school from the autumn in which they turn four (the so-called ordinary pre-school). The Government has proposed that children attend the general pre-school from the autumn of the year in which they turn three. The proposal shall apply from 1 July 2010. From 1 July 2009, family day-care homes shall be replaced by educational care. This will be a total concept for family day care in several varieties.

Family day care

Municipal family day care exists in all Nordic countries. These schemes mainly cover pre-school children. Municipal child-minders are employed and paid by the local authorities and receive children in their homes. As is the case with places in day-care institutions, parents pay for having their children minded in family day care. In all the countries, there is also private family day care that is run without any subsidies from public authorities. Such child-minding options are not included in the Nordic social statistics.

Pre-school classes

In all the countries, there are special classes preparing young children for school. These classes have been established according to somewhat different rules. After school hours, children may participate in after-school clubs.

In Denmark, the pre-school class is subject to compulsory education. The annual number of lessons is at least 600 class hours, corresponding to 20 hours a week in lessons of 45 minutes spread over 200 school days. After school hours, children may spend time in either day-care institutions or after-school clubs.

In the Faroe Islands, pre-school classes are only provided in one single facility.

In Finland, 6 year-olds are entitled to a pre-school place free of charge. The scheme comprises 700 hours per year. The scheme is not compulsory, but almost all 6-year-olds participate in measures preparing them for school.

In Iceland, all 6-year-olds must attend school and are consequently not included in these statistics.

In Sweden, local authorities are obliged to offer all 6-year-olds a minimum of 525 hours in the new school structure – the pre-school class. In the autumn 2008, 95 per cent of all 6-year-olds attended pre-school classes, whereas a few

per cent had already started in primary school. All 6-year-olds are entitled to start school if their parents so wish. After school, children from pre-school classes and primary school may stay in the after-school clubs.

Children of school age

In all the countries, there are day-care options for children of school age. Minding may either take place in special youth centres for children of school age or be integrated in the minding of pre-school children in day-care institutions. In Norway, the responsibility for the development of after-school clubs is placed with the school sector. This also largely applies in Denmark, Iceland and Sweden. The range of offers varies from one municipality to another.

There are different upper age limits to entitlement to places at youth centres/after-school clubs. In Denmark, the age limit is 10 years in some municipalities and 14 years in others. In the Faroe Islands, the largest municipalities provide after-school clubs up to and including 2nd grade; in smaller municipalities, day-care schemes are applied until the same age level. In Finland, there is normally no age limit, but in special cases it may be 10 years. In Iceland, it is 9 years, in Norway 10 years and in Sweden 12 years. In Norway, local authorities must provide after-school clubs for children in the 1st to the 4th grade and for children with special needs from 1st to 7th grade.

Children enrolled in day-care institutions and publicly financed day care

The number of children who are covered by day-care schemes in day-care institutions and family day care varies significantly from one country to another. Some of the reasons for this are the extent of the unemployment and the fact that children in pre-school classes in Denmark also spend time in day-care institutions after having attended their pre-school classes. The low figures for the 1-2-year-olds in Finland are a result of the home-care allowance option. In Sweden, the long maternity-leave period also plays a significant part.

Table 3.14 Rules applying to the minding of children in day-care institutions and family day care, 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Children of pre-school age</i>						
All children entitled to a place in a day-care institution/family day care?	Yes, children over the age of 26 weeks	No	Yes	No	No	No
Centrally laid down rules governing user payment?	Yes	Yes	Yes for municipal, no for private	No	Yes	Yes
Upper limit to the user-payment amount? If yes, amount should be stated.	Yes, a maximum of 25 per cent of the estimated gross expenditure	No	Yes, EUR 233 per child/month in municipal day care (as from August 2010 EUR 254)	Yes, according to legislation, amount must not exceed the actual municipal medium expenditure per child in day-care institution	NOK 2 330 per month	SEK 1 260
Option of full-time or part-time places free of charge?	Yes	Yes	Yes	No	No	Yes
<i>Children of school age</i>						
All children entitled to a place in youth centre/after-school club?	Yes ¹⁾	No	No, but minding facilities must be provided for mornings or afternoons for children in the first and second grades	Yes, depending on municipality, however, and only children between six and nine years of age.	No	Yes ²⁾
Centrally laid down rules governing user payment?	Yes, but not for after-school club schemes (SFOs)	Yes	.	No	Local authorities must only charge amounts covering the actual expenses	Yes
Upper limit to the user-payment amount? If yes, amount should be stated.	Yes, a maximum of 30 per cent of the estimated gross expenditure on youth clubs, but none on SFOs	No	.	No		SEK 840
Option of full-time or part-time places free of charge?	Yes	Yes	..	A local authority decision	A local authority decision	Yes
Age limit to minding of children of school age	Up to 14 years	None	.	6-9-year-olds	Up to and including 4 th grade, and 7 th grade for children with special needs	6-12-year-olds

1 All children are entitled to be registered for a place, and the local authorities must provide an adequate number of places, but there is no minding guarantee as for children of pre-school age.

2 If a child's parents work or study or if the child itself is in need of the scheme. If the parents are unemployed, the child is entitled to a place in a day-care institution.

Table 3.15 Children enrolled in day-care institutions and publicly financed day care by age as percentages of the respective age groups, 2000-2009

	Denmark	Faroe islands	Finland ¹⁾	Iceland	Norway ²⁾	Sweden
<i>2000</i>						
< 1 year	15	..	2	7	2	.
1-2 years	77	..	35	59	37	60
3-5 years	92	..	66	92	78	86
0-5 years in total	75	..	46	68	52	66
6 years	90	..	67	-	.	77
0 - 6 years in total	77	..	49	58	.	68
7-10 years	63	..	3	.	.	51
<i>2005</i>						
< 1 year	15	21	1	6	3	.
1-2 years	85	79	37	76	54	67
3-5 years	95	88	69	94	91	95
0-5 years in total	79	74	47	73	64	71
6 years	88	83	67	-	.	84
0-6 years in total	80	75	50	63	.	73
7-10 years	63	28	1	.	.	61
<i>2008</i>						
< 1 year	17	20	1	7	4	.
1-2 years	90	84	42	81	75	70
3-5 years	97	93	73	94	96	97
0-5 years in total	81	78	51	75	73	73
6 years	91	95	69	-	.	86
0-6 years in total	83	81	53	65	.	75
7-10 years	74	34	1	.	.	66
<i>2009</i>						
< 1 year	15	17	1	..	4	.
1-2 years	90	85	40	..	77	70
3-5 years	97	93	73	..	96	97
0-5 years in total	81	78	49	..	74	74
6 years	91	89	69	..	.	85
0-6 years in total	83	80	52	..	.	75
7-10 years	75	39	1	..	.	67

1 Figures from and including 2000 are including children in publicly subsidised private day care.

2 As from 2000 only children of the age group 0-5 years. The figures for children over 6 years from 2009 refer to the academic year 2009-2010. Of the age group 7-10 years, only children 7-9 years are shown.

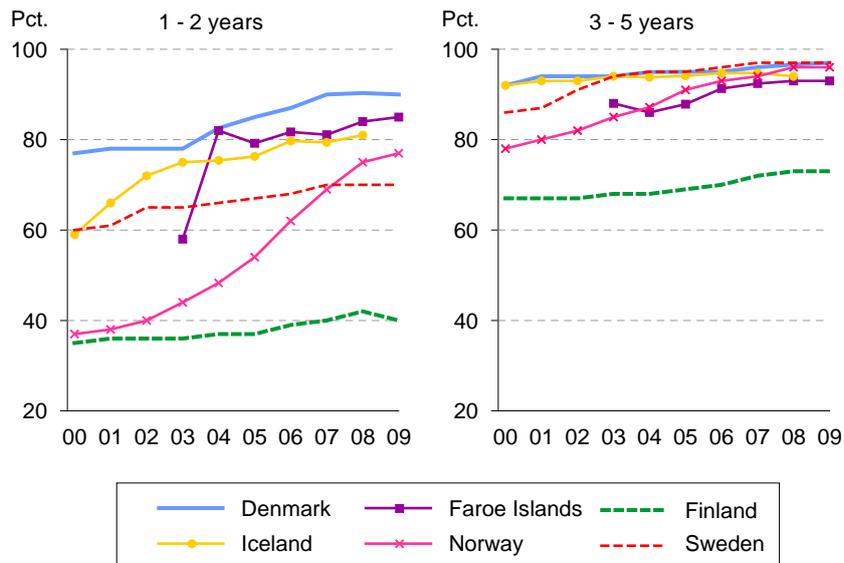
Table 3.16 Children enrolled in day-care institutions and publicly financed family day care (1 000) by age, 2000-2009

	Denmark	Faroe Islands	Finland ¹⁾	Iceland	Norway ²⁾	Sweden
<i>2000</i>						
< 1 year	10	..	1	-	1	.
1-2 years	103	..	40	5	44	111
3-5 years	192	..	122	12	144	242
0-5 years in total	306	..	163	17	189	353
6 years	65	..	44	-	.	81
0-6 years in total	370	..	207	17	.	434
7-10 years	171	..	8	-	.	255
<i>2005</i>						
< 1 year	10	-	1	-	2	.
1-2 years	110	1	41	7	62	136
3-5 years	189	2	117	12	159	271
0-5 years in total	310	3	159	19	223	407
6 years	60	1	38	-	.	76
0-6 years in total	369	4	197	19	.	484
7-10 years	176	1	3	-	.	238
<i>2008</i>						
<1 year	11	-	1	-	3	.
1-2 years	118	1	50	7	89	152
3-5 years	189	2	128	12	169	302
0-5 years in total	318	3	178	20	261	454
6 years	59	1	39	-	.	86
0-6 years in total	377	4	217	20	.	540
7-10 years	199	1	2	-	.	250
<i>2009</i>						
1-2 years	10	-	1	..	3	.
3-5 years	118	1	47	..	94	155
0-5 years in total	191	2	128	..	173	310
6 years	318	3	176	..	270	465
0-6 years in total	59	1	40	..	.	88
7-10 years	378	4	216	..	.	553
7-10 years	201	1	2	..	.	259

1 Cf. Table 3.15.

2 Cf. Table 3.15.

Figure 3.4 Children 1-5 years enrolled in day-care institutions and publicly financed family day care as percentages of the age group, 2000-2009



Cf. notes to Table 3.15.

Child and Youth Welfare

In all the Nordic countries, various forms of preventive measures are taken to further the upbringing of children and adolescents in safe and comfortable environments. These may comprise both general measures and measures specifically aimed at individual children or adolescents.

Legislation in the various countries also allows the public authorities to step in lending support or to place a child in care if the risk arises of children or adolescents growing up under adverse circumstances.

Preventive measures

Preventive measures exist in all the Nordic countries either focusing on the family or the child. Preventive measures may be taken by way of advisory services, practical educational support in the homes, family treatment, stays in residential institutions for both parents and children, contact or support persons for the entire family, or financial support with a view to avoiding placement of children away from their homes.

Table 3.17 Children, adolescents and families receiving support measures during the year

	Denmark	Faroe Islands	Finland	Iceland ¹⁾	Norway ²⁾	Sweden ³⁾
	2008	2008	2008	2008	2008	2009
0-17 years	11 537	313	59 055	3 788	29 175	24 257
18-22 years	..	28	8 292	.	1 566	.
Families	..	203	-	3 015	.	.

1 Children and adolescents covered by some form of support measure.

2 Figures for Norway show support measures for children not placed in care.

3 Children and adolescents 0-18 years as at 1 November 2009.

Placement away from home

In all the countries, it may become necessary to place a child away from its home. The reason may be that parents need help to bring up the child, or that the child's health or development is threatened due to neglect. Measures may also be taken if young people themselves expose their health or development to grave danger, e.g. through alcohol and/or drug abuse or crime.

Most placements of children away from their homes take place with the consent of the children's parents. Formally, most of the placements in Norway are involuntary as they are performed by the county authorities.

In all the countries, children may also be placed away from their homes without the consent of their parents. In Finland and Sweden, this is done following a court decision. In Denmark and Iceland, special municipal child and youth committees decide whether or not a child is to be placed away from its home. In Norway, government committees decide whether the Child Welfare Service must assume care of a child and place it away from its home, but the law also allows for a child to be placed away from its home without any decision being made by the welfare service as to assumption of

care. In the Faroe Islands, the National Child Welfare Service makes the decision upon recommendation from the local child welfare service.

The number of children placed away from their homes varies from one country to another, and the ratio has gone up in recent years. In Denmark, the number of placements is somewhat higher than in the rest of the Nordic countries. This is *inter alia* due to the fact that the number of children and adolescents who are placed away from their homes in Denmark also includes children and adolescents with reduced physical and/or mental abilities. Even if those disabled children and adolescents were disregarded, however, the number of placements is still larger than in the other countries. This especially applies to the 15-20-year-olds and must be seen in connection with the fact that a relatively large number of young people in Denmark is placed away from their homes, e.g. at boarding schools or continuation schools, in lodgings or in socio-instructional communal housing. This is only the case to a limited degree in the other Nordic countries.

Especially in the older age groups, more boys than girls are placed away from their homes, whereas the differences within the younger age groups are considerably smaller.

In Denmark, there is a variety of placement facilities, and almost one third of the children and adolescents placed in care are placed at facilities other than foster care and residential institutions. These other facilities mainly consist of socio-educational facilities but also boarding schools and the like, lodgings, etc.

That also applies to some extent to Finland and Sweden. In the category *Other facility* is also included placement in one's own home and in one's own room with support in Finland and in one's own home, own room or child-psychiatric clinic in Sweden.

Table 3.18 Children and adolescents placed away from their homes during the year, by age and per 1 000 inhabitants in the respective age groups, 2000-2008

	2000	2005	2007	2008		
				In total	Girls	Boys
<i>Denmark¹⁾</i>						
0-6 years	..	..	1.2	1.2	1.2	1.3
7-14 years	..	..	2.7	2.5	2.5	2.6
15-17 years	..	..	7.7	7.3	7.3	7.1
18-20 years	..	..	..	..	..	..
0-17 years	..	..	3.0	2.8	2.8	2.9
<i>Faroe Islands</i>						
0-6 years	..	..	3.3	2.1	..	..
7-14 years	..	..	10.3	5.5	..	..
15-17 years	..	..	24.6	11.0	..	..
18-20 years	..	..	11.0	2.6	..	..
0-20 years	..	..	10.2	4.8	..	..
<i>Finland</i>						
0-6 years	5.7	6.7	6.9	7.1	6.8	7.4
7-14 years	9.6	11.1	12.0	12.5	11.3	13.6
15-17 years	16.1	20.9	22.7	23.8	24.2	23.5
18-20 years	11.7	14.4	14.3	14.6	14.3	14.9
0-20 years	9.7	11.7	12.4	12.9	12.4	13.4
<i>Iceland²⁾</i>						
0-6 years	2.5	0.6	0.9	0.9	0.8	0.9
7-14 years	4.5	2.9	3.8	2.2	2.0	2.4
15-18 years	8.3	12.5	12.1	13.7	13.7	13.7
0-18 years	4.9	4.2	4.6	3.7	3.6	3.8
<i>Norway</i>						
0-6 years	3.6	4.1	4.3	4.3	4.1	4.5
7-14 years	7.9	8.8	9.4	9.7	9.2	10.2
15-17 years	17.4	18.0	19.5	19.9	20.6	19.2
18-19 years	11.0	16.6	16.5	17.2	17.3	17.0
0-19 years	7.9	9.3	10.0	10.2	10.1	10.4
<i>Sweden³⁾</i>						
0-6 years	3.6	3.9	3.9	3.8	4.1	4.0
7-14 years	7.1	7.7	7.9	7.9	8.5	8.2
15-17 years	16.8	17.1	19.3	19.4	21.7	20.6
18-20 years	11.8	13.5	13.0	12.7	14.9	13.8
0-20 years	8.0	8.9	9.4	9.3	10.3	9.8

1 Including children and adolescents with reduced physical and/or mental abilities. The figures have been calculated on the basis of number of children and adolescents who have been placed away from their homes as per 31 December, and the population figures as per 1 January the following year. Figures for 2007 and later are not comparable with figures from previous years due to use of a different calculation method.

2 The distribution of age and gender is based on estimates. For 2008, the age groups are 0-6 years, 7-14 years, 15-17 years and 0-20 years.

3 As from 1999, the group includes 18-20-year-olds who receive treatment according to the Social Service Act. This group of mainly 19-20-year-olds was previously included in the statistics as adult abusers. Children and adolescents who received assistance at some point in 2009.

Figure 3.5 Children and adolescents aged 0-20 years placed away from their homes per thousand of total number, 2000-2008

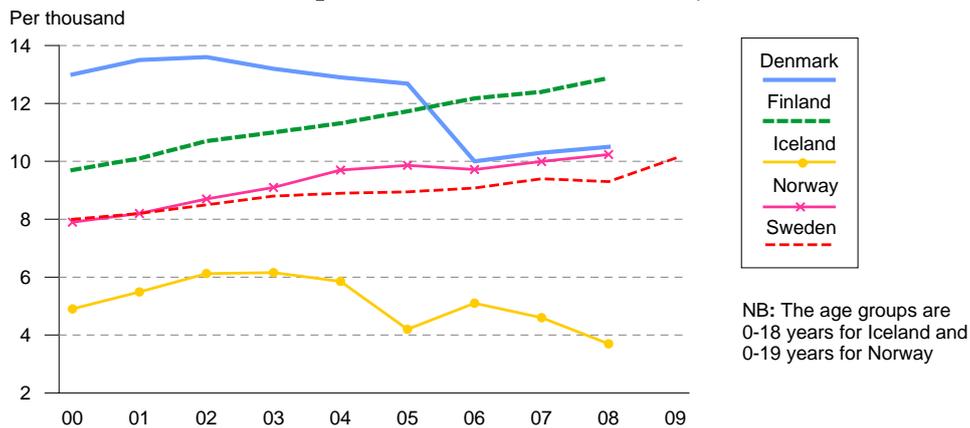


Table 3.19 Children and adolescents in placements per 31 December in the year, broken down by placement facility as percentages

	Denmark	Faroee Islands	Finland	Iceland ¹⁾	Norway ²⁾	Sweden ³⁾
	2008	2008	2008	2008	2008	2009
Foster care	47	46	59	39	73	73
Residential institution	24	20	27	44	18	25
Other facility	29	1	13	17	10	2
Total	100	67	100	100	100	100

1 Iceland during the year.

2 As from 2007, own accommodation/room and accommodation with follow-up service are included in the category Other facility.

3 1 November 2009.

Expenditure on and Financing of Cash Benefits and Services to Families and Children

Differences and similarities in the expenditure on families and children

The amounts spent by the Nordic countries on families and children in PPP per child 0-17 years vary highly. Denmark and Norway spend the most and Finland, the Faroe Islands and Iceland spend the least. It should be mentioned, however, that only Finland and the Faroe Islands have included salaries and wages in connection with childbirth and adoption in the social expenditure.

A more detailed picture appears from the distribution on the individual benefit areas.

Sweden and Norway, who have the largest expenditure on daily cash benefits in connection with childbirth and adoption, also have the longest leave schemes. In Denmark, cash benefits to parents minding children cover leave schemes for child-minding; in Finland, allowances for minding children in the home; and in Sweden, temporary parental benefits. In Norway, the amount covers expenditure on a child-minding scheme. This is a scheme aimed at granting single providers a subsidy to child minding to enable them to be professionally active. Similar allowances do not exist in the other countries.

Expenditure on other cash benefits mainly consists of the public authorities' advance payment of maintenance allowances to children, where Iceland spends the most.

In Denmark, the expenditure on day-care institutions and residential institutions, preventive measures, etc., is considerably higher than in the other countries. There are certain parallels in the expenditure on day-care institutions and the degree of coverage in the various countries. As the expenditure on after-school-club schemes is not included in the social expenditure, there is no direct connection between expenditure and the degree of coverage.

That the expenditure on residential institutions, preventive measures, etc., in Denmark is considerably higher than in the other countries is a result of the number of children and adolescents placed away from their homes being relatively high.

Changes in the social expenditure on families and children from 2007 to 2008

In Denmark, the expenditure increased from 2007 to 2008 by DKK 1.9 billion, corresponding to 2.9 per cent. The expenditure on cash benefits was by and large unaltered, while the expenditure on services increased by DKK 1.7 billion, corresponding to 4.5 per cent. The reason was considerable expenditure increases on both "day-care institutions and family day care" and "residential institutions (child and youth welfare)".

In the Faroe Islands, the expenditure increased by DKK 8 million from 2007 to 2008, corresponding to an increase of 3.9 per cent. The reason is among other things to be found in an increase in the expenditure on support measures to children with special needs, and the child and youth welfare as well as an increase in the payments of maternity benefits of no less than 20 per cent, primarily due to legislative changes resulting in a prolongation of the daily-cash benefit period in connection with childbirth.

In Finland, the expenditure at constant prices increased by 2 per cent. The largest increase was the expenditure on institutions for children and adolescents, which was 8.6 per cent, just as the number of children needing a place in an institution increased. The expenditure on daily cash benefits to parents increased by 3.5 per cent at constant prices, which was mainly a result of a higher pay level. The number of births increased by 1.5 per cent, and the number of children in day care increased by 6 410 children, and the expenditure on day care increased by 5.3 per cent at constant prices.

In Iceland, the social expenditure on families and children increased by 3.0 per cent from 2007 to 2008 at constant prices. The expenditure on cash benefits increased by 3.2 per cent at constant prices, which was essentially a result of an increase of 5.9 per cent in the daily cash benefits payable in connection with childbirth and adoption. The expenditure on services increased by 2.7 per cent at constant prices, which was primarily a result of an increase in the expenditure on the child and youth welfare of 10 per cent at constant prices.

In Norway, the expenditure on families and children increased by 4.3 per cent at constant prices. Cash benefits decreased by 1 per cent, while the expenditure on services increased by 9.3 per cent. Cash benefits amounted to 46 per cent of the total expenditure on families and children in 2008. The expenditure on daily cash benefits in connection with childbirth and adoption increased by 6.3 per cent. The increase in the expenditure on services was largely due to an increase in the expenditure on day-care institutions and family day care of 12.9

per cent. In 2008, 12 000 more children were enrolled in day-care institutions than in 2007.

In Sweden, the expenditure on families and children increased by 2.1 per cent at constant prices. The expenditure on parental benefits in connection with childbirth and adoption increased by 2.8 per cent and thus contributed to the total expenditure increase. The increase in the expenditure on parental benefits was owing to more daily cash benefits being payable in 2008 than in 2007. Most of the payment days were a result of more children being born, but the average amount was 1.7 per cent higher in 2008 than in 2007. This was to some extent due to changed rules, as the period in which parental benefits are payable has been prolonged by 30 days since 2002 for children born after 2002.

Table 3.20 Expenditure on and financing of cash benefits and services to families and children, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Cash benefits, million</i>						
A. Daily cash benefit in the event of childbirth and adoption	9 493	83	842	9 539	11 987	22 376
B. Birth allowances	-	1	11		392	28
C. Parental benefits when minding children (leave schemes, etc.)	241	-	344		1 690	32
D. Family or child allowances	15 918	142	1 425	9 189	14 558	23 389
E. Supplements						
F. Other	492	20	82	2 642	3 251	2 025
a. Of which advances on maintenance allowances to children	492	1	82	974	486	2 025
Cash benefits, total	26 144	246	2 753	21 370	31 879	47 850
<i>Services, million</i>						
A. Day-care institutions and family day care	27 150	307	4 371	12 390	25 564	31 866
B. Residential institutions (child and youth welfare)	9 174	41	71	4 047	6 235	8 795
C. Home help to families	15	-	519	116	1 129	
D. Other	3 685	16	22	5 380	4 440	4 609
Services, total	40 024	364	2 661	21 932	37 369	47 893
Total expenditure, million	66 168	610	5 414	43 302	69 248	95 743
Expenditure as percentage of GDP	3.8	5.0	2.9	2.9	2.7	3.0
<i>Financed by (per cent)</i>						
- Public authorities	83.9	85.8	85.5	78.6	82.5	76.5
- Employers	0.3	7.2	11.1	21.4	10.4	22.4
- The insured (contributions and special taxes)	15.9	7.0	3.5	0.0	7.2	1.1
<i>Changes 2006-2007 in terms of 2007 prices</i>						
- Million	1 873	-13	107	1 222	2 874	1 914
- Per cent	2.9	-2.1	2.0	2.9	4.3	2.0

Table 3.21 Expenditure on cash benefits and services to families and children, PPP 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Cash benefits, total per capita	453	484	418	448	585	470
- Per child 0-17 years of age	2 044	1 790	2 021	1 779	2 534	2 280
Services, total per capita	693	715	404	460	686	470
- Per child 0-17 years of age	3 129	2 648	1 953	1 826	2 970	2 282
Families and children, total per capita	1 145	1 199	822	907	1 271	940
- Total per child 0-17 years of age	5 173	4 439	3 974	3 606	5 503	4 561

User charges payable for child-minding

In all the Nordic countries, parents pay part of the costs for having their children minded in day-care institutions. When charges are calculated, a family's income is normally taken into account, and there may be discounts for siblings. Children of parents who have a very low income may in all the countries be granted a place free of charge. In none of the countries may payment exceed the actual costs of a place in an institution.

In Denmark, rules governing the maximum amount of user charges, places free of charge and sibling discounts are laid down centrally. In the Faroe Islands, rules are laid down centrally on the maximum amount payable and places free of charge. In Finland, user charges are fixed centrally, whereas the local authorities decide whether or not they will grant places free of charge.

In Iceland, user payment for places in the municipal day-care institutions amounted to 15 per cent of the total operating expenditure, whereas user payment for after-school clubs amounted to about 31 per cent of the total operating costs.

In Norway, there are centrally laid down rules governing maximum user charges payable and sibling reductions. All municipalities must be able to provide schemes for low-income families with children offering them a reduction or exemption from payment. Private and municipal kindergartens calculate their total operation costs in slightly different ways, however.

In Sweden, parents pay a rate as a rule which takes into consideration both income and the time, which a child spends in the institution, but a fixed rate may also apply, irrespective of income and time spent. User payment for minding in one of the private minding schemes should in principle be the same as in the municipal ones. Rules applying to maximum user payment have been laid down by Central Government. Within this framework, local authorities may lay down their own rules.

Table 3.22 Rules and amounts applying to user payment, 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Laid down centrally or locally?	Centrally	Centrally	Centrally	Local authorities	Centrally	Centrally
Amount of maximum user payment	Depending on type of minding between 20 and 30 per cent of the total gross running costs ¹⁾ .	.	EUR 233 per month (as from August 2010 EUR 254)	.	NOK 2 330 per month	SEK 1 260 per month
Amount means-tested?	No. But yes for a place partly or completely free of charge	.	Yes	.	No ³⁾	Yes ⁴⁾
Reduction for several children?	Yes	Only in the largest municipality in the Faroe Islands	Yes	.	Yes	Yes
Free places available?	Yes	Yes	Yes	.	Yes	No
The ratio of user payments of the total running costs	20 per cent ²⁾	30 per cent	14 per cent	15 per cent	20 per cent	10 per cent

1 No ceiling for after-school club schemes, however.

2 Includes day care; nursery; kindergarten; age-integrated institutions; after-school club schemes and youth centres.

3 Tested against household income.

4 But all municipalities must have schemes providing low-income families with children with a reduction or exemption from paying parent charges.

Chapter 4

Unemployment

Links to supplementary information:

[EUROSTAT - database](#)

[Typical cases](#)

[Social expenditures](#)

The rules applying to both income-substituting benefits to the unemployed and the extent of activating measures for the unemployed vary considerably from one country to another. Consequently, there is no direct correlation between the extent of unemployment and the expenditure on unemployment.

Table 4.1 Expenditure on unemployment as percentages of GDP in the EU, the Faroe Islands, Iceland and Norway, 2007

Denmark	1.6	Austria	1.4	Greece	1.1	The Netherlands	1.2 ^P
Faroe Islands	0.4	Belgium	3.3	Hungary	0.8	Poland	0.4
Finland	1.9	Bulgaria	0.3	Ireland	1.4	Portugal	1.2
Iceland	0.2	The Czech Republic	0.6	Italy	0.5 ^P	Romania	0.3
Norway	0.3	Cyprus	0.9 ^P	Latvia	0.3 ^P	Slovakia	0.6 ^P
Sweden	1.1 ^P	Estonia	0.1	Lithuania	0.3 ^P	Slovenia	0.5 ^P
		France	1.8 ^P	Luxembourg	0.9	Spain	2.4 ^P
		Germany	1.5 ^P	Malta	0.5	United Kingdom	0.5 ^P

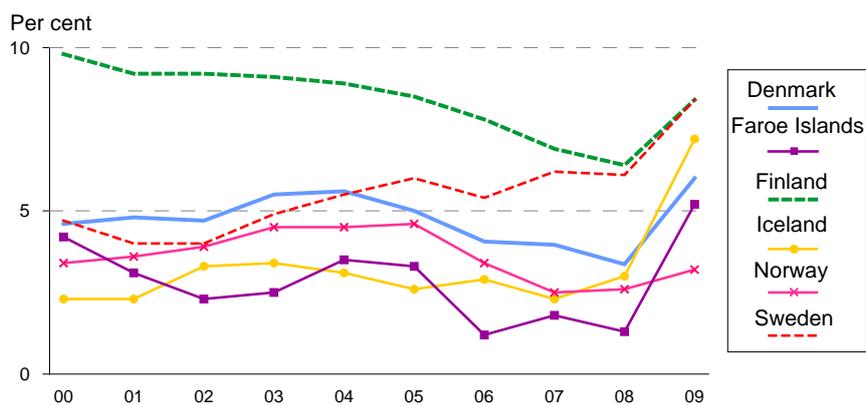
Note: Cf. Table 3.1.

Generally, there are high participation rates in the Nordic countries, but there are significant dissimilarities among the countries, cf. Table 4.2.

The unemployment rate was very high in some of the Nordic countries during the 1990s but there has been a marked decline in all the countries, of which Finland still has the highest unemployment rate. In all the countries, the unemployment rate for the 16-24-year-olds is considerably higher, however, than it is for the remaining part of the population, cf. Table 4.3.

In all the Nordic countries, labour markets are undergoing radical changes, for which reason enhanced demands are made on the qualifications, flexibility and mobility of the labour forces.

Figure 4.1 Development in the unemployment rate, 2000-2009



Note: In 2005, a new EU harmonized labour-force survey (AKU) was introduced in Sweden. Consequently, data from 2005 and earlier are not quite comparable. In 2007, the official unemployment definition was changed. As in the EU regulations, also full-time students are now included as job-seekers in the group of unemployed.

UNEMPLOYMENT

Table 4.2 Population aged 16-64 years broken down by gender and activity, 2009

	Denmark	Faroe Islands	Finland ¹⁾	Iceland	Norway	Sweden ²⁾
<i>Men</i>						
Men aged 16-64 years (1 000)	1 783	18	1 793	105	1 632	3 029
Of whom (per cent):						
Employed, total	79	79	69	80	78	75
- Full-time	69	62	63	70	68	66
- Part-time	10	16	6	10	10	9
Unemployed	6	5	7	9	3	7
Outside of the labour force	15	16	24	11	19	17
Total	100	100	100	100	100	100
<i>Women</i>						
Women aged 16-64 years (1 000)	1 752	16	1 754	99	1 567	2 933
Of whom (per cent):						
Employed, total	74	73	68	76	74	71
- Full-time	47	33	55	49	44	43
- Part-time	27	40	13	27	30	29
Unemployed	4	3	6	6	2	6
Outside of the labour force	22	23	27	18	24	22
Total	100	100	100	100	100	100
<i>Men and women</i>						
Men and women aged 16-64 years (1 000)	3 535	35	3 547	204	3 198	5 962
Of whom (per cent):						
Employed, total	76	76	68	78	77	73
- Full-time	58	49	59	60	56	54
- Part-time	18	27	9	18	20	19
Unemployed	5	4	6	7	3	7
Outside of the labour force	19	20	26	15	21	20
Total	100	100	100	100	100	100

1 Population aged 15-64 years.

2 The note relates to the average number for 2007 only. In 2007, the official definition in the Swedish labour-force survey was changed. In accordance with the EU regulations, also full-time students looking for work have been included in the unemployment statistics and consequently in the labour-force. They have not previously been included in the labour-force.

Table 4.3 Development in the unemployment rate by gender, 2000-2009

	Average number of unemployed	Unemployed as percentages of the labour force					
		Total	Men	Women	16-24-year-olds		
					Total	Men	Women
<i>Denmark¹⁾</i>							
2000	131 000	4.6	4.0	5.2	6.5	6.5	6.5
2005	143 000	5.0	4.6	5.5	8.6	8.5	8.8
2008	98 380	3.4	3.0	3.7	7.5	6.8	8.3
2009	176 594	6.0	6.6	5.4	11.1	12.3	9.8
<i>Faroe Islands²⁾</i>							
2000	1 000	4.2	2.5	6.6	..	..	..
2005	930	3.3	2.9	3.9	9.5	9.2	9.8
2008	374	1.3	1.0	1.7	1.0	0.9	1.1
2009	1 450	5.2	6.0	4.3	6.3	7.7	4.8
<i>Finland³⁾</i>							
2000	253 000	9.8	9.1	10.6	21.4	21.1	21.6
2005	220 000	8.5	8.3	8.7	20.1	20.6	19.5
2008	172 000	6.4	6.2	6.7	16.5	17.1	15.8
2009	221 000	8.4	9.0	7.6	21.5	24.1	19.0
<i>Iceland⁴⁾</i>							
2000	3 700	2.3	1.8	2.9	4.7	5.7	3.6
2005	4 300	2.6	2.6	2.6	7.2	8.5	6.0
2008	5 500	3.0	3.3	2.6	8.2	9.0	7.5
2009	13 100	7.2	8.6	5.7	16.0	19.9	12.0
<i>Norway⁵⁾</i>							
2000	81 000	3.4	3.6	3.2	10.2	9.9	10.6
2005	111 000	4.6	4.8	4.4	12.0	12.5	11.5
2008	67 000	2.6	2.8	2.4	7.5	8.2	6.8
2009	82 000	3.2	3.6	2.6	9.1	10.3	8.0
<i>Sweden⁶⁾</i>							
2000	203 100	4.7	5.0	4.2	8.1	8.6	7.4
2005	270 400	6.0	6.2	5.7	14.3	15.9	12.7
2008	293 700	6.1	5.9	6.4	19.4	19.2	19.6
2009	401 300	8.4	8.8	8.0	24.8	26.2	23.5

1 Data based on the labour-force surveys covering the 15-66-year-olds.

2 Figures from 2005 are based on annual labour-force survey in November. Cover 16-64-year-olds.

3 For Finland, the age group is the 15-24-year-olds instead of the 16-24-year olds.

4 The data are based on the labour-market surveys.

5 In 1996, the statistics were restructured, for which reason figures for 1995 are not comparable.

6 From 2007, the official unemployment definition was changed in the Swedish labour-force survey. In accordance with the EU regulations, also full-time students looking for work have been included in the unemployment statistics and consequently in the labour-force. They were previously included in the "Outside of the labour force".

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Table 4.4 Number of people (1 000) who drew cash benefits for at least one day in connection with unemployment, 2000 -2009

	Denmark	Faroe Islands	Finland	Iceland ¹⁾	Norway ¹⁾	Sweden ²⁾
<i>2000</i>						
Insured	490	2	340	7	165	629
Non-insured	70	1	287	..	-	65
Total	560	3	603	7	165	681
Total in per cent of the labour force	20	12	23	4	7	16
<i>2005</i>						
Insured	470	3	329	10	172	523
Non-insured	73	-	241	..	..	92
Total	543	3	549	10	172	601
Total in per cent of the labour force	20	10	21	6	7	13
<i>2008</i>						
Insured	208	1	269	12	81	296
Non-insured	74	-	183	..	..	37
Total	279	1	439	12	81	327
Total in per cent of the labour force	10	5	16	7	3	7
<i>2009</i>						
Insured	302	1	431	32	159	347
Non-insured	88	-	184	..	..	47
Total	387	2	603	32	159	385
Total in per cent of the labour force	14	7	23	18	6	8

1 Calculated on the basis of the number of approved unemployment benefit applications.

2 Double registration may occur, as a person may have been registered as being both insured and non-insured during one and the same year. In 2009, 9 000 people were counted as being both insured and non-insured. In 2008, 6 000 people were counted as being both insured and non-insured.

In Table 4.3, the number of unemployed people is shown as an average at a number of given census times, while Table 4.4 shows the number of people affected by unemployment for at least one day during the respective years. A comparison of the figures in the two tables thus indicates that relatively many unemployed people find employment again within less than a year, but the lengths of the unemployment periods also vary from one country to another.

Cash Benefits in the Event of Unemployment

It is a common trait to all the Nordic countries that labour-market policies have played important parts in the general economic policies, where a high employment rate and a low unemployment rate have been important goals as well as a prerequisite for the Nordic welfare states. When unemployment arises, it is either due to a generally low demand in the economy or the fact that the labour market does not function well enough, a phenomenon known as structural unemployment. The labour-market policies in the Nordic countries must in particular contribute to the reduction of structural unemployment via active measures rather than passive provision for the unemployed.

However, the ways in which the individual countries have designed their labour-market initiatives concerning active measures (employment measures, etc.) and passive measures (unemployment benefits and the like) vary considerably.

Unemployment benefits are in all the Nordic countries statutory benefits payable to people who become unemployed. The benefits are to compensate for lost income and to contribute to the maintenance of a reasonable standard of living for people, who have lost their jobs. The compensation level and the limited payment period must at the same time ensure that unemployed people are encouraged to seek and take up new employment. Consequently, the benefit schemes also have a labour-market policy function. In all the countries, there are obligations connected with the award of benefits. Recipients must be available to take on work, must be active in their job search, and must accept offers of activation and work provided for them.

Unemployment Benefits

In the Nordic countries, most unemployed people are entitled to cash benefits when they become unemployed. In the Faroe Islands and Norway, unemployment insurance is compulsory for wage earners. In Iceland, all wage earners and self-employed people are statutorily insured against unemployment. In all three countries, there are, however, certain

requirements that must be met in order for a person to be awarded benefits. Those not meeting the requirements may be awarded income-tested social assistance. In Denmark, Finland and Sweden, unemployment insurance is voluntary. In those countries, non-insured unemployed people are, however, entitled to a cash benefit that is usually lower than the unemployment benefit. In Denmark, non-insured individuals may be awarded cash assistance, while non-insured individuals in Finland and Sweden may be granted a special cash benefit.

In Denmark, unemployment insurance is voluntary and is administered by the unemployment funds. Unemployment benefits are financed by member contributions and by the labour-market contributions payable by all employed people. Non-insured people will be awarded cash assistance (social assistance) if they meet certain requirements. It is also possible to retire early from the labour market by way of voluntary early retirement, cf. Chapter 6, but this does not depend on whether a person has been or is expected to become unemployed.

In the Faroe Islands, unemployment insurance is compulsory for employees, while self-employed people and others may take out voluntary insurance. Unemployment benefits are administered by a fund, which is financed by the employees, the self-employed and the employers, who pay 1 per cent of their income from work and the payroll costs, respectively, to the insurance fund.

In Finland, the unemployment benefits consist of a basic amount (basic daily cash benefits) and a benefit based on previous income (income-related daily cash benefits). The income-based benefit is payable by the unemployment insurance funds whereas the basic amount is payable by the Social Insurance Institution. Non-insured people and people who have received income-related daily cash benefits or the basic amount for the maximum period, are entitled to a so-called labour-market support based on income, but principally the amount is the same as the basic amount of the daily cash benefit scheme.

In Iceland, unemployment insurance is compulsory and is administered by the labour-market department. The unemployment insurance scheme is financed by social-insurance charges payable by the employers.

In Norway, the unemployment insurance is also compulsory and everyone meeting the requirements as to previous income is entitled to unemployment benefits. The unemployment-insurance scheme is financed by the national budget and administered by the Ministry of Labour and Social Inclusion.

In Sweden, unemployment insurance consists of basic insurance and voluntary unemployment insurance.

Non-insured people who otherwise meet the requirements (and who are 20+ years old) are entitled to a basic amount. Both the basic amount (basic insurance) and the income-dependent amount (unemployment insurance) are administered by the unemployment insurance funds.

Qualifying for Daily Cash Benefits

The conditions of being granted daily cash benefits from an unemployment insurance fund vary from one country to another:

In Denmark, one must have been a member of an unemployment insurance fund for one year, and full-time insured members must have worked for a minimum of 52 weeks as employees or in self-employment within the past three years. The maximum period during which one is entitled to unemployment benefits is four years within a period of six years. A member, who has previously qualified for daily cash benefits, shall qualify for a new period of daily cash benefits when he/she has been in work for 52 weeks within a 3-year period. Requalification of entitlement to daily cash benefits after expiry of a daily cash benefit period is subject to at least 26 weeks of work as an employee or as a self-employed person within the past three years.

In the Faroe Islands, unemployment benefits are based on an average of a person's earnings from the preceding 12 months, and thus no membership or period of employment is required. The total benefit period is 798 days within the past five years, after which one is not entitled to unemployment benefits for the subsequent 24 months. Employees in the fishing industry working on land are subject to special conditions to the effect that in special cases they shall be paid unemployment benefits in case of temporary unemployment. A scheme has been introduced entitling fishermen to unemployment benefits in the event that fishing boats with fishing licences have been laid up due to repairs.

In Finland, it is required that one must have worked for at least 43 weeks during the preceding 2 years and 4 months and at the same time have been a member of an unemployment-insurance fund prior to becoming unemployed in order to qualify for unemployment benefits. As a rule, the total benefit period is 500 days. Individuals, who reach the age of 57 before having been paid unemployment benefits for 500 days, are entitled to unemployment benefits until they reach the age of 60, after which they shall

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qualify for unemployment pension. Individuals born in 1950 or later no longer qualify for unemployment pension. Instead they may qualify for unemployment benefits until they reach the age of 65, provided they had turned 59 years prior to having received unemployment benefits for the maximum period of 500 days.

In Iceland, one must have been employed full-time for at least three months during the past 12 months to be entitled to unemployment benefits. After 12 months of full-time employment, one is entitled to the full amount of daily cash benefits. The benefit is payable for working days. Unemployment benefits are payable for a maximum period of three years.

The first period in which unemployment benefits are payable is based on previous regular work. A person may qualify for a new unemployment-benefit period by means of activities that may be equalled to work. This may be labour-market training, a period of voluntary work, employment with a temp subsidy, or a period in which a person has received a subsidy in order to set up a business of his own.

In Norway, a prerequisite for qualifying for unemployment benefits is that one has earned an income of NOK 105 384 in the past calendar year, or at least NOK 210 768 in the past three years. The maximum benefit period varies according to the amount of any previous income. A previous income of at least NOK 140 512 results in a benefit period of 104 weeks, whereas an earned income of less than NOK 140 512 results in a benefit period of 52 weeks. Individuals over 64 years are ensured unemployment benefits until they reach the pensionable age of the national social security fund, which is 67 years. To be entitled to unemployment benefits, one must have worked hours that were reduced by at least 50 per cent of the normal working hours prior to becoming unemployed.

In Sweden, one must as from 1 January 2007 have been employed for at least six months and been working for at least 80 hours per calendar month, or have been employed for at least 480 hours in a consecutive period of six calendar months and been working for at least 50 hours per month during all six months within a 12 months' period in order to become entitled to unemployment benefits (the so-called employment requirement).

Since July 2007, the benefit period has been 300 days for childless people and 450 days for parents, who at the end of the unemployment-benefit period have children under the age of 18 years.

As from April 2008, a new rule limits the award of unemployment benefits in connection with part-time work. Benefits may be payable for a maximum of 75 days per period in connection with part-time work (part-

time unemployment). Remaining days may only be used for weeks in which no work is done.

Apart from the rules mentioned above, entitlement to unemployment benefits is in all countries subject to a person being registered with the employment service as seeking employment and being able to take on work. In addition, some of the countries have a waiting period during which unemployment benefits are not payable.

In Denmark and Iceland, there is no waiting period; in the Faroe Islands, there is a waiting period of 1-10 days depending on previous income; in Norway, the waiting period is three days, while it in Finland and Sweden is seven days.

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Table 4.5 Rules applying to payment of cash benefits in the event of unemployment as per December 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Insured individuals</i>						
Conditions of being granted unemployment benefits	52 weeks of work within 3 years. 1 year's membership of an unemployment insurance fund.	Average of the salary/wages from the previous 12 months. No membership or employment period required.	At least 43 weeks of work (at least 18 hours per week) in the preceding 28 months	Employment for at least 25 per cent in at least 3 months in the past 12 months in order to be entitled to daily cash benefits. 12 months of full-time employment gives the right to maximum daily cash benefits.	A decrease in hours worked of at least 50 per cent and an annual income of at least NOK 105 384 the past calendar years or at least NOK 210 768 for the past 3 calendar years. Besides, the unemployed person must be seriously looking for work.	At least 6 months of work at a minimum of 80 hours per month, or at least 480 consecutive hours of work in that period as well as work for at least 50 hours a month. This requirement applies to the 12 months prior to unemployment.
Age limit for entitlement to unemployment benefit	19-64 years ¹⁾	16-66 years	17-67 years ²⁾	16-69 years	16-66 years	16-65 years ³⁾
Waiting period (days)	-	1-10	7	-	3	7
Maximum number of days of unemployment benefit	1 040 within 6 years (5 benefit days per week for 4 years)	798 within the past 5 years (5 benefit days per week)	500 (5 benefit days per week)	260 days per year for 3 years	520 (104 weeks of 5 working days)	300/450 ⁴⁾
Benefit reobtainable?	Yes	Yes	Yes	Yes	Yes	Yes
On which conditions?	By complying with the requirement of 26 weeks' work within the past 3 years	Will only be awarded benefits after two years and after having worked for the last one of those two years.	By complying with the requirement of 34 weeks' work within 2 years	By complying with the requirement of 6 months full-time work within the past 24 months.	By complying again with the requirement of a minimum income	By again complying with the above conditions.

The table continues...

Table 4.5 Rules applying to payment of cash benefits in the event of unemployment as per December 2009. Continued

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Benefit taxable?	Yes	Yes	Yes	Yes	Yes	Yes
Supplement for children?	No	No	Yes	Yes	Yes	No
<i>Non-insured individuals</i>						
Age limit for entitlement to unemployment benefit	18-64 years	.	17-67 years ²⁾	.	67 years	20-65 years
Maximum benefit period	.	.	.	.	.	300/450 ⁴⁾

1 Individuals between the ages of 18 and 63 years are entitled to join an unemployment-insurance fund - 65 years, however, for people born on 1 July, 1939, but entitlement to unemployment benefits applies to people between 19 and 64 years.

2 65-67-year-olds, who have resigned, or whose work has been interrupted by weather conditions or employee conditions other than working conditions.

3 Entitlement to unemployment benefits is based on compliance with the employment requirement and a 12 months' membership of an unemployment-insurance fund.

4 For individuals with children under 18 years.

Table 4.6 Amount of cash benefits in the event of unemployment as per December 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Insured individuals</i>						
Amount of unemployment benefit (per week)	90 per cent of the income from work for 5 days a week	80 per cent of the income from work for the first 253 days, hereafter 75 per cent	Income-related benefit: on average 70 per cent of previous income from work. Basic amount: EUR 128.15 + child supplement: EUR 24.30 – 45.95 per week	Fixed amount for the first 10 days, then income-related benefits (70 per cent of average previous income from work for the past 6 months), then again a fixed amount + child supplement	62.4 per cent of the income from work	80 per cent of the income from work ²⁾ for the first 200 days, then 70 per cent per day for 5 days per week

The table continues...

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Table 4.6 Amount of cash benefits in the event of unemployment as per December 2009. Continued

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Maximum income per week for full compensation ¹⁾	DKK 4 378	DKK 6 250	On average 70 per cent of income	ISK 56 691	NOK 8 409	SEK 4 250 per week for the first 200 days, then SEK 4 857 per week
Maximum income per week for full compensation in PPP-Euro ¹⁾	2 975	594	.	379	736	
Min. amount per week	..	.	.	ISK 8 625	NOK 875	SEK 1 600
Min. amount per week in PPP-Euro	..	.	.	58	77	145 ³⁾
Max. amount per week	DKK 3 625	DKK 4 743	.	ISK 34 500 fixed amount	NOK 5 427	SEK 3 400
Max. amount per week in PPP-Euro	344	451	.	231	475	308
<i>Non-insured individuals</i>						
Amount of benefit per week	Young people under 25 years: DKK 1 414; Others: DKK 2 288/2 917 (providers)	Needs-tested social assistance	EUR 128.15 +child supplement EUR 24.30-45.95 per week	Income-tested social assistance	.	SEK 1 600 ³⁾⁴⁾

1 The income ceiling is the income limit (previous income) in relation to which the unemployment benefits are calculated. Calculation of the income ceiling is made according to differing principles in the various countries.

2 As from July 2009, only certain social-Protection expenses can be included.

3 Provided the applicant has previously worked full time without absence during the framework period (12 months).

4 Minimum age 20 years. 6 months' work prior to becoming unemployed is required. In case of part-time work, a reduced amount shall be payable.

Equivalent Disposable Incomes and Compensation Grades in Case of Unemployment

Figure 4.2 shows the equivalent disposable income at two different income levels for a childless couple where the one earning the most starts drawing unemployment benefits. Figure 4.3 shows the equivalent disposable incomes in the event of unemployment for single people with one child and single childless people, calculated at three different income levels. In Figure 4.3, the calculation was made for insured people at three different income levels and in Figure 4.4, for non-insured people at four different income levels (the latter only in respect of Denmark, Finland, Iceland and Sweden). Tables 4.7, 4.8 and 4.9 show the compensation grades as percentages of previous earnings from work. As can be seen from the figures and tables, the compensation for insured unemployed individuals is considerably larger than it is for non-insured unemployed individuals. In Denmark, the compensation is, however, slightly lower for single people with one child in the lowest income bracket for insured unemployed individuals than for non-insured individuals, and considerably lower in Iceland. In Iceland, this is due to the calculations concerning insured people taking into account the rate of employment, whereas previous income is not taken into account in respect of non-insured people, as social assistance is a fixed amount. The marginally lower compensation for insured unemployed people in Denmark is due to the daily cash benefits amounting to 90 per cent of relatively low wages/salaries and the fact that an insured unemployed person, unlike a non-insured individual, pays contribution to an unemployment fund.

The lower compensation to non-insured unemployed people in relation to insured unemployed people applies especially to single people, who have previously had high incomes, and generally to single childless people.

The compensation level for insured people depends first and foremost on the amount of the daily cash benefits in relation to previous income. It is highest in Denmark and lowest in Norway. In Iceland, a fixed daily cash benefit amount is payable, irrespective of previous income, for the first 10 days and after that an amount calculated on the basis of previous income up to a certain level for a maximum of three months, followed by another fixed daily cash benefit amount. Besides, compensation levels depend on the maximum amounts, which are highest in Norway. In Finland, there is no upper limit to the amount of daily cash benefits, but where an income exceeds a certain level, however, compensation will only amount to 20 per cent.

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As to families with children, it makes a difference whether a supplement is payable for children, which is the case in Finland, Iceland and Norway. In addition, the amount of both housing benefits and charges payable for day-care institutions are adjusted in relation to income. This is important in relation to the compensation level for both insured and non-insured people and contributes in particular to providing single parents with a high level of compensation.

Table 4.7 Equivalent compensation grades per month (December) for an insured couple with two children, of whom the highest AW draws unemployment benefits, as percentages of disposable income per month when in work, 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
67/100 per cent AW	93	91	75	70	88	87
100/150 per cent AW	79	91	70	83	83	74

Table 4.8 Equivalent compensation grades for a single person when drawing unemployment benefits per month (December) as percentages of disposable income when in work, per month, 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Single person with no children</i>						
67 per cent AW	82	83	65	73	67	68
100 per cent AW	58	84	53	75	63	48
150 per cent AW	44	64	45	53	45	36
<i>Single person with one child</i>						
67 per cent AW	90	86	85	80	74	80
100 per cent AW	71	93	71	80	67	59

Figure 4.2 Equivalent disposable incomes for an insured childless couple when the partner earning the most draws unemployment benefits in 2009

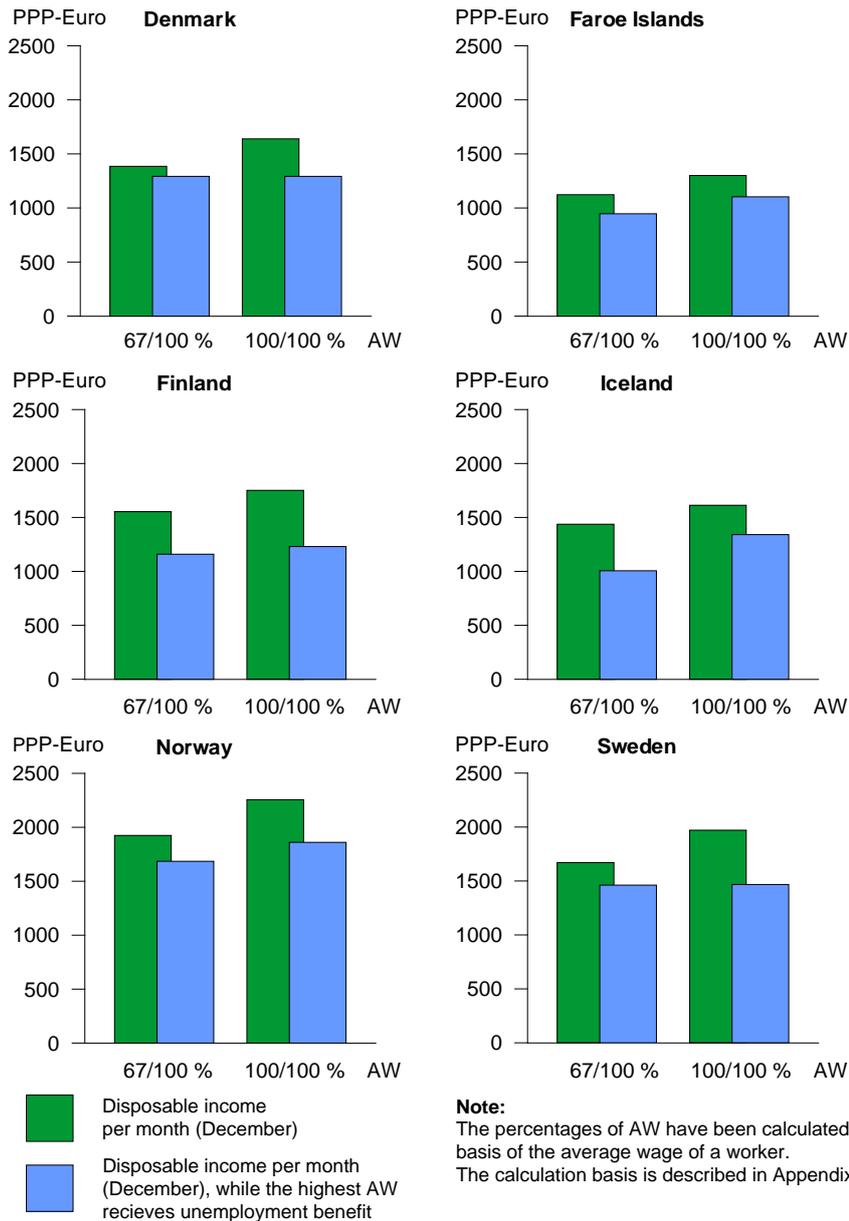


Figure 4.3 Equivalent disposable income for a single person when drawing unemployment benefits, per month (December), 2009, in PPP-Euro

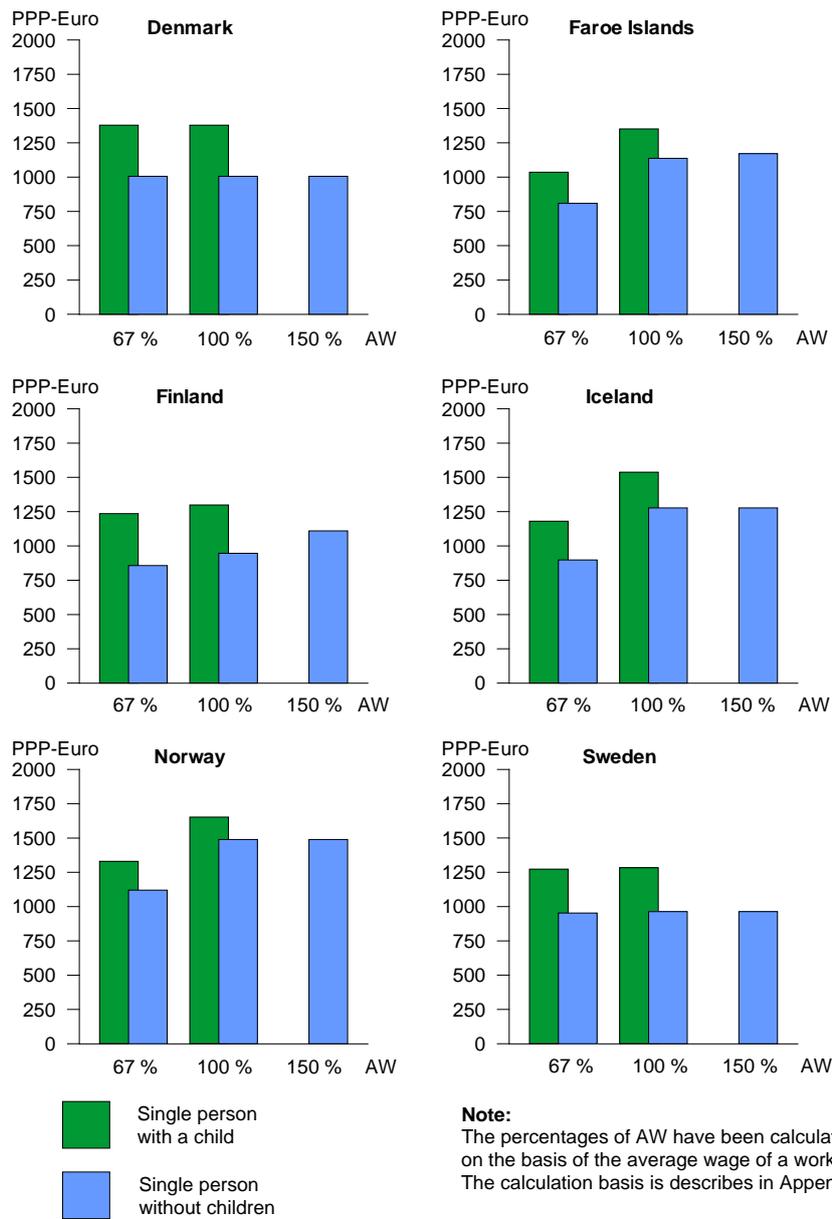


Figure 4.4 Disposable income for a single childless person when unemployed and non-insured, per month (December), 2008

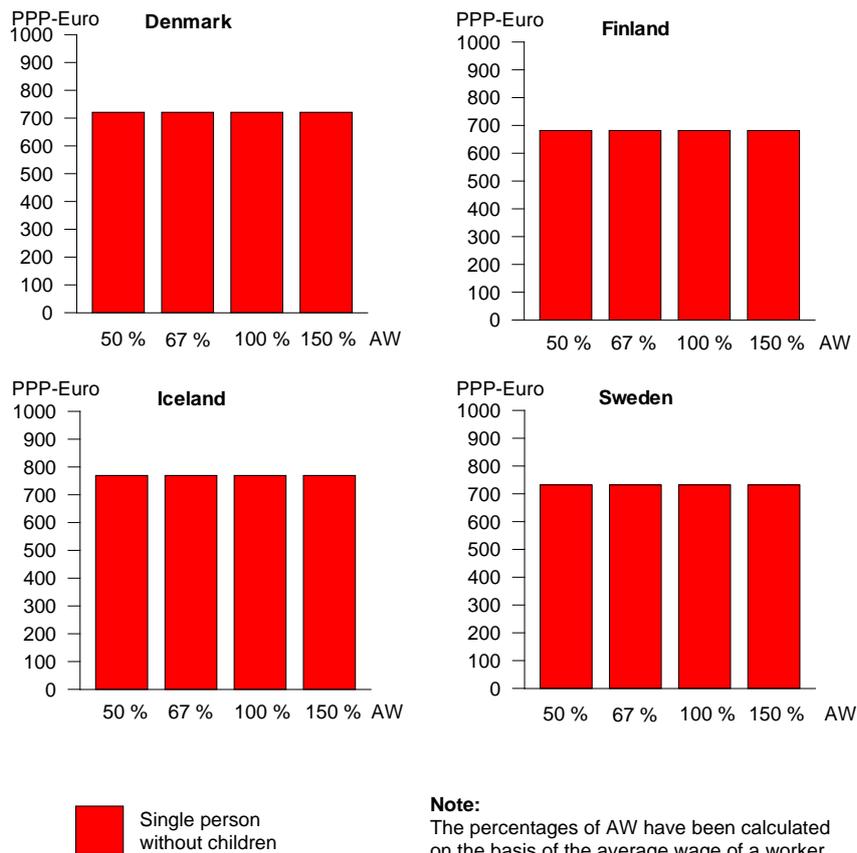


Table 4.9 Compensation degrees per month (December) for a non-insured, childless single person, as percentages of disposable income when in work, 2008

	Denmark	Finland	Iceland	Sweden
50 per cent AW	72	66	78	69
67 per cent AW	58	52	63	53
100 per cent AW	41	38	45	36
150 per cent AW	31	28	32	27

Job Training and Activation

In all the Nordic countries, focus is on activation. The lower age limit for the implementation of labour-market measures is 18 years in Denmark and Finland and 16 years in Iceland. In Norway and Sweden, the age limit depends on the measure in question. The purpose of activation is primarily to qualify unemployed people for ordinary employment, but also to motivate them to apply for employment or education and training.

In Denmark, the activation aspects in the labour-market and social policies have played an increasingly important part since the labour-market reform in 1994.

Unemployed recipients of daily cash benefits under the age of 25, who have not completed any vocational training qualifying them for the labour market, are, after no later than six months of unemployment, entitled to receive and obliged to accept an offer of education or training for a minimum of 18 months. The offer may be combined with other types of guidance and qualifying activities or with a traineeship. The benefit payable during the activity corresponds to half the amount of the daily cash benefits. Other unemployed recipients of daily cash benefits under the age of 25 and daily cash benefit recipients between 25 and 30 years have a right and an obligation to accept activation after no later than six months of unemployment by way of education, guidance or qualifying activities, traineeship or job training.

Unemployed recipients of daily cash benefits between 30 and 60 years are entitled to and obliged to accept activation after no later than nine months of unemployment by way of education, job training, etc. Unemployed recipients of daily cash benefits over 60 years are entitled to and obliged to accept activation after six months of unemployment. All recipients of unemployment benefits are furthermore entitled and obliged to accept a new offer of activation when they have received public benefits for a total of six months after termination of the first activation offer. Moreover, unemployment-benefit recipients are entitled and obliged to accept intensive activation for the rest of the unemployment period after having been unemployed for 30 months.

Activation early in the benefit period is based on need and is flexible, partly aimed at groups at risk of becoming unemployed on a long term basis and partly to prevent lack of qualified manpower (“bottle necks”).

After a maximum of 13 weeks, unemployed recipients of cash assistance under the age of 30 are entitled to and obliged to accept an offer of

activation or training for at least 30 hours per week for 18 months; but only for six months for people with an education/training qualifying them for work. Unemployed recipients of cash assistance between 25 and 30 years with no education must be presented with an offer after five weeks, unless they choose to enrol in a general line of education. Recipients of cash assistance of 30 years or more must be offered activation no later than 12 months after having been granted cash assistance. All recipients of cash assistance, apart from those over 30 years, who receive benefits not only because of unemployment, are furthermore entitled to and obliged to accept a new offer of activation when they have received cash assistance for six months after termination of the first activation offer.

Unemployed people are entitled to wages during job training, while the benefits payable in connection with other activation and training measures largely correspond to the amount of daily cash benefits or cash assistance.

In the Faroe Islands, activation has not been available since the mid-1990s, where the unemployment rate exceeded 12 per cent.

In Finland, the active measures aimed at improving the employment situation are an important part of the Finnish labour-market policy. By way of such measures, jobs are created, options for the long-term unemployed are enhanced and the possibilities of getting young people into the labour market are improved. Besides, these measures are aimed at preventing long-term unemployment and to reduce the regional differences in the unemployment rates. Unemployed people who want to start their own businesses are also entitled to assistance.

The most important part of the active labour-market policy is the services aimed at those available for work. The services provided by the agencies are job provision, information on training and careers, vocational training for adults, information on education, training and various professions as well as occupational rehabilitation.

In Iceland, the Unemployment Insurance Fund has, apart from performing its main task of paying out unemployment benefits, undertaken to grant unemployed people subsidies towards payment for various courses and special municipal employment measures.

In Norway, the main aim of the labour-market policy is to make way for a high participation rate and good use of the labour force by way of a well-functioning labour market and inclusive work. The Ministry of Labour and Social Inclusion is responsible for the implementation of the labour-market measures. The main aim is to provide a uniform follow-up in order to assist people in finding a job. As to the unemployed, active job seeking during the

entire unemployment period is emphasized, and there are a number of service measures for both job-seekers and employers, such as a database of vacant positions, to which job seekers can also upload their CV.

The Ministry of Labour and Social Inclusion assists in the propagation of available jobs as well as information and guidance and follow-up to the individual at the transition to work. The work-directed measures are to ensure that people either find or maintain a job. The measures will usually be implemented if it has not been possible for an individual to obtain an ordinary job.

In Sweden, job and qualifying activities are the most important aspects of the active labour-market policy. This implies that an unemployed person, who cannot find work easily, must be offered training or some other relevant measure aimed at enabling that person to take on an ordinary job.

There is a job-development guarantee for those who are, or who are at risk of becoming, long-term unemployed. The aim of the job and development guarantee is to improve unemployed people's possibilities of finding proper work in the labour market considerably. Within the guarantee, individual action plans are drawn up specifying which measures the employment service can offer as well as what is expected of the participants.

People in need of occupationally adapted rehabilitation or special guidance may get help from the employment service and a labour-market institute. These institutes have special resources and qualifications in labour assessment, practical work orientation, adaptation of work places, etc.

The cyclically dependent programmes and measures that are offered include e.g. vocational training, aimed at increasing an unemployed person's possibilities of finding work and at making it easier for the employers to employ people with the relevant skills. There are also work-experience schemes that are to provide job seekers via the employment service with vocational guidance, in-service training and vocational experience. There is a job guarantee for young people between the ages of 16 and 24 years. The purpose of the job guarantee is to provide special measures at an early stage in order for young people to get a job or receive education or training.

Moreover, support is given to employers, aimed at motivating them to hire an unemployed person by partly covering their expenses in connection with the employment of a person who needs extra introduction or training. In addition, people who are unemployed or at a risk of becoming so may in some cases be granted subsidies to start their own businesses.

There are measures for people with reduced working capacities, enabling them to work in subsidized jobs either with a public or a private employer.

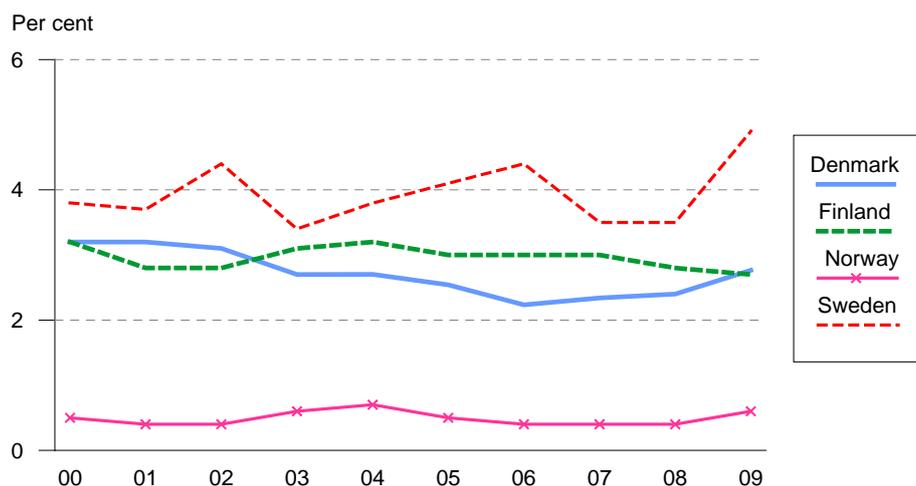
Table 4.10 Number of people in activation, 2000-2009

	Number of activated people during the year		Number of activated people at the time of survey/average number of activated people		Activated people as percentage of the labour force at the time of survey	
	Total	16-24 year-olds	Total	Total	16-24 year-olds	Total
<i>Denmark</i>						
Total 2000	221 534	34 828	87 239	10 507	3.2	2.6
Total 2005	244 818	32 041	70 159	7 580	2.5	2.1
Total 2009	285 798	52 398	77 412	11 526	2.8	2.9
Of who were in:						
- Subsidized employment	100 644	11 629	28 903	2 222	1.0	0.6
- Education and training	232 153	48 363	48 509	9 304	1.7	2.3
-Other ¹⁾						
<i>Finland</i>						
Total 2000	226 077	62 748	83 660	18 873	3.2	5.6
Total 2005	213 683	58 404	79 531	16 152	3.0	5.0
Total 2009	195 777	50 326	73 575	13 510	2.7	4.2
Of who were in:						
- Subsidized employment	80 476	11 006	33 565	4 018	1.3	1.2
- Education and training	58 936	9 711	29 332	4 193	1.1	1.3
-Other	56 365	29 609	10 678	5 299	0.4	1.6
<i>Iceland</i>						
Total 2000	3 811	764	..	..	2.4	2.6
Total 2005	6 325	1 271	..	..	3.8	4.5
Total 2009	9 006	1 886	..	..	5.0	6.4
Of who were in:						
- Subsidized employment	773	190	..	..	0.4	0.6
- Education and training	6 147	1 336	..	..	3.4	4.5
-Other	2 086	360	..	..	1.2	1.2
<i>Norway²⁾</i>						
Total 2000	..	..	11 439	3 520	0.5	1.1
Total 2005	59 622	..	13 150	4 087	0.5	1.3
Total 2009	61 884	..	15 901	5 032	0.6	1.4
Of who were in:						
- Subsidized employment	..	..	2 061	..	0.1	..
- Education and training	..	..	6 071	..	0.2	..
-Other	..	..	7 769	..	0.3	..
<i>Sweden</i>						
Total 2000	470 970	..	166 159	..	3.8	..
Total 2005	595 138	..	185 986	..	4.1	..
Total 2009	..	..	234 740	..	4.9	..
Of who were in:						
- Subsidized employment	..	..	96 256	..	2.0	..
- Education and training	..	..	17 323	..	0.4	..
-Other	..	..	121 161	..	2.5	..

1 The groups included under *Other* have been moved to *Education and training*, as it is no longer possible to break down several of the benefits.

2 As from 2006, the labour force concerns the 15-24-year-olds.

Figure 4.5 Development in the activation as percentages of the labour force at the time of calculation, 2000-2009



Services in Connection with Unemployment

The services provided in connection with unemployment are first and foremost job provision, but in all the countries, also mobility-promoting benefits are available by way of e.g. removal assistance and assistance in connection with dual housekeeping.

Employment Services

In all the Nordic countries, there are employment services. They provide services to both job seekers and employers. The employment service is run by the State in all the countries.

In Denmark, the state employment service and the municipal employment activities were joined in common job centres in 2007. Central Government is still responsible for the employment activities concerning insured unemployed people, and the local authorities are responsible for the other target groups (cash-assistance recipients, sickness-benefit recipients,

people undergoing rehabilitation, etc.). In 14 pilot job centres, Central Government has delegated the state effort to a local authority, who attends to the activities concerning both the municipal target groups and the insured unemployed.

In Norway, the labour-market, social protection and pension policies all fall under the Ministry of Labour and Social Inclusion as from 2006 together with parts of the municipal services and have been moved to joint NAV centres.

The main tasks of the employment services and the job centres (in Denmark) are guidance concerning employment and training/education, provision of work to the unemployed and other job seekers as well as provision of services to enterprises in connection with recruitment of labour. In Norway, such tasks fall under the NAV centres.

As a rule, the unemployed must register with an employment service or a job centre, be actively seeking employment and in general be available to the labour market. The unemployed must thus participate in activating measures and accept jobs provided by the employment service or job centre in order to maintain entitlement to unemployment benefits or other similar benefits. To the extent that the unemployed are unable to find work, the employment service or job centre will assist them in their job seeking by for example providing job-seeking courses. The employment service or the job centre also provides jobs for the unemployed and manages the activation of the unemployed according to the rules applying in the various countries.

As mentioned, it is also an important task of the employment service, the NAV centres or the job centres to help enterprises find individuals with the proper qualifications for vacant positions.

Today, most of the job provision between employer and employee takes place partly by means of the employment service's or Central Government's IT- based job databases, where job seekers may enter their job profiles, partly by means of private job databases with similar job-seeking options.

The vast majority of the job provision takes place, however, directly between enterprises and employees without any involvement of the employment service, the NAV centres or the job centres.

Expenditure on and Financing of Benefits in Connection with Unemployment

Differences and similarities in the expenditure on unemployment

The expenditure on unemployment reflects partly the extent of the unemployment, partly the amount of the daily cash benefits, and partly the extent of the activating measures provided for the unemployed.

Changes in the Expenditure on Unemployment from 2007 to 2008

In Denmark, the expenditure decreased from 2007 to 2008 by DKK 3.4 billion, corresponding to a negative growth of 12.2 per cent. The decrease in the expenditure was due to less expenditure on "daily cash benefits" and "cash assistance in connection with job training" as a result of the declining unemployment rate.

In the Faroe Islands, the expenditure decreased by DKK 4 million, corresponding to a negative growth of 11.4 per cent. This was a result of a reduction of the expenditure on daily cash benefits due to a low unemployment rate.

In Finland, the expenditure on unemployment decreased by 6.3 per cent at constant prices, and the expenditure on cash benefits decreased by 7.0 per cent at constant prices as a result of a decline in the unemployment rate from 6.9 per cent to 6.4 per cent, corresponding to a drop in the number of unemployed people of 11 000.

In Iceland, the expenditure on unemployment increased by 55.9 per cent from 2007 to 2008 at constant prices as a result of an increase in the unemployment rate. The number of days for which unemployment benefits were payable increased by 71.5 per cent from 2007 to 2008, and the labour-market survey shows an increase from 2.3 per cent in 2007 to 3.0 per cent in 2008.

In Norway, the expenditure on unemployment benefits increased by 53 per cent at constant prices. The expenditure on cash benefits increased by 9.8 per cent, while the expenditure on services increased by 187.2 per cent. The increase in the number of services is first and foremost a result of the special labour-market measures for the disabled having been combined with

the ordinary measures as from 2008. This expenditure is now dealt with under C in Table 4.12, while it was previously dealt with in Chapter 6. Besides, cash benefits in connection with job training have been stated separately. These were in 2008 NOK 780 million. Daily-cash benefits and pensions granted for labour-market reasons decreased by NOK 277 million. Cash benefits made up 54 per cent of the total expenditure as against 76 per cent in 2007. The expenditure on services made up 24 per cent in 2007 as against 46 per cent in 2008. While the expenditure on daily-cash benefits decreased by 4.7 per cent from 2007 to 2008, the unemployment rate increased by 6.3 per cent.

In Sweden, the expenditure in connection with unemployment decreased in 2008 but not as much as in 2007. At constant prices, it was 21 per cent. Cash benefits decreased by 23.3 per cent, whereas the expenditure on labour-market measures decreased by about 12 per cent. On 1 July 2008, two extra waiting days were introduced in the unemployment insurance scheme, so that there now are seven waiting days instead of five.

UNEMPLOYMENT

Table 4.11 Expenditure on and financing of cash benefits in connection with unemployment, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway ¹⁾	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Cash benefits, millions</i>						
A. Unemployment benefit	7 943	47	4 169	4 642	4 539	14 553
B. Partial unemployment benefit	-	-	626			
C. Pension for labour market reasons	-	-	103		327	-
D. Cash benefits payable during vocational training	15 023	-	931	15	780	6 387
E. Compensating benefits	-	-	3			831
F. Other	-	-		160		
Cash benefits, total	22 966	47	2 916	4 817	5 646	21 771
<i>Services, millions</i>						
A. Mobility and resettlement	-	-	4		-	69
B. Services in connection with vocational training	-	1	273		815	2 601
C. Other	1 369	-	153	619	3 932	3 011
a. Of which employment services	1 102	-	153	619	3 932	
Services, total	1 369	1	430	619	4 747	5 681
Total expenditure, millions	24 335	48	3 346	5 436	10 392	27 452
Expenditure as percentage of GDP	1.4	0.4	1.8	0.4	0.4	0.9
<i>Financed by (per cent)</i>						
- Public authorities	24.2	-	50.4	0.2	64.6	2.2
- Employers	-	50.0	38.6	99.8	21.6	74.3
- The insured (contributions and special taxes)	75.8	50.0	11.0	-	13.8	23.5
<i>Changes 2007-2008 in terms of 2008 prices</i>						
- Millions	-3 378	-6	-222	1 948	3 597	-6 548
- Per cent	-12.2	-11.4	-6.2	55.8	52.9	-19.3

1 As from 2008, special labour-market measures concerning the disabled have been combined with the ordinary labour-market measures, and furthermore, cash benefits in connection with job training have been separated and are dealt with under D. *Cash benefits*.

Table 4.12 Expenditure on cash benefits in connection with unemployment in PPP, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Cash benefits, total per capita	398	92	443	101	104	214
- Per capita of working age	615	148	678	152	160	333
Services, total per capita	24	3	65	13	87	56
- Per capita of working age	37	4	100	20	134	87
Unemployment, total per capita	421	95	508	114	191	270
- Per capita of working age	652	152	777	172	294	420

Chapter 5

Illness

Links to supplementary information:

[EUROSTAT - database](#)

[Typical cases](#)

[Social expenditures](#)

The ratio of the expenditure on illness measured as percentages of the GDP varies considerably.

Table 5.1 Expenditure on illness as percentages of GDP in the EU, the Faroe Islands, Iceland and Norway, 2007

Denmark	6.5	Austria	7.1	Greece	6.7	The Netherlands	8.7 ^P
Faroe Islands	6.7	Belgium	7.4	Hungary	5.6	Poland	3.9
Finland	6.5	Bulgaria	3.9	Ireland	7.2	Portugal	6.6
Iceland	8.8	The Czech Republic	6.1	Italy	6.7 ^P	Romania	3.0
Norway	7.3	Cyprus	4.6 ^P	Latvia	3.2 ^P	Slovakia	4.7 ^P
Sweden	7.6 ^P	Estonia	4.1	Lithuania	4.3 ^P	Slovenia	6.7 ^P
		France	8.7 ^P	Luxembourg	4.9 ^P	Spain	6.4 ^P
		Germany	8.0 ^P	Malta	5.2	United Kingdom	7.6 ^P

Note: See Table 3.1.

Paid Absence Due to Illness

The structures of the wage and daily cash benefit schemes concerning illness vary considerably from one country to another. In principle, everyone in employment is entitled to compensation in case of loss of income. The rules applying to such compensation depend on one's position in the labour market. Employees are usually better covered than are self-employed people, and special rules apply to the unemployed.

Table 5.2 Rules governing payment of cash assistance* to employees and self-employed people in case of illness as per December 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Employees qualify for sickness benefits on the following conditions:	Daily cash benefits from employer: 8 weeks of employment with a minimum of 74 hours of work. Daily cash benefits from local authorities: Employment for 13 weeks with a minimum of 120 hours of work ¹⁾ :	Paid work for a total of at least 20 hours in a period of 5 weeks.	Work for 3 months or 55 days consecutively.	Pay during illness depending on period of employment. After 1 year of employment, salary/wages will be paid for 1 month, increasing to 3 months after 5 years of employment.	Qualifying time is 4 weeks. The Income basis must amount to a minimum of 50 per cent of the basic amount in converted annual income.	To work in Sweden plus an annual income of at least SEK 10 300 before 2009 and must be insured from the first day of employment.
Self-employed people qualify for sickness benefits on the following conditions:	A considerable amount of work in self-employment for 6 months within the past 12 months.	Eligibility period is 4 weeks provided an annual insurance has been taken out.	Same rules as apply to employees.	Same rules as apply to employees.	Same rules as apply to employees. ⁸⁾	Same rules as apply to employees.
Maximum period of sickness benefit/sick pay	52 weeks within 18 months ²⁾	40 weeks within a year	52 weeks within two years ³⁾	52 weeks within two years	52 weeks within three years	Usually 364 days in a period of 15 months ⁹⁾
Waiting period? Length of waiting period:	No -	No -	No ⁴⁾ -	Yes ⁶⁾ ..	No -	Yes 1 day (1-30 days for self-employed people)
Employer period?	Yes	Yes	Yes ⁴⁾	Yes	Yes	Yes

The table continues...

Table 5.2 Continued

	Denmark	Faro Islands	Finland	Iceland	Norway	Sweden
Duration of employer period:	21 days	2 days	10 working days	1 month ⁷⁾	16 days	2 weeks ¹⁰⁾
Wages/salaries payable during illness?	Yes	Yes	Yes	Yes	Yes	Yes
Wages/salaries payable by law during illness?	Yes	No	Yes ⁴⁾	Yes	Yes	No
Rules applying to part-time absence due to illness?	Yes	No	Yes ⁵⁾	Yes	Yes	Yes
Payment of wages/salaries during illness according to agreement?	Yes	Yes	Yes	Yes	Yes	Yes

* Cash assistance means sickness benefits or wages/salaries.

- 1 Individuals who qualify for unemployment benefits, have completed vocational training for a duration of at least 18 months or are in work-training schemes with pay, are also entitled to sickness benefits.
- 2 The benefit period may be prolonged under special circumstances. This shall apply, for instance, where it is deemed likely that rehabilitation can be implemented, or where an application for disability pension has been submitted for consideration. In addition, a benefit period may be prolonged in case of serious illness or an industrial injury.
- 3 Employees and tradesmen who work full time and who have been paid sickness benefits without interruption for at least 60 days, may be awarded part-1 sickness benefits for a maximum of 72 working days if they return to work and work part time.
- 4 Sickness benefits will neither be paid for the day on which an employee falls ill nor for the following 9 working days. During that period, employers pay full wages/salaries according to law.
- 5 After payment of sickness benefits for 55 days.
- 6 In the public sickness insurance scheme.
- 7 According to law, wages/salaries are payable during illness depending on the length of the employment period. After 1 year of employment, wages/salaries shall be payable for one month, increasing to three months after five years of employment. Most collective agreements contain agreements on pay during illness exceeding those three months.
- 8 Besides, there are a number of special provisions for self-employed people.
- 9 People suffering from serious illnesses are exempt from any limitation of time.
- 10 In the employer period, there is a waiting period of one day. This also applies to people who are not employed. The employer period is 2 weeks as from 1 January 2005.

Table 5.3 Amount of sickness benefits payable to employees in case of illness as per December 2009

	Denmark	Faroe Islands	Finland	Norway	Sweden
Amount of sickness benefit as percentages of income from work	100	100	70 normally ²⁾	100	80/77.6 ⁴⁾⁵⁾
Income ceiling per week for full compensation ¹⁾	DKK 3 940	DKK 4 734	.	NOK 8 409	SEK 6 152
Income ceiling per week for full compensation in PPP-Euro ¹⁾	374	450	.	736	579
Minimum amount per week	.	.	EUR 132.24 ³⁾	NOK 701	SEK 154
Minimum amount per week in PPP-Euro	.	.	106.39	62	14
Maximum amount per week	DKK 3 625	DKK 3 916	.	NOK 8 409	SEK 4 774
Maximum amount per week in PPP-Euro	344	372	.	736	434
Sickness benefit taxable?	Yes	Yes	Yes	Yes	Yes
Supplement for children?	No	No	No	No	No

1 The income ceiling is the maximum income (previous income) on which the calculation of sickness benefits is based. The calculation of the maximum income is made according to varying principles in the various countries.

2 70 per cent of the income from work up to EUR 31 850 per year, then 40 per cent of the income between EUR 31 851 and 49 003 per year, and after that 25 per cent. Partial sickness benefits amount to 50 per cent of the general sickness benefits.

3 People, who have a small income or none at all, may be awarded minimum daily cash benefits for periods of incapacity for work exceeding 55 days.

4 As from 1 July 2008. Applies to the first 364 days, when 77.6 per cent are payable, then 72.5 per cent for a maximum of 550 days. People suffering from long-term illness may be awarded 77.6 per cent without any limitation of time.

5 Applies to the first 364 days, when 77.6 per cent are payable, then 72.5 per cent for a maximum of 550 days. People suffering from long-term illness may be awarded 77.6 per cent without any limitation of time.

Statutory Wages/Salaries or Employer Period at the Beginning of a Period of Absence

At the beginning of a period of illness, employers in all the Nordic countries have a statutory obligation to pay compensation during the employer period, either by way of statutory sick pay or sickness benefits.

In Denmark, sickness benefits are payable by the employer for the first 21 days, if an employee has been working for the employer for the past eight weeks prior to the absence due to illness and during that period has been working for at least 74 hours.

In the Faroe Islands, the public authorities pay sickness benefits from the first day of illness, after which employers reimburse the State the two first days of illness.

In accordance with the Act on Employment Contracts, employers in Finland pay wages/salaries in full for the first day of illness and for the subsequent nine working days.

In Iceland, all employees have a statutory right to sick pay for a period depending on their seniority. After one year of employment, an employee is entitled to one month's sick pay in case of illness.

In Norway, an employee is entitled to receive sickness benefits from his employer if he has been employed by him for at least four weeks. The employer period is 16 days.

In Sweden, statutory sick pay is payable for 14 days. However, sick pay will not be payable for the first day of illness. Sick pay corresponds to 80 per cent of the wage/salary.

Sick Pay According to Collective Agreements and the Like

As a supplement to the statutory employer or sick-pay period, wages/salaries are payable during illness according to collective agreements or to special rules governing the public sector. During that period, daily cash benefits will normally be payable to the employer.

In Denmark, public-sector employees will be paid in full during the entire period of illness. Salaried employees in the private sector will typically be paid in full during illness, whereas other private-sector employees will be paid during for instance the first nine weeks of their absence due to illness.

In some cases, they will not be paid in full but only up to a maximum amount fixed by the collective agreements.

In the Faroe Islands, public employees and the majority of salaried employees in the private sector will be paid in full during their absence due to illness.

In Finland, employees in the public sector will be paid in full during the first two months of illness, and after that 66-75 per cent of their wages/salaries. In the private sector, full pay is payable according to collective agreements for a period of one to three months varying from one industry to another.

In Iceland, employees are ensured pay during illness through collective agreements for a period longer than the statutory minimum depending on their seniority. Employees working for Central and Local Government are covered by the most favourable rules in that they may be paid in full for an entire year, if they have been employed for more than 15 years. Employers in the private labour market are obliged to pay 1 per cent of the wage sum to a supplementary daily cash benefit scheme that is administered by the various unions. From those schemes, daily cash benefits are payable after the employer period, usually for 120-150 days. Due to these schemes, daily cash benefits from the public sickness insurance scheme are of little importance.

According to agreement, all public employees in Norway will be paid in full during illness by way of a supplement to the sickness benefits to compensate for the difference between the maximum amount of sickness benefits and their normal wages/salaries. Similar rules apply in the private labour market in a number of cases.

In Sweden, all employees in the public sector will be paid wages/salaries according to collective agreements as a supplement to sickness benefits. Sickness benefits correspond to 80 per cent of the income from work up to the income ceiling, and employers pay an additional 10 per cent, so that all employees in that category will receive 90 per cent of their wages/salaries during the first 15-90 days. Those earning more than the income ceiling will be compensated at an amount corresponding to about 90 per cent of their earnings. In cases, where the period of illness exceeds 90 days, public employees shall be compensated by their employers at about 80 per cent of their wages/salaries, although the employee in question may earn more than the ceiling amount. Also salaried employees in the private sector are ensured compensation from their employers through collective agreements. It applies to this category that employers pay compensation after 90 days equalling 65 per cent of the earnings exceeding the income-ceiling amount of the sickness insurance scheme.

Sickness Benefits

After the statutory employer period, sickness benefits shall be payable by either the public authorities or the social insurance scheme. Those not entitled to wages/salaries or sickness benefits in the employer period shall be compensated according to the general rules governing sickness benefits as from the beginning of the period of illness.

In Denmark, employees are entitled to sickness benefits from the local authorities, provided they have been active in the labour market for the past 13 weeks prior to their absence and during that period have been employed for at least 120 hours. People who are entitled to unemployment benefits, or have concluded vocational training of a duration of at least 18 months, or have been in work-training schemes with pay, are also entitled to sickness benefits from the local authorities. As to self-employed people, it is a condition that they have been working for at least six months during the past 12 months, of which at least one month's work must have been carried out immediately prior to the illness.

For self-employed people, sickness benefits are calculated on the basis of their incomes from their businesses.

In the Faroe Islands, sickness benefits are payable to wage/salary earners and voluntarily insured people (self-employed people or people working from home). The income basis for employees is usually the average income from the past five weeks prior to their absence. For the self-employed, the income basis is the income from work in their businesses from the past year. In both cases, sickness benefits must not exceed 80 per cent of the current agreement on wages to unskilled labour.

In Finland, sickness benefits are payable both to those in work and to the self-employed, including those who work for themselves (e.g. work from home or study). No income-related sickness benefits shall be payable if the annual income from work amounts to less than EUR 1 224. Up to an annual income of EUR 31 850, the compensation grade is 70 per cent, after which the compensation shall be gradually reduced. People with low incomes or none at all will be granted minimum sickness benefits after a waiting period of 55 days.

As mentioned above, the public sickness benefit schemes are of little significance in Iceland. Employees working from home and students have a special right to public sickness benefits. Self-employed people have the same right as have employees to sickness benefits payable by the public authorities but may also take out insurance in case of illness, normally for a period of

six months. After that period, payments may be made by the pension schemes.

In Norway, a condition for being awarded sickness benefits from the National Social Security Fund is that the person concerned has been in work for at least four weeks immediately prior to falling ill. The income basis for sickness benefits must amount to an annual income of at least NOK 36 411. This income limit does not apply to sickness benefits payable in the employer period. The maximum amount of sickness benefits payable is NOK 437 286 per year.

Self-employed people have the same right as have employees to sickness benefits if they lose any pensionable income due to lack of working capacity, illness or injuries. A compensation will be payable from the 17th day of sickness at 65 per cent of the sickness benefit basis, but self-employed people can take out sickness-benefit insurance with coverage of either 65 or 100 per cent as from the first day of illness or 100 per cent from the 17th day of illness. When sickness benefits have been paid for 250 days within the past three years, entitlement shall cease.

In Sweden, one condition for being awarded sickness benefits is that the recipient earns an income of at least 24 per cent of the basic amount, which in 2009 was SEK 42 800. Compensation is 80 per cent, but only for an earned income of a maximum of SEK 321 000. If the ill person is unemployed and thus not entitled to sick pay, there is a maximum limit of SEK 486 per day as against SEK 682 payable to the other groups.

Waiting Periods

The rules applying to waiting periods also vary from one country to another. In Denmark, there are no waiting periods for employees if a paid employer period exists. As to self-employed people, and people who work freelance, there is a waiting period of 14 days in Denmark, which may, however, be reduced by a voluntary insurance. In Denmark, voluntary insurance may be taken out in order for a self-employed person to be entitled to sickness benefit from the first or the third day of absence. The insurance premium is higher for self-employed people who wish to receive daily cash benefits from the first day of absence, than it is for self-employed people who wish to receive daily cash benefits from the third day of absence. For self-employed people, who have taken out insurance, daily cash benefits will amount to at least two-thirds of the maximum amount of daily cash benefits. Self-employed people may

take out insurance (at a higher premium) entitling them to the full maximum daily cash benefit amount.

In the Finnish sickness insurance scheme, there is a waiting period of the day on which a person falls ill and the following nine working days, which period equals the statutory period with sick pay for employees. In Finland, self-employed people are entitled to sickness benefits according to the same principles as apply to wage earners. Self-employed people, who have pension insurance, are, however, entitled to sickness benefits from the third day of illness.

The difference is, however, that where wage earners are entitled to statutory pay during the waiting period of the sickness insurance scheme, self-employed people do not receive any benefits for the day on which they fall ill and the following nine working days.

Farmers, who are insured in accordance with the Act on Pension to Farmers, are entitled to sickness benefits from and including the fifth working day following the day on which they fall ill.

In the Faroe Islands, there is no waiting period.

In Iceland, the public insurance scheme contains a waiting period of two weeks.

In Norway, there is no waiting period, and employees are paid sickness benefits from the first day of illness. Self-employed people can take out sickness-benefit insurance with coverage of either 65 or 100 per cent from the first day of illness or coverage of 100 per cent from the 17th day of illness.

In Sweden, there is a minimum of one waiting day, both in connection with sick pay and sickness benefits. There may, however, be no more than 10 waiting days in a period of 12 months for employees. Self-employed people may choose a waiting period of one, three or 30 days, depending on the nature of the insurance they have taken out.

Other Conditions

In Denmark, Finland, Iceland and Norway, sickness benefits shall normally be payable for a maximum of one year (52 weeks), and a period may consist of several separate sickness-benefit periods. In Finland, it is also possible to be awarded sickness benefits partially for 12-72 working days, if the person concerned has received sickness benefits for a minimum of 60 consecutive days and then returns to a part-time job. The object is to ease the return to work after long-term illness. In the Faroe Islands, sickness benefits shall be

payable for a maximum of 40 weeks within a 12 months period, after which social assistance may be payable according to need.

Sickness benefits are subject to tax in all the countries.

In Denmark, the period may, in some cases, be prolonged beyond the 52 weeks. In Sweden, sickness benefits are usually payable for a maximum of 364 days in a 15 months period. In some cases, the period may be prolonged. The evaluation of reduced working capacity and entitlement to sickness benefits is made according to a so-called rehabilitation chain. In the first 90 days, it is made in relation to normal work. After 90 days, entitlement to sickness benefits is evaluated on the basis of the insured being able to carry out some work for the employer. After 180 days, the insured shall only be entitled to sickness benefits if s/he is able to carry out some kind of work in the labour market. As to the self-employed, evaluation is made of the first 180 days. After that, the individual is evaluated in respect of the ordinary labour market. As to the unemployed, working capacities are evaluated in relation to the entire labour market as from the first day.

In Denmark, sickness benefits are paid and managed by the local authorities. Central Government reimburses local authorities their expenditure on sickness benefits for the first four weeks at 100 per cent, while the expenditure after the four weeks and up to and including 52 weeks will be reimbursed at 50 per cent. After 52 weeks, local authorities themselves defray the expenditure on sickness benefits in full.

In the Faroe Islands, sickness benefits are paid by the Faroese Social Administration.

In Finland, sickness benefits are payable by the Social Insurance Institution; in Iceland, sickness benefits are payable by the National Social Insurance Scheme; in Norway, by the Ministry of Labour and Social Inclusion and in Sweden, by the insurance funds.

Disposable Income and Compensation Degrees

Figure 5.1 shows the disposable income at three different income levels for single childless people drawing sickness benefits. Figure 5.4 shows the disposable income at three different income levels for a single childless person drawing sickness benefits as percentages of the disposable income from work.

Figure 5.1 Disposable incomes for single childless people, 2009

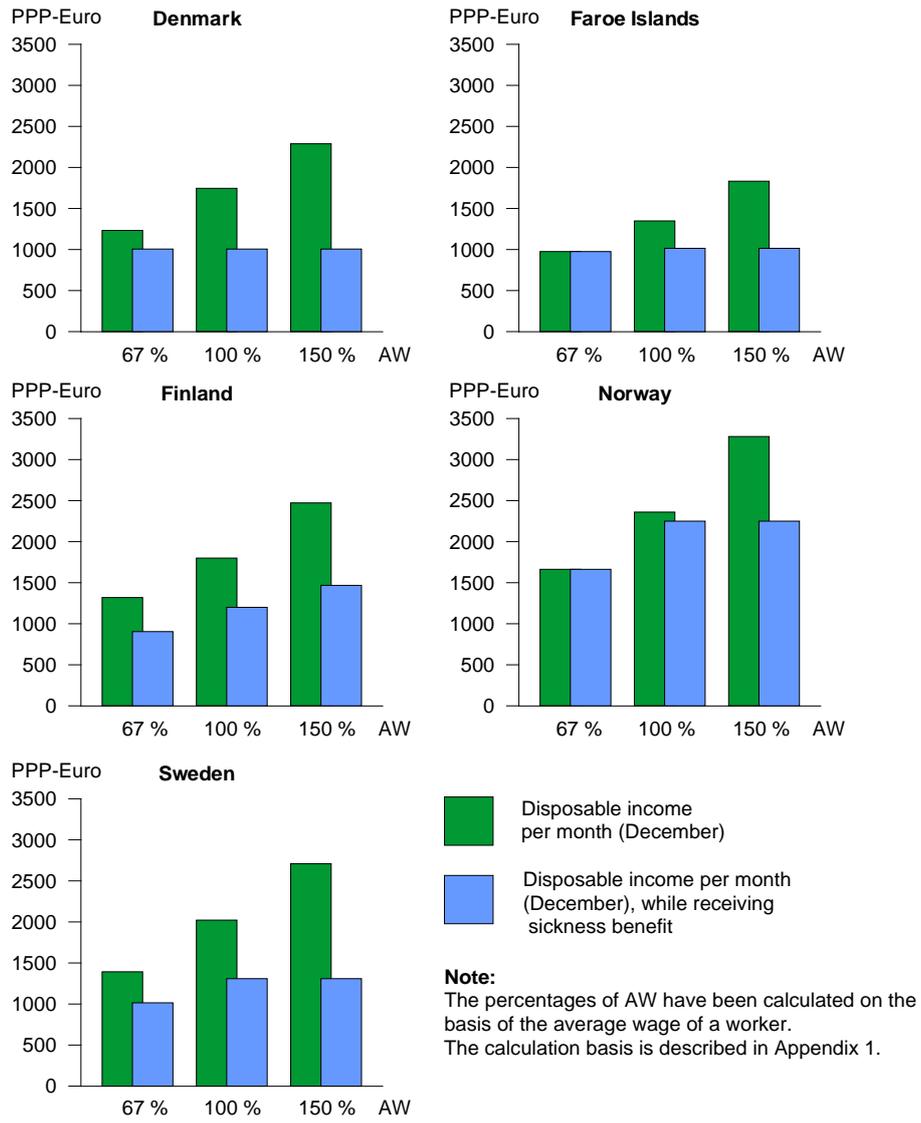


Table 5.4 Disposable income for single childless people per month (December) when drawing sickness insurance as percentages of disposable income when in work, 2009

	Denmark	Faroe Islands	Finland	Norway	Sweden
<i>67 per cent AW</i>	82	100	69	100	73
<i>100 per cent AW</i>	58	75	67	95	65
<i>150 per cent AW</i>	44	55	59	69	48

Length of Absence Periods

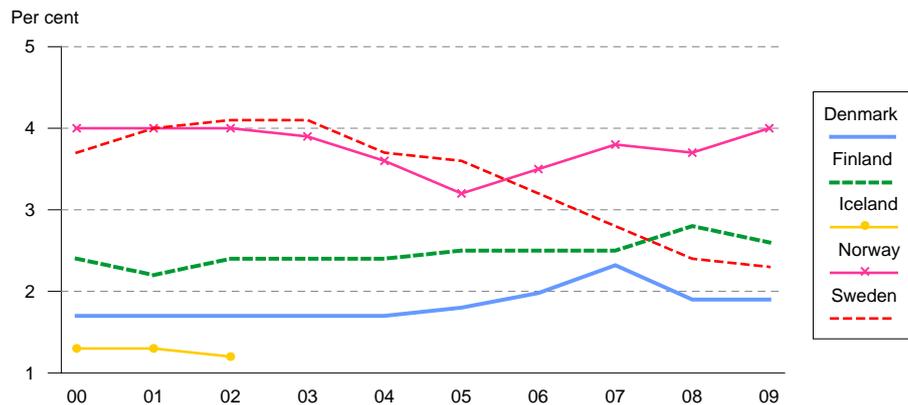
Table 5.5 Employees' calculated absence due to illness for at least one week as percentages of all employees, 2000-2009¹⁾

	Denmark ²⁾	Finland	Iceland	Norway	Sweden
2000					
Men	1.4	2.2	1.1	3.4	2.6
Women	2.0	2.5	1.5	4.7	4.9
Total	1.7	2.4	1.3	4.0	3.7
2005					
Men	1.5	2.1	..	2.6	2.8
Women	2.2	2.8	..	3.9	4.4
Total	1.8	2.5	..	3.2	3.6
2008			..		
Men	1.6	2.6	..	2.7	1.9
Women	2.2	3.1	..	4.7	3.0
Total	1.9	2.8	..	3.7	2.4
2009					
Men	1.4	2.5	..	3.2	1.8
Women	2.4	2.8	..	4.0	2.8
Total	1.9	2.6	..	4.0	2.3

1 The figures were calculated on the basis of labour-force surveys as an average of the censuses.

2 15-66-year-olds.

Figure 5.2 Development in employees' calculated absence due to illness for at least one week as percentages of all employed, 2000-2009



As it appears from the figures, there are considerable differences in the compensation levels in case of illness. The lowest income groups will be fully compensated in case of illness both in the Faroe Islands and in Norway. The differences depend partly on the amount of the daily cash benefits in relation to the income from work (they are highest in Denmark and Norway and lowest in Finland), partly by the maximum amount, which is relatively low in Denmark in relation to Sweden and – especially – Norway. Besides, it is significant that there is no upper limit to the amount of daily cash benefits in Finland. The compensation level is, however, only 25 per cent at an annual pay of more than EUR 49 003.

The extent of the absence due to illness varies considerably from one country to another; it is least pronounced in Denmark, and most so in Norway. In Denmark and Finland, the absence patterns were practically unaltered. Since 2003, there has been a considerable decrease in the absence due to illness in Sweden. The decrease is related to the amendment of the rules and the introduction of a requirement in the sickness-benefit scheme for activity. The amendment has resulted in an increase in part-time absence due to illness.

In Table 5.5, the number of days for which sickness benefits have been paid, converted into full-time equivalents and in per cent of the labour force, has been included. The differences among the countries are substantial, with the fewest full-time equivalents of absence in relation to the workforce in the Faroe Islands, Finland and Denmark and with relatively most in Norway. Relatively speaking, there are now fewer men in Sweden than in Denmark

who draw sickness benefits. Converted into full-time equivalents, women receive sickness benefits to the largest extent. There are differences among the countries in how sickness-benefit payments are calculated. In some countries, sickness benefits are payable for 5 days per week, in others for 6 or 7 days per week. This has been taken into consideration in the calculations of full-time equivalents. In some countries, “part-time illness” also exists, but as this is not registered in the statistics of all the countries, the calculation of full-time equivalents was made from the number of days when sickness benefits were drawn, regardless of whether the individual was considered “full-time” or “part-time” ill.

As only days on which sickness benefits shall be payable are included, the number of days that can be included varies, as the length of the employer period (in which no sickness benefits shall be payable) varies from one country to another. Besides, the Danish, Norwegian and Swedish data also contains sick-days in connection with industrial injuries, while industrial injuries and accidents are registered in a separate system in the Faroe Islands and Finland.

In Denmark, part-time illness amounted in 2008 to 7.4 per cent of all concluded sickness-benefit cases in 2008, or ongoing cases at year end, of which 8.4 per cent concerned women and 6.1 per cent concerned men. In Norway, 29.8 per cent of all concluded sickness-benefit payments from the National Insurance Scheme in 2005 related to part-time absence. In Sweden, absence is about 19 per cent less, calculated as net days. In the other countries, it is not possible to be absent due to illness on a part-time basis.

Figure 5.3 Number of recipients of sickness benefits converted into full-time equivalents as percentages of the labour force, 2002-2009

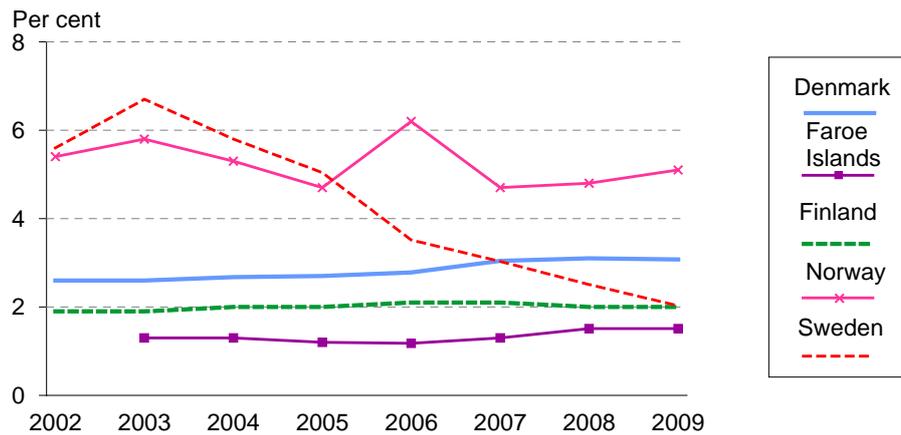


Table 5.6 Number of recipients of sickness benefits calculated as full-time equivalents, total and as percentages of the labour force broken down by gender, 2009

	Denmark	Faroe Islands	Finland	Norway	Sweden
Men	37 363	301	24 817	55 098	40 472
Women	48 718	223	27 586	76 890	59 032
Men and women	86 081	524	52 403	131 987	99 504
<i>Per cent of labour force</i>					
Men	2.6	1.6	1.9	4.0	1.6
Women	3.6	1.4	2.2	6.3	2.5
Men and women	3.1	1.5	2.0	5.1	2.0

Table 5.7 Number of concluded sickness-benefit periods of at least 15 days (per cent), 2009

	Denmark ¹⁾	Faroe Islands	Finland	Norway ²⁾	Sweden
<i>Men</i>					
<i>Duration (days)</i>					
15-29	13.4	38.6	38.2	33.9	29.8
30-89	42.8	37.0	38.5	33.3	36.0
90-179	19.3	13.4	10.9	13.4	13.7
180-359	12.6	10.8	9.7	11.8	8.9
360+	11.9	0.1	2.8	7.4	11.6
Total	100.0	100.0	100.0	100.0	100.0
<i>Women</i>					
<i>Duration (days)</i>					
15-29	11.7	36.0	41.9	35.7	31.4
30-89	41.5	40.2	39.4	32.9	36.1
90-179	19.9	13.6	9.0	14.3	12.5
180-359	13.4	10.1	7.9	11.0	7.9
360+	13.5	0.1	1.8	6.1	12.1
Total	100.0	100.0	100.0	100.0	100.0
<i>Men and women</i>					
<i>Duration (days)</i>					
15-29	12.5	37.5	40.4	35.0	30.8
30-89	42.0	38.4	39.0	33.0	36.1
90-179	19.6	13.5	9.8	13.9	13.0
180-359	13.1	10.5	8.6	11.3	8.3
360+	12.8	0.1	2.2	6.6	11.9
Total	100.0	100.0	100.0	100.0	100.0

1 As from 2 June 2008, the number of days for which everyone in work can draw sickness benefits was raised from 15 to 21 days. In the table, only cases for 2008 exceeding 21 days have been included.

2 The figures for Norway include sickness-benefit periods for all groups of sickness-benefit recipients. For employees, only periods of at least 17 days have been registered. For other groups, all sickness-benefit periods have been included. These were mainly payable from and including the 15th day of illness.

There are some differences as regards the patterns of long-term absence due to illness (for more than two weeks) in the various countries. This reflects inter alia different practices as to when long-term ill people start receiving benefits from other sections of the social system. This applies for instance to the transition to rehabilitation benefits or disability pension.

In Sweden, sickness benefits can as from 1 July 2008 be drawn for 364 days within a period of 450 days (framework period). After that the period may be prolonged to a maximum of 550 days, but at a somewhat lower amount. People suffering from very serious illness are not subject to any

limitation of time. In some cases, sick pay may also be payable in Denmark after more than one year of absence due to illness. The approximately 6.4 per cent in Norway of over 360 days also cover people who are ill for more than one year (365 days). They are not entitled to sickness benefits for more than one year, but will qualify for rehabilitation benefits. Men and women's absence due to illness shows a rather unequal pattern in the various countries. In general, men have the highest absence rate as to the long periods of absence, with the exception of Denmark, where women range somewhat higher than do men as to periods of absence of more than 180 days. The large number of people with an absence period exceeding one year in Sweden is due to the reform of the disability-pension scheme, where many cases were concluded, and many of the people concerned thus transferred to other benefits than sickness benefits or got well again.

Daily Cash Benefits in the Event of Industrial Injury or Work-Related Illness

In all countries, benefits are payable in the event of industrial injuries or occupational diseases. Short-term benefits may be sickness or equivalent benefits.

In Finland, industrial-injury benefits are payable, usually equivalent to the affected person's normal wages.

Services

Common to the Nordic countries is that they have a well-established service network for both prevention and treatment of diseases. It is, however, an area that varies somewhat from one country to another.

In Denmark, Finland and Sweden, local and/or county/regional authorities are responsible for the organization of the health sectors, while it in Iceland is Central Government and in the Faroe Islands the Government. In Norway, Central Government is responsible for the specialized health sector (first and foremost the hospitals), whereas local authorities are responsible for the primary health sector. In the present system within the primary health sector, everyone is attached to a specific general practitioner, as is the case in Denmark and the Faroe Islands.

Occupational health services have been established in Denmark, Norway and Sweden. The purpose of these services is to initiate preventive measures and exercise health control within the framework of the individual work places. In Finland, there is also a statutory occupational health service, which is responsible for preventive measures. Statistical data on this area can be seen in the NOMESCO publication *Health Statistics in the Nordic Countries*, which can be downloaded from this home page.

Hospitals

In all the Nordic countries, there are general hospitals with outpatient clinics/policlinics and emergency wards. There are also highly specialized hospitals, psychiatric hospitals and, in some of the countries, hospitals providing long-term care. The hospitals are mainly run by Central Government, the regions/counties or the municipalities, but there are also a few private hospitals.

It is very difficult to obtain comparable data in respect of the capacity of the health services in the Nordic countries, as the organization of this area varies considerably from one country to another. There is, however, a general tendency towards the periods of hospitalization becoming still shorter, and towards more and more patients being treated at outpatient clinics.

In all the countries, there has been a tendency towards shutting down psychiatric hospitals and improving treatment of psychiatric patients in their own environments instead.

Medical Treatment, Etc.

In the Nordic countries, general (primary) medical treatment takes place outside of hospitals. Various forms of preventive health-care measures are furthermore linked to the primary health services.

In Denmark, general medical treatment is provided solely by self-employed general practitioners, fully financed by and according to agreements with the public authorities.

In the Faroe Islands, all practitioners are public employees, but are paid a basic amount as well as according to services.

In Norway, about 93 per cent of the general medical treatment is provided by self-employed general practitioners. This only applies to a slight degree in the other Nordic countries. It is thus estimated that self-employed general practitioners perform about 20 per cent of the general medical treatment in Sweden. About 20 per cent of the general medical treatment as well as treatment by specialists are in Finland performed by self-employed doctors. Doctors employed by the public authorities perform the remaining part at public health centres.

In Finland and Iceland, health centres in sparsely populated areas may be equipped with wards.

Specialist treatment is available in all the countries. It is performed by specialists according to agreements with the public authorities. These services are provided according to either general or specific rules.

Due to the large differences from one country to another in the organization of the primary health sector, it is very difficult to obtain comparable data concerning the number of medical visits per inhabitant.

Home nursing is available in all the countries, both to families and children and to the elderly and the disabled.

In all the countries, pregnant women and infants are offered public health care. In addition, all the countries provide school health-care services. Most children are being immunized according to the recommended immunization programme. Screening programmes to detect e.g. breast cancer, etc., exist to a certain degree in all the countries. In Finland and Iceland, such tasks are performed by the health centres.

In all the countries, transport expenses in connection with illness are subsidized.

Dental Treatment

Dental treatment is a well-developed service in all the Nordic countries. With the exception of Iceland, treatment of children and adolescents is performed at public clinics, where treatment is completely or partly free of charge. In most of the countries, there are also special discount schemes for the older part of the population. As to the remaining part of the population, citizens pay for the majority of the treatment themselves. Dental treatment of adults is mainly handled by private dentists. In Finland, the population is entitled to dental treatment, and people may choose between municipal and private dental treatment. The sickness-insurance fund reimburses the

expenditure on private treatment. The amount that the patients have to pay themselves for municipal dental treatment is smaller than that payable for private treatment.

In Sweden and Norway, public dental-care services are organized by the counties.

Expenditure on and Financing of Cash Benefits and Services in Connection with Illness

Differences and Similarities in the Expenditure on Illness

There are some differences in the expenditure on illness in the Nordic countries measured in PPP per capita, where the Faroe Islands and Finland spend the least and Iceland the most.

In respect of expenditure on paid absence due to illness, Norway spends considerably more than the other Nordic countries, measured in PPP per capita. This is largely due to the amount of the sickness benefits (cf. Table 5.3), but the low unemployment rate in Norway also affects the absence due to illness. It should be noted, however, that only Finland and Iceland include wages and salaries payable during illness in social expenditure.

As regards the expenditure on services (medical treatment), measured in PPP per capita, it is lowest in the Faroe Islands and highest in Norway.

What influences the expenditure on medical treatment is patients' payment of user charges for medical treatment and medicine, which is highest in Finland.

Another influential factor is the grey zone between the health sector and the treatment of the elderly and the disabled, which is organized in somewhat differing ways in the various countries.

Changes in the Social Expenditure on Illness from 2007 to 2008

In Denmark, the expenditure increased from 2007 to 2008 by DKK 3.9 billion, corresponding to a growth rate of 3.4 per cent. The increased expenditure was a result of an increase of DKK 4.5 billion for services,

whereas the expenditure on cash benefits ("daily cash benefits") decreased by DKK 0.6 billion.

In the Faroe Islands, the expenditure increased by DKK 14 million, corresponding to 1.6 per cent. The increase is solely due to increased expenditure on services, including expenses in connection with treatments at the county hospital, treatment abroad and medicine.

In Finland, the expenditure on cash assistance decreased by 0.6 per cent at constant prices. The value of the benefits was almost the same in 2008 as in 2007, but the number of recipients decreased. The expenditure on the primary health sector increased by 5 per cent, and the expenditure on specialist treatment increased by 3.7 per cent at constant prices. The expenditure on the insurance for subsidies increased by 7.8 per cent at constant prices.

In Iceland, social expenditure on illness increased by 1 per cent at 2008 prices. The increase in the expenditure on services was 1.6 per cent, but the expenditure on cash benefits decreased by 1.6 per cent at constant prices. The main reason for the decrease is a decline in the real earnings from 2007 to 2008 resulting in lower costs in the employer period.

In Norway, the expenditure on illness increased by 4.9 per cent at constant prices. Cash benefits increased by 8.2 per cent, while services increased by 3.3 per cent. Cash benefits amounted to 33 per cent of the expenditure on illness in 2008. The increase in cash benefits was mainly due to the expenditure on absence due to illness increasing by 8,1 per cent from 2007 to 2008, whereas the expenditure on daily cash benefits in the employer period increased by 8.4 per cent.

In Sweden, the expenditure on illness decreased marginally (-0.04 per cent) from 2007 to 2008. The decline in the absence due to illness contributed to the expenditure on cash benefits decreasing, which reduced both new and concluded cases. The expenditure on services increased by 2.7 per cent in 2008. Apart from treatment of illness, also the expenditure on medication is included.

Table 5.8 Expenditure on and financing of cash benefits and services in connection with illness, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Cash benefits, millions</i>						
A. Paid absence due to illness	17 914	73	2 117	22 974	59 223	40 591
Of which:						
a. Ordinary sickness benefits	14 077	61	773	1 427	31 144	26 894
b. Daily cash benefits in employer period	3 837	3	962		28 079	12 900
c. Sick pay	-		188	21 114		
d. Special insurance in the event of industrial injury or occupational disease	-	8	152	433	-	797
B. Other	516	-		91	617	75
Cash benefits, total	18 430	73	2 117	23 065	59 839	40 666
<i>Services, millions</i>						
Services, total	98 503	824	10 538	107 524	120 810	200 103
Total expenditure, millions	116 933	897	12 654	130 589	180 649	240 769
Expenditure as percentage of the GDP	6.7	7.3	6.9	8.8	7.1	7.5
<i>Financed by (per cent)</i>						
- Public authorities	90.1	99.0	70.1	82.8	62.2	80.7
- Employers	3.4	0.9	19.9	17.1	28.7	18.9
- The insured (contributions and special taxes)	6.6	0.2	10.0	-	9.1	0.4
<i>Changes 2007-2008 at 2008 prices</i>						
- Millions	3 886	14	500	1 197	8 431	641
- Per cent	3.4	1.6	4.1	0.9	4.9	0.3

Table 5.9 Expenditure on cash benefits and services in connection with illness, in PPP, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Cash benefits, total per capita	319	144	321	483	1 098	399
Cash benefits per person aged 16-64 years	494	231	492	729	1 692	621
Services, total per capita	1 705	1 618	1 599	2 253	2 218	1 966
Expenditure on illness, total per capita	2 024	1 762	1 921	2 737	3 316	2 365

User Charges Payable for Health Services

The rules governing user charges payable for health services differ somewhat in the Nordic countries. In Finland, Norway and Sweden, there are rules governing maximum payment of user charges for health services. Such rules also exist in Iceland, but patients are only partly exempt from paying. In Denmark, such rules apply only to medicine.

Maximum User Charges

In Denmark, a new subsidy system based on need was introduced on 1 March 2000, where the subsidy granted depends on an individual's consumption of subsidized medicine. In 2009, subsidies to a consumption of medicine of less than DKK 820 per year shall not be granted, after which the subsidy shall gradually increase to 85 per cent of expenses exceeding DKK 2 245 per year. For children under 18 years, a subsidy of 50 per cent shall, however, be granted to a consumption of medicine of less than DKK 820. For the chronically ill, a 100 per cent subsidy is given to the part of the user charges exceeding DKK 3 370 per year.

In the Faroe Islands, subsidies may be granted towards medicine to people with disabilities or permanent illnesses or ailments due to old age. No subsidy shall be payable to an expenditure of less than DKK 400 per quarter, after which the subsidy shall amount to 100 per cent of the expenditure. As to pensioners, user charges payable shall be DKK 200, 400 or 600 per quarter, depending on income.

In Finland, there is a so-called expenditure ceiling of EUR 590 in the municipal social and health sector. When this ceiling has been reached, treatment is free of charge. The ceiling applies to medical treatment in the primary health sector at health clinics, physiotherapy, on-going treatment, visits to out-patient clinics, day surgery and short-term stays at institutions within the social and health-care sector. Transport expenses in connection with treatment shall be reimbursed in full, if they exceed EUR 157.25 per year.

In Iceland, the maximum user charge payable for out-patient treatment at hospitals in the primary health-care sector and at specialists' is ISK 21 000 per year for people in the age group 18-66 years and ISK 7 000 for children under 18 years. For pensioners between 67 and 69 years receiving full basic pension, and for pensioners 70 years old or more, who draw disability pension, and for people, who have been unemployed for more than six months, the maximum user charge payable is ISK 5 200. When a patient has

been paid the maximum amount, s/he only has to pay one-third of the rates. There are also special rules governing payment for physiotherapy, occupational therapy and other therapeutic treatment.

In Norway, the maximum user payment for medical treatment, psychological treatment and travel expenses in connection with examination and treatment as well as subsidized medicine was NOK 1 780 in 2009. Expenses above that amount shall be covered by Central Government. An Act was introduced in January 2003 laying down special rules for the 12-16-year-olds. The maximum user charges in relation to the ceiling was NOK 2 560 in 2009. The Social Security Scheme financed about 50 per cent of the total expenditure on medicine in 2005.

In Sweden, a maximum user charge is payable per year for general medical treatment, physiotherapy, etc., and another maximum user charge for medicine.

In case one or both parents jointly have several children under 18 years, these children are free from paying user charges if the purchase of medicine for them in total exceeds the maximum amount fixed for user charges. As to the municipal care schemes, there are no government rules applying to maximum user charges.

*Medical Treatment, Etc.***Table 5.10 User charges payable for medical visits as at 1 January 2009**

	Uniform rules in the entire country?	Amount of user charges	Exceptions	Ratio of user charges of the total expenditure on medical visits
Denmark	Yes	None	A small group that has a free choice of doctor pays minor amounts for medical treatment	-
Faroe Islands	Yes	None	Visit by emergency medical service (evening and night) costs DKK 20	-
Finland	Yes	Public: EUR 11 ¹⁾ . EUR 15 for visits between 8 pm and 8 am on weekdays and Saturdays, Sundays and Holidays. Private: at least 40 per cent	No payment for children under 18 years	About 5 per cent.
Iceland	Yes	ISK 1 000 (daytime) -3 800 for visits to general practitioner, other rules apply to visits to specialist	ISK 500 (daytime) -1 850 for children under 18 years and pensioners, disabled and long-term unemployed people, and where pensioners' expenses in a calendar year exceed ISK 6 100 and children's exceed ISK 8 100, then ISK 400 (daytime) -900	Varies
Norway	Yes	General practitioner: NOK 132 (daytime,) NOK 225 (evening and night). visit to a specialist: NOK 172 (daytime) and NOK 265 (evening and night)	In connection with pregnancy/birth, industrial injury, was injury, for inmates in prisons, children under 12 years, in connection with psychotherapeutic treatment of children and adolescents under 18 years and in connections with dangerous, contagious diseases	About 44 per cent
Sweden	No	SEK 100-300	No payment for children under 18 years	..

1 Medical visits: EUR 11 for the first three visits in a calendar year or an annual fee of no more than EUR 22 for 12 months depending on the local authorities.

In Denmark, medical treatment and home nursing are free of charge. A small group of people, who is at liberty to choose doctors freely, must pay a minor amount for medical treatment. In the other Nordic countries, patients pay an amount for treatment themselves.

In the Faroe Islands, medical treatment and home nursing are free of charge.

In Finland, EUR 11 is payable for temporary home nursing per visit by a general practitioner, and EUR 7 per visit by a nurse. For continuous care in the home, an amount is payable depending both on the extent of the care and on a patient's financial situation.

In Iceland, payment for medical treatment varies. As a rule, children and pensioners pay only one-third of the normal user charges. Home nursing is free of charge.

In Norway, user charges payable for medical visits vary. For treatment outside of the daytime hours, user payment is NOK 235, and by the emergency medical service NOK 265, depending on whether or not the doctor is a specialist. No user charge is payable for home nursing.

In Sweden, user charges vary from one county to another. User charges for medical treatment are usually about SEK 200. For visits to a specialist, user charges are somewhat higher. Other medical visits may cost less.

Dental Treatment

In all the countries, dental treatment of children and young people is completely or partly free of charge. The rest of the population pays all costs for treatment themselves, or is reimbursed a small part of the costs.

In Denmark, patients' payments amounted in 2005 to about 62 per cent of the total costs, including expenses for the municipal dental-care schemes for children and adolescents, which are free of charge.

In the Faroe Islands, patients' payments amounted to about 55 per cent of the total expenditure exclusive of dental care for children and adolescents, which is free of charge.

In Finland, adults' payment of user charges for municipal dental treatment made up 20 per cent of the expenditure. Treatment of children under 18 years is free of charge. The sickness insurance fund reimburses part of the costs for dental treatment in the private sector. On average, patients' user charges totalled 63-65 per cent of the expenditure.

In Iceland, people over 67 years and disabled people are reimbursed between 50 and 100 per cent of the expenses, depending on their incomes. Children under the age of 18 are reimbursed an average of 55-60 per cent of the total costs.

In Norway, adults usually pay the full amount for dental treatment. Young people under the age of 18 and certain other groups, such as the elderly, the long-term ill and the disabled, will be treated free of charge. As a supplement, the National Insurance Fund subsidized costs of dental treatment in connection with certain types of dental treatment and with certain diagnoses.

In Sweden, everyone under the age of 20 gets dental treatment for free. As from the age of 20 years, one is entitled to subsidized dental treatment. The subsidy consists of two parts: a contribution towards treatment, which is mainly for examinations and prevention, and a security for maximum user payment.

Medicine

Table 5.11 User payment for medicine (on prescription) as at 1 January 2009

	Uniform rules in the entire country?	Amount of user charges	Exceptions	Ratio of user charges of the total expenditure on medication
Denmark	Yes	Subsidy depends on the amount of the individual patient's consumption of medicine in the primary sector	No	25 per cent
Faroe Islands	Yes	..	No	About 20 per cent
Finland	Yes	58 per cent of the amount, maximum EUR 672.7+ per year, and then EUR 1.50 per medical product	In connection with some illnesses, only EUR 3 shall be payable or 28 per cent of the amount (depending on illness)	56 per cent
Iceland	Yes	ISK 1 900 + 65 per cent of the rest of the price, but no more than ISK 3 700	Pensioners and disabled people: ISK 700 + 50 per cent of the rest of the price, but no more than ISK 1 200	About 34 per cent
Norway	Yes	36 per cent. A maximum of NOK 520 per prescription	For children under 12 years and people who only receive minimum pension: no user charges	36 per cent
Sweden	Yes	SEK 0-1 800 per year	-	25 per cent

Hospitalization

Table 5.12 User charges payable for hospitalization as at 1 January 2009

	Uniform rules in the entire country?	Amount of user charges	Exceptions	Ratio of user charges of the total expenditure on hospitalization
Denmark	Yes	-	No	-
Faroe Islands	Yes	-	No	-
Finland	Yes	EUR 26 per bed day, EUR 22 for out-patient treatment and EUR 72 for day surgery	Payment for long-term stays according to ability to pay, for children 0-17 years, but only for a maximum of 7 days	About 4 per cent
Iceland	Yes	-	No	-
Norway	Yes	-	No	-
Sweden	No	SEK 0-80 per day	..	..

In Denmark, the Faroe Islands, Iceland and Norway, hospitalization is free of charge, but not so in Finland and Sweden.

In Denmark, user charges are payable for treatment at private hospitals, but not if the treatment is covered by the extended free choice of hospital.

In the somatic hospital area, a patient is entitled to choose a private hospital without having to pay for it, if the patient shall have to wait more than a month for treatment at a public hospital. Special rules apply to psychiatric treatment.

Chapter 6

Old Age, Disability and Surviving Relatives

Links to supplementary information:

[EUROSTAT - database](#)

[Typical cases](#)

[Social expenditures](#)

6.1. Introduction

Both in the Nordic and in other European countries, the expenditure on the elderly and the disabled forms a substantial part of the total social expenditure.

Table 6.1 Expenditure on the elderly, the disabled and surviving relatives as percentages of the GDP in the EU, the Faroe Islands, Iceland and Norway, 2007

Denmark	14.9	Austria	15.5	Greece	13.6	The Netherlands	13.3 ^P
Faroe Islands	11.5	Belgium	14.5	Hungary	11.7	Poland	12.4
Finland	12.6	Bulgaria	8.7	Ireland	5.8	Portugal	14.1
		The Czech					
Island	8.1	Republic	9.5	Italy	17.1 ^P	Romania	7.2
Norge	11.3	Cyprus	9.2 ^P	Latvia	5.7 ^P	Slovakia	8.1 ^P
Sverige	16.3 ^P	Estonia	6.5	Lithuania	7.9 ^P	Slovenia	11.3 ^P
		France	14.9 ^P	Luxembourg	9.4	Spain	10.0 ^P
		Germany	13.6 ^P	Malta	10.5	United Kingdom	13.6 ^P

Note: See Table 3.1.

The Structure of This Chapter

While the other chapters have followed the chapter structure of ESSPROS, the descriptions of the elderly, the disabled and surviving relatives have in this report been gathered in one chapter and divided into four parts: 6.1 General Introduction, 6.2 The Elderly, 6.3 The Disabled and 6.4. Surviving Relatives. First, an overall description is given of the pension structures, number of recipients and compensation levels. Then follows a description of the social services, and finally of the social expenditure and user charges.

Number of Pension Recipients

The Figures in Table 6.2 do not include child pensioners, widow/widower pensioners or partial-retirement pensioners. In respect of Denmark, the total number of pensioners includes recipients of voluntary early retirement benefits aged 60–64 years. As the widow's pension has been abolished in Denmark and in the Faroe Islands, the number of pension recipients in Denmark and in the Faroe Islands is overestimated in relation to the other Nordic countries. The reason for the high rates of pension in Finland to the 60–64 year-olds is that there are several early-retirement pension schemes, such as unemployment pension and early-retirement pension as well as individual disability pension. After the law reform in 2005, it is possible to apply for work-related retirement pension between the ages of 63 and 68 years. Besides, there were 28 899 people in 2008 aged 58–64 years who received partial retirement pension.

In Sweden, it is no longer possible to be awarded partial retirement pension. Individuals receiving sickness and activity allowance (which in the other countries is called disability pension) are included in the total number of pension recipients.

The age and gender compositions of the pension recipients differ somewhat from country to country. Especially in respect of the 60–64 year-olds, there are significantly more both men and women who are pensioned in Denmark and Finland than is the case in Norway and Sweden.

Taxation of Pensions

In Denmark and Iceland, pensioners are taxed according to the same rules as apply to other taxpayers. Pensioners in Denmark do not, however, pay labour-market contributions of their pension amounts.

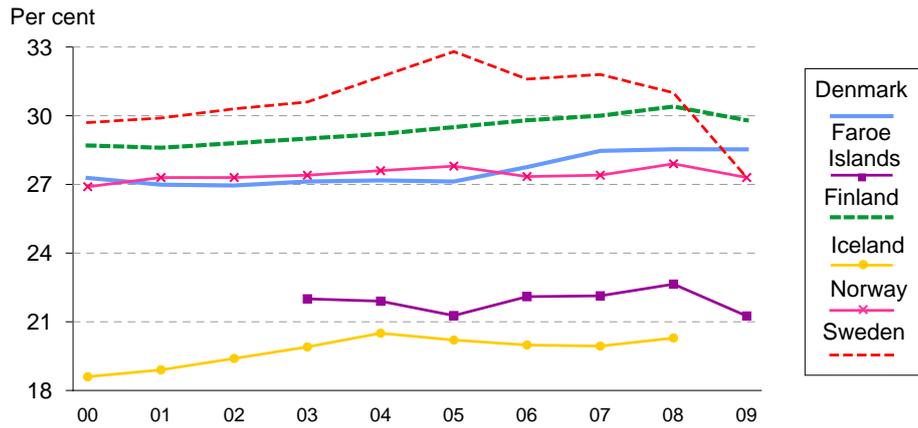
In the Faroe Islands, tax is payable of the part of the basic amount of the retirement pension that is set off against any other income. Furthermore, retirement pensioners do not pay contributions to the maternity scheme, the unemployment scheme or the labour-market pension that is based on solidarity. The disability is fully taxable, with the exception of the invalidity allowance. Besides, there are favourable tax rules for disability pensioners.

In Finland, no unemployment benefits, unemployment pension or sickness insurance contribution is payable of the pension income.

In Norway, there are especially favourable tax rules for pensioners, and in Finland, pensioners are guaranteed a certain amount so that they are exempt from paying tax if they only have the guaranteed minimum pension.

Housing benefits to pensioners are exempt from tax in all the countries, with the exception of Iceland. Child supplements payable to pensioners are exempt from tax in Denmark, the Faroe Islands, Finland and Iceland, but subject to tax Norway. In Sweden, a tax allowance for work was introduced in 2007 to get more people in work. Pensioners are paying lower taxes in that the basic reduction has been increased. Pensioners in Sweden pay less tax in 2009 in that tax relief was introduced as from 1 January 2009 in the form of an increased basic deduction for people over 65 years. The tax relief is highest in connection with low incomes.

Figure 6.1 Pension recipients as percentages of the age group 16-18 years or older, 2000-2009¹⁾



¹ Up to and including 2008, pension recipients include those living abroad and from 2009, only those resident in the country.

OLD AGE, DISABILITY AND SURVIVING RELATIVES

Table 6.2 Pension recipients living in the country by age, in thousands and as percentages of the age group at the time of update, 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Men</i>						
16-39 years	18	2.3	0.1	1.5	17	2.0
40-49 "	25	6.1	0.1	3.6	20	5.4
50-54 "	18	9.8	0.1	5.5	21	11.0
55-59 "	22	12.3	0.1	8.5	38	19.8
60-62 "	39	33.9	0.1	14.0	53	43.5
63-64 "	45	60.7	0.1	18.0	58	79.1
65-66 "	57	91.6	0.1	16.3	50	95.2
67+ "	314	97.4	2.7	100.1	322	99.8
Total	537	25.5	3.5	18.6	579	27.1
<i>Women</i>						
16-39 years	16	2.1	0.1	1.3	13	4.7
40-49 "	28	7.0	0.2	4.8	17	4.6
50-54 "	22	12.2	0.1	9.6	17	8.9
55-59 "	29	16.4	0.2	13.5	33	17.1
60-62 "	56	48.7	0.2	24.1	55	44.1
63-64 "	56	75.2	0.1	29.3	60	77.8
65-66 "	63	97.2	0.2	33.3	55	96.1
67+ "	419	98.2	3.1	95.9	473	99.1
Total	688	31.5	4.1	24.1	723	32.0
<i>Men and women</i>						
16-39 years	33	2.2	0.2	1.4	29	1.9
40-49 "	53	6.6	0.3	4.1	37	5.0
50-54 "	40	11.0	0.2	7.5	38	9.9
55-59 "	51	14.4	0.3	10.9	72	18.5
60-62 "	95	41.3	0.3	18.6	108	43.8
63-64 "	101	68.0	0.2	22.8	118	78.4
65-66 "	119	94.4	0.2	24.4	105	95.7
67+ "	733	97.8	5.8	97.8	795	99.4
Total	1,225	28.5	7.6	21.3	1,302	29.8

1 The first age group is 18-39 years for Denmark.

2 Figures are from 2008.

3 Includes people living abroad.

4 For those receiving sickness and activity allowance, those living abroad have also been included.

5 Population aged 19-39 years.

Table 6.3 Pension recipients living abroad by age, in thousands at the time of update, 2009

	Denmark	Faroe Islands	Finland	Iceland ¹⁾	Norway ¹⁾	Sweden ¹⁾
	1 000	1 000	1 000	1 000	1 000	1 000
<i>Men</i>						
15-54 years	1	.	0	..	..	-
55-64 "	1	.	4	..	..	2
65+ "	16	.	19	..	..	51
In total	19	0.1	23	..	..	53
<i>Women</i>						
15-54 years	1	.	0	..	..	-
55-64 "	1	.	5	..	..	1
65+ "	15	.	30	..	..	41
In total	17	0.1	35	..	..	42
<i>Men and women</i>						
15-54 years	2	.	1	..	..	-
55-64 "	3	.	9	..	..	3
65+ "	31	.	50	..	..	92
In total	36	0.2	60	..	..	95

1 It is not possible to provide separate figures for those living abroad.

6.2 Old Age

Table 6.2.1 Expenditure on the elderly as percentages of the GDP in the EU, the Faroe Islands, Iceland and Norway, 2007

Denmark	10.7	Austria	11.3	Greece	10.4	The Netherlands	9.4 ^P
Faroe Islands	7.6	Belgium	9.9	Hungary	8.3	Poland	8.7
Finland	8.6	Bulgaria	6.8	Ireland	4.0	Portugal	10.1
Island	4.8	The Czech Republic	7.2	Italy	13.1 ^P	Romania	5.4
Norge	6.8	Cyprus	7.4 ^P	Latvia	4.8 ^P	Slovakia	5.9 ^P
Sverige	11.3 ^P	Estonia	5.3	Lithuania	6.0 ^P	Slovenia	8.2 ^P
		France	11.2 ^P	Luxembourg	5.2	Spain	6.5 ^P
		Germany	9.5 ^P	Malta	7.6	United Kingdom	10.4 ^P

Note: See Table 3.1.

Retirement Pension Structures and Income-Adjustment

A common feature in the retirement pension systems of the Nordic countries is that all citizens have a statutory right to a certain minimum subsistence amount in connection with transition to pension, the so-called minimum pension/basic pension. To this should be added statutory labour-market pensions (employment or supplementary pensions) to those who have been active in the labour market. Besides, there are supplementary pension schemes laid down by law or by collective agreements. In all the countries, there are also various private pension-saving schemes, which have not been included in the present report.

No clear boundaries can be drawn among the three pension systems, especially not between the employment pensions and the supplementary pensions.

Nordic statistics consequently differ somewhat from European statistics in that basic and supplementary pensions/employment pensions are treated as one and referred to as the first pillar in the pension system, and supplementary pensions are referred to as the second pillar, while private pensions,

which are not included in this report, are referred to as the third pillar in the pension system.

In this report, the basic pensions in Denmark, the Faroe Islands and Iceland and the guaranteed minimum pension in Finland, Norway and Sweden are described together. Similarly, the supplementary pensions and the employment pensions are described together.

In Finland and Sweden, reforms have been made to the effect that the basic/employment and supplementary pensions form a whole.

Instead of differentiating between basic pension and supplementary pension, everyone is guaranteed a minimum pension, irrespective of their affiliation to the labour market. People who have accrued sufficient supplementary pension/employment pension through work will not be awarded the guaranteed minimum pension. Although this basic principle is the same in the Finnish and the Swedish systems, the pension schemes are structured in very different ways.

In Denmark, the basic pension consists of the basic amount of the retirement pension and pension supplements as well as the supplementary pension allowance (pensioner's cheque), which are all income-adjusted. Moreover, there are a number of supplements, of which the heating supplement and the health supplement are income-adjusted, whereas the personal supplement and the "waiting percentage" in connection with deferred pension are not income-adjusted. The employment/supplementary pension consists of the ATP (the Labour Market Supplementary Pension Scheme), which is not income-adjusted, and nor are the supplementary pensions in the form of labour-market pensions. The special child allowance payable to pensioners is income-adjusted.

In the Faroe Islands, pensioners are awarded a pension depending on their marital status. Part of the pension is set off against any taxable income.

The labour market parties finance a supplementary pension system, which is a labour market pension based on solidarity in which all people over 67 years are paid a fixed monthly amount. Payment is not a result of contribution payments for which reason this pension in principle functions as a basic pension and is treated as such in this publication.

To pensioners with no or only a small household income, a pension supplement shall be payable. Moreover, other personal supplements are payable to pensioners who provide for children, and to pensioners with special need of care. Pensioners living in nursing homes receive a reduced pension amount in order to cover personal expenses.

In Finland, the employment pension is the most important part of the pension system as 85 per cent of the pension expenditure originate from the employment pensions. The retirement pension depends entirely on the amount of the employment pension. No basic pension shall be payable if the employment pension exceeds about EUR 1 207 per month in 2009.

The supplementary pension schemes play a very insignificant part in Finland, however.

The retirement pension depends totally on the employment pension, but any other income (apart from pensions) will not affect the amount of the retirement pension. Since 2008, housing benefits to pensioners are not part of the pension system but an independent benefit. In general, there are no income-adjusted supplements to people receiving basic pension (cf. Table 6.2.2). In Sweden, a guaranteed pension is payable to people receiving a low income-related pension or none at all. The guaranteed pension is scaled down against the income/supplementary pensions and amounted in 2009 to a maximum of SEK 93 400 for single pensioners born in 1937 or before, and SEK 91 200 for pensioners born in 1938 or later. The income-related pension is called income pension and is based on the contributions paid during the entire working period. As a supplement there is also the so-called "premium pension" - a foundation-based pension with full liberty to choose between different foundations in the pension authorities' "foundation market", which consists of Swedish and foreign foundations and interest foundations.

In Iceland, the statutory basic pension may also lapse if a pensioner has other considerable income exceeding a certain level. As to Danish retirement pensioners, only income from work shall be included in the income basis for the basic pension of the retirement pension.

In Norway, everyone is guaranteed a minimum pension in case of disability, irrespective of any previous affiliation to the labour market or by reaching the age of 67 years. In order to become entitled to a minimum pension without any deduction, 40 years of residency is usually required as prove of sufficient affiliation to the Norwegian social-insurance scheme. To be awarded any further pension, a person must (as a general rule) have accrued sufficient employment pension through activities in the labour market.

The employment pension system still remains the same in Denmark, Iceland and Norway, whereas the supplementary pension schemes continue to apply in all the Nordic countries.

Table 6.2.2 Pension recipients by types of benefit, 2009¹⁾

	Denmark	Faroe Islands	Finland	Iceland	Norway ²⁾	Sweden
<i>Recipients of:</i>						
Basic pension/ guaranteed minimum pen- sion	Everyone resident in the country for at least 3 years	Everyone resident in the country for at least 3 years	Everyone resident in the country for at least 3 years	Everyone resident in the country for at least 3 years	Everyone resident in the country for at least 3 years	Everyone resi- dent in the country for at least 3 years
Length of residence re- quired to ob- tain full basic pension	40 years	40 years	40 years	40 years	40 years	40 years
Employment pension	Employees	.	Employees and self- employed people	Employees and self- employed people	Employees and self- employed people	Employees and self-employed people
Supplemen- tary pensions	Statutory for public-sector employees (civil ser- vants)	Statutory for public-sector employees (civil ser- vants)	-	-	Statutory for public-sector employees (civil ser- vants)	-
	Public collec- tive agree- ments	Public collec- tive agree- ments	-	-	Public collec- tive agree- ments	Public collec- tive agree- ments
	Private collec- tive agree- ments	Private collec- tive agree- ments	-	-	Statutory for employees in the private sector ³⁾	Private collec- tive agree- ments

1 As a result of the concluded EU/EEA Agreement, the rules governing entitlement to basic pension in the Nordic countries have become almost uniform. As a main rule, one must have been resident for at least three years in the country in question between the ages of 15 and 65-67 in order to become entitled to a pension. Periods of employment in an EU Member State, or in another country with which a social-insurance convention has been concluded, may be taken into account in the calculation of compliance with the residence requirement.

2 The limit of three years does not apply in case of industrial injuries.

3 In force as at 1 January 2006.

In Iceland, the basic amount payable to retirement and disability pensioners is adjusted both in relation to their own income from work and to half of their household income from capital. Similar rules apply to the pension supplement.

Disability pensioners' own income shall be included in the adjustment up to a certain level. The aim is to have more disability pensioners participate in working life. Employment pension and unearned income up to a certain level are not included in the adjustment. Different income levels apply to retirement pensioners and disability pensioners. The pension – both basic amount and supplements – may lapse completely if a pensioner has any other considerable income exceeding a specific income level.

In Norway, income-adjustment of retirement pension in relation to income from work for pensioners aged 67-70 years has now been discontinued. In some cases, an evaluation is made, however, when a person turns 70. The disability pension is also income-adjusted in relation to income from work exceeding a certain level (graded disability pension, etc.). For all pensioners, the basic pension shall be fixed according to marital status and any spouse's income from work and capital. Married and cohabiting couples are treated equally and have as a rule equal pension status in relation to the Norwegian scheme.

In Sweden, the housing supplement to pensioners is income-adjusted. In accordance with the new legislation from 2003, housing supplement is payable to those living in Sweden and receiving a benefit in the form of full retirement pension, activity or sickness allowance, widow's/widower's pension, special survivor's pension or wife supplement. People, who receive full pension or a disability allowance from another EU member state, may be awarded housing supplements.

Qualifying Age for Pensions to the Elderly

In Denmark, Norway and in the old Swedish system, the qualifying age for employment pension is the same as for basic pension, whereas it is 63-68 years in Finland and 65-70 years in Iceland. In the old Swedish pension system, the income-related pension could be drawn from the age of 60 years. In the new Swedish pension system, the qualifying age for employment pension is flexible from the age of 61 years, and the guaranteed pension may be drawn from the age of 65 years. There is no upper age limit for drawing retirement pension.

The qualifying age for receipt of supplementary pensions is 60 years in Denmark.

In all the countries, retirement pension is payable both by way of a basic pension/guaranteed minimum pension and of a supplementary/employment pension.

In Denmark, it has since 1 July 2004 been possible to postpone the time of pensioning for up to 10 years and thus accumulate a life-long supplement to the retirement pension. In order to get the supplement, one must work for at least 1 000 hours a year corresponding to a little more than 19 hours per week during the period in which the pensioning is postponed. The ATP will also be increased if one chooses to have it paid out later than at age 65 years. The ATP may be postponed until one turns 75 years.

In the Faroe Islands, statutory retirement pension may be drawn from the age of 67 years. The same is the case with employment pension payable on a basis of solidarity.

In Finland and in the old Swedish system, one may draw statutory retirement pensions before the statutory pensionable age (in Finland, as from 62 years), but the pension amount will be reduced. Similarly, the pension amount will be higher if retirement is postponed beyond the statutory pensionable age. In Norway, people between the ages of 68 and 70 will no longer have their retirement pension income-adjusted against any income from work, and it is still possible to accumulate further pension points until the age of 70 years. In Sweden, the annual pension amount shall increase, the longer one postpones claiming pension.

Basic Pension/Guaranteed Minimum Pension to the Elderly

In Denmark, the Faroe Islands, Iceland and Norway, the basic pension consists of a basic amount and a supplement.

In Denmark, the basic amount to all pension recipients is adjusted in relation to any income from work they might have. The ordinary pension supplement is adjusted to a pensioner's own and any spouse's total incomes in addition to the basic pension.

Moreover, health and heating allowances and a personal supplement may be granted to pensioners with low incomes and high expenses. Pensioners with low incomes and a minor disposable capital may be awarded a supplementary pension allowance (the so-called pensioner's cheque), which is payable once every year in January. In 2009, the amount was DKK 10 300.

In the Faroe Islands, there is no income-adjustment of the retirement pension. The ordinary pension supplement is adjusted in relation to the taxable income. Pensioners, who live in nursing homes, receive a special, reduced pension of DKK 954 per months towards coverage of personal expenses. All old-age pensioners get an employment pension of DKK 30 000. Pensioners with no or a low income may be awarded an annual household supplement of DKK 7 128.

In Finland, the retirement pension is based solely on the employment pension. The basic pension plays a less significant part after the reforms in 1996-2001.

In Iceland, the basic/minimum pension is adjusted according to special rules in relation to other taxable incomes, such as one's own and any spouse's incomes.

In Norway, the guaranteed minimum pension consists of a basic pension plus a special supplement. The special supplement is payable to people who do not qualify for employment pension, or who receive a low employment pension, and the entire special supplement shall be docked Krone against Krone in the earned employment pension.

In Sweden, a completely new pension system has gradually been introduced as from 1999. The basic pension, which in the old system was independent of any other income, will be replaced by a guaranteed minimum pension payable to those who either do not qualify for or who receive a very low employment pension. The guaranteed minimum pension is payable as from 2003.

OLD AGE, DISABILITY AND SURVIVING RELATIVES

Table 6.2.3 Rules applying to basic pension/retirement pension, 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Pensionable age	65 years	67 years	65 years	67 years	67 years	From 65 years
Residence in the country for at least:	3 years between the ages of 15 and 65 years.	3 years in the period between the ages of 15 and 67 year	3 years after the age of 16 years.	3 years between the ages of 15 and 67 years.	3 years between the ages of 16 years and the end of the calendar year in which the insured person turns 66 years.	3 years.
Full pension shall be awarded on the following conditions.	40 years of residence in the country between the ages of 15 and 65 years.	40 years of residence in Denmark between the ages of 15 and 67 years.	40 years of residence in the country between the ages of 15 and 65 years.	After 40 years of residence in the country between the ages of 15 and 65 years.	40 years of residence in the country between the ages of 16 years and the end of the calendar year in which the insured person turns 66 years.	40 years of residence.
Pension on the basis of	Length of residence	Length of residence and income	Length of residence, marital status and other employment-based pensions	Length of residence and income	Length of residence, number of pension points, level of pension, marital status	Length of residence and the amount of the income-dependent pension
Reference income or calculation basis	Pension independent of previous income	Pension independent of previous income	Pension independent of previous income	Pension independent of previous income	The 20 years, in which most pension points are credited	Pension independent of previous income
Minimum pension	1/40 of maximum pension	1/40 of basic amount and contributions paid on the basis of solidarity	No statutory minimum	.	NOK 136 296 per year for a single pensioner + a supplement if no pension supplement has been granted	No statutory minimum
Maximum pension	If the income does exceed a certain level: DKK 126 516 per year to single pensioner living alone; DKK 92 688 per year to married or cohabiting pensioners	DKK 123 936 to single and DKK 101 796 to married pensioners. Income exceeding DKK 58 100 shall be set off	EUR 584.13 per month to single and EUR 518.12 per month to married or cohabiting pensioners	.	NOK 327 056 when pensioned at the age of 67 years; NOK 316 518 to a single pensioner	SEK 93 400/SEK 91 200

To be continued ...

OLD AGE, DISABILITY AND SURVIVING RELATIVES

Table 6.2.3 Rules applying to basic pension/retirement pension, 2009
Continued

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Supplements:	Supplementary pensions; health supplement; heating allowance; personal supplement	Child allowance; household supplement; personal allowances and medicine subsidies	Child allowance	Child allowance; certain special supplements	Income-adjusted spouse supplement; child allowance	Wife supplement; housing supplement
Indexation after pensioning:	100 per cent of the wage development with a reduction, if the increase exceeds 2 per cent	Adjusted according to special legislation. Pensions payable on the basis of solidarity shall be adjusted annually but not according to a fixed rate	Consumer price index 100 per cent	Wage development, at least as to the consumer price index	Parliamentary decision	Consumer price index 100 per cent

Table 6.2.4 Incomes for single people, who have never had any income from work, at the time of pensioning, 2009

	Denmark	Faroe Islands	Finland ³⁾	Iceland ⁴⁾	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Single people</i>						
- Basic amount	5 254	6 669 ²⁾	} 584	29 294	6 073	7 780
- Supplement	6 147 ¹⁾	3 659		151 113	5 891	
- Housing benefits	1 719	..	408	..	..	4 808
- Total before tax	13 160	10 328	992	180 407	180 407	12 588
- After tax	10 129	9 456	992	155 501		11 080
- After tax in PPP-Euro	962	898	798	1 041		1 007

1 The supplement includes taxable supplementary pension allowances of DKK 10 300 annually. Housing benefits are calculated on the basis of an estimated annual rent of DKK 35 108. No personal supplements are included.

2 Includes labour-market pension on the basis of solidarity.

3 Since 2008, the pension supplement is no longer part of the pension.

4 The benefit payable to single people living alone includes a supplement.

Supplementary Pension/Employment Pension to the Elderly

The significance of the employment pension in respect of the total payment of pensions varies considerably from one Nordic country to another: from being only a small amount in Denmark to being the most important contribution in the other Nordic countries. The condition for being awarded employment pension is in all the countries that the insured person has previously been affiliated with the labour market.

In Finland, the employment pensions are insurance-based and cover all employees and self-employed individuals without any income ceiling. As from 2005, the pension is calculated on the basis of the total earnings in the period in which one has been in work between the ages of 18 and 68 years.

The pension is financed through contributions from employees and employers. In 2009, the average employer contribution was 16.8 per cent of the earned income; 4.3 per cent was for employees under the age of 53 years; and 5.4 per cent for employees aged 53 years or more.

In Iceland, the employment pension funds have paid out more since 2002 than what is payable as basic pension by the public authorities. In Norway, the employment pension is part of the security provided by the National Social Insurance Scheme and is calculated in relation to previous income. As part of the disability pension reform in Denmark, a special voluntary supplementary labour-market pension scheme for disability pensioners was established.

OLD AGE, DISABILITY AND SURVIVING RELATIVES

Table 6.2.5 Basis for award of employment pension/supplementary pension, 2009

	Denmark	Finland	Iceland	Norway	Sweden¹
Pensionable age	65 years	63-68 years	65-67 years. The later one starts drawing one's pension, the larger the pension.	67 years	From 61 years
Full pension shall be awarded on the following condition	"Full pension" does not exist	"Full pension" does not exist	Contribution period of 40 years	40 years of employment from the age of 17 to the age of 69 years	"Full pension" does not exist
Pension awarded on the basis of:	Paid contributions	Age-dependent accumulation rate and total income from work from the age of 18 years	Duration of membership and contributions paid, credited pension points	Pension points (20 years with the highest number of points credited) and income from work	Total income from all working years, time of pensioning, life expectancy
Accrued periods	None	When income-related parental, sickness, rehabilitation, unemployment benefits or study grants are received and for passed exams	None	Years of minding children under 7 years, nursing of a disabled, ill or elderly person	Minding of infants, military service or the like, studies, income-related activities/sickness benefits, receipt of social benefits and services
<i>Indexation:</i>					
- before pensioning:	No (adjusted when there are sufficient means)	Wages/salaries 80 per cent + price index 20 per cent	Wages/salaries	Wages/salaries	Earned income exceeding a "base" that is determined by the basic allowance to pensioners
- after pensioning:	No (adjusted when there are sufficient means)	Price index 80 per cent + wages/salaries 20 per cent	Prices. In older funds for public employees: wages/salaries	Wages/salaries reduced by 0.75 percentage points	Wages/salaries reduced by 1.6 percentage points
Pension adjusted for life expectancy for the first time in the year:	Adjusted regularly	2010	..	2010	Annual adjustment

1 The income-related pension payable to people born before 1954 consists apart from the employment pension, which is still payable, of the income pension. For people who are younger, the entire income-related pension consists of the income pension.

The Number of Retirement Pensioners

As it appears from Tables 6.2.6 and 6.2.7, there are large differences from one country to another as to how many people receive both basic and employment pensions, and how many receive only basic pension. As it appears from Figure 6.2.1, the number of retirement pensioners increased steeply from 2004 to 2007 in Denmark as a result of the lowering of the pensionable age from 67 to 65 years.

In Finland, the number of retirement pensioners increased as a result of an increase in the segments of the oldest age groups of the population. The pensionable age is between 63 and 68 years.

In Norway, the decrease is due to the demographic composition of the population, and the pension reform in 2005 made it possible to choose to retire early between the ages of 63 and 67 years.

Moreover, a pension scheme based on collective agreements (AFP) was introduced which makes it possible to retire between the ages of 62 and 67 years.

OLD AGE, DISABILITY AND SURVIVING RELATIVES

Table 6.2.6 Retirement pensioners, total, and pensioners drawing retirement pension in the form of basic pension/guaranteed minimum pension at year-end, 2000-2009

	Recipients of retirement pension, in total			Retirement pensioners receiving only basic pension				
	Total (1 000)	Women (1 000)	Men (1 000)	Total (1 000)	Women (1 000)	Men (1 000)	Women, per cent	Men, per cent
<i>Denmark</i>								
2000	706	416	290	244	195	49	80	20
2005	808	461	347	227	170	57	75	25
2008	867	489	378	170	132	38	77	23
2009	884	496	387	140	116	24	83	17
<i>Faroe Islands</i>								
2000	6	3	3	1	1	1	57	43
2005	6	3	3	.	.	.	.	.
2008	6	3	3	2	1	1	50	50
2009	6	3	3	2	1	1	48	52
<i>Finland¹⁾</i>								
2000	870	531	339	90	76	14	84	16
2005	964	569	395	64	52	12	81	19
2008	1 005	588	417	60	48	12	80	20
2009	1 048	608	440	59	47	12	79	21
<i>Iceland</i>								
2000	29	16	13	2	2	1	70	31
2005	31	17	14	3	2	1	69	31
2008	33	18	15	2	1	1	66	34
2009	..	..	..	..	..	..	..	..
<i>Norway</i>								
2000	629	371	258	237	204	33	86	14
2005	629	367	262	192	168	24	88	12
2008	643	370	273	192	168	24	87	13
2009	651	372	279	187	164	23	88	12
<i>Sweden</i>								
2000	1 604	910	694	226	202	24	89	11
2005	1 684	796	591	161	141	20	88	12
2008	1 806	992	814	129	111	18	86	14
2009	1 855	1 013	842	120	102	18	85	15

1 The figures comprise people who have drawn retirement pension before time as well as retirement pensioners under 65 years.

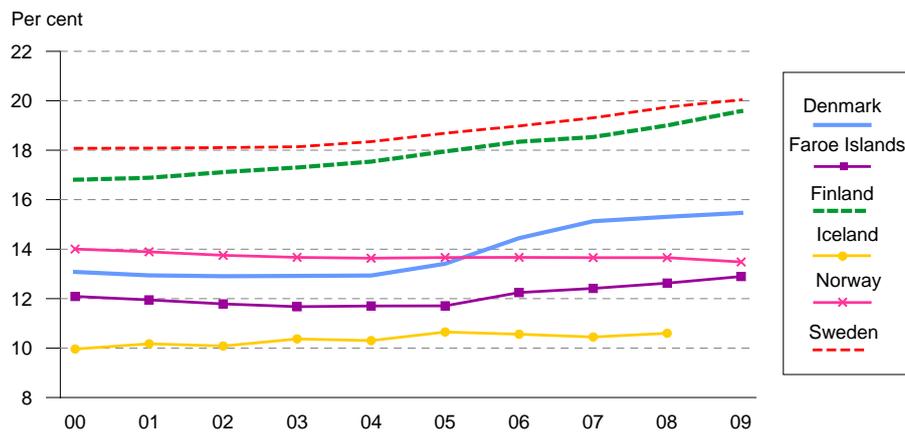
Table 6.2.7 Pensioners drawing retirement pension in the form of basic pension/guaranteed minimum pension and employment pension at year-end 2000-2009

	Retirement pensioners drawing receiving both basic and supplementary/employment pension					Retirement pensioners drawing only employment pension (new Finnish and Swedish systems)				
	Total (1 000)	Men (1 000)	Women (1 000)	Men, per cent	Women, per cent	Total (1 000)	Men (1 000)	Women (1 000)	Men, per cent	Women, per cent
<i>Denmark</i>										
2000	463	242	221	52	48	.	.	.	.	.
2005	581	290	291	50	50	.	.	.	.	.
2008	698	340	357	49	51	.	.	.	.	.
2009	744	364	380	49	51	.	.	.	.	.
<i>Finland¹⁾</i>										
2000	683	278	405	41	59	97	47	50	49	52
2005	417	132	285	32	68	457	238	219	52	48
2008	428	135	293	32	69	517	270	247	52	48
2009	426	134	292	31	69	563	293	270	52	48
<i>Iceland</i>										
2000	25	11	14	44	56	.	.	.	.	.
2005	26	11	15	44	56	.	.	.	.	.
2008	27	12	15	44	56	.	.	.	.	.
2009	..	..	..	..	..	.	.	.	.	.
<i>Norway</i>										
2000	392	225	166	58	43	.	.	.	.	.
2005	437	238	199	55	46	.	.	.	.	.
2008	451	249	202	55	46	.	.	.	.	.
2009	464	255	208	55	45	.	.	.	.	.
<i>Sweden</i>										
2000	1 378	670	708	49	51	.	.	.	.	.
2005	1 226	571	655	47	53	297	153	144	52	49
2008	1 049	477	572	46	54	628	319	309	51	49
2009 ²⁾	1 024	466	558	46	55	749	380	369	51	49

1 The figures comprise people who have drawn retirement pension before time as well as retirement pensioners under 65 years.

2 Pensioners drawing basic and supplementary/employment pensions are pension recipients according to the old system, while pensions according to the new Swedish system are the income-based pension combined with another kind of pension.

Figure 6.2.1 Development in retirement pensioners as percentage of population, 2000-2009



Supplementary Pension to the Elderly

The supplementary pension schemes are, as a rule, based on collective agreements and mainly apply to government and municipal employees. Private-sector employees are covered by the schemes to varying degrees.

In Denmark, about 90 per cent of all full-time employees, and in Norway about 100 per cent (after the introduction of the OTO (officials' mandatory pension scheme in the private sector), are covered, while in Sweden, almost all wage earners are covered by the supplementary pension schemes. In Finland, these pension schemes are insignificant, as there is no upper limit to the amount of the employment pension.

Pension Amounts

Table 6.2.8 Average payment of statutory retirement pensions (before tax) per month, 2009

	KR/EUR			KKP-Euro		
	Men	Women	All	Men	Women	All
Denmark ¹⁾	10 026	10 883	10 507	953	1 034	998
Faroe Islands ²⁾	7 353	7 920	7 652	699	752	727
Finland ³⁾	1 603	1 029	1 270	1 290	828	1 022
Norway ³⁾	17 519	12 744	14 805	1 533	1 116	1 296
Sweden ⁴⁾	12 876	9 112	10 821	1 170	828	983

1 Average payment of statutory retirement pension in January 2009 and calculated payment of one's own pension by way of the ATP in 2009 per recipient of statutory retirement pension, which is assumed to amount to DKK 21 449.

2 Average payment of retirement pension and payment of pension supplement based on solidarity in November 2009. Special pension supplement has been converted to a monthly benefit. People drawing a special, reduced pension, are not included.

3 Average pension amount in December 2009.

4 Average pension amount in December, including housing supplements. As from 2003, pensioners are taxed in the same way as are people with earned incomes.

There are large differences in the benefits payable to men and women. While men receive the highest amount in Finland, Norway and Sweden due to a larger accumulation of employment pension, men in Denmark and in the Faroe Islands receive the least. This is a result of more men receiving supplementary pensions, which has a bearing on the basic pension.

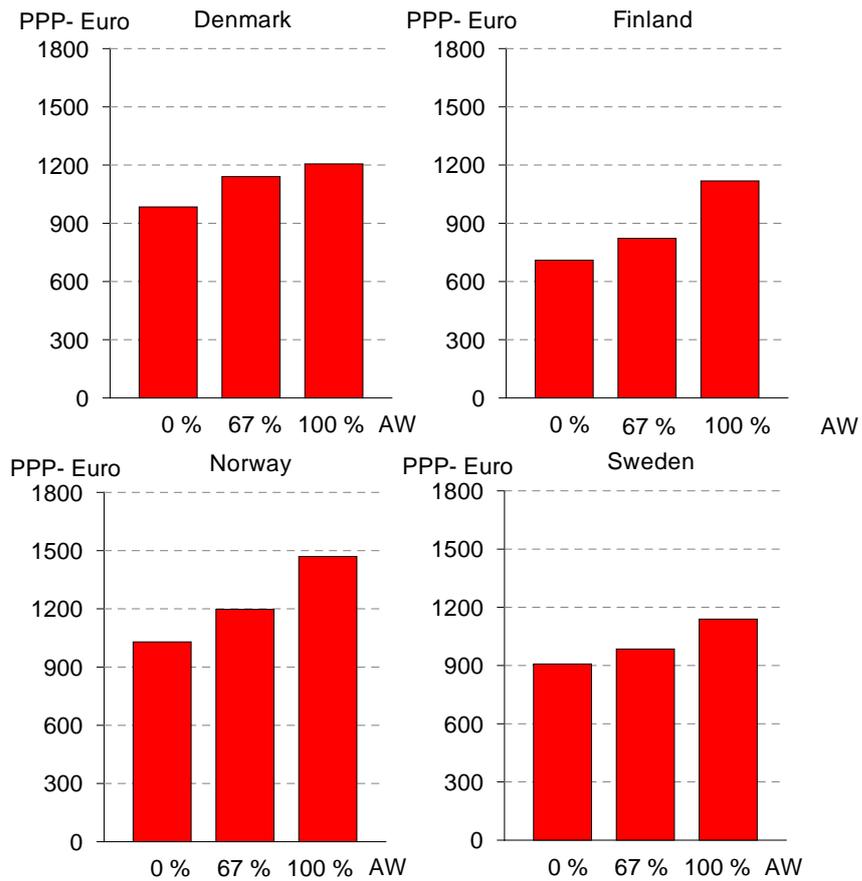
Disposable Income and Compensation Grades

Figure 6.2.2 shows the disposable income at three different compensation levels (including the maximum amount of employment pension and labour-market pension/supplementary pensions) for a single retirement pensioner without children in PPP-euro, and Table 6.2.9 shows the compensation grade as a percentage in relation to previous income for a 65-year-old, and Table 6.2.10 shows the compensation grade for a 67-year-old.

As it appears from the figure and the table, there are considerable differences in the compensation levels in relation to the transition to pension. This is above all due to the employment pension, which is a full pension in the old Swedish pension system. This also applies to some extent to the Icelandic employment-pension schemes. The very high compensation levels for the lowest income groups in Denmark, Finland and Sweden are results of the relatively

high amount of housing benefits payable to pensioners in those countries. The reason for the very high compensation level in Iceland is first of all that it has been assumed that the recipients receive full compensation from the employment-pension scheme, which is 60 per cent of their previous earnings. Secondly, the effect of the income adjustment for an average AW is not very large. In Norway, another important factor is that especially favourable tax rules apply to pensioners. Besides, the minimum pension is relatively high in Denmark, and the employment pension is generally high in Sweden. The Danish retirement pension includes both retirement pension and supplementary pensions. The supplementary pensions are calculated on the basis of the average payments made from the ATP in 2007 and the current pensions payable by pension funds. The calculation is consequently not quite comparable with that of the other countries.

Figure 6.2.2 Disposable incomes (for single childless people) when drawing retirement pension (including employment pension) in PPP-Euro, 2009



■ Disposable income per month

The percentages of AW have been calculated on the basis of the average wage of a worker. The calculation basis is described in Appendix 1

Table 6.2.9 Compensation grades per month (December 2009) for single childless people when drawing retirement pension at the age of 65 as percentages of disposable incomes per month when in work, 2009

	Denmark	Finland	Iceland ¹⁾	Norway	Sweden
<i>67 per cent AW</i>	93	62	71	72	71
<i>100 per cent AW</i>	69	62	75	62	56

1 In Iceland, only employment pension is payable at age 65 and then at a reduced rate.

Table 6.2.10 Compensation grades per month (December 2009) for single childless people when drawing retirement pension at the age of 67 as percentages of disposable incomes per month when in work, 2009

	Denmark	Finland	Iceland	Norway	Sweden
<i>67 per cent AW</i>	104	67	112	72	73
<i>100 per cent AW</i>	78	69	91	62	67

Special Retirement and Partial Retirement Pensions

The special retirement pensions comprise several types of pension granted to people of working age and cannot be regarded as traditional retirement pensions. Social or health-related criteria and/or circumstances in the labour market or agreements enable people voluntarily to retire partly or completely.

In Denmark, such pensions include a voluntary early-retirement pension, which is a voluntary retirement scheme for members of an unemployment fund, aged 60-64 years. In 1999, a number of changes of the voluntary early-retirement pension were introduced to make it more financially advantageous to postpone transfer to voluntary early retirement until the age of 62 years. There is also a "flexi benefit", which is a voluntary retirement scheme for people working in "flexi-jobs" of the age group 60-64 years in line with the voluntary early retirement scheme. The partial-retirement pension scheme for the 60-64-year-olds who are not covered by the voluntary early retirement scheme is being phased out and is only used by very few people.

In the Faroe Islands, people between the ages of 18 and 66 years, whose working capacities have been reduced by at least 50 per cent, may, where

social and health circumstances so warrant, be granted the lowest amount of disability pension.

In Finland, employees and self-employed people who have turned 62 years may be awarded retirement pension. Early retirement reduces the pension, also after the recipient has reached the age of 63 years. All early-retirement pensioners have been included in the statistics as retirement pensioners. Self-employed people and employees, who have been working for a long time, may choose partial-retirement pension when they reach the age of 58 years. Farmers, who stop farming before reaching the pensionable age, may be granted a special pension. A new rule was recently introduced to the effect that only people who have turned 56 years and were born before 1950 are entitled to the Finnish unemployment pensions. *This* is described in Chapter 4.

In Norway, it was decided in 1989 to introduce a scheme of pensions fixed by collective agreements (the AFP). The main idea of the scheme is that people in work may retire on certain terms before the statutory retirement age of 67 years. The pensionable age of the scheme has been lowered several times and was lowered to 62 years as from 1 March 1998. About 65 per cent of people in work may get a pension fixed by collective agreements. There are three further pension schemes that are adapted to the National Social Insurance Scheme, and they function as special early-retirement schemes for people under the age of 67. In the pension scheme for sailors and fishermen, retirement pension may be obtained from the age of 60, and in the pension scheme for woodsmen, pension may be obtained from the age of 62.

In Sweden, it has not been possible to award new partial-retirement pensions since 2000.

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Table 6.2.11 Average monthly amounts of the special retirement/partial-retirement pensions before tax, December 2009

	KR/EUR	KKP-Euro
<i>Denmark</i>		
Voluntary early retirement pension ¹⁾	12 645	1 201
"Flexi benefits"	12 490	1 187
Partial retirement pensions	7 435	706
<i>Faroe Islands²⁾</i>		
Lowest disability pension	9 433	896
<i>Finland³⁾</i>		
Partial retirement pension	646	520
Special pensions to farmers	927	746
<i>Norway⁴⁾</i>		
Pension fixed by collective agreement	17 146	1 501
Special pension to fishermen	5 550	486

1 Average amount paid out in 2009.

2 Average amount paid out per month, November 2009. Special supplement converted to monthly amount payable.

3 Average pension paid out in December 2009.

4 Average monthly amount paid out in December 2009 (average annual amount in 2009 divided by 12).

Table 6.2.12 Pensioners receiving special retirement/partial-retirement pensions, by gender and age, 2009

	Total	-49		50-59		60-64		65-	
		M	W	M	W	M	W	M	W
<i>Denmark</i>									
Voluntary early retirement pension	137 051	.	.	.	.	59 502	77 550	.	.
"Flexi-benefit"	3 055	.	.	.	.	1 138	1 917	.	.
<i>Faroe Islands</i>									
Lowest disability pension	360	9	29	37	67	41	81	24	72
<i>Finland</i>									
Partial-retirement pension	27 887	.	.	2 958	3 588	9 292	11 786	111	152
Special pensions to farmers	26 298	.	.	692	970	3 307	3 478	6 744	11 107
<i>Norway</i>									
Pension fixed by collective agreement ¹⁾	25 438	.	.	.	.	3 463	4 331	7 827	9 817
Special pension to fishermen ²⁾	2 051			..	..	..	..	..	..

1 Figures apply to the private sector and Spekter only contrary to previous years when they also included the public sector.

2 It is not possible to break down recipients of the special pension to fishermen by gender.

Services to the Elderly

Institutions and Home Help, etc., for the Elderly

The majority of the older population lives in ordinary housing. Only a minority lives in housing specially adapted to older people. Such housing exists in all the countries, and the layout depends on the need of the elderly for care and can be divided into:

1. nursing homes/homes for the long-term ill/old people's homes.
2. service flats/collective housing/housing where special care is provided, etc.

Elderly people may also, to varying degrees, be offered long-term medical treatment in hospital wards - in Finland, often in the so-called health centres. In all the countries, there are also special wards in some nursing homes where elderly people who live on their own may be admitted on a short-term basis when needed. In all the countries, home help is provided to the elderly. The extent of the help is determined on the basis of individual needs and may vary from a few hours per month to several hours per day. With the exception of the Faroe Islands, the help is a municipal matter and is provided by municipally or privately employed staff.

The statistics concerning home help in the Nordic countries are not easily compared. While the figures for Denmark, the Faroe Islands, Norway, Finland and Sweden are situation-statements, the Icelandic data contain information on how many people received help during the year.

OLD AGE, DISABILITY AND SURVIVING RELATIVES

Figure 6.2.3 People living at institutions or in service housing and people receiving home help, as percentages of the age group 65 years or more, 2000-2009

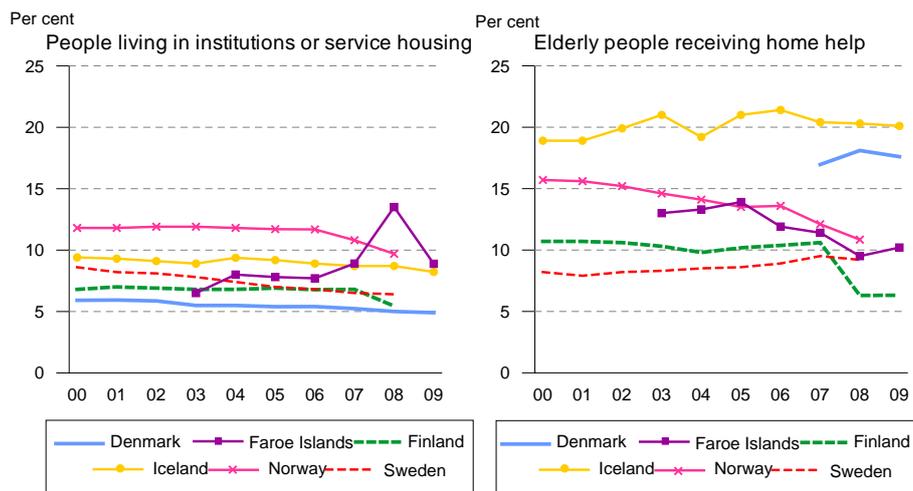


Table 6.2.13 People aged 65 or more living at institutions or in service housing, in total and as percentages of the total number of elderly, at the time of update

	Denmark ¹⁾	Faroe Islands ²⁾	Finland	Iceland	Norway ²⁾	Sweden ³⁾
	2009	2009	2008	2009	2008	2008
<i>People of the ages</i>						
65-74 years	5 782	26	7 110	303	7 632	9 881
75-79 years	5 523	60	7 490	439	8 169	12 932
80+ years	31 511	424	34 953	2 388	52 484	83 321
total 65/67+ years	42 816	517	49 553	3 130	68 285	106 163
<i>As percentages of the respective age groups</i>						
65-74 years	1.2	1.0	1.5	1.5	2.2	1.2
75-79 years	3.5	4.4	4.1	5.6	6.1	4.2
80+ years	13.9	22.5	14.1	22.6	23.9	16.6
Total, 65/67+ years	4.9	8.9	5.4	8.2	9.7	6.4

1 Includes residents in nursing homes, sheltered housing, housing where care is provided as well as long-term stays in housing units.

2 Age groups 67-74, 75-79 and 80+ years.

3 Update as per 1 October 2006. The age group 65+ years furthermore includes people staying on a short-term basis as well as residents in service housing.

Table 6.2.14 People aged 65 years or older receiving home help

	Denmark ¹⁾	Faroe Islands ²⁾	Finland	Iceland	Norway	Sweden ³⁾
	2009	2009	2009	2009	2008	2008
<i>Recipients of home help</i>						
65-74 years	29 547	57	8 816	..	10 588	19 858
75-79 years	27 615	91	9 980	..	10 883	22 684
80+ years	96 507	460	38 699	..	54 898	110 312
Total, 65+ years	153 669	608	57 495	7 691	76 369	152 923
<i>Recipients of home help as percentage of the age group</i>						
65-74 years	6.0	2.1	1.8	..	3.0	2.3
75-79 years	17.5	6.8	5.6	..	8.1	7.4
80+ years	42.5	23.7	15.6	..	25.0	21.9
Total, 65+ years	17.6	10.2	6.3	20.1	10.8	9.2

1 Home help to people living in a home of their own, with the exception of service housing.

2 Age groups 67-74, 75-79 and 80+ years.

3 People who had been granted home help as at 1 October 2006 and who lived in their houses or flats of their own.

Support Schemes and Leisure Activities

In the Nordic countries, there are various kinds of support schemes and activating measures for pensioners, either on a municipal or a private basis. The range of services and activities provided varies from one country to another and from one municipality to another. No comparable statistics are available to reflect the extent of such activities.

Support schemes mainly aim at enabling elderly people to remain in their own homes for as long as possible. The service schemes include meal deliveries, telephone chains, home-visiting schemes, physiotherapy and occupational therapy, hairdressing, pedicure, gardening and snow clearing. There are also washing and clothes-mending schemes. There are no centrally agreed policies regarding payment, but usually a fee is charged for the provision of meals, pedicure and gardening. Part of the activities may take place in the special centres for the elderly.

The transport-service scheme is a service to elderly or disabled people who are unable to use public transport or to get about on their own at all.

Expenditure on and Financing of Benefits and Services to the Elderly

Differences and Similarities in the Social Expenditure on the Elderly

In the following, differences and similarities in the expenditure on the elderly are described. Unless otherwise stated, comparisons are made in PPP per capita.

The low expenditure on services to the elderly in Finland must be seen partly in connection with part of the services for the elderly being provided at Finnish health centres and partly in connection with relatively high user charges. The expenditure in Denmark is a result of a very high level of assistance towards performance of daily tasks.

The low expenditure in Iceland is due to the high employment rate among the elderly compared with the other Nordic countries.

Changes in the Social Expenditure on the Elderly from 2007 to 2008

In Denmark, the expenditure increased from 2007 to 2008 by DKK 5.6 billion, corresponding to a 3.0 per cent growth rate. The majority of the expenditure increase was due to an increase in the expenditure on cash benefits of DKK 4.4 billion, while the increase in the expenditure on services amounted to DKK 1.2 billion.

In the Faroe Islands, the total expenditure increased by DKK 31 million, corresponding to an increase of 3.1 per cent. Two-thirds of the total increase was due to an increase in the expenditure on cash benefits, while the increase in the expenditure on services amounted to one-third.

In Finland, the social expenditure on the elderly increased by 1.5 per cent at constant prices. Both the average pension paid and the number of pensioners increased by 27 000 individuals, and the new pensioners draw a higher pension. The number of pensioners has increased since the first group of the large cohort with a high birth rate turned 63 years in 2008. The age limit for applying for pension is between the ages of 63 and 68 years.

The Act on the national pension was revised as at 1 January 2008, which also led to amendments to the Act on pension to the disabled. After the revision, the care allowance and the housing benefits are separate benefits and

no longer part of the pension. In the social expenditure statistics, the care allowance has been transferred to the disabled, and the housing benefit has been transferred to the chapter on housing benefits.

In Iceland, the expenditure on the elderly increased by 2.1 per cent at 2008 prices. The expenditure on cash benefits increased by 1.8 per cent, while the expenditure on services increased by 7.8 per cent as a result of an improved service level.

In Norway, the expenditure on the elderly increased by 5.0 per cent at constant prices. Cash benefits increased by 4.1 per cent, while the expenditure on services increased by 7.6 per cent. Cash benefits made up 73 per cent of the total expenditure on the elderly. The expenditure on the retirement pensions increased by 4 per cent. This was mainly due to an increase in the expenditure on employment pension. While the number of retirement pensioners increased by 4 499 individuals from 2007 to 2008, the number of people drawing employment pension increased by 7 340 individuals.

In Sweden, the expenditure on the elderly increased by 2.8 per cent at constant prices, of which the expenditure on pensions accounted for the largest increase. The expenditure on care for the elderly increased by 2.3 per cent, and the expenditure on special housing increased by 3 per cent, whereas the expenditure on care and nursing and ordinary help in the home increased by 2.5 per cent.

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Table 6.2.15 Expenditure on and financing of pensions, other cash benefits and services to the elderly, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Cash benefits, million</i>						
A. Retirement pensions	134 354	597	13 171	65 312	119 514	290 453
Of which:						
a. Basic/minimum pension	84 515	540	1 566	26 807	45 442	41 802
b. Supplementary/employment pension	8 979	-	11 586	38 505	60 208	177 351
c. Supplementary pension	40 861	40	19		13 863	71 300
B. Special retirement pensions	27 025	40	956		4 202	
C. Partial pensions	25	-	215		131	-
D. Other	-	25	73			437
Cash benefits, total	161 405	661	14 414	65 312	123 847	290 890
<i>Services, million</i>						
A. Institutions, etc.		245	1 887	3 239	24 102	51 496
B. Help to carry out daily activities		102	1 194	1 267	16 517	23 368
C. Other	31 273	23	84	2 139	4 291	2 780
Services, total	31 273	370	1 887	6 645	44 910	77 644
Total expenditure, million	192 677	1 031	16 301	71 957	168 757	368 534
Expenditure as percentage of the GDP	11.1	8.4	8.9	4.9	6.6	11.5
<i>Financed by (per cent)</i>						
- Public authorities	48.0	71.0	19.8	19.5	42.9	30.4
- Employers	25.4	15.4	65.1	60.1	35.2	47.7
- The insured (contributions and special taxes)	26.7	13.6	15.1	20.4	21.9	21.9
<i>Changes 2007-2008 at 2008 prices</i>						
- Million	5 586	31	227	1 457	8 074	9 709
- Per cent	3.0	3.1	1.4	2.1	5.0	2.7

Table 6.2.16 Expenditure on cash benefits to the elderly in PPP/capita and per pensioner, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>The elderly</i>						
Cash benefits per capita	2 794	1 299	2 188	1 369	2 274	2 857
Retirement pension per pensioner	14 440	8 149	10 641	13 245	16 270	14 611
Services per person aged 65 years or more	3 438	5 219	1 734	1 211	5 623	4 253
Total services and benefits to the elderly per capita	3 335	2 026	2 474	1 508	3 098	3 620

User Charges

User charges payable for stays in nursing homes, institutions for elderly and disabled people as well as for home help are levied according to different sets of rules in the Nordic countries.

The conditions concerning user charges payable for stays in nursing homes/retirement homes are defined centrally (by Central Government) in Denmark, the Faroe Islands, Finland, Iceland and Norway, but de-centrally (by the local authorities) in Sweden.

In Denmark, residents in nursing homes, etc., are paid their pension in full and must then pay for services provided as part of their stay in the nursing home, such as rent, meals, hairdressing and laundry services. In return, care and cleaning are free of charge. The permanent home help service is free of charge. In return, temporary home help must be paid for, depending on income. User charges payable for nursing homes and home help amounted to a total of DKK 1.54 billion in 2008, corresponding to 4 per cent of the total expenditure.

In the Faroe Islands, residents in nursing homes pay no rent, but in return their retirement pension is reduced to DKK 924 per month towards personal expenses. The inhabitants thus have no expenses to pay for rent, food, hairdressing, etc. Pensioners, who have an income besides their pension (such as supplementary pensions) must, however, pay for their stay in a nursing home. User charges amount to 10 per cent of a pensioner's supplementary income. User charges for home help depend on a household's income. In 2008, user charges amounted to 2.0 per cent of the total expenditure on home help.

In Finland, user charges payable for long-term care of the elderly depend on a patient's income. It must amount to no more than 82 per cent of the net

income and there must be at least EUR 90 per month left for personal use. In 2008, user charges amounted to 19 per cent of the total expenditure. User charges payable for home help depend on a household's income. User charges amounted to about 17 per cent of the total expenditure on home help.

In Iceland, residents in nursing homes pay part of their stays in a nursing home if they draw an employment pension exceeding a certain level. The share of the user payment of the total expenditure amounted to about 3.3 per cent in 2005, whereas user payment payable for home help amounted to 9.0 per cent of the municipal expenditure in 2008.

In Norway, user charges payable for stays at institutions depend on a patient's income and are fixed on the basis of rules laid down centrally. User charges amount to a maximum of 75 per cent of the basic amount of the social security scheme less a free amount. 85 per cent are payable of incomes exceeding the basic amount of the social insurance scheme. User charges for stays at institutions amount to a little more than 10 per cent of the total running costs of the institution. User charges payable for home help are fixed by the individual local authorities, but the amount must not exceed the actual costs. If an income is low, user charges must not exceed NOK 155 per month. Besides, user charges must not be charged for that part of the help which is personal care and nursing or home nursing.

In Sweden, local authorities are basically at liberty to fix the amount of user charges within the care schemes for the elderly and the disabled. There is also a maximum user charge for care for the elderly, but local authorities are free to fix the amount of user charges within that framework.

Each recipient of social services is entitled to keep a certain amount of money to be able to pay for personal expenses that are not included in the charges paid for help in the home. This is called a proportional amount.

6.3. Disabled People

Table 6.3.1 Expenditure on the disabled as percentages of GDP in the EU, the Faroe Islands, Iceland and Norway, 2007

Denmark	4.2	Austria	2.2	Greece	1.2	The Netherlands	2.5 ^P
Faroe Islands	3.7	Belgium	1.8	Hungary	2.1	Poland	1.7
Finland	3.1	Bulgaria	1.2	Ireland	1.0	Portugal	2.3
Iceland	2.8	The Czech Republic	1.5	Italy	1.5 ^P	Romania	1.3
Norway	4.2	Cyprus	0.7 ^P	^P Latvia	0.7 ^P	^P Slovakia	1.3 ^P
Sweden	4.4 ^P	Estonia	1.1	Lithuania	1.4 ^P	^P Slovenia	1.6 ^P
		France	1.8 ^P	^P Luxembourg	2.3	Spain	1.6 ^P
		Germany	2.0 ^P	^P Malta	1.1	United Kingdom	2.4 ^P

Note: See Table 3.1.

Disability Pension Structures and Income-Adjustment

A common feature in the pension systems of the Nordic countries is that all citizens have a statutory right to a certain minimum subsistence amount in connection with transition to pension, the so-called minimum pension/basic pension. To this should be added statutory employment or supplementary pensions to those who have been active in the labour market. Besides, there are supplementary pension schemes laid down by law or by collective agreements. In all the countries, there are also various private pension-saving schemes, which have not been included in the present report.

The main principles for receiving disability pension recipients are the same as for retirement pension. Recipients of disability pension in Denmark will, however, not receive ATP, but those having remained in the labour market until they became disability pensioners shall also be granted employment/supplementary pensions.

In Sweden, the disability pension has in principle been abolished and replaced by a sickness allowance. This allowance will, however, be referred to under disability pension.

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Table 6.3.2 Disability Pension Structures, 2009¹⁾

	Denmark	Faroe Islands	Finland	Iceland ²⁾	Norway ²⁾	Sweden
<i>Recipients of:</i>						
Basic pension/guaranteed minimum pension	Everyone living in the country for at least 3 years	Everyone living in the country for at least 3 years	Everyone living in the country for at least 3 years	Everyone living in the country for at least 3 years	Everyone living in the country for at least 3 years	Everyone living in the country for at least 3 years
Length of residence period to obtain full basic pension	Four-fifth of the years from the age of 15 years until the time when pension is payable	Four-fifth of the years from the age of 15 years until the time when pension is payable	40 years	40 years	40 years	40 years
Supplementary pension/employment pension	.	.	Employees and self-employed people	Employees and self-employed people	Employees and self-employed people	Employees and self-employed people
Supplementary pension pensions	Statutory for public employees (civil servants)	Statutory for public employees (civil servants)	-	-	Statutory for public employees (civil servants)	-
	Public collective agreements	Public collective agreements	-	-	Public collective agreements	Public collective agreements
	Private collective agreements	Private collective agreements	-	-	-	Private collective agreements

1 As a result of the concluded EU/EEA Agreement, the rules governing entitlement to basic pension in the Nordic countries have become almost uniform. As a main rule, one must have been resident for at least three years in the country in question between the ages of 15 and 65-67 in order to become entitled to a pension. Periods of employment in an EU Member State, or in another country with which a social-insurance convention has been concluded, may be taken into account in the calculation of compliance with the residence requirement. The rules governing employment pension in Denmark apply only to retirement pensioners.

2 The requirement of three years does not apply in case of industrial injuries.

In Iceland, the basic amount payable to disability pensioners is adjusted both in relation to their own income from work and to half of their household income from capital. Similar rules apply to the pension supplement, which is also adjusted in relation to one's own employment pension as well as to any spouse's income. As from 2001, only 60 per cent of a disability pensioner's own income shall be included in the adjustment. The aim is to have more disability pensioners participate in working life. The pension supplement shall be withdrawn completely, if an income exceeds a certain level.

In Norway, disability pension is income-adjusted in relation to income from work exceeding a certain level. The basic pension is fixed according to marital status and any spouse's income from work and capital. Married and cohabiting couples are treated equally.

In Sweden, the housing supplement to pensioners is income-adjusted. In accordance with the new legislation from 2003, the housing supplement may be payable to those living in Sweden and receiving a benefit by way of full retirement pension, activity or sickness allowance, widow's/widower's pension, special survivor's pension or wife supplement. Even people, who receive a pension or a disability allowance from another EU member state, may be awarded housing supplements.

Disability pension Depending on Health

In all the Nordic countries, people whose working capacity has been reduced by physical and/or mental disabilities may be entitled to disability pension. Disability pension is called invalidity pension in Finland, Iceland and Norway.

In Sweden, disability pension is called activity or sickness allowance as from 2003. This benefit is now included in the sickness insurance scheme, whereas it previously formed part of the general pension system.

Basis for Disability Pension

In Denmark, the statutory retirement pension (old-age pension) and disability pension were previously integrated in a coherent set of rules. Disability pensioners were awarded basic pension according to the same rules as apply to retirement pensioners. Besides, pensioners who were granted the intermediate amount of disability pension also received an invalidity allowance, and pensioners who had been granted the highest amount of disability pension also received an unemployables amount in addition to the invalidity allowance.

In 2003, a new disability pension scheme entered into force. The disability pension now consists of one total benefit, which for single people almost corresponds to the unemployment benefit and for married/co-habiting couples corresponds to about 85 per cent thereof. The new rules apply to applications for disability pension submitted after 1 January 2003, which means that people, who have been awarded disability pension in accordance with the previous rules, shall still receive pension according to those rules and shall for a number of years make up the majority of disability pensioners. Disability pensioners according to the new scheme do not receive invalidity and unemployability allowances. As part of the disability-pension reform, compulsory contributions to the ATP as well as a voluntary supplementary savings scheme for disability pensioners were introduced.

All disability pensioners are free to join the latter scheme. Disability pensioners pay one-third of the amount and the local authorities pay the remaining two-thirds. The total contribution per person to the scheme amounts to DKK 5 198 annually in 2009.

In the Faroe Islands, the disability pension is composed of a basic amount, a supplement and an invalidity allowance. Pensioners who receive the minimum amount of disability pension receive the basic amount and the lowest supplement as well as an extra supplement. Pensioners who receive the intermediate and the maximum amount of disability pension receive the basic amount, the intermediate or maximum supplement and an invalidity allowance. The invalidity amount is not income-adjusted and is exempt from tax. People, who suffer from severe physical or mental disabilities and who live in institutions, receive a special pension amount of DKK 1 142 per month. Their personal needs are furthermore covered via the institutions' operating costs.

In Finland, Iceland and Norway, disability pension is granted by way of a basic pension/guaranteed minimum pension and an employment pension. As from 2003, the disability pension was changed in Sweden to the effect that an activity or sickness allowance will be awarded. The sickness allowance is a temporary allowance. The disability pension was part of the general pension system, while the activity or sickness allowances are part of the sickness-insurance scheme. People of the ages 30 to 64 years may receive sickness allowance if their working ability has been reduced for a limited period. People of the ages 19 to 29 years may be awarded an allowance due to a reduced activity level. This allowance is always limited to one to three years. For the calculation of the employment pension, which is done on the basis of any previous income from work, the time up to the statutory pensionable age is usually included in

Finland, Iceland and Norway. In Finland, the percentage payable to disability pensioners for the period from they are awarded disability pension till they reach the statutory pensionable age is, however, lower than it is for retirement pensioners.

In Iceland, a new age-conditioned benefit to disability pensioners was introduced on 1 January 2004. The aim is for people who become disability pensioners at an early age to be granted an increased basic pension, as the person in question has not had the opportunity to participate in working life and thus has not been able to accumulate any employment pension. The benefit may be payable from the 18th year and will be reduced in relation to age, when one becomes a disability pensioner. Those who are 18 or 19 years of age when they are granted disability pension will receive twice the basic amount, which will be gradually reduced until they reach the age of 66 years.

In 2004, the disability pension scheme in Norway was divided into two benefits, a temporary benefit and a permanent disability pension. Temporary disability pension may be granted for a period of one to four years, when there is a certain possibility that the recipient may get back into the labour market on either a full time or a part time basis. The benefit will be calculated as rehabilitation and disability benefits. The permanent disability pension will be calculated in the same way as before.

OLD AGE, DISABILITY AND SURVIVING RELATIVES

Table 6.3.3 Rules governing basic pension/disability pension

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden ¹⁾
Pensionable age	18-64 years	18-66 years	16-64 years	16-65 years	18-64 years	19-64 years
Minimum degree of incapacity for work	Incapacity for work	Lack of capacity for work	No specific level indicated	50 per cent	50 per cent (in the reactivation phase 20 per cent)	25 per cent
Pension on the basis of:	Degree of incapacity for work, residence period and income	Residence period; incapacity for work	Length of residence period; marital status and other employment-based pensions	Degree of incapacity for work; residence period and income	Degree of incapacity for work; length of insurance period and pension points, amount of income from work (the 20 best years) and family situation	Length of residence; amount of income-based sickness/activity allowance and degree of incapacity for work
Reference income or calculation basis	Pension independent of previous income	Pension independent of previous	Pension independent of previous income	Pension independent of previous income	Accrued pension points and future pension points until the age of 66 years. People fit for work before the age of 26 years shall be awarded extra pension points for the future	Pension based on the pensionable income, i.e. income from work and income from certain benefits: sickness benefits, unemployment benefits and parental-leave benefit
Minimum pension	1/40 of the maximum	1/40 of the basic amount.	No statutory minimum.	.	NOK 136 290 to single people and NOK 231 496 to married couples	1/40 of the maximum guaranteed amount
Maximum pension	If the income does not exceed a certain level: DKK 66 500 per year for a single pensioner living alone; DKK 105 500 per year for married or cohabiting pensioners	DKK 127 536 For single people and DKK 105 996 for married people.	EUR 584.13 per month for single people and EUR 518.12 per month for married or cohabiting couples	No income limit	NOK 327 056 for single people and NOK 316 517 to married couples	Guaranteed pension of between SEK 89 880 and 102 720 according to age.

The table continues ...

Table 6.3.3 Rules governing basic pension/disability pension. Continued

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden ¹⁾
Indexation after pensioning:	Wages/salaries 100 per cent and a reduction if the increase exceeds 2 per cent.	Adjusted every year according to special legislation.	Consumer price index 100 per cent	Pay development, at least the consumer price index	Parliamentary decision	Price index 100 per cent
Accumulation with income from work	Possible to have other income. The pension shall be gradually reduced at an income exceeding a certain amount (cf. above under "Maximum pension")	Possible to have other income. Set-off is effected if income exceeds DKK 87 100.	If a pension recipient takes on work that is equivalent to his previous occupation, he shall no longer be regarded as being unfit for work, and the pension shall be withdrawn. The pension may be suspended for 6-60 months if the pension recipient finds work, and a monthly income from work is at least EUR 588.66	Possible reduction benefits	With the exception of the first year with full temporary disability pension or disability pension, the recipient may have an annual income from work of a maximum of NOK 70 256. In case of a higher income, a lower disability pension shall be payable	Possible

1 Sickness/activity allowance.

2 The guaranteed level for sickness/activity allowance is based on among other things the times of visiting in Sweden. A lower amount may therefore be payable to some individuals who have not turned up for some time.

OLD AGE, DISABILITY AND SURVIVING RELATIVES

Table 6.3.4 Rules governing employment-based disability pension

	Denmark ¹⁾	Faroe Islands	Finland	Iceland	Norway	Sweden ²⁾
Pensionable age		18-66 years	18-62 years	16-69 years	16-66 years	19-64 years
Minimum degree of incapacity for work		At least a 50 per cent reduction of the capacity for work. Grade of disability pension may depend on age and possibility of rehabilitation.	Disability pension: 3/5. Partial disability pension: 2/5	50 per cent	50 per cent (in the reactivation phase: 20 per cent)	25 per cent
Pension on the basis of:		Lack of capacity for work for physical or mental reasons	Accumulation-based pension increased by accumulation for life expectancy at the time of retirement, income for each year, age-dependent accumulation rate	Degree of incapacity for work and accrued pension amount in accordance with accrued pension points increased by further accumulation years until the pensionable age	Degree of incapacity for work and length of insurance period and pension points (actual, previous and estimated future periods until a total of 40 years), amount of income from work (the 20 best years) and family situation	Average of the three highest annual incomes from a framework period immediately preceding the year in which the disability arose, depending on the degree of incapacity for work
Reference income or calculation basis	-	Basic amount and supplements shall be adjusted according to the latest fiscal income	On the basis of the annual income. No income ceiling. For projected years, the calculation basis is the income from the five previous years. The accrual rate for uncovered periods is based on the income on which the benefits are based	Income without ceiling	Accrued pension points and future pension points until the age of 66 years. People who have become incapacitated for work before the age of 26 years shall be awarded extra pension points for the future	The pension is based on the pensionable income, i.e. income from work and income from certain benefits: sickness benefit, unemployment benefit and parental-leave benefit

The table continues ...

Table 6.3.4 Rules governing employment-based disability pension.
Continued

	Denmark ¹⁾	Faroe Islands	Finland	Iceland	Norway	Sweden ²⁾
Maximum pension	-	For single people DKK 173 988. For married people DKK 142 128. In addition, a monthly supplement per child under 18 years	No statutory maximum	No statutory maximum	NOK 327 056 for single people and NOK 316 518 for married people	SEK 205 440 (2009)
<i>Indexation</i>						
- before pensioning:	-	Adjusted according to special legislation	Wages/salaries 80 per cent + price index 20 per cent	Wage/salary	..	..
- after pensioning:		Adjusted according to special legislation	Price index 80 per cent + wages/salaries 20 per cent	Prices, but in the fund for public employees: wages/salaries	Parliamentary decision	Price index 100 per cent
Accumulation with income from work		Possible to have other income. Sett-off effected of the basic amount and supplements at incomes exceeding DKK 87 100.	Possible, if income amounts to 40-59 per cent of the pensionable pay, the full disability pension shall be changed to a partial disability pension. If income exceeds 60 per cent of the pensionable pay, the pension shall be stopped, if the changes are temporary, and discontinued if the changes are permanent	..	With the exception of the first year with full temporary disability pension or disability pension, the recipient may have an annual income from work of a maximum of NOK 70 256. With higher incomes, a lower disability pension shall be payable	Possible

1 There is no employment-based disability pension in the public pension scheme in Denmark, but most collective agreements in the labour market cover a pension agreement, including disability pension.

2 Sickness/activity allowance.

Circumstances Influencing the Number of Disability Pensioners

In the Nordic countries, there is a number of alternative benefits that affect both the award of disability pension and the number of disability pensioners. Sickness benefits are payable for a maximum of one year in the other countries, with a possibility of prolongation in Denmark, however. In Sweden, the disability pension has as from 2003 been replaced by a sickness and a reduced activity allowance.

In Norway, a rehabilitation/disability benefit is normally payable before disability pension and any temporary disability pension shall be awarded.

Also the other disability-pension schemes (which in this report are referred to as special retirement pensions) may affect the number of disability pensioners. The existence of schemes such as the voluntary early-retirement scheme in Denmark and the unemployment pension scheme in Finland has contributed to there being fewer disability pensioners than would otherwise have been the case in those countries. In Norway, the AFP scheme (pensions fixed by collective agreements) affects the number of disability pensioners. Several studies have shown that about 20 per cent of the AFP pensioners would have been disability pensioners, had the scheme not existed.

The amount of the disability pension, including pension supplements, is in principle either higher or equal to the pension awarded to retirement pensioners in all the countries. In addition, a number of special supplements may be payable in Denmark, prior to the disability pension reform in 2003, and in the Faroe Islands as well as an employment pension in the other countries, as mentioned above.

Disposable Income and Compensation Grades

Figure 6.3.1 shows the compensation level for a single 50 year-old disability pensioner who has previously been in work, and who has completely lost his capacity for work, at three different income levels as PPP-Euro, and Table 6.3.5 shows the compensation grade as a percentage of previous income from work. In Denmark, the disability pension is independent of any previous income. There is, however, in Denmark supplementary benefits payable from agreement-based pension schemes, which have not been included in the calculation. The disability pension in the other countries is calculated in relation to previous income from work.

In all the countries, men receive a higher benefit on average than do women. In Finland and Norway, this is a result of higher accumulation of the ATP.

Figure 6.3.1 Disposable income for a single 50 year old disability pensioner with no capacity for work left, in PPP-Euro 2009

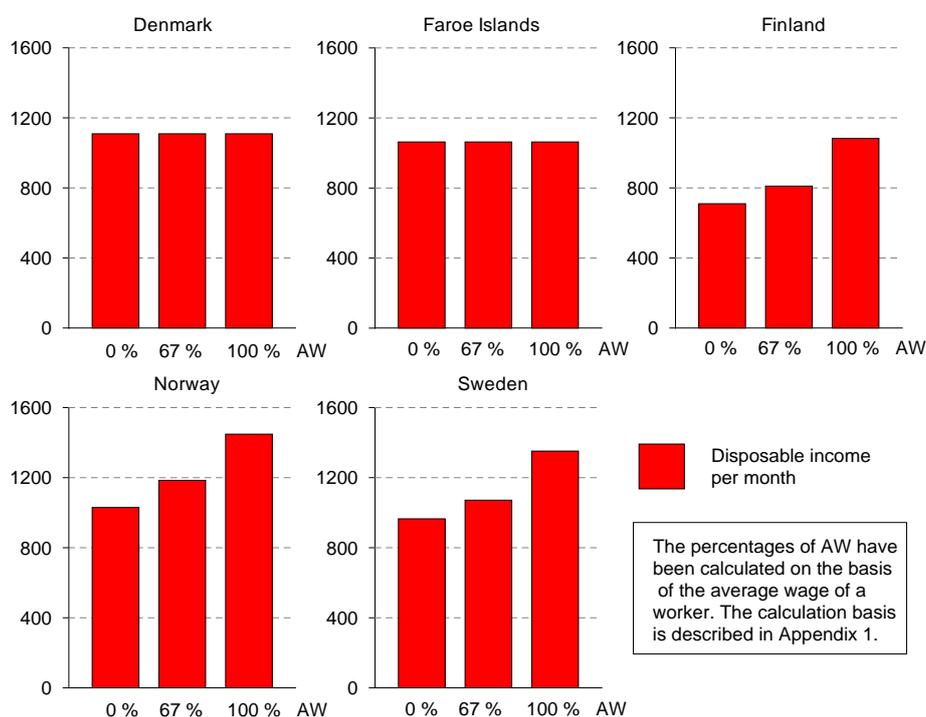


Table 6.3.5 Compensation grade per month (December 2009) for a single 50 year old disability pensioner with no capacity for work left as a percentage of disposable monthly income when in work

	Denmark	Faroe Islands	Finland	Norway	Sweden
<i>67 per cent AW</i>	90	109	61	71	77
<i>100 per cent AW</i>	64	79	60	61	67

Table 6.3.6 Average monthly amount of statutory disability pension (before tax), 2009

	KR/EUR			KKP-Euro		
	Men	Women	All	Men	Women	All
Denmark ¹⁾	13 250	12 425	12 802	1 259	1 180	1 216
Faroe Islands ²⁾	12 207	10 999	11 541	1 160	1 045	1 096
Finland ³⁾	1 098	899	1 003	883	723	807
Norway						
Sweden ⁴⁾	10 443	9 077	9 627	949	825	875

1 Average payment of highest and intermediate disability pension, ordinary and increased ordinary disability pension and new disability pension in January 2009.

2 Average payment in November for the highest and the intermediate disability pension. Special supplement converted to monthly payment.

3 Average payment of pension amount as per December.

4 Average payment of pension amount in December including housing supplement. Sickness or activity allowance has replaced the disability pension as from 2003.

Number of Disability Pension Recipients

In Denmark, only one kind of disability pension can be awarded after the disability pension reform in 2003. The new disability pension may be awarded to people who suffer from a permanently reduced capacity for work to such a degree that the person in question cannot maintain him/herself through employment on the usual terms or in a flexi job.

In the Faroe Islands, no significant statutory changes have been made to influence the number of new awards.

In Finland, there has been a decline in the number of disability pension recipients, but the number has in recent years been stabilized.

The number of disability pensioners continues to rise in Iceland, although there has been a decrease in new awards since 2003. The decrease in the number of new applications may be explained by a tightening of the rules governing award of disability pension as well as by changes in the labour market by way of a declining unemployment rate.

Both in Norway and Sweden, the rules governing award of disability pension (sickness/activity allowance) have been tightened. In Norway, there was an increase in the number of new awards. In Sweden, there was an increase in the number of awards up to and including 2006, after which the number decreased.

OLD AGE, DISABILITY AND SURVIVING RELATIVES

Table 6.3.7 Number of pensioners receiving disability pension by way of basic/minimum pension and/or supplementary/employment pension, in total and as percentages, 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Number</i>						
18-19 years ¹⁾	934	7	1 620	264	1 085	2 901
20-29 "	9 357	45	11 010	1 433	10 482	26 138
30-39 "	23 361	121	16 897	2 252	27 254	37 074
40-49 "	54 116	257	37 470	3 643	61 692	93 445
50-59 "	92 032	535	106 584	4 482	111 198	176 757
60-64 "	61 499	528	98 745	2 708	94 990	161 986
Total, 18-64 years ¹⁾	241 299	1 493	272 326	14 782	306 701	498 301
65-66 years	.	244	.	1.164	39.538	.
<i>Per cent</i>						
18-19 years ¹⁾	0.4	0.5	0.6	1.8	0.0	0.6
20-29 "	3.9	3.0	4.0	9.7	3.0	5.2
30-39 "	9.7	8.1	6.2	15.2	9.0	7.4
40-49 "	22.4	17.2	13.8	24.6	20.0	18.8
50-59 "	38.1	35.8	39.1	30.3	36.0	35.5
60-64 "	25.5	35.4	36.3	18.3	31.0	32.5
Total, 18-64 years ¹⁾	100.0	100.0	100.0	100.0	100.0	100.0
65-66 years	.	.	.	.	.	.

1 For Finland and Sweden, the age group starts at 16 years.

OLD AGE, DISABILITY AND SURVIVING RELATIVES

Table 6.3.8 Recipients of disability pension and new accessions of disability pensioners, by gender, 2009

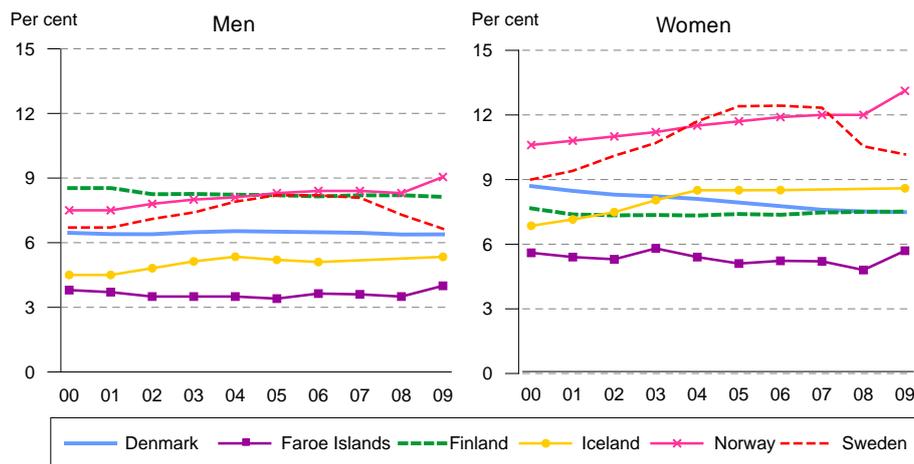
	Denmark		Faroe Islands		Finland		Iceland ¹⁾		Norway ²⁾		Sweden ³⁾	
	M	W	M	W	M	W	M	W	M	W	M	W
2009												
Recipients	97 601	112 065	618	762	142 996	129 330	5 767	8 799	144 773	201 466	200 802	297 499
New accession	7 150	8 640	71	69	13 606	13 100	452	655	14 166	19 152	10 661	11 591
New accession in per cent of population of qualifying age	0.4	0.5	0.4	0.5	0.8	0.8	0.4	0.6	0.9	1.3	0.4	0.4

1 Pensionable age 16-66 years, 2008.

2 Pensionable age 18-67 years.

3 The activity and sickness allowance has replaced the disability pension as from 2003.

Figure 6.3.2 Pensioners receiving disability pension by way of basic/minimum pension and/or supplementary/employment pension as percentages of population 16/18-64 years, 2000-2009¹⁾



In Sweden, the activity and sickness allowance has replaced the disability pension as from 2003. New benefits are awarded to people of the age group 19-64 years.

Rehabilitation Benefits

People whose capacity for work has been reduced due to physical, mental or social factors may be granted support towards education, retraining and re-schooling where it is deemed necessary for their future possibilities to manage on their own and to support their families. Support may also be granted towards meeting special expenses incurred by such education or training. Education may consist of training in the open labour market. Support is provided by way of wages/salaries or wage/salary supplements. In addition, special support may be granted towards acquisition of tools, etc., and towards setting up a business.

In Denmark, support is granted as a fixed rehabilitation allowance corresponding to the maximum amount of the daily cash benefits. Payment of the rehabilitation allowance is subject to rehabilitation being initiated according to a fixed occupational plan. The allowance is payable until the occupational plan has been implemented, but usually for a maximum of five years. In respect of young people under the age of 25, the rehabilitation allowance

equals half the maximum amount. With a view to maintaining and integrating vulnerable groups in the labour market, an enhancement of the work-related rehabilitation scheme took place in 1999.

In the Faroe Islands, rehabilitation allowance is payable when it is deemed necessary out of consideration for a person's risk of becoming ostracized from the labour market. The rehabilitation allowance is governed by the Act on Public Welfare, and the allowance is usually granted on the basis of need.

In Finland, rehabilitation benefits, which are payable by the Social Insurance Institution, equals the amount of the sickness benefit. The amount of the daily cash benefits from the accident- and traffic-insurance schemes as well as from the statutory employment-related pension scheme usually amounts to the amount that would have been payable in that same period.

In Iceland, a rehabilitation allowance is payable when an injured person is no longer entitled to sickness or industrial-injury benefits. As a rule, the allowance is payable for a maximum of 12 months or until a decision has been made as to the future of the disabled person in question. The allowance equals the disability pension and is awarded according to the same criteria; it is, however, never payable for more than 18 months. Everyone receiving rehabilitation allowance must undergo examinations and treatment during the period in which the allowance is being paid.

Since 1 January 2000, the social insurance fund has paid a rehabilitation benefit to people who are at risk of becoming excluded from the labour market due to illness or accidents. Especially in Iceland, there are many social institutions offering jobs to people undergoing rehabilitation. At the moment, endeavours are made to gather the activities in this area with the aim of enhancing the work-related rehabilitation.

In Norway, two different kinds of allowances may be granted to people undergoing rehabilitation. One is granted in connection with medical rehabilitation to people who have exhausted their entitlement to sickness benefits, and whose capacity for work is still reduced by at least 50 per cent. In order to be entitled to this allowance, recipients must be undergoing active treatment with a view to improving their capacity for work. The other allowance is connected with occupational rehabilitation and will be granted in connection with measures that are deemed necessary and expedient for the recipient to be able to get or maintain a job. Rehabilitation may be schooling, work training, wage subsidies, etc. Both allowances are short-term allowances and will be calculated on the basis of any pensionable income paid during the past year, or as an average of the last three years prior to the capacity for work becoming reduced by at least 50 per cent. Both allowances

amount to a maximum of 66 per cent of the calculation basis, corresponding to NOK 421 536 as per 1 May 2008. Both the medical rehabilitation and the occupational rehabilitation are administered by the Directorate of Labour and Welfare. The rehabilitation proper, both the medical and the occupational, may be carried out in a co-operation of the health, labour-market, and social-insurance authorities among others.

In Sweden, a number of compensations and benefits are payable in connection with rehabilitation. A rehabilitation allowance as well as special allowances may be awarded instead of sickness benefits. The rehabilitation allowance is in that case awarded to people who participate in occupational rehabilitation, and the special allowances shall cover the expenses incurred by the rehabilitation, such as travel expenses. The occupational rehabilitation measures may for example be work training, tests at a labour market institute and education/training.

Table 6.3.9 People receiving rehabilitation allowances during the year and per December 2009

	Denmark ¹⁾	Faroe Islands	Finland ²⁾	Iceland	Norway ³⁾	Sweden ⁴⁾
<i>People receiving rehabilitation allowance during the year</i>						
Men	..	100	40 133	..	37 375	7 646
Women	..	147	59 968	..	54 676	16 148
Total	21 085	247	100 101	..	92 051	23 794
<i>People receiving rehabilitation allowance as at December 2009</i>						
Men	..	51	17 424	489	22 265	3 182
Women	..	78	23 421	751	32 768	6 126
Total	..	129	40 845	1 240	55 033	9 308

1 Recipients of rehabilitation allowance, including rehabilitation allowance during occupational practice periods.

2 Includes rehabilitation allowance and services payable by the Social Insurance Institution.

3 People who have only received work-oriented rehabilitation allowance.

4 Includes only people receiving rehabilitation allowances. The number of people receiving special allowances cannot be calculated. People, who received rehabilitation allowances as at 31 December 2009.

Compensation for Industrial Injury

In all Nordic countries, people who have suffered an industrial injury are entitled to either sickness benefits or equivalent benefits in the event of a temporary loss of their working capacities. In case of long-term or permanent loss of working capacity, disability pension or a similar benefit will be payable.

An industrial injury is defined as an accident at work or work-related illness causing temporary or permanent loss of the ability to work.

In all the countries, compulsory industrial-injury insurances have been established, but according to somewhat differing rules. The industrial-injury insurance fund pays out compensation for permanent injuries and for lost capacity for work, either by way of a non-recurrent payment or of monthly payments. Normally, the industrial-injury insurance fund also covers expenses for treatment that are not covered by the general sickness insurance scheme.

In Denmark, compensation is granted for the loss of capacity for work if an industrial injury has reduced the working capacity by at least 15 per cent. In addition, a non-recurrent payment is payable if the degree of the permanent injury is 5 per cent or more. Compensation is calculated on the basis of 80 per cent of an injured person's previous annual income.

In the Faroe Islands, daily cash benefits will be granted if the injured person is unable to recommence work to the same extent as before. Daily cash benefits amount as a maximum to one-fourth of the day wage. Disability compensation may also be granted where the industrial injury has reduced an injured person's capacity for work by 5 per cent or more. In both cases, the compensation is calculated to amount to two-thirds of a fisherman's guaranteed minimum wage, corresponding to DKK 349.

In Finland, one is entitled to a pension if one's capacity for work has been reduced by at least 10 per cent. The pension payable to a person who is completely incapable of working amounts to 85 per cent of the previous income from work. An employee who is partly (partially) incapacitated is entitled to part of the full pension corresponding to the reduction of the capacity for work. The compensation level for pension on the grounds of accidents drops to 70 per cent of the income from work when a recipient turns 65 years. Pension in the event of an accident payable to a partly disabled employee shall also be reduced when he turns 65 years.

In Iceland, entitlement to wages/salaries during illness (absence due to an accident) plays the most important part for injured persons. People who are not entitled to wages/salaries, or in the event that the period in which one is entitled to receive wages/salary has expired, the people concerned are entitled to daily cash benefits from the general industrial-injury insurance fund.

This benefit is a fixed amount independent of the wages/salary earned prior to the accident. The benefit is usually payable for a maximum of 52 weeks. If the working capacity has been reduced by 10-49 per cent, disability pension shall be paid in the form of a non-recurring amount, but if the working capacity has been reduced by 50 per cent or more, disability pension shall be payable according to the general rules.

In Norway, one may be granted *invalidity pension* in the event that an industrial injury or a work-related accident reduces one's capacity for work by 30 per cent, where a reduction of the capacity for work of 50 per cent is normally required in order to be awarded *disability pension*. Compensation for disability will be awarded if the degree of disablement is 15 per cent or more.

In Sweden, compensation is granted by way of annuities in the event that one's capacity for work has been permanently reduced by at least one-fifth (6.6 per cent). The annuity shall normally be calculated on the basis of an insured person's sickness-benefit entitling income. The annuity is calculated by comparing the income which the individual would have earned, had s/he not been injured with the income s/he is estimated to earn after the injury. The annuity is the difference between the incomes, but can never exceed 7.5 price-basis amounts per year, which is SEK 42,800.

Care Allowance to Disabled People

In all the Nordic countries, families may receive financial support from the public authorities to cover expenses for taking care of a physically or mentally ill child in the home. The rules vary somewhat from one country to another, but the aims of the schemes are identical, i.e. to make it financially possible for a family to maintain a child in its home by having the extra expenses incurred by the child's disability covered.

Adults who have reduced capabilities and who live in their own homes are also entitled to subsidies. The various countries also have slightly differing rules in this respect. Support may be granted for technical aids needed by the person concerned in order to carry out a trade or to remedy his or her disorder, or to ease the daily existence in the home.

In several of the countries, subsidies may be granted for purchase and/or maintenance of a car or other motor vehicle.

Services to Disabled People

Institutions, Home Help, etc., for Disabled People

In all the countries, there is special housing available for people with reduced capabilities, such as:

1. Nursing homes/homes for the long-term ill.
2. Sheltered housing/service flats/collective housing.

Table 6.3.10 People under 65 years receiving home help

	Denmark ¹⁾	Faroe Islands ¹⁾	Finland	Iceland	Norway ²⁾	Sweden ³⁾
	2009	2009	2009	2009	2008	2008
Recipients of home help under 65 years, total	28 597	60	7 888	3 415	28 425	16 739
Recipients of home help as percentages of the age group 18-64 years	0.8	0.2	0.2	1.2	1.0	0.2

1 Home help to residents in homes of their own with the exception of service housing.

2 Including residents in service housing who receive practical assistance (home help). Comprises recipients who receive both home nursing and practical assistance, and recipients who receive only practical assistance. Recipients receiving only home nursing are not included.

3 Includes people in homes of their own who had been granted home help as at 1 October 2008.

Table 6.3.11 People under 65 years living at institutions or in service housing

	Denmark ¹⁾	Faroe Islands ¹⁾	Finland	Iceland	Norway ²⁾	Sweden ³⁾
	2009	2008	2008	2009	2008	2008
Under 65 years, total	17 552	14	20 284	1 084	22 171	26 966
As percentage of the age group 18-64 years	0.5	0.1	0.5	0.4	0.7	0.4

1 Includes residents in nursing homes, sheltered housing, special care housing units and special housing units (special housing units are used for the age group under 67 years).

2 Data applies to residents in special-care housing units as well as to people admitted to institutions of the age group 0-66 years.

3 People in permanent residence and short-term stays as at 10 October 2009 at institutions or in service housing.

In all the countries, home help is provided to disabled people. The extent of the help is determined on the basis of individual needs and may vary from a few hours a month to several hours per day. The assistance is a municipal matter and is provided by municipally or privately employed staff.

As mentioned above, it is difficult to compare statistics on home help in the Nordic countries. While the figures concerning Denmark, the Faroe Islands, Finland, Norway and Sweden are situation statements, the Icelandic data contain information on the number of people who received assistance during the year.

Support Services and Leisure Activities

In the Nordic countries, disabled people are offered various kinds of support services and activating measures either on a municipal or a private basis. The range of services and activities offered varies from one country to another and from one municipality to another. No comparable statistics are available to reflect the extent of such activities.

Support schemes are mainly aimed at enabling disabled people to remain in their own homes for as long as possible. The service schemes include meal deliveries, telephone chains or alarms for the summoning of help, home-visiting schemes, physiotherapy and occupational therapy, hairdressing and pedicure, gardening and snow clearing. There are also schemes for washing and mending clothes. There are no centrally agreed policies regarding payment, but usually a fee is charged for the provision of meals, pedicure and gardening. In all the countries, there are so-called daytime measures aimed at various target groups, such as people with mental disabilities, to provide help by way of rehabilitation, employment and feeling of community.

The transport service scheme is a service to the elderly and the disabled who are unable to use public transport or to get about on their own at all.

Personal Assistance

In all the Nordic countries, people with severe disabilities qualify for financial support towards payment for personal assistance and help to cope with daily life.

In Denmark, persons who suffer from a considerable and permanently reduced physical or mental capacity, and who need personal help and support to carry out the necessary practical chores in their homes for more than 20 hours per week, may choose to have a cash supplement towards payment for the employment of assistants. Besides, the local authorities may grant a supplement to cover the expenses occurred in connection with the employment of care assistants to carry out care, surveillance and accompaniment of people suffering from a considerably and permanently reduced physical or mental capacity, who are active in some way, for example in connection with work, which makes it necessary to grant very special support. In 2009, about 1 900 people made use of the scheme to employ assistants.

The local authorities may also grant 15 hours of accompaniment per month to people under 67 years, who are unable to get about by themselves due to considerably and permanently reduced physical or mental capacities. People, who have been granted 15 hours of accompaniment per months when they turn 67 years, shall maintain this right after the age of 67 years. Besides, the local authorities may grant assistance by way of a special contact person to people who are deaf and blind, and see to it that people suffering from mental disabilities get offered a support and contact person. In 2009, 11 500 people made use of these accompaniment and contact-person schemes.

In the Faroe Islands, child-minding needs in families with disabled children, whose needs cannot be met in the general day-care institutions, have been solved by the employment of personal support persons. Support persons also serve as relief to the family and therefore meet a need more comprehensively than a traditional institution could have done.

People between 18 and 66 years who suffer from a permanently reduced physical or mental capacity may be granted personal help and assistance. The aim is to give the disabled person an opportunity to live an independent and active life. The disabled person and his/her support person jointly determine the purpose of the support and lay down an action plan for the hours of support.

In Finland, local authorities may improve a severely disabled person's course of life in his own home by granting a financial supplement towards payment for a personal assistant. This supplement is earmarked for severely

disabled persons who are highly in need of the help of others to manage daily life. The need for help and support must be assessed by a doctor, and where necessary, also by another employee from the social and health service. In 2009, 6 598 people were covered by the scheme.

Also in Iceland, personal assistance to deal with daily life may be granted. It is possible for a disabled person to employ a personal assistant direct and thus assume the role of employer in relation to the assistant.

Personal assistance may also be granted to people who need to free themselves from social isolation. Finally, families with disabled children may receive relief from another family, who takes care of the child/children - usually one or two weekends a month.

In Norway, all local authorities must offer schemes for user-controlled personal assistance.

What signifies this scheme is that the recipient of the help acts as a manager for the assistant. The user may also choose to act as an employer and thus assume a larger responsibility for the organization and the scope of the help in relation to his own needs. From 2006, the scheme of user-managed personal assistance was extended to also include users who cannot handle the employer role by themselves.

Moreover, there is a function-assistants scheme for the disabled in work. The assistants are to provide practical help during working hours to people who are severely disabled, and are managed by the recipient. The aim is to enable severely disabled people to remain in normal employment and to enable those who have not previously been in the labour market to assume a normal job.

In Sweden, people are entitled to personal assistance if they, due to severe, permanent disabilities, need help with their personal hygiene, meals, dressing or communication with others (the so-called basic needs). Help may also be granted towards other needs in daily life, if these cannot be managed in any other way. Personal assistance is based on the condition that the assistance must provide a disabled person with increased possibilities of leading an independent life. Help and assistance must be available at different times day and night and must be offered by a limited number of people. Personal assistance is granted by way of a personal assistant or a financial supplement to employment of such an assistant. Local authorities cover the expenses for up to 20 hours of assistance per week. Should the need exceed 20 hours per week, Central Government shall cover the expenses for the hours exceeding 20 per week. In 2009, about 15 900 people received personal assistance.

Rehabilitation

In all the countries, there are specialized institutions for retraining, assessment of working capacity and re-schooling of disabled people and other occupationally impaired groups. Furthermore, sheltered workshops have been established for disabled people who are unable to maintain a job in the open labour market.

In Denmark, people with reduced capacity for work are offered training, assessment of working capacity, sheltered employment, etc., at rehabilitation institutions and in sheltered workshops. People with permanently limited capacity for work may furthermore find employment with private or public employers in flexi jobs or wage-subsidized sheltered jobs. Flexi jobs are given to persons who are not receiving any social pension whereas sheltered jobs are given to disability pensioners. In the fourth quarter of 2009, there were 52 100 people in flexi jobs and 4 700 in sheltered jobs.

People, who have been approved for a flexi job, and who are unemployed, and people, who will become unemployed after employment in a flexi job, may according to special rules be granted a special benefit. In the fourth quarter of 2009, there were 10 600 people receiving this special benefit.

In the Faroe Islands, people with reduced capacity for work are offered assessment of capacity for work, training, supplementary training courses, sheltered employment, etc., at a rehabilitation institution. The rehabilitation institution also provides short-term vocational courses. Furthermore, people with permanently reduced capacities for work may be employed by private or public employers in wage-subsidized jobs.

In Finland, the public health sector and the Social Insurance Institution provide the largest part of the medical rehabilitation. The Social Insurance Institution also offers assessment of capacity for work. The employment-pension funds initiate rehabilitation in order to prevent a person from becoming incapacitated for work or to improve his ability and capacity for work and to ease his return to the labour market. The accident and traffic insurances furthermore offer rehabilitation to their clients. War veterans may also undergo rehabilitation, and war invalids are offered rehabilitation at least every second year.

In Iceland, disabled people are offered retraining and education, sheltered employment in the open labour market or in sheltered workshops. The health sector is responsible for the medical rehabilitation and technical aids.

In Norway, it is the responsibility of the Directorate of Labour and Welfare to endeavour to activate the disabled in the labour market. The aim of the occupational rehabilitation is to enable job seekers and employees of ill

health to get a job on ordinary terms. Work-oriented activities for the disabled have been combined with activities for ordinary jobseekers as from 2008 and are included in the expenditure in Table 4.11 under Unemployment. People with reduced capacity for work may have their work adapted according to their special needs. It is also possible to borrow various technical aids from the technical-aids centres.

People with various disabilities may get treatment and guidance at a number of retraining institutions. Disabled people, who have no connection with the labour market, may also borrow technical aids to ease their daily life.

In Sweden, people with reduced working capacities may participate in various labour-market measures via the employment service. A person who, due to a disability, cannot get a job in the open labour market may find employment at The Institution for Sheltered Work through the employment service. In the recruitment process, people with mental and intellectual incapacities as well as people with several disabilities are given priority.

Expenditure on and Financing of Benefits and Services to the Disabled

Differences and Similarities in the Social Expenditure on the Disabled

In the following, differences and similarities in the expenditure on the disabled are described. Unless otherwise stated, comparisons are made in PPP per capita.

In respect of cash benefits per capita to the disabled, Norway spends the most, which is due to medical rehabilitation being included under Rehabilitation but under Illness in the other countries (included in the sickness benefits).

Changes in the Social Expenditure on the Disabled from 2007 to 2008

In Denmark, the expenditure increased from 2007 to 2008 by DKK 2.6 billion, corresponding to a 3.5 per cent growth rate. The majority of the expenditure increase was a result of an increase in the expenditure on services

of DKK 1.9 billion, while the increase in cash benefits amounted to DKK 0.7 billion.

In the Faroe Islands, there was an increase in the expenditure of DKK 39 million from 2007 to 2008, which is an increase of 10 per cent and was primarily a result of an increase in the expenditure on cash benefits of DKK 13 million, corresponding to 8.9 per cent as a result of legal adjustments in respect of recipients of the highest and intermediate disability pension. There was an increase of DKK 26 million in the expenditure on services, corresponding to 11 per cent, of which an increase in the expenditure on rehabilitation amounts to a little less than half of the amount.

In Finland, the expenditure on disability pensioners increased by 4.9 per cent at constant prices, and the number of pensioners also increased slightly. Other benefits to the disabled also increased at constant prices.

The increase of 2.6 per cent of the total social expenditure on the disabled is mainly a result of changes made to the legislation, when the pension legislation as mentioned was revised in January 2008 (cf. the section on the elderly).

The expenditure on the social services to the disabled increased by 4 per cent at constant prices.

In Iceland, the expenditure on the disabled increased by 9.6 per cent at constant prices, whereas the expenditure on cash benefits increased by 10.6 per cent and the expenditure on services by 6.8 per cent. The basic pension increased by 9.9 per cent and the employment pension by 12.1 per cent.

In Norway, the expenditure on the disabled decreased by 1.8 per cent at constant prices. Cash benefits increased by 2.1 per cent, while the expenditure on services decreased by 20 per cent. The changes were mainly a result of the labour-market reform as the expenditure on rehabilitation of the disabled has been transferred to Unemployment. The expenditure on services amounted to 14.1 per cent in 2008 against 17.3 in 2007. The expenditure on pensions to the disabled increased by 3.9 per cent from 2007 to 2008, of which the basic pension increased by 6.1 per cent and the employment pension by 2.5 per cent. The number of disability pensioners increased by 1.7 per cent from 333 544 in 2007 to 339 241 in 2008.

In Sweden, the expenditure on the disabled decreased marginally from 2007 to 2008 by 0.4 per cent at constant prices. Cash benefits dropped by about 5 per cent, whereas there was an increase in the expenditure on care and nursing of about 5 per cent. The largest increase took place in the assistance towards managing daily tasks.

Table 6.3.12 Expenditure on and financing of pensions, other cash benefits and services to the disabled, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway ¹⁾	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Cash benefits, million</i>						
A. Disability pensions	31 440	191	3 416	33 820	61 398	69 943
Of which:						
a. Basic/minimum pension	31 440	191	5	23 733	27 954	14 552
b. supplementary/employment pension	-	-	3 006	10 087	28 474	46 843
c. Supplementary pension	-	-	405		4 969	8 548
B. Retirement pension due to reduced working capacity	4 328	10	26			
C. Nursing contribution	-	-	399		3 251	3 635
D. Supplement towards economic integration of the disabled	12 842	-	105		18 325	1 213
E. Other	3 304	12	226		237	
Cash benefits, total	51 913	213	4 173	33 820	83 211	74 791
<i>Services, million</i>						
A. Institutions, etc.	11 869	123	105	6 758	953	17 954
B. Assistance to carry out daily activities	5 485	56	335	365	4 150	31 437
C. Rehabilitation	2 628	63	556	2 977	6 746	4 689
D. Other	4 406	56	630	1 175	1 784	10 637
Services, total	24 387	298	1 774	11 274	13 633	64 717
Total expenditure, million	76 301	511	5 947	45 094	96 844	139 508
Expenditure as percentage of the GDP	4.4	4.2	3.2	3.1	3.8	4.3
<i>Financed by (per cent)</i>						
- Public authorities	64.5	93.6	42.9	50.0	27.9	120.2
- Employers	7.3	4.5	43.5	40.8	43.2	124.5
- The insured (contributions and special taxes)	28.3	1.9	13.6	9.3	28.8	3.3
<i>Changes 2007-2008 at 2008 prices</i>						
- Million	2 614	22	153	3 924	-1 755	-995
- Per cent	3.5	4.5	2.6	9.5	-1.8	-0.7

1 As from 2008 special labour-marked activities for the disabled have been combined with ordinary labour-marked activities and have been reported under C. Other, in Table 4.12. At the same time, cash benefits payable in relation to job training have been separated and reported under D. Cash benefits when in job training in the same table.

Table 6.3.13 Expenditure on cash benefits to the disabled in PPP/capita and per pensioner, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>The disabled</i>						
Cash benefits per capita	899	419	633	709	1 528	735
Disability pension per disability pensioner	12 413	11 129	9 210		15 847	11 955
Services per capita	422	585	269	236	250	636
Total benefits and services to the disabled per capita	1 321	1 003	903	945	1 778	1 370

User Charges

User charges payable for stays at institutions for disabled people as well as for home help are levied according to different sets of rules in the Nordic countries.

The conditions concerning user charges payable for stays at institutions for disabled people are defined centrally (by Central Government) in Denmark, the Faroe Islands, Finland, Iceland and Norway, but de-centrally (by the local authorities) in Sweden.

In Denmark, residents in housing units are paid their pension in full and must then pay for services provided as part of their stay, such as rent, meals, hairdressing and laundry services. In return, care and cleaning are free of charge. The permanent home help service is free of charge. In return, temporary home help must be paid for, depending on income. User charges amounted to about DKK 393 million in 2008, corresponding to 3 per cent of the total expenditure.

In the Faroe Islands, residents in nursing homes pay no rent, but in return their pension amount is reduced to DKK 1 108 per month towards payment for personal expenses. The inhabitants thus have no expenses to pay for rent, food, hairdressing, etc. Pensioners, who have an income besides their pension (such as supplementary pensions) must, however, pay for their stay in a nursing home. User charges amount to 10 per cent of a pensioner's supplementary income. At institutions for the mentally disabled, user charges amounted to 0.3 per cent of the total expenditure in 2008.

In Finland, user charges payable for long-term care for the elderly depend on a patient's income. It must at most amount to 82 per cent of the net income and there must be at least EUR 90 per month left for personal use. In 2008, user charges amounted to 6 per cent of the total expenditure. User charges for home help depend on a household's income. User charges

amounted to about 17 per cent of the total expenditure on home help in 2008.

In Iceland, user charges for home help amounted to 9.0 per cent of the municipal expenditure in 2008.

In Norway, user charges payable for stays at institutions depend on a patient's income and are fixed on the basis of centrally laid down rules. User charges amount to a maximum of 75 per cent of the basic amount of the social security scheme less a free amount. 85 per cent are payable of incomes exceeding the basic amount of the social insurance scheme. User charges for stays at institutions amount to a little more than 10 per cent of the total running costs of the institution. User charges payable for home help are fixed by the individual local authorities, but the amount must not exceed the actual costs. If an income is low, user charges must not exceed NOK 155 per month. Besides, user charges must not be charged for that part of the help that is personal care and nursing or home nursing.

In Sweden, local authorities are basically at liberty to fix the amount of user charges within the care schemes for the elderly and the disabled. There is also a maximum user charge for care for the elderly, but the local authorities are free to fix the amount of user charges within that framework.

6.4. Surviving Relatives

Table 6.4.1 Expenditure on the elderly, the disabled and surviving relatives as percentages of the GDP in the EU, the Faroe Islands, Iceland and Norway, 2007

Denmark	0.0	Austria	2.0	Greece	2.0	The Netherlands	1.4 ^p
Faroe Islands	0.2	Belgium	2.8	Hungary	1.3	Poland	2.0
Finland	0.9	Bulgaria	0.7	Ireland	0.8	Portugal	1.7
		The Czech					
Iceland	0.5	Republic	0.8	Italy	2.5 ^p	Romania	0.5
Norway	0.3	Cyprus	1.1 ^p	Latvia	0.2 ^p	Slovakia	0.9 ^p
Sweden	0.6 ^p	Estonia	0.1	Lithuania	0.5 ^p	Slovenia	1.5 ^p
		France	1.9 ^p	Luxembourg	1.9	Spain	1.9 ^p
		Germany	2.1 ^p	Malta	1.8	United Kingdom	0.8 ^p

Note: See Table 3.1.

Pensions to Widows and Widowers

The increased participation by women in the labour market and changes in the distribution of income between spouses have contributed to the survivor's pension becoming less important. In Denmark and the Faroe Islands, pension to widows and widowers has been abolished. Pensioners, who cohabit with another pensioner, may in the event of their partner's death be paid a short-term survivor's pension consisting of both pensioners' total pension for three months. In the Faroe Islands, it is, however, necessary to be married to receive this benefit. The number of recipients of survivor's pension is not registered separately. A survivor's allowance is payable to non-pensioners in Denmark whose spouse or partner dies. The survivor's allowance is income and property adjusted and will be granted as a non-recurrent payment.

In Finland, family pension may be granted to surviving spouses if marriage took place before the surviving spouse turned 65 years and has or has had children by the deceased. If the spouses had no children, marriage must have taken place before the surviving spouse turned 50 years, and the marriage must have lasted more than five years. Survivors may also be granted a pension from the employment pension scheme. Similar rules apply to people in registered partnership.

In Iceland, survivor's pension has been abolished as a basic pension but is still being paid by the employment pension system. In Norway and Sweden, entitlement to survivor's pension is subject to a survivor's ability to provide for him/herself.

In Norway, pension is granted to surviving spouses and cohabitants. Pension may also be granted to survivors if they have either previously been married to each other or have had joint issue. In Sweden, the current widow's pension shall lapse on a long-term basis for most survivors. In the old system, a condition for being awarded widow's pension was that one had been married no later than 1989. In Finland, Norway and Sweden, widows and widowers are entitled to survivor's pension by way of basic pension/guaranteed minimum pension and employment pension. In Sweden, survivor's pension is also payable in most cases.

Table 6.4.2 Pensioners aged 18-64/66 years receiving statutory survivor's pension, 2000-2009

	Denmark ¹⁾		Faroe Islands ¹⁾		Finland ²⁾		Iceland ³⁾		Norway ⁴⁾		Sweden ⁵⁾	
	M	W	M	W	M	W	M	W	M	W	M	W
2000	7 945	46 292	1 459	2 176	2 001	25 086	1 617	53 254
2005	9 128	40 586	1 974	2 570	2 124	22 085	2 314	46 210
2008	9 135	37 094	2 608	2 792	2 430	20 475	2 010	38 909
2009	9 079	36 130	..	..	2 336	19 940	2 021	35 609

1 The widow's pension scheme has been abolished. Pension may be granted to widows by way of the disability pension scheme, however.

2 Widows/widowers over 64 years may be granted survivor's pension by way of employment pension. In 2008, the number of pensioners over 64 years receiving survivor's pension was 190 009 women and 27 724 men and in 2009 190 404 women and 28 205 men.

3 From 1999, only pensioners aged 16-65 years receiving employment pension.

4 Not including widows and widowers receiving disability pension.

5 Includes widow's pension to people under 65 years as well as transition pension and special pension to surviving relatives. The transition period has varied during the period and was in 2005 12 months. Survivor's pension was income-adjusted from 1997-2002.

Table 6.4.3 Average monthly amount of statutory survivor's pension, (before tax), 2009

	KR/EUR			KKP-Euro		
	Men	Women	All	Men	Women	All
Denmark	.	.	.	.	.	.
Faroe Islands	.	.	.	.	.	.
Finland ¹⁾	201	563	511	162	453	411
Norway	5 228	7 918	7 636	458	693	668
Sweden ²⁾	6 090	6 035	7 065	553	548	642

1 Amount paid on average as at December.

2 Average amount as at December 2008 to pension recipients under 65 years by way of widow's pension, transition pension and special pension to surviving relatives from both basic pension and income-based pension.

The basic pension/guaranteed minimum pension shall be revoked when the surviving spouse becomes entitled to the basic/guaranteed minimum pension from the retirement pension scheme.

Moreover, the basic/guaranteed minimum pension shall lapse in the event that a survivor is awarded disability pension. Pension is payable to the surviving relative in the form of an employment pension or a supplementary pension.

In Norway, there are favourable rules governing the employment pension in the Social Security Scheme's retirement- and disability-pension system for surviving relatives. They are granted the highest amount from their own employment pension, the deceased's accumulated employment pension or 55 per cent of the sum of their own and the deceased's accumulated supplementary pension.

In some of the countries, funeral assistance will also be granted.

Child Pension

In all the Nordic countries, child pension has been introduced by way of a basic pension and a supplementary/employment pension. Child pension is granted to children under 18 years if one or both parents have died. In Denmark and in the Faroe Islands, a special child allowance is granted to orphans and to children who have lost one of their parents.

In Finland and Iceland, child pension may be payable until a child turns 21 years if the child/adolescent receives education, whereas it in Sweden is up to and including the month of June in the year in which the child turns 20

years. In Norway, child pension is payable until a child turns 18 years. If both parents have died, and the child is receiving education, the pension may be payable until the child turns 20 years. In Iceland, a fixed amount is granted by the public authorities, which is payable to those providing for the children, but the pension varies from one labour-market pension fund to another. If both parents have died, the double amount is payable. The Employment Pension Fund also pays child pension to the providers. In Norway, this applies only if both parents are deceased. Child pension, which is granted due to education or vocational training to young people in the age group 18-20 years is payable according to the Social Assistance Act.

In Denmark, the Faroe Islands, Norway and Sweden, child pension may furthermore be granted by way of supplementary pension if the deceased was a member of such a pension scheme.

Table 6.4.4 Children receiving child pension by way of basic pension and/or supplementary/employment pension, total, 2000-2009¹⁾

	Denmark	Faroe Islands	Finland	Iceland ²⁾	Norway	Sweden
<i>Number of children receiving child pension</i>						
2000	17 278	201	28 476	1 300	14 074	29 570
2005	17 506	179	25 694	1 375	14 075	32 333
2008	..	152	23 893	1 380	13 377	30 681
2009	..	137	23 344		13 754	29 952
As percentage of children of the qualifying age	..	1.1	1.9	1.6	1.2 ³⁾	1.4

1 Entitled were children of widows and widowers as well as orphans. In Finland, Iceland, Norway and Sweden, children under 18 years (in some cases up to 20 years). As to Denmark and the Faroe Islands, child pension has been listed with orphans and children of widows and widowers receiving the special child supplement.

2 Only basic pension. In per cent of children of qualifying age, the figures are from 2008.

3 In per cent of children 0-17 years.

Table 6.4.5 The average monthly statutory amount of child pension, before tax, 2009

	Denmark ¹⁾	Faroe Islands	Finland	Iceland	Norway ²⁾	Sweden
KR/EUR	1 128	1 016	318	19 697	2 265	2 644
KKP-Euro	107	97	256	123	198	246

1 The amount stated shall be given if one of the parents have died. If both parents have died, the amount shall be doubled.

2 Amount paid on average as at December.

Expenditure on and Financing of Benefits and Services to Surviving Relatives

Differences and Similarities in the Social Expenditure on Surviving Relatives

In the following, differences and similarities in the expenditure on surviving relatives are described. Unless otherwise stated, comparisons are made in PPP per capita.

As to surviving relatives, Finland spends the most and Denmark the least.

Changes in the Social Expenditure on Surviving Relatives from 2007 to 2008

In Denmark, there is only the expenditure on funeral assistance, which remained almost the same in 2008 as in 2007.

In the Faroe Islands, there were no changes in the expenditure from 2007 to 2008.

In Finland, the expenditure on surviving relatives decreased by 1.3 per cent at constant prices. The number of surviving spouses remained at the same level in 2008 as in 2007, whereas the number of children who were entitled to child pension decreased by 596.

In Iceland, the expenditure on surviving relatives decreased by 1.9 per cent at constant prices.

In Norway, the expenditure on surviving relatives increased by 8.4 per cent at constant prices. Cash benefits increased by 8.5 per cent, while the expenditure on services increased by 3.4 per cent. Cash benefits amounted to 98 per cent of the total expenditure. There were 405 less recipients in 2008 than in 2009 which corresponds to an increase of 1.7 per cent.

In Sweden, where the expenditure on surviving relatives consists of cash benefits only, the expenditure decreased by 3.3 per cent at constant prices.

Table 6.4.6 Expenditure on and financing of benefits to surviving relatives, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Cash benefits, million</i>						
A. Survivor's pensions	1	19	1 550	7 404	6 163	17 968
Of which:						
a. Basic/minimum pension	-	-	-	288	1 344	995
b. Supplementary/employment pension	-	-	1 550	7 116	1 142	15 867
c. Supplementary pension	1	19	-	-	3 677	1 106
B. Benefits in case of death	-	-	37	82	249	-
C. Other	-	2	35	-	9	-
Cash benefit, total	1		1 587	7 485	6 422	17 968
<i>Services, million</i>						
A. Funeral allowance	129	2	4	-	130	-
B. Other	-	-	-	-	-	-
Services, total	129		4	-	130	-
Total expenditure, million	130	23	1 591	7 485	6 551	17 968
Expenditure as percentage of the GDP	-	0.2	0.9	0.5	0.3	0.6
<i>Financed by (per cent)</i>						
- Public authorities	100.0	2.3	6.0	1.2	17.7	-
- Employers	-	65.2	74.4	70.4	58.5	97.1
- The insured (contributions and special taxes)	-	32.6	19.6	28.3	23.8	2.9
<i>Changes 2007-2008 at 2008 prices</i>						
- Million	-3	-2	-20	-147	506	-627
- Per cent	-2.6	-6.3	-1.2	-1.9	8.4	-3.4

Table 6.4.7 Expenditure on cash benefits to surviving relatives in PPP/capita, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Total per capita	2	45	242	157	120	176

Chapter 7

Housing Benefits

Links to supplementary information:

[EUROSTAT - database](#)

[Social expenditures](#)

Table 7.1 Expenditure on housing benefits as percentages of the GDP in the EU, the Faroe Islands, Iceland and Norway, 2007

Denmark	0.7	Austria	0.1	Greece	0.5	The Netherlands	0.4 ^P
Faroe Islands	.	Belgium	0.1	Hungary	0.9	Poland	0.1
Finland	0.2	Bulgaria	0.0	Ireland	0.3	Portugal	0.0
Iceland	0.6	The Czech Republic	0.1	Italy	0.0 ^P	Romania	.
Norway	0.1	Cyprus	0.6 ^P	Latvia	0.1 ^P	Slovakia	.
Sweden	0.5 ^P	Estonia	0.0	Lithuania	0.0 ^P	Slovenia	0.0 ^P
		France	0.8 ^P	Luxembourg	0.1	Spain	0.2 ^P
		Germany	0.6 ^P	Malta	0.1	United Kingdom	1.4 ^P

Note: See Table 3.1.

Housing Benefits to Families

In all the countries, with the exception of the Faroe Islands, housing benefits are granted to both families with children and childless families. In Norway, the purpose of housing benefits is to provide people with low incomes and high housing costs with good and secure housing. Everyone over the age of 18 years who have been registered with the authorities and legally resident in Norway, with the exception of students and people with military or civilian official duties, may be granted housing benefits. The benefit is means-tested (see Chapter 1 for more detailed information about the introduction of a new housing-benefit scheme as from 1 July 2009).

In Denmark, the benefit is only payable to families who live in rented accommodation. In Iceland, benefit is payable to families who live in rented accommodation, but also to families who own their accommodation. In connection with the award a family's income and the size of the accommodation debt are taken into consideration. In the other countries, housing benefits may also be granted to families who own their accommodation. A family's income, its housing costs and the number of children in the household are taken into consideration when a benefit is being granted. The scopes of the schemes vary greatly from one country to another.

Table 7.2 Average housing benefit per month to families, 2009

	Denmark	Finland	Norway	Sweden
<i>Average housing benefit per month per family in KR/EUR</i>				
<i>Married or cohabiting couples</i>				
- with children	1 800	328	3 011	2 047
- without children	666	210	2 698	804
<i>Single people</i>				
- with children	2 108	331	2 762	1 813
- without children	523	202	2 332	724
<i>Average housing benefit per month per family in PPP-Euro</i>				
<i>Married or cohabiting couples</i>				
- with children	171	264	264	186
- without children	63	169	236	73
<i>Single people</i>				
- with children	200	266	242	165
- without children	50	163	204	66

In addition to the housing benefit, a subsidy may be granted, which will partly or fully cover any deposit, in order to enable people with a poor economy to find appropriate and reasonable accommodation.

In Denmark, there was an increase of 15 per cent in the number of housing-benefit recipients from 2000 to 2005, despite the reform of the rules governing housing benefits, which were gradually implemented in the years 1999-2003. The increase was presumably a result of the increased construction activities. Since 2005, the number of recipients has, on the other hand, slowly declined.

The number of housing-benefit recipients in Finland has decreased as from 2000, as the majority of the students, who live in rented accommodation, were granted a housing supplement to their study grants instead of the

HOUSING BENEFITS

ordinary housing benefits. Another reason is that the rules applying to award of housing benefits during 2000 were altered slightly, but in reality the rules were tightened.

Table 7.3 Families receiving housing benefits at the end of the years 2000-2009

	Denmark	Finland	Iceland ¹⁾	Norway	Sweden ²⁾
<i>2000</i>					
Married or cohabiting couples	33 619	33 359	780	5 360	50 016
- with children	21 284	25 559	417	4 954	47 622
- without children	12 335	7 800	363	406	2 394
Single people	136 051	136 993	3 681	17 982	195 368
- with children	61 700	50 184	1 296	15 725	161 548
- without children	74 351	86 809	2 385	2 257	33 820
<i>2005</i>					
Married or cohabiting couples par	31.727	24.245	1.285	6.135	51.437
- with children	16.320	19.198	728	5.435	47.150
- without children	15.407	5.047	557	700	4.287
Single people	168 906	130 569	8 704	22 434	223 829
- with children	71 570	43 330	2 912	14 670	164 620
- without children	97 336	87 239	5 792	7 764	59 209
<i>2008</i>					
Married or cohabiting couples	29 050	20 318	1 193	6 307	47 253
- with children	14 293	15 940	674	5 276	44 442
- without children	14 757	4 378	519	1 031	2 811
Single people	154 411	119 068	8 889	30 483	181 963
- with children	61 931	38 866	2 720	16 142	134 947
- without children	92 480	80 202	6 169	14 341	47 016
<i>2009</i>					
Married or cohabiting couples	30 519	24 187	1 609	9 403	51 694
- with children	14 247	18 392	989	7 501	47 940
- without children	16 272	5 795	620	1 902	3 754
Single people	156 717	137 655	11 084	40 540	182 569
- with children	61 642	40 916	3 459	16 409	130 811
- without children	95 075	96 737	7 625	24 131	51 758

1 Figures only for families living in rented accommodation.

2 The exact number of households receiving housing benefits in 2009 were 233 308. Some households may have been awarded the benefit during the year and have thus not been included.

In Sweden, the housing-benefit scheme was reformed in 1997. The most important change was that an income-adjustment system was introduced to facilitate the cost testing. This means that housing benefits shall be paid continuously as a preliminary subsidy based on the income information provided by the applicant. The final amount will be fixed on the basis of a calculation each calendar year.

Housing benefits shall be payable to families with children and to young people without any children. How large the preliminary benefit shall be depends first and foremost on their incomes. Housing costs, location and the size of a family also influences the benefit. Housing benefits consist of three parts. One part is the housing costs. Another part is a separate supplement to children living at home, and a third part is a youth supplement payable to those who have children that no longer live in the home. The rules governing income-adjustment were introduced in 1997, and since then fewer households have received housing benefits than in previous years. This was changed in 2009 when the number of households receiving housing benefits increased by about 2 per cent. The increase in the number of households receiving housing benefits is especially related to young people, while the number of families with children receiving housing benefits is still decreasing.

In Norway, the housing-benefit scheme was changed with effect from 1 July 2009 to the effect that 50 000 households may be entitled to housing benefits. About 100 000 received housing benefits before the change. The purpose of the change is to make the scheme a more efficient and accurate means against poverty, reduce the number of homeless people and help deprived people to set themselves up in a home of their own.

Housing Benefits to Pensioners

In all the Nordic countries, with the exception of the Faroe Islands, housing benefits are payable to pensioners. The amount of the housing benefit depends on a pensioner's personal income, rent costs, etc.

Table 7.4 Pensioners receiving housing benefits at the end of the years 2000-2009

	Denmark ¹⁾	Finland	Norway	Sweden ²⁾
<i>2000</i>				
Pensioner couples	61 577	13 013	4 271	..
Single pensioners	269 161	139 451	78 547	..
Total	330 738	152 464	82 818	458 337
<i>2005</i>				
Pensioner couples	57 918	12 043	2 664	..
Single pensioners	278 466	150 141	72 404	..
Total	336 384	162 184	75 068	429 533
<i>2008</i>				
Pensioner couples	55 789	11 179	2 247	..
Single pensioners	279 313	156 837	64 214	..
Total	335 102	168 016	66 461	408 566
<i>2009</i>				
Pensioner couples	53 660	11 224	2 518	..
Single pensioners	279 039	159 599	64 155	..
Total	332 699	170 823	66 673	398 231

1 As from 2003 inclusive of new disability pensioners, who receive housing benefits according to the new rules as a result of the disability-pension reform from 1 January 2003.

2 Inclusive of 138 232 people in 2007, 138 276 in 2008 and 137 475 in 2009 who receive sickness/activity allowance.

In Denmark, the benefit may also be granted to pensioners who own the house or flat they live in, but after 1 July 2008 only by way of a loan.

A heating supplement may be granted by way of personal supplements according to the Pensions Act to help cover heating costs. The benefit is payable to both retirement and disability pensioners. Previously, housing benefits were granted according to the same rules to both types of pensioners but after the reform of the disability-pension scheme that entered into force in 2003, new disability pensioners are granted housing benefits according to rules that are somewhat less lenient (rent subsidy) than those applying to retirement pensioners and disability pensioners in the old system.

Pensioners who are allotted a special dwelling for the elderly by the local authorities receive are granted housing benefits on especially favourable terms.

In Finland, housing benefits may be granted on the grounds of age or when one has become entitled to pension. Housing benefits are payable to pensioners with low incomes, regardless of their living in their own or in rented accommodation. Also heating costs and water costs are taken into consideration, if they are not included as part of the rent. The rent costs that are approved each year depend on the location of the accommodation as well as of the size of the family. Since 2008, housing benefits to pensioners have been segregated as a benefit proper, which means that it no longer forms part of the basic pension.

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Table 7.5 Average housing benefits per month to pensioners, 2009

	Denmark ¹⁾	Finland	Norway	Sweden
<i>Average housing benefits per month to married or cohabiting pensioners</i>				
- KR/EUR	1 928	189	..	} 2 249 ²⁾
- PPP-Euro	183	152	..	
<i>Average housing benefits per month to single pensioners</i>				
- KR/EUR	2 367	177	..	}
- PPP-Euro	225	142	..	

1 As from 2003 inclusive of new disability pensioners who receive housing benefits according to the new rules as a result of the disability-pension reform from 1 January 2003.

2 2008. Applies to both couples and single people (including recipients of sickness and activity allowance).

In Iceland, a supplement to the basic pension is payable to people living in Iceland. The benefit is not directly linked to the rent costs, but will mainly be granted to pensioners, who live alone and have low incomes.

In Norway, recipients of retirement, disability and survivor's pensions shall have their housing costs covered by way of a housing benefit. Documented housing costs may be covered up to a certain amount fixed by the Ministry. A maximum amount has been set as to how much net capital one may have in order to receive housing benefits. The amount depends on which part of the country one lives in. In areas with expensive housing and high rents, there is a higher upper limit as to housing cost than in the rest of the country.

In Sweden, housing benefits are payable to retirement pensioners, recipient of sickness and activity allowance and to people who receive survivor's pension, and who have low personal incomes. The housing benefits are granted according to rules that apply uniformly to the entire country.

Expenditure on and Financing of Housing Benefits

Differences and Similarities in the Social Expenditure on Housing Benefits

There are distinct differences in the amounts spent by each country on housing benefits, measured as PPP per capita. Denmark and Iceland spend the most, followed by Sweden, while Norway spends the least. Both in Denmark, Finland and Sweden, housing benefits play an important part for pensioners with low pension incomes, but particularly in Sweden, there are many single providers with low incomes who receive housing benefits. In Finland, housing benefits are since 2008 payable as a separate benefit, which means that it is no longer part of the basic pension.

Changes in the Social Expenditure on Housing Benefits from 2007 to 2008

In Denmark, the expenditure increased from 2007 to 2008 by DKK 0.2 billion, corresponding to a growth rate of 1.4 per cent. The increase was entirely a result of increasing expenditure on housing benefits to pensioners, whereas the expenditure on rent subsidies was unaltered.

In Finland, the expenditure on housing benefits increased by 73.4 per cent at constant prices from 2007 to 2008 due to the fact that housing benefits payable to the elderly no longer being part of the pension system. As mentioned under *Expenditure on the Elderly* in Chapter 6, the pension legislation was revised on 1 January 2008. The number of households receiving normal housing benefits dropped by 2 849 people, and the expenditure decreased by 4.6 per cent at constant prices.

In Iceland, the expenditure on housing benefits increased by 12.7 per cent at 2008 prices as a result of both the amount of the benefit and an increase in the number of recipients.

In Norway, the expenditure on housing benefits increased by 1.8 per cent at constant prices. There was a slight increase in the expenditure on recipients living in rented accommodation and a somewhat larger increase on those living in their own house or flats. The expenditure on people living in rented accommodation amounts to 56 per cent of the total expenditure.

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In Sweden, the expenditure on housing benefits decreased by about 3.6 per cent at constant prices. The expenditure on the elderly decreased by about 5 per cent and about 3.5 per cent on families.

Table 7.6 Expenditure on and financing of housing benefits, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Services, millions</i>						
A. Housing benefits to people in rented housing	12 307	-	720	2 989	1 900	14 695
a. Of whom elderly	9 723	-			530	7 113
B. Housing benefits to owner-occupiers	-	-	58	7 054	1 508	-
a. Of whom elderly	-	-			196	-
Services, total	12 307	-	778	10 044	3 408	14 695
Total expenditure, millions	12 307	-	778	10 044	3 408	14 695
Total expenditure per capita, PPP-Euro	213	-	118	210	63	144
Expenditure as percentages of the DGP	0.7	-	0.4	0.7	0.1	0.5
<i>Financed by (per cent)</i>						
- Public authorities	100.0	-	100.0	100.0	100.0	100.0
- Employers	-	-	-	-	-	-
- The insured (contributions and special taxes)	-	-	-	-	-	-
<i>Changes 2007-2008 at 2008 prices</i>						
- Millions	176	-	330	1 129	61	-553
- Per cent	1.4	-	73.5	12.7	1.8	-3.6

Chapter 8

Other Social Benefits

Links to supplementary information:

[EUROSTAT - database](#)

[Typical cases](#)

[Social expenditures](#)

The previous chapters describe social benefits granted in connection with defined social incidents. In a number of cases, social incidents that are not covered by any specific legislation occur, however. It is difficult to compare the extent of the services provided in such cases, both in relation to the EU and to the Nordic countries.

Table 8.1 Expenditure on other social benefits as percentages of the GDP in the EU, the Faroe Islands, Iceland and Norway, 2007

Denmark	0.7	Austria	0.3	Greece	0.6	The Netherlands	1.7 ^P
Faroe Islands	0.4	Belgium	0.7	Hungary	0.2	Poland	0.2
Finland	0.5	Bulgaria	0.4	Ireland	0.5	Portugal	0.3
Iceland	0.6	The Czech Republic	0.2	Italy	0.1 ^P	Romania	0.4
Norway	0.6	Cyprus	0.9 ^P	Latvia	0.1 ^P	Slovakia	0.5 ^P
Sweden	0.6 ^P	Estonia	0.1	Lithuania	0.2 ^P	Slovenia	0.5 ^P
		France	0.5 ^P	Luxembourg	0.4	Spain	0.3 ^P
		Germany	0.2 ^P	Malta	0.4	United Kingdom	0.2 ^P

Note: See Table 3.1.

Special Circumstances in the Various Countries

A number of special circumstances in the Nordic countries make it difficult statistically to compare the countries' data in this chapter.

In Denmark, non-insured unemployed people, who do not qualify for unemployment benefits, are entitled to social assistance in the event of unemployment, whereas non-insured unemployed people in Finland and Sweden are entitled to a special labour market benefit in accordance with the labour market legislation - and often also supplementary financial support, cf. Chapter 4 (financial assistance).

In all the countries, social assistance falls under special legislation.

In all the countries, there are a number of special benefits that are placed under Other Social Benefits, such as support to pay removal expenses in Denmark, support to servicemen in Finland, assistance to nationals living abroad and support towards paying non-recurrent expenses.

In all the Nordic countries, wage earners may be paid their wages from special wage earners' guarantee funds in the event that their employers go into liquidation and are unable to pay wages to their employees.

Cash Benefits

Social Assistance

In all Nordic countries, social assistance will be granted when all other support options in connection with loss of income or other social events have been exhausted. Consequently, the assistance, which is means-tested in all the countries, is the last resort of assistance granted by the social security systems. It will be given either as a substitute for other sources of income or as a supplement to a very low personal income. Social assistance may also be granted for other purposes, such as dental treatment, medical treatment, spectacles, equipment in the home and removal expenses.

The assistance is awarded and granted according to need in order to meet costs of living, with the exception of Iceland where the assistance is granted if an income drops under a certain level. In all the countries, social assistance is subject to a household's income.

In Denmark and Iceland, social assistance is subject to tax. In the Faroe Islands, Finland, Norway and Sweden, it is a net benefit exempt from tax.

In Denmark, social assistance (cash assistance) to people who are obliged to provide for children equals about 80 per cent of the maximum rate of the unemployment benefit. For non-providers, the assistance equals about 60 per cent of the unemployment benefit. Young people under the age of 25

who do not have any children living with them are awarded special, lower youth benefits. Recipients of cash benefits, who pay high net rents or have substantial obligations as providers, may furthermore be granted special assistance that is tax-free. Income such as income from work will be deducted from the cash assistance, whereas child benefits and rent subsidies do not cause the assistance to be reduced. Rent subsidy shall, however, be taken into account when the special assistance is calculated.

With a view to ensuring that it pays better to work, a ceiling was introduced in 2003 in relation to the entire assistance in the form of cash benefit, special assistance and rent subsidy after six months' receipt of cash benefits. Besides, cash benefits to married couples will be reduced after six months at the same time as the employment deduction will be increased. Furthermore, cash benefits to young people under 25 shall be reduced after six months to a level corresponding to the State education grants and loans. As from April 2007, spouses drawing cash benefits must have worked for at least 300 hours within the past two years to remain entitled to cash assistance.

As from July 1 2002, a condition for being awarded the full cash assistance amount is that one has been a resident in the country for at least seven out of the past eight years. People, who do not comply with this requirement, are entitled to the so-called start assistance, which is lower than cash assistance. Local authorities may furthermore grant assistance based on need to non-recurrent expenses, removals, medical treatment, medication, dental treatment and the like, to cash assistance recipients and to others, who are unable to pay the costs.

In case a recipient of cash assistance rejects an offer of work or activation without reasonable course and is not available for work, the local authorities may discontinue payment of the assistance. In case a recipient of cash assistance rejects an offer of activation or fails to appear without reasonable course when he has been offered activation, the local authorities may reduce the assistance by up to one-third.

In the Faroe Islands, assistance granted in accordance with the Welfare Act is divided into temporary and permanent assistance. Temporary assistance will be provided in case of illness, divorce or lack of working opportunities. Permanent assistance will be awarded at an amount corresponding to the one retirement pensioners, who have no other income, receive plus a supplement for each child corresponding to the child supplement according to the Pension Act.

In Finland, Central Government fixes the basic amount of the social assistance each year, but the local authorities are responsible for the payments. Cash assistance may be payable in the event that payment of

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other benefits is delayed. The local authorities may also grant preventive social assistance in time to help people coping with any income difficulties. In case a person on several occasions refuses to accept a job offer or training, the social assistance may be reduced by 20 or 40 per cent.

In Iceland, the local authorities are obliged to pay out social assistance to those unable to provide for themselves. The Ministry of Social Affairs has drawn up guidelines for what should be taken into consideration in connection with the award.

In Norway, the Government has drawn up recommended guidelines for the award of support, which include the expenditure on current, daily costs towards maintenance. These guidelines are a recommended starting point for the estimates that local authorities have to make. There is no upper limit to the amount of the assistance, which may also be granted by way of a loan. The social authorities may in special cases grant financial assistance to people who are in need of help in order to overcome or adapt to a difficult situation in which they would otherwise not qualify for social assistance. People of working age with a considerably reduced capacity for work and earnings are according to the Act on Social Services entitled to a qualification benefit, provided that they are not entitled to benefits according to the Social Security Act or the Labour Market Act, which entails that the target group is people whose main source of income is social assistance. The benefit is not income-adjusted, but the qualification benefit is taxable and amounts to NOK 140 512 annually for people over 25 years and NOK 93 675 for people under 25 years. Child allowance may be awarded as a supplement. Entitlement to the benefit is based on participation in a full-time qualification programme of a duration of one or two years. The programme must be individually adapted and may e.g. include motivating, training, treatment and labour market measures with the aim of qualifying the person concerned to working life.

In Sweden, the purpose of social assistance, which is called "financial assistance", is twofold: if the need cannot be met in any other way, social assistance must partly serve to guarantee a family a reasonable financial standard of living and partly as a preventive and rehabilitating measure. Local authorities usually offer unemployed social assistance recipients measures that prepare them for work. Those, who are fit for work, but who do not apply for work or accept work offers or the like, will often lose their entitlement to financial assistance. Central Government fixes national standards each year concerning the usual subsistence expenses, such as food, clothing and consumer goods. Usual subsistence expenses also include rent and transport.

When the amount of the social assistance is being calculated, a recipient's total income is taken into consideration, such as maintenance allowance, child allowance, housing benefit, etc. If, for instance, the housing benefit is increased by SEK 200 per month, the social assistance amount will be reduced accordingly. As in Norway, there is no upper limit, and the financial assistance may also be granted provided it will be paid back later, for example where a person expects an income which makes it possible to pay back the amount.

Table 8.2 Rules governing award of social assistance, 2009

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Social assistance payable as a fixed amount in the entire country?	Yes	Yes	Yes ³⁾	No ⁴⁾	No ⁵⁾	No ⁶⁾
Social assistance calculated individually by local authorities?	No	No	Yes	No	Yes	Yes
Do housing costs influence the amount of the social assistance?	No ¹⁾	Yes	Yes	No	Yes	Yes
Social assistance taxable?	Yes	No	No	Yes	No	No
Social assistance payable as a supplement to other social benefits?	Yes	Yes	Yes	Yes	Yes	Yes
Social assistance payable as a supplement to income from work?	No ²⁾	Yes	Yes	Yes	Yes	Yes

1 The amount of the cash benefits depends on the rent. Cash assistance recipients, who have high net costs for rent are granted a special allowance, e.g. when the rent, etc., after deduction of housing benefits exceeds the fixed amount limits.

2 Social assistance (cash assistance) will in general not be granted as a supplement to a low income from work. Award of cash assistance is subject to the occurrence of a life event such as for example unemployment or dissolution of marriage or co-habitation.

3 Each year, a "national standard" is calculated, which local authorities apply when calculating social assistance, cf. the text above. Local authorities may also award a so-called preventive social assistance individually.

4 The Government has drawn up recommended guidelines for the estimates that local authorities are to make. In 2009, the maximum amount for single people over 18 years was ISK 115 567 and for co-habiting couples ISK 184 907 in the municipality of Reykjavík. Income from the month in which the application is made and the month before that shall be deducted from the amount with the exception of child and housing benefits.

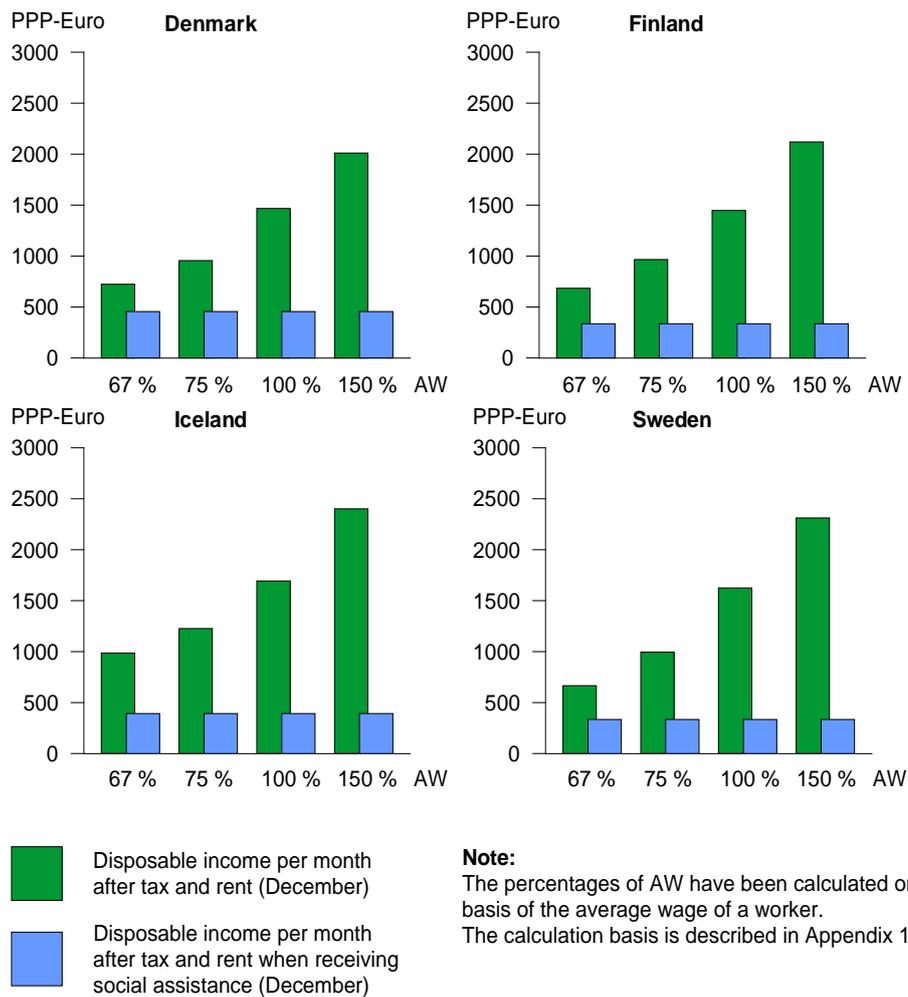
5 The Government has drawn up recommended guidelines for the estimates that local authorities are to make.

6 Central Government fixes a national standard each year for the entire country concerning the usual subsistence expenses. Besides, one may be granted social assistance towards payment of reasonable rent costs and certain other needs.

Disposable Income and Compensation Grades

Table 8.1 show the disposable monthly income after deduction of tax, payment for day care institution and rent when receiving social assistance in respect of single childless people, and Figure 8.2 shows the compensation level for couples with two children. Tables 8.3 and 8.4 show the compensation grades as percentages of the previous income from work. Table 8.5 shows disposable incomes in PPP-Euro and national currencies. The amount, which singles and couples have to live for when they receive social assistance, varies somewhat from one Nordic country to another, the amount being largest in Denmark and Iceland and smallest in Sweden. It should be noted, however, that it is only in Denmark and Iceland that non-insured people receive social assistance in case of unemployment. In Norway, everyone is in principle insured in case of unemployment, cf. Chapter 4. In Finland and Sweden, non-insured people get a special benefit which can be supplemented by social assistance. In Table 8.5, it is, however, people who only receive social assistance. For single people without children, the compensation level is highest in Sweden for the lowest income groups, while it in all the countries is very low in respect of people, who previously had high incomes. This also applies to couples with two children, for which group the compensation level for the lowest incomes, apart from Sweden, however, is also relatively high in Denmark.

Figure 8.1 Disposable monthly income after tax and payment of rent for a single childless person when receiving social assistance (December) 2009



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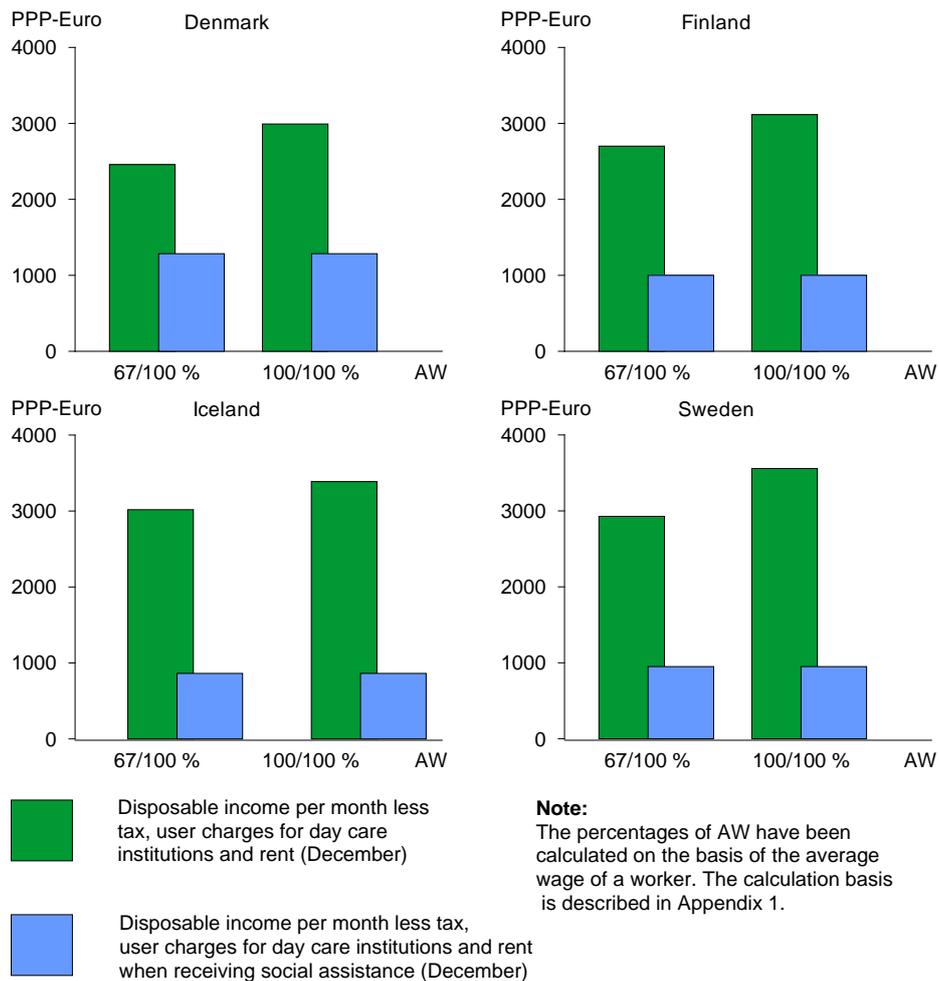
Table 8.3 Disposable monthly income after tax and payment for rent for a single childless person when receiving social assistance as percentages of disposable monthly income from work (December) 2009

	<i>Denmark</i>	<i>Finland</i>	<i>Iceland</i>	<i>Sweden</i>
<i>50 AW</i>	63	49	40	50
<i>67 AW</i>	48	35	32	34
<i>100 AW</i>	31	23	23	21
<i>150 AW</i>	23	16	16	14

Table 8.4 Disposable monthly income after tax, payment for day care institution and rent for a couple with two children when receiving social assistance (December 2009)

	<i>Denmark</i>	<i>Finland</i>	<i>Iceland</i>	<i>Sweden</i>
<i>67/100 AW</i>	52	37	29	32
<i>100/100 AW</i>	43	32	25	27

Figure 8.2 Disposable monthly income after tax and payment for day care institution and rent for a couple with two children when receiving social assistance (December) 2009



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Table 8.5 Disposable monthly income after tax, payment for day care institution and rent when receiving social assistance (December) 2009

	<i>Denmark¹⁾</i>	<i>Finland</i>	<i>Iceland</i>	<i>Sweden</i>
<i>Kroner/Euro</i>				
<i>Single provider with one child</i>	10 236	710	112 893	5 670
<i>Single childless person</i>	4 789	417	58 637	3 680
<i>Couple with two children</i>	13 530	1 244	128 982	10 460
<i>Childless couple</i>	9 660	710	103 195	9 660
<i>PPP-Euro</i>				
<i>Single provider with one child</i>	973	571	756	515
<i>Single childless person</i>	455	335	392	334
<i>Couple with two children</i>	1 285	1 001	863	950
<i>Childless couple</i>	918	571	691	878

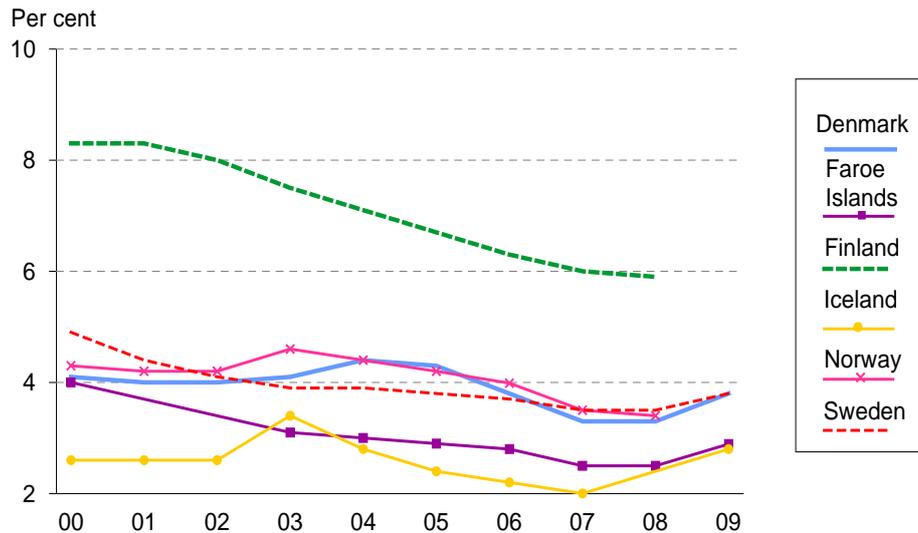
1 The benefit is the same as to non-insured unemployed people but in this calculation rent has been included as an expense.

Table 8.6 Individuals receiving social assistance during the year, in thousands and as percentages of the population 16/18 years or over

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	2009	2009	2008	2009	2008	2009
Thousands	165	1 035	249.9	6.6	127	284
As percentages of the population aged 16/18 years or over	3.8	2.9	5.9	2.8	3.4	3.8

Note: Calculations based on all people of 18 years or over (in Iceland 16 years in 1995) - children not included. Married couples who receive social assistance, and where the assistance is payable to one of the spouses only, count as two individuals. In respect of Norway, the figures for 2003 include recipients of the introduction benefit and so cannot be directly compared with those from previous years. In Sweden and Iceland, children over 18 years living at home also count as assistance recipients. The figures for Denmark include recipients of cash assistance payable towards maintenance (including refugees), but 3 319 recipients of the introduction benefit to refugees in 2007 were not included. The statistics of the number of cash benefit recipients has been changed as from 2004 and again as from 2007, for which reason the figures cannot be compared with those from previous years. The Swedish figures include refugees.

Figure 8.3 Recipients of social assistance during the year as percentages of the population 16/18 years and more, 2000-2009



Note: See notes for Table 8.6.

Table 8.7 Number of individuals 16/18 years or over, who receive social assistance, in total and as percentages of the population, per 1 December, 2000-2009

	Denmark	Faroe Islands	Finland	Iceland ¹⁾	Norway ²⁾	Sweden ³⁾
Total						
2000	..	430	147 824	1 841	63 732	..
2005	..	447	124 882	1 794	68 843	135 565
2008	70 264	401	119 120	1 748	57 550	135 929
2009	79 859	393	..	2 223	..	158 435
<i>As percentages of the population aged 16/18 years or over</i>						
2000	..	1.3	3.7	0.9	1.9	..
2005	..	1.3	3.0	0.8	1.9	1.9
2008	1.6	1.1	2.8	0.7	1.6	1.9
2009	1.9	1.1	..	0.9	..	2.1

1 Average number of individuals in households receiving social assistance per month.

2 The figures include recipients of introduction benefits and so cannot be directly compared with figures from before 2003.

3 People from the age of 18 years in socially assisted households, who received assistance in November as percentages of the population on 1 November.

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Table 8.8 Individuals receiving social assistance during the year, by age, in total and as percentages of their age groups

	Recipients		Recipients as percentages of the age group			
	Total	18-24 years	25-39 years	40-54 years	55-64 years	65+ years
<i>Denmark 2009</i>						
Recipients, total	165 296	10.4	5.9	3.7	1.3	0.7
New, total	..	..	..	..	..	..
<i>Faroe Islands 2008</i>						
Recipients, total	870	4.9	4.0	2.0	1.6	0.3
New, total	.	.	.	.	.	.
<i>Finland 2008</i>						
Recipients, total	249 865	11.9	7.7	6.6	4.1	1.5
New, total	72 129	4.4	2.1	1.6	1.1	0.6
<i>Iceland 2009</i>						
Recipients, total	6 563	5.6	4.0	2.3	1.3	0.4
New, total	3 574	3.3	2.1	1.2	0.6	0.2
<i>Norway¹⁾ 2008</i>						
Recipients, total	126 913	5.5	5.1	3.9	1.8	0.5
New, total	44 568	2.6	1.8	1.2	0.6	0.2
<i>Sweden²⁾ 2009</i>						
Recipients, total	284 106	9.1	5.4	4.0	2.1	0.6
New, total	95 089	3.6	1.7	1.1	0.5	0.3

1 In respect of Norway, the figures include recipients of the introduction benefit and consequently cannot be directly compared with the figures from before 2003.

2 Includes only people who have a complete personal identification number.

Table 8.9 Families, who received social assistance during the year as percentages of all families, by type of family

	Denmark	Finland	Iceland	Norway	Sweden
	2009	2008	2009	2008	2009
<i>Families by type (per cent)</i>					
Single women	8.2	9.7	10.8	5.9	10.4
- with children	24.0	24.7	22.6	13.6	22.0
- without children	4.8	7.8	5.7	4.3	7.8
Single men	10.8	12.6	12.7	6.9	9.3
- with children	41.9	14.6	19.5	5.5	7.1
- without children	9.5	12.5	12.5	6.9	9.5
Married/cohabiting couples	1.9	2.8	0.7	2.4	2.3
- with children	3.6	4.2	0.9	3.1	3.0
- without children	0.6	2.0	0.3	1.8	1.5
Total	5.9	7.4	4.8	4.4	6.2
- with children	8.7	8.1	4.5	5.0	..
- without children	4.8	7.3	4.9	4.2	..

Note: Figures from Sweden comprise only households where the registered person is between 18 and 64 years. The total number of households is an estimate.

Assistance to Refugees in the Nordic Countries

The five Nordic countries have all acceded to the Geneva Convention on the Right to Political Asylum/Refugee Status for people who, due to race, nationality, political views or special social affiliation, are persecuted in their home countries. Apart from the above, refugees may be granted residence permits in the Nordic countries on humanitarian grounds. People who are granted asylum may, in all the countries, be granted residence permits for their close relatives, the so-called reunification of families.

A common feature of the Nordic countries is that a social safety net has been established and that a number of measures for the integration of refugees received into the country have been implemented. The rules do, however, vary considerably from one country to another.

In Denmark, asylum seekers get board and lodging plus pocket money during their stay at an asylum centre. The municipalities handle the integration activities in respect of newly arrived refugees and other foreigners, who are offered a 3-year introduction programme that comprises courses in social knowledge, the Danish language and activation. Foreigners, who came to Denmark before 1 July 2002, are awarded an introduction benefit that corresponds to the cash benefits. Foreigners, who have come to Denmark after 1 July 2002, and who do not comply with the requirement of

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having stayed in Denmark for at least seven out of the past eight years, are awarded a lower introduction benefit, which equals the so-called start assistance. Central Government reimburses 75 per cent of the local authorities' expenditure on introduction benefits during the 3-year introduction programme and furthermore grants a number of supplements towards payment of the local authorities' expenditure.

The refugee policy in the Faroe Islands is a Danish matter. The Danish Aliens Act has been implemented in the Faroe Islands. The Danish Immigration Service is the highest responsible authority in this field and makes decisions concerning asylum and residence permits in the Faroe Islands. Decisions are, however, made in co-operation with the Faroese authorities. These cases are very rare in the Faroe Islands, and until now years have passed between each application for asylum or residence permit on humanitarian grounds.

In Finland, asylum seekers must be accommodated in a refugee centre, and during the application process the vital needs of the applicants will be met, such as accommodation, social assistance and any necessary health services. Besides, interpretation and legal aid may be provided in connection with the application. Courses are also provided, and after three months, the applicants are entitled to work outside of the centre. Asylum seekers may also try to find accommodation on their own, but then no payment is provided.

Asylum seekers receive 30 per cent less social assistance than people living in the country as they are provided with a number of services in the centre. The social assistance is exempt from tax. If a person is in need of language courses, the amount payable may be reduced by 20 per cent. Asylum seekers are not insured in case of illness and neither do they are entitled to child supplement or housing benefits. Central Government covers part of the local authorities' expenditure just as Central Government may reimburse some services, such as interpretation.

In Iceland, refugees are granted social assistance from the moment they are received into the country. Central Government pays the first 12 months of assistance.

In Norway, asylum seekers and refugees who have been received in a government reception centre are granted a maintenance allowance according to special rules that apply to people staying at such centres. Asylum seekers may also take a course in the Norwegian language for a maximum of 250 hours during their stay at the reception centre. For individuals, who have been denied asylum, the allowance will be reduced.

Central Government covers the local authorities' average expenditure on refugees and people, who are staying in the country on humanitarian grounds, during the first five years of their stay. Social assistance to refugees is awarded according to the Act on Social Services and Benefits in the same way as to all other recipients of social assistance.

A scheme was introduced entitling and obliging newly arrived immigrants with needs for basic qualifications to partake in an individually planned training programme. The programme runs for a year and is full time. Participation entitles to a benefit of NOK 140 512 as at 1 May 2008. The benefit is taxable. The programme contains courses in Norwegian, civics and other measures preparing immigrants for taking on work later. As a supplement to the benefit, supplementary social assistance may be awarded according to the current rules.

In Sweden, refugees receive a benefit from Central Government during their stay in the reception centres for refugees while they await a reply to their applications. From the moment they are received into the country and the initiated introduction, refugees are entitled to a special benefit by way of social assistance or an introduction benefit to refugees. Central Government reimburses the local authorities' expenditure on this benefit for the first four years.

At present, most of the asylum seekers or refugees that are received into the Nordic countries are people who have arrived at the borders applying for asylum. The statistics include both people who have arrived at the border of the country concerned and applied for asylum without being rejected and convention refugees.

Table 8.10 Number of refugees received, exclusive of reunified families, who have been granted residence permits in the Nordic countries, 2000-2009

	Denmark	Finland	Iceland	Norway	Sweden
2000	5 156	1 028	31	6 800	10 546
2005	1 147	1 501	2	3 997	7 332
2008	1 453	2 219	3	4 624	11 037
2009	1 376	2 611	4	6 056	11 265

Table 8.11 Number of asylum seekers, 2000-2009

	Denmark	Finland	Iceland	Norway	Sweden
2000	10 347	3 170	25	10 843	16 303
2005	1 283	3 574	87	5 402	17 530
2008	951	4 035	73	14 431	24 353
2009	2 022	5 988	34	17 226	24 194

Services

This section deals only with services that are not aimed at any particular sector, such as services offered to substance abusers. These offers are provided both by the health care services and by the social assistance system.

In all the Nordic countries, there are also a number of services that are not specifically aimed at any of the previously mentioned target groups. These may include unspecified services provided by the social authorities, help in case of crises, family counselling, centres for battered women, re-establishment centres, shelters for the homeless and others with special social problems, who may be in need of temporary accommodation.

Treatment of Alcohol and Drug Abuse

Special institutions for abusers administer treatment of substance abusers. There are both institutions for alcohol abusers and institutions for drug addicts. Some of these are privately owned institutions that have agreements with the public authorities concerning cover of their running costs. In all the countries, part of the treatment is provided by the psychiatric treatment system.

In all countries, outpatient treatment is provided, and in some of the countries efforts are made to include families and social networks in the treatment.

In Denmark, Finland and Sweden, compulsory treatment may be initiated if an abuser is deemed to be a danger to him/herself or to people in his or her environment. In Norway, people may be compulsorily admitted to an institution for up to three months for examination and planning of treatment. Also pregnant abusers may be compulsorily admitted to an institution and kept there during the entire pregnancy, if the abuse is of such a nature that it is likely to harm the child and that other measures may not be sufficient.

It is difficult to assess the number of abusers and the treatment of them, as treatment of abusers cannot be statistically separated from other somatic and psychiatric treatment.

Expenditure on and Financing of Other Social Benefits

In the period between 2006 and 2007, there has been a decline in the expenditure on other social services of 43 per cent. The large reduction is first and foremost a result of the expenditure on other social services already making up a small part of the total social benefits. The reduction can, however, be found in a number of areas where especially assistance in connection with unemployment and expenditure on cash benefits are reduced.

Differences and Similarities in the Expenditure on Other Social Benefits

Expenditure on other social benefits is highest in Denmark, followed by Norway and Sweden, while the Faroe Islands and Finland are largely at identical levels, measured as PPP per capita.

The relatively high expenditure in Denmark is a result of non-insured people, who do not qualify for unemployment benefit, receiving cash benefits. In Finland and Sweden, such people are granted a cash labour market benefit that may be supplemented by social assistance, if need be. A large part of the expenditure on social assistance in Finland and Sweden is supplementing benefits to the unemployed. Besides, the number of refugees and asylum seekers that is received into the country also plays a part, as they in all the countries receive social assistance or some other income-substituting benefit. There are also certain differences amongst the countries as to whether abusers are treated in special institutions or in the general somatic and psychiatric treatment system.

Changes in the Expenditure on Other Social Benefits from 2007 to 2008

In Denmark, the expenditure increased from 2007 to 2008 by DKK 0.2bn, corresponding to a growth rate of 1.8 per cent. The expenditure increase was a result of an increase on services of DKK 0.7bn, whereas the expenditure on cash benefits decreased by DKK 0.4bn.

In the Faroe Islands, the expenditure on services increased by DKK 1mn from 2007 to 2008. The increase corresponds to 3.7 per cent.

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In Finland, the expenditure on other social benefits increased by 2.9 per cent at constant prices. The expenditure on social assistance increased by 6.8 per cent, and the expenditure on abuse control increased by 2.8 per cent.

In Iceland, the expenditure on other social benefits decreased by 2.6 per cent at 2008 prices. The expenditure on cash benefits increased by 7.5 per cent, and services decreased by 10.5 per cent. The increase in the expenditure on cash benefits was due to the deterioration of the economy and the increase in the unemployment rate.

In Norway, the expenditure on other social benefits increased by 12.7 per cent at constant prices. The expenditure on cash benefits increased by 6.2 per cent, while the expenditure on services increased by 17.1 per cent. The expenditure on services made up 62 per cent of the total expenditure.

In Sweden, the expenditure on other social benefits increased by about 4 per cent. Cash benefits increased by 3.3 per cent, and the expenditure on care increased by 4.9 per cent. The expenditure on services to refugees and the expenditure on institutions was a contributory reason for the increase.

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Table 8.12 Expenditure on and financing of other social benefits, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Cash benefits, millions</i>						
A. Income-substituting/supplementing benefits	7 641	38	516	3 303	5 400	-
a. Of which social assistance	-	38	498	1 658	4 549	9 465
B. Other assistance	1 508	-	59	716	674	780
Cash benefits, total	9 149	38	575	4 019	6 075	10 245
<i>Services, millions</i>						
A. Institutions, etc.	906	3	85		2 484	2 418
B. Rehabilitation and treatment of abusers	1 205	10	176	967	4 170	5 144
C. Other	1 914	2	218	3 348	3 195	1 783
Services, total	4 025	15	479	4 316	9 850	9 345
Expenditure, total, millions	13 174	53	1 054	8 335	15 925	19 590
Expenditure as percentages of the GDP	0.8	0.4	0.6	0.6	0.6	0.6
<i>Financed by (per cent)</i>						
- Public authorities	99.1	100.0	97.7	86.4	98.2	100.0
- Employers	0.9	-	2.3	12.6	1.1	-
- The insured (contributions and special taxes)	-	-	-	0.9	0.7	-
<i>Changes 2007-2008 at 2008 prices</i>						
- Million	237	-1	30	-231	1 800	445
- Per cent	1.8	-1.4	2.9	-2.7	12.7	2.3

Table 8.13 Expenditure on other social benefits and services in PPP/capita, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Cash benefits, total	158	75	87	84	112	101
Services, total	70	30	73	90	181	92
Other social benefits, total	228	104	160	175	292	192

Chapter 9

Social Expenditure

Links to supplementary information:

[EUROSTAT - database](#)

[Typical cases](#)

[Social expenditures](#)

[OECD \(2009\), Society at a Glance 2009 - OECD Social Indicators](#)

Following a description of the social protection systems in the previous chapters, an overall description of the social expenditure is presented in this chapter. As mentioned in Appendix 1, the Nordic social expenditure statistics follow the calculation method used by EUROSTAT.

The Nordic countries' and the EU's expenditure on social affairs measured in relation to the Gross Domestic Product (GDP) and per capita as PPP-Euro, broken down by functions, is shown in the two following tables.

Table 9.1 Social expenditure as percentages of the GDP in the EU, the Faroe Islands, Iceland and Norway, 2007

Denmark	28.1	Austria	27.1	Greece	23.8	The Netherlands	26.8 ^p
Faroe Islands	24.1	Belgium	28.0	Hungary	21.9	Poland	17.8
Finland	24.6	Bulgaria	14.6	Ireland	17.6	Portugal	23.4
Iceland	21.3	The Czech Republic	18.0	Italy	25.5 ^p	Rumania	12.6
Norway	22.3	Cyprus	18.1 ^p	Latvia	10.7 ^p	Slovakia	15.4 ^p
Sweden	29.1 ^p	Estonia	12.3	Lithuania	13.9 ^p	Slovenia	20.8 ^p
		France	29.0 ^p	Luxembourg	19.0	Spain	20.5 ^p
		Germany	26.7 ^p	Malta	17.9	United Kingdom	24.8

Note: See Table 3.1.

Table 9.2 Social expenditure per capita broken down by main groups in the EU, the Faroe Islands, Iceland and Norway, 2007, PPP-Euro

	Families and children	Unemployment	Illness	Old age, disability and surviving relatives	Housing benefits	Other social benefits	Total
Denmark	1 100	474	1 934	4 463	208	221	8 400
Faroe Islands	1 180	103	1 671	2 867	.	102	5 923
Finland	825	551	1 869	3 623	69	158	7 094
Iceland	867	72	2 666	2 458	184	177	6 422
Norway	1 246	128	3 233	4 981	63	265	9 916
Sweden	901 ^p	332 ^p	2 306 ^p	4 973 ^p	146 ^p	184 ^p	8 842 ^p
Austria	852	445	2 180	4 775	32	91	8 375
Belgium	585	962	2 179	4 276	43	191	8 236
Bulgaria	117	27	368	812	0	34	1 358
The Czech Republic	332	125	1 217	1 872	13	38	3 596
Cyprus	443 ^p	197 ^p	1 034 ^p	2 065 ^p	145 ^p	214 ^p	4 099 ^p
Estonia	264	25	711	1 131	4	13	2 130
France	669 ^p	483 ^p	2 349 ^p	4 039 ^p	206 ^p	122 ^p	7 868 ^p
Germany	809 ^p	444 ^p	2 281 ^p	3 886 ^p	174 ^p	49 ^p	7 642 ^p
Greece	344	251	1 568	3 171	113	130	5 576
Hungary	437	117	869	1 823	141	25	3 413
Ireland	964	507	2 690	2 147	103	134	6 544
Italy	305 ^p	115 ^p	1 690 ^p	4 337 ^p	5 ^p	13 ^p	6 464 ^p
Latvia	169 ^p	50 ^p	457 ^p	827 ^p	18 ^p	16 ^p	1 537 ^p
Lithuania	182 ^p	39 ^p	638 ^p	1 191 ^p	0 ^p	28 ^p	2 077 ^p
Luxembourg	2 158	635	3 384	6 438	101	277	12 993
Malta	205	98	1 010	2 032	47	70	3 462
The Netherlands	528 ^p	376 ^p	2 848 ^p	4 332 ^p	124 ^p	558 ^p	8 766 ^p
Poland	106	53	526	1 661	12	22	2 380
Portugal	134	225	1 259	2 669	1	54	4 442
Rumania	177	29	317	764	.	47	1 333
Slovakia	156 ^p	94 ^p	792 ^p	1 345	.	84 ^p	2 570 ^p
Slovenia	402 ^p	106 ^p	1 488 ^p	2 532 ^p	3 ^p	108 ^p	4 639 ^p
Spain	324 ^p	630 ^p	1 684 ^p	2 635 ^p	49 ^p	70 ^p	5 392 ^p
United Kingdom	442 ^p	155 ^p	2 237 ^p	4 006 ^p	426 ^p	50 ^p	7 316 ^p

Note: See Table 3.1.

The account of the social expenditure has been divided into four sections. First, an account is given of the social expenditure trends from 1995 to 2007; then the purposes of the social expenditure are described, followed by the financing of the total social expenditure, and finally the significance of taxation in relation to the total social expenditure is shown.

Changes in the Social Expenditure, 2000-2008

The development in the social expenditure, in total and per capita, at current and at constant prices and in relation to the gross domestic product (GDP) and in purchasing power parities (PPP-Euro) since 2000, appears from the tables below. It should be noted that all the countries now use the ESA95/SNA-93 classification when calculating the GDP, which has resulted in corrections of the gross domestic products.

Table 9.3 Social expenditure, total and per capita, 2000-2008

	Social expenditure		Social expenditure per capita		Social expenditure per capita aged 15-64 years	
	At current prices, million KR/EUR	At 2008 prices, million KR/EUR	At current prices, KR/EUR	At 2008 prices, KR/EUR	At current prices, KR/EUR	At 2008 prices, KR/EUR
<i>Denmark</i>						
2000	373 495	440 954	69 978	82 616	104 962	123 919
2005	467 251	500 893	86 273	92 485	130 478	139 873
2007	487 579	504 522	89 342	92 447	135 329	140 032
2008	515 935	515 935	93 994	93 994	142 646	142 646
<i>Faroe Islands</i>						
2003	2 447	2 852	51 060	59 515	80 670	94 028
2005	2 709	3 051	56 145	63 218	88 134	99 235
2007	2 998	3 189	61 937	65 885	96 919	103 097
2008	3 235	3 235	66 904	66 904	107 342	107 342
<i>Finland</i>						
2000	33 142	34 479	6 403	7 377	9 567	11 021
2005	42 001	43 696	8 006	8 670	12 003	12 999
2007	45 615	47 455	8 625	8 973	12 963	13 486
2008	48 572	48 572	9 164	9 164	13 761	13 761
<i>Iceland¹⁾</i>						
2000	131 390	203 057	467 324	722 225	717 535	1 108 914
2005	222 271	280 183	751 260	946 999	1 135 291	1 431 090
2007	280 362	315 192	900 339	1 012 191	1 365 003	1 535 356
2008	325 606	325 606	1 019 574	1 019 574	1 504 197	1 504 197
<i>Norway¹⁾</i>						
2000	360 341	374 335	80 237	93 624	123 766	144 416
2005	463 983	482 002	100 358	107 382	152 870	163 571
2007	520 008	540 202	110 425	114 713	167 041	173 528
2008	564 725	564 725	118 435	118 435	178 746	178 746
<i>Sweden</i>						
2000	674 658	698 102	76 043	87 654	118 252	136 309
2005	855 600	885 331	94 755	101 578	145 075	155 521
2007	908 074	939 629	99 264	102 713	151 156	156 409
2008	943 302	943 302	101 990	101 990	155 415	155 415

1 The dotted lines under Norway and Iceland show a break in the time series mentioned in Appendix 1.

SOCIAL EXPENDITURE
Table 9.4 Social expenditure in relation to the GDP, 2000-2008¹⁾

	GDP, million KR/EUR	Social expenditure as percentage of the GDP	Index for social expenditure in relation to the GDP (2000 = 100)
<i>Denmark</i>			
2000	1 293 964	28.9	100
2005	1 551 967	30.1	104
2007	1 696 237	28.7	99
2008	1 737 448	29.7	103
<i>Faroe Islands</i>			
2003	8 582	28.5	100
2005	10 039	27.0	95
2007	12 413	24.1	85
2008	12 301	26.3	92
<i>Finland</i>			
2000	132 272	25.1	100
2005	157 162	26.7	106
2007	179 659	25.4	101
2008	184 179	26.4	105
<i>Iceland</i>			
2000	683 748	19.2	100
2005	1 026 718	21.6	113
2007	1 308 518	21.4	112
2008	1 477 647	22.0	111
<i>Norway</i>			
2000	1 510 866	23.8	100
2005	2 154 573	21.5	90
2007	2 277 111	22.8	96
2008	2 543 188	22.2	93
<i>Sweden</i>			
2000	2 196 764	30.7	100
2005	2 670 547	32.0	104
2007	3 063 873	29.6	96
2008	3 213 065	29.4	96

1 GDP has been revised in relation to the previous report.

Table 9.5 Social expenditure per capita, 2000-2008 (PPP-Euro at 2008 prices)

	Denmark	Faroe Islands ¹⁾	Finland	Iceland	Norway	Sweden
2000	7 783	5 673	5 788	4 946	8 091	7 804
2005	8 713	6 026	6 804	6 488	9 280	9 044
2007	8 709	6 038	7 041	6 937	9 913	9 145
2008	8 930	6 356	7 372	6 823	10 367	9 266

1 As to the Faroe Islands, 2000 = 2003.

Social Expenditure by Type and Purpose

The social expenditure is broken down by type into cash benefits and services. When the benefits are being distributed according to purpose, a division is made as to which social needs or risks the benefit is primarily aimed at relieving. The distribution of the social expenditure according to the purpose of the benefit is rather stable in the individual country. New legislation and changes in the social patterns have, however, given rise to shifts in the distribution. The comparison of the countries shows some differences in the distribution of the social expenditure according to purpose. The main reason for this is to some extent differences in the individual countries' assessment of the importance of benefits for various purposes.

SOCIAL EXPENDITURE
Table 9.6 The social expenditure as percentages, broken down by main groups, 2000-2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>2000</i>						
Families and children	13.1	..	12.5	11.7	12.8	9.8
Unemployment	10.5	..	10.4	1.3	2.7	6.5
Illness	20.2	..	23.8	39.2	34.3	27.4
Old age	38.0	..	31.8	28.5	29.6	37.3
Disability	12.0	..	13.9	13.9	16.4	12.2
Surviving relatives	0.0	..	4.0	2.6	1.2	2.2
Housing benefits	2.4	..	1.5	0.7	0.5	2.1
Other social benefits	3.7	..	2.1	2.1	2.6	2.4
Total	100.0	..	100.0	100.0	100.0	100.0
<i>2005</i>						
Families and children	12.9	19.0	11.6	13.9	12.1	9.8
Unemployment	8.6	4.5	9.3	1.8	2.7	6.2
Illness	20.7	28.0	25.9	34.8	32.2	24.3
Old age	37.5	29.8	33.7	28.6	29.5	38.3
Disability	14.4	15.8	12.9	15.1	19.1	15.4
Surviving relatives	0.0	0.5	3.6	2.6	1.2	2.2
Housing benefits	2.4	0.0	1.1	1.0	0.6	1.8
Other social benefits	3.4	2.5	2.0	2.3	2.6	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
<i>2007</i>						
Families and children	13.1	19.9	11.5	13.5	12.6	10.2
Unemployment	5.6	1.7	7.8	1.1	1.3	3.7
Illness	23.0	28.2	26.4	41.5	32.6	26.1
Old age	38.1	32.0	35.0	22.6	30.4	39.0
Disability	15.0	15.6	12.6	13.2	18.7	15.3
Surviving relatives	0.0	0.8	3.5	2.4	1.1	2.0
Housing benefits	2.5	0.0	1.0	2.9	0.6	1.7
Other social benefits	2.6	1.7	2.2	2.7	2.7	2.1
<i>2008</i>						
Families and children	13.2	19.2	11.5	13.4	12.6	10.4
Unemployment	4.8	1.5	7.1	1.7	1.9	3.0
Illness	23.3	28.3	26.9	40.5	32.7	26.0
Old age	38.4	32.5	34.6	22.3	30.6	39.9
Disability	15.2	16.1	12.6	14.0	17.6	15.1
Surviving relatives	0.0	0.7	3.4	2.3	1.2	1.9
Housing benefits	2.5	0.0	1.7	3.1	0.6	1.6
Other social benefits	2.6	1.7	2.2	2.6	2.9	2.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

Table 9.7 Social expenditure by type and purpose, as percentages of the GDP, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Families and children</i>						
Cash benefits	1.5	2.0	1.5	1.4	1.3	1.5
Services	2.3	3.0	1.4	1.5	1.5	1.5
Total	3.8	5.0	2.9	2.9	2.7	3.0
<i>Unemployment</i>						
Cash benefits	1.3	0.4	1.6	0.3	0.2	0.7
Services	0.1	0.0	0.2	0.0	0.2	0.2
Total	1.4	0.4	1.8	0.4	0.4	0.9
<i>Illness</i>						
Cash benefits	1.1	0.6	1.1	1.6	2.4	1.3
Services	5.7	6.7	5.7	7.3	7.1	6.2
Total	6.7	7.3	6.9	8.8	9.5	7.5
<i>Old age</i>						
Cash benefits	9.3	5.4	7.8	4.4	4.9	9.1
Services	1.8	3.0	1.0	0.4	1.8	2.4
Total	11.1	8.4	8.9	4.9	6.6	11.5
<i>Disability</i>						
Cash benefits	3.0	1.7	2.3	2.3	3.3	2.3
Services	1.4	2.4	1.0	0.8	0.5	2.0
Total	4.4	4.2	3.2	3.1	3.8	4.3
<i>Surviving relatives</i>						
Cash benefits	0.0	0.0	0.9	0.5	0.3	0.6
Services	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.9	0.5	0.3	0.6
<i>Housing Benefits</i>						
Cash benefits	0.7	0.0	0.4	0.7	0.1	0.5
Services	0.7	0.0	0.4	0.7	0.1	0.5
Total						
Cash benefits	0.5	0.3	0.3	0.3	0.2	0.3
Services	0.2	0.1	0.3	0.3	0.4	0.3
Total	0.8	0.4	0.6	0.6	0.6	0.6
<i>Cash benefits, total</i>	16.7	10.4	15.5	10.8	12.5	15.7
<i>Services, total</i>	12.2	15.2	10.1	11.0	11.6	13.1
<i>Social expenditure, total¹⁾</i>	28.9	25.6	25.6	21.8	24.0	28.8

1 The social expenditure, total, is in this table shown without administration costs.

SOCIAL EXPENDITURE
Table 9.8 Social expenditure, as percentages by type and purpose, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Families and children</i>						
Cash benefits	40	40	51	49	46	50
Services	60	60	49	51	54	50
Total	100	100	100	100	100	100
<i>Unemployment</i>						
Cash benefits	94	97	87	89	54	79
Services	6	3	13	11	46	21
Total	100	100	100	100	100	100
<i>Illness</i>						
Cash benefits	16	8	17	18	25	17
Services	84	92	83	82	75	83
Total	100	100	100	100	100	100
<i>Old age</i>						
Cash benefits	84	64	88	91	73	79
Services	16	36	12	9	27	21
Total	100	100	100	100	100	100
<i>Disability</i>						
Cash benefits	68	42	70	75	86	54
Services	32	58	30	25	14	46
Total	100	100	100	100	100	100
<i>Surviving relatives</i>						
Cash benefits	1	-	100	100	98	100
Services	99	-	-	-	2	-
Total	100	-	100	100	100	100
<i>Housing benefits</i>						
Cash benefits	100	100	100	100	100	100
Services	100	100	100	100	100	100
Total						
Cash benefits	69	71	55	48	38	52
Services	31	29	45	52	62	48
Total	100	100	100	100	100	100
<i>Cash benefits, total</i>	58	41	61	50	52	55
<i>Services, total</i>	42	59	39	50	48	45
<i>Social expenditure, total</i>	100	100	100	100	100	100

Financing of the Social Expenditure

In order to illustrate the financing of the social expenditure in the Nordic statistics, the direct financing of services and benefits and the current contributions paid into social funds are included. Contrary to previously, interest and other capital gains are now included in the social expenditure statistics. Interest and capital gains are mainly found in the funds established to guarantee pension payments, but also in other social-insurance schemes. This will be further dealt with in the following section.

Distribution of Current Contributions by Sources of Financing

Current contributions to the financing of the social expenditure are, in the Nordic statistics, broken down by the sources contributing to the individual benefits, i.e. public authorities and employers, the contributions and special taxes payable by the insured as well as interest and capital gains (other financing). As mentioned in Appendix 1, social costs are listed as net amounts, which means that investments, etc., and user charges payable by the citizens for social services have not been included.

There are many similarities in the financing of the social security systems in the Nordic countries but also major differences.

One of the similarities is that Central Government, directly or indirectly, through compulsory employer duties or duties payable by the employees, plays a significant part when it comes to the financing of cash benefits, whereas local authorities play the most important part in the financing of services. Even in the latter case, Central Government plays a significant part by way of the general non-earmarked government grants.

The public authorities' (Central Government, regions, counties and local authorities) direct financing of the social cash benefits vary from about 43 per cent in Denmark to about 15 per cent in Sweden. Both in Finland and Sweden, the largest contributors to the social cash benefits are the employers, whereas the insured's contributions and special taxes make up the largest part in Denmark, while the public authorities' direct financing of services vary from 99.7 per cent in Denmark to 74.9 per cent in Norway (cf. Table 9.10).

In most of the Nordic countries, the local authorities are responsible for the day-to-day running of services such as child-minding, child and youth welfare, health sector and care and nursing provided to the elderly and the disabled. In Norway and Iceland, Central Government is responsible for the hospital sector.

In Denmark, the local authorities are responsible for the administration of the cash benefits, while the responsibility in the other countries rests with Central Government.

All the Nordic countries have high ambitions as regards the social sector, which entails that the financing comprises very large amounts with both large macro-economic and budgetary significance.

The fiscal quotas, i.e. the sum of the direct and the indirect taxes as a proportion of the GDP, are in general high and among the highest in the world.

In spite of the many common traits, there are, however, considerable differences.

It should be mentioned that Finland and Sweden to a higher degree than the other countries rely on employer duties for the financing of the social cash benefits. More than half of the cash benefits are in those two countries financed by duties payable by employers. The share payable by the employees is highest in Denmark. The local-authority financing of the cash benefits is in general limited. It is highest in Denmark, where Central Government does not fully reimburse the local authorities their expenditure on cash benefits.

In respect of the financing of the social services, the most significant difference is the distribution of the burden between Central Government and the local authorities. This reflects the government grants' importance to the financing, and to which extent the grants are general or earmarked. In Denmark and Sweden, where the grants are mainly general, the local authorities finance the majority of the expenditure on services. In Finland, which has a high proportion of grants distributed on sectors, Central Government's share of the financing is considerably higher.

The distribution of current contributions to the financing of the social expenditure during the years 2000-2008 is shown in Figure 9.1. The large increase in other financing for Iceland is due to yields from the pension funds.

Table 9.9 Current contributions to the financing of the social expenditure, as percentages distributed on public authorities, employers, the insured's contributions as well as other financing, 2000-2008

	Public authorities, total	Employers	The insured's contributions and special taxes	Other financing	Total
<i>Denmark</i>					
2000	64	9	20	7	100
2005	63	10	18	8	100
2007	62	12	21	6	100
2008	62	11	21	6	100
<i>Faroe Islands</i>					
2002	82	8	6	4	100
2005	81	9	6	4	100
2007	76	11	9	4	100
2008	77	11	9	4	100
<i>Finland</i>					
2000	43	38	12	7	100
2005	44	38	11	6	100
2007	43	38	12	7	100
2008	44	38	11	7	100
<i>Iceland</i>					
2000	51	39	9	-	100
2005	33	26	6	35	100
2007	44	39	8	9	100
2008	49	32	7	11	100
<i>Norway¹⁾</i>					
2000	60	24	14	1	100
2005	58	26	14	1	100
2007	55	28	15	1	100
2008	54	29	16	2	100
<i>Sweden</i>					
2000	47	40	9	4	100
2005	48	41	9	2	100
2007	47	40	10	3	100
2008	49	38	10	3	100

1 The method used for the calculation of the social expenditure has been altered, so figures from before 2002 are not comparable with figures from 2002 and later.

SOCIAL EXPENDITURE

Figure 9.1 Current contributions to the financing of the social expenditure, 2000, 2005 and 2008

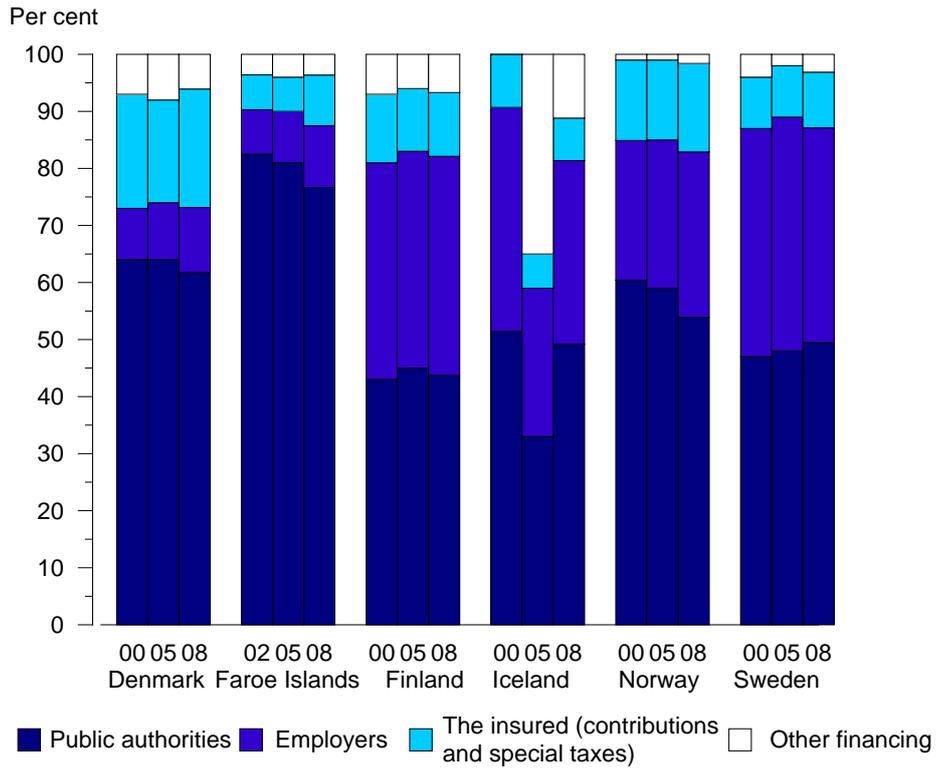


Table 9.10 Financing of the social expenditure, as percentages, 2008

	Public authori- ties, total	Of whom Central Govern- ment	Employ-ers (contributi ons)	The insured (contributi ons and special taxes)	Other financing	Total
<i>Denmark</i>						
Cash benefits, total	42.8	29.9	20.7	36.5	-	100
Services, total	99.7	8.6	-	0.3	-	100
<i>Faroe Islands</i>						
Cash benefits, total	60.6	55.7	21.0	18.4	-	100
Services, total	93.6	71.4	-	-	6.3	100
<i>Finland</i>						
Cash benefits, total	21.8	19.5	63.4	14.8	-	100
Services, total	89.8	40.4	3.8	6.4	-	100
<i>Iceland</i>						
Cash benefits, total	17.9	16.2	52.0	12.1	18.1	100
Services, total	99.3	79.7	0.6	-	0.1	100
<i>Norway</i>						
Cash benefits, total	25.0	23.3	47.8	25.0	2.3	100
Services, total	74.9	37.2	18.5	6.2	0.4	100
<i>Sweden</i>						
Cash benefits, total	15.5	14.1	62.6	16.5	5.4	100
Services, total	86.2	13.4	13.5	0.3	-	100

Block Grants and Government Reimbursement to Local and County Authorities

In the Nordic countries, the local authorities are responsible for the administration of part of the social services and benefits.

Local, regional and county authorities receive block grants and/or reimbursements from Central Government. A block grant may be given as a general contribution or may be earmarked for specific purposes and may, for instance, be calculated on the basis of the number of inhabitants and their age distribution or according to the tax base in the individual municipalities.

Government reimbursement may be fixed by law as percentages of the municipal expenditure or as fixed amounts. Government reimbursement may also be calculated as the difference between expenditure and contributions from other sources, including municipal contributions.

In Denmark, local authorities administer the main part of the social cash benefits and meet the costs of those benefits in the first instance. The costs are subsequently reimbursed, fully or partly, by Central Government. In the other Nordic countries, social benefits are mainly administered by government or other central bodies.

Funds for Pension Purposes

The contributions financing the social expenditure are normally spent on current payments in the course of the year, but are, especially in relation to pensions, also used for the establishment of funds.

The purpose of the funds may be to guarantee that means are available for future payments (premium reserve systems). The establishment of funds may also occur in distribution systems (where the costs should, in principle, be covered by the contributions of the current year) so as to create a buffer to reduce variations in incoming and outgoing payments over time.

In Norway, social expenditure, including expenditure on employment pensions, is currently financed via the public budget, and the expenditure is consequently excluded from Table 9.11. The Social Security Fund is an

independent, public fund and does not contribute directly to the financing of the running costs of the social-security service.

Table 9.11 Size of funds for pension purposes, December 2008, billion KR/EUR

	Basic pension/ Guaranteed minimum pension	Supplementary pension/ employment pension	Supplementary pension
<i>Denmark</i> ¹⁾		611	439
<i>Finland</i>	0.2	122	11
<i>Iceland (2008)</i>	.	1 598	.
<i>Sweden</i> ²⁾		849	

1 Supplementary pension includes ATP and the special pension-savings scheme, but not the Employees' Capital Pension Fund.

2 Comprises only the AP funds.

Taxation Rules and the Impact of Taxation on the Social Expenditure

Social cash benefits may be either exempt from tax or subject to tax. In all the countries, it is of great importance whether a benefit is tax-free or taxable, as the level of taxation is relatively high. The proportion of the taxable cash benefits of the total cash benefit amount has increased in recent years in all five countries. There are, however, considerable differences from one country to another. The largest tax-free cash benefits are granted to families and children. Other social benefits (social assistance) are subject to tax in Denmark and Iceland, but not in the other Nordic countries. According to the ESSPROS specification, housing benefits count as services.

In order to evaluate the significance of such differences, both the OECD and EUROSTAT have developed various methods to calculate the net social expenditure.

The OECD has already published estimates concerning several OECD countries (2006).

In the OECD calculations of the net social expenditure, both direct and indirect taxes have been deducted from the social expenditure. Similarly, the calculated values of the tax relief granted on social grounds have been added. In order to avoid double taxation, tax relief that is granted in

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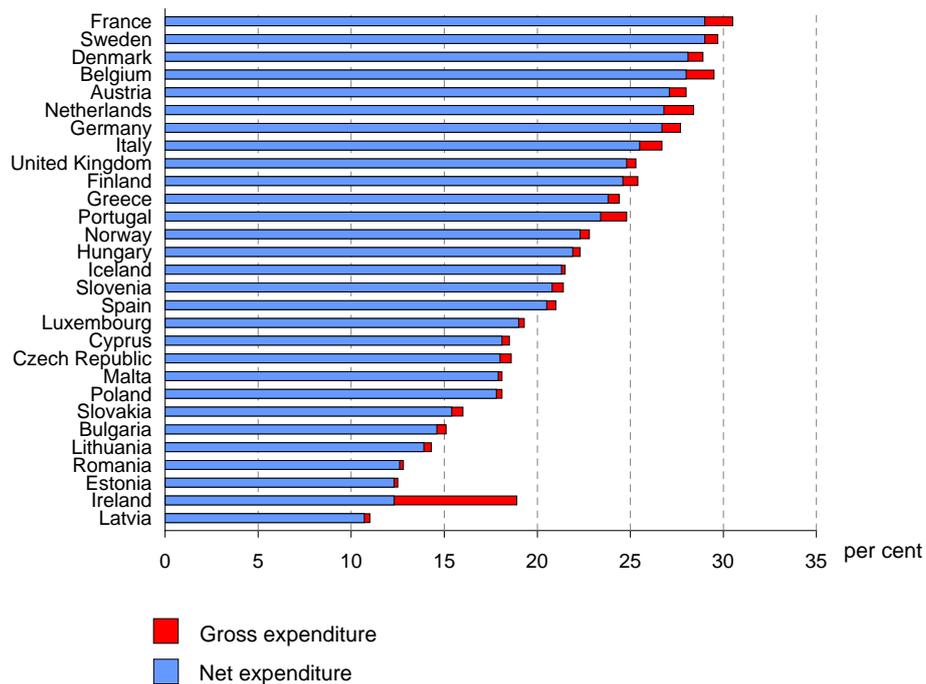
connection with lower taxation and has consequently already been calculated, has not been included.

Several methodological and practical questions still remain in connection with the net social expenditure calculation.

In this year's edition of *Social Protection*, we have decided to include EU's calculations for all EU countries, cf. Figure 9.2. These calculations have been based on the social expenditure minus direct taxes. Indirect taxes are not included in the calculations. From the figure, it appears that France has the highest social expenditure, followed by Sweden, and that Latvia has the lowest.

In all the European countries, the net social expenditure is smaller than in the traditional statement of the social expenditure. There are, however, considerable differences from one European country to another.

Figure 9.2 Gross and net social expenditure, 2007, as percentages of the GDP, EU 27



Source: Eurostat.

In Table 9.12, the tax percentages, including the social expenditure for a single childless person with an average wage earner's pay (AW100) have been included. The data have been taken from typical cases 0 and 0.1-0.6 (cf. Appendix 1).

As to maternity benefits, the data apply to a single parent with no other children than the newborn.

The table illustrates the taxation differences amongst the various countries, both as to wages/salaries and to social benefits. Iceland, being the country with the lowest taxation on earned income, imposes practically no tax on social services. Also in the other countries, taxation on several of the benefits is much lower and especially so on pensions. The table does not provide an in-depth explanation of the significance of taxation to the social benefits, but contributes to illustrating the impact thereof.

The majority of the social cash benefits are taxable in the Nordic countries.

In several other OECD countries, a large part of the cash benefits is not subject to tax, or there are favourable tax rules concerning this type of income. Consequently, the tax system compensates in this way for low social cash benefits.

In several countries, tax relief instead of direct cash benefits is granted on social grounds. Tax relief for children will for example equal child supplements.

In the Nordic countries, very little tax relief is granted on social grounds.

In addition to the direct taxation, recipients of social cash benefits also pay indirect tax on their consumption, and there are considerable differences from one country to another. The traditional way of illustrating the social expenditure does not allow for these differences of taxation.

SOCIAL EXPENDITURE
Table 9.12 Tax percentages and social rates and dues of wages/salaries, per month, for a single childless AW, 2008

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
Wages/salaries, before tax	30 509	24 187	3 169	350 784	38 149	30 342
Wages/salaries, after tax	18 366	14 191	2 237	253 058	26 959	22 260
Tax on wages/salaries, in per cent	40	41	29	28	29	27
Maternity benefits, before tax	15 528	24 187	2 189	280 627	36 003	23 545
Maternity benefits, after tax	10 153	14 191	1 631	206 586	27 243	16 252
Tax on maternity benefits, in per cent	35	41	25	26	24	31
Unemployment benefits, before tax	15 528	19 349	1 485	199 667	22 466	14 563
Unemployment benefits, after tax	10 153	11 971	1 159	190 946	17 017	10 604
Tax on unemployment benefits, in per cent	32	38	22	4	24	27
Sickness benefits, before tax	15 528	16 969	1 963	.	36 003	20 700
Sickness benefits, after tax	10 592	10 682	1 491	.	25 708	14 401
Tax on sickness benefits, in per cent	35	37	24	.	29	30
Retirement pension, before tax	16 463	10 328	1 735	196 439	20 113	17 378
Retirement pension, after tax	11 561	9 240	1 390	188 530	16 785	12 538
Tax on retirement pension, in per cent	30	11	20	4	17	28
Disability pension, before tax	15 614	14 499	1 668	.	19 574	20 973
Disability pension, after tax	10 861	11 191	1 345	.	16 543	14 879
Tax on disability pension, in per cent	30	23	19	.	15	29
Social benefits, non-insured, before tax	9 977	.	855	133 567	5 105	8 058
Social benefits, non-insured, after tax	7 715	.	855	133 567	5 105	8 058
Tax on social benefits, non-insured, in per cent	23	.	-	-	-	-

Table 9.13 Taxation of cash benefits, 2008

	Social expenditure, million KR/EUR	Of which cash benefits, million KR/EUR	Cash benefits exempt from tax, as percentage of all cash benefits	Cash benefits subject to tax, as percentage of all cash benefits
	1.	2.	3.	4.
<i>Denmark</i>				
I. Families and children	66 168	26 144	63	37
II. Unemployment	24 335	22 966	8	92
III. Illness	116 933	18 430	1	99
IV. Old age	192 677	161 405	1	99
V. Disability	76 301	51 913	5	95
VI. Surviving relatives	130	1	-	100
VII. Housing benefits	12 307	-	-	-
VIII. Other social benefits	13 174	9 149	10	90
IX. Administration	13 911	-	-	-
Total I.-IX.	515 935	290 008	8	92
<i>Finland</i>				
I. Families and children	5 414	2 753	55	45
II. Unemployment	3 346	2 916	-	100
III. Illness	12 654	2 117	-	100
IV. Old age	16 301	14 414	-	100
V. Disability	5 944	4 170	10	90
VI. Surviving relatives	1 591	1 587	2	98
VII. Housing benefits	778	..	..	..
VIII. Other social benefits	1 054	575	94	6
IX. Administration	1 485	..	..	..
Total I.-IX.	48 569	28 534	9	91
<i>Iceland</i>				
I. Families and children	43 302	21 370	46	54
II. Unemployment	5 436	4 817	4	96
III. Illness	130 589	23 065	-	100
IV. Old age	71 957	65 312	-	100
V. Disability	45 094	33 820	7	93
VI. Surviving relatives	7 485	7 485	3	97
VII. Housing benefits	10 044	10 044	78	22
VIII. Other social benefits	8 335	4 019	-	100
IX. Administration	3 363	-	..	..
Total I.-IX.	325 606	169 933	12	88

... To be continued

SOCIAL EXPENDITURE
Table 9.13 Taxation of cash benefits, 2008. Continued

	Social expenditure, million KR/EUR	Of which cash benefits, million KR/EUR	Cash benefits exempt from tax, as percentage of all cash benefits	Cash benefits subject to tax, as percentage of all cash benefits
	1.	2.	3.	4.
<i>Norway</i>				
I. Families and children	69 248	31 879	63	37
II. Unemployment	10 393	5 646	-	100
III. Illness	180 649	59 840	-	100
IV. Old age	168 757	123 847	-	100
V. Disability	96 844	83 210	4	96
VI. Surviving relatives	6 551	6 420	-	100
VII. Housing benefits	3 408	..	..	..
VIII. Other social benefits	15 924	6 076	75	25
IX. Administration	11 468	..	..	..
Interests	1 483	..	..	..
Total I.-IX.	564 725	316 918	9	91
<i>Sweden</i>				
I. Families and children	95 743	47 850	53	47
II. Unemployment	27 452	21 771	-	100
III. Illness	240 769	40 666	-	100
IV. Old age	368 534	290 890	-	100
V. Disability	139 508	74 791	2	98
VI. Surviving relatives	17 968	17 968	-	100
VII. Housing benefits	14 695	-	..	..
VIII. Other social benefits	19 590	10 245	100	-
IX. Administration	19 043	-	..	..
Total I.-IX.	943 302	504 181	7	93

Table 9.14 Taxable and non-taxable cash benefits, total and as a ratio of the GDP, 2000-2008

	Non-taxable cash benefits			Taxable cash benefits		
	Total, million KR/EUR	As percentages of the GDP	As percentages of all cash benefits	Total, million KR/EUR	As percentages of the GDP	As percentages of all cash benefits
<i>2000</i>						
Denmark	23 737	2	11	199 950	15	89
Finland	2 601	2	12	18 599	14	88
Iceland	5 672	1	9	57 501	9	91
Norway	23 736	2	12	178 615	13	88
Sweden	32 695	2	8	352 586	16	92
<i>2005</i>						
Denmark	25 970	2	9	250 079	16	91
Finland	2 730	2	11	23 001	15	89
Iceland	8 719	1	8	99 440	10	92
Norway	26 444	1	10	243 125	13	90
Sweden	34 379	1	7	455 309	17	93
<i>2008</i>						
Denmark	23 003	..	8	267 005	..	92
Finland	2 563	1	9	25 971	14	91
Iceland	20 426	1	12	149 506	10	88
Norway ¹⁾	27 942	1	9	288 976	11	91
Sweden	37 364	1	7	466 817	15	93

1 Figures from before 2001 are not comparable with figures for 2008.

Appendix 1

Method

The present report employs the structure and definitions used in the ESSPROS¹ nomenclature. The overall definition in *Social Protection in the Nordic Countries* was, however, previously almost identical to that used by EUROSTAT.

Definitions

Both in the previous issues of *Social Protection in the Nordic Countries* and in the ESSPROS, statistics primarily include all public transfer incomes and service measures aimed at insuring citizens in certain specific situations as well as against the consequences of certain types of life events. Also included are schemes that are compulsory for large groups of people as a result of collective or other kinds of agreements.

The statistics concern current running costs. As a rule, investment spending and tax reductions are not taken into account.

Financing

Incoming funds or contributions to the financing of the social expenditure are broken down by means deriving from the public authorities, the employers and insured individuals or households. The incoming funds are used for current payments in the course of the year and in some cases for the establishment of funds to ensure future payments. According to need and rules, such funds may also cover current payments.

Yield on funds by way of income from interest and property is primarily found in relation to pensions. Where transfers to funds are made, and where means from funds have been used towards the financing of the current social expenditure, these will be listed by net amounts in the expenditure statistics.

¹ ESSPROS = European System of Integrated Social PROtection Statistics.

Benefits from public authorities payable only to their own employees are regarded as benefits payable by an employer. Certain benefits payable by employers to their employees, such as sickness benefits payable for part of a period of illness, are regarded as being financed by the employer, even though such benefits in other connections will be regarded as part of an employee's salary.

Charges payable by citizens (user charges) for social services have not been included in the social expenditure tables. Yield on real property is included as part of the financing according to the ESSPROS method of calculation.

Specifications

Specifications of the individual expenditure entries can be seen [here](#).

Administration Costs

The present report lists administration costs as one single entry. In principle, only expenditure on the direct administration of the social expenditure is listed. It is, however, not always possible to separate administration costs from other payroll or running costs.

Calculation of Fixed Prices

The consumer price index from the Nordic Statistical Yearbook was used for the conversion into fixed prices.

Typical Cases and Income Distribution

A special workgroup was set up to be in charge of and responsible for the calculations used in the typical cases and the income distribution.

The work group is at present composed as follows: Denmark: Hanne Rasmussen, Danish Pensions Agency, and Arne Madsen, Ministry of Social Affairs; the Faroe Islands: Michael Feldballe, Ministry of Health and Social Affairs; Finland: Teemu Hänninen Aktuaari- ja tilasto-osasto; Iceland: Kristinn Karlsson, Statistics Iceland; Norway: Tonje Ek Brunvoll and Espen Halland,

METHOD

Labour and Welfare Service, and Sweden: Bengt Eklind, Ministry of Health and Social Affairs, and Annica Wallerå, Statistics Sweden.

The calculations of the typical cases which form the basis for tables and figures regarding compensation in the event of lapse of income were revised in 2008 as regards the number of family types. In return, the calculation basis has remained unaltered in relation to the revision in 1998.

When calculating disposable incomes, both housing benefits and payment for day care of children have been taken into consideration. Since the amount of both housing benefits and payment for day care institutions depend on the household income, this plays a significant part as to compensation in connection with the social events in the calculations of the typical cases.

In the typical case concerning social assistance, the disposable income is also assessed after payment of rent.

Since 2004, the OECD has used the wages of an Average Wage Earner (AW), as the development in most of the OECD countries has entailed that the wages of an APW are no longer the best basis for comparative studies.

In respect of the Nordic countries this means that the wage level used for comparison is lower in Denmark and in Iceland, but higher in Finland, Norway and Sweden.

In all, the following has been used:

		APW 2004	AW 2004	Change in per cent
Denmark	DKK	327 192	316 500	-3.3
Finland	EURO	29 449	31 539	7.1
Iceland	ISK	2 859 073	2 770 000	-3.1
Norway	NOK	317 101	366 161	15.5
Sweden	SEK	244 454	293 700	20.1

A comparison of the compensation degree with a lower wage level will, all things being equal, result in a higher compensation, and a higher wage level will result in a lower compensation. On the NOSOSCO homepage, there are compensation calculations for 2004 for both an AW and an APW. Although there have been considerable changes from APW to AW, we have, however, chosen the same income levels for the calculation of the typical cases: www.nom-nos.dk.

This has, however, been changed at the revision of the typical cases in 2008. It was desired to do the calculations on as recent a set of rules and legislative basis as possible, for which reason the code of practise applying in 2009

was used. The OECD AW exists only for 2006, and so the countries have updated the OECD 2006 AW to 2009 prices by using the national wage indexes, cf. the table below:

Construction of an AW for 2009				
		AW 2008	Wage index 2009	AW 2009
Denmark	DKK	359 300	1 042	374 391
Faroe Islands	DKK	293 550	0.98873	290 241
Finland	EURO	36 579	1.05556	38 025
Iceland	ISK	4 097 286	2.73640	4 209 404
Norway	NOK	422 500	1.040	457 784
Sweden	SEK	352 470	1.033	364 102

The following family types and income levels were used:

Single parent with one child:	AW 67 per cent, 100 per cent (I; II)
Single person with no children:	AW 67 per cent, 100 per cent and 150 per cent (I; II; III; IV)
Couple with two children:	AW 67/100 per cent and 100/100 per cent (I; II)
Couple with no children:	AW 67/100 per cent and 100/100 per cent (I; II)
Pensioners:	For pensioners, a "typical case" for an AW 0 per cent has been included for a single pensioner.

The following applies to the individual typical cases:

Typical Case 0

Income and tax regarding typical case for an AW, 2008.

Employer's Costs

In order better to illustrate the overall taxation in the Nordic countries in terms of income tax and social contributions, employer costs, i.e. gross wages plus statutory social contributions, have been included. (The person concerned is assumed to work in the private sector). Consequently, two accounts of the net income (i.e. gross wages less income tax and social contri-

butions payable by the employee) as to “gross income” were prepared: net income in relation to employer costs and net income in relation to gross wages. Employer contributions for Norway correspond to those payable in Oslo.

As a supplement, the net income after payment of rent has also been included in order to calculate the typical case concerning social assistance.

In respect of Denmark, employers’ statutory social contributions cannot be calculated. It is, however, estimated that for an employee with a salary corresponding to that of an AW, the contributions constitute about 1.5 per cent of the salary. This estimate is only used in typical case 0 for single people earning wages corresponding to that of an AW. In the calculation of the lowest AW values, social assistance has not been included, even though people with such an income would be entitled to it.

Tax Payment

Average national rates of taxation have been used, i.e. the average municipal rates of taxation including the average church tax percentages.

Gross Income

The gross income is the income from work and excludes, for instance, child allowance and housing benefit.

Disposable Income

The disposable income is calculated as gross income plus child allowance and housing benefit less income tax, social security contributions payable by employees and charges payable for day care institutions. The social security contributions payable by employees include, in the case of Denmark, Finland and Sweden, contributions to the voluntary unemployment insurance scheme by way of membership fees to the unemployment funds. Union contributions have, however, not been included in the calculations.

Disposable incomes are calculated on a yearly basis, both for employees in work and for those receiving various social benefits. The calculations are based on the assumption that the people in question receive the social benefits throughout the year, even if this in some cases is not possible (e.g. maternity benefit). The listed incomes per month are the annual figures divided by 12.

The degrees of compensation in connection with social incidents are calculated as the disposable income in relation to receipt of the social benefit in per cent of the disposable income from work.

Children's Ages and Use of Day Care Institutions

Child allowances and charges payable for day care institutions are calculated on the basis of the following family types:

- Single parent with an infant of 0 years, i.e. a new-born baby in typical case I.
- Single parent with a child of five, i.e. a pre-school child attending a day care institution.
- Couple with two children aged five and eight, i.e. a pre-school child attending a day care institution and a child attending school, still needing after-school care.

Payment for day-care institutions is, where possible, calculated on the basis of average charges and national rules governing payment. For Norway, the rates applying in Oslo have been used, and for Iceland, the rates applying in Reykjavik have been used. As to Finland, it is assumed that also other children of preschool age only make use of day care part-time.

In all the typical cases, it is assumed that the children are attending day care institutions, with the exception of the infant in typical case I. The children in typical case II are also assumed to attend day care institutions.

Child allowances include, in addition to the child allowances proper payable to single parents and couples with children, maintenance allowances to single parents with children, corresponding to the amount of the allowances payable in advance by the social security scheme, cf. Chapter 3.

Housing Costs and Housing Benefits

In all the cases, the families are assumed to live in rented accommodation. The amount of the housing costs/rent depends solely on family type, but is independent of the income. Housing costs include the rent proper and in the typical case concerning social assistance also heating costs.

It has not been possible to determine the amount of the rent for the individual family types in a consistent way for all the countries. In some countries, the rent was determined on the basis of an estimate of the expenses for rented accommodation for the individual family types and calculations of the average rent per square meter at a national level, whereas it in other countries was based on rent surveys for various family types within certain municipal groups.

With the exception of the typical case concerning social assistance, the

rent for the individual family types is merely used to calculate the amount of any housing benefits, whereas the rent itself has not been included in the calculation of the disposable income, with the exception of typical case 0 (as a supplement) and the typical case concerning social assistance. As far as Iceland and Norway are concerned, calculations of housing benefits have not been included. This is due partly to the housing benefit being of limited importance, and partly to it being fixed on the basis of an assessment of the individual family's need.

Typical Case I

Level of compensation for typical case concerning childbirth, 2009

The following family types were used:

- Single parent with a new-born baby receiving daily cash benefits, seen in relation to a single childless person in work (AW 67; 100 and 150).
- In addition to the new-born, where the person earning the *lowest* income receives daily cash benefits, seen in relation to a couple with two children (five and eight years old) where both adults work (AW 67/100 and AW 100/100).
- Couple with a new-born baby where the person earning the *lowest* income receives daily cash benefits, seen in relation to a childless couple where both work (AW 67/100 and AW 100/100).

Typical Case II

Level of compensation for insured people in typical case concerning unemployment, 2009

Calculations have been included for the compensation level for all four family types, i.e. a single parent with one child receiving unemployment benefits (AW 67; 100); a single childless person receiving unemployment benefits (AW 67; 100; 150); a couple with two children where the person earning the lowest income receives unemployment benefits (AW 67/100 and 100/100);

and a childless couple where the person earning the lowest income receives unemployment benefits (AW 67/100 and 100/100).

Typical Case III

Level of compensation for non-insured people in typical case concerning unemployment, 2009

Calculations of compensation levels have been included for a single person, who is assumed to be at least 30 years of age.

Typical Case IV

Level of compensation in typical case concerning illness, 2008

Calculations have been included for compensation levels for a single person receiving sickness benefits in relation to a previous income for an AW 67; 100 and 150.

Typical Case V

Level of compensation in typical case concerning retirement pension, 2008

AW 0; 67 and 100 per cent.

The calculation is for an AW 0 who has never been in work and for an AW 67 per cent and an AW 100 per cent who have been in the labour market for 40 years. All calculations were made for a single person.

Typical Case VI

Compensation level in typical case concerning disability pension, 2009

AW 0; 67 and 100 per cent.

Calculation made for an AW 0 who has never been in work, and for an AW 67 per cent and an AW 100 per cent who have been in the labour market. All calculations were made for a single person. The pensionable age is 50 years, and the person concerned has been in work for at least 25 years.

Typical Case VII

Compensation level in typical case concerning receipt of social assistance, 2009

A typical case concerning social assistance has been included for: A. a single parent with one child; B. a single childless person; C. a couple with two children and D. a childless couple. For couples, it is assumed that neither of the partners has an income from work, income-substituting benefits or pension.

Calculations of Income Distribution

The calculation basis for the tables on income distribution and poverty is as follows:

EU-Silc's definitions:

The first EU-Silc questionnaire appeared in 2004 with income data for 2003, and data are now available for 2004-2006 for the income years 2003-2005.

Data relating to people aged 16 years and over living in private households are gathered in the questionnaires.

The relative poverty is defined as the percentage share of the population having an equivalent disposable income under the poverty level, where the limit is set at 60 per cent of the equivalent disposable income.

For each person, the equivalent disposable income is defined as his/her disposable household income divided by the number of household members.

The total disposable household income was calculated by adding all personal incomes of the household members plus any other income at household level adjusted by a factor compensating for those not responding to the questionnaire.

The so-called modified OECD scale was used in which a child is defined as being between 0 and 13 years and adults to be 14+ years. The first adult counts as one, while other adults count as 0.5 and children as 0.3.

The disposable income is a household's total income after tax including social transfer incomes, and according to EUROSTAT's definitions, capital yield is not included in the disposable income.

Other incomes such as interest rates, dividends and yield on investments

are included. Social income transfers cover disability, retirement and survivor's pensions and other family allowances, child benefits, daily cash benefits in relation to pregnancy and birth, advance payments of maintenance allowance, housing benefits and other social benefits. Computed interest income from housing was not included until 2007 for the income year 2006; in respect of Denmark it has, however, been included earlier.

Households

A household consists of individuals living together and sharing the household economy. EU-Silc does not include people in institutions/nursing homes, prisons, etc. A household may also consist of other family types (for example a couple without children and grandparents or a couple with a couple of children + grandparents).

Single People

One-person households consist of one adult (over 17 years) and any children living at the same address, irrespective of their ages.

Cohabiting Couples

Cohabiting couples consist of 2 adults (over 17 years) and any children living at the same address, irrespective of their ages. Households with more than two adults have also been included in this group.

Children

Children are regarded as children until they reach the age of 17 years (0-17). This definition differs from the modified OECD equivalence scale (cf. above).

Households Broken Down by Age

In the tables and figures where households have been broken down by age, it is the age of the head of the family that counts. The head of the family is defined as the person earning the most.

Purchasing Power Parities

Purchasing power parities (PPP) are defined as the currency conversion factor corresponding to the purchasing power of the individual currencies. This means that a certain amount, when converted from different currencies by means of PPP factors, will buy the same amount (“basket”) of goods and services in all the countries.

The PPP calculations have partly been used in the comparison of social expenditure, partly in the comparison of compensation levels in connection with various social events.

Alteration concerning the shift of PPP EU(25) and EU(27), 2005

	KKP (EU25)	KKP (EU27)
Denmark	10.48	10.46
Faroe Islands	10.48	10.46
Finland	1.21	1.24
Iceland	116.09	119.95
Norway	11.31	11.27
Sweden	11.05	11.05

The PPP calculations in the present report are in PPP-Euro (EU27=1) in respect of private consumption. 2008 estimates were used. The estimates for the individual countries are as follows: Denmark 10.52; Finland 1.24; Iceland 149.43; Norway 11.42 and Sweden 11.01.

Ways of Comparing the Nordic Countries with Other Countries

The introductions to the various chapters contain tables of the social expenditure in the respective fields in relation to GDP.

When comparing the social expenditure in the Nordic countries with that of other EU Member States, one must bear in mind that social cash benefits are more often than not subject to tax in the Nordic countries, whereas part of these benefits are exempt from tax in the other EU countries. Furthermore, there is tax relief in several countries (tax reductions) for families with children, but these amounts are not included as social expenditure.

It should also be noted that the boundaries between the social and the education sectors vary from one country to another. There is, for instance, a very

early school start in several of the European countries, for which reason it is difficult to compare the expenditure on the minding of preschool children.

The OECD and EUROSTAT are in the process of developing models for the calculation of the social net expenditure (after tax), cf. Figure 9.2.

It should be mentioned that the OECD calculations of expenditure on the health care sector differ considerably from the calculations in the ESSPROS system and in the present report. While efforts are made in the ESSPROS to obtain as exact data as possible on the expenditure on social services to the elderly and the disabled, the majority thereof in the OECD statements in *A System of Health Accounts* were included as health expenditure. Besides, the expenditure in the ESSPROS is based on net calculations, while the OECD statements are based on gross expenditure (i.e. including investments, user charges, etc.).

Other Factors

As from 2002 and 2007, respectively, Norway and Iceland use the national accounts as basis for the calculation of the social expenditure. This implies that the social expenditure from 2001 and earlier is not completely comparable with the figures from 2002 and later. A detailed description thereof can be found in the 2004 report.

Appendix 2

The Basis for the Adjustment of Social Benefits

DENMARK: All transfer incomes and a number of other rates are adjusted annually as at 1 January by means of a rate-adjustment percentage, which reflects the development in the annual wages/salaries in the labour market but with a reduction if the pay development exceeds 2 per cent. Consequently, the annual adjustment by means of the rate-adjustment percentage comprises the rates for social pensions, sickness, maternity and unemployment benefits, voluntary early retirement benefits, cash benefits, rehabilitation allowances, child allowances and child supplements as well as housing subsidies. The various amounts that are included in the calculation basis for the various benefits and various kinds of support are also adjusted by means of the rate-adjustment percentage. The housing subsidy will be adjusted as from 2004 by the increase in the consumer price index.

The maximum amount of unemployment benefit is adjusted by means of the rate-adjustment percentage. In respect of people, who receive individual daily cash benefits below the maximum amount, the calculation basis for the individual daily cash benefits (i.e. the previous earned income) will be adjusted by the rate-adjustment percentage. Daily cash benefits will then amount to 90 per cent of the new calculation basis. Recipients of individual daily cash benefits below the maximum amount consequently also have their benefits adjusted as per 1 January.

The maximum amount of sickness and maternity benefits is also adjusted by means of the rate-adjustment percentage. In respect of people, who receive less than the maximum amount, and where the daily cash benefits therefore amounts to 100 per cent of their previous earnings, the benefit shall be adjusted to the extent that the wages payable by their employers are typically adjusted in accordance with the collective agreement.

The adjustment has been laid down in both an act on a rate-adjustment percentage and in the individual acts on the various cash benefits, etc. The rate-adjustment percentage is calculated on the basis of the adjustment of the annual wages/salaries for workers and civil servants in the year that lies two years before the year concerned by the rate-adjustment percentage, seen in relation to the year three years previously. The rate-adjustment percentage for 2009 was thus fixed on the basis of the adjustment of the annual wages/salaries from 2006 to 2007. If the change in the annual wages/salaries exceeds 2.3 per cent, the rate-adjustment percentage will be reduced by 0.3 per cent. If the change in the annual wages/salaries exceeds 2 per cent but not 2.3 per cent the rate-adjustment percentage will be reduced by the part exceeding 2 per cent (i.e. by between 0 and 0.3 per cent). An amount corresponding to the reduction will be transferred to the rate-adjustment pool used for measures in the social, health and labour market areas with a view to improving the conditions for recipients of transfer incomes and groups at risk.

FAROE ISLANDS: The adjustment of the social benefits is based on special legislation, which lays down the annual adjustment at 3 per cent. The legislation covers pensions, pension supplements, special supplements to pensioners and maintenance allowance, with the exception of the basic amount of the retirement pension, which is not adjusted.

Some benefits are regulated on the basis thereof, as the benefit level corresponds to full or partial retirement pension.

Unemployment benefits, sickness benefits and benefits in connection with pregnancy are adjusted in relation to the wage development in the private labour market.

FINLAND: The social benefits are adjusted in the following way:

Unemployment benefits, social assistance and basic/minimum pension are adjusted once a year on the basis of the consumer price index of the previous year.

Employment pension is increased annually, where 20 per cent are fixed in relation to the wage/salary development and 80 per cent on the basis of consumer prices.

Sickness benefits and parental daily cash benefits will not be adjusted at year-end for those who have already been awarded the benefit (if a person for example falls ill in December, the payment for January shall not be changed).

The income ceilings will, however, increase annually on the basis of the APL index by 50 per cent in relation to the wage/salary development of the

THE BASIS FOR THE ADJUSTMENT OF THE SOCIAL BENEFITS

previous year and as to 50 per cent on the basis of the consumer price index of the previous year.

The child supplement is adjusted following a parliamentary decision.

ICELAND: All social benefits are adjusted annually as at 1 January in relation to the wage/salary and price developments of the adjustment percentage. The benefits in question are: basic pension to retirement and disability pensioners, unemployment benefits, public sickness benefits and maternity benefits to those who are not gainfully employed. Moreover, the income levels concerning basic and disability pensions are adjusted in relation to the wage/salary development as at 1 September each year.

The employment pension is adjusted in relation to the consumer price index.

NORWAY: The retirement pension and the disability pension payable by the Social Insurance Scheme are calculated on the basis of the basic amount of the Social Insurance Scheme. The basic amount is adjusted by *Stortinget* (the Norwegian parliament) following discussions between the Government and the pensioners' organisations. Usually, the adjustment is implemented on 1 May. The purpose of the adjustment of the basic amount is to give pensioners, who receive pension from the Social Insurance Scheme, an income development corresponding to the development for people in gainful employment.

Sickness benefits are not adjusted during a period of illness. Consequently, sickness benefits will not be adjusted if changes occur in an ill person's wage/salary level or in the basic amount during his/her sickness-benefit period.

The income basis for the fixation of daily cash benefits in case of unemployment is fixed for the entire period at the transition to unemployment benefits and will not be changed, should changes occur in the general income level in society.

The national guidelines for calculation of support for maintenance (economic social assistance) will be evaluated and revised annually by the ministry. There are no rules governing an annual adjustment of the child allowance. The Parliament determines the annual rates in connection with the annual budget negotiations. These rates have not been price-adjusted since 1995. Subsequent rate adjustments were a result of other conditions, such as the connection with the tax system, and the child allowance since 2000 being payable until a child turns 18 years (previously 16 years).

SWEDEN: The benefits that are supplements to incomes from work or continuations thereof (such as pensions) are more often than not automatically

adjusted on the basis of the price development. The price basic amount is used for the adjustment of the minimum pension amount.

The pension level and the ceiling for the sickness and the parental insurances (sickness and parental benefits) are important examples of benefits that are adjusted in this way.

Benefits that are means-tested are often adjusted in a different way.

In respect of the national standard of the social contribution (social assistance), the Government makes decisions every year as to an adjustment on the basis of price changes and the calculations of the National Consumer Agency on how large an amount different family types need for maintenance. The system makes it possible to take changed consumer patterns, etc., into account.

The housing benefits are fixed amounts and will be awarded on the basis of given incomes. They will only be altered following political decisions. The same applies to maintenance allowance advances.

Although the child supplement is a general allowance it is not adjusted on the basis of the price development but only following a political decision.

Appendix 3

The Nordic Social Policy

The Nordic Welfare Model

The Nordic welfare model may be characterized in the following way:

1. The public welfare policy is rather comprehensive and covers social security, social services, health, education and training, housing, employment, etc., with the purpose of meeting the most basic needs.
2. Government involvement has been strong in all fields of policy. The political measures to obtain full employment have been based on macro-economic policy, social policy and an active labour market policy, in which the labour market parties play a significant role.
3. The Nordic welfare systems are based on a high degree of universalism, i.e. all citizens are entitled to basic social security and services irrespective of their position in the labour market. The universalism has contributed to broad public support to the welfare policy.
4. The income protection is based on two elements: In most schemes, there is an income independent basic insurance and an income dependent benefit to those who have been on the labour market. Compared with other industrialized countries, public income transfers play a significant part, for which reason the ratio of the social expenditure of GDP has been high. Public financing of transfer incomes has been considerable, and consequently the tax level has been high.
5. The Nordic countries may also be characterized as service states where local democracy plays a significant part. Social and health services are financed by way of taxes with no high user payment, and the aim is that all citizens have their needs met. Local and regional authorities (municipalities and counties) provide the services and more often than not they also produce them.

6. The income distribution is relatively levelled. The income disparities in the Nordic countries as to wage/salary distribution and disposable incomes are limited compared with other countries. There are no large gaps between the various income groups, and consequently poverty and differences in the standard of living have been relatively limited.
7. Equal opportunities are a basic principle in the Nordic welfare states. In the Nordic countries, women have a high participation rate, and in most families there are two providers. Social measures are based on individual rights so that women are not financially dependent on their spouses.²

Although the basic principles of the Nordic welfare countries still apply, user charges are becoming more and more common instead of all welfare services being financed via taxes. The setting up of funds for pension financing also becomes increasingly significant.

Organization of the Nordic Social Policy

DENMARK: Denmark has a three-tiered taxation and administration system (State, regions and municipalities). The tax system is two-tiered as only the State and the local authorities can levy taxes.

The overall responsibility for the legislation and the structure of the social policy rests with the Danish parliament and Central Government, whereas the municipal and regional authorities administer and pay the majority of the social benefits and services.

The municipal authorities are responsible for the main part of the social cash benefits, such as pensions, sickness benefits, rehabilitation, housing benefits, benefits to refugees and social assistance, and they meet the costs of those benefits in the first instance. The costs are subsequently reimbursed, fully or partly, by the State.

Administration and payment of unemployment benefits are, however, carried out by the voluntary unemployment insurance funds.

The local authorities are also responsible for and administer the main part of the social services, such as day care, residential institutions and preventive measures aimed at children and adolescents, housing for the disabled and the

² Points 1-7 from *Nordic Social Policy, Changing Welfare States*. Edited by Mikko Kautto, Matti Heikkilä, Björn Hvinden, Staffan Marklund and Niels Ploug.

socially vulnerable groups as well as care and nursing for the elderly and the disabled (home nursing, home help, nursing homes, etc.). The costs are financed by the municipal taxation and block grants from the State.

The regional authorities bear the day-to-day responsibility for the health services, which includes the running of hospitals and the administration of services and benefits from the National Health Insurance Service, including payments to general practitioners and dentists as well as subsidies for medication. The regional authorities' expenditure is financed by block grants from the State and municipal contributions in the health care sector.

The local authorities are responsible for the employment measures aimed at enterprises, the insured unemployed and the remaining target groups (recipients of cash benefits, rehabilitation, sickness benefits, etc.).

FAROE ISLANDS: There is a two-tiered taxation and administration system in the Faroe Islands (Home Rule and municipalities). The overall responsibility for the legislation and the administration and payment of the majority of the social benefits as well as the majority of the social services rests with the Home Rule.

The municipal authorities are responsible for day care facilities for children and certain welfare services. Besides, they pay a small part of the expenditure on municipal doctors, school doctors, visiting nurses, home care nurses, etc.

The unemployment benefit is financed by the labour market parties and administered by a board composed of representatives for the labour market.

In 1995, a framework law entered into force to the effect that social benefits be administered by the Faroese authorities. Social benefits were subsequently attached to the block grant, where it had previously been based on reimbursement schemes. The subsequent Faroese social legislation could thus be adapted to special Faroese conditions, and the Danish authorities' supervisory obligations could be discontinued.

The block grant has since 2001 been earmarked, primarily to the financing of expenditure on the social and health area, which is a result of agreements according to the framework law.

A minor part of the retirement pensions are also administered and financed by the labour market parties. The Labour Market Support Fund is based on solidarity in that everyone, who reaches the age of 67 years and is resident in the Faroe Islands, is granted a fixed, monthly amount.

The entitlement to the benefits follows from the registered address and residence in the Faroe Islands throughout working life. Foreigners thus also have an opportunity to apply for the benefit.

FINLAND: In Finland, Central Government has the overall responsibility for the legislation. The taxation system is a two-tiered system (State and municipalities) but the administrative system is three-tiered (State, regions and municipalities).

There is a pension system consisting of two parts: an employment pension and a national retirement pension. The employment pension is a work-related and insurance-based pension while the national retirement pension is awarded to all citizens in the country, who receive only a small employment pension or none at all. The private sector's employment pension schemes are managed by the private insurance companies.

The local authorities are responsible for arranging health and social services to all residents in the municipalities. Public health care services are supplemented by private health care services, for which the expenses are partly reimbursed by the public Sickness Insurance Scheme.

Cash benefits in connection with unemployment consist of an earnings-related allowance and a basic allowance. Most employees are covered by the unemployment insurance fund and are entitled to the benefit based on accrual.

ICELAND: There is only a two-tiered taxation and administrative system in Iceland (State and municipalities). The State has the main responsibility for the legislation, including decision-making and responsibility for the social policy. It is also responsible for the majority of the social services, such as hospitals, health centres (primary health care) and home nursing.

Local authorities are responsible for home help, institutions and care of children and young people. Local authorities are in cooperation with the State also responsible for services to the elderly and the disabled.

As regards income transfers (social cash benefits and pensions), the State shares part of the responsibility with the labour market parties. Pensions are partly administered by the National Social Security Institution (basic pensions) and partly by an independent pension fund (employment pensions) that is administered by the contributors (employees and employers).

The Unemployment Insurance Scheme is administered by the State, while the majority of the sickness benefits comes from salaries/wages payable during illness.

Local authorities are responsible for the social assistance.

NORWAY: There is a three-tiered administrative and political system in Norway (State, county and municipal authorities), and the same applies to the social sector.

Most of the social income transfers (sickness benefits, rehabilitation benefits and pensions) are administered by Central Government through the National Insurance Scheme.

The National Insurance Scheme is financed by contributions from employers, employees and the State. Employers' contributions depend on the regional zone in which an enterprise is located (five different zones in all).

Local authorities administer and are responsible for social assistance, primary health care, home help and home nursing, institutions for children, young people, the elderly and the disabled.

The State has taken over the responsibility for the hospital sector, which has left counties with only a minor responsibility.

SWEDEN: There is a three-tiered administrative system in Sweden (State, county and municipal authorities). The State is responsible for most income transfers, such as sickness benefits, parental benefits, unemployment benefits and the industrial injury insurance that is administered by the Swedish Social Security Fund.

The majority of the pensions comes from the pension funds and is administered by the contributors. The county authorities are responsible for the hospitals and most of the primary health sector (health centres). The local authorities are responsible for home help and home nursing, social assistance and institutions and care for children, young people, the elderly and the disabled.

Appendix 4

Further information

Further statistical information on the social security systems in the Nordic countries is obtainable from the individual statistical offices in the respective countries.

Further information is obtainable from the following:

DENMARK

Statistics Denmark
Sejrøgade 11
DK-2100 Copenhagen Ø
Tel.: +45 39 17 39 17
Fax: +45 39 17 39 99
Web: www.dst.dk

The Labour Market Authority
Holmens Kanal 20
P.O. Box 2150
DK-1061 Copenhagen K
Tel.: +45 35 28 81 00
Fax: +45 35 36 24 11
Web: www.ams.dk

National Board of Health
Islands Brygge 67
DK-2300 Copenhagen S
Tel.: +45 72 22 74 00
Fax: +45 72 22 74 11
Web: www.sst.dk

Danish Labour Market
Supplementary Pension
Kongens Vænge 8
DK-3400 Hillerød
Tel.: +45 48 20 48 20
Fax: +45 48 20 48 00
Web: www.atp.dk

SFI - Danish National Research Institute for Welfare
Herluf Trolles Gade 11
DK-1052 Copenhagen K
Tel.: +45 33 48 08 00
Fax: +45 33 48 08 33
Web: www.sfi.dk

FURTHER INFORMATION

Ministry of Social Affairs
Holmens Kanal 22
DK-1060 Copenhagen K
Tel.: +45 33 92 93 00
Fax: +45 33 93 25 18
Web: www.sm.dk

Social Appeals Board
Amaliegade 25
P.O. Box 9080
DK-1022 Copenhagen K
Tel.: + 45 33 41 12 00
Fax: + 45 33 41 14 00
Web: www.ast.dk

FAROE ISLANDS

Ministry of Health and Social Affairs
Eirargarður 2
FO-100 Torshavn
Tel.: +298 304000
Fax: +298 354046
Web: www.amr.fo

Ministry of Employment
Ved Stranden 8
DK-1061 Copenhagen K
Tel.: 45 33 92 59 00
Fax: + 45 33 12 13 78
Web: www.bm.dk

The Ministry of Refugee,
Immigration and Integration Affairs
Holbergsgade 6
DK-1057 Copenhagen K
Tel.: +45 33 92 33 80
Fax: + 45 33 11 12 39
Web: www.nyidanmark.dk

Statistics Faroe Islands
Kviggjartun 1
P.O Box 2068
FO-165 Argir
Tel.: +298 352800
Fax: +298 352801
Web: www.hagstova.fo

FINLAND

Social Insurance Institution
P.O. Box 450
FI-00101 Helsinki
Tel.: +358 20 43411
Fax: +358 20 4341 530
Web: www.kela.fi

Ministry of Social Affairs
and Health
P.O. Box 33
FI-00023 Government
Tel.: +358 9 16001
Fax: +358 9 1607 38 24
Web: www.stm.fi

(THL) Institute for Health and Welfare

P.O. Box 30
FI-00 271 Helsinki
Tel.: +358 20 601 6000
Web: www.thl.fi

Statistics Finland
FI-00022 Statistics Finland
Tel.: +358 9 17341
Fax: +358 9 1734 3522
Web: www.stat.fi

Finnish Centre for Pensions
FI-00065 Finnish Centre for Pensions
Tel.: +358 1 07511
Fax: +358 9 1481 172
Web: www.etk.fi

ICELAND

Statistics Iceland
Borgartun 21a
IS-150 Reykjavík
Tel.: +354 528 1060
Fax: +354 528 1199
Web: www.staticice.is

Directorate of Labour
Hafnarhúsinu við Tryggvagötu
IS-150 Reykjavík
Tel.: +354 511 2500
Fax: +354 511 2520
Web: www.vinnumalastofnun.is

National Association of Pension Funds
Suðurlandsbraut 30
IS-108 Reykjavík
Tel.: +354 581 4977
Fax: +354 581 4332
Web: www.ll.is

State Social Security Institute
Laugavegi 114
IS-150 Reykjavík
Tel.: +354 560 4400
Fax: +354 562 4535
Web: www.tr.is

Ministry of Welfare
Hafnarhúsinu við Tryggvagötu
IS-150 Reykjavík
Tel.: +354 545 8100
Fax +354 552 4804
Web: www.felagsmalaraduneyti.is

Ministry of Health and Social Security
Hafnarhúsinu við Tryggvagötu
IS-150 Reykjavík
Tel.: +354 545 8100
Fax: +354 542 4804
Web: www.felagsmalaraduneyti.is

FURTHER INFORMATION

NORWAY

Statistics Norway
Kongens gate 6
P.O. Box 8131 Dep.
N-0033 Oslo
Tel.: +47 21 09 00 00
Fax: +47 21 09 49 88
Web: www.ssb.no

Ministry of Labour
and Social Inclusion
Einar Gerhardsens plass 3
P.O. Box 8019 Dep
N-0030 Oslo
Tel.: + 47 22 24 90 90
Fax: + 47 22 24 87 11
Web: www.regjeringen.no/aid

Norwegian Labour and
Welfare Organisation
C.J. Hambros plass 2
P.O. Box 5 St. Olavs plass
N-01310 Oslo
Tel.: +47 21 0700 00
Fax: +47 21 07 00 01
Web: www.nav.no

SWEDEN

Ministry of Health and
Social Affairs
S-103 33 Stockholm
Tel.: + 46 8 405 10 00
Fax: + 46 8 723 11 91
Web: www.regeringen.se

National Board of
Health and Welfare
S-106 30 Stockholm
Tel.: +46 8 555 530 00
Fax: +46 8 555 532 52
Web: www.sos.se

Social Insurance Service
S-103 51 Stockholm
Tel.: 046 8 786 90 00
Web: www.forsakringskassan.se

Statistics Sweden
P.O. Box 24300
S-104 51 Stockholm
Tel.: +46 8 506 940 00
Fax: +46 8 661 52 61
Web: www.scb.se

FURTHER INFORMATION

The Swedish Unemployment Insurance Board, IAF
P.O. Box 210
S-641 22 Katrineholm
Tel.: +46 150 48 70 00
Web: www.iaf.se

The Swedish National Agency for Education
S-106 20 Stockholm
Tel.: +46 8 527 332 00
Web: www.skolverket.se

The Swedish Pensions Agency
P.O. Box 38190
S-100 64 Stockholm
Tel.: +46 771 776 776
Web: www.pensionsmyndigheten.se

Publications by NOSOSCO since 1995

Social tryghed i de nordiske lande. Omfang, udgifter og finansiering 1994.
Nordisk Socialstatistisk Komité nr. 3:96. København 1996.

Nordisk socialstatistik 1946-1996. Nordisk Socialstatistisk Komité nr. 4:96.
København 1996.

Social Security in the Nordic Countries. Scope, expenditure and financing 1994.
Nordic Social-Statistical Committee no. 5:96. Copenhagen 1996.

Social tryghed i de nordiske lande. Omfang, udgifter og finansiering 1995.
Nordisk Socialstatistisk Komité nr. 6:97. København 1997.

Social Protection in the Nordic Countries 1995. Scope, expenditure and financing.
Nordic Social-Statistical Committee no. 7:97. Copenhagen 1997.

Social tryghed i de nordiske lande. Omfang, udgifter og finansiering 1996.
Nordisk Socialstatistisk Komité nr. 8:98. København 1998.

Social Protection in the Nordic Countries 1996. Scope, expenditure and financing.
Nordic Social-Statistical Committee no. 9:98. Copenhagen 1998.

Förtida utträde från arbetslivet 1987-1996. En jämförelse mellan de nordiska länderna. Nordisk Socialstatistisk Komité nr. 10:99. København 1999.

Social tryghed i de nordiske lande. Omfang, udgifter og finansiering 1997.
Nordisk Socialstatistisk Komité nr. 11:99. København 1999.

Social Protection in the Nordic Countries 1997. Scope, expenditure and financing.
Nordic Social-Statistical Committee no. 12:99. Copenhagen 1999.

Social tryghed i de nordiske lande. Omfang, udgifter og finansiering 1998.
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