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Accompanying the document

CONSULTATION DOCUMENT

Second Phase Consultation of Social Partners under Article 154 TFEU on a possible action addressing the challenges of access to social protection for people in all forms of employment in the framework of the European Pillar of Social Rights

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1. INTRODUCTION	3
2. CONSULTATION OF SOCIAL PARTNERS	4
2.1. RESULT OF FIRST STAGE CONSULTATION	4
2.2. ADDITIONAL CONSULTATION TO SOCIAL PARTNERS	6
3. WHO AND HOW MANY ARE THE NON-STANDARD WORKERS AND THE SELF-EMPLOYED?	7
3.1.SELF-EMPLOYMENT: DECLINE IN TRADITIONAL FORMS AMID GROWTH IN NEW FORMS	8
3.2.NON-STANDARD WORK: TEMPORARY, PART-TIME AND NEW FORMS OF EMPLOYMENT	14
4. THE CHALLENGE	22
4.1.WHAT IS THE PROBLEM?	22
4.2.DRIVERS: WHY ARE THESE PHENOMENA HAPPENING?	26
4.2. 1 External drivers	27
4.2.2.Internal drivers: regulatory deficiencies in social protection	31
<i>4.2.2.1.Gaps in access</i>	31
4.2.2.1.1.Non-standard workers.....	32
4.2.2.1.2.Self-employed	37
4.2.2.1.3.The specific cases of dependent self-employed and bogus self-employed	44
<i>4.2.2.2.Transferability of rights and entitlements</i>	45
<i>4.2.2.3.Transparency and administrative complexity</i>	48
<i>4.2.2.4.Access to employment services</i>	48
4.3.WHAT ARE THE CONSEQUENCES OF INSUFFICIENT ACCESS TO SOCIAL PROTECTION?	51
5. EU COMPETENCES AND VALUE ADDED	60
5. 1 THE EXISTING EU INSTRUMENTS	60
5. 2 THE EU ADDED VALUE	62
5. 3 THE NEED TO ACT	64
6. POLICY OBJECTIVES	66
7. POSSIBLE AVENUES FOR EU ACTION	67
7.1.EU LEGAL INSTRUMENTS AND SOFT LAW	67
7.2.OVERALL IMPACT OF AN EXTENSION OF SOCIAL PROTECTION TO NON-STANDARD WORKERS AND SELF-EMPLOYED	68
7.3.POLICY OPTIONS	70
8. CONCLUSIONS	77
ANNEX 1 _OVERVIEW TABLES ON THE SITUATION OF ACCESS IN MEMBER STATES	79
ANNEX 2 _OVERVIEW OF PRIVATE INSURANCE SCHEMES AND BIPARTITE FUNDS	143

1. INTRODUCTION

European labour markets are evolving quickly, with new opportunities and new challenges arising from globalisation, the digital revolution, changing work patterns and increasingly diverse types of work. Careers are becoming less and less linear, with people transiting between different employment statuses and/or combining salaried employment and self-employment. Transitions from school to work are taking more time than earlier, and many accumulate even several traineeships. The role of social protection is therefore of particular importance in a world of rapid and growing transformations to secure transitions and provide income smoothing in case of a social risk.

This document sets out the nature and extent to which there are gaps in social protection due to the fact that social protection has not fully accompanied the changing nature of work. It presents background information to support a second stage consultation of the European social partners on possible addressing the challenges of access to social protection for people in all forms of employment in the framework of the European Pillar of Social Rights. According to Article 154 TFEU Social Partners have to be formally consulted before the Commission submits proposals in the social policy field under Article 153 TFEU.

The first stage consultation was carried out from 26 April 2017 and closed on 23 June 2017. An overview of the results of the first stage consultation is presented in this document. The document then explains the drivers of the problem as well as the consequences this problem has for workers who do not have a full time open ended contract, for self-employed and for people whose career are interrupted. It also describes the consequences for social cohesion, labour markets, competitiveness, sustainability of welfare systems and public finances.

The document also explains the current EU-level instruments in this field and the relevant instruments existing in the Member States, showing that the diversity of arrangements in place, and their levels of effectiveness in addressing the problem also vary considerably. The document shows that despite existing reforms in the Member States, the challenges persist, and the current measures in place are not sufficient to adequately address the problem. It also sets out the legal basis for further EU-level action and the EU-added value, as well as explaining how this would be in line with the principles of subsidiarity and proportionality.

Finally, this document presents the EU's policy objectives in this area namely:

1. **Coverage:** ensuring that everyone in employment or self-employment has formal and effective access to social protection and related employment services
2. **Transferability:** preserving social protection rights when workers change jobs, sectors of activity, forms of employment, move to or from self-employment
3. **Transparency:** ensuring access to user-friendly information on rights and obligations to social protection, irrespective of employment situation

Possible avenues for EU action are explored as well as a preliminary estimation of their positive and negative impacts

2. CONSULTATION OF SOCIAL PARTNERS

2.1. Result of first stage consultation

The first stage consultation of social partner was open from 26 April to 23 June 2017 and requested their views on the challenges of access to social protection and related employment services for workers in non-standard employment based on Article 154(2) of the Treaty on the Functioning of the European Union (TFEU) and for people in self-employment on a voluntary basis.

The trade unions that replied to the consultation were the European Trade Union Confederation (ETUC), Eurocadres and the European Confederation of Executives and Managerial Staff (CEC), the European Confederation of Independent Trade Unions (CESI), the European Arts and Entertainment Alliance (EAEA) and the European Federation of Journalists (EFJ).

On the side of the employers, replies to the consultation were sent by BusinessEurope, the European Centre of Employers and Enterprises providing Public Services (CEEP), Eurocommerce, the European Association of craft, small and medium-sized enterprises (UEAPME), the Council of European Employers of the Metal, Engineering and Technology-Based Industries (CEEMET), the Council of European Municipalities and Regions (CEMR), the European Chemical Employers Group (ECEG), the Hotels, Restaurants and Cafés in Europe (HOTREC), the Retail, Wholesale and International Trade Representation to the EU (EuroCommerce), the Employers' Group of the Committee of Agricultural Organisations in the European Union (GEOPA-COPA) and the World Employment Confederation (WEC).

Identification of issues related to access to social protection

The social partners agreed, largely, that there are problems related to access to social protection for workers in non-standard forms of employment and for the self-employed.

However, employers stressed that grouping very different types of employment forms together under the heading of 'non-standard' is not appropriate as it ignores the diversity between these different forms, also in terms of access to social protection (BusinessEurope). WEC highlighted in addition the heterogeneity within the self-employed. UEAPME called for a solid mapping exercise of the national policies, the availability and offer of tailored social protection schemes, and the take-up broken down by different groups. CEEP highlighted the different labour market and social models, which explain different levels of protection.

On the other hand, trade unions found that the identification of issues goes in the right direction, but could, nevertheless be improved by specifying that new forms of work can entail poor job quality and insecure conditions, which may lead more to a lack of protection against life risks rather than to real job opportunities (ETUC, Eurocadres). The issues could be extended to a right to collective bargaining, fair remuneration for all and the right to freedom of association for all workers (EFJ). Trade unions further underlined that consistency should be ensured with proposals about information on the social security system in the Written Statement Directive (ETUC, Eurocadres).

Most relevant branches of social protection and employment services

Trade unions consider all branches to be equally important and promote an integrated and holistic approach to social protection, notwithstanding the points above about the distinctions between the policy fields, including all branches covered by the ILO convention 102 (and the Regulation on social security coordination). If a prioritisation has to be made, CEC would favour those which are not universal. Access to related employment services should be granted to all.

The picture at the employers' side is mixed. BusinessEurope considers that the question presupposes that there will be an EU initiative in this field (which the organization is not in favour of). EuroCommerce questions the feasibility of the classification of social protection strands, while COPA prioritises accidents at work and occupational diseases. HOTREC refers to social protection as a national level competence, but stresses that skills, education and training should be easily accessible to all citizens.

Personal scope of an EU initiative

In general, trade unions are in favour of having a wide personal scope and of including all workers in non-standard forms of employment as well as the self-employed in an EU initiative. However, some call in first instance for the definition of principles to set a common understanding at EU-level of the legal nature of the different forms of employment (CEC, CESI).

Employers are rather reluctant to position themselves the question on the personal scope of a possible EU initiative because they are not in favour of an EU initiative (BusinessEurope) or they refer to the principle of subsidiarity (HOTREC) or they consider that the personal scope would depend on the nature of the respective initiative (EuroCommerce). CEMR emphasizes the need for more clarity in the definition of the legal nature of the different forms of employment whereas COPA would prefer to include all workers in non-standard employment in an EU legal initiative but would address the self-employed only in a recommendation.

EU legislation and EU level instruments

On the employers' side, BusinessEurope, UAPME and EuroCommerce do not consider that changes to EU legislation in this field are needed or appropriate. The Open Method of Coordination and the European Semester process, including benchmarks, would be the right tools for mutual learning and exchanges of good practice. The aim should be to improve national policy responses by learning from other relevant national practices. Other employers' organisations draw the attention to sectorial social dialogue (COPA), Member State competences and the principles of subsidiarity and proportionality (CEEMET, ECEG, EuroCommerce, WEC and CEEP).

The trade union side considers that improvements should be made to EU legislation. ETUC and CESI see the need for better enforcement of existing legislation, especially at national level. CEC notes the need to reduce the administrative burden that can be associated with the provision of information concerning an individual's employment situation and to ensure an effective transferability of all entitlements.

Willingness to enter into negotiations

All trade unions have indicated their willingness to enter into negotiations. However, in the event that the EU social partners do not agree to negotiate, or in case negotiations do not lead to a successful outcome, trade unions urge the Commission to come up with a legislative proposal.

Employers are not considering initiating a dialogue under Article 155 TFEU on the grounds that they do not see the need for EU level action, apart from peer learning and exchange of practices (BusinessEurope) or that subsidiarity prevails in this topic (HOTREC, UAPME) and therefore it can be better dealt with by national governments (EuroCommerce) or in sectorial social dialogue (COPA). CEEP underlines that valid indicators have to be defined in the first place.

Scope of the consultation

ETUC considered the identified key aspects of insufficient access (gap in access to social protection, lack of transferability of rights as well as lack of transparency about social protection entitlements) as important challenges to be tackled. Nevertheless, it would put the emphasis on challenging the divergent social rights of people with respect to social protection and employment services. In this context, ETUC noted that they would want clear proposals on the creation of quality jobs – with agreed indicators to track them, including for access to social protection.

2.2. Additional consultation to social partners

The European Commission has conducted bilateral meetings with all 16 social partners who submitted a contribution to the first phase social partner consultation. These meetings took place between 14 July and 5 September 2017. The purpose of the bilateral meetings was to focus on technical clarifications and to gather additional information where ever possible. The information received is presented in the relevant chapters of this document

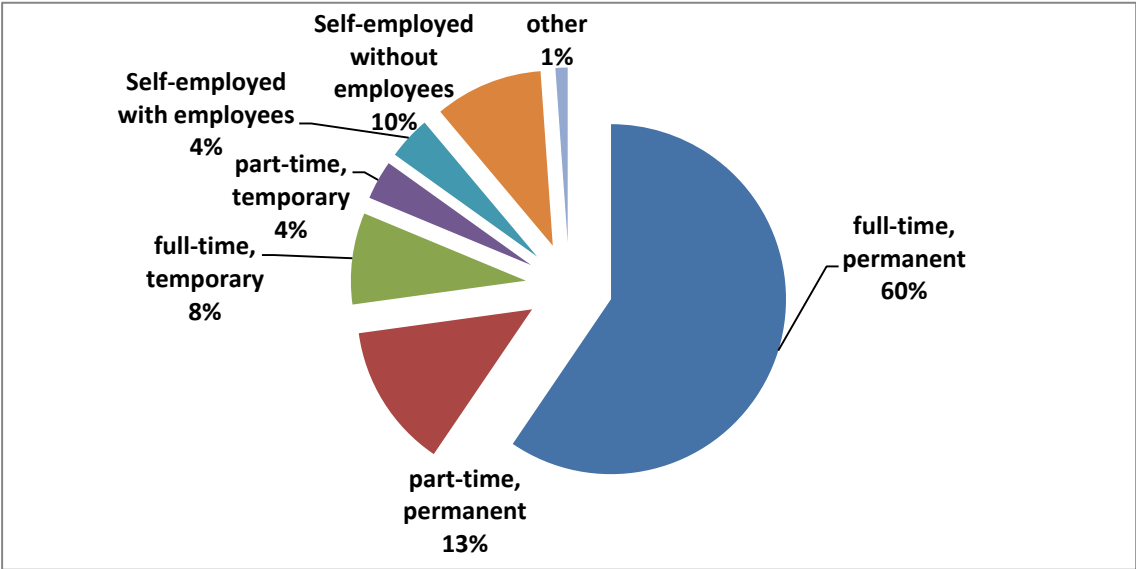
3. WHO AND HOW MANY ARE THE NON-STANDARD WORKERS AND THE SELF-EMPLOYED?

For the purpose of this report, and in line with the International Labour Organisation definition, non-standard forms of employment refer to all the forms of work which are not based on full-time open ended contracts or self-employment. Self-employment refers to employment in which people pursue a gainful activity for their own account.

Globalisation, technology and changes in labour markets institutions have been increasing the speed of change in European labour markets, making employment opportunities more and more diverse. In 2016, 14% of the totally 219 million employed in the EU were self-employed, 8% were full-time temporary employees, 4% were part-time temporary employees, 13% were part-time permanent employees and 60% were employees with a full-time permanent contract (Figure 1). All together, people in all categories of non-standard employment and self-employment constitute around 39% of the employed population.

The proportion of younger workers in temporary contractual arrangements or with ‘other or no contract’ is twice that of the other age groups. A gender division is also evident in all age groups, with a strong prevalence of men among the self-employed, while among female workers there is a higher proportion of indefinite, fixed-term and ‘other or no contract’ situations (with the exception, in the latter category, of the under-35 age bracket). Workers with only primary education are more likely to be found among the self-employed without employees (19%) or employees with ‘other or no contract’ (21%) and merely 16% of people with this level of education have a fixed-term contract¹.

Figure 1: Extent of different types of employment relationship in the EU28 in 2016



Source: Eurostat

Globally, the picture has not changed markedly since 2000. However, globalisation,

¹ European Working Conditions Survey 2016.

digitalisation, demographic and institutional changes have generated main trends. On the one hand, some new forms of non-standard employment emerged or increased their importance around the 2000². On the other hand, although the share of self-employed in total employment before and after the financial crisis remained the same³, before 2007, the number of self-employed with employees tended to increase more than those without, whereas after that point, the reverse was the case, reflecting the change in the business climate⁴.

In general, evidence shows that the crisis has led to rising involuntary temporary and part-time work and to increased perceptions of job insecurity overall⁵.

3.1. Self-employment: decline in traditional forms amid growth in new forms

There were 32.7 million self-employed in the EU-28 in 2016, accounting for 15% of total employment. They were mainly concentrated in the following sectors: agriculture, forestry and fishing (14.1%), wholesale and retail trade (15.8%), construction (12.9%) and professional, scientific and technical activities (12%)⁶. Southern and Eastern European countries have the greatest percentage of self-employed people, with Greece topping the charts (30%). At the other end of the spectrum, two Nordic European countries have the lowest proportion of self-employed, i.e. Denmark (8.3%) and Luxembourg (9%). The Netherlands and Ireland have self-employment rates above the European average (Figure 2)⁷.

² Eurofound (2015): New forms of employment.

³ The share remained the same due to a decrease both in the number of self-employed and in the number of total employed.

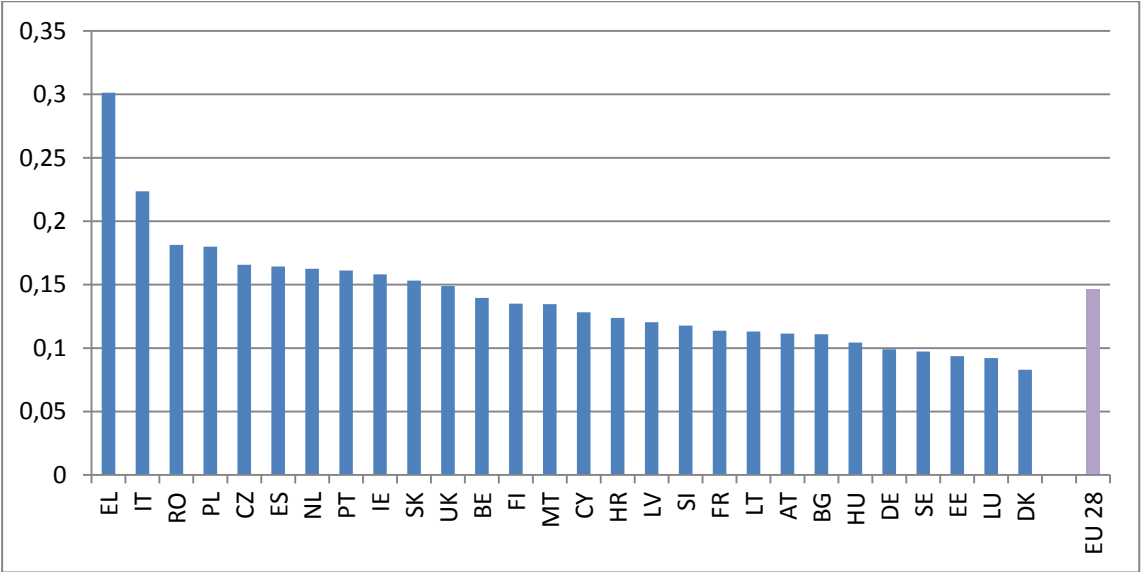
⁴ EC (2015): Recent changes in self-employment and entrepreneurship across the EU.

⁵ EP (2016): Precarious Employment in Europe: Patterns, trends and policy strategies.

⁶ There is a substantial variation across Europe. The share of self-employment is very high in agriculture, forestry and fishing in countries like Romania (65.1% of the total number of self-employed) and Poland (38.9%), and rather low in countries like the United Kingdom (3.0%), Slovakia (3.7%) and the Czech Republic (4.4%). A large proportion of self-employed workers can be found in the wholesale and retail industry in Malta (31.3%), Bulgaria (26%), Spain (24%) and Italy (22.8%). The United Kingdom, Slovakia and Ireland have the largest proportion of self-employed in the construction sector (between 15.5 and 25.2%).

⁷ ESPN (2017)

Figure 2: Share of self-employed in total employment, by countries, 2016



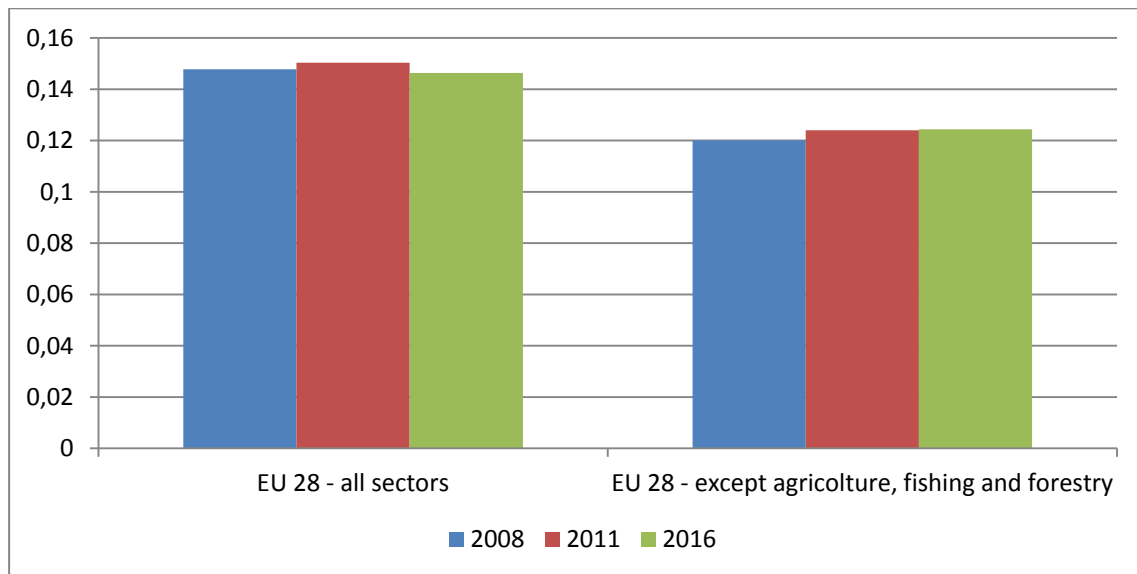
Source: Eurostat, Employment by sex, age and professional status

Among the self-employed it is possible to distinguish between the self-employed with without employees (see Box 1 below for a more in-depth exploration of the significant heterogeneity among the self-employed). In 2016, 71.5% of the self-employed were self-employed without employees⁸; 28.5% of the self-employed without employees were registered as managers, professionals or associate professionals, while around 21.4% were agricultural or elementary workers, 16.2% were reported to be sales or service workers and 21% skilled or semi-skilled manual workers such as craft and related trade workers. The occupations of the self-employed vary considerably across countries. For example, in the Sweden, Belgium, Germany and Luxembourg, well over 50% of the self-employed without employees worked as managers, professionals or associate professionals in 2016, while in Romania they were just 3%.

The overall (marginal) decrease of the self-employed between 2008 and 2016 becomes an increase, if the primary sector is excluded from the analysis (Figure 3).

⁸ EU LSFA

Figure 3: Share of self-employed in total employment in the EU28, 2008, 2011 and 2016



Source: Eurostat

Box 1: Exploring the diversity among the self-employed

As also expressed by stakeholders during consultations, it is very important to identify and take into account the diversity among the group of the self-employed (going beyond the traditional split between self-employed with/without employees) in order to be able to assess to which extent granting them access to social protection responds to an actual need.

A study by Eurofound ("Exploring self-employment in the European Union") sheds light to the heterogeneity of the self-employed using survey evidence exploited with the help of advanced econometric methods⁹.

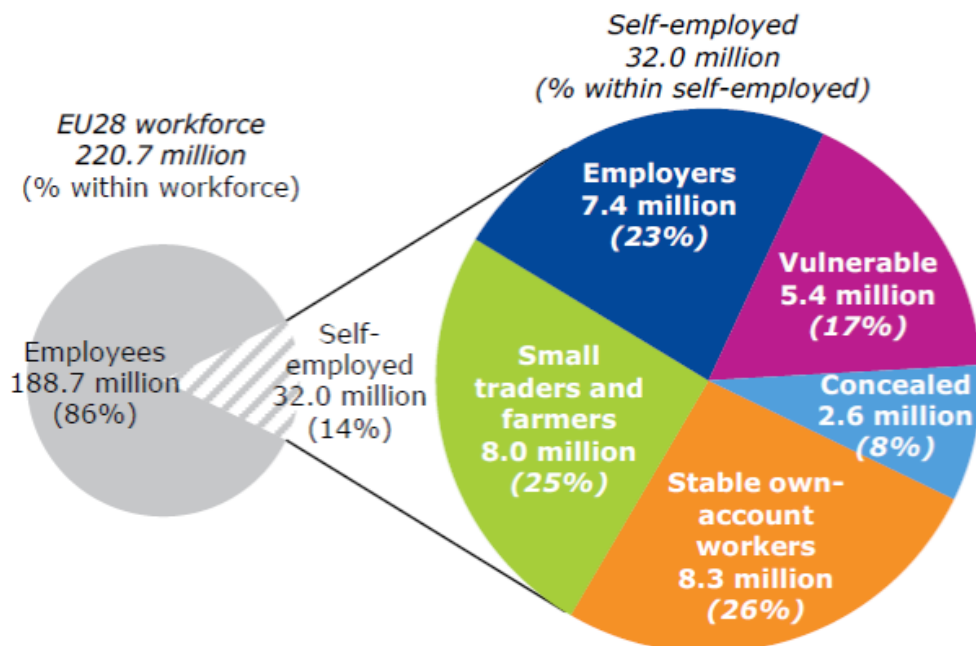
In particular, the self-employed can be clustered into five different groups in line with their characteristics along a pre-selected list of key dimensions relevant to their employment and work situation,. The names of the groups were chosen to illustrate the most important aspect of the nature of each group. They are not commonly agreed or formal terms.

Of those five groups, two groups – the ‘**employers**’ and the ‘**stable own-account workers**’, representing about half of the self-employed or just over 16 million people (see figure 10 below) - generally have more favourable characteristics. These groups are generally more independent with more discretion over their work, have bigger and economically more viable and sustainable activities and are more likely to be self-employed out of opportunity. For two other groups, ‘**vulnerable**’ and ‘**concealed**’, together a group of eight million people - or roughly the population size of Austria - the opposite is the case: they are generally more dependent and have less autonomy over their work. Also, these groups are in more precarious situations with lower levels of income and job security. They experience overall rather unfavourable working conditions. For the final group, ‘**small traders and**

⁹ Latent class cluster analysis looks for patterns regarding a list of indicators listed and by showing how each of the clusters score on these indicators, reveals the defining characteristics of each cluster.

farmers', which amount to also around eight million people, the picture is more mixed with a combination of both favourable and unfavourable conditions.

Figure B.1: Size of five groups of self-employed within the EU28 workforce (% of total employment)



Source: Eurofound (2017)

There is strong **heterogeneity between the groups** along a number of **dimensions of high relevance for the present initiative**. For example, nearly all the self-employed in the cluster ‘employers’ did not become self-employed *out of necessity* whereas only around 60% of the self-employed in the cluster ‘vulnerable’ are not self-employed out of necessity. The degree of being comfortable with the uncertainty and risks associated with the status of self-employment also differs markedly across the groups. While more than 90% of the ‘employers’ and close to 100% of the ‘stable own-account workers’ *like being boss and taking decisions*, the same holds true for less than three quarters of the ‘vulnerable’ and only about 55% of the ‘concealed’.

The clusters differ substantially with respect to their **autonomy**: Three quarters of ‘stable own-account workers’ have the authority to hire or dismiss employees while the shares for ‘employers’ and ‘small traders and farmers’ even exceed 90%. This only holds for below 20% of the ‘concealed’ and around 30% of the ‘vulnerable’ self-employed. Likewise, more than 90% of the ‘stable own-account workers’, ‘small traders and farmers’ and ‘employers’ have more than one client, compared to less than half of all ‘vulnerable’ self-employed.

There is also large diversity regarding the position in the income distribution and financial vulnerability. More than 60% of the ‘vulnerable’ are in the **lowest income quintile**, while this holds for only around 10% of the cluster ‘employers’ and 20% of the ‘small traders and farmers’. Close to 60% of ‘employers’ consider themselves *financially secure in case of sickness*. The other groups are more vulnerable, with only around 20% of ‘small traders and farmers’, 20%-30% of the clusters ‘concealed’ and ‘vulnerable’ and below 40% of ‘stable own-account workers’ being in the same situation. Looking at income levels alone does not give a sufficient picture of vulnerability in this respect. For instance among the ‘small traders and farmers’, almost two-thirds would be financially insecure in case of sickness, although incomes in this group tend to be at the higher end.

New forms of self-employment: dependent self-employment and bogus self-employment

In line with the European Court of Justice rulings¹⁰, the most specific way of defining self-employment is the absence of subordination between the employer and the employees. On the other side, in case of personal dependence – or subordination – the outsourcing firm strongly determines working methods as well as the time, place and content of work¹¹.

Given the characteristics associated with entrepreneurship – decision-making power regarding the business, financial autonomy and responsibility – the ‘self-employed with employees’ are considered as being by nature self-employed. The category of ‘self-employed without employees’ is more diverse and, in some ways, ambiguous¹². The group of economically dependent workers belongs to this category. To be categorised as an independent self-employed without employees, an individual should work as an autonomous subcontractor, who owns his/her means of production and works independently in order to accumulate capital and serve several clients¹³.

Thus, there are emerging work arrangements which are “in a grey area”, meaning that they do not easily fit into the traditional binary distinction between “employees” and the independent “self-employed”. In fact, there is an increase in formally self-employed work relationships that are marked by both economic and personal dependence. Given that these workers have only one (main) employer, they generate the whole, or at least a substantial part, of their income from this work relationship. Economic dependence may also mean that the worker takes (part of) the entrepreneurial risk without the trade-off in terms of employment security. Furthermore, due to the demands of their ‘main’ employer, the entrepreneurial possibilities associated with self-employment are also rather limited or absent in their case.

These characteristics form the category of the dependent self-employed who work with only one client, under similar conditions as employees, but without the rights and protection that employees are entitled to under labour law, social protection rules and collective agreements. Dependent self-employment also means that both organisational boundaries and the boundaries set by labour and social security law between employment and self-employment become blurred¹⁴. Indeed, the distinction between dependent self-employed and employees has important labour law, social protection and fiscal consequences:

- dependent self-employed are responsible for their own work and therefore formally do not work under the authority and responsibility of the main contractor even if de facto they are economically dependent from one employer/customer;
- access to social protection (e.g. in the case of temporary employment, occupational accidents, early retirement etc.) is more restricted for dependent self-employed¹⁵.

¹⁰ Case C- 268/99, Case C-3/87, Case C-202/90, Case C-202/90. See also, to that effect, judgments in FNV Kunsten Informatie en Media, C-413/13, EU:C:2014:2411, paragraph 35 and Allonby, C 256/01, EU:C:2004:18, paragraph 71

¹¹ IZA (2013): Social protection rights of economically dependent self-employed workers.

¹² Eurofound (2013): Self-employed or not self-employed? Working conditions of ‘economically dependent workers’.

¹³ Thörnquist (2015): False Self-Employment and Other Precarious Forms of Employment in the ‘Grey Area’ of the Labour Market.

¹⁴ FIA (2015): Reaching out to Atypical Workers.

¹⁵ <http://www.fiec.eu/en/themes-72/self-employment-and-bogus-self-employment.aspx>

- some working conditions (wages, working time, rest periods etc.) are governed by collective agreements or by specific legislative, administrative and regulatory provisions that are not applicable to dependent self-employed¹⁶.

Therefore, the dependent self-employed are neither clearly separated from nor integrated with the employer they contract with. Moreover, despite the lack of data which would allow to easily distinguish between the traditional self-employed and the dependent self-employed, there is evidence that the biggest difference between dependent self-employed and other groups of self-employed lies in their financial situation. Their households have a correspondingly higher level of difficulty making ends meet and they have the lowest level of job security, and the fewest opportunities for career advancement¹⁷. A Eurobarometer survey¹⁸ shows that 49% of respondents who had started up a business or were currently taking steps to start one, stated that they were doing so because they saw an opportunity and 29% were doing so out of necessity, i.e. the possibilities for regular employment were absent¹⁹.

Moreover, among the dependent self-employed, another group more vulnerable to exploitation, to being forced into working on their own account because of a lack of job opportunities²⁰ can be identified: that of the 'bogus self-employed'²¹.

'Bogus' or 'false' self-employment refers to the phenomenon of workers who would usually meet the legal definition of an employee but instead are registered as self-employed²². In this case, the subordinate employment relation is disguised as autonomous work, usually for fiscal reasons, or in order to avoid the payment of social security contributions and thereby reduce labour costs, or to circumvent labour legislation and protection, such as the provisions on dismissals²³.

The OECD has described the bogus (or 'false') self-employment as consisting of 'people whose conditions of employment are similar to those of employees, who have no employees themselves, and who declare themselves (or are declared) as self-employed simply to reduce tax liabilities, or employers' responsibilities'. This category is particularly used in labour-intensive industries, such as construction, transport and the service sector²⁴.

¹⁶ <http://www.fiec.eu/en/themes-72/self-employment-and-bogus-self-employment.aspx>

¹⁷ Eurofound (2013): Self-employed or not self-employed? Working conditions of 'economically dependent workers'.

¹⁸ Eurobarometer (2012): Entrepreneurship in the EU and beyond.

¹⁹ Bögenhold, D. and Klinglmair, A. (2014), One-Person-Enterprises as the Regular Case of Entrepreneurship: Empirical Findings for Austria.

Bogus self-employed are often associated with casual work and with precariousness while providing the least levels of employment and welfare protection (McKay, S. et al. (2012), Study on Precarious Work and Social Rights: Final Report). In addition, the dependent self-employed are also more likely to be targets of working time abuse (European Parliament 2013).

²⁰ Studies show a negative correlation between the level of social benefit available to unemployed individuals and the concentration of low-skilled self-employed, fortifying the idea that a certain kind of self-employment is due more to necessity than to personal free choice (CESifo DICE Report, 2016).

²¹ Fondeville et al (2015): Recent changes in self-employment and entrepreneurship across the EU.

²² Hatfield (2015): Self-employment in Europe.

²³ FIA (2015).

²⁴ Eurofound (2016): Exploring the fraudulent contracting of work in the European Union.

There are several factors leading to 'bogus' self-employment. One is that in almost all countries few formalities have to be fulfilled to set up as self-employed and the forms of bogus self-employment have gradually become more sophisticated²⁵. Relatively restrictive national labour markets (i.e. highly regulated ones) and high non-wage labour costs are also factors creating 'bogus' self-employment²⁶. From the point of view of the employers, it is a way to transfer costs, risks and responsibilities to the workers and to circumvent collective agreements, labour laws, payroll taxes and social security contributions²⁷. On the other hand, while, in general, motives for people accepting a working engagement as dependent self-employed could include time flexibility and increased autonomy, together with further advantages in the form of tax benefits and lower social contributions, in the case of 'bogus' self-employment, reasons seem to be related only to their economic situation, since the characteristics of autonomy and flexibility are not maintained.

3.2. Non-standard work: temporary, part-time and new forms of employment

Overall, the share of non-standard work in employment has increased over time. Using data for the EU28 and a longer available time series for the EU15, Figure 4 shows that this has been the case especially for younger workers aged 25-39: In 1995, 23 % of younger employees in the EU-15 had non-standard contracts. This proportion had increased to 32 % for the same age group by 2016, implying that there has been a clear intergenerational component to this development.

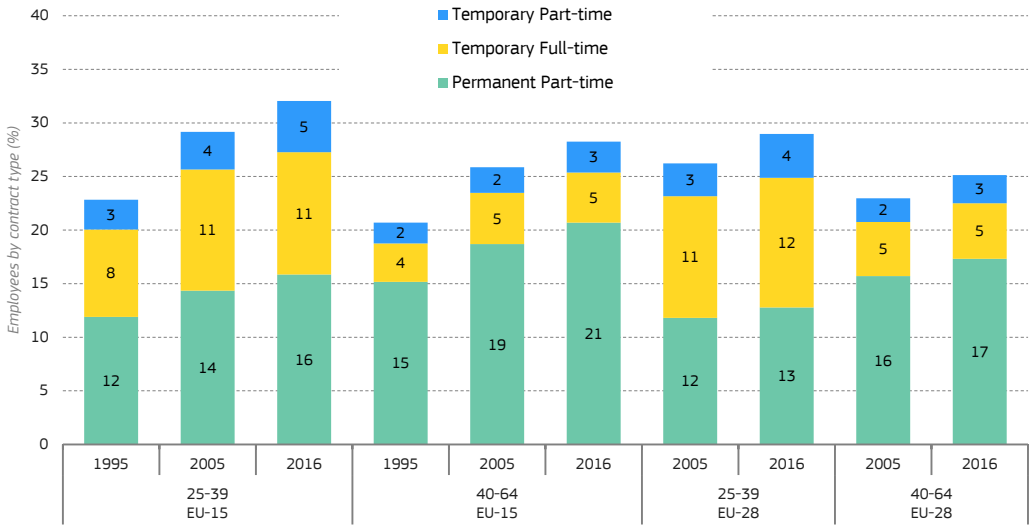
²⁵ Jorens, Y. and Lhernould, J.P. (2010), Europe of the self-employed: Self-employed between economic freedom and social constraints.

Jorens, Y. et al. (2009), Self-employment and bogus self-employment in the European construction industry: A comparative study of 11 Member States.

²⁶ European Parliament (2013), Social protection rights of economically dependent self-employed workers.

²⁷ Thörnquist (2015): False Self-Employment and Other Precarious Forms of Employment in the 'Grey Area' of the Labour Market.

Figure 4: Employees by type of contract and age, 1995, 2005 and 2016

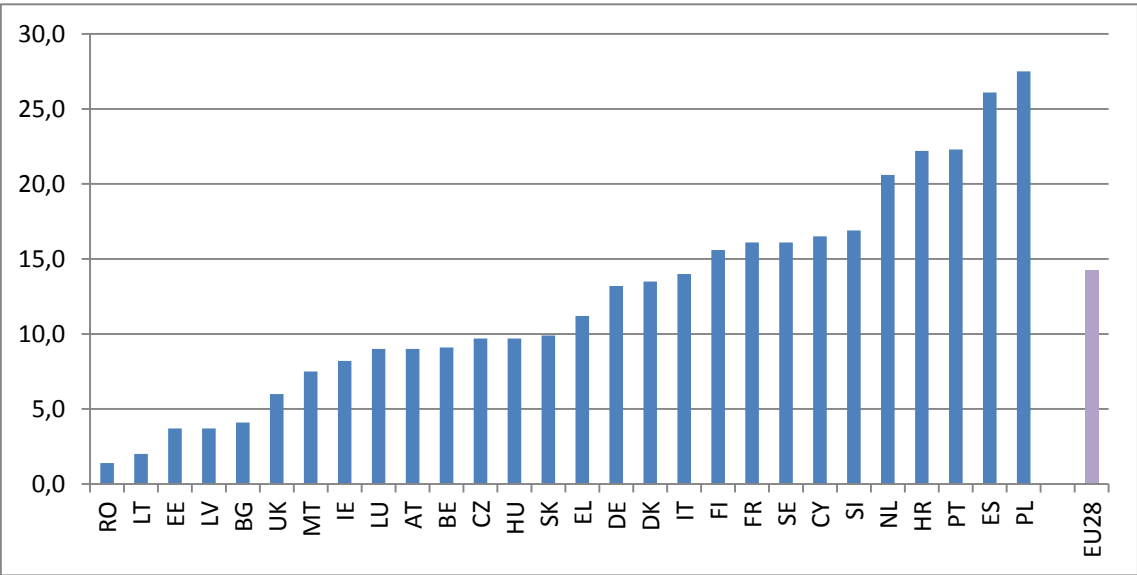


Source: European Commission (2017 ESDE), p. 77.

Temporary employment

In 2016, the proportion of employees aged 15–64 in the EU-28 with a fixed-term employment contract was 14.2% (Figure 5). More than one in five employees in Poland (27.5%) and Spain (26.1%) had a temporary contract. Among the remaining Member States, the share of employees working on a contract of limited duration ranged from 22.3% in Portugal, down to 2% in Lithuania and 1.4% in Romania.

Figure 5: Share of temporary workers in total employment (age 15-64), 2016



Sources: Eurostat

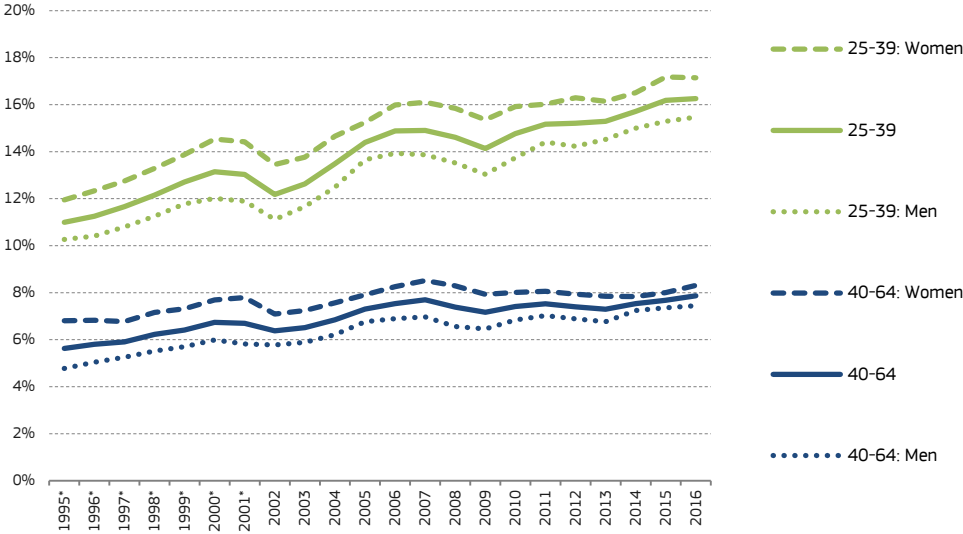
Both the number of temporary contracts and the temporary employment rate (number of temporary as percentage of all employees) show a strong cyclical (and seasonal) pattern. Both decline at the onset of the recession and tend to increase with recovery (and pick up the “double dip” around 2010-11), as many new hires are on temporary contracts²⁸. Indeed, over the last three years (2014-2016), as countries emerged from the crisis, the growth in the number of permanent employees has exceeded the increase in the number of temporary employees. Thus, in the year preceding the third quarter of 2016, the number of employees with a permanent contract increased by 2.8 million (1.8%) in the EU-28, while the number of employees with a temporary contract increased by 420,000 (1.6%). Similarly, full-time employment has increased faster than part-time employment for nearly three years. In the years up to the third quarter of 2016, the number of full-time workers increased by 2.8 million (1.6%) while the number of part-time workers increased by 370,000 (0.9%).

Denmark, Netherlands, Slovenia, Malta, Croatia and Poland show some appreciable increase in the temporary rate since the onset of the recession in 2008. Spain, Germany, Latvia and Lithuania show a significant post-recession decrease. Given Spain’s large share of temporary contracts in Europe, the decline there has held down the European rate over this period, and vice-versa for Poland.

In a more long-term perspective, a clear increase in the share of workers on temporary contracts has been observed especially for younger workers (aged 25-39), see Figure 6.

²⁸ Storrie (2017): Some aspects of non-standard employment in Europe.

Figure 6: Share of temporary workers in total employment (by age and gender, 1995-2001 (EU-15) and 2002-2016 (EU-28))



Source: European Commission (2017 ESDE), p. 79.

Among temporary employment, agency work is experienced as one of the more insecure of contractual forms²⁹. This is characterised by a particular “triangular” relationship, where workers are hired by an entity (the temporary work or employment agency) and then re-hired out or assigned to perform their work at (and under the supervision of) a user firm. In 1999, when this form of employment had just become legally permissible in most of Europe³⁰, agency workers accounted for 1.2% of all employment in Europe. In 2015, it accounted for 1.9%³¹. The highest rate was in the UK (3.8%), followed by the Netherlands (3.0%) and France (2.1%). The lowest rate of 0.1% was in Greece. These figures are rather similar to those from 1999, with the exception of Germany where the agency worker rate increased from 0.7% to 2.4% of total employment.

The motives for employees to take on a temporary contract are primarily non-voluntary. Given the option of two identical jobs, one open-ended and the other with a temporary duration, the Labour Force Survey shows that only around 12% report that they did not want a permanent job³².

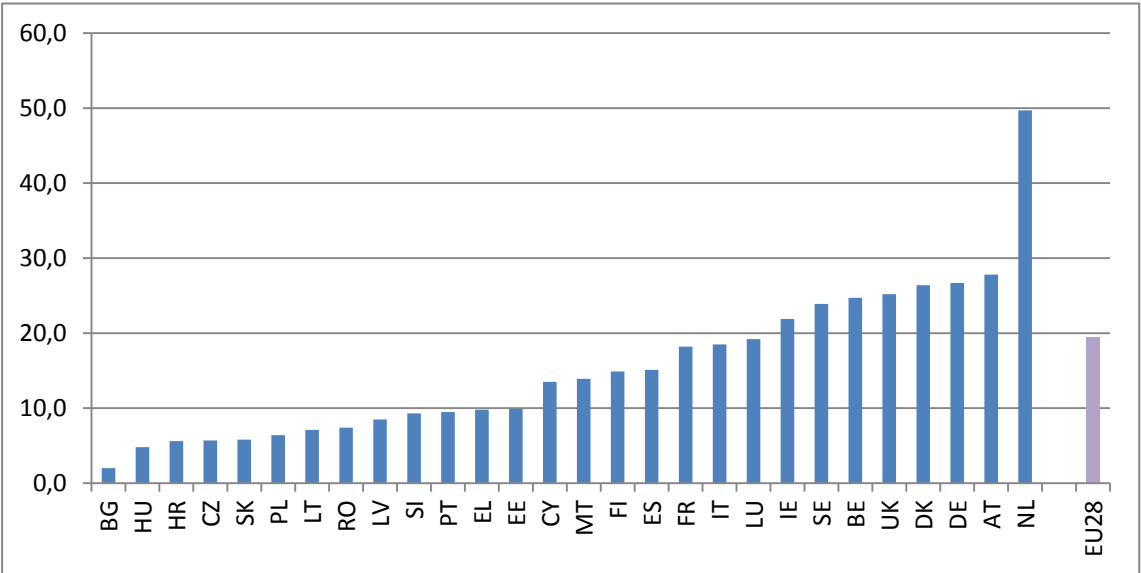
Part-time employment

Part-time work has grown for decades. This is due to the changing structure of the economy towards services and preferences for part-time work, not least related to the increase in female

²⁹ European Working Conditions Survey (2016).
³⁰ Storrie (2002): Temporary agency work in the European Union.
³¹ World Employment Confederation (2017): Enabling work, adaptation, security and prosperity.
³² One should treat this figure with some skepticism, as interview questions on motives can be open to many interpretations. Also as noted in 'Recent Developments in Temporary employment: employment growth, wages and transitions' (Eurofound 2015), responses vary significantly over time and in several cases they are obviously unreliable.

labour force participation. The proportion of the EU-28 workforce in the 15–64 age group reporting that their main job was part-time increased steadily: from 17.5% in 2007 to 19.5% by 2016, representing the type of non-standard employment that has undoubtedly grown since the onset of the recession. Over the period from 2007 and 2015, there was a widespread increase in the share of part-time workers, though it declined in Croatia, Lithuania, Romania and Poland³³.

Figure 7: Share of part-time workers in total employment (age 15-64), 2016



Source: Eurostat

As shown in Figure 7, by far the highest proportion of part-time workers in 2016 was found in the Netherlands (almost 50%), followed by Austria, Germany, Denmark, the United Kingdom, Belgium, Sweden and Ireland. By contrast, part-time employment is relatively uncommon in Bulgaria (2%) as well as in the Czech Republic, Slovakia, Hungary and Croatia (between 4.8% and 5.8%). In these countries, non-standard employment is rare, and people may consider it to be an involuntary status.

The incidence of part-time work differs significantly between men and women. Almost one third (32%) of women aged 15–64 who were employed in the EU-28, worked on a part-time basis in 2015, a much higher proportion than the corresponding share for men (8.9%). 76.5% of women employed in the Netherlands worked on a part-time basis in 2016, by far the highest rate among EU Member States³⁴.

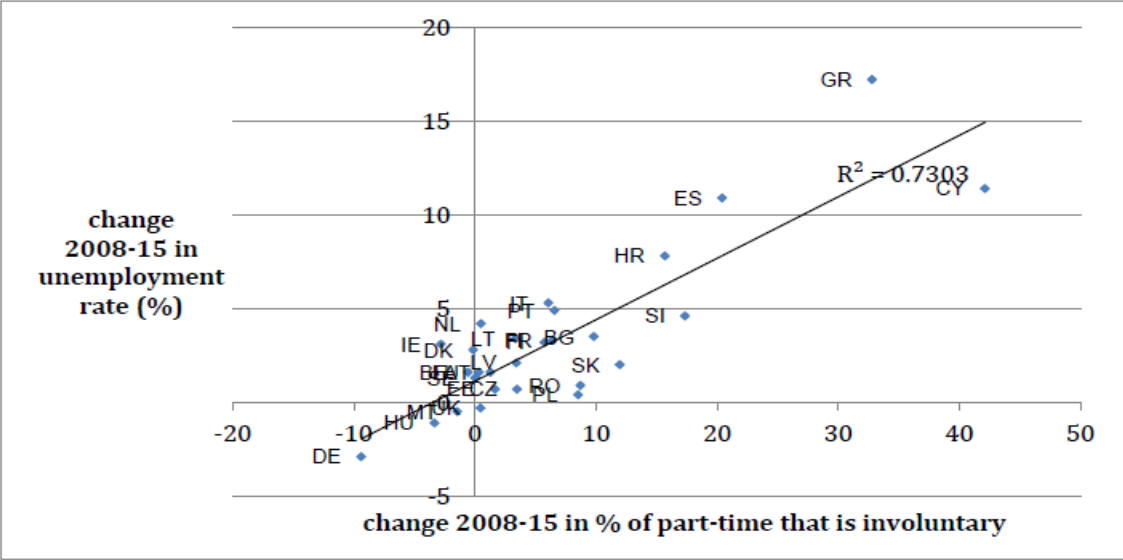
In the most recent years, as the labour market improves, the part-time employment rate has declined only marginally, thus indicating that not all part time is voluntary. Self-reported involuntary part-time work (defined in relation to the response in the LFS survey “Person could not find a full-time job”) increased from 22.4% of all part-time work to 29.1% between

³³ EU LFS

³⁴ EU LFS

2007 and 2015³⁵. There is a very strong association between national labour market performance and changes in the share of involuntary part-time work. Where the unemployment rate has increased most, there is a strong likelihood that the involuntary part-time share has also grown strongly. Greece, Spain and Cyprus are illustrative examples. The corollary is also true. The Member State with the most improved unemployment record over the period, Germany, is also the one with the sharpest decline in involuntary part-time share (Figure 8)³⁶.

Figure 8: Changes in involuntary part-time employment share and in unemployment rate 2008-2015.



Source: LFS as calculated in Eurofound (2017)

Changes concern also the working hours. While women account for the majority of very low hours' part-time work, the male share has grown relatively faster since 1996 (from 1.5% to 2.8% of all male workers) compared to the female share (from 6.1% to 6.6% of all female workers). Highest shares were recorded amongst both young workers (less than 24 years of age) and workers above 64 years of age and it was in these groups, in particular the younger group, that the greatest growth in the share of very short hour part-time work was recorded.

New forms of work

As in the case of the self-employed the available data do not allow to capture the variety of non-standard forms of employment present in the labour market, and, in particular, the new forms of work.

Eurofound (2015)³⁷ distinguishes three categories of employer-employee relationship: relationships between employers and employees involving either multiple employers for each

³⁵ EU LFS.
³⁶ Storrie (2017).
³⁷ Eurofound (2015): New forms of employment.

employee, one employer and multiple employees or even multiple employer-multiple employee relationships; provision of work on a discontinuous/intermittent basis or for very limited periods of time; and networking and cooperation agreements involving self-employed persons, especially freelancers.

On the basis of this broad categorization, the following *new* forms of non-standard employment were identified by Eurofound:

- **employee sharing**, where a single worker is jointly hired by a group of employers to meet the HR needs of various companies, resulting in permanent full-time employment for the worker.
- **job sharing**, where an employer hires two or more workers to jointly fill a specific job, combining two or more part-time jobs into a full-time position;
- **interim management**, in which highly skilled experts are hired temporarily for a specific project or to solve a specific problem, thereby integrating external management capacities in the work organisation;
- **casual work**, where an employer is not obliged to provide work regularly to the employee, but has the flexibility of calling them in on demand;
- **ICT-based mobile work**, where workers can do their job from any place at any time, supported by modern technologies;
- **voucher-based work**, where the employment relationship is based on payment for services with a voucher purchased from an authorised organisation that covers both pay and social security contributions;
- **portfolio work**, where a self-employed works for a large number of clients, doing smallscale jobs for each of them;
- **crowd employment**, where an online platform matches employers and workers, often with larger tasks being split up and divided among a ‘virtual cloud’ of workers;
- **collaborative employment**, where freelancers, the self-employed or micro enterprises cooperate in some way to overcome limitations of size and professional isolation.

In general, crowd work seems to be used as a supplement to total income. A survey conducted in the UK showed that in 2016 platform workers amounted to 4% of the employees, 25% of whom reported it as main job³⁸. Another survey³⁹ implemented in the UK, Sweden, Germany, Austria and the Netherlands in the first two quarters of 2016 showed that between 5% and 9% of the online population were engaged in some type of crowd work⁴⁰. It is usually a small supplement to total income⁴¹.

Furthermore, together with these new forms of employment, a variety of new forms of contracts has been recognised in Member States:

³⁸ CIPD (2017): To gig or not to gig? Stories from the modern economy. A nationally representative sample of 5,019 UK employed persons aged 18 to 70 was asked about the use of on-line platforms in the previous 12 months in December 2016.

³⁹ Huws et al. (2016): Crowd work in Europe: preliminary results from a survey in the UK, Sweden, Austria and the Netherlands.

⁴⁰ Although the sample has been weighted *ex post* to be representative of the national population as regards age, gender, region and working status, the results “cannot be generalized with complete confidence” to the entire population.

⁴¹ For 45% (from 58% in Austria to 33% in Sweden) it made up only 10% or less of all income.

- **'Civil law contracts** for a specific task' there are different legal forms from a contract of employment and they are governed by the provisions of the Civil Code. They are particularly prevalent in Poland and commonly used when the employer does not plan to employ a worker under an employment contract, but requires the performance of certain activities or for some specified work to be completed.
- **Mini-job** is a concept coined in Germany, which refers to employment contracts for earnings of currently up to EUR 450 per month with reduced income tax and social security contribution rates and entitlements.
- **'On-demand work'** involves a continuous employment relationship maintained between an employer and an employee where the employer has the option of calling in the employee as and when needed. There are employment contracts that indicate the minimum and maximum number of working hours, as well as so-called **'zero-hours contracts'** that specify no minimum number of working hours, and the employer is not obliged to ever call in the worker.

4. THE CHALLENGE

4.1. What is the problem?

Social protection smoothens and redistributes incomes over the life-cycle, insures people against the financial implications of social risks, such as ill health, old age or job loss, and contributes to prevent and alleviate poverty. Support is provided in cash to replace or supplement work income (unemployment benefits, pensions, child benefits) or in kind through the provision of services such as health care, child care, training or job search assistance. Beyond income smoothing, well designed social protection systems also aim to facilitate participation in the labour market, by avoiding financial disincentives to work while providing enabling services such as child care. Social protection systems also contribute to the development of human capital and to a better allocation of the labour force by allowing workers to participate in education and training and devote time to search for a job matching their skills⁴².

In order to grasp the complex reality of access to social protection, one must distinguish schemes according to their mode of financing: non-insurance-based schemes (i.e. tax-financed) and insurance-based (i.e. contributory) schemes.

Box 2: Typologies and financing of social protection schemes

Non-contributory schemes are social transfer schemes, which normally require no direct contribution from beneficiaries or their employers as a condition of entitlement to receive relevant benefits. They include a broad range of schemes including universal schemes for all residents, categorical schemes covering specific categories of residents and means-tested social assistance schemes. They are usually financed through tax or other state revenues.

Universal schemes, in particular, are non-contributory transfer schemes, which cover all residents, and provide benefits for all, whether working or not and irrespective of income. Often the only condition attached to the receipt of the benefit is that the person must be a long-term resident or a citizen of the country.

Social insurance – like all forms of insurance – is a mechanism for (financial) risk pooling. It represents one of the most important instruments through which social security schemes operate, as it has done since the outset of national systems of social security, the earliest being the system introduced by Chancellor Bismarck in Germany in the 1880s. The insurance principle operates on the basis that a group of individuals (or perhaps their families), who are vulnerable to a specific risk (for example, disabling injury, or sickness) pay contributions into a pool or fund which is then used to pay benefits according to specified rules so as to indemnify those participants who suffer from the occurrence of the relevant risk.

Social insurance is financed by contributions, which are normally shared between employers and employees, with, perhaps, state participation in the form of a supplementary contribution or other subsidy from general revenue. Participation is *compulsory*, with few exceptions. Contributions are accumulated in special funds, out of which benefits are paid. A person's right to benefit is secured by his contribution record without any means-test. Within floor and caps contribution and benefit rates are often earnings-related⁴³.

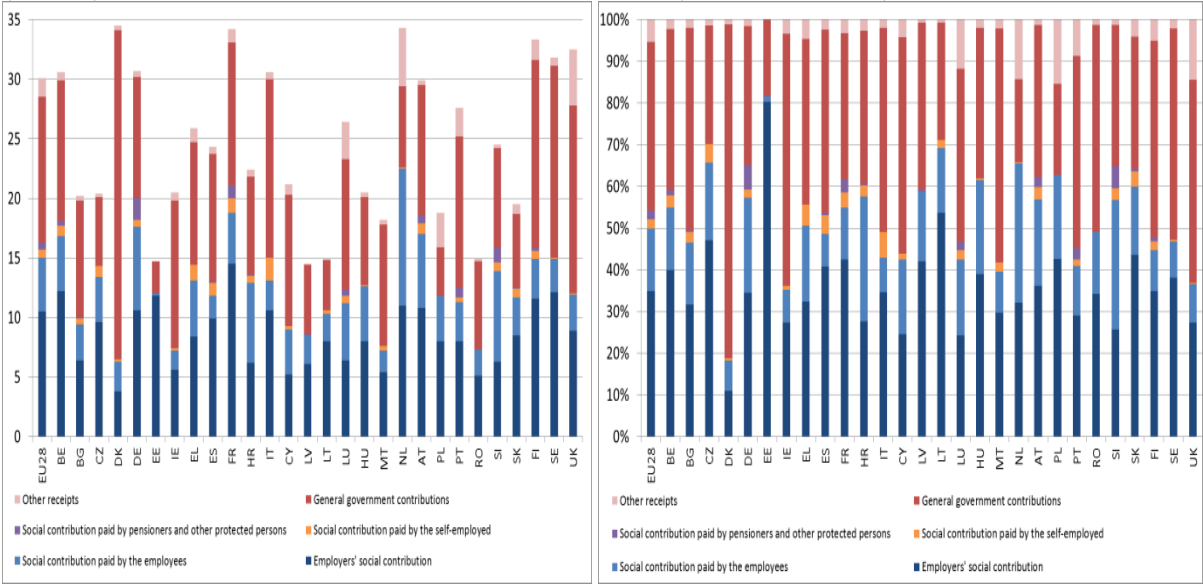
⁴² Maquet et al. (2016): The coverage rate of income support measures in the EU: measurement and challenges.

⁴³ <http://www.social-protection.org/gimi/gess/ShowTheme.action?id=11>

Occupational social security schemes provide workers, whether employees or self-employed, in an undertaking or group of undertakings, area of economic activity, occupational sector or group of sectors with benefits intended to supplement the benefits provided by statutory social security schemes or to replace them, whether membership of such schemes is compulsory or optional⁴⁴.

There is a wide variety in financing structures of social protection systems across Europe. While on average, around 55% of the financing is relying on social contributions (employers and persons protected), the share of total social contributions in total resources actually varies from around 20% in DK to 80% in EE (figure B.2). This diversity reflects the variety of the provision of social protection in Europe, such as typically whether social protection systems are more insurance based (and thus more financed by social contributions) or universal in nature (and then more financed by general taxation), but also other dimensions, such as the relative share in expenditure of the different main risks (for instance pensions are generally more financed based on social contributions and health expenditure more based on general taxation, see para below) or the relative importance of occupational versus publicly managed schemes.

Figure B.2: Structure of social protection financing (2014)
 (%GDP) (% total resources)



Source: ESSPROS

Some estimates of the relative shares of social contributions and general taxes to the financing depends by type of social protection area considered can be derived.⁴⁵ In general pensions and family expenditure rely more heavily on social contributions (on average around 75% of total financing) as well as unemployment benefits (around 60% on average), while health care systems rely less on social contributions (on average 40%) and more on general taxation.

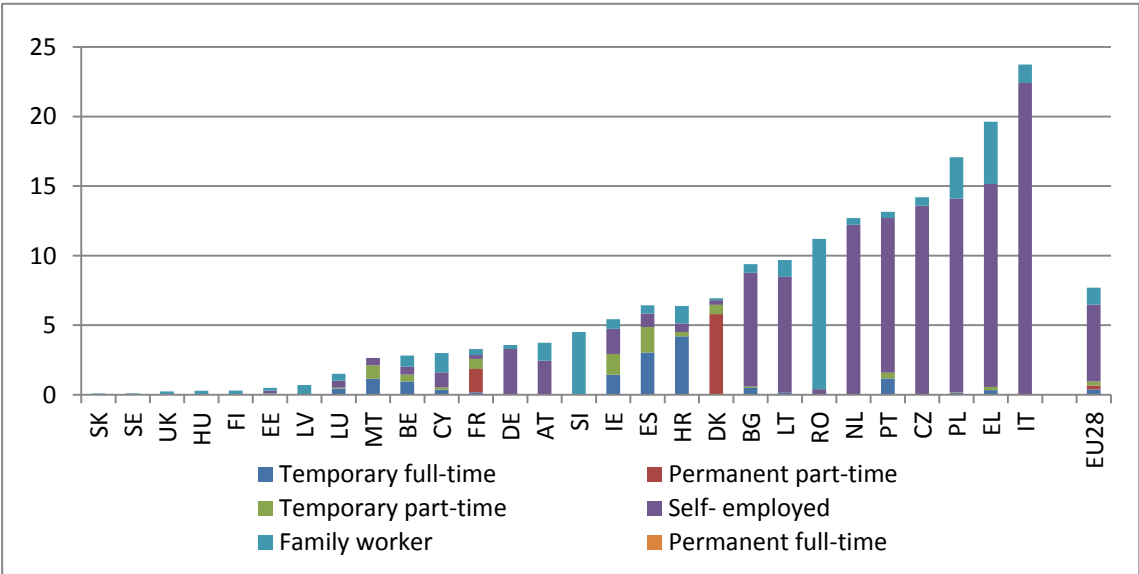
Despite the world of work and employment being in a state of transformation, in most Member States social protection is still largely based on the notion of ‘standard employment relations’, which assumes a long-term, full-time work relationship between a worker and a single employer⁴⁶. For this reason it is crucial to understand how people in non-standard employment and self-employment are protected. Indeed, non-standard workers and self-employed people can be (partially) excluded from coverage, formally or because they are

⁴⁴ Council Directive 96/97/EC. Available [online](#)
⁴⁵ See for instance SPC (2015), Social protection systems in the EU: financing arrangements and the effectiveness and efficiency of resource allocation.
⁴⁶ Eurofound (2016), Sixth European Working Conditions Survey – Overview report.

unable to meet the eligibility criteria. Moreover, many categories of non-standard workers and the self-employed may receive considerably lower benefits than standard workers, because they pay lower social contributions and/or the income basis on which benefits are calculated is more volatile.

Matsaganis *et al.* (2015)⁴⁷ estimated the risk for non-standard workers and the self-employed of not being covered by three social benefit schemes (sickness, unemployment and maternity benefits). Their analysis demonstrates⁴⁸ a significant tendency towards the exclusion of non-standard workers and the self-employed from these three benefit schemes. As shown in Figures 9, on average 0% of standard workers, 5.1% of temporary full-time workers and 9.7% of temporary part-time workers in the EU are at risk of exclusion from sickness benefits. Among self-employed, more than one third (37.5%) would not be eligible for this type of benefits, with a wide variation between countries. In countries where insurance is compulsory, the proportion of the self-employed who are not eligible is very low (Hungary 0%, Estonia 2.2%, Croatia 4.6%). In countries where insurance is optional, the risk of exclusion is higher, from 33.3% (Germany) to 79.6% (Czech Republic) and even to 100% (Italy).

Figure 9: Distribution of people in employment aged 15-64 at risk of not being entitled to sickness benefits by type of employment, 2014 (% of the total in employment)



Source: Matsaganis et al. 2015

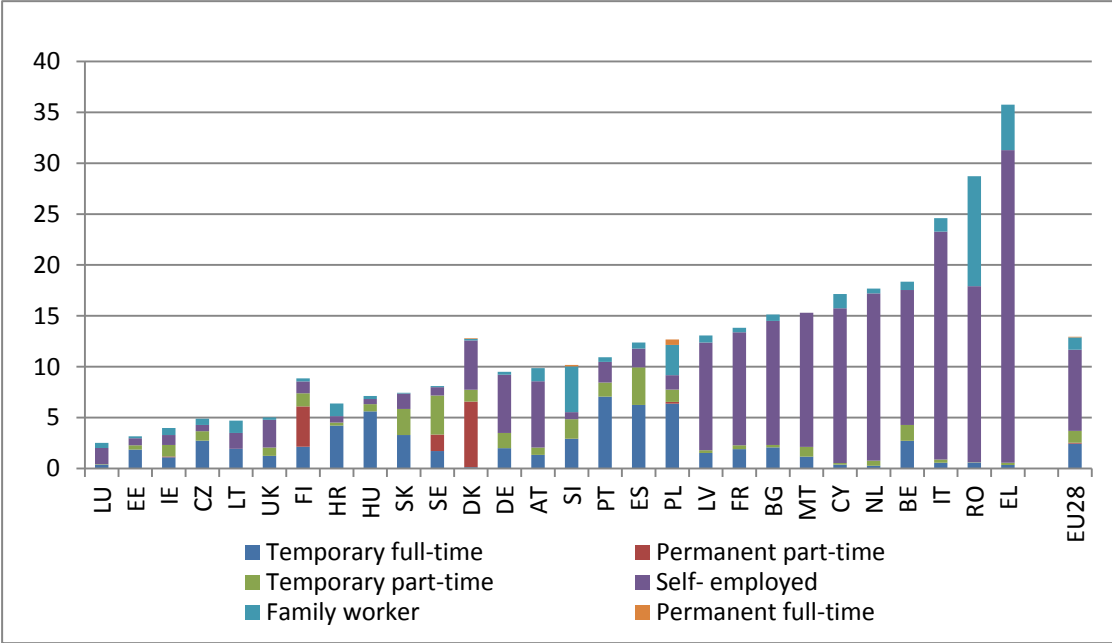
Figure 10 shows the risk of not been covered by unemployment benefits: in the European Union, only 0.1% of standard workers are at risk of exclusion from unemployment benefit,

⁴⁷ Matsaganis et al. (2015): Non-standard employment and access to social security benefits.
⁴⁸ Some bias in this research should be considered: based on the Labour Force Survey, the analysis cannot precisely identify the numbers of non-standard workers and self-employed who are unable to meet the requirements for eligibility at the present moment. Moreover, the research does not take into account access of all categories of self-employed when access to benefit schemes is voluntary — e.g. the study assumes that ‘the self-employed with employees belong to such schemes whereas those without employees do not’ (Matsaganis et al. 2015: 17).

while this risk is real for 31.9% of temporary full-time workers and 38.7% of temporary part-timers. The risk of exclusion for the self-employed is as high as 54.5%. Among the self-employed, the risk of non-coverage can vary between countries. Some have compulsory insurance where exclusion rates are rather low (e.g. Czech Republic 3.6%, Croatia 4.6%, Poland 7.9%). There are large gaps in non-coverage between countries where insurance is voluntary (Spain 10.8%, Portugal 12.5%, and Romania 93.7%). This may be due to the difficulties faced by the self-employed in accessing these schemes.

It is estimated that up to half of people in non-standard work and self-employment are at risk of not having sufficient access to social protection and/or employment services⁴⁹. If so about 17 million self-employed and about 8 million people employed on non-standard contracts could be at risk of not be covered by unemployment benefits. Similarly, about 12 million self-employed and 2 million people employed on non-standard contracts could be at risk of not been covered by sickness benefits⁵⁰. Therefore, the dimension of the prolem, would call for a common response through EU action.

Figure 10: Distribution of people in employment aged 15-64 at risk of not being entitled to unemployment benefits by type of employment, 2014 (% of total in employment)



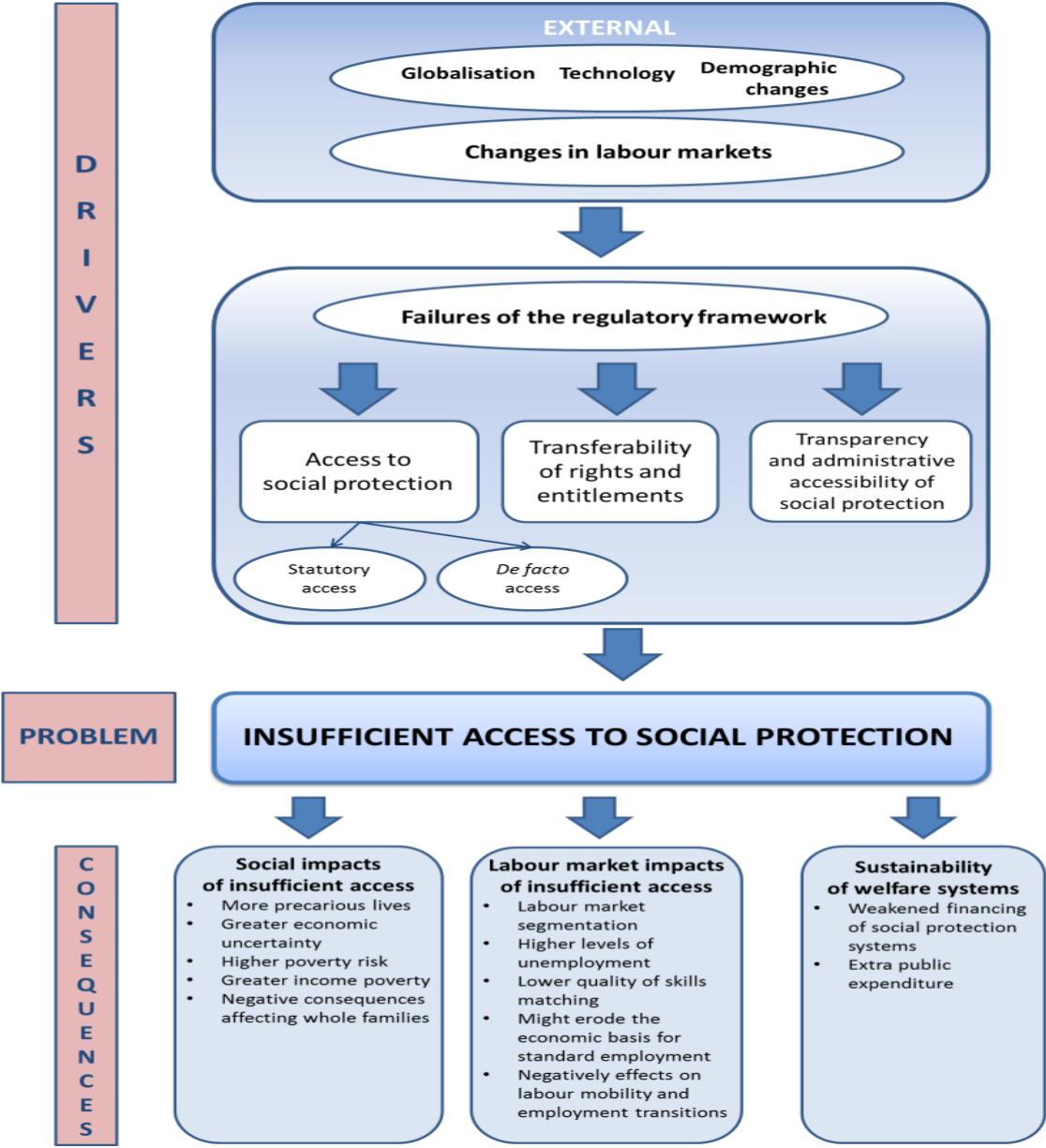
Source: Matsaganis et al. 2015

Difficulties in formal and effective coverage to social protection for people in non-standard and self-employment is a longer standing problem, which is taking on increasing importance, as the employment share of these groups is growing and seems set to continue to increase, notably among younger cohorts in the labour market. Over time the accumulated effects of such disparities in access are therefore likely to give rise to new inter- and intra-generational inequalities between those that have or manage to gain employment on standard contracts

⁴⁹ IZA (2013) Research Report No. 54: *Social Protection Rights of Economically Dependent Self-employed Workers*, available [online](#).
⁵⁰ Matsaganis et al. (2015): *Non-standard employment and access to social security benefits*.

with full social rights and those who do not.

If Member States are to safeguard job creation and growth coming from self-employment and non-standard work and are to avoid giving rise to widening precariousness, new inter-generational inequalities and risk of poverty, ways must be found to close the gaps in access to social protection and employment services for self-employed and non-standard workers which occur in many national systems.



4.2. Drivers: why are these phenomena happening?

For some time, globalisation, technology and changes in labour market institutions have raised the speed of change in European labour markets and made employment opportunities

steadily more diverse. In this context, employment on both old and new forms of non-standard contracts and in new forms of self-employment has been significantly increasing and now also seems set to constitute a steadily rising share of job-opportunities in the future, notably for the young. In many circumstances, they offer flexibility in the time, place and mode of working.

All those changes have not, however, been followed by an appropriate change of social protection systems, which are still largely based on the notion of full-time open ended employment.

4.2.1. External drivers

Globalization

While using existing know-how to gain an edge in new markets creates opportunities for companies, globalisation increases the amount of competitive pressure that companies are facing. The globalization process has intensified economic integration, increased the amount of competition faced by companies, provided greater opportunities to outsource work to lower-wage countries, and opened up new labour pools through immigration. Companies increasingly face competitors and newcomers from around the world that will challenge them and try to win market share. It is therefore important for companies to remain agile, innovative and lean. The incessant requirements on companies to respond more competitively to the challenges of a global economy have triggered major changes in the structure, organization and logic of work. In an effort to adapt their economic activities to different markets, companies have relocated or turned to offshoring their production, implemented new cycles or seasonal activities, and dealt with the constant fluctuations in business volumes and flows. Such combinations of pressures and opportunities raise the need of companies to increase their cost efficiency, which, among others, is done by lowering their labour costs.

As part of their efforts to lower and flexibilise their labour cost employers may call in self-employed workers or hire temporary staff. Flexible labour can also be more compatible with a global economy in which the production of ever more goods and services is divided up and organised into (cross-border) supply chains. In this case, the production cycles are shorter and faster and are customised as consumer requirements vary and diverge⁵¹.

In this context, new forms of labour have emerged, such as working in different seasons or cycles, the installation of new working hours, telecommuting and subcontract work for multiple companies. Under the additional pressures of the recession, traditional forms of work and contracts have been replaced by new arrangements also leading to an exacerbation of labour flexibility which has led, in turn, to increased job insecurity and precarity, as reflected in the emergence of partial, unstable, and informal jobs, with irregular salaries and a significant marginalization of social security.

If not accompanied by effective welfare policies⁵², pressures from globalisation as acerbated

⁵¹ <https://isaconf.confex.com/isaconf/forum2016/webprogram/Session4635.html>

⁵² Indeed, remuneration in the less competitive facto decreases, rising income inequalities and precariousness because of specialization and international trade (Stopler and Samuelson, 1941).

by the economic crisis, can lead to larger inequalities within countries and heightened fragility of employment⁵³. Indeed, beyond the protection of individuals, social protection plays a stabilising role for the economy (maintaining incomes in case of unemployment shocks) and an investment role by enhancing the quality and allocation of human capital⁵⁴.

Technology

Technological advances forced companies to become more competitive globally but made it also possible for them to do so. New IT technologies make it possible to monitor and adjust the production, to build-up of stocks on an ongoing basis, to divide the production of goods and services and organise it more efficiently. The trends in the realm of technological and digital productivity are arguably creating the most significant changes worldwide. They are transforming the world of work in unprecedented ways: automation is replacing jobs and big data and advanced analytics are unlocking vast customer, operational, and employee insights⁵⁵.

Indeed, technological progress leading to ever increasing opportunities for automation as well as the global economic integration, question the future existence of routine jobs both in manufacturing and services, i.e. jobs that can easily be automated with available technology or relocated. This is not only a question of blue collar manufacturing jobs or elementary occupations in some services. It can also affect medium-skilled white collar work to the extent that available technologies allow for automation and / or relocation to countries with lower costs at given skill levels. Growth of highly skilled and often highly paid jobs tends to increase inequality in labour markets in developed countries.

While less than 5 percent of all occupations can be automated entirely through the use of demonstrated technologies, about 60% of all occupations have at least 30% of constituent activities that could be automated⁵⁶. Tasks can sometimes be replaced by smart machines or be split up, making it possible to outsource tasks to freelancers online.

Moreover, the unprecedented gains in the storage, processing, and transmission of data of the past two decades, have led to an explosion in the amount of information available to businesses around the world. People can be continuously connected, access data from any location, work remotely with ease, and collaborate with their global colleagues in real time. They do not even need to be employees. At several leading IT companies, outside contractors make up almost half of the fulltime staff.

Rapidly expanding platforms are giving rise to such phenomena as crowdsourcing and the collaborative economy. The most innovative solutions today are being developed by people around the world who come together in online communities, internet platforms, and digital ecosystems that disrupt the traditional models of venture funding, product development, and

⁵³ Indeed, remuneration in the less competitive facto decreases, rising income inequalities and precariousness because of specialization and international trade (Stopler and Samuelson, 1941).

⁵⁴ Maquet at al (2016).

⁵⁵ Kremer at al. (2017): For the sake of security.

⁵⁶ McKinsey (2017): A Future that works: automation, employment and productivity.

product life cycle management. This rise in freelancing runs parallel to the growth of the gig economy, where digital technologies enable teams to be assembled around a given project – and often across borders – while platforms seamlessly connect buyers with sellers.

In the digital economy ‘non-standard’ employment does not necessarily mean sub-optimal: more people voluntarily check out of the traditional ‘9 to 5’ job routine to pursue more independent and flexible work arrangements. Instead of hiring fulltime employees, companies can staff projects with the specific expertise needed. Freelancers come with the added benefit of being well-connected to developments in the wider industry, unlike employees, who tend to get caught up in internal dynamics.

Yet, many applications of new technology lead to new forms of employment, not sufficiently covered by national labour law and social protection arrangements.

Demographic changes

Demographic changes are also affecting the labour markets around the world: 60% of people now live in countries with stagnant or shrinking populations. Those changes are greatly influencing European labour markets and posing challenges for social protection policies.

One of the biggest challenges is the aging of Europe's population. The EU share of elderly persons exceeds the global average. The proportion of younger people in society is decreasing, while the number of older people is growing. Young people (0-14 years old) presently account for 15.6% of the EU population and this share keeps falling, while older persons (60 and over) account for 24.3%. Over the past decade, the old-age dependency ratio has increased by three percentage points to 27.5%, meaning that there are fewer than four people in standard working age (15-64) for every person older than 65. Moreover, with a median age of 45, Europe will be the “oldest” region in the world by 2030. Across Europe, the working-age population is projected to decline by 10% by 2020⁵⁷. Until 2060 life expectancy will increase by 7.8 years for women and 6.4 years for men in European Union⁵⁸.

This means that will be a supplementary pressure on social security systems, posing an increased burden on those of working age to provide for social expenditure required for public pensions and healthcare for the ageing population, exerting to significant pressures⁵⁹.

The demographic trends also will affect the overall economy. Direct effects may include the size and quality of employment, capital/labour ratio and technical progress, while indirectly affecting budgets and economy as a whole⁶⁰.

⁵⁷ McKinsey (2015): No Ordinary Disruption: The Four Global Forces Breaking All the Trends.

⁵⁸ European Parliament, *EU demographic indicators: Situation, trends and potential challenges*, Briefing, PE 551.335, March 2015

⁵⁹ Eurostat, *Population structure and ageing*, available online: http://ec.europa.eu/eurostat/statistics-explained/index.php/Population_structure_and_ageing

⁶⁰ Andreea Claudia Serban, *Aging population and effects on labour market*, International Conference On Applied Economics (ICOAE) 2012, Procedia Economics and Finance 1 (2012) 356 – 364, p. 359-360

Indeed, new family structures, a changing population, urbanisation and more diverse working lives are affecting the way social cohesion is built. In the space of a generation, the average European worker has gone from having a job for life to having more than ten in a career. There are more women in work than ever before but achieving real gender equality will mean breaking down persisting barriers. As we are emerging from the crisis, young adults and older workers continue to have a higher risk of unemployment, while the share of non-standard employment and dependent self-employment continues to increase⁶¹.

One of the impacts of aging population may also be the shortage of workers. This might push companies to respond by encouraging more people to enter the workforce, through offering flexible working practices⁶², i.e. increasing the number of non-standard workers and expanding the diversity of new forms of employment.

Changes in labour markets

Changes in legal and other labour market institutions mediate the effects of globalization and technology on work and employment relations⁶³. Service industries continued to expand as the principal sources of jobs as the economy shifted from manufacturing-based, mass production to information-based organized around flexible production⁶⁴. In addition, unions continued to decline, weakening a traditional source of institutional protections for workers and breaking the post-war business-labour social contract. Government regulations that set minimum acceptable standards in the labour market eroded, as did rules that governed competition in product markets.

These institutional changes are changing the standard employment relationship, in which workers were assumed to work full-time for a particular employer at the employer's place of work, often progressing upward on job ladders within internal labour markets⁶⁵.

The accelerated speed at which new forms of work emerge is further challenging, in many countries, the way access to social protection varies with the labour law status and type of contract of people in employment and the way it handles transitions between labour market statuses (i.e. unemployment, salaried employment and self-employment). Yet, the existing framework of employment legislation and, more broadly, of public policy – from minimum wages to benefits and pensions – is structured around the concept of ‘the firm’ as the agent of policy delivery. It is therefore not surprising that coverage of people on non-standard employment and in self-employment has been rarely central to policy developments.

4.2.2. Internal drivers: regulatory deficiencies in social protection

Developments towards more employment-friendly social protection have often not included people in different forms of employment to the same extent. Importantly, this has been the case when, over the last decades, the ‘traditional’ social protection package in cash and kind

⁶¹ European Commission, *White Paper on the Future of Europe*, COM(2017)2025, 1 March 2017

⁶² Tejvan Pettinger, The impact of an ageing population on the economy, 20 July 2016, available online: <http://www.economicshelp.org/blog/8950/society/impact-ageing-population-economy/>

⁶³ Gonos (1997): The Contest over “Employer” Status in the Postwar U.S.: The Case of Temporary Help Firms.

⁶⁴ Piore and Sabel (1984): The Second Industrial Divide.

⁶⁵ Cappelli (1999): The New Deal at Work: Managing the Market-Driven Workforce.

was given a more active orientation and coupled with increased access to employment services and training, so as to make the ability of people to provide for themselves through employment the pivot of welfare policies. Whereas workers in non-standard employment have often been included in this ‘wider social protection package’, access has often remained limited for the self-employed. In many countries the self-employed were never fully included in social protection or only afforded terms of inclusion rather different from employees even though many categories of self-employed were and are exposed to similar or higher risks to their employment, health and income. Moreover, although a number of countries have developed some guidance and start-up programmes for the entrepreneurial self-employed, this has rarely also led to a redesign of social protection for them.

More recently, some Member States started reforms to address some of the deficiencies related to access to social protection for new forms of work (see Annex 3 for a complete review). Nonetheless, not all countries are undertaking reforms and gaps persist broadly across the EU.

The causes for insufficient access to social protection are deficiencies in the regulatory framework governing the **coverage** (formal and effective), the **transferability** and **transparency** of social protection and employment services that does not (sufficiently) take into account these new labour market developments. Altogether the current situation also calls for a strong effort of **simplification** so that each individual more easily can accumulate, preserve, transfer and even convert his/her rights and have clear information about them.

Therefore, there is a risk of leaving a growing part of the working population without the support from adequate social protection and employment services that people need to manage their working careers and lives in ever more rapidly changing labour markets. There are also the risks that gaps in access to social protection for people in non-standard employment and self-employment undermine the basis for standard employment on full-time, open-ended contracts and erode the financial basis for social insurance.

It has become important to examine whether the national packages of social protection arrangements in Europe are sufficiently attuned to labour market dynamics and to the needs of people in the various forms of self-employment and non-standard employment and determine how formal and effective gaps in coverage for these groups can best be reduced or closed. To reshape policies in order to protect the interests of people as workers as well as consumers, it is important to understand why digital innovators make the choices they do, and therefore how labour market policies can improve working conditions without constraining the productivity and consumer benefits enabled by digital business models⁶⁶.

4.2.2.1. Gaps in access

When depicting Member State policies on access to social protection for people in non-standard employment and self-employment it is important to distinguish formal coverage from effective coverage. **Formal coverage** means that everyone in employment or self-

⁶⁶ Coyle (2017): Precarious and productive work in the digital economy.

employment has access to social security systems and to social protection. By contrast, **effective coverage** refers to ensuring coverage under comparable conditions, irrespective of the type of employment. People in these forms of employment may be formally covered or have the legal possibility to opt for access without achieving effective access in the sense of de facto being able to build and take up adequate entitlements to benefits and services. This is because it may be difficult for them to meet entitlement criteria of employment hours/duration, income level, contribution periods etc. or because they may be disadvantaged by rules of benefit calculation. However, accessibility problems differs for non-standard workers and for self-employed. Annex 1 provides overview tables on the situation of formal coverage across the Members States and across all branches of social protection.

When private insurance schemes exist in Member States, they are mainly complementing existing social protection, but offer sometimes a certain degree of freedom of choice.

Box 3: Examples of private insurance schemes

Belgium: The Voluntary Supplementary Pension Scheme for the Self-Employed allows self-employed to save for a supplementary pension. Some 46% of the self-employed exercising a main activity are covered by this non-compulsory private insurance scheme.

Germany: Self-employed (with the exception of farmers and artists) and the well-paid salaried workers (2016: above €4,676 a month, adjusted annually) can choose between the private health insurance (PHI) system and a voluntary membership in the statutory health system (SHI) system. 8.8 million (11 per cent) people in Germany were qualified to hold a private health insurance (PHI).

Latvia: Private insurance companies offer health insurance policies – but mainly to legal entities with the sufficient number of employees. Until recently, private persons had no opportunity to take out a health insurance policy – only companies could do it, now some of insurance companies are selling policies also to private persons, but prices are much higher in that case and few people can afford it. Many large and medium-sized companies are buying health insurance policies for their employees, but for small companies it is often not affordable because of high prices.

See Annex 2 for an overview of private insurance schemes available in Member States.

4.2.2.1.1. Non-standard workers

Generally, Member States can be considered to have '*inclusive*' social protection systems, which ensure formal coverage also to non-standard workers. As for contribution rates, in general these are the same as for standard workers. However, sometimes non-standard workers may be effectively excluded or only partially covered due to strict eligibility criteria (except for means-tested benefits) and some categories of workers and their employers may pay lower contributions or be totally payroll-exempt.

In particular, two thresholds can be an obstacle to the entitlement of some benefits: a) the contribution period; and b) the working hours. Moreover, in the case of some new forms of employment, the level of earnings may also affect the effective eligibility (e.g. this is the case of ‘mini-jobbers’ in Germany).

Those "implicit" thresholds can determine the exclusion of categories of non-standard employees from social protection benefits. For example, *temporary and temporary agency workers* can be excluded from the entitlement because they cannot meet the contribution period thresholds. They can have only partial access because the period of receipt of the benefit is calculated on the basis of their period in employment which in some cases may not be long enough, because of the temporary nature of employment. *Part-time workers* can be often excluded because they have to meet a certain hourly threshold and/or minimum wage threshold in order to be compulsorily insured (e.g. Germany). This is also the case of ‘marginal part-timers’ in Austria and in Germany⁶⁷ (who do not reach the necessary level for social insurance entitlements) and of ‘flexi-jobs’ in Belgium. In general, the *new forms of non-standard employment* are submitted to different degrees of social protection: while employee sharing, job sharing and interim management combine flexibility for workers with a good level of job security, casual work is characterized by poor social protection. A different condition is that of voucher-based workers, which are usually considered better-off in terms of social protection because compared with previous states of undeclared work, but for which social protection situation is more similar to the one of the casual workers.

Unemployment benefits

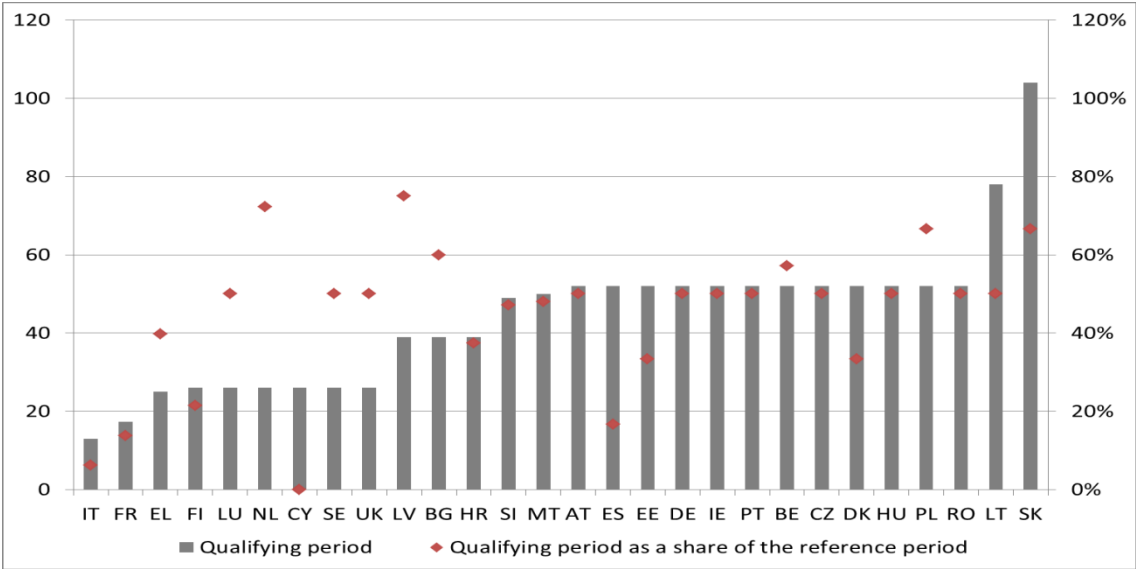
In general, non-standard workers have **formal coverage** of unemployment schemes on an equal footing with standard workers in all Member States. However, in a number of countries certain categories such as casual and seasonal workers do not have access (e.g. Bulgaria, Romania, Latvia) or are only partially covered (e.g. Croatia, Hungary, Lithuania, Malta). Specific national categories of workers can also not be eligible for unemployment benefits, i.e. ‘civil law contracts for a specified task’ in Poland, ‘marginal freelancers’ and ‘marginal part-timers’ in Austria. Apprentices and trainees are also excluded from unemployment benefits in some countries (e.g. Belgium, Greece, Croatia, Malta, the Netherlands, Poland for what concerns the apprentices, and trainees in Greece, France, Hungary, Italy, Lithuania, Malta, the Netherlands, Poland and Romania).

Moreover, in some countries, eligibility conditions can be so tight (difficult to fulfil for non-standard workers) and the period of receipt of the benefit may be so short (e.g. Bulgaria, Hungary), that some categories of non-standard workers are *de facto* excluded from unemployment benefits. For example, in Germany in 2015, only 30% of the registered unemployed were entitled to insurance-funded unemployment benefit due to difficulties in meeting the required eligibility conditions. Most job seekers (70%) must rely on a means-tested unemployment benefit, of which part-time workers and ‘mini-jobbers’ represented nearly 29% of all beneficiaries. In Estonia, in 2015, 36% of newly registered unemployed

⁶⁷ Marginal part-time work is assessed as being particularly problematic for women. In the Austrian and German cases, this type of employment is most often the sole employment or social insurance status available to women. In Germany, the vast majority of these female workers decide to opt out from compulsory insurance, ‘thereby perpetuating the traditional male breadwinner model’. Moreover, the threshold of €450 is a disincentive for women to increase their weekly working time.

people received neither unemployment benefits (insurance-based) nor unemployment allowances (means-tested), partially due to the lack of required employment records mainly in the case of non-standard workers. In Hungary, the claimant must have been in employment for 12 out of the previous 36 months, and only one person in a family can be eligible for this kind of benefit. Due to this strict eligibility conditions and the short period of benefit entitlement (maximum of 90 days), 49% of all jobseekers were not receiving any benefit in 2016, which is estimated to be particularly problematic with regard to the coverage of non-standard workers. In Spain, temporary and part-time workers struggle to meet sufficient contribution period threshold, so they often resort to the means-tested schemes (subject to the condition of not exceeding 75% of the minimum wage) covered by the unemployment assistance scheme. In Finland, access to insurance-based unemployment benefits (voluntary insurance by means of an unemployment fund run by the trade unions) is difficult for non-standard workers and most of them have to rely on basic unemployment benefits (means-tested).

Figure 11: Qualifying period in weeks for unemployment insurance in 27 EU Member States, 2015



Source: MISSOC and national sources for IT⁶⁸.

Note: Red diamonds indicate the ratio between contribution and reference period. The chart relies on a simplification in some countries where the qualifying periods are calculated in a more complex manner.

Old-age and survivors' pensions

In all Member States, non-standard workers tend to have the same **formal coverage of pensions** as standard workers. However, some specific categories of non-standard workers may have only partial access to these schemes: casual workers (e.g. in Bulgaria, Malta, and

⁶⁸ For IT, the reference is to the situation after the May 2015 adoption of the Job Act.

Romania) and seasonal workers (in Bulgaria, Hungary, and Romania), on-call workers (in Hungary, and Luxembourg), temporary agency workers (in Malta), marginal freelancers and marginal part-timers (in Austria). For instance, in Austria, marginal part-timers are not covered by mandatory insurance, but they can opt in at rather low contribution levels. Other categories may have no access as is sometimes the case for casual and seasonal workers (in Lithuania this is the case of voucher-based contracts), apprentices (in Belgium, Croatia and Malta) and trainees (in Greece, France, Hungary, Italy, Lithuania and Malta). In Spain, the rules governing the retirement of domestic workers are the same as for salaried workers, but early retirement, partial retirement or retirement at 64 years of age are not possible.

Partial *effective access* for some categories of non-standard workers is typically due to eligibility conditions, which differ from those for standard workers (e.g. contribution periods, a flat-rate benefit instead of a pension based on a replacement rate). For instance, in the Netherlands, there is a double condition for temporary agency workers, based on employers' liability and the contribution period: a contract with the same employer for at least 26 weeks is needed to accumulate pension entitlements. The Italian pension system mostly penalises - in terms of expected pension levels - workers with part-time or short careers (30 years), which is usually the case for temporary workers. As for other social benefit schemes, non-standard workers may be also subject to less coverage because of interrupted contribution periods. Effective coverage to statutory funded and occupational pension schemes may be also hampered by conditions difficult to fulfil for some categories of non-standard workers. In Denmark, access of non-standard workers to occupational schemes depends on coverage by collective agreements, but 80% of the employed work force is covered. In the Netherlands, almost 90% of the workforce is covered by occupational pensions, but conditions may differ greatly for some categories such as temporary agency workers and on-call and zero-hour workers.

As to **formal coverage** of survivors' pensions, in most countries they are part of the pay as you go statutory public pension schemes and non-standard workers have access to these schemes; the same exceptions as above apply to some categories of workers in a few countries. However, in Denmark there is no state scheme for survivors' benefits. Occupational pension schemes tend to provide these, but benefits differ between schemes covered by different collective agreements. In the Netherlands, there is a basic state survivors' benefit and additional occupational scheme survivors' benefits, the coverage of which differs according to the sector or the pension insurer.

Healthcare

In general, in all EU countries, **formal** healthcare coverage is the same for those in non-standard and standard forms of employment. However, there are some notable exceptions. For instance, casual and seasonal workers are not mandatorily covered in some countries (e.g. Bulgaria, Hungary, Lithuania, Latvia, and Romania). This is the case also for 'civil law contracts for a specified task' in Poland.

Sickness benefits

As for sick pay (when state-mandated) and sickness benefits, non-standard workers have the same **formal coverage** as standard workers.

The problem for these categories may be their *effective coverage*, which can be hampered by eligibility conditions difficult to fulfil. For example, in Belgium, in the case of sickness, no minimum level of benefits is set during the first six months. It was estimated that a fairly large number of workers on non-standard contracts risk to receive a level of sickness benefit which leave them below the income poverty line. There are cases where marginal part-time workers can be effectively not covered by sick pay, even if this is state-mandated for salaried employees because they can depend on the employers' discretion and workers may be reluctant to ask for them (this is the case in Germany, for example). In Cyprus, on top of public insurance, private collective insurance schemes (based on a contract with a specific employer) are widespread from which non-standard workers are often excluded.

Apprentices have formal coverage of sick pay/sickness benefits in most of the countries (except in Belgium, Hungary, the Netherlands and Poland). The situation is similar for paid trainees (except in Denmark, France, Hungary, Lithuania, the Netherlands and Poland) and people in vocational training (except in Denmark, Greece, France, Hungary and Poland).

Invalidity, accidents at work and occupational injury benefits

In all Member States non-standard workers enjoy full **formal coverage** concerning invalidity schemes if all the eligibility criteria are fulfilled. However, some specific statuses may not have access or are only partially covered, such as casual workers and seasonal workers in Hungary and Romania. In Austria, 'marginal freelancers' and 'marginal part-time workers' are not covered by mandatory insurance, but they can voluntarily opt in at a rather low cost.

Accidents at work and occupational injury benefits

Non-standard workers tend to have **formal coverage** on similar terms as standard workers in all Member States. However, some of them may not have access. This is the case for casual workers in Bulgaria, Croatia and Romania; seasonal workers in Bulgaria, Lithuania (only voucher-based), Latvia and Romania; on-call workers in Bulgaria; and those with 'civil law contracts for a specified task' in Poland. In Romania, casual work is a specific case: although employers are not obliged to pay insurance against these risks, they are however responsible for paying all expenses in the event of injury.

Maternity/paternity cash benefits and benefits in kind

Non-standard workers are **formally** covered by maternity/paternity benefits in all Member States. Exceptions may apply to some categories of workers, such as casual workers in Bulgaria and Romania, seasonal workers in Bulgaria, Latvia and Romania, on-call workers in Bulgaria, or temporary agency workers in the United Kingdom. Apprentices have access to these schemes in most countries (except in Belgium and Malta). The situation is similar for paid trainees (except in France, Hungary, Italy, Lithuania and Malta) and people in vocational training (except in Greece, France, Hungary and Italy).

However, other country-specific categories in some countries may only have partial **effective coverage** because of less favourable eligibility conditions and periods of receipt compared to standard workers. This is the case for ‘marginal’ freelancers and ‘marginal’ part-timers in Austria, part-time workers in Bulgaria and France, those on civil law contracts for a specified task in Poland, workers governed by an agreement to perform work/job in the Czech Republic, casual workers in Hungary and seasonal workers in Malta, Croatia and Hungary, and temporary agency workers in Malta. In Italy, maternity/paternity benefits are among the schemes for which non-standard workers are most at risk of being less well-covered than other categories of workers.

4.2.2.1.2. Self-employed

In general, the self-employed have formal coverage of healthcare, maternity/paternity benefits, old-age and survivors’ pension schemes, social assistance, long-term care, invalidity schemes and family benefits but in several countries they are excluded from sickness, unemployment and occupational injury benefits. In some cases, they can voluntarily join some of those schemes.

Formal coverage for the self-employed varies widely between countries and, within the same country, between different schemes. Moreover, coverage can vary among the categories of self-employed within the same scheme.

In general eligibility conditions for the self-employed do not take into account their specific situation, but are rather tailored to salaried employment. This means that systems treat and translate working hours and income of the self-employed as if they were salaried workers, instead of adapting the criteria to the specific characteristics of self-employment.

Two elements mainly create difficulties in accruing entitlements and ensuring the adequacy of benefits: a) eligibility conditions which are hard to meet, often because they have been tailored to salaried employment (e.g. contributory periods and cessation of activity requirements); b) in some countries the self-employed may receive lower benefits because these are defined as a lump-sum rather than in relation to earnings, as for salaried employment. Linked to this problem are the difficulties to assess the income base due to income paid on long previous periods of earnings, upfront payments (advance social security payments), payments of arrears, under- or non-reporting of income.

The self-employed can in some cases opt for voluntary financed schemes. However, those schemes do not seem to be too much popular among the self-employed. For example, in Belgium, the low level of sickness benefit can be topped up by an amount paid by non-compulsory private insurance. However, the latter has very low subscription levels. Moreover, only 54% of the self-employed are affiliated to the voluntary funded Pension Scheme for the Self-Employed.

Unemployment benefits

Regarding the **formal coverage of** unemployment benefits for the self-employed, Member States can be classified into three groups.

The first group is made up of eleven countries where the self-employed are compulsorily insured against unemployment (Czech Republic, Greece, Croatia, Hungary, Finland, Luxembourg, Poland, Portugal⁶⁹, Sweden, Slovenia, and Slovakia). In Finland, compulsory insurance covers entitlements to flat rate basic benefits, i.e. basic unemployment daily allowance, and labour market subsidy. Insurance for income-related benefit is voluntary, as it is also for employees. Likewise, Sweden has a two-tier unemployment insurance system: a universal flat-rate benefit, combined with voluntary state-subsidised, earnings-related compensation. Moreover, in three other countries, Estonia, Ireland and the UK, they have access only to means-tested unemployment benefits.

The second group is made up of four countries where the self-employed can join unemployment insurance schemes on a voluntary basis (Austria, Denmark, Spain, and Romania). For instance, in Spain, the self-employed have a specific unemployment protection scheme which they can join voluntarily: cessation of business activity benefit. In Denmark, the state finances the marginal risk of unemployment in voluntary unemployment insurance funds regardless of the employment status of the person (salaried employees, self-employed etc.). There is, however, no general definition of self-employment, and the benefits are granted by a discretionary decision based on a complex set of rules⁷⁰.

The third group is formed of ten countries where the self-employed are not covered in case of unemployment (Belgium, Bulgaria, Cyprus, Germany, France, Italy, Latvia, Lithuania, Malta, and the Netherlands). In this group of countries, certain categories of self-employed may be compulsorily covered. This is the case of dependent self-employed and liberal professions in Italy, or employees of micro-enterprises in Latvia. It should be noted that the Belgian situation is rather specific: while there is no possibility to be covered by an unemployment insurance, there is a compulsory social insurance in the case of bankruptcy, the amount of which may be higher than the unemployment benefit paid to former salaried workers.

However, even in countries with compulsory insurance, **effective coverage** may be only partial. For instance, in Poland, the same eligibility criteria apply to the self-employed as to employees, but self-employed can only begin to receive the benefit after 90 days of unemployment. In Greece, unemployment insurance is compulsory for all self-employed (except farmers), though entitlement to unemployment benefit is subject to means-testing. In Sweden, if the self-employment activity is re-activated, the self-employed person is barred from unemployment benefits for a period of five years to reduce fraud. This rule seems to make self-employed people less likely to register as unemployed and to apply for unemployment benefits. Moreover, unlike employees, they cannot be partially unemployed and receive benefits. In Denmark, eligibility conditions for the self-employed can result in

⁶⁹ Compulsory coverage applies to the following categories 'dependent self-employed' and self-employed workers who earn their income through a registered business of their own or possess an individual commercial establishment.

⁷⁰ These rules take into account the extent of work, the status and branch of the company, the insured person's personal tasks and working hours, the turnover of the company, its location, opening hours, number of employees as well as their tasks and working hours.

lower take-up rate in unemployment benefit, receipt of lower unemployment benefit and for a shorter period, when compared to workers.

Gaps in the take-up among the self-employed have been reported in Finland, where 85.9% of full-time permanent employees are members of unemployment funds (contributory benefit) against only 21% of self-employed without employees and 10% of self-employed with employees. In Greece (under the current system to be reformed as of 2017), it is estimated that 85.9% of those at risk of ineligibility for unemployment benefit are self-employed. In Romania, unemployment insurance is optional for the self-employed (but it is conditional upon pension and health insurance): the estimated number of independent self-employed paying unemployment contributions is insignificant - less than 1% in 2016.

Old-age and survivors' pensions

In regards to **formal coverage** of old-age pensions, the self-employed are mandatorily covered under the *statutory public pension scheme* in 25 Member States (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Greece, Spain, Finland, France, Croatia, Hungary, Ireland, Italy, Luxembourg, Latvia, Malta, Poland, Portugal, Romania, Sweden, Slovenia, Slovakia, and the UK). Some of these countries have also non-contributory basic old-age pensions, which are available to all residents (e.g. Bulgaria, Denmark, Estonia, Finland, and the Netherlands). In some others the self-employed may be exempted from insurance if they do not reach a certain minimum income threshold, but still have the possibility to opt in, thereby avoiding gaps in their contributions (e.g. Bulgaria, Finland, Romania, Slovakia, and the UK).

In the remaining Member States the situation may be rather complex, entailing a possibility for the self-employed of opting in to the public scheme but being covered only through basic pensions. This is the case of Germany - where some categories of self-employed are compulsorily insured ('dependent self-employed without employees', some artists and publishers) while others may only opt in – and of the Netherlands.

As for *statutory funded schemes*, the self-employed are usually covered (e.g. in Bulgaria, Croatia, Estonia, Poland, and Slovakia). They may be subject to mandatory insurance (as in Bulgaria and Croatia) or can only join these schemes voluntarily (as in Estonia).

By contrast, the self-employed are not usually covered by *occupational pension schemes*. In some countries, they may access these schemes under less favourable conditions.

Regarding the **effective coverage**, in some countries (for example Romania and the UK), despite the formal coverage of statutory public pensions, the self-employed may have only partial coverage due to tighter eligibility conditions compared to standard workers, based on the contribution period, assessment base or replacement rates. Moreover, treatment is also a problem: in Italy, the average pensionable income of the self-employed is lower than the one for standard workers⁷¹.

⁷¹ The income is €200 lower and even €382 lower if the mandatory supplementary pensions are taken into account. Moreover, projections show a large decline in replacement rates for the self-employed by 2040. In 2010, a self-employed worker had a gross replacement rate of 77.2% and the rate for a salaried worker was

Finally, as for survivors' pensions, the self-employed are compulsorily insured in most Member States, in the same way as salaried workers. In some countries, survivors' pensions are not part of the statutory pension scheme but can fall under the invalidity scheme (e.g. Spain).

Healthcare

With regard to **formal coverage** of healthcare, in all countries where healthcare is insurance-based, the self-employed are compulsorily covered⁷². Among the countries where healthcare is tax-financed and thus unrelated to employment status, only Ireland provides partial coverage for the self-employed⁷³. In some countries, specific categories of self-employed may be excluded or be only partially covered (e.g. Greece).

However, the self-employed may experience gaps in **effective coverage**. Indeed, the self-employed, especially self-employed without employees, report a lower incidence of good and very good health and, in 2015, their rate of unmet medical needs was 55% higher than one reported by employee.

Moreover, while the compulsory insurance may play a prominent role in ensuring the access to healthcare for self-employed, the insurance options are not always sufficient to cover the overall needs of self-employed, especially if they choose the insurance at the minimum insurance threshold due to affordability reasons. Indebtedness among the self-employed due to the lost capacity to pay premiums due to the growing prices of insurance is also an emerging challenge in Germany. Therefore, the compulsory insurance schemes do not always prevent from the lack of affiliation.

Sickness benefits

Further on, regarding **formal coverage of** sickness benefits, the self-employed are required to be insured for sickness protection in 20 of the Member States: this is the case in Austria, Belgium, Cyprus, Germany, Denmark, Estonia, Spain, Finland, France, Croatia, Hungary, Luxembourg, Latvia, Lithuania, Malta, Portugal, Sweden, Slovenia, Slovakia and the UK.

However, in many countries, there can be gaps in **effective coverage**, due to different eligibility conditions, or to conditions governing receipt of the benefit, which may be less favourable for the self-employed when compared to standard workers. Indeed, the self-employed are subject to longer waiting periods (e.g. Austria, Denmark, Finland, Luxembourg, Portugal, Slovenia), and considerably shorter periods of receipt of benefits than standard workers (e.g. Austria, Portugal). In Portugal, the maximum period of sickness benefit receipt is three times shorter and the waiting period is ten times longer for self-employed than for

73.7%. In 2040, the figures would be respectively 47.3% for self-employed and 61.7% for employees.

⁷² In Germany, the self-employed are required to take out a private health insurance.

⁷³ However, reforms extending some benefits to the self-employed are planned in 2017. For example, the self-employed are excluded from some benefits in Ireland, but some changes are being introduced with the Social Welfare Act 2016 which proposes to extend dental, ophthalmic and hearing-related benefits to the self-employed through the Treatment Benefit in March 2017.

salaried employees. These conditions may explain the very low proportion of self-employed (2.4%) among the total number of beneficiaries of sickness benefit (2016). In Belgium, the amounts paid to self-employed persons are equal to the minimum amounts paid to white-collar employees after six months of sickness. As a result, the adequacy of sickness benefits in cash is lower for the self-employed than for standard workers. In Sweden, a potential problem in connection with sickness benefits for self-employed workers concerns the number of waiting days, whereby self-employed workers, particularly those with low business income, may be tempted to choose more waiting days in order to reduce social security contributions, thus weakening the protection which the sickness benefit can provide. The main reason for the longer waiting periods is that sick pay schemes (which - by definition - apply only to salaried employment) do not apply to the self-employed. Therefore, during the same period in which a salaried worker is entitled to sick pay, the self-employed person does not receive any benefit. However, in some countries the self-employed can opt into specific schemes which allow them to receive benefit from the first day(s) in the event of sickness (e.g. Austria, Denmark, Finland, and Luxembourg). For instance, in Luxembourg, the self-employed have the opportunity to voluntarily join the Mutual Employers' Insurance Fund (*Mutualités des Employeurs*), without a contributory period being required. Similarly, in Denmark, Finland and Austria the self-employed have a right to opt into insurance covering this waiting period. In Spain, in the case of temporary incapacity due to common illness, insurance is compulsory for the self-employed and voluntary for the self-employed in the agricultural sector.

In the other eight countries, the self-employed are not compulsorily covered by sickness insurance (Bulgaria, Czech Republic, Greece, Ireland, Italy, the Netherlands, Poland, and Romania). In some of these countries, they can opt in to state insurance (e. g. Bulgaria, the Czech Republic, the Netherlands, Poland, and Romania). In a few, they can qualify only for means-tested benefits (e.g. Ireland). In Italy, some categories of self-employed are subject to compulsory insurance under a specific scheme which also covers some categories of non-standard workers (*Gestione Separata*); others are completely excluded from sickness insurance, but some categories can obtain private collective coverage through occupational welfare institutions. It should be noted that in some countries, specific categories of self-employed may be excluded from coverage (e.g. in Lithuania: 'persons engaged in individual activities under a business certificate') while the other categories are subject to mandatory coverage. And vice-versa, in other cases, some categories may be covered mandatorily under some schemes while the others are not — e.g. 'dependent' self-employed benefit from compulsory coverage in Italy and Romania.

A further, related problem is the low rate of take-up which concerns a number of Member States. In Romania, for instance, the share of the self-employed, who opt into sickness insurance and unemployment insurance schemes, is negligible. In the Netherlands, about 3% of the self-employed who wish to take out insurance are refused, and about 8% of self-employed persons without employees who wish to take out insurance do not follow through on their application because of additional requirements set by the insurance company.

Invalidity, accidents at work and occupational injury benefits

Regarding **formal coverage of** invalidity benefits, the self-employed are mandatorily insured under invalidity schemes in most of the countries except for the Netherlands, where they can

decide to opt into public or private insurance schemes. Ireland has only recently provided entitlement for the self-employed (as of 2017).

Sometimes, specific categories of self-employed persons are only partially covered or not entitled at all to invalidity benefits: this is for example the case for those providing 'services paid by receipt of business expenditure' in Greece.

Accidents at work and occupational injury benefits

In regards to **formal coverage**, typically accident at work and occupational injury benefits are among the schemes which are less open to the self-employed.

In 15 countries, the self-employed are entitled to these types of benefits (Austria, the Czech Republic, Estonia, Greece, Finland, Croatia, Hungary, Italy, Luxembourg, Malta, Poland, Portugal, Sweden, Slovenia, and Slovakia). Yet, sometimes specific categories of self-employed are not entitled to these benefits, as for example in Czech Republic (where people working under 'agreement to perform work/job' are not entitled or are only partially covered); Greece (liberal professions and those providing services paid by receipt of business expenditure) and the Netherlands (the self-employed working on their own account or with employees).

In thirteen countries (Belgium, Bulgaria, Cyprus, Germany, Denmark, Spain, France, Ireland, Lithuania, Latvia, the Netherlands, Romania, and the UK), the self-employed are not compulsorily insured. In some of them, they can voluntarily join the public insurance scheme (e.g. Germany, Spain, and Romania). In the Netherlands, only the dependent self-employed are covered by these benefits. In Denmark, the schemes for accidents at work and occupational illnesses are in the hands of private insurance companies. The self-employed can choose to subscribe, but they are not covered by the same legislation as employees, in particular with regard to benefit calculation. In Spain, insurance for accidents at work or occupational diseases is voluntary for the self-employed and compulsory only for 'dependent self-employed' and mobile traders.

Gaps between workers and the self-employed exist also when it comes to take-up and **effective coverage**. In the Netherlands, only one-third of self-employed persons without employees take out insurance against incapacity for work.

Gaps can be noted also with respect to coverage. For example, in Finland, compensation in the case of a work accident would be about €2,500 for the employee and €1,750 for the self-employed, or if the person is not eligible for income-related benefits, the universal minimum allowance would be approximately €622 a month.

Maternity/paternity cash benefits and benefits in kind

Regarding the **formal coverage**, in most countries where maternity/paternity schemes are insurance-based, the self-employed are mandatorily insured (e.g. Austria, Belgium, Bulgaria, Cyprus, Denmark, Estonia, Greece, Spain, France, Croatia, Hungary, Ireland, Italy, Luxembourg, Lithuania, and Latvia). In the Czech Republic, this benefit is part of the sickness scheme, therefore the self-employed have to be affiliated to the sickness insurance

scheme in order to be covered for maternity benefits. Similarly, in Poland the self-employed can opt into state insurance. In the Netherlands, there is a special maternity provision for the self-employed at the level of the minimum wage. In the UK, they are excluded from employer-provided maternity/paternity/parental benefits but can qualify for insurance-based benefits.

However, with respect to **effective coverage**, in some of the Member States self-employed may be only partially covered because of shorter periods of receipt of the benefits (e. g. Estonia, Greece, France). Moreover, they may not fully benefit from these schemes because they cannot be absent from work and replacement services are easily accessible (e.g. Hungary, Italy, Finland, Sweden).

Box 4: The issue of income assessment bases

Contribution rates play an important role when comparing salaried employment and self-employment. Contributions are paid on specific income bases within countries, schemes and groups of self-employed.

National systems may be classified into two main groups with regard to the contribution rates applied to the self-employed compared to salaried employment (employees' and employer's contributions taken together). The first group covers only seven Member States (e.g. Belgium, Bulgaria, Hungary, Estonia, Ireland, Italy, and the UK), where contribution rates for the self-employed are significantly lower (more than 3 percentage points) than those for contractual employment. For instance, in Belgium, the gap is even more pronounced since there is no upper limit for contributions for salaried workers, while there is a cap on income for the self-employed; moreover below this cap the contribution rate is regressive, which is not the case for salaried workers.

The second group is made up of countries where contributory rates are equal or only slightly lower or higher (1-3 percentage points) for the self-employed. In this case, social protection tends to be provided for the self-employed at similar contribution rates as for the salaried workers in the case of healthcare (in Greece, Croatia, Lithuania, Portugal, Sweden, Slovenia, Slovakia), sickness benefits (in Czech Republic, Lithuania, Sweden, Slovenia, Slovakia), old-age pensions (in Cyprus, Czech Republic, Germany, Spain, Finland, Croatia, Lithuania, Luxembourg, Latvia - except for micro-enterprises, Poland, Romania, Sweden, Slovenia, Slovakia), unemployment insurance (in Czech Republic, Denmark, Croatia, Lithuania, Sweden, Slovenia, Slovakia) and occupational injury/accident at work (e.g. Czech Republic, Croatia, Sweden, Slovenia, Slovakia).

In some countries, while contribution rates apply to contractual employment, the self-employed may be required to pay a monthly/weekly flat rate for some schemes (e.g. unemployment benefits in Greece).

Income assessment bases play a salient role regarding the accrual of entitlements to benefits for the self-employed. On the one hand, if the self-employed person pays social contributions on a very low income assessment base, s/he will receive a low level of benefits. On the other hand, if the reference base is too high, s/he may not be able to pay the required contributions. These issues may be related to the way of calculating the income base reference income periods. Moreover, the requirements for advanced payments may also hinder the self-employed person's ability to build up entitlements. Income assessment bases calculated on long previous periods of earnings may not take into account the fluctuation of incomes. This kind of estimation-based system may hinder the ability of the self-employed to pay social contributions if their current income decreases below the estimated one.

The way in which the income assessment base is calculated can act as a disincentive to properly contribute

or to legally declare the income. This under-reporting of income and tax evasion may lead to exclusion from benefits or only partial coverage (e.g. Bulgaria, Hungary, Estonia, Lithuania, Latvia, Romania, and Slovakia)⁷⁴. For example, in Romania, due to both high contributory rates and the method of calculation of the assessment base only few self-employed contribute to social insurance. Indeed, the self-employed represent the 17.6% of employed people, but 90% of them are not covered for old-age pensions, invalidity, sickness or maternity benefits because of under-insurance⁷⁵. Moreover, sickness and unemployment insurance are voluntary in Romania, while pension and health insurance are compulsory for earnings exceeding the minimum insurable threshold; this represents 35% of the average gross salary at the national level per month (i.e. 592€). Therefore, in order to be eligible for healthcare and old-age pension insurance, the self-employed would need to pay a minimum of €70 each month, which is a high cost to bear in the Romanian economy. However, Romania offers an option for those who have not paid their health insurance, which is to pay seven months of contributions retroactively at the time when they want to be covered by medical services. This is the preferred alternative for many self-employed people.

Some countries have tried to develop policy measures to close the gap. For example, Belgium introduced a fully-fledged social status for self-employed persons, so that, since 2016, the minimum pension for self-employed persons has become equal to that for salaried workers. However, issues for the future financing of social security are emerging: a) the current contribution rates for the self-employed decrease as income rises; and b) there is an annual ceiling on contributions

4.2.2.1.3. *The specific cases of dependent self-employed and bogus self-employed*

The social benefit coverage of dependent self-employed and especially of 'bogus' self-employed is difficult to estimate. Social benefit coverage of bogus self-employed is likely to be lower than for standard workers, as employers use this form of employment to avoid paying social contributions, instead requiring workers to insure themselves. In Slovakia, a non-negligible number of the self-employed can be considered to be 'bogus self-employed', as they work every day for the same employer, the latter thus by-passing tax obligations⁷⁶. In France, the role of labour courts is very important in reassigning labour statuses, especially in the case of 'dependent' and 'bogus' self-employment. A judge could potentially redefine auto-entrepreneur activity (self-employment) as a salaried work contract in cases where a position of permanent legal subordination is established. In such cases, the auto-entrepreneur is considered as a salaried worker and thus falls under the general social security scheme.

The situation of dependent self-employment is also quite complex. However, in some countries dependent self-employment enjoys both more formal and actual protection than the other categories of the self-employed because this kind of employment is a sort of a hybrid status, between salaried employment and self-employment (e.g. Germany, Spain, Italy, Portugal, Romania, and Slovenia). Box 5 provides examples of social protection for the 'dependent self-employed'.

⁷⁴ Under-declaration (tax avoidance) of income could be related to informal work (e.g. Bulgaria, Estonia, Hungary, Lithuania, Latvia, and Romania).

⁷⁵ As mentioned, sickness and unemployment insurance are voluntary in Romania, while pension and health insurance are compulsory for earnings exceeding the minimum insurable threshold; this represents 35% of the average gross salary at the national level per month (i.e. 592€).

⁷⁶ Machlica *et al.* (2014): Unemployment in Slovakia. Economic analysis – Policy paper 30

Box 5: Social protection for ‘dependent self-employed’

In Germany, since 1999, the self-employed without employees dependent on a single client are subject to compulsory insurance for old-age pensions.

In Italy, a specific new scheme was introduced in 2015 (Bill no. 22) for ‘dependant self-employed’ persons working on continuous collaboration contracts (co.co.pro., *Collaborazioni coordinate a progetto*) who lose their job. In particular, they must have paid contributions for at least one month during the previous year or have a contract with duration of at least a month. Unemployment allowance (DIS-COLL, *Indennità di disoccupazione per collaborazione coordinata*) is provided for a number of months, and it is equal to half of the months of contributions paid in the previous year. The maximum duration of the scheme is six months. No pension contribution on behalf of the unemployed person is paid when receiving the DIS-COLL. The amount of the benefit is equal to 75% of the monthly average income. The amount cannot exceed €1,300 and the benefit is reduced by 3% from the fourth month on.

In the Netherlands, only the self-employed working at the premises of/under supervision of an employer (‘dependent self-employed’), are compulsorily covered by occupational and work injury schemes.

In Portugal, the dependent self-employed enjoy better legal protection than the other categories of self-employed. Since 2012 they are entitled to unemployment benefits. However, the eligibility conditions for these people are different than for salaried employees (720 days in the previous 48 months compared to the 360 days in the previous 24 months applicable to most salaried workers).

In Romania, dependent self-employed workers (with one client) benefit from compulsory pension and health insurance (while for the ‘independent’ self-employed, this is conditional on a certain income), and the level of social contributions paid by the employer is equivalent to that for a salaried worker. The beneficiary of the work is required to pay contributions equivalent to those of an employer. Yet, compared to a salaried worker, the dependent self-employed do not have mandatory insurance against unemployment, and their job stability is not guaranteed.

In Spain, the ‘independent’ self-employed can only voluntarily opt into accident at work insurance, while this is compulsory for the dependent self-employed (‘economically dependent self-employed’ - TRADE).

4.2.2.2. Transferability of rights and entitlements

Typically, a self-employed person who used to be in salaried employment and who ceases his self-employed activity, are not covered by unemployment benefits based on his/her previous status. Moreover, this is also true for transitions among different forms of dependent employment.

Some countries have implemented specific mechanisms allowing for transferability of rights and entitlements in cases of transition from one type of employment to another. For example, in Denmark, Sweden and the Netherlands, people tend to be able to transfer their pension entitlements to the new place of employment when they change jobs. This is generally not the case in Ireland and the UK.

Some countries have implemented mechanisms allowing a person to include contribution periods from previous employment in the calculation of unemployment benefits (e.g. Belgium, France, Croatia, Luxembourg, and Sweden). For instance, in Sweden, unemployment benefits for the self-employed are based on the average income according to the most recent tax statement, or on the average income from the last two tax statements, depending on which alternative is most favourable to the self-employed. For those who have been self-employed for less than 24 months, special rules apply whereby compensation can be based on earnings before the start-up of the business.

In Luxembourg, the unemployment scheme facilitates transition between labour market statuses. The self-employed have to complete at least two years of compulsory insurance (instead of 26 weeks for contractual workers). However, periods of insurance completed as an employed person can be aggregated to this period of two years, provided the person has carried out activities as self-employed for at least six months before the submission of the request for compensation. Similarly, Iceland facilitates entitlements to unemployment benefits for the self-employed who do not fully meet eligibility conditions.

In Greece, social insurance regulations for the 'independent self-employed' (liberal professions) facilitate the transition from independent professional practice to dependent salaried employment, or the summation of both 'independent self-employed' and 'salaried employee' statuses. The procedure of changing the employment status is relatively simple, as are the procedures regarding the suspension of professional practice in the case of unemployment, and the reactivation of social insurance. By contrast, in the case of 'freelancers' there is no framework which facilitates the transition from employment to self-employment and *vice versa*.

In Germany, public insurance for old-age pensions is based on individual social security accounts. Employees who shift into self-employment do not lose the entitlements they have already accumulated. However, if they are no longer contributing to the public insurance, they no longer fulfil the preconditions for claiming a reduced earning capacity pension. Still in Germany, with regards to health insurance, members of the public system can change the respective health insurance fund without losing the eligibility criteria. Members of the private insurance - the self-employed are required to be insured in private funds - also have the right to shift from one insurance company to another. However, this is only the theory: in practice, the switch is not reasonable, since this step leads to a loss of the accrued entitlements (which are not transferable) and of correspondingly higher premiums. Transferability of occupational pension entitlements is a particularly problematic issue for example in Germany, Denmark and the Netherlands. To deal with this issue, some countries have established specific collective schemes for the self-employed, facilitating transferability (e.g. the Netherlands).

Besides extending social security schemes to the self-employed, another type of reform has been implemented by countries, integrating all the different types of earnings into one unique account. Individual social security accounts may be an important instrument for the preservation and the portability of rights and entitlements and of information for individuals. For instance, such integration could partly solve the problem of the boundaries between different employment statuses and could reduce the legal conflicts concerning dependent self-employment (e.g. Croatia, Romania).

Box 6: The role of social dialogue in easing transitions

Social partners play a key role in the design of social protection schemes that derive from collective bargaining. These schemes often relate to a given economic sector, reflecting the structure of sectoral dialogue. In other instances, there are initiatives with a cross-sectoral dimension. In either case initiatives from social partners no longer consider solely the social protection benefits inherent to a given contract and take a wider perspective of securing transitions and whole professional careers

For example, a variety of joint approaches have been used to address issues related to extending social protection to Media, Arts and Entertainment sector workers, mostly as an outcome of social dialogue. Some trade unions offer social protection coverage to freelance members. In some countries, specific schemes have been developed to provide coverage to Media, Arts and Entertainment workers – for example, the social security insurance fund for artists and writers in Germany⁷⁷, which covers self-employed and freelance artists and writers, and the unemployment benefit for intermittent entertainment workers in France.

Since 1969 in France, performing artists working on a short-term basis (intermittent du spectacle) benefit from a rebuttable presumption of employment enshrined in the French Labour Code. This provision applies to performing artists and to technicians who regularly work on a short-term basis. The mechanism of the Guichet Unique du Spectacle Occasionnel (GUSO) is designed to facilitate the protection of short-term workers in France and their enjoyment of this status. This mechanism and the vocational training fund that it facilitates are an outcome of the strong social dialogue between employers and workers on behalf of the intermittent du spectacle.

The Swedish 'Teateralliansen' (there is also a similar 'dansalliansen' which caters for dancers) is a structure specifically created to increase the social protection of freelance actors.⁷⁸

Another case in point is the bipartite funds that offer extra social protection to agency workers. These funds are financed through employers' contributions and governed through a bipartite model. The funds are cross-sectoral and allow agency workers to benefit from their protection regardless of the sector in which they perform their assignments or between two assignments.

Bipartite funds in European countries offer extra social protection to agency workers

	Social benefits	Training	Healthcare Schemes (complimentary)	Health & Safety at work	Inclusion & coaching	Pension (third pillar)
AT	SWF	SWF				
BE	Fonds Social Intermittents	Fonds Social Intermittents		Pi		
FR	fastt	FAF-LI	REUNICA		fspi	REUNICA
IT	ebitemp	fe				fontemp
LU		fsi				
NL	sfi	STOOF				StiPP
CH	swisstaffamily	swisstraining		swissstaff		swisstaffcomp

⁷⁷ <http://www.kuenstlersozialkasse.de/>

⁷⁸ <http://teateralliansen.se/teateralliansen-in-english/>

However, such individual social security accounts have been reported only in a few countries (e.g. Latvia, France). In Latvia, the social insurance system is fully individualised, as each person's contributions are registered on a separate account. Individual social security accounts make it possible to attach acquired rights to the individual, rather than the work contract. When moving to a less-regulated work relationship, for instance from a permanent job to self-employment, people may begin accumulating fewer rights, but they would not lose the rights previously accumulated. However, the individual social security account in Latvia keeps redistribution as low as possible.

The French *Compte personnel d'activité* (CPA) has been in place since 1 January 2017. It aims to better manage three social benefits and services: pensions, entitlement to life-long learning services and the 'time saving scheme'⁷⁹. The CPA combines three already-existing accounts to accumulate points for job-related training and education, days off not taken and strenuous work. It aims at disconnecting rights to social protection from professional status and at connecting them to individuals: moving from social rights (e.g. training, time-saving accounts, pension entitlements) based on labour market status to individual rights transferable from one status to another. Instead, every worker would have an account where their social benefits would be kept in the form of 'points', regardless of labour market status. This would make portability and transferability of rights easier with the idea of making professional career paths more secure. This will simplify the process and will improve knowledge of rights (for instance, mobile access). Each person will be able to simulate different scenarios of future contributions and benefit amounts. For example, if a person does not want to take some days off he/she is entitled to, they can be converted into points for additional training.

4.2.2.3. Transparency and administrative complexity

The issues of insufficient opportunities to access user-friendly information and regulatory complexity have as well been identified. Growing transitions between different jobs and employment status obliges people to be better informed of their rights and obligations and their possible transferability in a diversity of employment situations.

This is of double importance: better transparency, and easy ways to access information about the entitlements people earned, can help people to manage their working careers. In turn, markets become more dynamic.

However the current regulatory complexity and lack of transparency in many Member States often hampers people's ability to be aware of their rights and obligations and their possibilities of exercising them and hinders transition between statuses even when formal coverage is available. For instance, in Denmark, voluntary unemployment insurance is available to the self-employed, but because of the lack of a general definition of self-employment, the procedure for granting the benefit may be extremely burdensome. Moreover, to become

⁷⁹ An account accrued with savings that can be in equivalent working time, for instance overtime — see <http://www.journaldunet.com/management/pratique/conges/1667/le-compte-epargne-temps-cet.html>.

eligible, the member must document the end of self-employment, which is often a comprehensive and difficult task, as is reported by both the self-employed and the unemployment insurance funds. In Greece, social insurance regulations for the 'independent self-employed' (liberal professions) facilitate the transition from independent professional practice to dependent salaried employment, or the summation of both 'independent self-employed' and 'salaried employee' statuses. The procedure of changing the employment status is relatively simple, as are the procedures regarding the suspension of professional practice in the case of unemployment, and the reactivation of social insurance.

Further on, in several Member States, people are neither offered regular updates of their public pension entitlements nor a channel for accessing information about these. Only very few Member States offer easy access to information about the employment services that people may access in case of unemployment, job shifts or transitions between (or combination of) dependent employment and self-employment. If Member States are to safeguard job creation and growth coming from self-employment and non-standard work and are to avoid giving rise to widening precariousness, new inter-generational inequalities and risk of poverty, ways must be found to close these gaps that occur in many national systems.

Improvements may require the adaptation of legal frameworks and some streamlining of administrative procedures, including simplifying and facilitating electronic access to registration, consultation and contribution payment mechanisms.

4.2.2.4. Access to employment services

Access to the plethora of employment services normally referred to as active labour market policies (ALMPs) is key for the ability of workers and self-employed to manage employment transitions in rapidly changing labour markets. ALMPs are a core component of the so-called "activation strategies", encompassing the interactions between unemployment insurance/assistance systems, ALMPs and benefit conditionality. ALMPs help ensure the unemployed to return to employment as fast as possible and in the best possible job match, by providing them with the support they need to successfully re-enter the labour market.

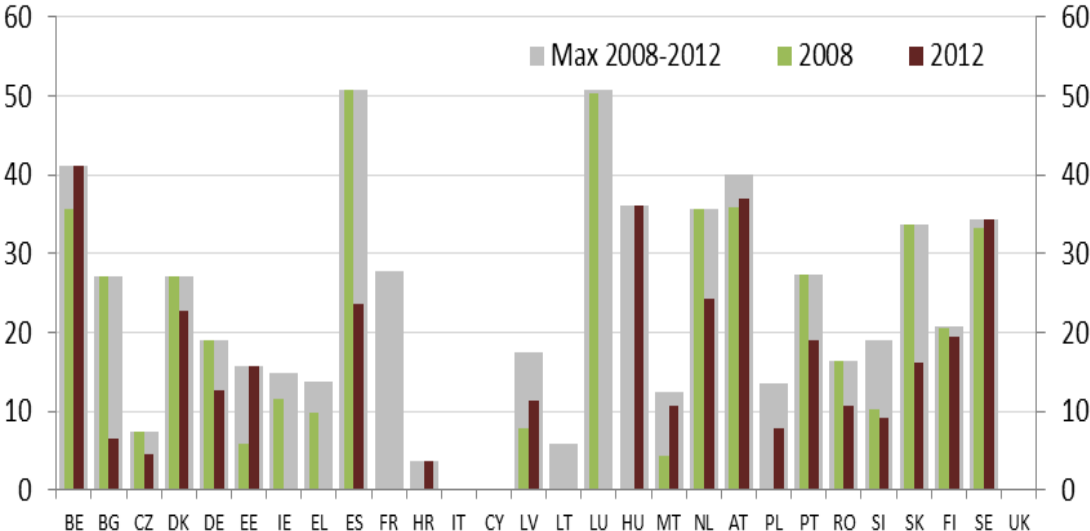
In the definition of the OECD 'active labour market programmes include all social expenditure (other than education) which is aimed at the improvement of the beneficiaries' prospect of finding gainful employment or to otherwise increase their earnings capacity'. Such programmes and policies include spending on public employment services (PES) and administration, labour market training, programmes to provide or promote employment for unemployed and on programmes for youth and adults in transition from school/training to work or between jobs.

The principal target groups of active labour market policies are young people, older workers, low-skilled and long term unemployed with particular barriers to enter the labour market, but these policies also aim at supporting mainstream short term unemployed.

In nearly all Member States participation in ALMPs such as PES counselling, training or active job search have become a prerequisite for (continuing) benefit receipt. ALMP services are generally open to all categories of workers. Moreover, many services and programmes are specifically aimed at helping workers in non-standard forms of employment. Effective

coverage for workers is primarily limited by the under-resourcing of ALMPs, which in many Member States imply that the support needed to manage transitions between different forms of employment fails to be available to many workers. Unlike rights to cash benefits, timely access to employment services is by no means guaranteed.

Figure 12: Activation of registered unemployed as a share of the persons wanting to work, 2008 and 2012 (LMP participants per 100 registered unemployed)



Source: LMP database at Eurostat; Note: no data or incomplete data for IE, EL, FR, HR, IT, CY, LT, LU and PL.

By contrast, people being in, coming from or seeking self-employment have less *de facto* access to such services in most Member States. There may be some special start-up programmes for self-employed (with entrepreneurial ambitions), but usually self-employed cannot avail themselves of training and counselling services that help them continue their activities as self-employed.

Essential ALMP services for workers include:

- *Counselling and job-search assistance*: These measures are mostly useful for short-term unemployed –, but they may still play a valuable role beyond this scope if they form part of an individualised or ‘tailor-made’ approach to support for the unemployed. The individualisation of support includes advice combined with a range of potential interventions, including vocational training, job-search assistance, ‘motivation’ courses, and social support, according to the assessed needs of the job-seeker.
- *Training programmes*: Training and upgrading is usually found to have the strongest positive long-term effects on the employability of participants but it is expensive. On-the-job trainings, general programmes and vocational training are all suitable, but for different purposes. General programmes contribute to a better matching of skills, particularly after the first entry into the labour market, while (certified) vocational training programmes (workplace-based or combined with school-based) have been shown to be very effective in facilitating the transition from education to work.

- *Subsidies to employers*: These programs are found to be relative costly and are typically targeted at the most disadvantaged groups for whom other measures have proved ineffective. Such measures can play an important role in influencing positively the attitudes of employers to the long-term unemployed by providing an opportunity of ‘testing them’ at lower than full wage costs. Subsidies are typically targeted, temporary and conditional payments or reductions of tax/social security contributions aimed at increasing demand for particular types of labour by making it cheaper to employ.
- *Direct employment/job-creation schemes*: These schemes are typically targeted at medium and longer term unemployed to avoid perverse employment effects on the short term unemployed, who might otherwise have found ‘real’ jobs during the period of participation.

While some of these services obviously are tailored to the worker situation, the point would be that people in self-employment by no means have access to a similar set of ALPMs tailored to their situation and challenges.

People in self-employment could in particular be helped by having access to *Counselling and self-employment search assistance* and *Training* tailored to typical challenges of self-employment.

As for the two remaining types of support for workers, people in self-employment may in many Member States already have access to functional alternatives. Thus their employment (and business) may be subsidised through the tax system and through various other forms of favourable treatment of particular forms of self-employment (e.g. professionals or farmers).

Data from the Eurostat (European Labour Force Survey) shows that, compared to workers, the self-employed are less likely to contact public or private employment services when they become unemployed. In 2016, only 45% of the unemployed who were self-employed the year before did contact the employment services, whereas 64% of the unemployed who were workers the year before did so. Similarly, in the majority of the Member States, more people with full time, permanent contract contact the employment services once they become unemployed, as opposed to those with part-time and temporary contracts.

To manage life-long working careers with many jobs and forms of employment both workers and people in self-employment will need to have more guaranteed and better tailored access to the catalogue of employment services which well-developed ALMPs entail.

4.3. What are the consequences of insufficient coverage of social protection?

A differential coverage of social protection and employment related services, based on contract and status of people in employment, has been criticised⁸⁰ and documented⁸¹ as both

⁸⁰ European Economic and Social Committee (EESC) (2010): *New trends in self-employed work: the specific case of economically dependent self-employed work*, available [online](#). EESC (2013): *Abuse of the status of self-employed*, available [online](#). EESC (2016): *The changing nature of employment relationships*, available [online](#). European Parliament (2014): *Social protection for all, including self-employed workers*, available [online](#).

unfair and inefficient. Such differences in treatment are seen as representing a regulatory failure that distorts the playing field between people employed on standard contracts and people in non-standard work or in various forms of self-employment⁸², bringing moral hazards and opening for free riding.

Social consequences

In terms of its social consequences, insufficient coverage of social protection and employment services significantly raises the risks to the welfare of the affected and their families. People who earn their living from non-standard employment or self-employment without sufficient social protection coverage have more precarious lives. They must endure greater economic uncertainty with less entitlement to social protection of good quality. They may work for years without really obtaining entitlement to key social protection such as unemployment benefit, occupational health insurance or an adequate pension. And, partly as a consequence of this, self-employed and non-standard workers are exposed to significantly higher poverty risk in most EU countries (Figure 13)⁸³.

Income insecurity and poverty are indicators of precarious employment⁸⁴. Employees that face a high risk of precarious employment are mainly in atypical work. Nevertheless, younger generations seem to be at a lower risk of poverty than prime-age and older individuals when they have non-standard jobs and earn low wages. This could be mainly due to mitigation by family networks and intergenerational household's redistribution, on the one hand, and lower economic responsibilities at household level, on the other.

Many contributions to the consultation on the European Pillar of Social Rights made such points (SWD(2017) 206).

⁸¹ Matsaganis M. et al. (2016), *Non-standard employment and access to social security benefits*, European Commission, available [online](#).

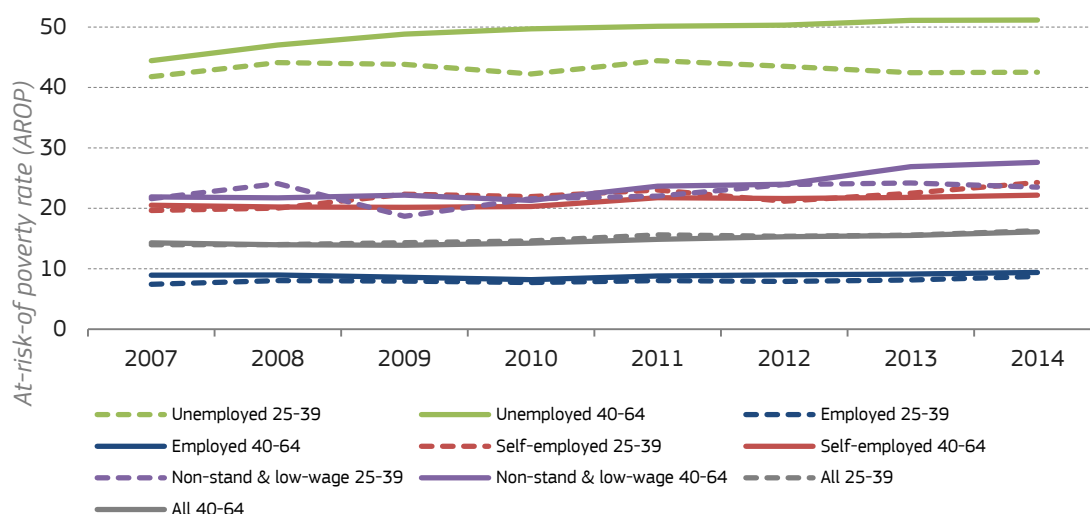
European Commission (2016): *Third hearing on the future of welfare systems*, available [online](#).

⁸² EPSC (2016): *The Future of Work*, p. 10, available [online](#)

⁸³ European Commission (2017), "Working lives: the foundation of prosperity for all generations". Chapter 3 in *Employment and Social Developments in Europe 2017*, *forthcoming*.

⁸⁴ European Parliament Briefing Study in Focus, *Precarious Employment in Europe: Patterns, Trends and Policy Strategies*, 2016, p.23

Figure 13: Share of working-poor by activity status, 2007-2014, EU



Source: DG EMPL calculations based on EU-SILC cross-sectional data from 2007 to 2014 (UDB), ESDE 2017. Note: All EU countries are shown together (weighted average). For 2007 data for Croatia and Malta are not available. The income information refers to the previous year (2006 for 2007 survey and 2013 for 2014 survey). Labour market status refers to the status of seven or more months during the income reference period.

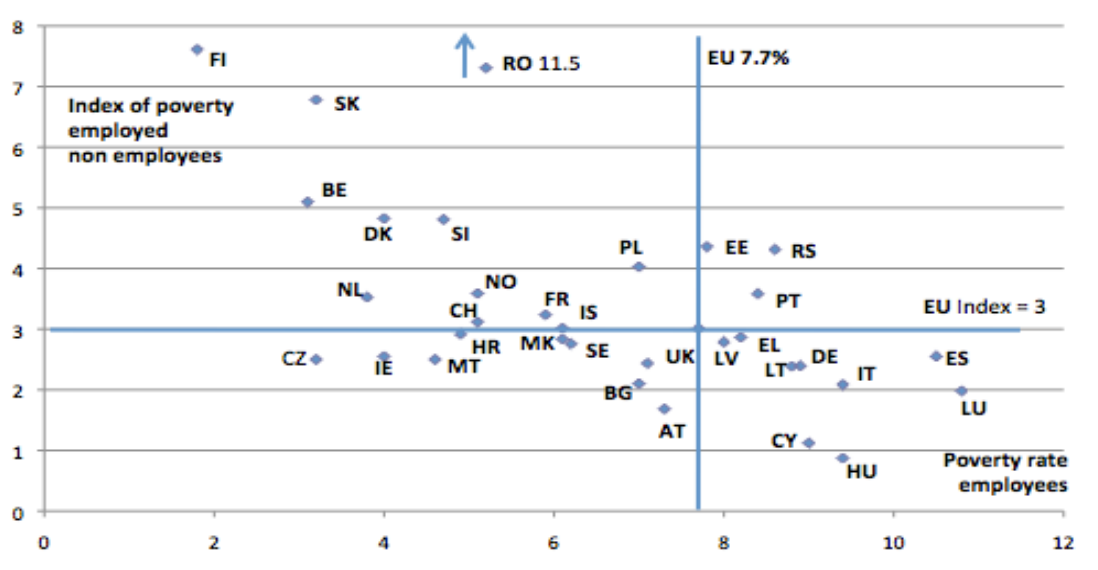
The category of the self-employed also faces specific problems. The main characteristics of social protection for the self-employed, compared to salaried workers, is that the low level of contributions leads to low benefits, fuelling a vicious circle: low business revenue partly explains the low contributions of the self-employed to their social protection schemes, which, in turn, produce or maintain a higher degree of poverty risk than among salaried workers. Therefore, it is not surprising that, in 2015, the relative poverty risk of the self-employed as compared to salaried workers was three times higher than that of salaried workers, with the exception of Hungary (Figure 14)⁸⁵.

Moreover, services out of the scope and breadth of the guaranteed package may not be accessible for those self-employed who suffer from the financial hardship, worsening their situation.

One explanation is that they may be inclined or feel forced to gamble on not needing insurance or social protection coverage. Yet if they fall ill or have an accident, this will affect them and their family who, in the end, may have to draw on various safety nets of last resort.

⁸⁵Figure 14 shows a negative correlation between the position of the self-employed when compared to employees (- 0.6). On the one hand, Finland, Romania and Slovakia are characterised by a rather low poverty risk rate among employees but a very high poverty risk rate among the self-employed (more than 6 times the employees' rate). On the other hand, Cyprus and Hungary are characterised by a rather high poverty risk rate among salaried workers but similar rates for the self-employed.

Figure 14: Relative poverty risk position of the employed/non-employees, by countries, 2015, %



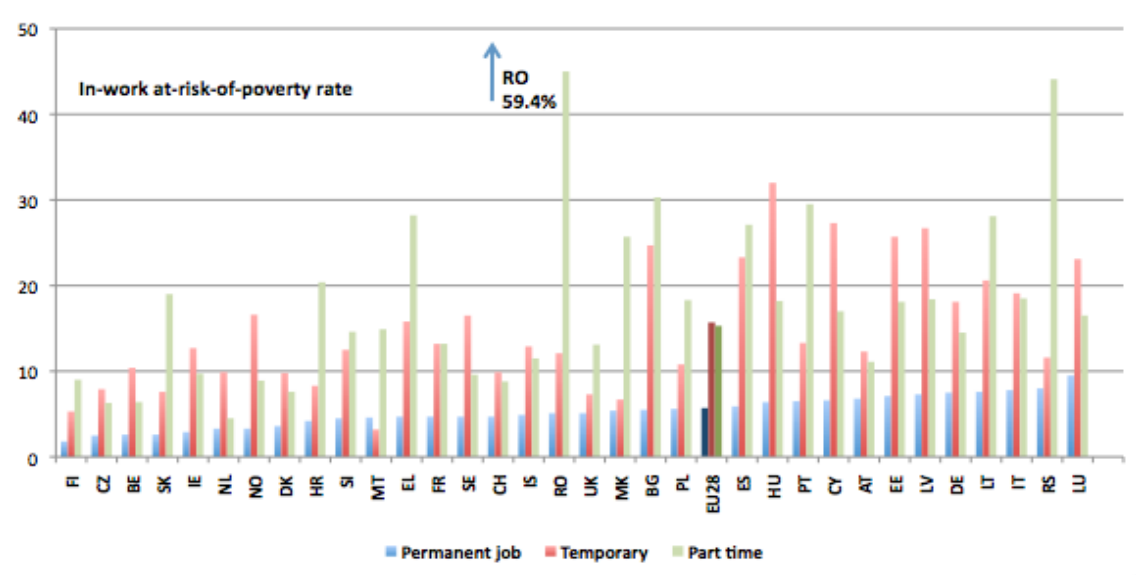
Source: Eurostat, at-risk-of-poverty rate by poverty risk threshold and most frequent activity in the previous year.

Note: a) the index is the ratio between the poverty risk rate of employed non-employees and the rate of employees (EU definition of poverty risk threshold: see above); b) employed non-employees include the self-employed *stricto sensu* and family workers.

As was the case with the self-employed, everywhere in Europe (except in Malta), poverty risk rates for non-standard workers in 2015 were higher than those for workers with a permanent and full time job. On average, in Europe (EU28), around 15% of temporary and part-time workers are income poor. Figure 15 shows that the in-work at-risk-of-poverty rates are not at all correlated between categories of non-standard workers. In 15 countries, temporary workers are more frequently income-poor than part-time workers, especially in Cyprus, Estonia, Hungary, Latvia and Sweden. However, the most striking phenomenon is the very high poverty risk rate of part-time workers in Romania and the considerable differences in the poverty risk rate of temporary workers in Croatia, Greece, Malta, Portugal and Slovakia.

Furthermore, services beyond the breadth and scope of the baskets guaranteed in tax-based systems may be out of reach of non-standard workers due to affordability concerns. At the same time precarious workers experience higher exposure to detrimental physical and psychosocial working conditions, weaker occupational health and safety measures, which results in a higher demand for services and higher unmet needs.

Figure 15: In-work at-risk-of-poverty rate employees according to their status, by countries, 2015, %



Source: Eurostat, Employees with a temporary job; Employees at part-time.

Note: countries are ranked according to the growing poverty risk rate of workers with permanent jobs.

Consequences on the labour market

From an employment perspective, these deficiencies in social protection and employment services coverage increase the labour market segmentation, which generally is associated with higher levels of unemployment and lower quality of skills matching. They also threaten to erode the economic basis for standard employment as such jobs will be subject to competition from jobs exempted from the cost of social contributions.

Disparities in the social protection and related labour market services coverage, negatively affect labour mobility and employment transitions. Employees may be discouraged from taking on the risks associated with self-employment, while the self-employed may be deterred from moving to the status of employee by high marginal tax rates and hindered by lack of access to labour market services. Due to lower training and less protection for health and social risks this also tends to lower the life-time productivity of these groups.

Absence of social protection may make it difficult for people to take non-standard jobs or move between and combine dependent employment and self-employment in search for gainful work.

Consequences on welfare system sustainability

In the long run, it is the social and economic sustainability of national arrangements that is at stake. If the longer-term welfare of people in non-standard work and self-employment is not secured, this will not just imply a social cost to be borne by these individuals. Currently

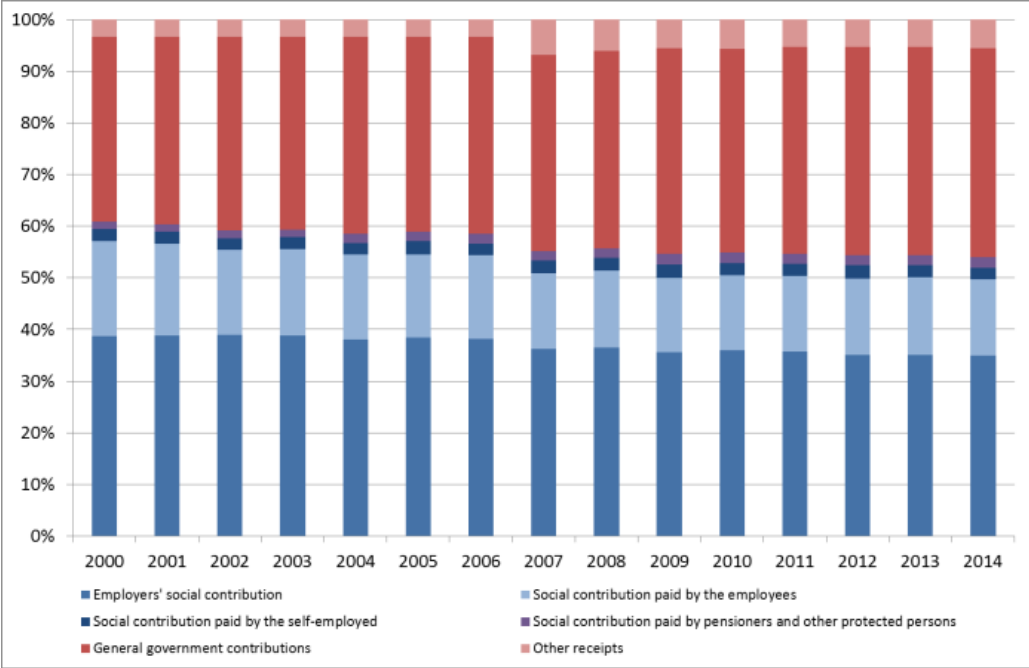
people in non-standard work or self-employment, even if not paying social contributions, are entitled to social assistance, i.e. safety nets of last resort (ex. minimum income, universal minimum healthcare benefit package) generally financed by taxes. Gaps in social protection coverage tend to weaken the financing of social protection systems as people in non-standard forms of employment and self-employment often are only covered through safety nets of last resort, while the number of people contributing to social protection is proportionately smaller. As the demand for health and long term care increases with population ageing, this leads to inefficiencies, delays in care seeking and overuse of costly emergency services instead of primary or integrated care services.

In countries where the self-employed and people in non-standard employment are most included in the existing 'security package', a substantial part of the cost is financed from general tax revenue. In countries where groups of the self-employed such as professionals are well-covered, public recognition of and support for self-organised schemes often play a role.

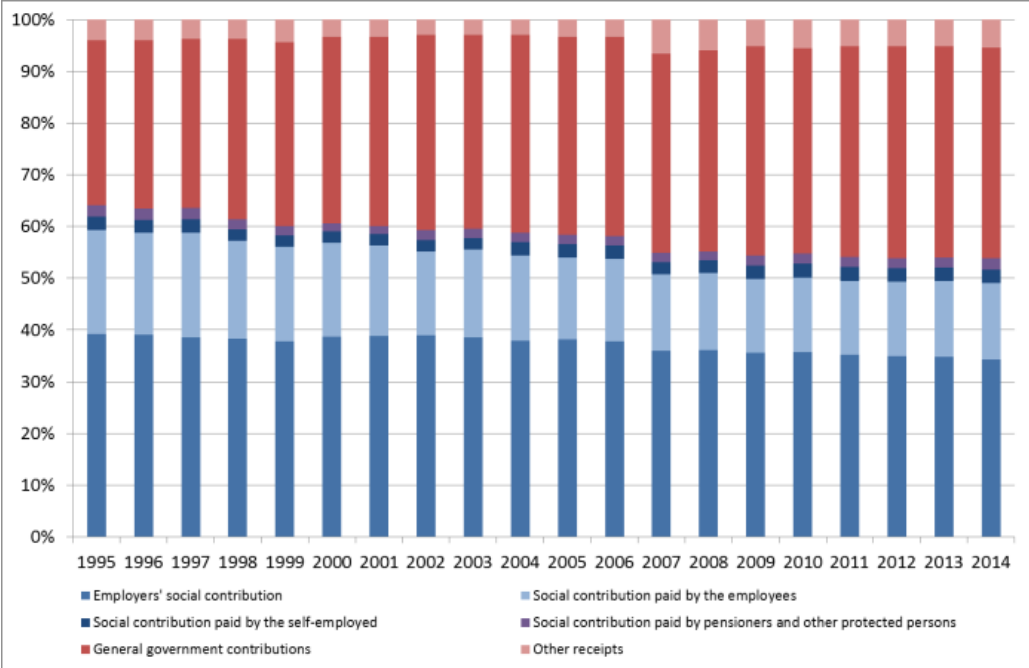
Trends in social protection financing show a shift away from social contributions towards general taxes (figure 16a shows that went on in terms of structure since the crisis hit in 2008 through to a lesser extent). The share of general taxation (and other sources) increased in the latest decades and is now close to 45% in total resources (against 40% in 2000 and 35% in 1995, see figure 16b). It can be noticed that this increase in the share of general taxation corresponds mostly to a decline of the share of employers and employees contributions, while the share of social contributions from the self-employed or other persons covered remained broadly constant.

Figure 16: Trends in social protection financing structures

a.



b.

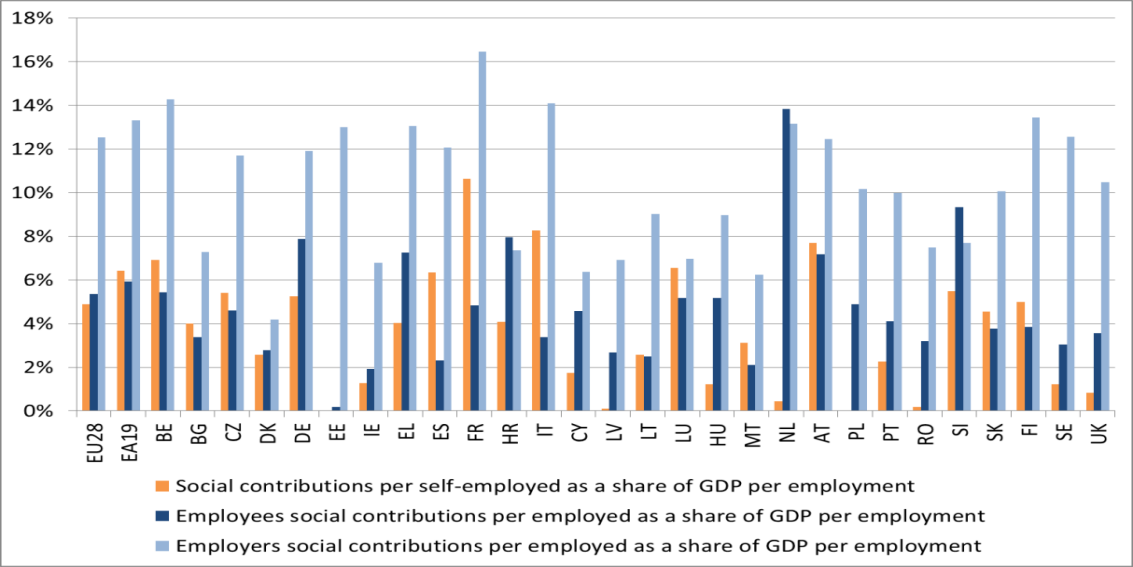


Source: ESSPROS

Generally speaking, the level of social contributions from the self-employed is significantly lower than that of employees, taking into account both employees and employers contributions, though it is similar to the level of employees contributions only (Figure 17), in particular in some Member States (EE, HU, LV, NL, RO, PL and to a lesser extent CY, DE, EL, HR, PT, SE and the UK), which can typically relate to the design of social protection

provision (with less extensive or voluntary settings for the self-employed). These comparisons need, however, to be considered with caution as in particular they do not account for possible differences in averages earnings between employees and the self-employed and employees (for instance if self-employed earnings would be lower, the estimated apparent contribution rates would be higher), nor do they take into account possible additional individual savings in particular for the self-employed.

Figure 17: Estimates of the relative apparent contributions of self-employed vs. employees in the EU (2014)



Source: ESSPROS

Note: Estimates of GDP per employment are derived from the national accounts for GDP levels and from LFS for employment levels; the number of self-employed are also taken from the LFS.

Nonetheless, the observed trends of decline in the shares of employers and employees contributions combined with a growing number of persons on self-employment poses a double challenge to the sustainability of social security systems, particularly Bismarckian ones. The main fiscal basis of social insurance remains, in many countries, stable work. As the new forms of work may push down the wage share, the fiscal basis for insurance could be eroded. Additionally, more people are likely to be supported by social assistance in case of need, putting more pressure on general public budgets.

Consequences for competitiveness

Social security is said to discourage people from working and saving, to reduce international competitiveness and employment creation, and to encourage people to withdraw from the labour market prematurely. On the other hand, social security can also be seen to have a number of very positive economic effects. It can help to make people capable of earning an income and to increase their productive potential; it may help to maintain effective demand at the national level; and it may help create conditions, in which a market economy can flourish, notably by encouraging workers to accept innovation and change.

Many analyses on factors of competitiveness and innovation clearly show as high social protection does not interfere with high per-capita income or with strong innovative capabilities. Widespread concern has been expressed in business and political circles that high employer contributions to social security make national economies less competitive, a claim frequently heard in discussions of globalization⁸⁶.

Several studies have found a positive correlation between openness and the size of the welfare state⁸⁷ and social expenditure and competitiveness. For instance, they⁸⁸ find that social spending increases competitiveness and show that reverse causality (i.e. that higher competitiveness leads to larger welfare states) is weak. Also they⁸⁹ find that inward FDI flows in OECD countries are positively affected by countries' expenditure on social welfare (measured by the public social expenditure to GDP ratio).

⁸⁶ ILO (2001): Social security: Issues, challenges and prospects.

⁸⁷ Rodrik, D. (1998). Why Do More Open Economies Have Bigger Governments?, *Journal of Political Economy*, 106, 997-1032.

⁸⁸ De Grauwe, and Polan (2003): Globalisation and social spending, CESifo Working Paper 885.

⁸⁹ Görg, H., H. Molana and C. Montagna (2009), Foreign direct investment, tax competition and social expenditure, *International Review of Economics and Finance*, 18, 31-37.

5. EU COMPETENCES AND VALUE ADDED

5.1 The existing EU instruments

The EU acquis related to the rights and obligations in relation to social protection and employment services is implemented through a variety of legislative and non-legislative provisions. However, none of these fully address the rights and obligations of people in non-standard employment and forms of self-employment.

The Open Method of Coordination (OMC) and European Semester

The Recommendation 92/442/EEC⁹⁰ on 'Convergence in social protection objectives and policies' identified commonly held objectives in the area of social protection and many initiatives in this field which followed can be seen as continuous process of implementation, monitoring and follow-up of this Recommendation, leading to the Social Protection Committee and the Social OMC. Together with the Recommendation on "common criteria concerning sufficient resources and social assistance in social protection systems" from the same year⁹¹, the 92 Recommendation had great impact on development and convergence of social protection systems in decades which followed.

The Recommendation was successful in establishing the firm bases for the Treaty of Amsterdam in 1999 where objectives started to be transformed into obligations⁹², led to the establishment of the High Level Working Party on Social Protection which was replaced by newly established Social Protection Committee in 2000, as the first body with the specific purpose of monitoring developments, promoting exchanges of information and good practice, and preparing an annual report on social protection. It offered also a basis for establishment of the Social OMC, particularly because of the resemblance of the methods of implementation.

One of the reasons why it was so influential is the success in setting up a strong dialogue between Member States and identifying common issues in social protection systems. In particular, the debate established a consensus among Member States and the EU institutions that social protection systems need to be modernised⁹³. The reason why the Recommendation was so effective in raising the interest among MS to exchange practice and actively participate in such debate might be its 'inviting', non-obligatory nature of the Recommendation and its aim of keeping the important balance between providing guiding principles in development of national systems and acknowledging that Member States remain free in determining how their systems should be organised and financed.

⁹⁰ Council Recommendation of 27 July 1992 on the convergence of social protection objectives and policies (92/442/EEC), OJ L 245, 26.8.1992, p. 49–52.

⁹¹ Council Recommendation of 24 June 1992 on common criteria concerning sufficient resources and social assistance in social protection systems

⁹² European Social Observatory, Social Policy at the EU Level: from the Anti-Poverty Programmes to Europe 2020, Background Paper, 2012, VC/2012/0658, p.11.

⁹³ Modernising and improving social protection in the European Union, Communication from the Commission, COM (97) 102 final, 12 March 1997.

While the Recommendation gave a detailed rendition of many aspects of social protection and did so by making reference to ‘workers’, it did not mention explicitly people that fall outside the standard worker category. When it comes to the self-employed, the recommendation merely states that Member States should 'examine the possibility of introducing and/or developing appropriate social protection for self-employed persons.'

Later on, the common objectives and indicators on coverage of adequate and sustainable pensions, health care and long-term care set out in the context of the Social Open Method of Coordination⁹⁴ also gave little attention on how such coverage functioned in the context of labour law and types of employment.

Finally, 'Europe 2020' built on all of these steps when, in connection with the European Semester, it became the EU policy framework for policy coordination in the field of social protection with concrete and defined aims, implementation methods and monitoring systems. Guidance on access to training and employment services as well as to comprehensive social protection is also agreed in the guidelines for Member States' employment policies⁹⁵ (the Employment Guidelines), which inform the European Employment Strategy and the European Semester⁹⁶.

Directives on non-standard forms of employment

Over the years, an EU legal framework for protection of rights in some areas of non-standard employment has been developed through the Directive on Temporary Agency Work⁹⁷ and through negotiated agreements between social partners and implemented via the Directives on Part-Time Work and Fixed-Term Work⁹⁸. But as the Directives apply to employment conditions, their impact on social protection is rather limited. While social protection closely linked to employment as part of pay, such as occupational pensions⁹⁹, maternity pay and sickness pay is covered in these Directives the Court of Justice has made clear in its case-law that the Directives do not apply to statutory social security schemes¹⁰⁰. In the preambles to the Agreements the social partners call on Member States to ensure that social protection arrangements are adapted to fit with evolving flexible forms of work. These preambles are not legally binding and, while Member States on several occasions have stated their commitment to make social protection more employment friendly, a recent review of the extent to which this has happened suggests that in several Member States there is ample room for improvement¹⁰¹.

Directive 2010/41/EU on equal treatment between men and women engaged in self-employed activity

⁹⁴ COM(2008) 418 , available [online](#). For a presentation of the Social OMC please see [online](#).

⁹⁵ COUNCIL DECISION (EU) 2015/1848, available [online](#).

⁹⁶ Available [online](#).

⁹⁷ Temporary Agency Work, available [online](#).

⁹⁸ Fixed-Term Work Directive 1999/70/EC, available [online](#); Part-time Work Directive 97/81/EC, available [online](#).

⁹⁹ See Joined Cases C-396 and 395/08 Bruno and others at para.41, available [online](#).

¹⁰⁰ Ibid and Case C-385/11 Moreno v INSS, available [online](#).

¹⁰¹ ESPN (forthcoming 2017): Thematic Reports on *Access to social protection of people working as self-employed or on non-standard contracts*.

At EU level, one step towards improving the protection of individuals engaged in self-employment and the coverage of social protection for spouses of the self-employed workers has already been made. The Directive 2010/41/EU¹⁰² on equal treatment between men and women engaged in self-employed activity grants women (including spouses of the self-employed) the right to be entitled to maternity leave and benefits for at least 14 weeks; levels of benefits and eligibility conditions vary widely among Member States. Furthermore, where a system for social protection for self-employed workers exists in a Member State, it requires to provide coverage also to spouses of self-employed workers engaged in their activities.

Social security coordination

Ever since 1959, the social security systems of the Member State have been coordinated so that persons moving within the Union could avoid losing their social security protection. However, Member States remain competent to determine the conditions for becoming affiliated to the social security system, provided that these conditions are not discriminatory. The rules on social security coordination apply to national legislation on sickness, maternity and equivalent paternity benefits, old-age pensions, pre-retirement and invalidity benefits, survivors' benefits and death grants, unemployment benefits, family benefits, benefits in respect of accidents at work and occupational diseases.¹⁰³

Self-employed persons in the social acquis

The notion of "self-employed person" is not defined at EU level. Depending on the objectives pursued by different EU instruments, self-employed persons are covered or not.

Some directives concern only the employed person as they treat issues linked to employment contracts and are not relevant for self-employed persons (e.g. Directives 89/391/EEC, 91/533/EEC, 1999/70/EC, 96/71/EC). Other EU law provisions apply to both categories of persons, either by applying the same rules to self-employed as to employed persons (especially the current acquis implementing the principle of equal treatment, e.g. Directives 2000/78/EC, 2006/54/EC, 1979/7/EEC), or by setting different rules for self-employed persons (EU rules on social security coordination¹⁰⁴).

5. 2 The EU added value

Throughout its development, the EU has succeeded in building a common market between Member States, whose conditions are today close to the internal market of a single country.

¹⁰² Available [online](#).

¹⁰³ See most notably Regulation (EC) 883/2004 on the coordination of social security systems, which was adopted on the basis of Article 42 EC (now Article 48 TFEU) and Article 308 EC (now Article 352 TFEU) and its implementing Regulation (EC) 987/2009.

¹⁰⁴ Regulations 883/2004 and 987/2009 apply both to employed and self-employed persons. The coordination rules differ depending on the status of the person. A person is employed or self-employed depending on the national legislation under which the activity is performed. If a person is performing both employed activities in one Member State and self-employed activities in another, then priority in determining the applicable legislation is given to the State of employment, knowing that the social security protection of employed persons is more developed comparing to self-employed persons.

The changing nature of work is also, to a large extent, similar across the Member States¹⁰⁵ and is transforming all labour markets. Changes in the structure and types of self-employment, a growing proportion of non-standard employment (including new forms of work) and digitalisation (actively promoted by EU action¹⁰⁶) are increasingly affecting all jobs.

These developments however have not been accompanied enough by the upward convergence in economic and social outcomes. That social protection policies in many Member States have failed to respond adequately to the 'changing nature of work' is evident from the insufficient social protection and employment services coverage for persons in non-standard forms of employment and self-employment mapped in chapter four.

Difference in coverage of social protection can be detrimental to occupational and geographical labour mobility. The dynamic labour mobility towards higher productivity sectors and entrepreneurship is undermined as people are deterred from taking on the risks associated with self-employment. Freedom to move within the internal markets is constrained as the different ways in which social protection is organised, among different forms of employment, discourage workers from undertaking certain type of employment (e.g. self-employment) and create difficulties in transition among different employment status (e.g. from standard work to self-employment, or from unemployment to employment, etc.).

In principle, Member States could take measures to improve the situation, but the evidence is that they have not all done so nor do they necessarily plan to do so. Indeed, individual Member States may hesitate to regulate in this area on their own, as they can perceive that such action could put their own companies at a disadvantage with companies from other Member States, if they fear this could rise the costs for the enterprise of the country and affect their relative competitiveness compared to other Member States as a significant percentage of EU firms' trade is intra-EU. This perception represents a potential obstacle preventing Member States from taking adequate action. In the countries where reforms have been implemented, those reforms resulted not to be in line with the changes in the labour markets, and they do not provide effective coverage.

The question of whether Member States could potentially take action has to be distinguished from the question whether they actually and effectively do it or can be expected to do it. The risk of race to the bottom (social dumping) in absence of common minimum standards is a clear horizontal dimension to this issue. Ensuring that all 28 Member States move in the same direction at the same time can guarantee a competitive level playing field and mitigate such concerns. This can only be addressed by EU-level instruments, in view of the lack of effective measures taken by the majority of Member States.

Additionally, because many employers and employees may not have full information about the costs and benefits of ensuring coverage of social protection and employment services for all and because some of the benefits may extend beyond the individual employer and its workers, wider adoption of such policies and practices would benefit more firms and workers, and the EU economy as a whole. It should therefore be easier from an EU perspective to underline the added value of the measures ensuring social protection to all forms of work.

¹⁰⁵ For detailed presentation see chapter 3.

¹⁰⁶ Launched in May 2010, a Digital Agenda for Europe (COM(2010) 245 final) is aimed at boosting Europe's economy by delivering sustainable economic and social benefits from a digital single market.

Finally, ensuring coverage of social protection and employment services to all irrespective of their contractual statuses should be seen as a long-term investment. However, as a result of the recent crisis (and the fact that it affected Member States at different degrees), priorities in Member States diverge and other issues (particularly those expected to produce short-term benefits) are focussing national authorities' attention. EU action would add value as a catalyst for change and would encourage Member States to focus on the long-term bigger picture and the major socio-economic challenges that lie ahead.

Ultimately, the insufficient coverage of social protection for non-standard workers and for self-employed is an obstacle to the achievement of the Union's objectives in relation to quality of jobs and poverty. The effects of the problem, in terms of economic, social, demographic and fiscal impacts, are felt across the Union. Inequality in coverage of social protection and employment services, translates across the EU to their higher exposure to risks and lower security, lower pension and other entitlements and fiscal contributions, as well as higher rates of poverty, with significant implications for the social protection systems and for public finances in the Member States. The budgetary implications of insufficient fiscal contributions and need for support via social assistance is a matter of common interest for economies so interlinked as EU MS and, in particular, for those sharing the euro.

By creating a level playing field for economic operators in the internal market, an EU action can avoid short-term distortions of competition and ensure long-term enjoyment of the economic benefits throughout the Union. A coherent, adequate and complete legal framework at Union level will have positive economic and social effects, by promoting fairer society and by fostering labour markets dynamism.

5. 3 The need to act

The existing EU legal framework on the convergence of social protection objectives and policies illustrates the common agreement that EU action in this area is necessary and is in line with the principle of subsidiarity¹⁰⁷. The non-legislative dimension of EU policy making, including through the open method of co-ordination or through the European Semester and country-specific recommendations, are of great importance and should be developed further; however in this field they have been proven to be insufficient to ensure alone that these issues are addressed.

The framework, which since the 92 recommendation has laid the groundwork for the convergence of social protection objectives and policies, is not sufficiently adequate and complete for dealing with the challenges of managing work and related risks in today's economic, social and demographic situation. The challenges identified two decades ago - changing nature of work, change in gender balance, aging of the population, and the co-ordination of national security schemes for people moving within Europe - not only remain, they are gaining in speed and proportions and consequently are even more challenging to tackle. Under the pressures of the last crisis, the Recommendation and the initiatives and instruments that followed have been unable to prevent a significant slide towards new divergence.

¹⁰⁷ E.g. Council Recommendation of 27 July 1992 on the convergence of social protection objectives and policies (92/442/EEC), OJ L 245, 26.8.1992, p. 49–52. For more detail please refer to chapter 5.1.

A stronger convergence instrument is therefore needed to achieve the identified objectives of the 1992 Council Recommendations amid the rapid emergence of new forms work. In particular, an action is needed to adapt social protection systems to the changing world of work, to tackle the challenges of inadequate coverage and lack/insufficient transferability and transparency of entitlements to social protection and related labour market services and to achieve upwards social convergence in the EU ("social triple A").

Pursuant to Article 156 TFEU, the Commission is tasked to encourage cooperation between the Member States and to facilitate coordination of their action in all social policy fields under Title X of the TFEU.

In the social policy field, the EU added value results centrally in the establishment of minimum standards, under which Member States cannot compete. This reality is clearly reflected in the wording of the Treaty itself, only "minimum requirement" can be enacted at EU level (153 (2) (b) TFEU).

Article 153 TFEU can serve as a legal basis for addressing the challenges of coverage in the area of social security and social protection for people in non-standard employment. Within certain limits, Article 153(1)(c) of TFEU provides for the EU to adopt legislation in the area of 'social security and social protection of workers' and could be used to establish new *acquis* necessary to address the challenges of gaps in coverage of social protection for people in non-standard employment. Article 153(2) enables the EU legislator to adopt measures, including directives setting minimum requirements, in the field of social security and social protection of workers.

Article 352 TFEU can serve as a basis for addressing the challenges of coverage of social protection and related employment services for people in different forms of self-employment.

Articles 154 and 155 TFEU provide for the consultation of social partner organisations at European level on a range of issues concerning employment and social affairs set out in Article 153 of the Treaty, including the area of social security and social protection. Moreover, parts of the initiative, notably those regarding non-standard employment, could be the subject of an agreement negotiated by the social partners at EU level under Article 155 TFEU.

6. POLICY OBJECTIVES

On 26 April 2017 the Commission adopted the European Pillar of Social rights¹⁰⁸, constituted of twenty rights and principles. The Pillar is aimed to guide social developments in the EU and to be a compass for convergence of living and working conditions. Principle 12 of the Pillar states that *'regardless of the type and duration of their employment relationship, workers, and, under comparable conditions, the self-employed have the right to adequate social protection'*.

The initiative "Access to social protection" will aim at supporting all people who, due to their employment statuses are not sufficiently covered by social protection schemes and thus are exposed to higher economic uncertainty and higher social and health risks. It aims at implementing principle 12 as well as at contributing to the implementation of other Pillar principles such as the principles on "active support to employment", "secure and adaptable employment", "unemployment benefits", "old-age income and pensions" and "healthcare".

The general objectives of the initiative are:

- (1) improving labour market dynamism by reducing labour market asymmetries in social protection obligations and rights for different forms of employment;
- (2) facilitate transitions between jobs, contracts and labour law status by ensuring better preservation and transferability of acquired rights
- (3) increase fairness by improving adequate access to social protection for those without it, including many categories of the self-employed;
- (4) promoting a wider fiscal basis of social insurance by ensuring that more people in the labour market contribute to the financing of social protection systems

While the first and the second objective are about adapting social protection to present and future changes in labour markets, the third is more about addressing long-standing gaps and inequities in the access to social protection of some of the various categories of the self-employed and of people in non-standard employment. The fourth objective is about ensuring the financial sustainability of social protection.

In order to reach the previous general objectives, the initiative will have the following specific objectives have to be achieved:

1. **Coverage:** ensuring that everyone in employment or self-employment has formal and effective access to social protection and related employment services.
2. **Transferability:** preserving social protection rights when workers change jobs, sectors of activity, forms of employment, move to or from self-employment.
3. **Transparency:** ensuring access to user-friendly information on rights and obligations to social protection, irrespective of employment situation.

¹⁰⁸ COM(2017)250, available [online](#)

7. POSSIBLE AVENUES FOR EU ACTION

Adequacy, quality and efficiency of social protection systems are fundamental cornerstones of the Social Open Method of Coordination since its outset, allowing Member States to identify common issues and exchange practices. Given the proportion of transformations that globalisation and digitalisation are bringing to the labour markets and the speed at which new forms of work are emerging, reinforced attention will be given in the context of the Social OMC on the employment-friendliness of social protection systems.

The Employment Guidelines and the European Semester for economic and employment policy coordination will also continue to mainstream social considerations. The analysis and recommendations will be relevant instruments to assess, monitor and compare the progress made by Member States in providing social protection coverage to all.

As outlined in chapter 4, a stronger convergence instrument might be necessary to foster a quicker adaptation of social protection systems to the changing world of work. In full respect of subsidiarity and proportionality, an EU initiative on "access to social protection" shall not seek to harmonise social protection or interfere in the way Member States organise their national social protection systems. This section will provide an overview of the options that could be considered for addressing the problem and for reaching the objectives outlined in the previous sections.

7.1. EU legal instruments and soft law

A legislative proposal covering non-standard workers and the self-employed would require recourse to Articles 153 and 352 TFEU.

Article 153 (1) (c) TFEU, in conjunction with Article 153 (2) provides the possibility of adopting a directive in the area of 'social security and social protection of workers' to set binding minimum requirements for gradual implementation in the Member States, as long as it does not:

- affect the right of the Member States to define fundamental principles of their own social security system,
- significantly the financial equilibrium of the national social security systems
- impose administrative, financial and legal constraints that hamper SMEs.

Such a proposal requires unanimity of the Council in accordance with a special legislative procedure.

Article 153 TFEU only covers "employed" workers and does not include the self-employed. Article 352 TFEU could be used to adopt a legislative proposal related to self-employed. The Commission would also be required to obtain the consent of the European Parliament and

would need to draw national Parliaments' attention. Such a proposal would also require unanimity of the Council

A legislative proposal (or proposals) for a Directive (or Directives) requiring Member States are invited to undertake reforms to guarantee social protection coverage to all, would need to focus primarily on the results to be achieved and would need to leave room to the Member States to decide on all the parameters of design of national social protection systems.

Alternatively, the Commission may adopt a proposal for a Council Recommendation inviting Member States to adhere to a common set of building blocks for design of their social protection systems. The non-binding character of a Council Recommendation leaves all space to Member States to define the fundamental principles of their own social security systems. Nonetheless a common set of non-binding building blocks can provide a sound basis for a strong level playing field between Member States on the way they will close the gaps in coverage of social protection.

A Council Recommendation would be based on Article 292 TFEU which, in combination with Articles 153(1)(c) and 153(2) third subparagraph, as well as Article 352, requires unanimity in the Council.

7.2. Overall impact of an extension of social protection to non-standard workers and self-employed

An extension of social protection to all forms of employment would support a level playing field between people in different forms of employment and improve opportunities for gainful work by making it less risky to take non-standard forms of employment or become self-employed. This would improve the conditions of national labour markets, facilitate labour market transitions, and diminish labour market segmentation.

Accompanying the granting of rights with the duty of paying contributions is needed to ensure that the initiative has no large impact on existing schemes' financial equilibrium, including on public budgets in case coverage is extended for statutory schemes. Furthermore, if more people finance their future potential needs for social protection through their own contributions, public expenditure on social assistance for people who have not contributed may be reduced, further reducing possible pressure on public budgets associated with the initiative.

An increase in social contributions may however increase labour costs for jobs whose coverage of social protection is improved or increase the tax wedge between the gross cost to the employers or contracting business and the net remuneration of labour in such jobs. An increase of labour costs is likely to reduce labour demand; an increase in the tax wedge is likely to reduce workers' present purchasing power in favour of consumption in future situations of risk and to reduce incentives for labour supply.

Concerning the improvement of transferability and transparency of social protection rights acquired, this could create some financial burden when administrative reforms are introduced.

However, in the long-run these costs should be offset by savings achieved with simpler and more efficient systems.

Positive social impacts are expected in the welfare, health and life time productivity of the work force, and in a more even income distribution with lower inter- and intra-generational inequalities. Extending social protection and employment services to groups of employed presently without adequate coverage may also affect the volume of this type of employment. Indeed, closing gaps in social protection coverage is thus not just about fairness and better protection, but also about enabling people to avail themselves of all employment opportunities in increasingly diverse and faster-changing labour markets. On one hand, more people could be motivated to seek self-employment and non-standard employment because this would also imply to be covered by social protection. On the other hand, if extensions to coverage accompanied by increased contributions, the extra non-wage labour cost for forms of work where this is currently lower could reduce the demand for these types of labour or reduce net remuneration for the workers concerned, potentially impacting on labour supply. Other options could be considered to support labour demand, for example shifting the tax burden from labour to other revenue sources, such as consumption taxes, recurrent property taxes and/or environmental taxes, with the aim of boosting job creation while protecting revenue for adequate social protection and growth enhancing expenditures¹⁰⁹¹¹⁰.

Moreover, an adequate level of social protection will significantly diminish the risks to the welfare of the affected and their families and to the ability of people to provide for themselves through employment (i.e. less precarious lives, less economic uncertainty with more and/or better entitlements to key social protection benefits, such as unemployment benefit, occupational health insurance or a future pension).

Finally, the cost of inclusion of the self-employed and non-standard workers in social protection and employment services may impact on public expenditure. However, the fiscal impact of securing they are covered through social protection and employment services can largely be neutralised and the current costs be more fairly distributed, if the people that are to have better protection are also contributing to cover the extra cost. While such rights under all circumstances are financed out of the national economy, different options on how to organise this are available to Member States.

The table below shows a preliminary list of possible costs and benefits for types of impacts. The analysis of the impacts of different policy options against the baseline scenario and the comparison of different options will be assessed in terms of effectiveness, efficiency, coherence and equity.

Table 1: Costs and benefits per types of impact

Impacts	Costs	Benefits
National labour markets	<ul style="list-style-type: none"> ○ Reduced labour demand of NSW due to the higher labour cost which may derive from higher level of social protection ○ Reduced labour demand due to the 	<ul style="list-style-type: none"> ○ Increase in labour supply for SE since the extension of social protection would made easier to decide to take-up SE.

¹⁰⁹ COUNCIL DECISION (EU) 2015/1848: Employment guideline 5, available [online](#).
¹¹⁰ See Eurogroup statement: *benchmarking the tax burden on labour*, 638/15, 12/09/2015, available [online](#).

	<p>higher cost of the services provided by SE which may derive from higher level of social protection/taxation to be paid by SE</p> <ul style="list-style-type: none"> ○ Reduced labour supply for NSW due to the lower cost/opportunity for workers which may derive from higher level of social protection ○ Reduced labour supply for SE due to the lower cost/opportunity for SE which may derive from higher level of social protection. 	<ul style="list-style-type: none"> ○ Increase in labour supply for NSW since the extension of social protection would made easier to decide to take-up NSW. ○ De-segmentation of labour market by incentivizing the wider use of standard employment, reducing the differences of labour cost of different forms of employment. and more highly taxed employment contracts. ○ Higher employment level thanks to effects on consumption which may derive from increased income availability in case of unemployment or job suspension.
Fiscal impact	<ul style="list-style-type: none"> ○ Higher public costs in case benefits are not funded by social security contributions from individuals with increased social protection. ○ Social contributions to be funded in deficit. 	<ul style="list-style-type: none"> ○ Higher taxable basis if the adjustments in social security contributions a movement from forms of employment which have a simplified taxation system to standard employment and more highly taxed employment contracts ○ Increase in social security contributions. ○ Possible reduction of the expenditure in social assistance and other last resort nets, which are used to compensate the lack of entitlement to certain social protection benefits.
Market efficiency and competition	<ul style="list-style-type: none"> ○ Less flexibility to manage production instability if cost of atypical contracts is increased. 	<ul style="list-style-type: none"> ○ Reduction of social dumping practices between firms. ○ Possible increase in labour productivity because workers are more motivated when they can benefit from higher social protection and the accumulation of skills. ○ Increasing social protection for self-employed and non-standard workers can stimulate aggregate demand by providing counter-cyclical spending during economic downturns.
SMEs	<ul style="list-style-type: none"> ○ Less ability to manage production instability if cost of NSW and SE is increased. ○ Reduction of the number of new SMEs (and in particular of micro-SMEs) due to higher labour cost. 	<ul style="list-style-type: none"> ○ Reduction of social dumping practices between firms.
Income distribution and	<ul style="list-style-type: none"> ○ Increase in the number of people in standard employment at risk of poverty, if it is foreseen a downward convergence 	<ul style="list-style-type: none"> ○ More equal income distribution ○ Reduction of number of self-

inequalities	in social protection rights between permanent workers and NSW and SE.	employment and non-standard workers at risk of poverty and social exclusion
Level of remuneration of workers	<ul style="list-style-type: none"> ○ Risk of substitution effects between wage and subsidies: - Remuneration can decrease if self-employed have to pay social contributions or more taxes in order to cover the cost of increased social protection coverage. - Wage can decrease if employers compensate the increase in the payroll taxes or contributions with the reduction of wages of non-standard workers. 	<ul style="list-style-type: none"> ○ Possible wage increase due to higher contractual power of workers covered by social security benefits in case of unemployment.
Health		<ul style="list-style-type: none"> ○ Possible improvements in health conditions and perception of stress.
Working conditions	<ul style="list-style-type: none"> ○ Limits to the alleged "freedom of choice" if SE have to pay additional social contributions/taxes for new compulsory social protection schemes. 	<ul style="list-style-type: none"> ○ Possible improvements of job satisfaction.

7.3. Policy options

A number of policy options can be considered to achieve the objectives of this initiative. The section below outlines the options being studied by the Commission services in the context of an impact assessment.

One key variable to be considered in determining the level of ambition relates to the mandatory/voluntary character of *extensions of effective coverage to people currently uncovered*. This strongly influences the number of additional people that could be covered by social protection as result of this initiative. Both approaches have pros and cons:

- mandatory coverage has the advantage of setting the same type of protection as for standard workers and is expected to be more efficient in ensuring protection. This choice will however be more contentious with certain groups of self-employed and employers who will see this as a mandatory increase in their labour costs and a risk to their competitiveness.
- voluntary coverage for those not currently protected would give to the individual the ultimate choice of being protected or not. While this option gives more flexibility to each person, there is evidence that voluntary insurance/saving schemes are underused, because individuals tend to be myopic and do not anticipate all risks. Voluntary access could be introduced via opt-in or opt-out clauses (see Box 7 below)

Box 7: Voluntary coverage of social protection with opt-in or opt-out clauses

Facilitating access to social protection on a voluntary basis can be seen as more limited interference with the

individual's freedom of choice. From an economic point of view, it is likely to result not only in a smaller number of people covered but possibly also in a more unfavourable risk composition of the covered group (with implications for the corresponding cost), as it is likely that the "best" risks would opt out of the insurance ("self-selection").

At the same time, the choice of implementing voluntary coverage of social protection via *opt-in* versus *opt-out clauses* has important implications for the number of people that will eventually benefit from the initiative. Opt-in solutions require potential beneficiaries to actively choose coverage whereas opt-out designs imply being covered is the default option. Experiments and observational studies show that making an option a default increases the likelihood that it is chosen (default effect). In the context of insurance, there is evidence that when consumers are faced with car insurance options that are very similar, except for the possibility to opt-in vs. or opt-out of additional coverage, the former design option results in much lower levels of participation (20%) than opting-out (75%)¹¹¹. In a similar vein, a large empirical literature shows the importance of default options in shaping decisions about retirement savings including savings plan participation and levels of contributions¹¹². Setting defaults can therefore be an effective way of influencing behaviour also in a context of providing social protection coverage.

Two country cases demonstrate the effects of opt-out options in specific contexts of social protection:

Mini-jobs in Germany

Mini-jobs are wide-spread in Germany with around 7.5 million people working under this form of contract. For almost 5 million people, mini-jobs are their only employment. Since 2013, mini-jobbers have to pay into the statutory pension system but have the possibility to opt-out.

This leads to the situation where only 18.2% of mini-jobbers in companies and 14.3% of mini-jobbers in households pay into the statutory pension system. In other words, 81.8% of mini-jobbers in companies and 85.7 % of mini-jobbers in households opt out.

Related to this opt-out, mini-jobbers lose a lot of rights in terms of

- Non-coverage of invalidity pensions
- Non-coverage of rehabilitation
- Non-entitlements to the tax advantage for private pension schemes (so-called Riester contracts)
- Loss of years to reach certain thresholds such as
 - The threshold to get any pension after 5 years
 - The threshold to take an early pension after 45 years of contribution

Women represent 2/3 of 'mini-jobbers'. Their transition rate into employment subject to full mandatory social security contributions is low (42 %).

Auto-enrolment into workplace pensions in the UK

The UK pension system comprises flat-rate state pensions providing basic old-age income and contribution-based workplace pensions, set up or facilitated by the employer for their employees. Workplace pensions are key to adequate retirement incomes, but their coverage had been in long-term decline.

To reverse the trend, from 2012 the UK began to require employers to automatically enrol eligible jobholders into a workplace pension, unless the jobholders chose to opt out. The roll-out started with the larger companies and will progressively cover all employers by February 2018.

Intermediary results suggest that the decline is being reversed – workplace pension scheme membership increased from 50% in 2013 to 64% in 2015. The employee opt-out rate was 8 to 11% among larger sized

¹¹¹ See Johnson, Hershey, Meszaros, and Kunreuther (1993).

¹¹² See Beshears, J.; Choi, J. J.; Laibson, D.; Madrian, B. C. (2009). "The Importance of Default Options for Retirement Saving Outcomes". Social Security Policy in a Changing Environment.

employers and reached 17% in smaller employers .

One notable difference from the mini-job case is that only employees earning above a certain amount have to be included, suggesting further work would be necessary to understand a possible link between income level and contribution avoidance.

Changes in *contributions and entitlement thresholds* are key to address gaps in effective coverage. While EU action would not detail the eligibility conditions and thresholds themselves in line with the principle of subsidiarity, it can provide guidance in order to avoid discrimination on the basis of type of employment or duration.

"*Making rights transferable and transparent*" for all workers regardless their form of employment and for all self-employed would allow people to contribute and benefit from social protection from the day they start working (with limited waiting and vesting time) and accumulate and preserve rights when changing employees or contract type, moving to and from self-employment or taking a career break. Making this principle binding would support people throughout their careers, characterised by a growing number of transitions between different jobs and employment status. In turn, people would be more prone to have a non-standard form of work or to become self-employed, thus foster more dynamic and fluid labour markets.

Taking into account these key variables, it is possible to identify the following packages of options, which are here listed according to an increasing level of ambition. Of course, every package implies a different degree of impact both on the cost and the benefit sides. These are being studied in detailed by the Commission services in the context of an Impact Assessment. None of the packages makes suggestion on i) whether to extend the coverage under existing schemes or by the creation of new schemes, ii) on the way to finance the insurance or the types and iii) combination of schemes to be used (public, occupational, private). These are issues to be considered by national authorities and stakeholders according the national circumstances.

0. Baseline scenario;

1. Package 1

- a. *Voluntary coverage with opt-in clauses for all workers in non-standard forms of employment and self-employed not yet covered.*
- b. Contribution and entitlement thresholds are left unchanged.
- c. Effective coverage is improved through mandatory transferability of entitlements and personalised information provided once a year

2. Package 2

- a. *Mandatory for all workers in non -standard forms of employment not yet covered and voluntary with opt-in or opt-out clauses for the self-employed.*
- b. The effort to address gaps in effective coverage could include the following:

- i. adjusting period/income thresholds
 - ii. differentiated contributions
 - iii. no inclusion of interrupted periods
- c. Mandatory transferability of entitlements and personalised information in personal accounts, streamlining all administrative processes

3. Package 3

- a. *Mandatory for all workers in non-standard forms of employment and self-employed.*
- b. The most ambitious effort to close gaps in effective coverage would be:
 - i. - abolishing contribution period thresholds
 - ii. - abolishing minimum contribution period to qualify for the benefit,
 - iii. – ensuring the same the level of protection as currently available to standard workers in similar circumstances
 - iv. - would allow inclusion of interrupted periods
- c. Mandatory transferability of entitlements and personalised information in personal accounts, streamlining all administrative processes

Table 2 below, describes the possible impacts of the different packages.

Table 2: Impacts of packages

PACKAGES	IMPACTS					
	ECONOMIC		SOCIAL		PUBLIC AUTHORITIES	
	<ul style="list-style-type: none"> - Impact on business (SME included) - Operating (labour costs) and conduct of business - Competitiveness and unfair competition 		<ul style="list-style-type: none"> - Employment (mobility, transitions, skills, labour market segmentation) - Working conditions - Social protection (income insecurity, poverty, precariousness, inequality) 		<ul style="list-style-type: none"> - Budgetary consequences - Public authorities organisation 	
	COSTS	BENEFITS	COSTS	BENEFITS	COSTS	BENEFITS
BASELINE	<ul style="list-style-type: none"> • Unfair competition • Higher labour cost for some business • Reduced mobility and employment transitions • Less taking up of non-standard forms of employment and self-employment 	<ul style="list-style-type: none"> • Lower labour costs 	<ul style="list-style-type: none"> • Social dumping • Individualization of social risk • Increase of lives precariousness • Higher poverty risk for specific group of workers • Reduction of social mobility • Increase of intra and inter-generational inequality 	<ul style="list-style-type: none"> • Higher labour demand of non-standard and self-employed forms due to low costs 	<ul style="list-style-type: none"> • Negative impacts on the sustainability of social protection systems by weakening financing of social protection 	<ul style="list-style-type: none"> • Avoidance of the extra cost due to reorganization of the social protection systems
PACKAGE 1 <ul style="list-style-type: none"> - Voluntary coverage for those not already covered (opt-in or opt-out) - Contribution and entitlements thresholds left unchanged - Mandatory transferability and personalised information once a year 	<ul style="list-style-type: none"> • Partial loss of ability to manage production instability if cost of NSW and SE is increased. 	<ul style="list-style-type: none"> • Possible amelioration of labour market dynamism (depending on the rate of opting-in or opting-out) 	<ul style="list-style-type: none"> • Remaining of the gap among different typologies of workers 	<ul style="list-style-type: none"> • Moderate amelioration of inequality through the de-segmentation of the labour market (will depend on the rate of opting-in or opting-out) • Moderate reduction of number of self-employment and non-standard workers at risk of poverty and social exclusion, when the social risk materialize (will depend on the rate of opting-in or opting-out) 	<ul style="list-style-type: none"> • Possible financial burden to introduce administrative reforms. 	<ul style="list-style-type: none"> • Possible reduction of the expenditure in social assistance. • In the long-run the costs should be offset by savings achieved with simpler and more efficient systems.

<p>PACKAGE 2</p> <ul style="list-style-type: none"> - Mandatory for NSE and voluntary for SE where not already covered (opt-in or opt-out) - Adjustment of income/time thresholds - Differentiated contributions - Interrupted period excluded - Mandatory transferability And personal accounts 	<ul style="list-style-type: none"> • Less flexibility to manage production instability if cost of atypical contracts is increased. • Partial loss of ability to manage production instability if cost of NSW and SE is increased (will depend on the rate of opting-in or opting-out). 	<ul style="list-style-type: none"> • Moderate reduction of social dumping practices between firms. • Possible increase in labour productivity because workers are more motivated when they can benefit from higher social protection and the accumulation of skills. • Increase in labour supply for NSW since the extension of social protection would make it easier to decide to take-up NSW. 	<ul style="list-style-type: none"> • Possible trade-off between NSW and SE labour demand if the rate of self-employed opting-in is low or the rate of opting-out is high • Possible reduction of NSW wages if the rate of SE opting-in is low or the rate of opting-out is high 	<ul style="list-style-type: none"> • Moderate amelioration of inequality for the NSW through the de-segmentation of the labour market (will depend on the trade-off with SE) • Reduction of number of non-standard workers at risk of poverty and social exclusion, when the social risk materialize • Moderate reduction of number of self-employed at risk of poverty and social exclusion, when the social risk materialize (depending on the rate of opting-in or opting-out) • Partial de-segmentation of labour market by incentivizing the wider use of standard employment and more highly taxed employment contracts. • Facilitate labour market transitions and thereby, improve matching of people with jobs. • Remove obstacles that may discourage employees from taking on the risks associated with self-employment, and that may dissuade the self-employed from moving to the status of employee because of high marginal tax rates and hindered by lack of access to labour market services. 	<ul style="list-style-type: none"> • Higher public costs in case benefits are not funded by social security contributions. • Social contributions to be funded in deficit. • Possible financial burden to introduce administrative reforms. 	<ul style="list-style-type: none"> • Higher taxable basis if the adjustments in social security contributions steer a movement from forms of employment which have a simplified taxation system to standard employment and more highly taxed employment contracts • Possible reduction of the expenditure in social assistance. • In the long-run the costs should be offset by savings achieved with simpler and more efficient systems.
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<p>PACKAGE 3</p> <ul style="list-style-type: none"> - Mandatory for NSE and SE - Abolishing contribution period - ensuring the same the level of protection as currently available to standard workers in similar circumstances - Inclusion of interrupted periods - Mandatory transferability and personal accounts 	<ul style="list-style-type: none"> • Less ability to manage production instability if cost of NSW and SEs increased. • Reduction of the number of new SMEs (and in particular of micro-SMEs) due to higher labour cost. 	<ul style="list-style-type: none"> • Increasing social protection for self-employed and non-standard workers can stimulate aggregate demand by providing counter-cyclical spending during economic downturns. • Reduction of social dumping practices between firms. 	<ul style="list-style-type: none"> • Limits to the alleged "freedom of choice" if SE have to pay additional social contributions/taxes for new compulsory social protection schemes. • Increase in the number of standard employment at risk of poverty rate if it is foreseen a downward convergence in social protection rights between permanent workers and NSW and SE. • Risk of substitution effects between level retributions and social protection: <ul style="list-style-type: none"> ○ Retributions can decrease if self-employed have to pay social contributions or more taxes in order to cover the cost of increased social protection coverage. ○ Wage can decrease if employers compensate the increase in the payroll taxes or contributions with the reduction of wages of non-standard workers. 	<ul style="list-style-type: none"> • More equal income distribution • Reduction of number of self-employment and non-standard workers at risk of poverty and social exclusion • Possible wage increase due to higher contractual power of workers covered by social security benefits in case of unemployment. • De-segmentation of labour market by incentivizing the wider use of standard employment and more highly taxed employment contracts. • Facilitate labour market transitions and thereby, improve matching of people with jobs. • Remove obstacles that may discourage employees from taking on the risks associated with self-employment, and that may dissuade the self-employed from moving to the status of employee because of high marginal tax rates and hindered by lack of access to labour market services. • Increase in social mobility 	<ul style="list-style-type: none"> • Higher public costs in case benefits are not funded by social security. • Social contributions to be funded in deficit. • Possible financial burden to introduce administrative reforms. 	<ul style="list-style-type: none"> • Higher taxable basis if the adjustments in social security contributions steer a movement from forms of employment which have a simplified taxation system to standard employment and more highly taxed employment contracts • Increase in social security contributions. • Possible reduction of the expenditure in social assistance. • In the long-run the costs should be offset by savings achieved with simpler and more efficient
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						systems.
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8. CONCLUSIONS

The analysis contained in this document demonstrates that the picture is very diverse across the Member States in relation to coverage, transferability and transparency of entitlements of social protection. Despite recent reforms undertaken by some Member States, the situation remains sub-optimal with negative consequences for the individuals and the society at large, with important effects on social cohesion within and between generations, labour markets, competitiveness and sustainability of the welfare systems .

This document describes the regulatory gaps in social protection systems and examines the added value of EU action in this area, sketching out different policy options to address the problem in line with the principles of subsidiarity and proportionality.

ANNEX 1
OVERVIEW TABLES ON THE SITUATION OF COVERAGE IN MEMBER STATES
NON STANDARD WORKERS

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
AT	<u>Type of financing</u> Social security contributions & taxes <u>Type of coverage</u> Compulsory (in case of monthly income > Lower Earnings Limit [LEL] of 415.72/m) <u>Eligibility conditions</u> No specific conditions for NSE <u>Notes</u> Possibility to opt in for income < 415.72/m (marginal part-timers)	<u>Type of financing</u> Social security contributions & taxes <u>Type of coverage</u> Compulsory (in case of monthly income > Lower Earnings Limit [LEL] of 415.72/m) <u>Eligibility conditions</u> No specific conditions for NSE <u>Notes</u> Possibility to opt in for income < 415.72/m Freelancers not eligible for	<u>Type of financing</u> Social security contributions & taxes <u>Type of coverage</u> Compulsory (in case of monthly income > Lower Earnings Limit [LEL] of 415.72/m) <u>Eligibility conditions</u> No specific conditions for NSE <u>Notes</u> Possibility to opt in for income < 415.72/m	<u>Type of financing</u> Social security contributions & taxes <u>Type of coverage</u> Compulsory (in case of monthly income > Lower Earnings Limit [LEL] of 415.72/m) <u>Eligibility conditions</u> No specific conditions for NSE <u>Notes</u> No access for Marginal part-timers income < 415.72/m	<u>Type of financing</u> Social security contributions & taxes <u>Type of coverage</u> Compulsory (in case of monthly income > Lower Earnings Limit [LEL] of 415.72/m) <u>Eligibility conditions</u> No specific conditions for NSE <u>Notes</u> Possibility to opt in for income < 415.72/m; flat-rate benefit for	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contributions & taxes <u>Type of coverage</u> Compulsory (in case of monthly income > Lower Earnings Limit [LEL] of 415.72/m) <u>Eligibility conditions</u> No specific conditions for NSE <u>Notes</u> Possibility to opt in for income < 415.72/m	<u>Type of financing</u> Taxes <u>Type of coverage</u> Cash benefits: Universal Benefits in kind: means-tested <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contributions & taxes <u>Type of coverage</u> Compulsory (in case of monthly income > Lower Earnings Limit [LEL] of 415.72/m) <u>Eligibility conditions</u> No specific conditions for NSE <u>Notes</u> Possibility to opt in for income < 415.72/m	<u>Type of financing</u> Contributions (Family Equalisation Fund) & taxes <u>Type of coverage</u> Universal for family cash benefits; universal for flat-rate child care allowance; Insurance-based for income-related childcare allowance. <u>Eligibility conditions</u> No specific conditions for NSE

	sick pay leave, but they can have sickness benefit from the 4th day of illness			this group.					
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		<p>contract receive sick pay (by the employer) at 100% replacement rate for 1 month</p> <p>The rate of sick pay (by the employer) in the first month digressive for blue collar workers</p> <p>Rate of sick pay (by employer) in the first month is digressive for white collar workers on less than 3 months contract month is digressive for white collar workers on less than 3 months contract</p>								
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Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
BG	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal/means-tested	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Means-tested
	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE
		<u>Notes</u> Social security contributions to be paid for at least 6 months (not consecutive)		<u>Notes</u> Seasonal workers (main activity) not insured	<u>Notes</u> Social security contributions to be paid for at least 6 months (not consecutive)					

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
CY	<u>Type of financing</u> General Taxation	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation/Social security contribution depending on the benefit
	<u>Type of coverage</u> Means-tested • <u>Eligibility conditions</u> No specific conditions for NSE <u>Notes</u> New legislation introducing the new NHIS (National Health Insurance System) voted in June 2017. Above information refers to the 'old' system.	<u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of coverage</u> Means-tested <u>Eligibility conditions</u> No specific conditions for NSE <u>Notes</u> Provision divided into healthcare and social care	<u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
CZ	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal for Parental benefit
	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> 3 years of contributions/ general 5 years qualifying period	Income tested for the rest
	<u>Note</u> Access for agreement to perform work/job conditioned upon min earnings thresholds (CZ 2.500/10000)	<u>Note</u> Access for agreement to perform work/job conditioned upon min earnings thresholds (CZ 2.500/10000)	<u>Note</u> Access for agreement to perform work/job conditioned upon min earnings thresholds (CZ 2.500/10000)	<u>Note</u> insurance for at least 12 months within the last 2 years <u>Note</u> Access for agreement to perform work/job conditioned upon min earnings thresholds (CZ 2.500/10000)	<u>Note</u> Access for agreement to perform work/job conditioned upon min earnings thresholds (CZ 2.500/10000)	<u>Note</u> Access for agreement to perform work/job conditioned upon min earnings thresholds (CZ 2.500/10000)	<u>Note</u> Access for agreement to perform work/job conditioned upon min earnings thresholds (CZ 2.500/10000)	<u>Note</u> Access for agreement to perform work/job conditioned upon min earnings thresholds (CZ 2.500/10000)		No specific conditions for NSE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
DE	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation/Social security contribution depending on the benefit
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory
	<u>Eligibility conditions</u> (for Public Health Insurance) Min earnings threshold of €450 (threshold for mini-jobs) <u>Note</u> mini-jobbers must be insured (e.g. through free coverage for spouses)	<u>Eligibility conditions</u> Min earnings threshold of €450 (threshold for mini-jobs) <u>Note</u> All employees are entitled to sick pay for the first six weeks of sickness, regardless of the nature of their employment relationship	<u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> Mini-jobs: possibility to opt-out	<u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> Mini-jobs: No access to contributory unemployment benefit	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE Min earnings threshold of €450 (threshold for mini-jobs)	<u>Eligibility conditions</u> No specific conditions for NSE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
DK	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation for basic pension/ contributions for ATP suppl. Pens. <u>Type of coverage</u> Universal for basic pens/ Compulsory for ATP <u>Eligibility conditions:</u> No specific conditions for NSE	<u>Type of financing</u> Taxation and security contribution <u>Type of coverage</u> Voluntary <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> No state insurance <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE
Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
EE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility</u>	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility</u>	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility</u>	<u>Type of financing</u> Taxation for non-contributory benefit/ Social security contribution for the contributory one <u>Eligibility</u>	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility</u>	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility</u>	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility</u>	<u>Type of Financing</u> Taxation <u>Type of coverage</u> Universal/means-tested <u>Eligibility conditions</u>	<u>Type of Financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility</u>	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal or Means-tested depending on the benefit <u>Eligibility</u>

	<u>condition</u> No specific conditions for NSE	<u>condition</u> No specific conditions for NSE <u>Notes</u> First 3 days not covered 4-8 th day sick pay. As of 9 th day: sickness benefit	<u>condition</u> No specific conditions for NSE	<u>Type of coverage</u> Universal but working period conditions for non-contributory/ Voluntary for contributory one <u>Eligibility condition</u> No specific conditions for NSE	<u>condition</u> No specific conditions for NSE	<u>condition</u> No specific conditions for NSE	<u>condition</u> No specific conditions for NSE	No specific conditions for NSE	<u>condition</u> No specific conditions for NSE	<u>conditions</u> No specific conditions for NSE
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Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
EL	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contributions	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal/means-tested
	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> 125 working days during the 14 months preceding job loss For seasonal workers: 100 working days during the past year	<u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> There are no paternity cash benefits.	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE
				<u>Note</u> Flat rate benefit of €360/month up to 12 months.						

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
ES	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility condition</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> Specific calculation of the contributing period for part-time work ("general rate" for part-time) <u>Notes</u> Agricultural workers excluded during inactivity periods	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u> Specific calculation of the contributing period for part-time work ("general rate" for part-time) <u>Notes</u> Domestic workers: no access to early/partial retirement	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u> No specific conditions for NSE <u>Notes</u> No access: Domestic workers	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u> No specific conditions for NSE <u>Notes</u> Workers on Special System for agricultural employees during inactivity periods are excluded from professional contingencies benefit	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u> No specific conditions for NSE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u> No specific conditions for NSE	<u>Type of financing</u> Taxation or contributions depending on benefit <u>Type of coverage</u> Means-tested/Compulsory <u>Eligibility conditions</u> No specific conditions for NSE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
FI	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation for non-contributory benefit/ Social security contribution for the contributory one <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation for basic pension/ social contributions for Employment-related pensions (ERP) <u>Type of coverage</u> Universal for basic pension/ Compulsory for ERP <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation for non-contributory benefit/ Social security contribution for the contributory one <u>Type of coverage</u> Universal for non-contributory/ Voluntary for contributory one <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation for non-contributory benefit/ Social security contribution for the contributory one <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation for basic pension/ social contributions for ERP <u>Type of coverage</u> Compulsory <u>Eligibility condition</u> No specific conditions for NSE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation for basic pension/ social contributions for ERP <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE
Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
FR	<u>Type of financing</u> Social security	<u>Type of financing</u> Social security	<u>Type of financing</u> Social security	<u>Type of financing</u> Social security	<u>Type of financing</u> Social security	<u>Type of financing</u> Social security	<u>Type of financing</u> Social security	<u>Type of financing</u> Taxation/empl	<u>Type of financing</u> Social security	<u>Type of financing</u> Taxation

	contribution	contribution	contribution	contribution	contribution	contribution	contribution	oyers' social contributions	contribution	
	<u>Type of coverage</u>	<u>Type of coverage</u>	<u>Type of coverage</u>	<u>Type of coverage</u>	<u>Type of coverage</u>	<u>Type of coverage</u>	<u>Type of coverage</u>	<u>Type of coverage</u>	<u>Type of coverage</u>	<u>Type of coverage</u>
	Compulsory	Compulsory	Compulsory	Compulsory	Compulsory	Compulsory	Compulsory	Universal w a co-payment & lump-sum rationale	Compulsory	Compulsory
	<u>Eligibility conditions</u>	<u>Eligibility conditions</u>	<u>Eligibility conditions</u>	<u>Eligibility conditions</u>	<u>Eligibility conditions</u>	<u>Eligibility conditions</u>	<u>Eligibility conditions</u>	<u>Eligibility conditions:</u> not specific for NSE	<u>Eligibility conditions</u>	<u>Eligibility conditions</u>
	No specific conditions for NSE	Specific contributory and working hours conditions for NSE	No specific conditions for NSE	No specific conditions for NSE	No specific conditions for NSE	No specific conditions for NSE	No specific conditions for NSE		No specific conditions for NSE	No specific conditions for NSE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
HR	<u>Type of financing</u> Social security contribution + taxes + compulsory co-payment <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution + taxes + compulsory co-payment <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution + taxes + compulsory co-payment <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution/Taxation <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> Means-testing for some benefits No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE
Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
HU	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u>	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u>	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u>	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u>	<u>Type of financing</u> Social security contribution/taxation <u>Type of coverage</u> Compulsory/universal <u>Eligibility condition</u>	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u>	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u>	<u>Type of financing</u> Taxation + social security contributions <u>Type of coverage</u> Compulsory-Universal/needs-based <u>Eligibility condition</u>	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u>	<u>Type of financing</u> Taxation <u>Type of coverage</u> universal <u>Eligibility conditions</u> No specific

	<p>No specific conditions for NSE</p> <p><u>Note</u> Casual and seasonal workers opt in upon an income threshold</p>	<p>No specific conditions for NSE</p> <p><u>Note</u> No access for: Casual and seasonal workers</p>	<p>No specific conditions for NSE</p>	<p>No specific conditions for NSE</p> <p><u>Note</u> NSE are often effectively not covered by unemployment benefits.</p>	<p><u>Eligibility condition</u> No specific conditions for NSE</p>	<p>No specific conditions for NSE</p>	<p>No specific conditions for NSE</p>	<p><u>Eligibility condition</u> No specific conditions for NSE</p>	<p>No specific conditions for NSE</p>	<p>conditions for NSE</p>
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Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
IE	<p><u>Type of financing</u> Taxation/ Social insurance</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation/Social contributions depending on the scheme</p> <p><u>Type of coverage</u> Universal/Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social contributions (Job seekers allowance) and taxation for Job seekers benefit (social assistance)</p> <p><u>Type of coverage</u> Universal for non- contributory/ Voluntary for contributory one</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility condition</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal/Means-tested for care allowance</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
IT	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p> <p>NSE members of <i>Gestione Separata</i>: 3 months contributions within the year preceding the sickness</p>	<p><u>Type of financing</u> Social security contribution</p> <p>Lower contribution rates for NSE member of <i>Gestione Separata</i> (mainly project</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE workers)</p> <p><u>Note</u> Problems in effective coverage for NSE due to tight eligibility conditions</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p> <p>A specific scheme DIS-COLL for project workers on continuous collaboration contracts (<i>co.co.pro., Collaborazioni coordinate a progetto</i>)</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p> <p><u>Note</u> Problems in de facto access to childcare services for non-standard workers</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation/ Social contributions depending on the benefit</p> <p><u>Type of coverage</u> Universal/Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
LT	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation/social contributions	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation/Social security contribution depending on the benefit
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory to the statutory scheme	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal/compulsorily	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory
	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	Voluntary to the state subsidised private funded scheme <u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> No access for casual and seasonal workers (Voucher-based workers)	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
LU	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation/Social security contribution depending on the benefit
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory
	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE

Country	Healthcare	Sickness	Old-age	Unemployment benefits	Maternity/ Paternity cash benefits	Accidents at work and occupational injuries benefits	Survivors' pensions	Long-term care	Invalidity	Family benefits
LV	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> No access for seasonal workers	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> Low benefits for non-standard workers, esp. micro-enterprise employees	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> No access for seasonal workers	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> No access for seasonal workers	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> Low benefits for non-standard workers, esp. micro-enterprise employees)	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> Low benefits for non-standard workers, esp. micro-enterprise employees	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal/ <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation/Social security contribution depending on the benefit <u>Type of coverage</u> Universal/Compulsory <u>Eligibility conditions</u> No specific conditions for NSE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
MT	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> Public Health operates in parallel to private health system. A register of medicine for chronic diseases exists and these are provided free. Other medicines have to be paid by individuals	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation for basic pension/Social security contribution <u>Type of coverage</u> Universal for basic pension/Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation for non-contributory benefit/ Social security contribution for the contributory one <u>Type of coverage</u> Universal for non-contributory/ Compulsory for contributory one <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> Employer pays first 14 weeks of Maternity Leave [ML]. Refunded by Govt on application Maternity Leave Benefit [MLB] paid for extended leave up to 4 weeks This extended leave is financed through a	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal/ <u>Eligibility condition</u> Means-tested <u>Note</u> Persons in state run homes for the elderly pay two-thirds of their pensions towards their upkeep. No means testing is applicable for entry. Private homes for the elderly are funded by individuals living there.	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> Means tested for certain benefits like energy benefit, rent subsidies

					special fund paid by employers for each employee. The applicant who is an employee must have first availed herself the entitlement of 14 weeks of maternity leave.					
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Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
NL	<u>Type of financing</u> Social security contribution (only private health insurance)	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory	<u>Type of financing</u> Taxation for basic pension/Social security contribution for occupational pensions <u>Type of coverage</u> Universal/Compulsory	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory	<u>Type of financing</u> Taxation/social contributions <u>Type of coverage</u> Universal/compulsorily <u>Eligibility condition</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation/ <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE.
	<u>Type of coverage</u> Compulsory (only private health insurance)	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> For occupational pensions: temporary agency workers accumulate entitlements after 26 weeks with the same employer and Seasonal workers may be exempted	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE.	
	<u>Eligibility conditions</u> No specific conditions for NSE									

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
PL	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation/Social security contributions	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Means-tested for some cash benefits
	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> Needs-tested	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE
	<u>Note</u> No access for civil law contracts for a specified task	<u>Note</u> No access for civil law contracts for a specified task Voluntary access for civil law commissioned contracts for a specified task	<u>Note</u> No access for civil law contracts for a specified task	insurance for at least 12 months within the last 2 years <u>Note</u> No access for civil law contracts for a specified task	<u>Note</u> No access for civil law contracts for a specified task, but eligible for a specific parental benefit paid by the state budget	<u>Note</u> No access for civil law contracts for a specified task	<u>Note</u> No access for civil law contracts for a specified task	<u>Note</u> No access for civil law contracts for specific LTC services in the HC system	<u>Note</u> No access for civil law contracts for a specified task	

						pay an extra contribution of 0.5% specifically to this end	be at least 72 months		employees & the self-employed	
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Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
RO	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal/means-tested	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal
	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE
		<u>Notes</u> No access for casual and seasonal workers	Conditioned upon: monthly income equal or higher than 35% of the average gross salary; (about 4 average salaries per/y)	<u>Notes</u> No access for casual and seasonal workers		Conditioned upon: monthly income equal or higher than 35% of the average gross salary; (about 4 average salaries per/y)				
		Conditioned upon: monthly income equal or higher than 35% of the average gross salary; (about 4 average salaries per/y)				<u>Notes</u> No access for casual and seasonal workers				

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
SE	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation and Social security contribution</p> <p><u>Type of coverage</u> Universal for guarantee pension / Compulsory for second tier earnings related benefits</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation and Social security contribution</p> <p><u>Type of coverage</u> Universal for non-contributory/ Voluntary for contributory one</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p> <p><u>Note</u> NSE may de facto have difficulties fulfilling eligibility conditions</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation and Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility condition</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation and Social security contribution</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
SI	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation/Social contributions	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal
	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility condition</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE
	<u>Notes</u> No access for civil law contracts	<u>Notes</u> No access for civil law contracts (not consecutives)								
Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
SK	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal
	<u>Eligibility</u>	<u>Eligibility</u>	<u>Eligibility</u>	<u>Eligibility</u>	<u>Eligibility</u>	<u>Eligibility</u>	<u>Eligibility</u>	<u>Eligibility conditions</u>	<u>Eligibility</u>	<u>Eligibility conditions</u>

	<u>condition</u> No specific conditions for NSE	<u>condition</u> No specific conditions for NSE <u>Note:</u> No access for persons with irregular income (employees on "work agreements" w irregular income)	<u>condition</u> No specific conditions for NSE	<u>condition</u> No specific conditions for NSE <u>Note</u> No access for persons w irregular income (employees on "work agreements" w irregular income)	<u>condition</u> No specific conditions for NSE	<u>condition</u> No specific conditions for NSE	<u>condition</u> No specific conditions for NSE	No specific conditions for NSE	<u>condition</u> No specific conditions for NSE	No specific conditions for NSE
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Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
UK	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation for income based (ESA)/Social security contribution for contribution based ESA and taxation for means-tested ESA</p> <p><u>Type of coverage</u> Universal/Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE but need to reach lower earnings threshold</p> <p>+ Statutory sick pay for employees - paid by employer; need to reach</p>	<p><u>Type of financing</u> Single tier / basic pension: national insurance contributions and taxation for means-tested pension credit</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE but need to reach lower earnings threshold to pay NICs unless (e.g.) caring credits</p> <p>+ Means-tested pension credit for those on low incomes – no specific</p>	<p><u>Type of financing</u> national insurance contributions for contribution-based JSA and taxation for non-contributory (income based) JSA</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE but for contribution based must reach lower earnings threshold for contributions</p>	<p><u>Type of financing</u> need to reach national insurance contribution threshold to get statutory maternity / paternity pay or state maternity allowance</p> <p><u>Type of coverage</u> For those who reach lower earnings threshold</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> national insurance contributions</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> national insurance contributions of deceased spouse</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility condition</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> means-tested</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> national insurance contributions for contributory ESA or taxation for means-tested ESA</p> <p><u>Type of coverage</u> compulsory (ESA for long-term sickness)</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal child benefits (with high income charge for child benefit) and r means-tested (child tax credit and other benefits)</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>

		lower earnings thresholds	conditions for NSE							
		+ Means-tested income support / universal credit for those incapable of work – no specific conditions for NSE								

SELF-EMPLOYED

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
AT	<u>Type of financing</u> Social security contributions & taxes	<u>Type of financing</u> Social security contributions & taxes	<u>Type of financing</u> Social security contributions & taxes	<u>Type of financing</u> Social security contributions & taxes	<u>Type of financing</u> Social security contributions & taxes	<u>Type of financing</u> Social security contributions	<u>Type of financing</u> Social security contributions & taxes	<u>Type of financing</u> Taxes	<u>Type of financing</u> Social security contributions & taxes	<u>Type of financing</u> Contributions (Family Equalisation Fund) & taxes
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal	<u>Type of coverage</u> Compulsory
	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> Min 43 days of sickness & having 0-24 employees	<u>Eligibility condition</u> Rules not described but same as employees	<u>Eligibility condition</u> Similar to normal employees & termination of business.	<u>Eligibility condition</u> Replacement for at least 20 hours and 4 days per week.	<u>Eligibility condition</u> Rules not described but same as employees	<u>Eligibility condition</u> Rules not described but same as employees	<u>Eligibility conditions</u> Being n need for long-term care.	<u>Eligibility condition</u> Different definition of disability for the SE	<u>Eligibility conditions</u> None for family cash benefits 6 months of insurance for income-related child care allowance None for flat-
	<u>Notes/Particular issues</u> Opt-out if income < €4,988.64 /year Minimum assessment base for SE registered with the Chamber of Commerce (CoC) 723.52€/m; for “new SE”: 415.72 €/m The SE usually pays a	<u>Notes/Particular issues</u> Opt-out if income < €4,988.64 / year Insured under GSVG (Trade Social Insurance Act) and having 0–24 employees receive a daily support benefit of EUR 29.23 for up to 20 weeks, as from	<u>Notes/Particular issues</u> Opt-out if income < €4,988.64 / year Minimum assessment base for SE registered with CoC 723.52€/m; for “new SE” 415.72 €/m	<u>Notes/Particular issues</u> Opt out if income < €4,988.64 / year Women registered with CoC can opt in also for a support benefi	<u>Notes/Particular issues</u> Opt-out if income < €4,988.64 Minimum assessment base for SE registered with the Chamber of Commerce (CoC) 723.52€/m; for “new SE”: 415.72 €/m	<u>Notes/Particular issues</u> Opt-out if income < €4,988.64 / year Minimum assessment base for SE registered with the Chamber of Commerce (CoC) 723.52€/m; for “new SE”: 415.72 €/m	<u>Notes/Particular issues</u> Opt-out if income < €4,988.64 / year Minimum assessment base for SE registered with the Chamber of Commerce (CoC) 723.52€/m; for “new SE”: 415.72 €/m	<u>Notes/Particular issues</u> Opt-out if income < €4,988.64 / year Minimum assessment base for SE registered with the Chamber of Commerce (CoC) 723.52€/m; for “new SE”: 415.72 €/m	<u>Notes/Particular issues</u> Opt-out if income < €4,988.64 / year Minimum assessment base for SE registered with the Chamber of Commerce (CoC) 723.52€/m; for “new SE”: 415.72 €/m	<u>Notes/Particular issues</u> Opt-out if income < €4,988.64 / year Minimum assessment base for SE registered with the Chamber of Commerce (CoC) 723.52€/m; for “new SE”: 415.72 €/m

	patient's contribution of 20% of the cost of the health service	the 43rd day to sickness. Additional voluntary insurance for sickness benefit from the fourth day of sickness for a maximum of 26 weeks.								rate child care allowance <u>Type of coverage</u> Universal for family cash benefits Income related for child care allowance
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Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
BE	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation/Social security contribution (for Flanders)	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation (federal grant)
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> No coverage	<u>Type of coverage</u> Compulsory for maternity benefit	<u>Type of coverage</u> No coverage	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal/means-tested	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal
	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE <u>Notes/ Particular issues</u> Waiting period of 1 month Lump-sum payment	<u>Eligibility condition</u> If the self-employed can demonstrate a career at least equal to 2/3 of a full career they may claim the minimum pension	<u>Notes/ Particular issues</u> Possibility for an insurance based bankruptcy benefit	<u>Eligibility condition</u> No specific conditions for SE <u>Notes</u> Maternity leave of max 12 weeks; 3 weeks compulsory Exemption of paying social contributions during the leave	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE <u>Notes/ Particular issues</u> Lump-sum payment	<u>Eligibility condition</u> No specific conditions for SE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
BG	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> No coverage	<u>Type of coverage</u> Voluntary: SE have to declare at start of each year whether they want to pay additional contribution for maternity)	<u>Type of coverage</u> No coverage	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal/means-tested	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Means-tested
	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE		<u>Eligibility condition</u> Not specific for SE		<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> Voluntary insurance for access to carer's leave	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
CY	<u>Type of financing</u> General taxation <u>Type of coverage</u> Means-tested <u>Eligibility conditions</u> No specific conditions for SE <u>Notes</u> New legislation introducing the new NHIS (National Health Insurance System) was voted in June 2017. The above information refers to the 'old' system.	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> No coverage	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> No coverage	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Means-tested <u>Eligibility conditions</u> No specific conditions for SE <u>Notes</u> provision divided into healthcare and social care	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Taxation/Social security contribution depending on the benefit <u>Type of coverage</u> Compulsory/means-tested depending on the benefit <u>Eligibility conditions</u> No specific conditions for SE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
CZ	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> No coverage	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal for Parental benefit
	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> At least 180 conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> insurance for at least 12 months within the last 2 years	<u>Eligibility conditions</u> Insurance period At least 180 days within the year preceding the maternity and 270 days within 2 years	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE	Income tested for the rest <u>Eligibility conditions</u> For cash benefits a monthly reference income of at least half the average wage

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
DE	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation/Social security contribution depending on the benefit
	<u>Type of coverage</u> Compulsory affiliation to Private or Public Health insurance (In the public scheme member with voluntary status)	<u>Type of coverage</u> Compulsory affiliation to Private or Public Health insurance (In the public scheme member with voluntary status)	<u>Type of coverage</u> Compulsory for 'dependent self-employed without employees', some artists and publishers / Voluntary for the rest	<u>Type of coverage</u> No coverage through contributory unemployment benefit	<u>Type of coverage</u> Compulsory affiliation to Private Health insurance or voluntary to the public scheme	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> Compulsory for 'dependent self-employed without employees', some artists and publishers / Voluntary for the rest	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory for 'dependent self-employed without employees', some artists and publishers / Voluntary for the rest	<u>Type of coverage</u> Compulsory
	<u>Eligibility conditions</u> No specific conditions for SE But also mini-jobbers must be insured (e.g. through free coverage for spouses)	<u>Eligibility conditions</u> coverage of sickness benefit only if voluntary member of the public scheme	<u>Eligibility conditions</u> depending on the category of SE	<u>Eligibility conditions</u> coverage through maternity only if voluntary member of the public scheme	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> depending on the category of SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> 3 years of contributions/ general 5 years qualifying period	<u>Eligibility conditions</u> No specific conditions for SE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
DK	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> 18.5 weekly working hours for at least 6 months within the last 12 months, incl. the month prior to sickness.</p> <p><u>Note</u> Two weeks of waiting period</p> <p>Possibility for suppl. State insurance to reduce the waiting period (conditioned upon income)</p>	<p><u>Type of financing</u> Taxation for basic pension/ contributions for ATP suppl. pension</p> <p><u>Type of coverage</u> Universal for basic pension/ Voluntary for ATP</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p><u>Note</u> No coverage through occupational schemes</p>	<p><u>Type of financing</u> Social security contribution for the contributory one</p> <p><u>Type of coverage</u> Voluntary</p> <p><u>Eligibility conditions</u> Cessation of activity New rules as of 2017 Conditions total income must be at least €29,363 within 3 years</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> Stricter than for employees At least six months of work with 18.5 weekly hours within the previous 12 months, including the month just prior to the pregnancy.</p> <p>Possibility for suppl. State insurance</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> No coverage through state insurance</p>	<p><u>Type of financing</u> No state insurance</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for NSE <u>Note</u> Difference in the benefit calculation</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
EE	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Voluntary</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p><u>Notes</u> Waiting period of 9 days</p> <p><u>Type of financing</u> Social security contribution</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation for non-contributory benefit/ Social security contribution for the contributory one</p> <p><u>Type of coverage</u> No coverage through the contributory benefit/ coverage through the non-contributory one under specific conditions (no coverage for self-employed persons in management board)</p> <p><u>Eligibility condition</u> Non-contributory</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p><u>Note:</u> (fragmented system) SE are not covered depending on employment relations</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p><u>Notes</u> Less favourable conditions of receipt</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal/means-tested</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal or Means-tested depending on the benefit</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>

				one 180 working days during the twelve months prior and income less than the 31-fold daily unemployment allowance rate (€136.71).						
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Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
EL	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory only for lawyers SE/no coverage for the rest of SE	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory for all SE (farmers are excluded)	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory for freelancers/ no coverage for the rest of SE	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal/Means-tested
	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for lawyers SE <u>Note</u> Compared with employees, the sick leave period is shorter and the cash benefit is lower.	<u>Eligibility conditions</u> No specific conditions for SE <u>Note:</u> Farmers have a specific scheme	<u>Eligibility conditions</u> Specific contributory conditions for SE (longer period of contributions compared with 'standard employees') plus means-tested <u>Note</u> Shorter period of benefit receipt (compared with 'standard employees')	<u>Eligibility conditions</u> Specific contributory conditions for SE. Uniform eligibility conditions for all employees and self-employed are to be enforced by the end of 2017. <u>Note</u> Compared with employees, the maternity leave period is shorter and the cash benefit is lower. There are no paternity cash benefits.	<u>Eligibility conditions</u> Specific conditions for benefit entitlement, at least 30 days of invalidity period (against 3 days for employees) <u>Note</u> The benefit is limited to 120 days of receipt (against 720 days for employees)	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
ES	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility condition</u> No specific conditions for SE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory for all SE/ Voluntary for SE in agriculture <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u> No specific conditions for SE <u>Notes</u> No coverage for partial retirement Early retirement under specific conditions	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Voluntary <u>Eligibility condition</u> specific scheme for SE the amount depends on contributions, age and household situation (number of children)	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u> No specific conditions for SE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory for TRADE SE and mobile traders/ Voluntary for the rest <u>Eligibility condition</u> No specific conditions for SE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u> No specific conditions for SE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u> No specific conditions for SE <u>Note</u> For permanent disability caused by accident at work: compulsory for TRADE SE and mobile traders/ Voluntary for the rest	<u>Type of financing</u> Taxation or contributions depending on the benefit <u>Type of coverage</u> Means-tested /compulsory depending on the benefit <u>Eligibility conditions</u> No specific conditions for SE <u>Note</u> coverage for “child care” leave (contributory benefit) under specific conditions

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
FI	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation for non-contributory benefit/ Social security contribution for the contributory one</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p><u>Notes</u> Waiting periods if not affiliated to suppl. Private insurance</p>	<p><u>Type of financing</u> Taxation for basic pension/ social contributions for YEL (self-employed) and MYEL (SE in agriculture)</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> specific Scheme for SE (YEL) and SE in agriculture (MYEL)</p>	<p><u>Type of financing</u> Taxation for non-contributory benefit/ Social security contribution for the contributory one</p> <p><u>Type of coverage</u> Universal for non-contributory/ Voluntary for contributory one</p> <p><u>Eligibility conditions</u> For the contributory one specific conditions of contributory period and income</p>	<p><u>Type of financing</u> Taxation for non-contributory benefit/ Social security contribution for the contributory one</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Voluntary for SE/ Compulsory for SE in agriculture</p> <p><u>Eligibility conditions</u> Depending on the insurance company</p>	<p><u>Type of financing</u> Taxation for basic pension/ social contributions</p> <p><u>Type of coverage</u> Universal for non-contributory/ Voluntary for SE/ Compulsory for SE in agriculture</p> <p><u>Eligibility conditions</u> Depending on the insurance company</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation for non-contributory benefit/ social contributions for YEL (self-employed) and MYEL (SE in agriculture)</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
FR	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution/e employers' contributions	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation/Social security contribution depending on the benefit
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> No coverage	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> Compulsory (pension insurance)	<u>Type of coverage</u> universal with a copayment and lump-sum rationale	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory
	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> Longer waiting periods	<u>Eligibility conditions</u> Several schemes depending on the category of self-employed Liberal professions a scheme which provides only a basic pension Several mandatory funded complementary pension schemes	<u>Eligibility conditions</u> Several schemes depending on the category of self-employed Liberal professions a scheme which provides only a basic pension Several mandatory funded complementary pension schemes	<u>Eligibility conditions</u> Several schemes depending on the group of SE	<u>Eligibility conditions</u> Several schemes depending on the group of SE	<u>Eligibility conditions</u> No specific conditions for SE <u>Note</u> Some SE can be assimilated to employees so compulsorily insured	<u>Eligibility conditions</u> specific conditions for SE depending on the pension scheme Traders and craftsmen have the same rights as employees	<u>Eligibility conditions</u> Income above 3,754€/y	<u>Eligibility conditions</u> Depending on the category of SE Liberal professions depending on the occupational group

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
HR	<u>Type of financing</u> Social security contribution + taxes + compulsory co-payment	<u>Type of financing</u> Social security contribution + taxes + compulsory co-payment	<u>Type of financing</u> Social security contribution + taxes + compulsory co-payment	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution/ Taxation	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory/Universal	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory
	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> Cessation of activity	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> No specific conditions for NSE <u>Notes</u> No coverage for farmers	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for NSE	<u>Eligibility conditions</u> Means-tested No specific conditions for SE
		<u>Notes</u> Waiting period of 42 days (can be shortened depending on the illness)								

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
HU	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution/taxation	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation + social security contributions	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory/universal	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory-universal/needs-based	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> universal
	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
IE	<p><u>Type of financing</u> Taxation/ Social insurance</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social contributions</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation/Social contributions depending on the scheme</p> <p><u>Type of coverage</u> Universal/Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social contributions (Job seekers allowance) and taxation for Job seekers benefit (social assistance)</p> <p><u>Type of coverage</u> Job seekers benefit (social assistance)</p> <p><u>Eligibility conditions</u> Means-tested</p> <p><u>Notes</u> No obligation of cessation of activity</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> No coverage</p>	<p><u>Type of financing</u> Social contributions</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal/Means-tested for care allowance</p> <p><u>Eligibility conditions</u> Means-tested No specific conditions for SE</p>	<p><u>Type of financing</u> social contributions</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p><u>Notes</u> Not entitled to Family Income Supplement</p>

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
IT	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> No coverage</p> <p><u>Eligibility conditions</u> Only private insurance in different funds.</p>	<p><u>Type of financing</u> Social security contribution</p> <p>lower contribution rates for SE</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p>Exception Special funds (state regulated) for “licensed professions”</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> No coverage</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p> <p><u>Notes</u> Different daily allowance according to the category of the self-employed</p> <p>Problems in effective coverage to childcare services for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation/ Social contributions depending on the benefit</p> <p><u>Type of coverage</u> Universal/Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p><u>Notes</u> No coverage for most contributory benefits for ‘licensed professions’</p>

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
LT	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility condition</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility condition</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory insured to the statutory scheme. Voluntary to the state subsidised private funded scheme</p> <p><u>Eligibility condition</u> No specific conditions for SE</p> <p><u>Notes</u> “persons engaged in individual activities under business certificates” are insured only under the statutory scheme</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility condition</u> Only for owners of individual enterprises, members of small partnerships, and partners of general partnerships The rest of SE are excluded</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Voluntary</p> <p><u>Eligibility condition</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> No coverage</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility condition</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal/compulsorily</p> <p><u>Eligibility condition</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility condition</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation/Social security contribution depending on the benefit</p> <p><u>Type of coverage</u> Universal/Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for NSE</p>

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
LU	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution +state contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal
	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE <u>Notes</u> Sickness benefit as of 77th day Complementary insurance in order to receive the benefit as of the first day	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> Cessation of activity plus contributory period of 2 years	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
LV	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for SE <u>Note</u> Low benefits for SE because of low contributory base	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> No coverage	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> No coverage	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for SE <u>Note</u> Low benefits for SE because of low contributory base	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility condition</u> Means-tested No specific conditions for SE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Taxation/Social security contribution depending on the benefit <u>Type of coverage</u> Universal/Compulsory <u>Eligibility conditions</u> No specific conditions for SE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
MT	<p><u>Type of financing</u> Social security contributions/ Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p><u>Note</u> Public Health operates in parallel to private health system. A register of medicine for chronic diseases exists and these are provided free. Other medicines have to be paid by individuals</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p><u>Note</u> Waiting period of 3days</p>	<p><u>Type of financing</u> Taxation for basic pension/Social security contribution</p> <p><u>Type of coverage</u> Universal for basic pension/Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation for non-contributory benefit/ Social security contribution for the contributory one</p> <p><u>Type of coverage</u> Can access only non-contributory (social assistance)</p> <p><u>Eligibility conditions</u> Means-tested</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> Maternity leave [ML] applies only to employees.</p> <p>Self-employed benefit from Maternity Leave Benefit [MLB]. MLB is paid for a maximum of 18 weeks. The main difference between self-employed and employees is that employees receive their full salary, whatever it is, whilst self-employed are</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility condition</u> Means-tested</p> <p><u>Note</u> Persons in state run homes for the elderly pay two-thirds of their pensions towards their upkeep. No means testing is applicable for entry. Private homes for the elderly are funded by individuals living there.</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p><u>Note</u> Means tested for certain benefits like energy benefit, rent subsidies</p>

					paid at the official minimum weekly wage rate.					
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Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
NL	<p><u>Type of financing</u> Social security contribution (only private health insurance)</p> <p><u>Type of coverage</u> Compulsory (only private health insurance)</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Voluntary</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation for basic pension/Social security contribution for occupational pensions</p> <p><u>Type of coverage</u> Universal No coverage through occupational pensions</p> <p><u>Eligibility conditions</u> No specific conditions for SE for the basic pension</p> <p><u>Notes</u> Low pensions are not covered through occupational pensions (90% of employees affiliated to the latter)</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> No coverage</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> No coverage</p> <p><u>Notes</u> Coverage only for dependent self-employed and liberal professions</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation/social contributions</p> <p><u>Type of coverage</u> Universal/compulsory</p> <p><u>Eligibility condition</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Voluntary</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation/ Universal</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
PL	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation/ Social contributions	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal/com pulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal
	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE <u>Note</u> Waiting period	<u>Eligibility conditions</u> No specific conditions for SE <u>Note</u> No coverage for early retirement for SE born before 1949	<u>Eligibility conditions</u> Suspension of activity <u>Note</u> No coverage for civil law contracts for a specified task	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE <u>Eligibility conditions</u> Needs-tested No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility conditions</u> Some benefits are means-tested No specific conditions for SE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
PT	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility condition</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory for all SE</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p><u>Note</u> Waiting period of 30 days (employees 3 days). Receipt period for SE 365 days (for employees 1,095 days)</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility condition</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility condition</u> Coverage only for dependent SE (80% on a single client)</p> <p>Or who earn income through a “registered business of their own”. Contribution record :720 days in previous 48M (contribution record for employees 360 days in previous 24M)</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility condition</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Payment, by the SE, to insurance companies</p> <p><u>Type of coverage</u> Voluntary</p> <p><u>Eligibility condition</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility condition</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation/ contributions depending on the benefit</p> <p><u>Type of coverage</u> Universal/compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p><u>Note</u> No covered for the care of disabled or chronically ill children’</p>	<p><u>Type of financing</u> Social security contribution</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility condition</u> No entitlement to the provisional invalidity pension</p>	<p><u>Type of financing</u> Taxation or contributions depending on the benefit</p> <p><u>Type of coverage</u> Means-tested/compulsory depending on the benefit</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p> <p><u>Note:</u> No access to the child care benefit and to the benefit for the care of grandchildren</p>

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
RO	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Voluntary but conditioned upon health and pension insurance	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal/means-tested	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal
	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE
		<u>Notes</u> Compulsory only SE with employees and for dependent SE Conditioned upon: monthly income equal or higher than 35% of the average gross salary; (about 4 average salaries per/y)	Conditioned upon: monthly income equal or higher than 35% of average gross salary; (about 4 average salaries per/y)	<u>Notes</u> No specific conditions for SE <u>Notes</u> Compulsory only SE with employees and for dependent SE	<u>Notes</u> Compulsory only SE with employees and for dependent SE	<u>Notes</u> Compulsory only SE with employees and for dependent SE Conditioned upon: monthly income equal or higher than 35% of average gross salary; (about 4 average salaries per/y)				

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
SE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility conditions</u> No specific conditions for SE <u>Note</u> Can choose between different waiting days, default 7 days.	<u>Type of financing</u> Taxation and Social security contribution <u>Type of coverage</u> Universal for guarantee pension / for first tier earnings related benefits <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Taxation and Social security contribution <u>Type of coverage</u> Universal for non-contributory/ Voluntary for contributory one <u>Eligibility conditions</u> Conditioned upon placing the activity on hold (no requirement for cessation)	<u>Type of financing</u> Social security contributions <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for NSE	<u>Type of financing</u> Taxation and social security contribution <u>Type of coverage</u> Compulsory <u>Eligibility condition</u> No specific conditions for SE	<u>Type of financing</u> Taxation and social security contribution <u>Type of coverage</u> Universal <u>Eligibility condition</u> No specific conditions for SE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Taxation and social security contributions <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for SE	<u>Type of financing</u> Taxation <u>Type of coverage</u> Universal <u>Eligibility conditions</u> No specific conditions for SE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
SI	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation/Social contributions	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal
	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE
Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
SK	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation	<u>Type of financing</u> Social security contribution	<u>Type of financing</u> Taxation
	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Voluntary	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> No coverage	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Compulsory	<u>Type of coverage</u> Universal
	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE	<u>Eligibility condition</u> No specific conditions for SE	<u>Eligibility conditions</u> No specific conditions for SE

Country	Healthcare	Sickness	Old-age	Unemployment	Maternity/ Paternity cash	Accidents at work and occupational injuries	Survivors' pensions	Long-term care	Invalidity	Family benefits
UK	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> National insurance contribution for contributory based ESA + Taxation for income based (means-tested) (ESA)/</p> <p><u>Type of coverage</u> SE can access both contributory ESA conditioned upon payment of contributions (flat rate class 2 currently) & means-tested ESA</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> National insurance contributions for basic / single tier pension & taxation for means-tested pension credit</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation for means-tested</p> <p><u>Type of coverage</u> SE can access only income-based JSA</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> National insurance contributions</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> No coverage</p> <p><u>Type of coverage</u> No coverage</p>	<p><u>Type of financing</u> National insurance contributions</p> <p><u>Type of coverage</u> Compulsory</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Means-tested (to meet charges)</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> National insurance contributions for contributory ESA & taxation for means-tested ESA</p> <p><u>Type of coverage</u> Compulsory for national insurance contributions & means-tested for means-tested ESA</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>	<p><u>Type of financing</u> Taxation</p> <p><u>Type of coverage</u> Universal child benefit (with high income charge for child benefit) and means-tested for child tax credit / universal credit and other benefits</p> <p><u>Eligibility conditions</u> No specific conditions for SE</p>

ANNEX 2

Overview of private insurance schemes and bipartite funds

Country	Private insurance schemes	Bipartite funds
AT		Sozial- und Weiterbildungsfonds (SWF) Social protection for agency workers: social benefits and training
BE	The private insurance schemes mainly complement public sickness benefits in cash and public old-age pensions (the first pension pillar). For instance, the Guaranteed Income Insurance is an insurance against the loss of income in case of sickness and invalidity. Furthermore, the Voluntary Supplementary Pension Scheme for the Self-Employed allows self-employed to save for a supplementary pension. Some 46% of the self-employed exercising a main activity are covered by this non-compulsory private insurance scheme.	Fonds social pour les intérimaires: social benefit PI: Prévention et Intérim: Health and Safety at work VFU-FFI: fonds de formation pour les intérimaires
BG	There are various options for insurance against work accidents, occupational injuries and death offered by private insurance companies, which are available to everybody, including the self-employed such private insurance packages can only be assessed on a case-by-case basis.	
CY	Private collective insurance schemes (based on a contract with a specific employer) are widespread and non-standard workers are often excluded from them.	
CZ		
DE	Anyone living in Germany is obliged to take out health insurance, either in the state or the private health insurance system - PHI (compulsory insurance). Self-employed (with the exception of farmers and artists) and the well-paid salaried workers can choose between the PHI system and a voluntary membership in the SHI system. In 2015, around 71 million people (89 per cent of the population) were insured under the state health insurance scheme (SHI). 8.8 million (11 per cent) were qualified to hold private health insurance (PHI). The regulations governing private health insurance (PHI) differ significantly from those governing the SHI. Public officials (“Beamte”) and the self-employed are members of the private system. Employees with a high income (2016: above €4,676 a month, adjusted annually) can opt for private or state health insurance. Normally they choose the private system, since it is	

	<p>beneficial for them. In the private health insurance system the dominant principle is pure insurance, with no element of solidarity included. The PHI premiums depend on the individuals' health risk and age of entry into the private system. The benefit package is subject to an individual insurance contract. For younger people (without families) with good earnings, the PHI premiums are lower than the income-related contributions of the SHI. Since general practitioners and outpatient specialists are allowed to charge PHI patients much higher prices, privately insured patients can be assumed to be first-class consumers and empirical evidence suggests that waiting periods for an appointment with a medical doctor are shorter for this group of individuals (Lüngen et al. 2008; Schwierz et al. 2009). However, the insurance of family members is not free; it requires an additional contract. Once PHI has been opted for, this decision can be regarded as "once-in-a-lifetime" because switching back to SHI is greatly restricted by law.</p> <p>Self-employed people also have the option of voluntary membership of the SHI. The general contribution rate is 14.6 per cent of gross income plus the additional contribution rate. With a waiver of sickness benefit (after six weeks of sickness), the contribution rate is 14 per cent of total income. However, the contribution for the self-employed is calculated on the basis of a fictitious minimum gross income of 2,179 euros a month (2016). This is a very considerable financial burden for any self-employed person on a low income. Consequently, voluntary membership of the SHI is normally unattractive. However, private insurance can also be very expensive – depending on health status, age and the level of insurance cover (for example, whether or not a daily benefits insurance is included). Moreover, insurance for family members is not free.</p>	
DK		
EE		
EL		
ES		
FI	<p>The Occupational Injuries and Work Accident Act stipulates compulsory insurance that is carried out by private insurance companies for the private sector and municipal workers, by The Pension Institute for Farmers, Mela (for farmers</p>	

	and grant receivers), and by the State Treasury for state employees. Despite the administrative decentralization, benefits are more or less the same for all groups of employees.	
FR		<ul style="list-style-type: none"> • Fonds d'Action Sociale du Travail Temporaire (Fastt) Services delivered in areas: Access to housing, transportation, health insurance, child care, social assistance temporary accommodation • Fonds d'assurance formation du travail temporaire (FAF.TT) Training services • Réunica Domicile Complimentary healthcare schemes and pensions (third pillar) • Fonds de Sécurisation des Parcours Intérimaires (FSPI) Inclusion and coaching
HR	Private health insurance guarantees healthcare to private persons residing in Croatia, if they are not obliged to be covered within the mandatory health insurance scheme.	
HU		
IE		
IT		<ul style="list-style-type: none"> • Ebitemp: Ente bilaterale per il lavoro temporaneo (Bilateral Body for temporary work) <u>Support</u> (one-off or monthly benefits in case of necessity) <u>Protection</u> (refunds and subsidies to cover medical expenses, also in the event of accidents) <u>Benefits</u> (small personal loans and one-off contribution for relocation) • Forma.Temp Fund for training and income support for temporary staff • Fontemp Pension fund
LU	Different (private) insurance companies offer a variety of extra insurances with each their own conditions and benefits.	<ul style="list-style-type: none"> • Le Fonds de formation Sectoriel pour l'Intérim, FSI Training services
LT		
LV	Private insurance companies offer health insurance policies – but mainly to legal entities with sufficient number of employees. Until recently, private persons had no opportunity to buy a health insurance policy – only companies could do it, now some of insurance companies are selling policies also to private persons, but prices are much higher in that case and few people can afford it. Many large and medium-sized companies are buying health	

	insurance policies for their employees, but for small companies it is often not affordable because of high prices.	
MT	Private insurance policies exist, but these are normally used only to provide indemnity coverage to professionals, some of whom are self-employed (such as accountants, auditors, lawyers, notaries, architects and civil engineers, electrical and mechanical engineers, and medical practitioners). These policies protect the insured against claims for injury, loss or damage as a result of any negligent act, and for errors or omissions whilst carrying out their professional services. Cover could also include libel and slander; and loss or damage to documents. But these private insurance schemes are not meant as, nor understood to be, a replacement for – or even an extension of – social security insurance. Other private insurance policies which provide lump sums on retirement, or in the case of early death, are not uncommon among both employees and the self-employed, but again these are not perceived by Maltese as in any way related to the social security regime.	
NL	<p>The Dutch healthcare system is based on (private) health insurance, which is mandatory for all citizens (Zorgverzekeringswet). All residents are required to purchase a basic health plan covering, among other things, family medicine, maternity care, pharmaceuticals and hospital care. Individuals may choose any insurance company, and can opt for supplementary insurance. The nominal premium rate averaged EUR 1,158 per year in 2016.</p> <p>The system does not differentiate between different types of workers such as salaried, self-employed or non-standard employed workers. The only difference is that many employers offer access to discounted collective insurance to their employees, up to a legal maximum of 10 per cent (Zorgverzekeringswet, art. 18, lid 2). Also, for people with lower incomes, the government provides an income-dependent health insurance allowance (Zorgtoeslag).</p> <p>Self-employed persons can insure themselves against the risk of sickness, either through public insurance (ZW insurance) with the Employee Insurance Agency (Uitvoeringsinstituut Werknemersverzekeringen, UWV) or through private insurance. Both grant them</p>	<ul style="list-style-type: none"> • Stichting Fonds voor de Uitzendbranche (sfU) Social benefits • Stichting Opleiding & Ontwikkeling Flexbranche (STOOF) Training services • Stichting Pensioenfonds voor Personeelsdiensten (StiPP) Pension (third pillar)

	<p>a sickness benefit in case of sickness.</p> <p>Self-employed persons are not insured by default against incapacity to work, but can opt for voluntary insurance. This voluntary insurance can be either public (WIA) or private (Arbeidsongeschiktheidsverzekering, AOV).</p>	
PL		
PT		
RO	<p>The public pension system is structured along three pillars: a pay-as-you-go pillar which is also the most important one in terms of contributions due and pension benefits (pillar I), one pre-funded pillar mandatory for people under 35 years insured in the main PAYG pillar (pillar II, according to L 411/2004) and a third private one (L 204/2006), which is voluntary and supported by some fiscal incentives aimed at stimulating participation.</p>	
SE	<p>Self-employed persons cannot opt out of the public system for social protection, but they need to make their own assessment of whether or not they need extended private insurance for themselves and the employees they may have (if the private firm is not covered by collective agreements). There are no differences in social protection coverage for self-employed people with and without employees.</p> <p>The self-employed may thus need to compensate for the loss of occupational pensions through independent savings or purchase of private insurance.</p> <p>Self-employed people are allowed to deduct parts of private pension savings from their commercial activities, amounting to 35 per cent of the generated surplus with a maximum of 440,000 SEK (44,143 EUR). However, it should be noted that this deduction reduces the surplus of the firm and thus lowers contributions to the public pension scheme. It will also affect the taxable income of the self-employed, which is used to determine entitlements under other programmes, including sickness and parental leave benefits.</p>	
SI		
SK		
UK	<p>Now state pensions are solely flat rate in the UK (for those retiring from April 2016), auto-enrolment was introduced to persuade people to save for private pensions via their employment. This means</p>	

	<p>this does not apply to self-employed workers. Low-paid part-time employees are not included automatically and those with several low-paying jobs may be excluded in all these, despite their total earnings being high enough.</p> <p>Individual social security accounts: the government is planning to review pension provision, in part with a view to drawing in more self-employed people. The review may examine auto-enrolment (workplace pension saving with a private provider for employees, who have to opt out if they do not want to be included) to see if it could be adapted for self-employed people, as well as examining the other groups excluded (including many part-time workers with multiple low-paying jobs).</p>	
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ANNEX 3

Overview of recent reforms in Member States

Member State	Relevant Reforms
Austria	<p>Austria introduced several reforms aimed at increasing the coverage of public social insurance concerning self-employed and people in non-standard employment.</p> <ul style="list-style-type: none"> • Extension of social protection for non-standard workers In the second half of the 1990s a first wave of measures was decided to (partly) integrate so-called “new self-employed” and “freelance contracts” into social insurance and for people in marginal part-time employment the possibility to opt-in to health and pensions insurance got introduced. This option the facto creates a very low-cost opportunity to obtain health insurance plus times of pension insurance. At the same time regulations on marginal part-time employment got reformed so that income from such contracts, in case of multiple jobholders, has to be added to other income from dependent employment or Freelance Contracts. And once the lower earnings limit is met, income from such contracts leads to coverage by health and pensions insurance, with related insurance contributions to be paid. Furthermore, as from January 2008, freelance contractors are covered by unemployment insurance and the severance pay scheme and since then they also have the right to receive sick-pay from the employer. • Extension of social protection for self-employed Regarding the measures to foster the transition between unemployment and self-employment, in Austria the level of support provided during the first months of self-employment corresponds to that of the applicable unemployment benefit or unemployment assistance/subsistence allowance, including any family supplements. Paradigm shift has been identified in Austria where new self-employed have been included in pension, health and work accident schemes since 2000. The self-employed registered with the Chamber of Commerce (the vast majority of all self-employed) are compulsorily insured. Since January 2009, self-employed can opt-in to unemployment insurance¹¹³. Recent reforms aim at <u>addressing the issue of partial access to entitlements to sickness benefits</u> by extending social protection to the self-employed. Further on, Austria has distinguished the 'dependant self-employment' by introducing specific provisions to extend some protection. In some countries, even if the self-employed are compulsorily covered by <u>sickness protection</u>, they are subject to much longer waiting periods than salaried workers. In order to tackle this issue, the self-employed in Austria have a right to opt into insurance covering this waiting period.
Belgium	<ul style="list-style-type: none"> • Reducing legal conflicts about self-employed As a step taken to deal with <u>dependent self-employment</u>, in 2006 Belgium adopted new legislation on the nature of labour relations to ensure legal security and to fight the phenomenon of bogus employment. • Transferability of rights and entitlements Mechanisms allowing a person to include contribution periods of previous employment in the calculation of unemployment benefits. • Extension of social protection for self-employed When it comes to <u>reforms aimed at extending social security for the self-employed</u>, both 'parametric' and 'paradigmatic' reforms have been identified in Belgium. As changes in some parameters of the scheme, measures introduced include <u>greater flexibility to take up</u>

¹¹³ However, given the rather strong “principle of equivalency” (i.e. the link between duration and amount of contributions paid and the level of social transfers from social insurance) within the Austrian system of social insurance outcomes in terms of social security and social inclusion for these groups tends to be problematic more often than for “normal” employees. The principle of equivalency quasi re-produces inequality of earned income, whereby self-employed and people in non-standard employment are more often affected by in-work poverty than normal employees. However, to the best of our knowledge, no detailed assessments are available about the concrete financial implications of these reforms. Integrating these forms of employment into social insurance made them more costly for employers, by this reducing the incentives to replace standard employment by non-standard forms of employment. However, marginal part-time employment and New Self-employment continued to rise irrespective of (partial) coverage by social insurance. In the case of Freelance Contracts new regulation, getting effective as from 1st January 2008, inter alia integrating them into unemployment insurance, appears to have had a mitigating effect, coming along with an overall reduction of such contracts. However, it may be the case that Freelance Contracts got increasingly substituted by New Self-employment, which continued to rise.

	<p>maternity leave, and more favourable conditions for self-employed carers of dependant persons. Recently, a number of measures have been adopted to improve the social status of self-employed persons as well as to promote female entrepreneurship. For instance, as of 1 January 2017, maternity leave has been expanded by another 4 weeks (12 weeks in total).</p> <p>Further on, the process of harmonisation started in the 2000s. Due to social policy measures focused on developing a fully-fledged social status for self-employed persons, there has been a net improvement in the adequacy of some benefits. For instance, the level of the minimum old-age pension for self-employed persons shows a strong increase over the last decade, reaching the equal level to the one for employees in August 2016. The self-employed have been included in compulsory state insurance for most social risks: healthcare and sickness benefits, long-term care, invalidity benefits, maternity benefits, family benefits, old-age pensions, survivors' pension.</p> <p>Regarding the 'bogus self-employment', in 2006 a new legislation on the nature of labour relations was adopted in order to ensure legal security and to fight effectively against the phenomenon. Moreover, concerning <u>defining and assessing the reference income for social security contribution payments</u>, the Belgian ESPN experts highlight a best practice: a balance between paid contributions and spending for the self-employed. In particular, the contributions paid by the self-employed amounted to some 5% of total social contributions received, and social security spending for the self-employed amounted to 6 to 7% (estimates in absolute terms show that the amount received corresponds to the amount paid).¹¹⁴</p>
Bulgaria	No initiatives identified.
Cyprus	No initiatives identified.
Czech Republic	No initiatives identified.
Germany	<ul style="list-style-type: none"> • Reducing legal conflicts about self-employed Germany has introduced a special, hybrid legal category for dependent self-employed. Due to such legal status, dependent self-employment enjoys both more formal and actual protection. It is important to note that dependent self-employed have also been subject to compulsory insurance for old-age pension since 1999. Germany has set up the scheme to foster the transition between unemployment and self-employment by introducing the Enterprise Subsidy which can be made available to unemployed persons who still have at least 150 days' entitlement to unemployment benefit on entering self-employment. It might be important to point out that white paper entitled 'Work 4.0' published by the Minister of Labour and Social affairs from 2016 contains a range of suggestions and proposals for the shaping of working conditions and the provision of adequate financial and social protection in this context of change. These proposals include old-age provision for all groups of self-employed, shaping transitions between dependent employment and self-employment. The following points should be mentioned: promotion of education, further training and qualification; shaping of the transitions between the phases of working-life and between dependent employment and self-employment; step-by-step development of the unemployment insurance towards employment insurance; old-age provision for all groups of self-employed. • Limiting abuse of atypical employment The Grand Coalition has taken steps to restrict the widespread abuse of fixed-term employees and temporary agency workers. In particular, policy makers are confronted with the task of combating and controlling bogus self-employment and undeclared work.
Denmark	<p>In Denmark, the general system of unemployment insurance is undergoing a major reform in 2017. In 2015 Unemployment Insurance Commission identified potentially problematic issues for self-employed, non-standard and entrepreneurs and has <u>suggested establishing a better system for non-standard workers and better income insurance for entrepreneurs</u>. Further on, the Commission saw a need to <u>simplify and reduce the amount of documentation for the self-employed</u>. One proposal considered by the Commission was to allow a company to close down temporarily for economic reasons or because of seasonal changes to then re-open when things have improved. A special task force was set up in March 2016 to come forward with <u>recommendations on how to simplify and bring the scheme into line with the general unemployment insurance scheme by 2017</u>.</p> <ul style="list-style-type: none"> • Extension of social security for self-employed In September 2016, the Liberal government proposed to introduce mandatory pension saving

¹¹⁴ However, concerns are been expressed by Belgian experts on issues for the future financing of social security regarding this practice. Namely, the current contribution rates for the self-employed decrease as income rises, and there is an annual ceiling on contributions.

	<p>for persons without sufficient savings, though not with any particular view to the self-employed. The proposal was to introduce compulsory saving for these groups with insufficient savings (defined as less than six percent of gross income), starting with 0.25% of income in 2018, increased to 2% of income in 2025¹¹⁵. Mandatory minimum pension savings for everybody would be innovative and resembles compulsory fire insurance for home owners/occupiers and third party insurance for car drivers. The Ministry of Finance estimates that this measure would reduce the number of individuals with insufficient savings from (around) 750,000 to 707,000 by 2025. However, this was opposed by representatives for self-employed who preferred to decide between themselves when and how much to save. Due to lack of general political support for the reform-package of which it was part the proposal was not adopted and is not part of programme for the new coalition government between the Liberals, Conservatives and the Liberal Alliance announced on 27 November 2016.</p>
Estonia	<ul style="list-style-type: none"> <p>Reducing legal conflicts about self-employed</p> <p>Estonian employment policy and social protection system and corresponding legislation presume <u>clear distinction between self-employed persons and employees</u>, and passive income (i.e. dividends) and active income (i.e. wages, salaries). Enforcement of this distinction is also the major measure that controls different types of employment and extend social protection coverage. In this regard, it is important to point out the <u>role of judiciary bodies</u> in Estonia. As reported by the Estonian ESPN expert, the Supreme Court delivered three significant decisions (in 2014 and 2015) which supported the position that in some cases, service agreements between companies can be considered a fraudulent form of (self-) employment, for the purpose of avoiding employment taxes, including social security contributions. The decisions stipulated that service agreements between companies are considered employment relationships if one establishment works for another company subject to the management and control of the company. Subordination is a strong indication of employment relationship, since according to Employment Contracts Act a natural person (employee) does work for another person (employer) in subordination to the management and control of the employer and the employer pays to the employee remuneration for such work'. The court decision gives Estonian Tax and Customs Board (EMTA) the right to requalify the service agreement to employment contract in case an actual employment relationship between the parties has been identified. Labour taxes from the remunerations (that is the prerequisite for social protection coverage in some social risks like sickness) shall then be declared and paid.</p>
Greece	<ul style="list-style-type: none"> <p>Transparency and administrative accessibility of social protection</p> <p>The procedure of changing the employment status is relatively <u>simple</u>, as are the procedures regarding the suspension of professional practice in the case of unemployment, and the reactivation of social insurance.</p> <p>Extension of social protection for the self-employed and non-standard workers – closing the gap in coverage of social protection</p> <p>Greece has implemented paradigmatic reform in order to extend social security for the self-employed. The gradual implementation, since May 2016, of the recent reform of the social protection system (Law 4387/16), is expected, among other things, to <u>ease further the remaining gaps and differences in the provision of social protection benefits, between the 'self-employed' and the 'employees', as well as among the different types of 'self-employed' and those of 'non-standard' employment</u>. In particular, the new pension system (as of 2017) brings together several social insurance funds into one unified pension fund. The establishment of this fund implies the application of uniform rules for contributions and benefits to all salaried workers and the self-employed. Additionally, income assessment base was calculated until end of 2016 as percentage of the so-called 'imputed income', which is a fictitious income (and not the real income). From 1st January 2017, the 'self-employed' contributions have been calculated as percentage of their net taxable income of the previous year, to be paid in 12 monthly instalments. Importantly, unemployment insurance has been extended to the self-employed.¹¹⁶</p>

¹¹⁵ The "income" referred to here is solely the income from work for the employees, the earned income for the self-employed and the income from social security for the social security claimants

¹¹⁶ Yet, as far as the risk of unemployment, accident at work and temporary disability are concerned, there are still gaps of coverage for the 'self-employed' which have not been dealt with by the new Law. According to Greek experts, despite the various measures taken over the recent years, certain differences and inequalities between the 'employees' and the 'self-employed', as regards their social protection obligations and rights, still remain. Moreover, there are indications that the recent change of the contributions' calculations basis has brought about an increase of the financial burden on social insurance contributions of some categories of the 'self-employed'. Furthermore, the calculation of contributions as a percentage of the 'imputed income' had also brought about negative financial implications for a number of 'self-employed'. As a result, a large percentage of the self-employed lost the entitlement to healthcare benefits.

	<p>Further on, since 2015 the conditions of retirement are the same for all employees and self-employed.</p> <ul style="list-style-type: none"> • Social protection for 'dependent self-employed' In Greece, if the 'dependent self-employed' person has up to two employers per year, <u>social insurance contributions will be paid according to an 'employee' status</u> (i.e. one-third by the 'self-employed' individual and 'two-thirds' by the employer).
Spain	<ul style="list-style-type: none"> • Extension of social security for self-employed The new regulatory framework (Law 20/2007 on the Self-Employed Work Statute) now <u>treats employment and self-employment equally</u> in relation to social protection. Among the diverse measures provided for on this matter, Spanish experts highlighted the establishment of new incentives in the form of exemptions, reductions or subsidies for Social Security contributions. The incentives for self-employment improved since September 2015 (Law 31/2015, art. 31) by reducing the social contributions of new self-employed workers, especially those under 35 years old and women. Further on, <u>unemployment insurance has been extended to the self-employed</u> in 2010. • Social protection for 'dependent self-employed' Economically dependent self-employed workers are defined as those self-employed workers whose economic activity is developed predominantly for a single client on which they depend for at least 75% of their income, do not employ third parties, have their own production infrastructure, organisational independence and their income depends on the work carried out. Spain made it <u>compulsory for the dependent self-employed</u> ('economically dependent self-employed' (TRADE)) <u>to opt into accident at work insurance</u>, while this is voluntary for the 'independent' self-employed. • Extension of social protection for non-standard workers As a way of extending protection to non-standard workers, in 2013 (Royal Decree 11/2013) Spain introduced new and <u>more favourable way of calculating the contribution periods for contributory social security benefits (excluding unemployment benefit) for part-timers</u>. The calculation is no longer carried out through equivalence to a full working day but is calculated improving the proportionally by applying a general rate of part-time work. The 'Social Dialogue' was resumed in the second half of 2013 with the <u>aim of improving the social protection of part-time workers</u>. As a consequence of the "Agreement on improving the conditions of coverage of social protection for part-time workers" Social Security legislation was amended to include the part-time relief contract, the fixed-discontinuous contract, and the incorporation of contracts of these types in the special scheme for domestic employees.¹¹⁷ Further on, <u>apprentices and paid trainees have a unique monthly contribution quota that gives entitlement to all benefits</u>, including unemployment.
Finland	<ul style="list-style-type: none"> • Extension of social security for the self-employed Finland has closed down an important issue of the option to self-report income for insurance purposes. Instead of self-declaration (which often leads to low income coverage) there is a trend towards <u>using registered income as the basis for insurance fees</u>. • Social protection for the non-standard workers: family benefits In Finland, there is a specific measure concerning families which combine non-standard work with <i>homecare allowance</i>.¹¹⁸ There is also <i>part-time home care allowance</i> for those parents that have part-time employment. Furthermore, <i>flexible care allowance</i> can be paid to a parent caring for a child under 3 years of age and who works no more than 30 hours per week.¹¹⁹ • Measures discussed at the moment Unemployment protection

¹¹⁷ One of the weaknesses of employment creation in Spain in the last three years, according to the consulted trade unions, is the abuse of part-time contracts and the growth of contracts of less than one week. This requires pursuing the path of reforms that improve the social protection of this type of contract, as well as fixed-discontinuous contracts in matters of unemployment and duration of contributions to access a pension.

¹¹⁸ Those parents who do not use municipal care are paid a compensation called homecare allowance. Some families are able to combine odd hours of paid work and childcare by working one after another.

¹¹⁹ The flexible care allowance is payable at two rates depending on the parent's total working time.

	<p>An expert group was set up to evaluate <u>how to improve unemployment protection among the self-employed and atypical workers</u>. The expert group, in its report of December 2016, suggested that a new unemployment insurance form – combination insurance – should be implemented. The self-employed who combine paid labour and self-employment could insure both their wages and income from self-employment. Thus the non-coverage problems linked to the unemployed who have combined part-time work with part-time self-employment could be eliminated. The government is discussing the proposal and will possibly, in the course of 2017, make changes in legislation, which would be implemented in 2018.</p> <ul style="list-style-type: none"> Non-standard workers – proposals concerning zero-hour contracts and seasonal workers A citizens initiative in 2015 followed a report made for the Ministry of Economic Affairs and Employment and proposed the <u>prohibition of zero-hour work contracts</u>, as well as the <u>introduction of mandatory minimum working hours</u>. The citizen's initiative was turned down and more research has been called for. There have also been views presented that the Employment Contracts Act can already be interpreted so that zero-hour contracts can be declared illegal since to fulfil the criteria for an employment contract, an employer must offer at least some work. A law proposal amending the working time legislation and conditions for zero-hour contracts was submitted to the Finnish Parliament in July 2017. The proposal would limit the use of contracts to situations where the employer can justify that the demand for labour varies. The employer would also have to provide the employee an estimate of the amount of work offered. The proposal also aims to ensure that the employee would be entitled to sick pay, as well as pay during the resignation period. Further on, the same Ministry ordered a report on the employment <u>status of seasonal workers</u>. The report proposed that all foreign wild berry pickers should be officially employed. The proposal was found to be difficult to coordinate with the existing definition of employment where it is sometimes hard to make a clear distinction between dependent employment, different forms of self-employment and other non-standard work. However, an information desk for foreign berry pickers was set up by the Ministry on 21st July 2014. Basic income experiment Aim of the experiment is to see if basic income would improve economic security and social protection among the precarious workforce, be it self-employed or people in non-standard employment contracts. The experiment started on 1st January 2017 with 2000 randomly selected unemployed persons receiving benefits from the Social Insurance Institution of Finland (Kela). The experiment will also show if unconditional benefit will enhance possibilities within self-employment or increase the incentives to accept work.
<p style="text-align: center;">France</p>	<p>In France a significant standardisation effort has been made, starting from the 1970s, leading to <u>greater similarity between social protection for self-employed people and employees covered under the general scheme</u>. As a result, today the health insurance schemes provide identical coverage of healthcare costs, as do the pension insurance schemes, with the exception of liberal professions. In addition, since 1945, self-employed people have been covered by the general family benefits scheme.</p> <ul style="list-style-type: none"> Addressing the gap in coverage: Individual social security account As a solution to ease transitions between labour market statuses France introduced reform extending compulsory insurance by <u>standardising many schemes in order to be more accessible for self-employed and non-standard workers</u>. Since January 2017 France is implementing the <u>personal activity account</u> which integrates different types of earnings into one unique account. In particular, it aims to better manage pensions, entitlement to life-long learning services and the time saving scheme. It combines three already-existing accounts to accumulate points for job-related training and education, days off not taken and strenuous work. It aims at disconnecting rights to social protection from professional status and connects them to individuals: moving from social rights based on labour market status to individual rights transferable from one status to another. The main idea is to make benefits no longer contingent on a person's labour market status. Instead, every worker would have an account where their social benefits would be kept in the form of 'points', regardless of labour market status. This would <u>make it easier portability and transferability of rights</u> with the idea of making professional career paths more secure. This will <u>simplify the process</u> and will improve knowledge of rights (for instance, mobile access). Each person will be able to simulate different scenarios of future contributions and benefit amounts. For example, if a person does not want to take some days off he/she is entitled to, they can be converted into points for additional training. This is applicable from 2017 for salaried workers and from

	<p>2018 for the self-employed.</p> <ul style="list-style-type: none"> • Extension of social protection for self-employed <u>Madelin contracts</u> are a <u>way for self-employed workers to improve their social protection on their own initiative</u>. To encourage them to do so, contributions payable under these contracts can be deducted from their taxable income. Greater convergence between social protection for the self-employed and employed workers is also facilitated by the use of “Madelin” contracts established by a law of 1994. However, despite some success, this measure is only financially attractive to beneficiaries who come into a high tax bracket. • Reducing legal conflicts about self-employed: judicial role In France, the role of labour courts is very important in reassigning labour statuses, especially in the case of ‘dependent’ and ‘bogus’ self-employment. A judge could potentially redefine auto-entrepreneur activity (self-employment) as a salaried work contract in cases where a position of permanent legal subordination is established. In such cases, the auto-entrepreneur is considered as a salaried worker and thus falls under the general social security scheme.
Croatia	<p>The Croatian unemployment scheme is compulsory social insurance covering all employees. Since 2014, it covers also the self-employed. Persons receiving “other income”¹²⁰ as well as persons working based on student contracts or occupational training contracts are <u>not covered</u>. However, at the same time, their work does not fall under the obligation to pay the contribution for unemployment insurance.</p> <ul style="list-style-type: none"> • Extension of social protection for non-standard workers Tax reform which came into effect in January 2017 includes extension of social protection and the obligation to pay social security contributions to non-standard workers, through the broad suggestion, with some exceptions, to treat different kinds of income similarly for tax and contribution purposes. However, the proposal has raised concerns that a significant proportion of artists and creative workers, who exist on incomes barely above the poverty line, will see the net value of these incomes reduced considerably.
Hungary	No initiatives identified.
Ireland	<ul style="list-style-type: none"> • Extension of invalidity pensions and the treatment benefit (healthcare) to the self-employed The reform came into place from 2017, for which the created Advisory Group was guided by the findings of the 2010 Actuarial Review of the Social Insurance Fund. In particular, Advisory Group <u>increased the level of contribution for Invalidity Pension</u> for 1.5 percentage points extra after assessing that it is financially achievable. The Advisory Group also recommended that the Department of Social Protection should consider how the <u>methodology for assessing means for Jobseeker’s Allowance could be simplified</u>, with a view towards ensuring that the principle of equity in assessment of incomes of households in similar income circumstances is observed in a consistent manner, while bearing in mind technical factors in and differences between assessing employed and self-employed incomes. Other recommendations related to <u>ensuring that self-employed people are aware of the need to maintain their social insurance record and the benefits of making contributions on a voluntary basis</u>. The Advisory Group also considered the issue of ‘<i>disguised self-employment</i>’ and pointed out that it may have resulted in the tendency to wrongly classify some employees as self-employed, which itself would lead to new social risks. To mitigate these risks, the Advisory Group recommended that the Department of Social Protection and the Revenue Commissioners should ensure greater compliance with the Code of Practice for Determining Employment or Self- Employment Status of Individuals. To this end, there should be <u>regular reporting</u> on the levels of reclassification. As a follow-up to the report, a survey is being conducted by the Department of Social Protection of the preferences of some 20,000 self-employed for reform of the system and their willingness to pay increased contributions.¹²¹
Italy	<ul style="list-style-type: none"> • Social protection for ‘dependent self-employed’ A specific new scheme was introduced in 2015 (Bill no. 22) for ‘dependant self-employed’ persons working on continuous collaboration contracts who lose their job. In particular, they

¹²⁰ e.g. persons working based on a contract for service, or author’s contract

¹²¹ According to the Irish experts, there is no evidence available on the conceivable consequences for the labour market of these measures. Nor has there been much consideration of this. Nor in the Irish context is there any consideration of developing ‘individual social security accounts’. All relevant reforms tend to take a ‘within the system’ approach.

	<p>must have paid contributions for at least one month during the previous year or have a contract with duration of at least a month. DIS-COLL¹²² is provided for a number of months, and is equal to half of the months of contributions paid in the previous year. The maximum duration of the scheme is six months. No pension contribution on behalf of the unemployed person is paid when receiving the DIS-COLL. The amount of the benefit is equal to 75% of the monthly average income. The amount cannot exceed €1,300 and the benefit is reduced by 3% from the fourth month on.</p> <ul style="list-style-type: none"> • Extension of social protection for the self-employed and non-standard workers: parental leave, maternity and sickness allowances ‘Jobs Act’ includes <u>new measures for parental leave, maternity allowances and sickness allowances for non-entrepreneurial self-employed workers</u> and it is currently under discussion. Policy measures were also introduced over time to extend social protection to the self-employed and atypical workers through maternity and paternity leave and vouchers for babysitting services. Also for maternity/paternity benefits some occupational welfare schemes provide coverage for self-employed workers and atypical ones.¹²³ Atypical workers and self-employed persons have the same rights and opportunities to be covered for health care provision, maternity cash benefits and accidents at work and occupational injuries benefits. For these types of social risks, the system seems to work <u>relatively along similar lines as for employees with open-ended contracts.</u>
Lithuania	<ul style="list-style-type: none"> • Extension of social security for the self-employed and non-standard workers The contributory social protection (social security) schemes are in transition in Lithuania since beginning of 2017. Main trend of reform is <u>further expansion of coverage</u>. More types of self-employment will be covered from social risks like sickness and maternity. The ‘Social Model’ reform aims to include more people working as self-employed or on non-standard contracts in the State Social Insurance Fund system. <u>The coverage of the self-employed is becoming much closer to that of salaried workers.</u> Moreover, unemployment insurance has been extended to the self-employed. Furthermore, <u>people working on non-standard contracts are fully covered by social protection against all social risks</u> because they are insured by social security on the same legal basis as full time employees. Also, they are covered by universal and means-testing social protection schemes on the basis of residency without any exception related to their economic status. Only persons engaged in individual activities under a business certificate are still covered only by pensions’ (retirement, disability, orphans’ and widows’) insurance. However, they will be insured not only for basic pension, but for the earnings related part as well. As of 2017, the new Law on State Social Insurance increases the involvement of self-employed in the system of social insurance and <u>self-employed will have the right to sickness benefit</u>. According to the data of the State Social Insurance Fund, due to the envisaged expansion of social insurance coverage of self-employed, rising contributions of unemployment social insurance and bonus taxation will produce an extra budget income of €70m.
Luxembourg	<ul style="list-style-type: none"> • Extension social security coverage for self-employed Expert report from Luxembourg identified an initiative aimed at tackling the issue of the self-employed who are compulsorily covered by sickness protection, but are subject to much longer waiting periods than salaried workers. Therefore, Luxembourg offers the <u>opportunity for self-employed to voluntarily join the Mutual Employers’ Insurance Fund without a contributory period being required.</u> Additionally, Long-Term Care Insurance scheme is compulsory for all residents. • Transferability of rights and entitlements In Luxembourg, the unemployment scheme facilitates transition between labour market statuses. The self-employed have to complete at least two years of compulsory pension insurance (instead of 26 weeks for contractual workers). However, periods of insurance completed as an employed person can be aggregated to this period of two years, provided the person has carried out activities as a self-employed person for at least six months before the submission of the request for compensation.

¹²² The DIS-COLL scheme covers specific atypical workers profiles from the unemployment risk.

¹²³ For example Ebitemp, the Bilateral Agency for atypical workers, provides a contribution of around €2,250 for all those female workers with atypical contracts, who have labour contracts ending during the first 180 days of pregnancy and are not covered by maternity benefits by the National Institute of Social Insurance (INPS). Moreover Ebitemp also provides a contribution of €1,000 for child care costs in nurseries for those female workers who have worked for at least three months in the previous twelve ones.

<p>Latvia</p>	<ul style="list-style-type: none"> • Extension of social security for the self-employed All self-employed matching the micro-enterprise criteria¹²⁴ have an opportunity to register as a Micro-enterprise taxpayer to decrease the overall tax burden. The creation of the Microenterprise Tax status aims at reducing unemployment, encouraging citizens to start their own business and simplifying tax payment procedures. However, according to Latvian experts, this regime has led to inadequately low contributions to social insurance budget and weak social protection of this group of employees. • Transferability of rights and entitlements The social insurance system is fully individualised, as each person's contributions are registered on a separate account. <u>Individual social security accounts</u> make it possible to attach acquired rights to the individual, rather than the work contract. When moving to a less-regulated work relationship, for instance from a permanent job to self-employment, people may begin accumulating fewer rights, but they would not lose the rights previously accumulated. However, the Latvian expert points to some drawbacks, as the individual social security account keeps redistribution as low as possible.
<p>Malta</p>	<ul style="list-style-type: none"> • Reducing legal conflicts about self-employed Legislative measures were taken in 2012, whereby <u>clear criteria were established to determine whether an employment relationship is that of a self-employed or of an employee.</u> Despite this legal provision, in practice it is known that many employers and workers respectively prefer to recruit and to be registered as self-employed even when they meet the required minimum of five conditions from the eight specified in the Legal Notice, and should thus be considered employees.
<p>The Netherlands</p>	<ul style="list-style-type: none"> • Transferability of rights and entitlements To deal with the issue of transferability of occupational pensions entitlements, the Netherlands has established <u>specific collective schemes for the self-employed</u>, facilitating transferability. • Social protection for 'dependent self-employed' Only those self-employed who work at the premises of/under supervision of an employer ('dependent self-employed') <u>are compulsory covered by occupational and work injury schemes.</u> • Extension of social protection for non-standard workers The Netherlands introduced an <u>initiative of re-defining the number of temporary jobs by transforming them more quickly into permanent employment.</u> Namely, from 2015 (Work and Security Act), new rules are aimed at getting earlier and easier steady work for flexible workers. New rules refer to the probationary period (should not be with contracts shorter than 6 months), the non-competition rule (not allowed if there is no permanent contract) and the number of successive temporary contracts (a fourth extension of more than two years on a temporary contract automatically transforms it into a permanent position).¹²⁵ • Reducing legal conflicts about self-employed The only relevant recent change in legislation concerns the Declaration of Independent Contractor Status (VAR). This is a statement for the self-employed under which the tax authorities will assess whether the agreement between the self-employed person and the client is actually not an employer-employee relationship. This is to counteract any improper advantage of the self-employed by other principal (i.e. bogus self-employment). In this case, payroll and social security taxes would be imposed on the employer. In the case of VAR the self-employed person was always responsible for the accuracy of the data submitted. If it turned out that the information provided about the relationship between the self-employed person and the client was wrong, both could be liable for additional tax assessments.
<p>Poland</p>	<ul style="list-style-type: none"> • Extension of social protection for the self-employed and non-standard workers The changes in the legislation, introduced in 2015 and 2016 closed a gap in the coverage of social protection between salaried workers and those employed based on the non-standard contracts.

¹²⁴ As reported by the Latvian ESPN expert, one specific category is composed of micro-enterprises. In this country this is a company: (i) that employs up to 5 employees, (ii) the annual turnover of which does not exceed €100,000, (iii) where all shareholders are natural persons and (iv) where the monthly salary of any employee may not exceed €720.

¹²⁵ However, there is great doubt among stakeholders whether this law will improve the position of flexible workers. It might even lead to a worse situation. In this context it is interesting that the law provides that the unemployed have to accept any available work after six months, not only suitable work.

	<p>Poland introduced <u>changes in maternity benefit entitlement</u>. Particularly, the maternity allowance is paid at 100% of the assessment base only in case of contributing for at least 12 months prior to the childbirth. If the contribution period is shorter, maternity allowance is set at the minimum level, and increases by 1/12 for every month of the contribution payment. The rationale behind this mechanism is to prevent claiming very high benefits, with the short contributing period. This mechanism is effective from January 2016, with the amendment to the Act on cash social insurance benefits in the case of sickness and maternity.</p> <p>Provision of maternity/paternity benefits as well as family benefits is in fact universal and does not favour employees on regular contracts over the self-employed, those working on non-standard contracts or other groups. In these areas, improvements are relatively recent. The most spectacular one came in 2015, with the establishment of the <u>new parental benefit</u>, effective from January 2016. Moreover, since 2017 the <u>new minimum income provision covers people working under commission contracts</u>. It introduces a minimum hourly rate for such contracts. This limit will be increased every year, following the growth of the minimum wage.</p> <ul style="list-style-type: none"> Limiting abuse of atypical employment In 2016, new legal provisions came into force aimed to reduce the share of non-standard work contracts. New rules when entering into fixed-term contracts were provisioned to <u>reduce the asymmetry in terms of hiring and firing workers employed on permanent contracts and other types of contracts</u>. Also at the beginning of 2016, rules of social insurance coverage of workers under civil law commission contracts were aligned with the rules applicable in the provision of employment under contracts of employment based on the Labour code. The new principle of the minimum base for social insurance equal to minimum wage was introduced. As a result, if an employee is covered by more than one contract with the remuneration lower than minimum, the social insurance contribution is paid on the basis of all relevant contracts, up to the required minimum. This provision <u>reduced possibility to hire non-standard employees on very low base contract covered by social insurance and combine it with another one with higher base, not covered by social insurance</u>.
<p>Portugal</p>	<ul style="list-style-type: none"> Extension of social protection for the self-employed: paradigmatic reform Law 20/2012 extended unemployment benefits to cover self-employed workers in a situation of economic dependence i.e. at least 80% of their activity is conducted on behalf of a contracting entity (provision of services contract). In 2013, unemployment benefits have been again extended to cover self-employed workers who earn their income through a registered business of their own or possess an individual commercial establishment, as well as their spouses if performing a professional activity together with them on a regular and permanent basis. In parallel, there are declared intentions of extending the mechanisms already in place regarding bogus self-employment to other bogus situations such as bogus traineeships and to include mechanisms for the protection of precarious workers against unemployment. Social protection for 'dependent self-employed' In Portugal, the dependent self-employed enjoy better legal protection than the other categories of self-employed. Since 2012 they have been entitled to unemployment benefits. However, the eligibility conditions for these people are different than for salaried employees¹²⁶. Reducing legal conflicts about self-employed One instrument of the ongoing reforms is <u>the integration of the taxable income of people who work under different statuses or work for different employers</u>. According to the ESPN experts, such integration could partly solve the problem of the boundaries between different employment statuses and could reduce the legal conflicts about dependent self-employment. In Portugal dependent self-employment is <u>formally defined</u>, drawing a distinction between income from 'dependent work' and 'independent work': Law 55-A/2010 set different conditions for the cases when a particular collective entity benefits from 'at least 80% of the total value' of the self-employed worker's yearly activity. In this case, the worker is considered to be economically dependent on the collective entity, and the latter is thus required to pay a portion of the worker's contribution to the social security scheme. Further on, Law 63/2013 set new <u>mechanisms to tackle the fraudulent use of self-employment contracts in subordinate employment relationships</u>. The new law established as a duty of labour authorities to open an enquiry procedure whenever they were informed of a case of self-employment with some features of subordinate employment. It also simplified

¹²⁶ Namely, 720 days in the previous 48 months compared to the 360 days in the previous 24 months applicable to most salaried workers.

	<p>the administrative and juridical procedures, especially through the definition of short periods for each step to be completed and the clarification of the roles and responsibilities of each party in the process.</p>
Romania	<ul style="list-style-type: none"> Social protection for 'dependent self-employed' In Romania, dependent self-employed workers (with one client) <u>benefit from compulsory pension and health insurance</u> (while for the 'independent' self-employed, this is conditional on a certain income), and <u>the level of social contributions paid by the employer is equivalent to that for a salaried worker</u>. The beneficiary of the work is required to pay contributions equivalent to those of an employer. Yet, compared to a salaried worker, the dependent self-employed do not have mandatory insurance against unemployment, and their job stability is not guaranteed.
Sweden	<p>A recent Government Commission on Sustainable Labour Markets and Social Policy <u>proposed a number of reforms that would substantially improve adequacy of social protection for large groups of the self-employed and people with atypical forms of employment</u>. Particular reforms were suggested in unemployment benefits and sickness benefits, including both relaxed and less stringent qualification criteria in unemployment benefits (either for all or for certain particularly vulnerable groups in the labour market), reforms in unemployment benefits to encourage self-employed to re-activate their business, and changes in the calculation of entitlements for sickness benefits (will also have consequences for related programs such as parental leave benefits). However, whether any of these reforms will be implemented is far from certain.</p> <ul style="list-style-type: none"> Transferability of rights and entitlements Sweden is among countries which have implemented mechanisms allowing a person to include contribution periods from previous employment in the calculation of unemployment benefits. Namely, unemployment benefit for the self-employed is based on the average income according to the most recent tax statement, or on the average income from the last two tax statements, depending on which alternative is most favourable to the self-employed. For those who have been self-employed for less than 24 months, special rules apply whereby compensation can be based on earnings before the start-up of the business.
Slovenia	<ul style="list-style-type: none"> Reducing legal conflicts about self-employed Slovenia is the <u>only Member State that offers unambiguous definition</u> applicable drawing a clear-cut distinction between 'genuinely' self-employed, 'dependent' self-employed and 'bogus self-employed'. In Slovenia, a self-employed person is considered to be an economically dependent person when she/he performs work on the basis of a civil contract in person, for payment, independently and for a longer period in circumstances of economic dependency, and does not employ any workers. Economic dependency means that the person obtains at least 80% of his or her annual income from the same contracting authority. Extending social protection for non-standard workers In Slovenia, employers' contributions (since 2013) and employees' contributions (since 2014) to pension and disability insurance have been paid on work under civil law contracts. Similarly, since 2015 social security contributions have been paid on student work, which has eliminated the main factor that made it a precarious form of temporary and occasional work. This new regulation on student work has improved their social security rights. Since 2014, those workers on non-standard contracts in the cultural sector who are engaged in artistic creation are entitled to the daily amount of sick pay if unable to work for at least 31 days. This measure is aimed at encouraging independent work in the cultural sector, improving the position of workers and creating more favourable conditions for their work.
Slovakia	<ul style="list-style-type: none"> Reducing legal conflicts about self-employed In Slovakia, the definition of dependent work was tightened in 2013 and 2015 to prevent labour-law relations being replaced by other forms of contractual relations and to support the transition of the bogus self-employed to standard employment relationships. Extension of social security for the self-employed Slovakia is among countries which implemented parametric reforms aimed at extending the coverage of the self-employed, namely by <u>increasing the minimum insurance base</u>. Extension of social protection for the non-standard workers Gaps in coverage and a level of social protection between employees in standard forms of employment and employees relying on non-standard forms were seen - especially by representatives of trade unions - as inadequacy of social protection system, caused by interest to cut off labour costs. Situation of persons on work agreements may serve as an example. Until 2013, work agreements were exempted from social and health insurance payments and enjoyed much less employment protection. Employing a person on work agreement was

	<p>much cheaper than a person on a standard contract. Discussions resulted into reforms of some parts of the social protection system which harmonised status of non-standard workers with those in standard employment. In 2013 and 2015 <u>new legislation increased the protection of people on work agreements and harmonised the social contributions regime for these contracts with the regime for standard contracts.</u></p>
<p>United Kingdom</p>	<ul style="list-style-type: none"> • Current efforts The Government appointed the Taylor Commission in 2016 to review workers' rights and practices and the Work and Pensions Select Committee is now setting up an inquiry into self-employment and the gig economy, with a particular focus on whether the UK welfare system adequately supports these workers. Relevant debate gaining pace is on the funding side: this concerns the potential for closer alignment, or even merging, of income tax and NICs. This would have implications for self-employed people in particular, but also – because of the growing gap between the lower earnings limit for social security contributions and the personal tax threshold – for part-time and low-paid employees.