

Social Protection in the Nordic Countries,  
2006/2007



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*Scope, Expenditure and Financing*

## **Social Protection in the Nordic Countries**

*Scope, expenditure and financing 2006/2007*

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The basic data for the tables in this publication on income distribution, typical cases, social expenditure and the specifications thereof, can be downloaded from the NOSOSCO home page:

**<http://nososco-eng.nom-nos.dk/>**

To navigate through the statistics, click on the 'Statistics' menu.

# Preface

The Nordic Social-Statistical Committee (NOSOSCO) is a permanent committee under the Nordic Council of Ministers and the Nordic Committee on Social Policy. It was set up to coordinate social statistics from the Nordic countries and to make comparative analyses and descriptions of the scope and contents of social welfare measures.

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

As from 2005, the Faroe Islands have full membership of the Committee, and data from the Faroe Islands are now also available in this publication.

In its report, *Social Protection in the Nordic Countries*, NOSOSCO publishes its findings regarding current social development.

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

To assist the Committee Secretariat in the preparation of the present report, NOSOSCO set up an editorial group.

The present edition of the publication is only available in electronic form on our homepage together with supplementary information. From now on, NOSOSCO will only publish topical issues in printed form. In 2008, focus will be on the pension systems of the Nordic countries.

Since it is NOSOSCO's wish to include the latest available data in the publication, data from 2007 have been included, where possible, just as the 2007 legislation has been used in the typical cases.

On <http://nososco-eng.nom-nos.dk/default.asp?side=191>, a list of NOSOSCO's members and its working groups can be seen.

Johannes Nielsen, Head of Secretariat, NOSOSCO's secretariat, is the editor of the present report and acted as secretary to the editorial group.

Nordic Social Statistical Committee, 2008

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*Symbols Used in the Tables:*

Data not available .....	..
Data non-existent .....	.
Less than half of the used unit .....	0 or 0,0
Nil (nothing to report) .....	-

## *Chapter 1*

# Changes in Nordic Social Policies since 2006

**DENMARK:** The Danish economy has entered the last stage of a potent boom. An economic growth of almost 4 per cent in 2006 was followed by a decline to 1.8 per cent in 2007. Growth is anticipated to decline further to 1.2 per cent in 2008 and to 0.7 per cent in 2009. The anticipated dampening reflects a required normalization of the market trends in a situation, where the Danish economy shows clear indications of overheating. The declining growth in the international economy also contributes to moderating growth gradually in Denmark.

The employment rate has increased by 120 000 people from 2004 to 2007 and is anticipated to increase further by 25 000 people in 2008. During 2008, the increase in the employment rate is anticipated to flatten out to turn into minus at the end of the year. In 2009, the employment rate is anticipated to decrease by 21 000 people.

The unemployment rate has been declining in recent years and in April 2008 it was down to 45 600 people, corresponding to 1.6 per cent of the labour force (adjusted for season). The downward unemployment curve is anticipated to flatten out during summer, after which the unemployment rate is expected to increase in the rest of 2008 and in 2009. That implies an unemployment rate of a little less than 49 000 people in 2008 and a little over 64 000 people in 2009 as against about 77 000 people in 2007.

The declining unemployment rate and the subsequent lack of manpower made pay increases accelerate during 2007. For private-sector employees, pay increases were about 5 per cent at the end of 2007, and at the same time public employees may expect heavy pay increases in 2008 as a result of the renewed collective agreement for the public sectors.

In 2007, inflation was 1.7 per cent but is anticipated to increase to 3.3 per cent in 2008 following higher prices for especially energy sources and food-stuffs. For 2009, a dampening of the inflation rate to 2.6 per cent is antici-

pated, which implies, however, that oil and food prices will be stabilized, and that the current price increases do not result in increased pay claims and subsequent pay increases to a large extent.

The surplus in the overall public finances came to DKK 81,1 billion in 2007, corresponding to 4.8 per cent of GDP. In the light of the expected normalization of the economic trends, the surpluses are deemed to decline to DKK 64.5 billion in 2008 (3.6 per cent of GDP) and DKK 55,8 billion in 2009 (3.0 per cent of GDP).

On 1 January 2007, a sweeping amalgamation of local government was implemented in Denmark. The 271 municipalities were reduced to 98 and the 16 counties turned into 5 regions (14 counties plus Copenhagen and Frederiksberg).

After the amalgamation of the municipalities, they have become larger as the average municipality size increased from a little less than 20 000 inhabitants before the reform to about 55 000 inhabitants after the municipal reform. This has made the municipalities more sustainable, and consequently they have been assigned more, and a more coherent, responsibility for the public tasks closely related to the citizens.

In the social area, the overall responsibility for financing, supply and authority now rests with the local authorities, and in the employment area, the State and the local authorities have entered into a binding cooperation as to the employment activities in new joint job centres in all municipalities. Furthermore, the local authorities have assumed the main responsibility for the preventive and health promoting efforts as well as the overall responsibility for all kinds of rehabilitating activities that do not take place during hospitalization.

The main areas of responsibility of the regions are the hospital sector, the psychiatric sector and the national health insurance system. Besides, the regions are in charge of a number of institutions for groups at risk and groups with special needs in the social area. The local authorities reimburse the regions the operational tasks that the regions handle for them. A municipality may at any time take on the social activities of the regions that are located within the municipality.

In connection with the municipal reform, a national centre of specialist advisory services, VISO, with a view to offer specialist advice to citizens, local authorities, institutions, etc. Moreover, a so-called social services gateway was set up. It contains information on municipal, regional and approved private offers in the social area. Registration of offers in the Social



Services Gateway is a condition for the local authorities making use of the offer.

The total number of people of working age receiving transfer incomes has decreased during recent years, mainly as a result of the decreasing unemployment rate and increasing employment rate. In 2007, there were about 720 000 'whole-year persons' living on transfer incomes, corresponding to a little over 20 per cent of the population of working age. This means a decline of about 75 000 whole-year persons since 2004.

The absence due to illness has been increasing and now corresponds to about 150 000 full-time employed people or about 5 per cent of the labour force. The number of sickness-benefit recipients increased from a little less than 78 000 in 2004 to a little more than 92 000 in 2007. The increase is, among other things, a result of the high employment rate, which means that more people become entitled to sickness benefits, and that weak groups with larger risks of falling ill have found employment.

The employer period regarding sickness benefits has been extended from 15 to 21 days as from June 2008. The aim is to give the individual employer a larger financial incentive to pursue an active policy as to absence due to illness and to prevent short-term absence from work due to illness.

Besides, the Government has set up a cross-ministerial committee on absence due to illness, which is to prepare an action plan in 2008 to reduce the absence from work. The objective is to reduce the absence by 20 per cent before 2015. The reduction of the absence is a means to meet the considerable lack of manpower that has characterized the Danish labour-market in recent years, and which also in future will be one of the real challenges due to the demographic development.

In order further to meet the lack of manpower, the Government entered into an agreement in spring 2008 on a job plan, which is both to increase the number of manpower within the country and to attract qualified labour from abroad.

Disability pensioners, who were awarded pension according to the rules applying before 1 January 2003, will get better work opportunities; a special tax reduction for the 64 year-olds in work will be introduced; and the rules governing supplementary unemployment benefits will be tightened in order to get more people in work at full time. A basic allowance of DKK 30 000 for income from work will be introduced for retirement pensioners when the calculation of pension supplements and the personal supplementary percentage is made, and the qualifying employment period in relation to deferred pension will be reduced from 1 500 to 1 000 hours a year.

To this should be added that the so-called compulsory pension age (the age at which retirement becomes compulsory) was augmented from 65 years to 70 years as from 1 January 2008, both in the private and the public sector, and that it from 1 January 2009 becomes possible to defer payment of the ATP until one reaches the age of 75 years as against the present 70 years.

As to recruiting from abroad, the service to both businesses and job seekers will be improved, and it will be easier for qualified labour to come to Denmark.

Finally, Central Government has set up a labour-market commission, which is to present suggestions as to how to increase the employment rate and the job supply further in future. The commission is to analyze the possibilities of increasing the employment rate by way of a more inclusive labour market, better integration of immigrants, and maintaining senior workers in the labour market.

Moreover, it should be mentioned that

- a strategy concerning the homeless has been adopted with a view to ensuring that no citizens have to live on the street. DKK 500 million have been earmarked for four years;
- the child allowance payable for children under 3 years will be increased by DKK 2 000 a year as from 1 July 2008;
- the employers' payment of unemployment benefits to employees in connection with dismissal, discharge, etc. will be prolonged from 2 to 3 days as from 1 July 2008;
- the special payment for services according to the old rules made by disability pensioners living in care units or nursing homes shall be discontinued as at 1 July 2008. This results in an increase in the disposable amount of the people concerned of DKK 10 000-20 000 annually;
- the supplementary pension will be increased from DKK 7 600 to 10 000 annually as from 2009.

In continuation of the municipal reform, Central Government adopted a strategy in August 2007 for high quality in the in public services (the so-called quality renewal). With 180 initiatives the Government wants in years to come to ensure a steady renewal and development in areas such as child-minding, care for the elderly, in hospitals and in other parts of the public welfare sector.

**THE FAROE ISLANDS:** Apart from a slight decline from 2003-2005, the development in the Faroese economy has been favourable since the middle of the 1990s. The Faroese society has in 2006 and 2007 been characterized by a boom with an annual growth rate of about 9 per cent, and in 2008 growth is anticipated to decline to 4.7 per cent. This can i.a. be seen by increased payroll costs in 2008 being more moderate in relation to the previous two years. In the first four months of 2008, the increase in payroll costs was 4 per cent, while the increases in the same periods in 2006 and 2007 were 7 per cent and 9 per cent, respectively.

On the other hand, the unemployment rate continues to decrease to a record low level of 1.3 per cent. There is a shortage of labour in most industries, which is deemed to be an impediment to continued growth.

The incentive behind the growth in recent years is to a high degree national demand. There has been a marked increase in housing prices, which has influenced household economies. The lending of the Faroese banks to households increased by 40 per cent in the period from June 2005 to June 2007.

Contributions to the special labour-market pension that is administered by the labour-market parties has since 1 January 2006 increased from 0.75 per cent of all payroll costs to 1.75 per cent of all payroll costs on 1 January 2008, which results in higher amounts to retirement pensioners. Thus the retirement pensioners' guaranteed income for single pensioners increased by 6.4 per cent as per 1 January 2008, while the increase for married pensioners was 6.8 per cent. The retirement pensioners' guaranteed income increased in the period 2004-2008 by a total of 27 per cent for single pensioners and 31.5 per cent for married pensioners, which is somewhat higher than the wage development in society.

The increase in the social contributions has had a limited effect on a typical Faroese household's disposable income, as the Government has also implemented tax relief.

As at 1 January 2008, a number of improvements were made to the disability-pension system. Disability pension is divided into maximum, intermediate and lowest disability pension. Pensioners drawing the lowest disability pension, which in the present publication falls under special old-age pensions, will be awarded an extra supplement so that the rate equals the intermediate disability pension amount. The scheme will be introduced in the course of two years so that in reality there will only be two levels as from 1 January 2009. The rules governing the reduction of disability pension have also been altered. Previously, the pension was reduced by 60 per cent of the

income basis, which per 1 January 2008 was changed to 30 per cent of the income basis after deduction of the deductible amount.

The rules applying to benefits payable during maternity leave were altered as per 1 June 2008, so that mothers' entitlement to maternity benefits was extended by six weeks. According to the new rules, the maternity-leave period contains an entitlement for women to maternity benefits for four weeks prior to birth and for 30 weeks after birth. Fathers' entitlement to paternity benefits will be extended by two weeks to four weeks. Parents may, however, decide that the mother takes over two weeks from the father.

As at 1 September 2008, Single providers may be awarded an extra child allowance. The child allowance, which is exempt from tax, amounts to DKK 6 000 per year per child.

**FINLAND:** Economic growth in Finland has continued for years. The total increase in production was 4.4 per cent in 2007. In the next few years, the increase in production is expected to slow down and end below 3.0 per cent. The medium-term economic growth is anticipated to slow down further to 2 per cent per year on average. The surplus of the public economy is estimated to be almost 3 per cent in relation to GDP. The surplus is mainly due to the unemployment pension funds.

The favourable development in the employment situation has continued. In 2007, the employment rate rose to 69.9 per cent, and this trend continues in 2008, where the employment rate will rise to 70.6 per cent. In particular the employment rates for people aged 59 to 64 years have risen. The unemployment rate has fallen to 6.9 per cent and is expected to drop further to 5.9 per cent in 2009. The favourable trend in the employment rate has been influenced not only by the good employment situation but also by the pension reform of 2005, which encourages people to stay on at work longer.

A new Government was appointed in spring 2007. It intends to improve the wellbeing of the Finnish people by providing better conditions to create more jobs and to boost productivity growth. The long-term target is to increase the employment rate to 75 per cent. More effort will be made to increase the incentives for work and to reduce incentive traps by lowering taxes on labour and by revising social protection. For that purpose a committee has been set up to reform the social-protection scheme. Its objective is to improve the incentives for work, to reduce poverty and to ensure adequate basic security in all life situations. The aim is to improve the position of the benefit recipients by simplifying and streamlining the system. The committee shall complete its work by the end of 2009.

The Government promotes partnerships among the public, private and third sector in the provision of services. Therefore for instance the service-voucher system will be expanded gradually. Earlier it only covered home services, but since the beginning of 2008 it has also covered home nursing. The purpose is to expand the scope of its use further. The reform of the user-charge system in social and health care takes effect on 1 August 2008. The aim is to create a system in which the charges are adjusted according to the cost development. For instance the highest charge for child day care rises from EUR 200 per month to EUR 233.

To lower the barriers between primary and specialised medical care and increase cooperation, the Primary Health Care Act and the Act on Specialized Medical Care will be combined. In the same context, the status of primary health care is strengthened. The system of central-government transfers to local government will be overhauled in 2010 to make it simpler and more transparent. A reform to restructure local government and services has been introduced in order to guarantee equitable social and health care services for all Finns in the future. The goal is to reinforce the municipal structure and financial basis, and to intensify the cooperation of municipalities. The methods of operation should be reformed as well.

The cost-of-living classification of the municipalities was abolished as of the beginning of 2008; according to the system, for instance the amount of a national pension varied from one municipality to another. Simultaneously, a general increase of EUR 20 was made in the national pension. Accordingly, a number of national pension recipients received a general increase of EUR 40. The national pension is now EUR 558 per month for a single person and EUR 495 for a married or cohabiting person. Furthermore, the national pension is now paid in full to persons in institutional care.

The fertility rate has remained good and is 1.83 per cent. The aim of the Government is to reduce ill health and social exclusion among children, adolescents and families. The poverty of families with children must be reduced. As of the beginning of 2008, the single-parent increase to the child allowance was raised by EUR 10 per month to EUR 46.6. The minimum rate of the maternity, paternity and parental allowances and of the sickness benefits will be increased to the level of the labour-market support as of 1 January 2009. At the same time, the private care allowance for children will be increased to EUR 160 per month and the child home-care allowance by EUR 20 per month. In addition, the child allowance will be increased by EUR 10 per month starting with the third child. Paternity leave will be extended by two weeks in 2010.

Despite the increased demand for pension security and for social and health-care services, the total development of expenditure on social protection has been moderate. In 2005-2007, the ratio of the social protection expenditure to GDP remained at 25 per cent, which is still less than the average for the EU countries.

**ICELAND:** The economic development has been very favourable in Iceland from the mid-1990s with the exception of the year 2002. In the years 2004 and 2005, growth rates reached 7.7 per cent and 7.5 per cent, respectively. In 2006, the growth rate was 4.2 per cent and it is anticipated to be 3.8 per cent in 2007, while forecasts indicate that it will drop to 0.5 per cent in 2008. In the past ten years, growth was 4.5 per cent on average in Iceland.

According to the Ministry of Finance, the average inflation was 5.0 per cent in-2007. The devaluation of the *krone*, increased demand for goods and services as well as the labour-market situation resulted in the inflation rate for 2008 being anticipated to be 8.3 per cent on average. The inflationary pressure will continue in 2009, but the inflation rate is expected to be 3.9 per cent on average during the year. The Central bank reckons on getting inflation down to 2.5 per cent in the second half of 2009 and to keep it there in 2010.

The increasing tension in the labour-market in recent years peaked in 2007 and is expected to decline gradually in the next few years. The unemployment rate was on average 1.0 per cent in 2007 and is anticipated to be 1.9 per cent in 2008. According to forecasts for 2009 and 2010, the unemployment rate will be 3.8 per cent and 3.5 per cent, respectively, for those years.

A new act on health and care was adopted by the Parliament on 17 March 2007 and entered into force on 1 September. The Act is based on the basic principles that all citizens are entitled to equal care and assistance during illness irrespective of their financial situation or place of residence. In the Act, the tasks and roles of hospitals are laid down. One of the elements in the new law is that general care and nursing should be carried out at the place of residence, and that the primary health-care sector should be the first place of contact. Besides, a new health-care district scheme was introduced dividing the country into seven districts.

Legislation concerned the Chief Medical Officer and his office was also approved by the Parliament on 17 March 2007 and entered into force on 1 September. This Act is in many ways a supplement to the Act on health and care, where more distinct provisions concerning the position and role of the

Directorate of Health as a supervisory body were laid down. They include, among other things, the Chief Medical Officer's responsibility for supervising health staff and the entire health and care sector as well as sections concerning registration, information about mishaps and accidents and quality improvements within the sector.

Pharmaceutical issues have been in focus lately. At the beginning of 2007, a policy concerning pharmaceuticals for the period 2007-2012 was adopted by the Minister for Health. It covers availability of pharmaceuticals, the quality of pharmaceuticals, safety, cooperation as to procurement, pricing of pharmaceuticals and other matters related to the implementation of the pharmaceuticals policy.

At the Nordic level, Iceland took the initiative to realize a better functioning Nordic market for pharmaceuticals and also other goods and services in the health and care sector. This was done to enhance the common European market. Especially the small markets in the Nordic countries have been in focus and the problems of e.g. procuring various kinds of pharmaceuticals at reasonable prices.

The national public health plan, which runs until 2010, is partly based on a prioritizing of different areas of the health and care work and partly on the WHO pan document. During the years 2005-2007, a comprehensive revision of the objectives of the action plan in seven prioritized areas was implemented and a situation report was published in 2007. In the fields where the objectives had already been attained, new and more ambitious ones were set up, and besides, new objectives were introduced in topical areas. They apply i.a. to the reduction of obesity in all age groups and to enhance the prevention of cancer.

Recently, a new revised plan for *Quality in Care until the Year 2010* was presented. The main aim is to support the qualitative development within the health and care sector and to ensure that quality and safety are maintained at all levels. The quality plan comprises i.a. a definition of the roles of the institutions and the division of labour, quality requirements, quality indicators, clinical instructions and electronic registration.

At year-end 2006, the Ministry of Health and Social Security published a report containing a projection of the need for health and care staff until the year 2020. The projection includes doctors, nurses, physiotherapists and assistant nurses. At present, there is a considerable lack of nurses and assistant nurses. It has already been decided to increase the number of student nurses by 50 per cent. Similar projections will be published regularly in the future.



At the end of 2007, psychologists entered into an agreement with the negotiating committee of the Ministry of Health and Social Security. It is the first time in Iceland that independent psychologists get an agreement with the State enabling them to be reimbursed by the public authorities for their services. This measure is the first step to enhance and improve the service for children and adolescents suffering from problems of a psychological nature.

The government that came into power in Iceland in spring 2007 decided on a new division of labour among some of the ministries and to transfer some tasks from one ministry to another. This entails i.a. that the social-security scheme and matters concerning the elderly were moved from the Ministry of Health to the Ministry of Social Affairs, which as at 1 January 2008 is called the Ministry of Social Affairs. Due to these changes, the national insurance department falls under the Ministry of Social Affairs from the same time.

At the beginning of 2008, the Minister for Social Affairs appointed a working committee to function as a consultant to the minister and the entire Government in matters concerning the elderly. Moreover, the members must act as liaisons for the Ministry, the institutions and the organizations of the elderly.

**NORWAY:** Since the summer of 2003, the Norwegian economy has seen a remarkable recovery and growth has increased for the past two years. The gross domestic product (GDP) increased by as much as 6 per cent in 2007 for "mainland Norway" (excluding income from oil and foreign shipping trade) compared with the year before. This is the highest growth since the beginning of the 1970s. In total, growth in GDP was 3 per cent. The lower overall growth in GDP is mainly due to a decline in the oil extraction. The recovery was stimulated by strong growth in the investments of trade and industry, good growth in Norwegian export markets and high growth in household demands.

The recovery in the Norwegian economy has led to a record high increase in the employment rate for the past two years, and the unemployment rate decreased to the lowest level in 20 years. The labour force counted on average 2 507 000 in 2007, which is an increase of 2.5 per cent from 2006. The high increase in the labour force during recent years is among other things a result of a considerable increase in foreign labour. It is difficult to estimate exactly how large a part of the increase in the employment rate can be ascribed to foreign labour, but figures for 2006 suggest



about 30 per cent. Apart from foreign labour, the increase in the employment rate was a result of an increase in the population of working age and a higher participation rate. The participation rate is high in Norway compared with that of most other industrial countries. The participation rate among people between 15 and 74 years was 72.8 per cent in Norway in 2007. The decline in the unemployment rate continued in 2007. There were on average 63 000 unemployed people in 2007, corresponding to 2.5 per cent of the labour force. The unemployment rate was reduced by 25 per cent from 2006 and 46 per cent in all from the summer of 2005. The long-term unemployed amounted to 24 per cent of all unemployed in 2007 as against 30 in 2006.

In June 2006, the Parliament adopted the Act on Labour and Welfare Administration. It lays down the formal framework for a new organization of the labour and welfare administration. In each municipality, joint labour and social inclusion offices (NAV offices) will be established on the basis of the cooperation agreement between the Ministry of Labour and Social Inclusion and the local authority in question. The NAV office will be a contact point for the users to the labour and social inclusion administration. The office is to attend to the Ministry's tasks and as a minimum to the municipal tasks connected with financial social assistance, the qualifying programme with pertaining qualification benefit, counselling and guidance. Local authorities may decide to confer more tasks upon the NAV office. At the end of 2007 there were 146 NAV offices and 320 more NAV offices are to be established in 2008 and 2009.

The pension system in Norway is being reformed. The overall purpose of the proposal is to make the pension system financially sustainable in the long run. The pension model is to stimulate an enhancement of the work effort and to contribute to an equalization of income. It will be possible to draw flexible retirement pension from the age of 62 years, and it will be possible to combine retirement pension and work without the pension being reduced. Retirement pension will consist of an employment pension and a minimum pension by way of a guaranteed pension. The employment pension will be accumulated on the basis of the income from work from the first *kroner*, and every year counts. The pension will be adjusted in relation to the life expectancy for the age group at the time of award of the pension. The new pension system is expected to enter into force in 2010.

In December 2005, the Government and the labour-market parties agreed on a new intention agreement (IA agreement) to continue the work with the prevention of absence due to illness, helping more people, who are

not in any kind of employment, find work on the ordinary labour market, as well as to increase the average retirement age.

The absence due to illness in the 4<sup>th</sup> quarter of 2007 was 6.9 measured as lost working days due to sick leave in the age group 16-69 years in per cent of agreed working days. That is 7.6 per cent lower than in the 4<sup>th</sup> quarter of 2001. The objective of the IA agreement is a reduction of 20 per cent.

**SWEDEN:** After several years of good growth, the Swedish economy has seen a certain decline during 2007. The decline is mainly a result of the export development going down. In 2007, there was a GDP increase of 2.6 per cent and in 2008, the increase is expected to stay at the same level and then increase somewhat.

Since the summer of 2005, the situation in the Swedish labour market has constantly improved, and the number of people in employment has increased substantially. In 2007, the number of employed people in the age group 15-74 years increased by 110 000 people or 2.5 per cent. In 2008 and 2009, the employment rate is estimated to continue to increase but at a slower pace. The employment rate is estimated to increase by 65 000 people in 2008 and 20 000 people in 2009.

The absence due to illness has since 2002, when the absence was at its highest, been vigorously reduced. Between 2007 and 2002, the number of days, for which sickness insurance was payable have been almost halved. The reduction will, however, slow down in 2008 and 2009.

The number of people who receive social transfer incomes such as sickness benefits, sickness and activity allowances, labour-market support and financial support is estimated to be reduced in the years to come. In 2006, there were about 1 million whole-year equivalents provided for by means of such transfers. A whole-year equivalent corresponds to a person, who is supported with full compensation for a whole year, i.e. two people, who have been unemployed for six months, will, put together, become one whole-year equivalent. The number of whole-year equivalents is expected to have declined to 876 000 in 2009, which is a reduction of 14 per cent. The decline is a result of both the relatively favourable development in the labour market and the estimated effect of the Government's employment-incentive measure as well as other measures aimed at reducing the expenditure on sickness insurance.

In 2007, the unemployment benefits were reduced to 70 per cent after 200 days of unemployment and to 65 per cent after 300 days. The previous increased unemployment benefit amount payable for the first 100 days of un-

employment was abolished and a uniform highest benefit of SKK 680 was introduced.

On 1 July 2008, the Government proposed the introduction of a care allowance and an equality bonus. The care allowance is aimed at providing parents with the possibility of spending more time with their children. The local authorities, who wish to do so, may offer a care allowance exempt from tax of a maximum of SKK 3 000 per child per month for all children, from the child turns 1 year old till it turns three. The equality bonus is aimed at paving the way for equality both in respect of parental leave and participation in working life. The equality bonus will be calculated on the basis of the parent's division of the parental-benefit days. Parents, who share the parental-leave period equally among them, will be awarded the maximum bonus amounting to about SKK 3 000 per month.

The Government plans to double the government subsidies to dental care to six billion a year as from 1 July 2008. The reform is aimed at people over 20 years and comprises a general dental-care subsidy as a protective measure against high costs, which is to make it less expensive to go to the dentist.

In the second half of 2008, also the sick-leave process will be reformed in order to increase the return to work. A rehabilitation chain with projected time limits for the various stages will be introduced. Thereby, actions will be taken at an earlier stage, which will increase the basis for a return to work, and the risk of many people getting marginalized will thus be reduced.

## Chapter 2

# Population and Income Distribution

**Table 2.1 Total fertility rate in the EU, Faroe Islands, Iceland and Norway, 2006**

Denmark	1.83	Belgium	..	Hungary	1.34	The Netherlands	1.70
Faroe Islands	2.57	The Czech Republic	1.33	Ireland	1.90	Poland	1.27
Finland	1.84	Cyprus	1.47	Italy	..	Portugal	1.35
Iceland	2.08	Estonia	1.55	Latvia	1.35	Slovakia	1.24
Norway	1.90	France	2.00	Lithuania	1.31	Slovenia	1.31
Sweden	1.85	Germany	1.32	Luxembourg	1.65	Spain	1.38
Austria	1.40	Greece	1.39	Malta	1.41	United Kingdom	1.84

Source: EUROSTAT: New Cronos, Statistics Faroes.

## Population

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

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

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

**Table 2.2 Outline of the background for the population projection  
2006-2050 in the Nordic countries**

	Denmark <sup>1)</sup>		Finland		Iceland		Norway		Sweden	
	2007	2050	2007	2050	2005	2050	2007	2050	2007	2050
<i>Anticipated average life</i>										
Men	75.9	83.0	75.8	85.8	79.0	82.1	78.2	84.7	78.8	83.8
Women	80.4	86.0	82.9	89.7	82.4	84.8	82.7	88.9	83.0	86.3
Fertility assumptions	1.85	1.90	1.83	1.84	1.99	1.99	1.90	1.85	1.85	1.85
Anticipated net migration	8 900	1 900	13 600	10 000	178	178	39 700	20 000	42 561	23 367

1 The fertility rate is assumed to increase from 2006-2031, after which it will be constant. Includes only fertility for people of Danish origin.

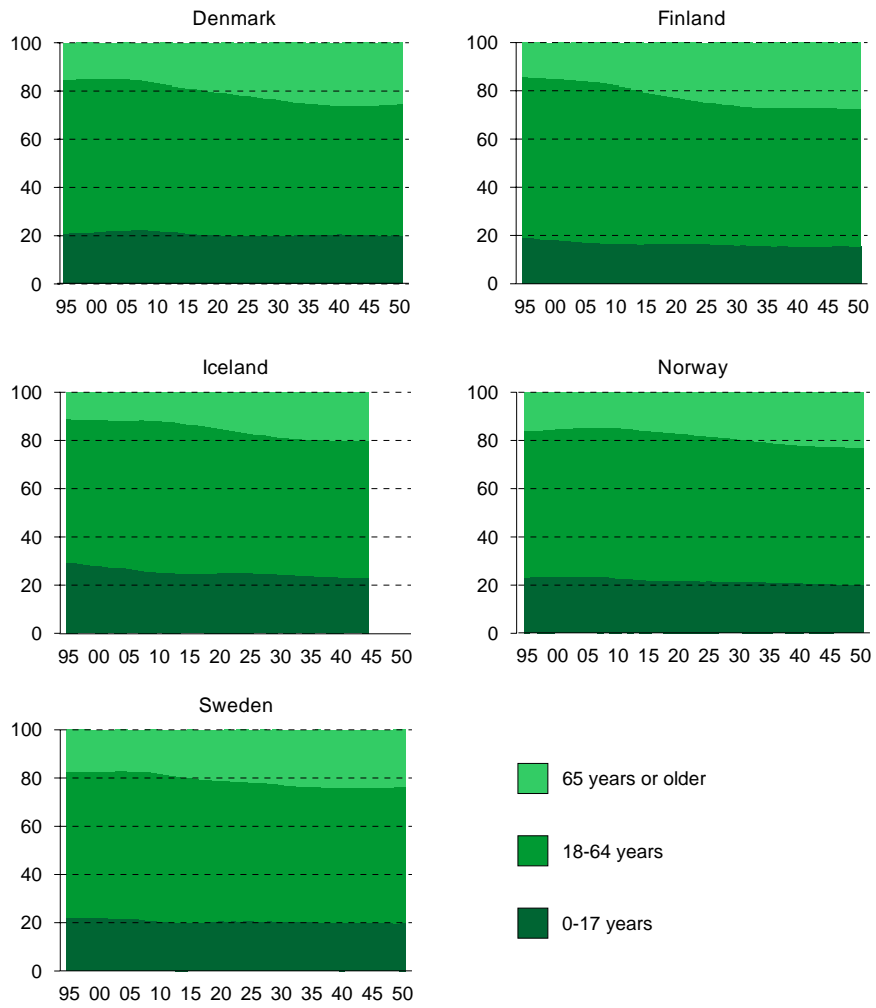
Of the Nordic countries, Sweden has the oldest population and Iceland and the Faroe Islands the youngest. In relation to the rest of Europe, the average figures for the EU countries show a marked population decrease in respect of the youngest age groups, and the trend towards there being more people in the oldest age groups, in particular as far as women are concerned, is also found in the EU countries as a whole. This development can be explained by the markedly low birth rates, especially in the Southern European countries.

In Figure 2.1, a projection of the Nordic populations until 2050 based on the national population projections has been included.

It should be noted that there are differences in the premises, which the individual countries have applied, as to development in fertility, anticipated average life and migration, cf. Table 2.2.

**POPULATION AND INCOME DISTRIBUTION**

**Figure 2.1 Mean populations in percentages broken down by age groups, 1995-2005, and projections 2006-2050**



Note: For further information, see Appendix 5 of the present report.

## Income Distribution

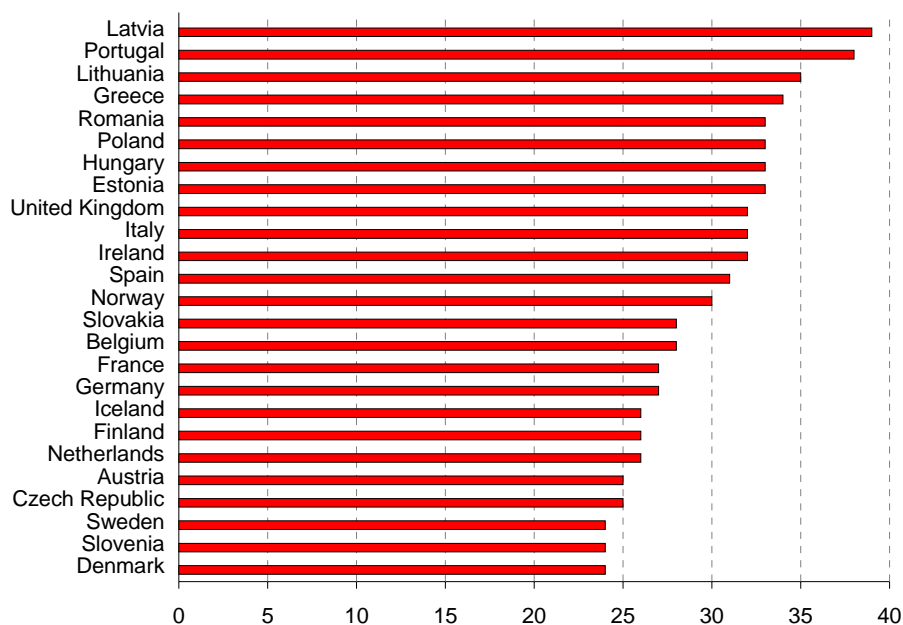
Figure 2.2 shows the Gini coefficients for the Nordic countries and EU 25 in 2005. The figure demonstrates that there is a relatively large income distribution in the Nordic countries with the exception of Norway, which in 2006 is at an average of EU 25.

Compared with other countries, the differences in the income levels in the Nordic countries are rather slight. The differences are least significant in Denmark and Sweden and somewhat more significant in Finland and Iceland. Norway has the largest income differentiation of the Nordic countries, but compared to the international level they are rather small.

The similarity in the income distribution in the Nordic countries is a result of many different factors.

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

**Figure 2.2 Gini coefficients for the Nordic countries and selected EU countries in 2005**



## Relative Poverty

Tables 2.3 and 2.4 show the ratio of the population living in households with an income of less than 50 and 60 per cent, respectively, of the median equivalent disposable income in 2005.

It should be mentioned, however, that calculations of relative poverty are influenced by the definitions used. In this years report on social protection, SILC data have been used, while the countries' own calculations were used in previous years, for which reason data from previous years are not quite comparable.

**Table 2.3 Ratio of the total population living in households with an income of less than 50 per cent of the median equivalent disposable income, per cent, 2005**

	Denmark	Finland	Iceland	Norway	Sweden	EU25
Single parents with children	6	6	22	11	16	18
Single people	14	17	10	13	13	14
Couples younger than 65 years	3	3	6	4	5	6
Couples with dependent children:						
- Couples with one dependent child	2	2	9	2	4	8
- Couples with two dependent children	2	2	5	3	4	8
Single people older than 65 years	5	16	11	10	8	14
Couples, of whom at least one part is over 65 years	2	1	3	3	2	8
All households	6	5	8	6	7	10

Source: EU-Silc data

**Table 2.4 Ratio of the total population living in households with an income of less than 60 per cent of the median equivalent disposable income, per cent, 2005**

	Denmark	Finland	Iceland	Norway	Sweden	EU25
Single parent with dependent children	19	18	27	18	32	32
Single people	25	33	16	26	21	24
Couples younger than 65 years	5	7	7	7	7	10
Couples with dependent children:						
- Couples with one dependent child	4	5	10	4	6	12
- Couples with two dependent children	4	6	6	5	6	14
Single people older than 65 years	21	42	23	32	20	26
Couples, of whom at least one part is over 65 years	13	9	3	6	5	16
All households	12	13	10	11	12	16

Source: EU-Silc data



## Chapter 3

# Families and Children

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

**Table 3.1 Expenditure on families and children as percentages of GDP in the EU, Faroe Islands, Iceland and Norway, 2005**

Denmark	3.8	Belgium	2.0	Hungary	2.5	The Netherlands	1.3 <sup>p</sup>
Faroe Islands	4.3	The Czech Republic	1.5 <sup>p</sup>	Ireland	2.5	Poland	0.8 <sup>p</sup>
Finland	3.0	Cyprus	2.1	Italy	1.1 <sup>p</sup>	Portugal	..
Iceland	3.0	Estonia	1.5	Latvia	1.3 <sup>p</sup>	Slovakia	1.9 <sup>p</sup>
Norway	2.8	France	2.5 <sup>p</sup>	Lithuania	1.2 <sup>p</sup>	Slovenia	2.0 <sup>p</sup>
Sweden	3.0 <sup>p</sup>	Germany	3.2 <sup>p</sup>	Luxembourg	3.6	Spain	1.1 <sup>p</sup>
Austria	3.0	Greece	1.5	Malta	0.9	United Kingdom	1.7

p Preliminary data.

Note: The source is EUROSTAT: Social Protection Expenditure and Receipts. European Union, Iceland and Norway. 2008 Edition. The source for the Faroe Islands is the Ministry of Social Affairs and Health.

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

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

## FAMILIES AND CHILDREN

**Table 3.2 Families by family type, 2007**

	Denmark <sup>1)</sup>		Finland		Iceland <sup>2)</sup>		Norway		Sweden <sup>3)</sup>	
	Single people	Cohabiting couples	Single people	Cohabiting couples	Single people	Cohabiting couples	Single people	Cohabiting couples	Single people	Cohabiting couples
Total no. of families in 1000	1 440	1 329	1 352	1 258	45	70	1 075	1 061	3 195	2 090
Of whom with children aged 0-17 years in 1000	161	595	117	470	9	36	130	479	248	860
<i>Of whom in per cent</i>										
1 child	58	36	59	40	67	40	65	37	62	39
2 children	32	46	30	40	30	40	26	43	28	46
3 or more children	10	18	11	20	5	19	8	20	10	15
Average number of children per family	1.50	1.90	1.56	1.90	1.42	1.82	1.44	1.88	1.50	1.80

Note: For further information, see Appendix 5.

1 There are a further 16 492 families comprising children under 18 not living at home. Children living at home form part of the parental families until they turn 25 years. Calculated as at 1 January 2008.

2 Figures taken from Hagstofa Iceland's committee survey on living conditions (EU-Silc) for 2006.

3 Figures taken from committee surveys of household economies performed by Statistics Sweden.

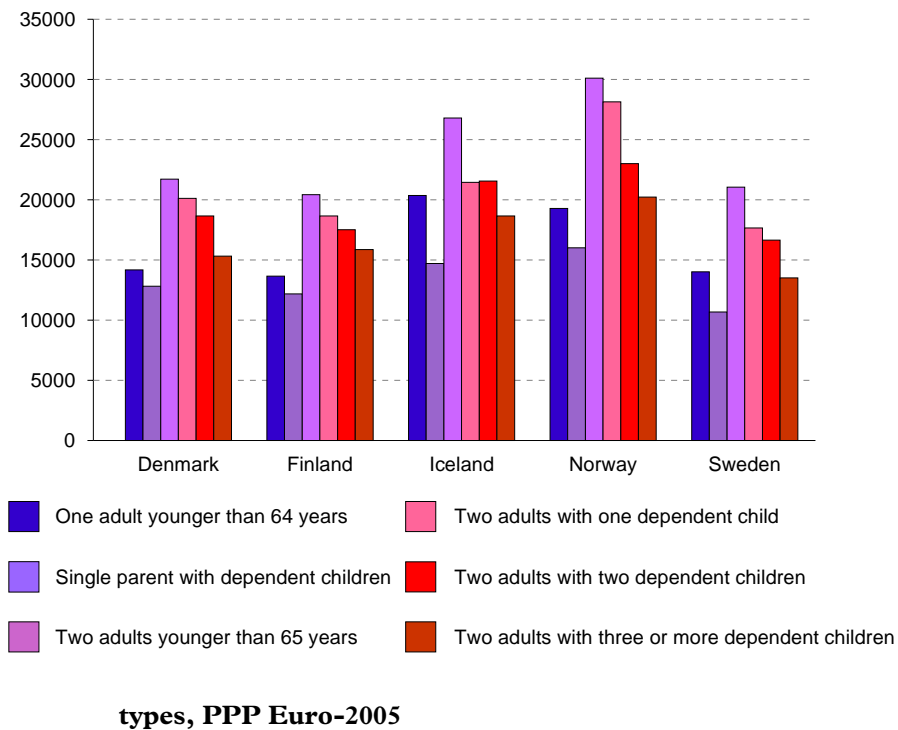
Figure 3.1 shows the average disposable incomes broken down by family types and measured in PPP-Euro in 2006. The incomes have been adjusted to the household sizes and compositions in order to make the household sizes more comparable (see Appendix 1).

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

In all the countries, couples with many children have lower incomes than couples with no children or couples with one child. The number of children increases the divisor used for the calculation of the equivalent income. Incomes from work and transfers do not increase the equivalent income accordingly, however, but reduce it.

Besides, several other factors contribute to the level of incomes of the various household types. Participation rates and levels of education will vary for the various household types, just as the average earnings will increase with age. This may also influence the relative incomes of the various household types.

**Figure 3.1 Equivalent average disposable incomes broken down by family**



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

# Cash Benefits to Families and Children<sup>1</sup>

## Daily Cash Benefits in Connection with Childbirth and Adoption

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

In all the countries, the benefit amount depends on any previous income. In Denmark, Finland and Norway, public-sector employees and some private-sector employees will be paid in full during all or part of their leave period. Only mothers may be granted the pre-birth benefit while fathers may also be granted the post-birth benefit in all the countries, but according to varying schemes.

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

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

In the other Nordic countries, people who are not affiliated with the labour market also qualify for a benefit. In Finland, Iceland and Sweden, only a small amount is awarded, however, and in Norway, the benefit is a non-recurrent payment.

In all the countries, mothers are entitled to compensation for any lack of income if they are forced to terminate their work early in their pregnancy peri-

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<sup>1</sup> Pensions payable to children who have lost one or both parents are described in Chapter 6 together with the other kinds of pension. Special benefits that may be granted as supplementary social benefits to families and children are described in Chapter 8.

ods due to work that could be detrimental to the foetus or in case of a difficult pregnancy. The rules governing such incidents vary somewhat from one country to another; in some countries, maternity benefits will be payable, in some cases sickness benefits and in other cases a special benefit.

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

The period, in which daily cash benefit is payable in connection with birth and adoption is generally relatively long in the Nordic countries. Maternity leave is, however, significantly longer in Sweden than in the other countries.

In Denmark, maternity leave is one year and very flexible. Parents may, for example, divide the last 32 weeks of leave between them and may take turns to go on leave, or they may do it one after the other or at the same time. The 32 weeks may be extended by 8 or 14 weeks, but the total amount of daily cash benefit will not be changed. One of the parents may furthermore postpone 8-13 weeks of the leave period till later and use it before the child turns 9 years.

The compensation level in connection with childbirth also varies considerably from one country to another. Figure 3.2 shows the disposable income at three different income levels, i.e. for a single childless employed person compared with a single parent with a newborn child receiving maternity benefit.

Figure 3.3 shows the disposable income at two different income levels, where the person earning the least receives maternity benefit, stated in per cent of the disposable income, when both parents are gainfully employed.

The calculation was made for a couple with no other children than the newborn and for a couple who already has two children.

As can be seen from Figure 3.2, the compensation differs somewhat in the Nordic countries. The higher compensation payable to those receiving maternity benefits is primarily due to the child allowance payable for newborn children, but also to the housing benefit being higher for families with children than it is for childless families. This also applies to couples in the Faroe Islands and in Norway, cf. Figure 3.3.

**Table 3.3 Rules governing award of income-substituting cash benefits in the event of childbirth as per December 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Gainfully employed (employees)</i>						
Maximum number of weeks in which maternity benefit will be payable	50 <sup>1)</sup>	26	44 (46) <sup>2)</sup>	39	54 <sup>4)</sup>	Approx. 69
- Maternity benefit to mothers before birth (weeks)*:	4	4-8	5-8	4	3-12	Approx. 9
Maternity benefit (weeks):						
- Mother only	18	14	18	13	9	8
- Father only	-	-	(2) <sup>2)</sup>	13	6	8
- Either mother or father	32 <sup>1)</sup>	10	26 <sup>3)</sup>	13	29/39	Approx. 52
Additionally:						
- Father together with mother	2	2	3	-	2 <sup>5)</sup>	Approx. 2
Benefit subject to tax?	Yes	Yes	Yes	Yes	Yes	Yes
<i>Not gainfully employed</i>						
Maximum number of weeks in which maternity benefits will be payable	.	.	44	39	Non-recurrent payment <sup>6)</sup>	Approx. 69
Benefit subject to tax?	.	.	Yes	Yes	<sup>6)</sup>	Yes
Leave period sharable with father?	.	.	Yes, for a max. of 26 weeks	Yes	<sup>6)</sup>	Yes

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

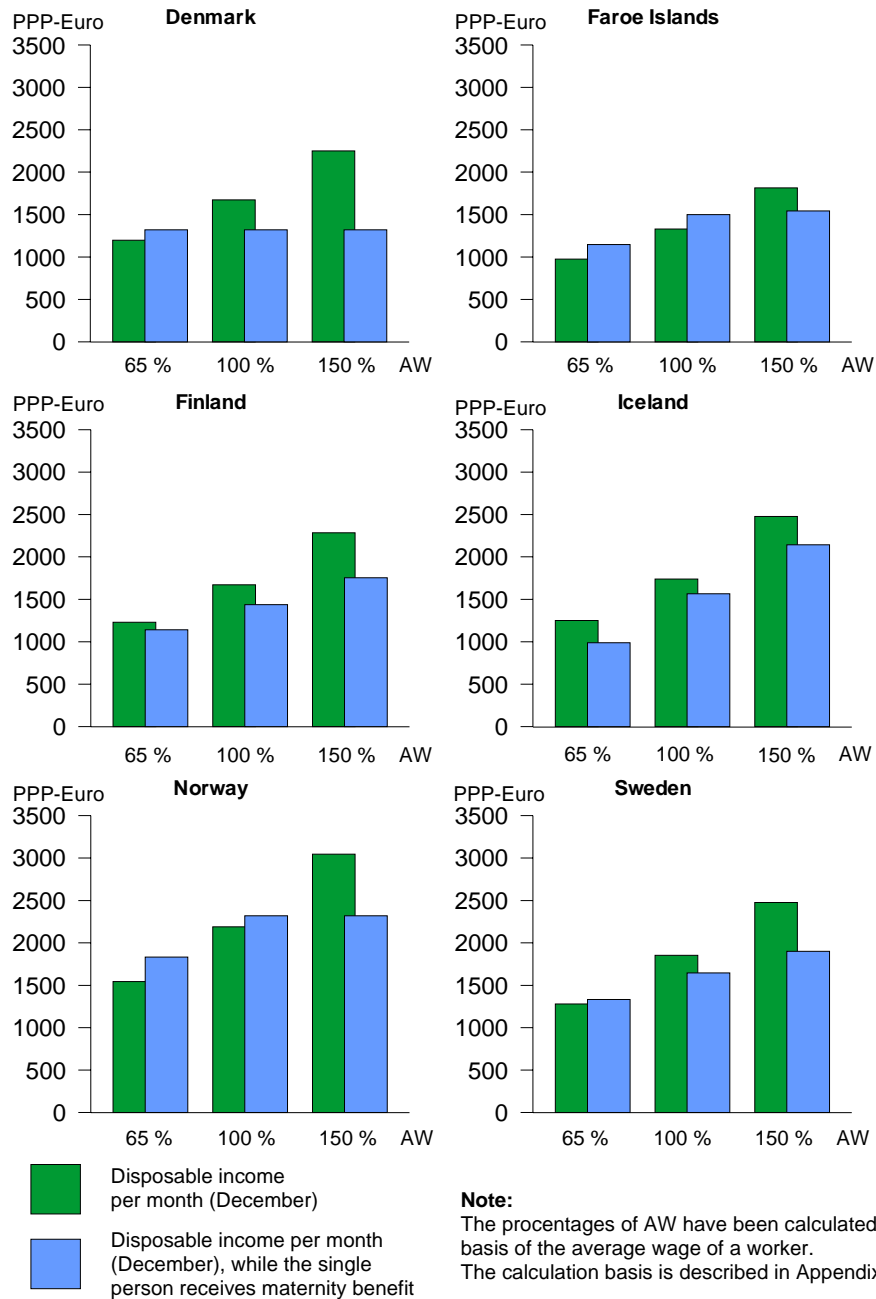
- 1 The common leave period of 32 weeks may be extended by 8 or 14 weeks to 40 or 46 weeks. The total leave period will consequently be 58 or 64 weeks. When a leave period is extended, the daily cash benefits will be reduced accordingly, so that the total amount for the 40 or 46 weeks equals the amount payable for 32 weeks.
- 2 Fathers, who receive parental daily cash benefits during the last 12 working days of the parental daily cash benefit period, are entitled to paternal daily cash benefits for another 12 working days (the so-called bonus days of leave).
- 3 In case several children are born simultaneously, the maternity benefit will be extended by 60 days for the second child and any subsequent children.
- 4 44 weeks with a compensation level of 100 per cent or 54 weeks with a compensation level of 80 per cent.
- 5 Fathers are entitled to two weeks of unpaid leave in connection with childbirth. The two weeks may either be taken just before the child is born or immediately thereafter. Entitlement to two weeks unpaid leave does not apply in the event of adoption. In the public sector and in large parts of the private sector there are, however, collective agreements granting compensation for those two weeks.
- 6 The non-recurrent payment of NOK 33 584 is exempt from tax. A father is entitled to a non-recurrent amount if the mother has died, and/or he has assumed sole responsibility for the child.

**Table 3.4 Amount of income-substituting cash benefits in the event of childbirth as per December 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Gainfully employed (employees)</i>						
Amount of maternity benefit (per week) in per cent of previous income	100 <sup>2)</sup>	100	Normally <sup>3)</sup> 70-90	80	100/80	80
Income ceiling per week for full compensation in national currency <sup>1)</sup>	DKK 3 731	DKK 6 250	.	ISK	NOK 7 709	SEK 7 648
Income ceiling per week for full compensation in PPP-Euro <sup>1)</sup>	358	599	.			710
Min. amount per week in national currency	.	.	EUR 91.20	ISK	<sup>4)</sup>	SEK 1 260 <sup>6)</sup>
Min. amount per week in PPP-Euro	.	.	76.57			117
Max. amount per week in national currency	DKK 3 415	DKK 6 250	.	ISK	<sup>5)</sup>	SEK 6 118
Max. amount per week in PPP-Euro	327	599	.			568
<i>Not gainfully employed</i>						
Amount of maternity benefit (per week), national currency	.	.	EUR 91.20	ISK	<sup>4)</sup>	SEK 1 260
Amount of maternity benefit (per week), PPP-Euro	.	.	76.57			117

- 1 The income ceiling is the income limit (previous income) in relation to which the maternity benefit is calculated. The calculation of the income ceiling is made according to differing principles in the various countries.
- 2 When the joint leave period of 32 weeks is extended to 40 or 46 weeks, daily cash benefits will be reduced accordingly, so that they correspond to 80 per cent for 40 weeks and to about 70 per cent for 46 weeks.
- 3 90 per cent of an earned income of a maximum of EUR 46 207 per year for the first 56 days of the maternal leave period. For incomes exceeding EUR 42 207, the figure is 32.5 per cent. For the following 49 days, it is 70 per cent of an earned income of up to EUR 30 300 per year.
- 4 A minimum amount equal to the non-recurrent payment of NOK 33 584 (PPP-Euro 2 975) is guaranteed. This amount equals the maternity benefit of NOK 763 (PPP-Euro 68) at a compensation level of 100 per cent for 44 weeks or NOK 622 (PPP-Euro 55) at a compensation level of 80 per cent for 54 weeks.
- 5 Calculated as maternity benefits for mothers in work, the maximum amount will be NOK 7 709 (PPP-Euro 683) per week at 100 per cent for 44 weeks and NOK 6 167 (PPP-Euro 546) at 80 per cent for 54 weeks.
- 6 Benefits at the lowest level (for a total of 90 days) apply to parents in and out of employment, respectively.

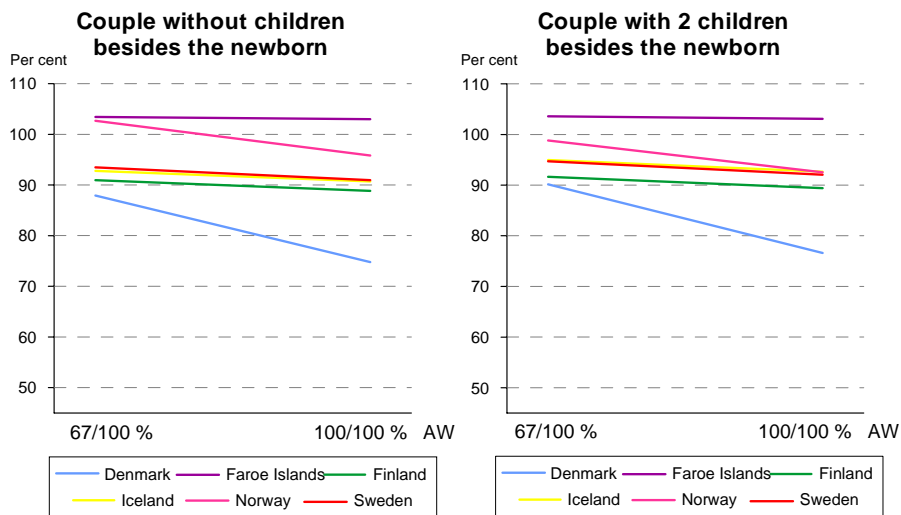
**Figure 3.2 Disposable incomes for a single parent with a newborn child, who receives maternity benefit, 2007**





In respect of couples with two children besides the newborn, the high compensation level in the lowest income brackets can be attributed to the user charges payable for places in day-care institutions for the other two children being lower when the parent earning the most receives maternity benefit.

**Figure 3.3 Disposable incomes during receipt of maternity benefit as percentages of disposable incomes from work when the person earning the least receives daily cash benefits, 2007**



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

The compensation levels also depend on the level of the daily cash benefit in relation to previous income. Daily cash benefits are lowest in Finland and highest in Denmark, measured in relation to previous income (cf. Table 3.5). In Finland, there is, however, no upper limit to the level of the daily cash benefits, but the compensation rate is lower at higher incomes. In Iceland, an income ceiling for the daily cash benefits was introduced on 1 January, 2005. The maximum amount is highest in Iceland and lowest in Denmark. The compensation level is generally high in the Faroe Islands, also in respect of the upper income brackets. In Sweden and Finland, the compensation levels are also relatively high for the upper income brackets, whereas the level in Denmark is relatively low for those groups.

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

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

In Norway, the scheme giving fathers an exclusive right to part of the benefit period (father quota) was extended from four to five weeks in 2005 and to six weeks in July 2006. These changes can be seen in the statistics as fathers taking more days with paternity benefits. The number of fathers who exceeds the father quota period is also increasing, albeit relatively slowly. Fathers' entitlement to paternity benefits still depends on mothers being gainfully employed after childbirth; receiving publicly approved education; or due to illness or injury is depending on aid to take care of the child.

The Swedish figures are not comparable with those from the other countries, as the benefit is payable for more days per child than is the case in any of the other countries. Besides, parental daily cash benefits may be payable until a child reaches the age of eight years. In 2005, 87 per cent of the total number of days for which parental daily cash benefit was paid for children under the age of three years, and in 2004, it was 88 per cent. As to women, about 91 per cent of the days were for children under the age of three, and as to men, about 74 per cent in 2005.

**Table 3.5 Recipients of daily cash benefits in the event of pregnancy, childbirth or adoption during the year, 1995-2007**

	Denmark <sup>1)</sup>	Finland	Iceland <sup>2)</sup>	Norway	Sweden
<i>Number of beneficiaries</i>					
<b>Men</b>					
1995	41 003	40 267	10	25 166	130 786
2000	45 559	42 294	1 421	33 806	166 661
2006	47 776	48 830	5 907	37 849	266 528
2007	49 067	51 159	..	39 786	277 436
<b>Women</b>					
1995	90 335	108 429	5 066	76 088	327 846
2000	82 657	97 359	5 097	80 368	275 214
2006	102 365	100 151	6 732	81 850	339 152
2007	103 548	101 150	..	83 428	353 618
<i>Number of benefit days (1 000)</i>					
1995	14 385	16 947	688	10 699	52 212
2000	13 150	15 232	698	11 152	37 100
2006	20 615	15 927	1 150	11 513	45 567
2007	20 874	16 104	..	11 789	47 548
<b>Of which men, percentage</b>					
1995	4.4	3.6	0.1	5.8	10.3
2000	5.5	4.1	3.3	7.2	13.7
2006	6.0	5.7	32.6	10.4	20.9
2007	6.2	6.1	..	11.4	21.2

1 The calculation method was revised in 2002.

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

## Cash Benefits to Parents Minding Children

**Table 3.6 Rules applying to leave schemes concerning childminding as per December 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Leave schemes for people in work?	Yes <sup>1)</sup>	No	Yes	No	Yes	Yes
Length of leave period	52 weeks	-	Until the child turns 3 years	-	<sup>2)</sup>	480 days <sup>2)</sup>
Amount of supplement	60 per cent of the daily cash benefit maximum	-	EUR 294 per month + EUR 94 for subsequent children under 3 years + EUR 50 for each subsequent child under 7 years + income-tested supplement of a maximum of EUR 168	-	Graded parental benefits <sup>3)</sup>	390 days with the basic amount of the sickness benefits and 90 days with the minimum amount <sup>3)</sup>
Number of children covered by the scheme	2 400 parents	-	92 378 children	-	..	201 080

\* Note: The number of weeks for which the mother may be awarded daily cash benefits prior to the confinement are included in the total number of weeks for which the mother qualifies for maternity benefits.

1 The scheme will be abolished with effect from 2011.

2 The period of parental benefits may be extended in combination with part-time work until a child turns 8 years.

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

In Denmark, the rules applying to childminding leave were revoked with effect from 2011 in connection with the extension of the maternity leave to one year in 2002. Parents of children, who were born prior to the introduction of the new maternity-leave scheme, are thus still entitled to go on childminding leave until the child turns nine. Parents are entitled to a minimum of 8 and a maximum of 13 weeks of leave, but a minimum of 8 weeks and a maximum of 26 weeks if the child is younger than one year. In agreement with one's employer or the public employment service, a leave period

may be extended to a total of 52 weeks. The leave scheme applies equally to wage earners, self-employed and unemployed people. During a parental-leave period, a child must not occupy a place in a public day-care facility if it is under the age of 3 years and may only be in half-day care if it is between 3 and 8 years old.

In Finland, after a period of receiving parental daily cash benefits, parents may choose either a place in a municipal day-care institution or an allowance for the minding of young children. The allowance may be granted as a supplement towards payment for child minding in the home or as a supplement towards payment for private childminding. The allowance towards childminding in the home may be granted if a family has a child under the age of 3 years.

Parents may also choose to work reduced hours if they have children under the age of 3. They will then be awarded a partial minding allowance of EUR 70 per month.

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

In Norway, there is a so-called time-account scheme. The scheme applies in the event of childbirth or adoption and makes it possible to claim part of the maternity benefit in combination with income from work for a period exceeding the standard periods of 44 or 54 weeks. The benefit must be drawn before the child turns 3 years. The scheme was simplified in 2007, which has increased the use of the combination options.

In Sweden, parents are entitled to a parental benefit for 69 weeks in connection with childbirth. This period may be divided into several short periods until a child turns 8 or has completed its first year at school.

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

### *Minding of children suffering from short-term illness*

In all Nordic countries, parents are to some extent entitled to stay at home to mind a sick child. In Norway and Sweden, this right is governed by law and in the other countries by collective agreements. In Denmark, the Faroe Islands, Iceland and Finland only in the public sector and in part of the private sector is this scheme governed by collective agreements.

As to the majority of the private sector, no compensation will be granted in connection with the minding of sick children.

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

As to the length of the period in which one is entitled to stay at home to mind a sick child, the scheme is most generous in Sweden, allowing 60 days per year per child, and least so in Denmark, the Faroe Islands and Iceland.

In Denmark, the Faroe Islands, Finland and Iceland, full wage compensation is given, however, in connection with childminding during short-term illness. In Norway, a benefit equivalent to the amount of the sickness benefit is payable, while a compensation corresponding to 80 per cent of one's income from work is payable in Sweden.

In all the countries, there are special rules applying to the minding of chronically or seriously ill children. Those rules are described in Chapter 6.

## Child Allowance

In all the countries, an allowance is payable for children. The allowance is tax free and independent of parents' income, with the exception of Iceland, where the child allowance is income-tested. In Iceland, a fixed amount is payable irrespective of income as from 2001, however, as an extra supplement for all children under the age of 7. In Denmark, the Faroe Islands and Norway, the allowance is payable until a child reaches the age of 18; in Finland, until a child reaches the age of 17; and in Iceland and Sweden, until a child reaches the age of 16 years - 20 years, however, if a child receives education. In all the countries, with the exception of the Faroe Islands, the child allowance is financed by Central Government. In the Faroe Islands, local authorities finance 43 per cent of the expenditure on child allowances.

**Table 3.7 Rules applying to child allowance, 2007**

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

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

2 An infant supplement is granted to single providers with children aged 0-3 years who qualify for increased child allowance or transition benefit according to law.

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

4 Multiple-birth allowance payable for children born by multiple births, and adoption allowances payable on adoption of children from other countries.

## FAMILIES AND CHILDREN

**Table 3.8 Annual amount of child allowance as per December 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK <sup>1)</sup>	DKK	EUR	ISK <sup>2)</sup>	NOK <sup>3)</sup>	SEK <sup>4)</sup>
<i>Couple with:</i>						
1 child	12 552	9 963	1 200	72 127	11 640	12 600
2 children	25 104	19 926	2 526	56 096	23 280	26 400
3 children	37 656	29 889	4 098	56 096	34 290	43 248
<i>Single parent with:</i>						
1 child	21 484	9 963	1 639	255 345	23 280	12 600
2 children	38 464	19 926	3 404	427 253	34 290	26 400
3 children	55 444	29 889	5 416	632 503	46 560	43 348
Allowance in PPP-Euro						
<i>Couple with:</i>						
1 child	1 203	955	1 008	596	1 031	1 170
2 children	2 406	1 910	2 121	463	2 062	2 452
3 children	3 609	2 865	3 441	463	3 037	4 016
<i>Single parent with:</i>						
1 child	2 059	955	1 376	2 110	2 062	1 170
2 children	3 687	1 910	2 858	3 530	3 037	2 452
3 children	5 314	2 865	4 547	5 226	4 124	4 016

1 Calculations were made on the basis of a general family allowance for 3-6 year-olds of DKK 3 138 per quarter to both single parents and couples. The allowance payable for 0-2 year-olds amounted to DKK 3 473 per quarter and to DKK 2 469 per quarter for 7-17 year-olds.

2 In Iceland, the amount of the allowance is subject both to the number of children in a family and to the family income. The maximum allowance to a couple with one child aged 0-16 years is ISK 136 647 and ISK 232 591 to single parents. For each child in addition to the first one, a maximum of ISK 166 226 is payable to cohabiting couples and ISK 238 592 to single parents. Besides, a supplement of ISK 56 096 is payable for children between 0 and 6 years irrespective of income. Where a couple's annual income (in 2006) exceeds ISK 2 231 195 and that of a single parent ISK 1 115 598, the allowance will be reduced by 3 per cent of the earnings exceeding the maximum amount for one child, 7 per cent for two children and 9 per cent for three or more children. All calculations in the table were made for one child under 7 years and the average annual income for couples with children and for single parents. The average amount is for all children between 0 and 16 years.

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

4 The average amount per child was calculated by adding the amounts of child allowance, multiple-birth supplement and extended period of child allowance in 2007, divided by the number of children receiving child allowance and the number of children with extended periods of receiving child allowance in December 2007.



## Advance on Maintenance Allowance for Children

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

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

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

**Table 3.9 Amounts of maintenance allowance advances in 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Maximum amount per child per year, KR/EUR	12 756	11 376	1 559	219 408	15 120	15 276
Maximum amount per child per year, PPP-Euro	1 223	1 090	1 309	1 813	1 339	1 419

**Table 3.10 Number of children receiving maintenance-allowance advances as percentages of the population under 18 years, 1995-2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden <sup>1)</sup>
1995	15	8	9	17	16	16
2000	14	9	10	19	18	16
2006	15	9	9	19	14	13
2007	15	9	9	..	13	13

1 Number of children under 19 years.

## Other Benefits

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

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

Child pension is payable to children who have lost one or both parents. The child pension is described in detail in Chapter 7.

## Services to Families and Children

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

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

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

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

## Day-Care Institutions and Family Day Care

### *Day-care institutions for pre-school children*

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

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

In all the countries, local authorities must ensure that there are sufficient places available. As a supplement, there are in all the countries also private minding schemes that play a significant part. In Denmark, a national child-minding guarantee was adopted in 2004 to the effect that local authorities are obliged to supply places in day-care facilities adjusted to the children's ages to all children from the age of 26 weeks and until school start.

Local authorities in Denmark must grant financial support to parents who choose private childminding for their children until school start over a public day-care facility. In October 2007, 3 868 children were covered by this scheme. Besides, local authorities may grant parents an allowance towards minding their own children instead of a place in public day-care. 695 parents made use of this option in October 2007.

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

In 2005, rules applying to the establishment of private institutions were introduced. A private institution is a type of private day-care institution, which must be approved by the local authorities if it lives up to the quality criteria applying to day-care institutions in the municipality in which the institution is situated. In October 2007, 686 children were enrolled in these institutions.

In Finland, all children under 7 years are entitled to a place in a municipal day-care institution or in family day care. Parents may also have their children looked after in a private home with municipal subsidies. The Social Insurance Institution pays the amount direct to the institution/private individual looking after the child/children.

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

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

In Sweden, pre-school activities include all activities for children from 1 year to school age. The activities may be "pre-school" family day care or day-care institutions with pre-school activities. The municipalities are obliged to provide pre-school activities or family day care to:

- Children, whose parents work or study.

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

A place must be provided without any unnecessary delay, i.e. usually within three to four months after parents have enrolled the child. Local authorities must take into due consideration parents' wishes as to type of minding, and the place should be provided as close to a child's home as possible. Moreover, all children must be offered at least 525 hours free of charge at a pre-school from the autumn in which they turn four (the so-called ordinary pre-school).

### *Family day care*

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

### *Pre-school classes*

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

In Denmark, local authorities are obliged to provide children with a place in a pre-school class for at least 20 hours per week - an offer that is accepted by 99 per cent of all children. After school hours, children may spend time in either day-care institutions or after-school clubs.

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

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

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

In Norway, children start school at the age of six where they receive education adapted to their age.

In Sweden, local authorities are obliged to offer all 6 year-olds a minimum of 525 hours in the new school structure – the pre-school class. In the autumn 2007, 96 per cent of all 6 year-olds attended pre-school classes, whereas a few per cent had already started in primary school. All 6 year-olds are entitled to start school if their parents so wish. After school, children from pre-school classes and primary school may stay in the after-school clubs.

### *Children of school age*

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

There are different upper age limits to entitlement to places at youth centres/after-school clubs. In Denmark, the age limit is 10 years in some municipalities and 14 years in others. In Finland, there is normally no age limit, but in special cases it may be 10 years. In Iceland, it is 9 years, in Norway 10 years and in Sweden 12 years. In Norway, local authorities must provide after-school clubs for children in the 1<sup>st</sup>-4<sup>th</sup> grade and for children with special needs from the 1<sup>st</sup> to the 7<sup>th</sup> grade.

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

The number of children who are covered by day-care schemes in day-care institutions and family day care varies significantly from one country to another. Some of the reasons for this are the extent of the unemployment and the fact that children in pre-school classes in Denmark also spend time in day-care institutions after having attended their pre-school classes. The low figures for the 0-2 year-olds in Finland are due to the home-care allowance option. In Sweden, the long maternity-leave period also plays a significant part.

## FAMILIES AND CHILDREN

**Table 3.11 Rules applying to minding of children in day-care institutions and family day care as per December 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Children of pre-school age</i>						
All children entitled to a place in a day-care institution/family day care?	Yes, children over the age of 26 weeks	No	Yes		No	No
Centrally laid down rules governing user payment?	Yes	Yes	Yes for municipal, no for private		Yes	Yes
Upper limit to the user-payment amount? If yes, amount should be stated.	Yes, a maximum of 25 per cent of the estimated gross expenditure	No	Yes, EUR 200 per child		NOK 2 300 per month	Yes. The limit varies from one municipality to another and depends on the number of children in a family.
Option of full-time or part-time places free of charge?	Yes		Yes			
<i>Children of school age</i>						
All children entitled to a place in youth centre/after-school club?	Yes <sup>1)</sup>	No	No, but a minding facility must be found for mornings or afternoons for children in the first and second grades		No	Yes <sup>2)</sup>
Centrally laid down rules governing user payment?	Yes, but not for after-school club schemes (SFOs)	Yes	..		Local authorities must only charge amounts covering the actual expenses	Yes
Upper limit to the user-payment amount? If yes, amount should be stated.	Yes, a maximum of 30 per cent of the estimated gross expenditure on youth clubs, but none on SFOs	No	..			Yes. The limit varies from one municipality to another and depends on the number of children in a family.
Option of full-time or part-time places free of charge?	Yes	Yes	..		A local authority decision	..
Age limit to minding of children of school age	Until 14 years	None	..		Up to and including the 4th grade, and the 7th grade for children who have special needs	6-12 year-olds

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

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

**Table 3.12 Children enrolled in day-care institutions and publicly financed day care by age in per cent of the respective age groups**

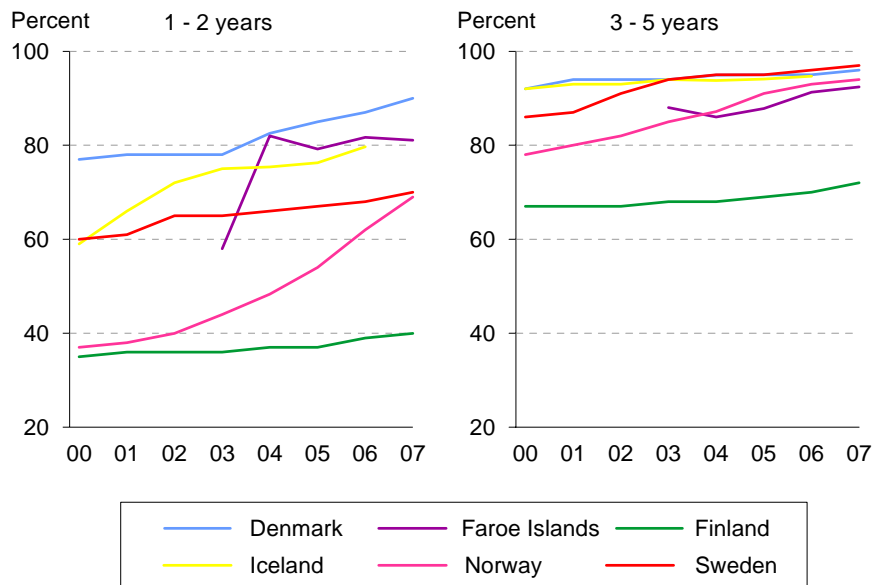
	Denmark <sup>1)</sup>	Faroe Islands	Finland <sup>2)</sup>	Iceland	Norway	Sweden
	2007	2007	2007	2006	2007	2007
<1 year	17	21	1	7	4	-
1-2 years	90	81	40	80	69	70
3-5 years	96	92	72	95	94	97
0-5 years total	81	77	49	75	71	73
6 years	90	80	69	.	.	86
0-6 years total	82	78	52	64	.	75
7-10 years	65	28	1	.	.	65

Note: For further information, see Appendix 5.

1 The time of calculation of the number of enrolled children has been changed from March to September as from 2004.

2 Figures include children in publicly subsidised private day care.

**Figure 3.4 Children 1-5 years enrolled in day-care institutions and publicly financed day care in per cent of the age group 2000-2007**



Cf. notes for Table 3.11.

## Child and Youth Welfare

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

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

### *Preventive measures*

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

**Table 3.13 Children, adolescents and families receiving support measures during 2007**

	Denmark	Finland	Iceland	Norway	Sweden <sup>1)</sup>
	2006	2007	2006	2007	2006
0-17 years	23.151	54 594	3 005	29 439	24 283
18-22 years	3.209	4 464	.	3 669	-
Families	35.264	-	.	.	-

1 The figures are for 2006 and cover children and adolescents who receive some form of support measure.



### *Placement away from the home*

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

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

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

The number of children placed away from their homes varies from one country to another, and the ratio has gone up in recent years. One trait common to all the countries is that more preventive measures are taken to a high degree in the homes in respect of children and families.

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

**FAMILIES AND CHILDREN**

**Table 3.14 Children and adolescents placed away from their homes during the year, by age and per 1 000 inhabitants in the respective age groups**

	Denmark <sup>1)</sup>	Finland	Iceland <sup>2)</sup>	Norway	Sweden <sup>3)</sup>
	2007	2006	2006	2006	2007
<i>Boys</i>					
0-6 years	3.4	7.1	0.9	4.4	4.0
7-14 years	11.2	12.5	4.3	9.4	8.1
15-17 years	26.2	21.7	13.5	17.7	19.8
18-20 years	11.5	15.0	..	18.2	13.8
0-20 years	10.9	12.6	5.0	9.9	9.7
<i>Girls</i>					
0-6 years	3.3	6.6	0.5	4.0	3.8
7-14 years	9.4	10.4	4.9	8.8	7.7
15-17 years	22.9	22.7	13.1	19.5	18.7
18-20 years	10.5	14.6	..	16.2	12.2
0-20 years	9.5	11.7	5.2	9.6	9.0
<i>Total</i>					
0-6 years	3.3	6.9	0.7	4.2	3.9
7-14 years	10.3	11.5	4.6	9.1	7.9
15-17 years	24.6	22.2	12.7	18.6	19.3
18-20 years	11.0	14.8	..	17.2	13.0
0-20 years	10.2	12.2	5.1	9.7	9.4

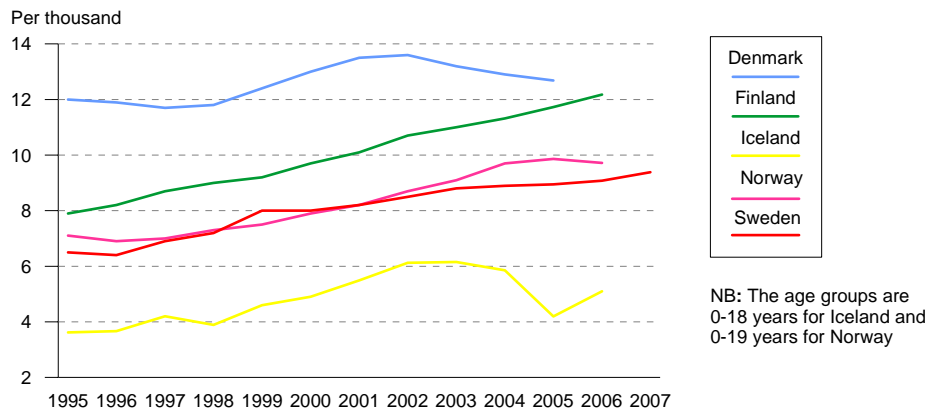
Note: For further information, see Appendix 5.

1 Including children and adolescents with reduced physical and/or mental abilities.

2 The age groups have been broken down as follows: 0-6 years, 7-14 years, 15-18 years and 0-18 years. The distribution on age and gender is based on estimates.

3 The group includes 18-20 year-olds who receive treatment according to the Social Service Act. This group of mainly 19-20 year-olds was previously included in the statistics as adult abusers.

**Figure 3.5 Children and adolescents aged 0-20 years placed away from their homes per thousand of total number, 1995-2007**



**Table 3.15 Children and adolescents in placements per 31 December in the year broken down by placement facility in per cent**

	Denmark	Finland	Iceland <sup>1)</sup>	Norway	Sweden
	2006	2006	2006	2006	2007
Foster care	43	59	42	78	74
Residential institution	23	26	38	22	24
Other facility	34	15	20	-	2
Total	100	100	100	100	100

1 Iceland during the year.

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

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

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

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

### *Differences and similarities in the expenditure on families and children*

The amounts spent by the Nordic countries on families and children, measured in PPP per child 0-17 years, vary highly. The reason why Denmark and Norway spend the most and Finland, the Faroe Islands and Iceland spend the least is mainly due to the degree of coverage in the day-care institutions. It should be mentioned, however, that only Finland and the Faroe Islands have included salaries and wages in their calculations concerning childbirth and adoption in the social expenditure.

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

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

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

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

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

### *Changes in the social expenditure on families and children from 2005 to 2006*

In Denmark, the expenditure on cash benefits to families and children was largely the same in 2005 as in 2006. The expenditure on services increased by a little over 3 per cent. There was an increase in the expenditure on day-care facilities for children, especially as a result of the reduction of user payment for children under the age of 3 years. Also the expenditure on residential institutions, foster care, etc., for children and adolescents placed away from their homes as well as on preventive measures for children and adolescents at risk and their families increased.

In the Faroe Islands, the total expenditure on families and children remained at the same level as in 2005. There was a slight increase in the expenditure on cash benefits of 1.1 per cent and a decrease in the expenditure on services of 1.6 per cent. The increase in the cash benefits was due to increased expenditure on cash benefits in connection with childbirth. A new law on child welfare entered into force in January 2006, which places a considerable part of the responsibility decentralized with the local authorities, which led to an immediate reduction of the expenditure on services. Moreover, there was a slight decrease in the expenditure on childminding.

In Finland, the expenditure on cash benefits to families and children remained almost the same in 2006 as in 2005. The largest increase (23 per cent) regarded minding of children and adolescents in institutions, where the number of measures has increased during recent years. The number of births increased in 2006 by 1 095 children, and the cash benefits for newborn babies increased by 5.5 per cent. There was also an increase in the daily cash-benefit level due to pay increases.

In Iceland, the social expenditure on families and children increased by 12.1 per cent from 2005 to 2006 at constant prices. The expenditure on cash benefits increased at constant prices by 2.6 per cent, which was due to an increase in the allowance towards provision for children by 9.9 per cent as well as a drop in other cash benefits.

The expenditure on social services increased by 19.2 per cent at constant prices, which was largely due to an increase in the expenditure on day-care institutions. This is due to the parent charges continuing to decrease and now being down to 19 per cent as against 25 per cent in 2005. Besides, there has been an increase in the number of enrolled children by 2.3 per cent from 2005 to 2006, and at the moment 84 per cent have been enrolled in day-care institutions as against 80 per cent in 2005.

## FAMILIES AND CHILDREN

In Norway, the expenditure on families and children increased by 5.1 per cent at constant prices. Cash benefits decreased by 2.6 per cent, while the expenditure on services increased by 14.8 per cent. The decrease in cash benefits was mainly due to a decrease in the expenditure on parental benefits in connection with childminding. The increase in the expenditure on services was largely due to an increase in the expenditure on day-care institutions and family day care and residential institutions. About 11 500 more children were enrolled in day-care institutions than in 2005.

In Sweden, the expenditure on families and children increased by 5.8 per cent at constant prices. Part of the increase was due to an increase in the child allowance, the multiple-birth allowance and supplements to families in 2006, but the expenditure on day-care institutions also went up in 2006.

**Table 3.16 Expenditure on and financing of cash benefits and services to families and children, 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Cash benefits, million</i>						
A. Daily cash benefit in the event of childbirth and adoption	8 574	70	743	6 854	10 027	19 365
B. Birth allowances	-	1	11	-	432	35
C. Parental benefits when minding children (leave schemes, etc.)	296	-	358	-	2 290	-
D. Family or child allowances	15 171	140	1 419	6 661	14 346	23 611
E. Supplements	-	-	-	-	-	-
F. Other	388	15	76	638	3 493	2 222
a. Of which advances on maintenance allowances to children	388	-	76	638	596	1 935
Cash benefits, total	24 429	225	2 607	14 154	30 588	45 233
<i>Services, million</i>						
A. Day-care institutions and family day care	25 357	234	1 525	15 793	18 506	25 993
B. Residential institutions (child and youth welfare)	8 100	36	408	2 904	5 305	8 164
C. Home help to families	15	-	24	100	978	-
D. Other	3 120	14	283	3 367	3 778	4 006
Services, total	36 591	284	2 240	22 165	28 645	40 187
Total expenditure, million	61 020	508	4 848	36 318	59 233	85 420
Expenditure as percentage of GDP	3.7	4.3	2.9	3.1	2.7	2.9
<i>Financed by (per cent)</i>						
- Public authorities	87.4	84.5	86.6	80.2	83.1	77.1
- Employers	0.3	7.9	10.0	19.8	10.0	22.3
- The insured (contributions and special taxes)	12.3	7.6	3.4	0.0	6.9	0.6
<i>Changes 2005-2006 in terms of 2006 prices</i>						
- Million	1 150	-2	60	3 931	2 863	4 709
- Per cent	1.9	-0.4	1.3	12.1	5.1	5.8

**Table 3.17 Expenditure on cash benefits and services to families and children, PPP 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Cash benefits,						
total per capita	431	447	417	389	584	464
Per child 0-17 years of age	1 934	1 608	1 984	1 469	2 480	2 172
Services, total per capita	646	565	358	609	547	412
Per child 0-17 years of age	2 897	2 031	1 704	2 300	2 322	1 929
Families and children,						
total per capita	1 078	1 012	774	998	1 131	877
Total per child						
0-17 years of age	4 832	3 639	3 688	3 769	4 802	4 101

### *User charges payable for childminding*

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

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

In Iceland user payment for places in the municipal day-care institutions amounted to 19 per cent of the total operating expenditure, whereas user payment for after-school clubs amounted to about 32 per cent of the total operating costs.

In Norway, private and municipal kindergartens calculate their total operation costs in slightly differing ways, however. Although private kindergartens on average are more expensive than the municipal ones, the price differences are in reality not as large for the parents as implied by the percentages. It is, however, not possible to calculate how large a ratio the parents pay.



**Table 3.18 Rules and amounts applying to user payment, 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Rules applying to user payment	Yes	Yes	Yes	Yes	Yes	Yes
Laid down centrally or locally?	Centrally	Centrally	Centrally	Local authorities	Centrally	Centrally <sup>3)</sup>
The amount of maximum user payment	Depending of type of minding between 20 and 100 per cent	.	EUR 200 per month		NOK 2 300	SEK 1 260 per month
Amount means-tested?	Yes <sup>1)</sup>	.	Yes		No	Yes <sup>4)</sup>
Reduction for several children?	Yes	Only in the largest municipality in the Faroe Islands	Yes		Yes	Yes
Free places possible?	Yes	Yes	Yes		Yes	Yes
The ratio of user payments of the total running costs	20 per cent <sup>2)</sup>	30 per cent	11 per cent	19	20 per cent	10 per cent.

1 A financial supplement towards a free place is awarded on the basis of the parents' financial situation.

2 Includes day care, nursery, kindergarten, age-integrated institutions, SFOs and youth centres.

3 The maximum charge is voluntary, but will be adapted by all local authorities in Sweden.

4 Tested on the basis of the household income.

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

## Chapter 4

# Unemployment

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

**Table 4.1 Expenditure on unemployment as percentages of GNP in the EU, the Faroe Islands, Iceland and Norway, 2005**

Denmark	2.5	Belgium	3.5	Hungary	0.6	The Netherlands	1.5
Faroe Islands	1.2	The Czech Republic	0.7	Ireland	1.3	Poland	0.6
Finland	2.4	Cyprus	1.0	Italy	0.5	Portugal	..
Iceland	0.4	Estonia	0.2	Latvia	0.5	Slovakia	0.7
Norway	0.6	France	2.2	Lithuania	0.2	Slovenia	0.7
Sweden	1.9	Germany	2.1	Luxembourg	1.1	Spain	2.5
Austria	1.6	Greece	1.2	Malta	1.4	United Kingdom	0.7

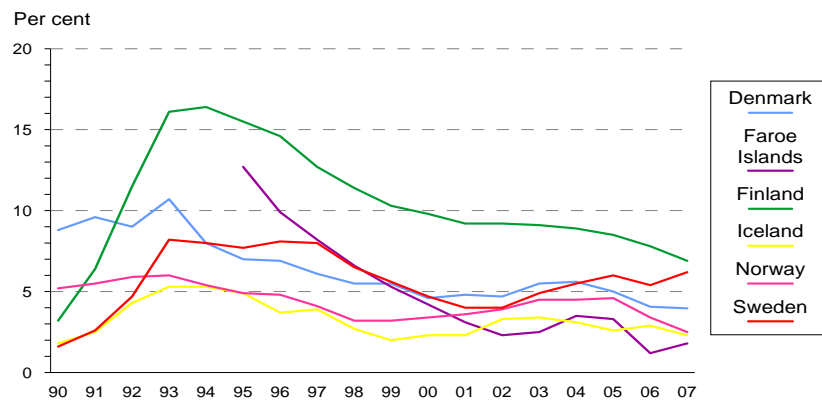
Note: Cf. Table 3.1.

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

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

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

**Figure 4.1 Development in the unemployment rate, 1990-2007**



**Note:** In 2007, the official unemployment definition was changed in the Swedish AKU. As in the EU regulations, also full-time students are now included as job-seekers in the group of unemployed.

**Table 4.2 Population aged 16-64 years broken down by gender and activity, 2007**

	Denmark	Faroe Islands	Finland <sup>1)</sup>	Iceland	Norway	Sweden
<i>Men</i>						
Men aged 16-64 years (1 000)	1 774	16	1 778	104	1 581	2 985
Of whom (per cent):						
Employed, total	82	91	71	89	80	78
- Full-time	72	78	65	81	70	68
- Part-time	9	13	6	8	9	8
Unemployed	3	1	5	2	2	5
Outside of the labour force	16	8	24	8	18	17
Total	100	100	100	100	100	100
<i>Women</i>						
Women aged 16-64 years (1 000)	1 742	14	1 739	96	1 530	2 890
Of whom (per cent):						
Employed, total	74	86	69	82	74	73
- Full-time	48	45	56	51	43	43
- Part-time	26	41	13	30	31	28
Unemployed	3	2	5	2	2	5
Outside of the labour force	23	12	26	16	24	22
Total	100	100	100	100	100	100
<i>Men and women</i>						
Men and women aged 16-64 years (1 000)	3 516	30	3 517	200	3 111	5 876
Of whom (per cent):						
Employed, total	78	89	70	86	77	76
- Full-time	60	63	61	67	57	56
- Part-time	17	26	9	19	20	18
Unemployed	3	2	5	2	2	5
Outside of the labour force	19	10	25	12	21	19
Total	100	100	100	100	100	100

1 Population aged 15-64 years.

## UNEMPLOYMENT

**Table 4.3 Unemployment rate broken down by gender, 2007**

	Denmark	Faroe Islands <sup>1)</sup>	Finland	Iceland	Norway	Sweden
Average number of unemployed	115 000	480	183 000	4 200	63 000	291 800
<i>Unemployed in per cent of labour force</i>						
Total	4.0	1.8	6.9	2.3	2.5	6.2
Men	3.6	1.2	6.6	2.3	2.6	5.9
Women	4.4	2.5	7.3	2.3	2.5	6.4
<i>16-24 year-olds</i>						
Total	8.1	3.1	16.5	7.3	7.3	18.9
Men	8.5	2.4	16.4	8.0	7.9	18.4
Women	7.8	3.9	16.6	6.7	6.6	19.5

Note: For further information, see Appendix 5. In Denmark, AKU covers the 15-66 year-olds. In Finland, AKU covers the 15-74 year-olds.

1 Figures are based on the annual labour-force survey in November covering 16-64-year-olds.

**Table 4.4 Number of people (1 000) who received cash benefits for at least one day in connection with unemployment 2007**

	Denmark	Faroe Islands	Finland	Iceland <sup>1)</sup>	Norway <sup>1)</sup>	Sweden <sup>2)</sup>
	2007	2007	2007	2006	2007	2007
Insured	354	1	277	7	85	371
Non-insured	59	-	203	..	-	55
Total	413	1	465	7	85	425
Total in per cent of the labour force	15	5	18	4	3	9

Note: For further information, see Appendix 5.

1 Calculated on the basis of the number of approved unemployment benefit applications. The Icelandic figures are from 2006.

2 Double registration may appear, as a person may have been registered as being both insured and non-insured during one and the same year. In 2007, 8 000 people were calculated as being both insured and non-insured.

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

## Cash Benefits in the Event of Unemployment

It is a common trait to all the Nordic countries that labour-market policy has played an important part in the general economic policy, where a high employment rate and a low unemployment rate have been an important goal as well as a prerequisite for the Nordic welfare states. When unemployment arises, it is either due to a generally low demand in the economy or the fact that the labour market does not function well enough, a phenomenon known as structural unemployment. The labour-market policy in the Nordic countries must in particular contribute to the reduction of the structural unemployment via active measures rather than passive provision for the unemployed. However, the ways in which the individual countries have designed their labour-market initiatives concerning active measures (employment measures, etc.) and passive measures (unemployment benefits and the like) vary considerably.

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

### *Benefits in Case of Unemployment*

In the Nordic countries, most unemployed people are entitled to cash benefits when they become unemployed. In the Faroe Islands and Norway, unemployment insurance is compulsory for wage earners. In Iceland, all wage earners and self-employed people are statutorily insured against unemployment. Both in the Faroe Islands, Iceland and Norway, there are, however, certain requirements that must be met in order for a person to receive the benefit. Those not meeting the requirements may be awarded income-tested social assistance. In Denmark, Finland and Sweden, unemployment insurance is vol-

## UNEMPLOYMENT

untary. In those countries, non-insured unemployed people are, however, entitled to a cash benefit that is usually lower than the unemployment benefit.

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

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

In Finland, the unemployment benefit consists of a basic amount (basic daily cash benefit) and a benefit that is based on previous income (income-related daily cash benefit). The income-based benefit is payable by the unemployment insurance funds whereas the basic amount is payable by the Social Insurance Institution. Non-insured people and people who have received income-related daily cash benefits or the basic amount for the maximum period of two years, and who are still unemployed, are entitled to a so-called labour-market support based on need, but principally the amount is the same as the basic amount of the daily cash benefit scheme. A pension is payable to people in their sixties who have been unemployed. This pension will be calculated in the same way as disability pension.

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

In Norway, the unemployment insurance is also compulsory and everyone meeting the requirements as to previous income is entitled to unemployment benefits. The unemployment-insurance scheme is financed via the national budget and administered by the social-welfare department.

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

Non-insured people who otherwise meet the requirements (and who are 20+ years old) are entitled to a basic amount. Both the basic amount (basic

insurance) and the income-dependent amount (unemployment insurance) are administered by the unemployment insurance funds.

### *Entitlement to Daily Cash Benefits*

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

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

In the Faroe Islands, the unemployment benefit is based on an average of the salary or wages from the preceding 12 months, and thus no membership or period of employment is required. The total benefit period is 798 days within the past five years, after which one is not entitled to unemployment benefits for the subsequent 24 months. Employees in the fishing industry working on land are subject to special conditions to the effect that they shall be paid unemployment benefits in case of temporary unemployment in special cases.

In Finland, it is required that one must have worked for at least 43 weeks during the preceding 2 years and 4 months and at the same time have been a member of an unemployment-insurance fund prior to becoming unemployed in order to qualify for unemployment benefits. As a rule, the total benefit period is 500 days. Individuals, who reach the age of 57 before having been paid unemployment benefit for 500 days, are entitled to unemployment benefit until they reach the age of 60, after which they shall qualify for unemployment pension. Individuals born in 1950 or later no longer qualify for unemployment pension. Instead they may qualify for unemployment benefits until they reach the age of 65, provided they had turned 59 years prior to having received unemployment benefits for the maximum period of 500 days.

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**Table 4.5 Rules applying to payment of cash benefits in the event of unemployment as per December 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Insured individuals</i>						
Conditions of being granted unemployment benefits	52 weeks of work within 3 years. 1 year's membership of an unemployment insurance fund.	Average of the salary/wages from the previous 12 months. No membership or employment period required.	Has had work for 3 months or for 55 days without interruption.		A decrease in hours worked of at least 50 per cent and an annual income of at least NOK 105 384 the past calendar years or at least NOK 210 768 for the past 3 calendar years. Besides, the unemployed person must be seriously looking for work.	At least 6 months' of work and at least 80 hours per calendar month or at least 480 hours for 6 consecutive months as well as work for at least 50 hours each month. These requirements must be met prior to becoming unemployed.
Age limit for entitlement to unemployment benefit	19-64 years <sup>1)</sup>	16-66 years	17-67 years <sup>3)</sup>	16-69 years	16-66 years	16-65 years <sup>4)</sup>
Waiting period (days)	-	1-10	7	-	5	5
Maximum number of days of unemployment benefit	1 040 within 6 years (5 benefit days per week for 4 years) <sup>2)</sup>	798 within the past 5 years (5 benefit days per week)	500 (5 benefit days per week)	260 days per year for 3 years	520 (104 weeks of 5 working days)	300/450 <sup>5)</sup>
Benefit reobtainable?	Yes	Yes	Yes	Yes	Yes	Yes
On which conditions?	By complying with the requirement of 26 weeks' work within the past 3 years	Will only be awarded benefits after two years and after having worked for the last one of those two years.	By complying with the requirement of 34 weeks' work within 2 years	By complying with the requirement of 10 weeks' full-time work within the past 24 months.	By complying again with the requirement of a minimum income	By complying again with the requirement of 6 months' work prior to becoming unemployed
Benefit taxable?	Yes	Yes	Yes	Yes	Yes	Yes
Supplement for children?	No	No	Yes	Yes	Yes	No

**To be continued ...**



**Table 4.5 Continued**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Non-insured individuals</i>						
Age limit for entitlement to unemployment benefit	18-64 years <sup>2)</sup>		17-67 years <sup>3)</sup>		67 years	20-65 years
Maximum benefit period	208 weeks (1 040 days)					300/450 <sup>5)</sup>

- 1 Individuals between the ages of 18 and 63 years are entitled to join an unemployment-insurance fund, 65 years, however, for people born on 1 July, 1939, but entitlement to unemployment benefit applies to people between 19 and 64 years.
- 2 Children under 18 years and people of 65 years or more may in certain cases qualify for cash assistance.
- 3 65-67 year-olds, who have resigned or whose work has been interrupted by weather conditions or employee conditions independent of working conditions.
- 4 Entitlement to unemployment benefits is based on compliance with the employment requirement and a 12 months' membership of an unemployment-insurance fund.
- 5 For individuals with children under 18 years.

**Table 4.6 Amount of cash benefits in the event of unemployment as per December 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Insured individuals</i>						
Amount of unemployment benefit (per week)	90 per cent of the income from work for 5 days a week <sup>2)</sup>	70 per cent of the income from work	Income-related benefit: on average 58 per cent of previous income from work. Basic amount: EUR 119,55 + child supplement: EUR 22.65-42.90 per week	Fixed amount for the first 10 days, then income-related benefits (70 per cent of average previous income from work for the past 6 months), then again a fixed amount + child supplement <sup>5)</sup>	62.4 per cent of the income from work	80 per cent of the income from work for the first 200 days, then 70 per cent per day for 5 days per week
Maximum income per week for full compensation <sup>1)</sup>	DKK 4 143	DKK 4 218		ISK 46 350	NOK 7 709	SEK 4 250 per week for the first 200 days, then SEK 4 857 per week

**To be continued ...**

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**Table 4.6 Continued**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Maximum income per week for full compensation in PPP-Euro <sup>1)</sup>	397	404	.	383.	683	395 per week for the first 200 days, then EUR 451 per week
Min. amount per week	DKK 2 800	.	EUR 19.55	ISK 6 590	NOK 802	SEK 1 600
Min. amount per week in PPP-Euro	268	.	100	54	71	149
Max. amount per week	DKK 3 415	DKK 2 954	.	ISK 26 360 fixed amount	NOK 4 810	SEK 3 400
Max. amount per week in PPP-Euro	327	283	.	218	426	316
<i>Non-insured individuals</i>						
Amount of benefit per week	Young people under 25 years: DKK 643/1 332 <sup>3)</sup> ; others: DKK 2 067/2 747 + special assistance <sup>4)</sup>	Social assistance based on need	Allowance based on need, max EUR 119.55 + child supplement: EUR 22.65 – 44.90	Social assistance based on need.	.	SEK1 600 <sup>6)</sup>

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

2 Employers pay daily cash benefits of DKK 683 per day for the first and the second day of unemployment.

3 Special benefits to young people under the age of 25 with no dependent children living at home.

4 For groups of cash-assistance recipients there is a limit to the total amount of assistance payable, just as the assistance to some groups will be reduced after a period of 6 months.

5 The cash assistance will be increased by 4 per cent for each child under the age of 18.

6 Minimum age 20 years. 6 months' work prior to becoming unemployed is required.

In Iceland, one must have been employed full-time for at least 10 weeks during the past 36 months to be entitled to unemployment benefit. The benefit is payable for working days. Unemployment benefit is payable for a maximum of five years.

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

In Norway, a prerequisite for qualifying for unemployment benefits is that one has earned an income of NOK 100 218 in the past calendar year, or at least NOK 222 436 in the past three years. The maximum benefit period varies according to the amount of any previous income. A previous income of at least NOK 133 624 results in a benefit period of 104 weeks, whereas an earned income of less than NOK 133 624 results in a benefit period of 52 weeks. Individuals over 64 years are ensured daily cash benefits until they reach the pensionable age of the national social security fund, which is 67 years. To be entitled to unemployment benefit, one must have worked hours that were reduced by at least 50 per cent of the normal working hours prior to becoming unemployed.

In Sweden, one must as from 1 January 2007 have been employed for at least 6 months and been working for at least 80 hours per calendar month, or have been employed for at least 480 hours in a consecutive period of 6 calendar months and been working for at least 50 hours per month during all 6 months within a 12 months' period in order to become entitled to unemployment benefit (the so-called employment requirement).

Since July 2007, the benefit period is 300 days for childless people and 450 days for parents.

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

In Denmark and Iceland, there is no waiting period; in the Faroe Islands, there is a waiting period of 1-10 days depending on previous income; in Norway, the waiting period is 3 days, in Finland seven and in Sweden five.

### *Compensation Levels in Case of Unemployment*

Figure 4.2 shows the disposable income at two different income levels for a childless couple where the one earning the most starts receiving unemployment benefit. Figure 4.3 shows the disposable incomes in the event of unemployment in per cent of the income earned from work for single people with one child and single childless people, calculated at three different income levels. In Figure 4.3, the calculation was made for insured people at three different income levels and in Figure 4.4, for non-insured people at four different income levels (the latter only in respect of Denmark, Finland, Iceland and Sweden). As can be seen from the figures, the compensation for

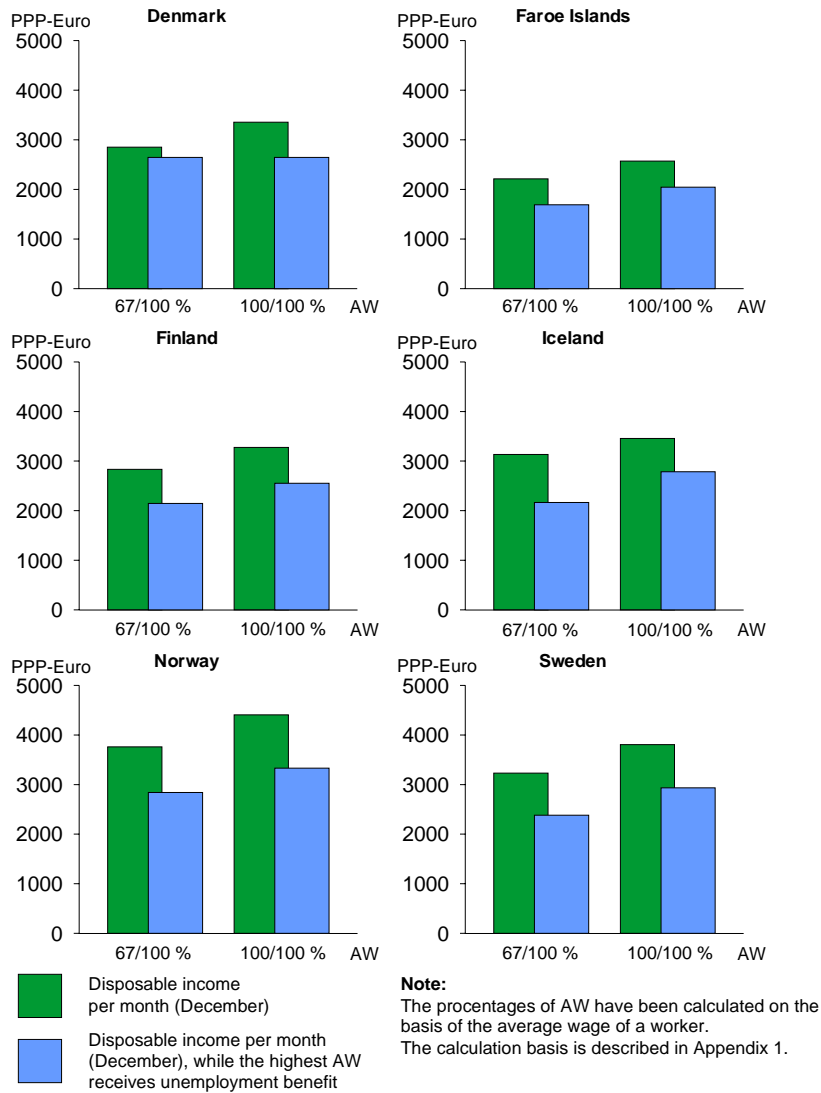
insured unemployed individuals is considerably larger than it is for non-insured unemployed individuals. In Denmark, the compensation is, however, slightly lower for single people with one child in the lowest income bracket than it is for insured unemployed individuals than for non-insured individuals and considerably lower in Iceland. In Iceland, this is due to the calculations concerning insured people taking into account the rate of employment, whereas previous income is not taken into account in respect of non-insured people, as the social assistance is a fixed amount. The marginally lower compensation for insured unemployed people in Denmark is due to the daily cash benefits amounting to 90 per cent of relatively low wages/salaries and the fact that an insured unemployed person, unlike a non-insured individual, pays contribution to the unemployment fund.

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

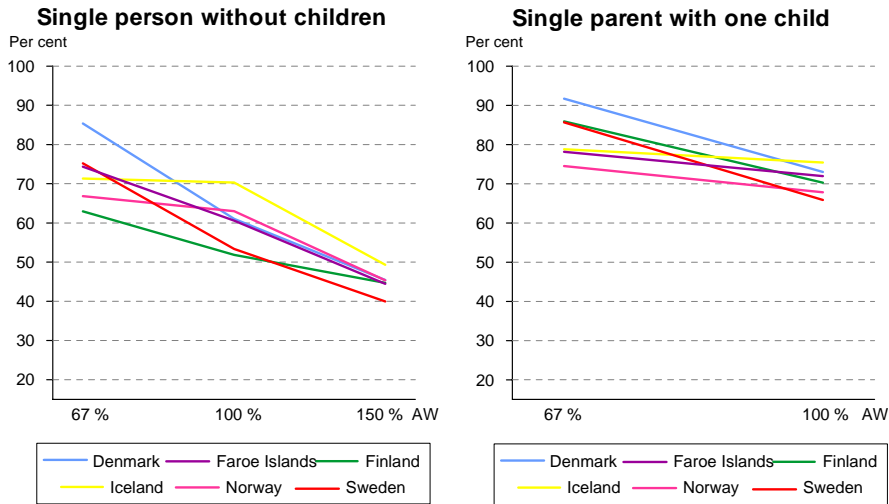
The compensation level for insured people depends first and foremost on the amount of the daily cash benefit in relation to previous income. It is highest in Denmark and lowest in Norway. In Iceland, a fixed amount is payable, irrespective of previous income. Secondly, the compensation level depends on the maximum amounts, which is highest in Norway. In Finland, there is no upper limit to the amount of daily cash benefits, but where an income exceeds a certain level, however, the compensation will only be 20 per cent.

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

**Figure 4.2 Disposable incomes for an insured childless couple, where the person earning the most gets unemployment benefits, 2007**

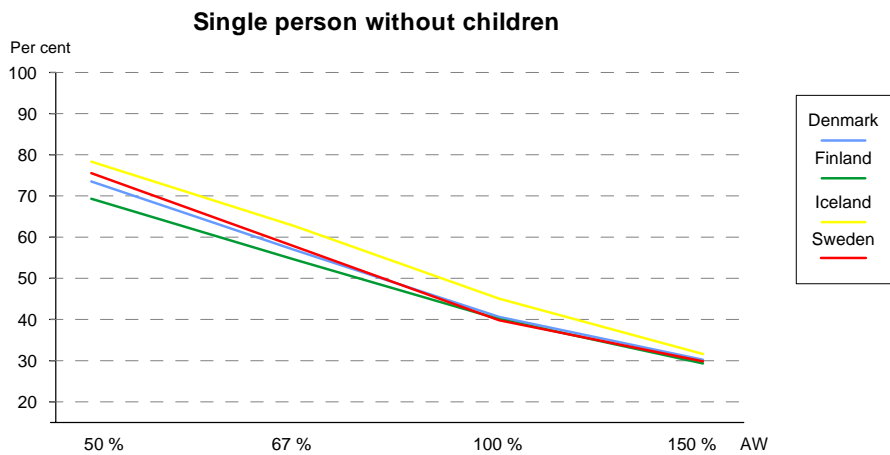


**Figure 4.3 Disposable incomes when receiving unemployment benefits as percentages of disposable incomes from work, 2007**



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

**Figure 4.4 Disposable incomes for non-insured individuals as percentages of disposable incomes from work, 2007**



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

## Job Training and Activation

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

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

Unemployed recipients of daily cash benefits under the age of 25, who have not completed vocational training qualifying them for the labour market, are, after no later than 6 months of unemployment, entitled to receive and obliged to accept an offer of education or training for a minimum of 18 months. The offer may be combined with other types of guidance and qualifying activities or with a traineeship. The benefit payable during the activity corresponds to half the amount of the daily cash benefit. Other unemployed recipients of daily cash benefits under the age of 25 and daily cash benefit recipients between 25 and 30 years have a right and an obligation to accept activation after no later than 6 months of unemployment by way of education, guidance or qualifying activities, traineeship or job training.

Unemployed recipients of daily cash benefits between 30 and 60 years are entitled to and obliged to accept activation after no later than 9 months of unemployment by way of education, job training, etc. Unemployed recipients of daily cash benefits over 60 years are entitled to and obliged to accept activation after 6 months of unemployment. All recipients of unemployment benefits are furthermore entitled and obliged to accept a new offer of activation when they have received public benefits for a total of 6 months after termination of the first activation offer. Moreover, unemployment benefit recipients are entitled and obliged to accept intensive activation for the rest of the unemployment period after having been unemployed for 30 months.

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

After a maximum of 13 weeks, unemployed recipients of cash assistance under the age of 30 are entitled to and obliged to accept an offer of activation or training for at least 30 hours per week for 18 months; but only for 6 months for people with an education/training qualifying them for work. Un-

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employed recipients of cash assistance between 25 and 30 years with no education must be presented with an offer after 5 weeks, unless they choose to enrol in a general line of education. Recipients of cash assistance of 30 years or more must be offered activation no later than 12 months after having been granted cash assistance. All recipients of cash assistance, apart from those over 30 years, who receive benefits, not only due to unemployment, are furthermore entitled to and obliged to accept a new offer of activation when they have received cash assistance for 6 months after termination of the first activation offer.

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

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

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

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

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

In Norway, increasing support has been given to the active labour-market policy during the 1990s. However, there has been a change in recent years in the use of measures in connection with job provision, in that focus to a higher degree than before has been put on the groups in the labour market that are most at risk and most in need of assistance. In relation to the general labour market, focus is during the first part of the unemployment period on one's own activation and motivation for work. If this proves insufficient, jobseekers that are in need of more comprehensive assistance will be offered individual follow-up and guidance in his or her search for a job. The individual's possi-



bilities in the labour market will be enhanced through job training and qualification. The level and composition of the labour-market measures will be adapted to the labour-market situation. Groups with special difficulties in the labour market, such as the long-term unemployed, immigrants, the impaired and young people are given priority to those special jobs.

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

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

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

The cyclically dependent programmes and measures that are offered include inter alia vocational training, aimed at increasing an unemployed person's possibilities of finding work and at making it easier for the employers to employ people with the relevant skills. There are also work-experience schemes that are to provide unemployed people looking for work via the employment service with vocational guidance, in-service training and vocational experience. As a supplement to the general labour-market measures, an IT/activity centre has been set up for unemployed people, with a view to teaching them how to work with information technology. Young unemployed people under 20 years may receive in-service training in a municipal enterprise. Young unemployed people between 20 and 24 years may be offered an activation programme, the so-called youth guarantee. The programme must be individually adapted and include training or in-service training, or both.

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

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

## UNEMPLOYMENT

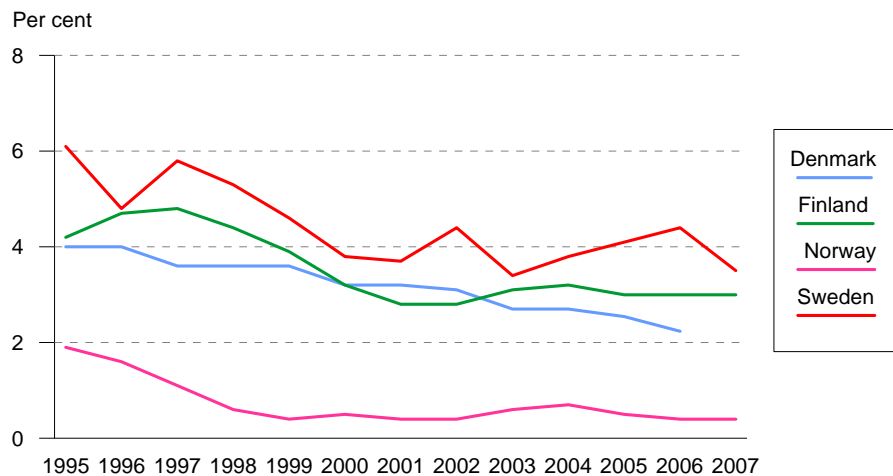
**Table 4.7 Number of activated people**

	Number of activated people during the year		Number of activated people at the time of survey/average number of activated people		Activated people as percentage of the labour force at the time of survey	
	Total	16-24 year-olds	Total	16-24 year-olds	Total	16-24 year-olds
<i>Denmark</i>						
<i>2006</i>						
Total	212 882	26 355	62 339	6 068	2.2	1.6
Of whom were in:						
- Subsidized employment	83 070	7 741	29 127	1 849	1.0	0.5
- Education and training	70 028	4 203	16 343	1 084	0.6	0.3
- Other	102 992	19 122	16 870	3 135	0.6	0.8
<i>Finland</i>						
<i>2007</i>						
Total	214 026	50 470	80 702	14 136	3.0	4.1
Of whom were in:						
- Subsidized employment	94 133	11 449	38 515	4 306	1.4	1.3
- Education and training	61 739	9 542	30 693	4 338	1.1	1.3
- Other	58 154	29 479	11 494	5 492	0.4	1.6
<i>Iceland</i>						
<i>2006</i>						
Total	4 903	916	..	..	..	..
Of whom were in:						
- Subsidized employment	154	54	..	..	..	..
- Education and training	2 092	368	..	..	..	..
- Other	2 657	494	..	..	..	..
<i>Norway<sup>1)</sup></i>						
<i>2007</i>						
Total	44 430	..	10 121	3 091	0.4	0.9
Of whom:						
- Subsidized employment	..	..	1 563	..	0.1	..
- Education and training	..	..	4 590	..	0.2	..
- Other	..	..	3 968	..	0.2	..
<i>Sweden</i>						
<i>2007</i>						
Total	425 916	..	166 934	..	3.5	..
Of whom were in						
- Subsidized employment	155 473	..	103 374	..	2.2	..
- Education and training	157 346	..	36 772	..	0.8	..
- Other	113 097	..	26 787	..	0.6	..

Note: For further information, see Appendix 5.

1 As from 2006, the age group 16-24 years corresponds to 15-24 years.

**Figure 4.5 Development in the activation in per cent of labour force at the time of calculation, 1995-2007**



## Services in Connection with Unemployment

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

## Employment Service

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

In Denmark, the state employment service and the municipal employment activities were joined in common job centres in 2007. Central Government is still responsible for the employment activities concerning insured unemployed people, and the local authorities are responsible for the other target groups (cash-assistance recipients, sickness-benefit recipients, people undergoing rehabilitation, etc.). In 14 pilot job centres, Central Government

## UNEMPLOYMENT

has delegated the state effort to a local authority, who attends to the activities concerning both the municipal target groups and the insured unemployed.

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

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

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

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

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

## Expenditure on and Financing of Benefits in Connection with Unemployment

### *Differences and similarities in the expenditure on unemployment*

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

It should be mentioned, however, that a number of subsidies are payable to employers in Finland for activation. Such costs have not been included as social expenditure in this report. The high expenditure in Denmark is due to the amount of the daily cash benefit and to the extent of the activation/job training. The Faroe Islands and Iceland have the lowest unemployment rates followed by Norway, which also reflects low costs, cf. Table 4.9.

### *Changes in the Expenditure on Unemployment from 2005 to 2006*

In Denmark, the expenditure on unemployment benefits decreased by about 16 per cent from 2005 to 2006 as a result of a large decrease in the unemployment rate from 5.7 per cent in 2005 to 4.5 per cent in 2006. Besides, there was a slight decrease in the expenditure on activated daily cash benefit recipients and recipients of cash assistance as a result of a decrease in the number of activated individuals.

In the Faroe Islands, there was a considerable drop of 28 per cent in the expenditure on unemployment as a result of a large decrease in the unemployment rate. The average unemployment rate decreased by more than 2 per cent in relation to 2005. The large percentage decrease should be seen in the light of the expenditure on unemployment making up a relatively small part of the total social expenditure, and a slight decrease in the unemployment rate resulting in a steep percentage decrease in the expenditure.

In Finland, the expenditure on unemployment decreased by 5.6 per cent, as the unemployment rate decreased from 7.7 per cent to 6.9 per cent, and the number of unemployed people dropped by 21 000. The number of recipients of unemployment pension also declined by 3 262 people. On the other hand, the effort was concentrated almost as much on labour-market measures in 2006 as in 2005.

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In Iceland, the expenditure on unemployment decreased by 21.3 per cent from 2005 to 2006 at constant prices. The expenditure on cash benefits decreased by 28.2 per cent as the number of days for which unemployment benefits were payable, decreased by 33 per cent. According to the AKU, the unemployment rate decreased from 2.6 per cent in 2005 to 2.3 per cent in 2006.

**Table 4.8 Expenditure on and financing of cash benefits in connection with unemployment, 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Cash benefits, millions</i>						
A. Unemployment benefit	15 955	87	2 258	2 377	6 481	28 852
B. Partial unemployment benefit	-	-	78	-	-	-
C. Pension for labour market reasons	-	-	672	-	388	-
D. Cash benefits payable during vocational training	15 869	-	214	138	-	10 721
E. Compensating benefits	-	-	6	-	-	690
F. Other	-	-	-	-	-	-
Cash benefits, total	31 824	87	3 227	2 515	6 870	40 263
<i>Services, millions</i>						
A. Mobility and resettlement	-	-	2	-	-	79
B. Services in connection with vocational training	-	1	250	-	348	4 183
C. Other	1 635	-	143	859	1 219	3 294
a. Of which employment services	897	-	143	859	1 212	-
Services, total	1 635	1	395	859	1 567	7 556
Total expenditure, millions	33 459	88	3 622	3 373	8 437	47 819
Expenditure as percentage of GDP	2.0	0.7	2.2	0.3	0.4	1.6
<i>Financed by (per cent)</i>						
- Public authorities	22.0	0.0	51.6	9.0	44.7	3.8
- Employers	0.0	50.0	35.4	91.0	33.3	89.0
- The insured (contributions and special taxes)	78.0	50.0	13.0	0.0	22.1	7.2
<i>Changes 2005-2006 in terms of 2006 prices</i>						
- Millions	-6 254	-34	-214	-915	-4 014	-3 998
- Per cent	-15.7	-28.1	-5.6	-21.3	-32.2	-7.7

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**Table 4.9 Expenditure on cash benefits in connection with unemployment in PPP 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Cash benefits, total per capita	562	172	516	69	131	413
- Per capita of working age	866	278	788	107	204	646
Services, total per capita	29	3	63	24	30	78
- Per capita of working age	45	4	96	36	46	121
Unemployment, total per capita	591	175	579	93	161	491
- Per capita of working age	911	282	884	143	250	767

In Norway, the expenditure on unemployment benefits decreased by 32 per cent at constant prices. Cash benefits decreased by 35.1 per cent, while the expenditure on services decreased by 16 per cent. The decrease in cash benefits was mainly a result of a decrease in the expenditure on unemployment benefits dropping by 36.5 per cent. The number of unemployed people decreased from an average of 110 000 in 2005 to 84 000 in 2006 corresponding to a decline of 24 per cent.

In Sweden, the expenditure on unemployment decreased by 7.7 per cent. Cash benefits decreased by 11 per cent at the same time as the expenditure on labour-market measures increased by 15 per cent, which was due to a decrease in the unemployment rate from 2005 to 2006 at the same time as the number of people in activation increased.



## Chapter 5

# Illness

The ratio of the expenditure on illness measured in per cent of GDP varies considerably.

**Table 5.1 Expenditure in connection with illness as percentages of GNP in the EU, the Faroe Islands, Iceland and Norway, 2005**

Denmark	6.1	Belgium	7.7	Hungary	6.4	The Netherlands	8.1
Faroe Islands	7.0	The Czech Republic	7.0	Ireland	6.9	Poland	3.8
Finland	6.7	Cyprus	0.5	Italy	6.4	Portugal	..
Iceland	7.4	Estonia	3.9	Latvia	3.1	Slovakia	4.8
Norway	7.5	France	8.8	Lithuania	3.9	Slovenia	7.4
Sweden	7.5	Germany	7.8	Luxembourg	5.5	Spain	6.4
Austria	7.1	Greece	7.0	Malta	4.8	United Kingdom	8.1

Note: See Table 3.1.

## Paid Absence Due to Illness

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

**ILLNESS**

**Table 5.2 Rules governing payment of cash assistance\* to employees and self-employed people in connection with illness as per December 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Employees qualify for sickness benefits on the following conditions:	Daily cash benefits from employer: 8 weeks of employment with a minimum of 74 hours of work. Daily cash benefits from local authorities: Employment for 13 weeks with a minimum of 120 hours of work <sup>1)</sup>		Work for 3 months or 55 days consecutively		Qualifying time is 4 weeks. The income basis is the half	To work in Sweden plus an annual income of at least SEK 9 700 before 2006 plus must be insured from the first day of employment
Self-employed people qualify for sickness benefits on the following conditions:	A considerable amount of work in self-employment for 6 months within the past 12 months		Same rules		Qualifying time is 4 weeks. The income basis is the half <sup>5)</sup>	To work in Sweden plus an annual income of at least SEK 9 700 before 2006 plus must be insured from the first day of employment
Maximum period of sickness benefit/sick pay	52 weeks <sup>2)</sup> within 18 months	40 weeks within a year	52 weeks within two years <sup>3)</sup>	52 weeks within two years	52 weeks within three years	No time limit
Waiting period?	No	No	No <sup>4)</sup>	Yes <sup>6)</sup>	No	Yes
Length of waiting period	-	-	-	..	-	1 day
Employer period?	Yes	Yes	Yes <sup>4)</sup>	Yes	Yes	Yes

**The table continues...**

**Table 5.2 Continued**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Wages/Salaries payable during illness?	Yes	Yes	Yes	Yes	Yes	Yes
Statutory payment of wages/salaries during illness?	Yes	No	Yes <sup>4)</sup>	Yes	Yes	No
Rules applying to part-time absence due to illness?	Yes	No	Yes <sup>5)</sup>	Yes	Yes	Yes
Payment of wages/salaries during illness according to agreement?	Yes	Yes	Yes	Yes	Yes	Yes

\* By cash assistance, sickness benefits or pay are meant.

- 1 Individuals who qualify for unemployment benefits, have completed vocational training of a duration of at least 18 months or are in work-training schemes with pay, are also entitled to sickness benefits.
- 2 The benefit period may be extended under special circumstances. This applies, for instance, where it is deemed likely that rehabilitation can be implemented, or where an application for disability pension has been submitted for consideration. In addition, a benefit period may be extended by 2×26 weeks in case of serious illness or an industrial injury.
- 3 Employees and tradesmen who work full time and who have been paid sickness benefits without interruption for at least 60 days, may be awarded part-1 sickness benefits for a maximum of 72 working days if they return to work and work part time.
- 4 Sickness benefits will neither be paid for the day on which an employee falls ill nor for the following 9 working days. During that period, employers pay full wages/salaries according to law.
- 5 After payment of sickness benefits for 55 days.
- 6 In the public sickness insurance scheme.
- 7 According to law, wages/salaries are payable during illness depending on the length of the employment period. After 1 year of employment, wages/salaries shall be payable for one month, increasing to three months after five years of employment. Most collective agreements contain agreements on pay during illness exceeding those three months.
- 8 Besides, there are a number of special provisions for self-employed people.
- 9 Within the employer period, there is a waiting period of one day. This also applies to people who are not employed. The employer period is 2 weeks as from 1 January 2005.

## ILLNESS

**Table 5.3 Amount of sickness benefits payable to employees in connection with illness as per December 2007**

	Denmark	Faroe Islands	Finland	Norway	Sweden
Amount of sickness benefit as percentages of income from work	100	100	Normally <sup>2)</sup> 70	100	79.12 <sup>4)</sup>
Income ceiling per week for full compensation <sup>1)</sup>	DKK 3 731	DKK 4 683	.	NOK 7 709	SEK 5 812
Income ceiling per week for full compensation in PPP-Euro <sup>1)</sup>	358	346	.	683	540
Minimum amount per week	.	.	EUR 91.20 <sup>3)</sup>	NOK 642	SEK 147
Minimum amount per week in PPP-Euro	.	.	76.6	57	14
Maximum amount per week	DKK 3 415	DKK 3 613	.	NOK 7 709	SEK 4 599
Maximum amount per week in PPP-Euro	327	449	.	683	427
Sickness benefit taxable?	Yes	Yes	Yes	Yes	Yes
Supplement for children?	No	No	No	No	No

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

2 70 per cent of the income from work up to EUR 29 392 per year; then 40 per cent of the income between EUR 29 393 and 45 221 per year, and after that 25 per cent. Part time sickness benefits are 50 per cent of the general sickness-benefit amount.

3 People, who have a small or no income, may receive minimum daily cash benefits for periods of incapacity for work exceeding 55 days.

4 As from 1 January 2005.

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

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

In Denmark, sickness benefits are payable by the employer for the first 15 days, if an employee has been working for that employer for the past 8 weeks prior to the absence due to illness and during that period has been working for at least 74 hours.

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

In accordance with the Act on Employment Contracts, employers in Finland pay wages/salaries in full for the first day of illness and for the subsequent 9 working days.

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

In Norway, an employee is entitled to sickness benefits from his employer if he has been employed by him for at least 4 weeks. The employer period is 16 days.

In Sweden, statutory sick pay is payable for 14 days. However, sick pay will not be payable for the first day of illness. The sick pay corresponds to the sickness benefit amount.

### *Sick Pay According to Collective Agreements and the Like*

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

In Denmark, public-sector employees will be paid in full during the entire period of illness. Salaried employees in the private sector will typically be paid in full during illness, whereas other private-sector employees will be paid during for instance the first nine weeks of their absence due to illness. In some cases, they will not be paid in full but only up to a maximum amount fixed by the collective agreements.

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

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

In Iceland, employees are ensured pay during illness through collective agreements for a period longer than the statutory minimum depending on their seniority. Employees working for Central and Local Government are covered by the most favourable rules in that they may be paid in full for an entire year, if they have been employed for more than 15 years. Employers in the private labour market are obliged to pay 1 per cent of the wage sum to

a supplementary daily cash benefit scheme that is administered by the various unions. From those schemes, daily cash benefits are payable after the employer period, usually for 120-150 days. Due to these schemes, daily cash benefits from the public sickness insurance scheme are of little importance.

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

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

### *Sickness Benefits*

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

In Denmark, employees are entitled to sickness benefits from the local authorities, provided they have been active in the labour market for the past 13 weeks prior to their absence and during that period have been employed for at least 120 hours. People who are entitled to unemployment benefits, or have concluded vocational training of a duration of at least 18 months, or have been in work-training schemes with pay, are also entitled to sickness benefits from the local authorities. As to self-employed people, it is a condition that they have been working for at least 6 months during the past 12

months, of which at least one month's work must have been carried out immediately prior to the illness.

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

In the Faroe Islands, sickness benefits are payable to wage/salary earners and voluntarily insured people (self-employed people or people working from home). The income basis for employees is usually the average income from the past five weeks before the absence. For the self-employed, the income basis is the income from work in their businesses the past year.

In Finland, sickness benefits are payable both to those in work and to the self-employed, including those who work for themselves (e.g. work from home or study). No income-related sickness benefits shall be payable if the annual income from work amounts to less than EUR 1 129. Up to an annual income of EUR 29 392, the compensation rate is 70 per cent, after which the compensation will be gradually reduced. People with low or no incomes are granted minimum sickness benefits after a waiting period of 55 days.

As mentioned above, the public sickness benefit schemes are of little significance in Iceland. Employees working from home and students have a special right to public sickness benefits. Self-employed people have the same right as have employees to sickness benefits payable by the public authorities but may also take out insurance against sickness, normally for a period of 6 months. After that period, payments may be made by the pension schemes.

In Norway, a condition for being awarded sickness benefits from the National Social Security Fund is that the person concerned has been in work for at least 4 weeks immediately prior to falling ill. The income basis for sickness benefits must amount to at least an annual income of NOK 33 406. This income limit does not apply to sickness benefits payable in the employer period. The maximum amount of sickness benefits payable is NOK 400 872 per year.

Self-employed people have the same right as have employees to sickness benefits if they lose any pensionable income due to lack of working capacity, sickness or injuries. A compensation will be payable from the 17<sup>th</sup> day of sickness at 65 per cent of the sickness benefit basis. When sickness benefits have been paid for 250 days within the past 3 years, entitlement will cease.

In Sweden, one condition for being awarded sickness benefits is that the recipient earns an income of at least 24 per cent of the basic amount, which in 2007 was SEK 40 300. The compensation is 80 per cent, but only for an earned income of maximum SEK 302 200.

### *Waiting Periods*

The rules applying to waiting periods also vary from one country to another. In Denmark and Norway, there are no waiting periods for employees if a paid employer period exists. As to self-employed people, and people who work freelance, there is a waiting period of 14 days in Denmark and 16 days in Norway, which may, however, be reduced by a voluntary insurance. In Denmark, voluntary insurance may be taken out in order for a self-employed person to be entitled to sickness benefit from the first or the third day of absence. The insurance premium is higher for self-employed people, who wish to receive daily cash benefits from the first day of absence, than it is for self-employed people, who wish to receive daily cash benefits from the third day of absence. For self-employed people, who have taken out insurance, the daily cash benefits will amount to at least two thirds of the maximum amount of daily cash benefits. Self-employed people may take out insurance (at a higher premium) that entitles them to the full maximum daily cash benefit amount.

In the Finnish sickness insurance scheme, there is a waiting period of the day on which a person falls ill and the following 9 working days, which period equals the statutory period with sick pay for employees. In Finland, self-employed people are entitled to sickness benefits according to the same principles as apply to wage earners.

The difference is, however, that where wage earners are entitled to the statutory pay during the waiting period of the sickness insurance scheme, self-employed people do not receive any benefits for the day on which they fall ill and the following 9 working days.

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

In the Faroe Islands, there is no waiting period.

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

In Norway, self-employed people can take out sickness-benefit insurance with coverage of either 65 or 100 per cent from the first day of illness or coverage of 100 per cent from the 17th day of illness.

In Sweden, there is a minimum of one waiting day, both in connection with sick pay and sickness benefits. There may, however, be no more than 10 waiting days in a period of 12 months. Self-employed people may choose a waiting period of 1, 3 or 30 days, depending on the nature of the insurance they have taken out.



### *Other Conditions*

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

In the Faroe Islands, sickness benefits will be payable for a maximum of 40 weeks within a period of 12 months, after which social assistance may be payable on the basis of need.

In Denmark, the period may, in certain cases, be extended beyond the 52 weeks. In Sweden, there is no time limit for receipt of sickness benefits.

In all the countries, sickness benefits are taxable income.

In Denmark, sickness benefits are paid and managed by the local authorities. Central Government reimburses local authorities their expenditure on sickness benefits for the first 4 weeks at 100 per cent, while the expenditure after the 4 weeks and up to and including 52 weeks will be reimbursed at 50 per cent. After 52 weeks, local authorities themselves defray the expenditure on sickness benefits in full.

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

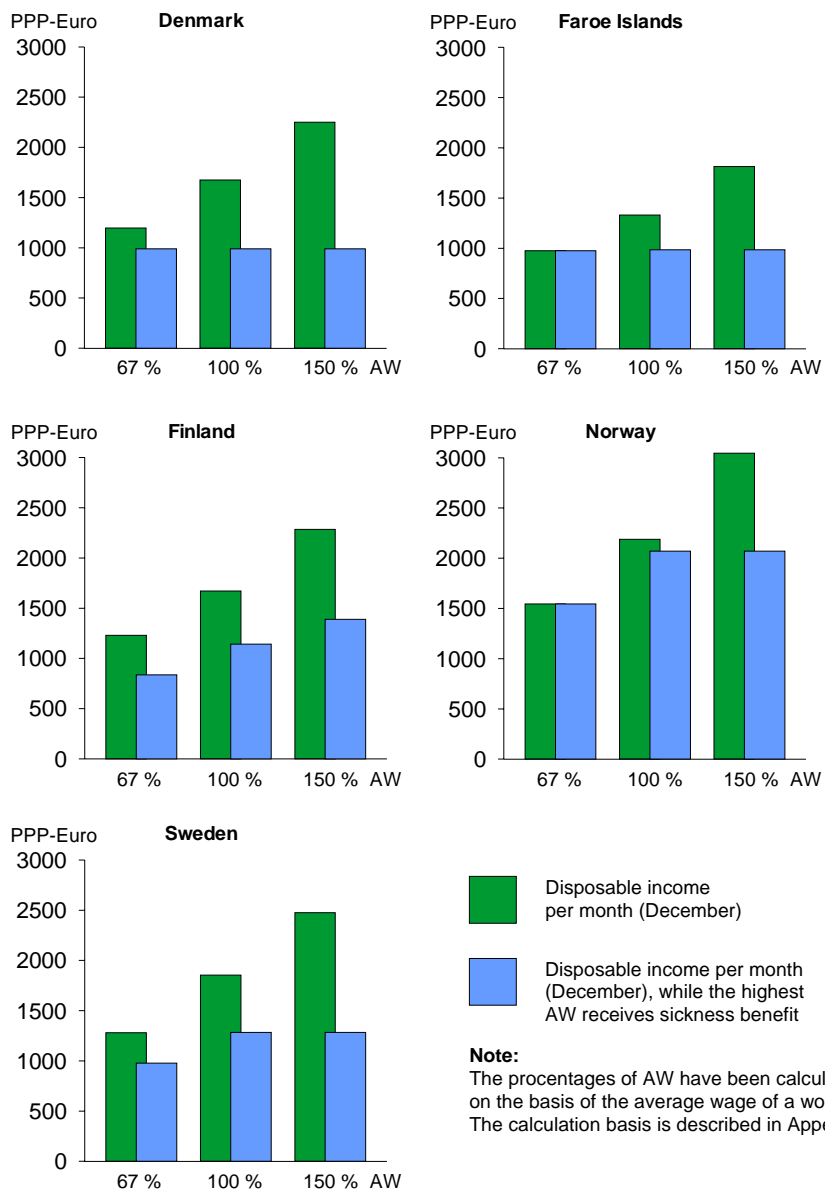
In Finland, sickness benefits are payable by the Social Insurance Institution; in Iceland, sickness benefits are payable by the Social Insurance Scheme; in Norway, by the National Social Insurance Scheme and in Sweden, by the insurance funds. In Norway, an activation requirement was introduced in 2004 in order for people to be entitled to sickness benefits. The ill person must as early as possible be tested in work-related activities, either in case of part-time absence due to illness or of an active report of sickness. If an employee is reported sick for more than 8 weeks, there must be decisive medical grounds hindering activity. If the reason for lack of activity is not included in the statutory exceptions, payment of sickness benefits will be stopped. Physicians who repeatedly fail to comply with the new rules applying to report of illness and documentation of lack of working capacity may risk losing their entitlement to issue medical certificates on the basis of which social benefits are granted. If an employee continues to be reported sick, the National Social Insurance Scheme may after no later than 12 weeks request a follow-up plan, which the employer must prepare in cooperation with the employee according to the Working Environment Act. Where an employer fails to comply with such a request, the National Social Insurance Scheme may impose a fine on the business.

### *Degrees of Compensation*

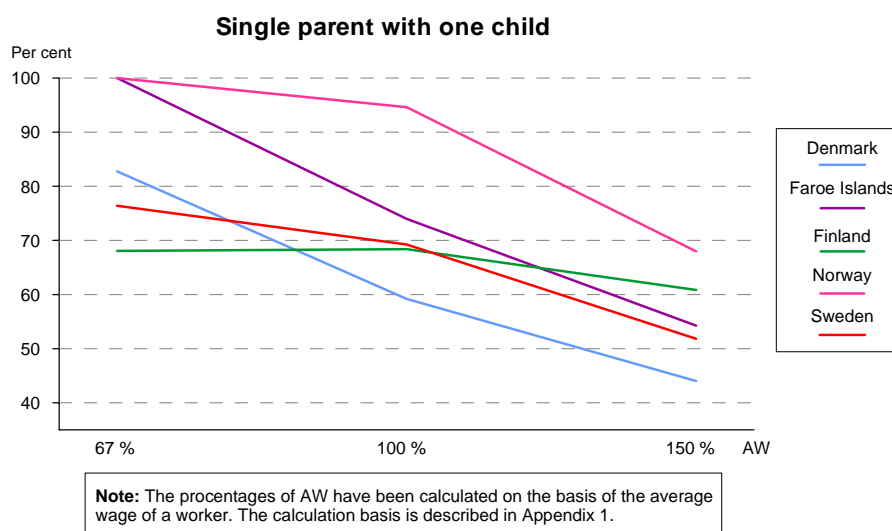
Figure 5.1 shows the disposable income at three different income levels for single childless people who receive sickness benefits. Figure 5.2 shows the disposable income at three different income levels for a single childless person receiving sickness benefit, in per cent of the disposable income from work.

As can be seen from the figures, the compensation levels in connection with illness differ considerably. There is full compensation for illness to people in the lowest income brackets both in the Faroe Islands and in Norway. The differences depend partly on the amount of the daily cash benefits in relation to income from work (they are highest in Denmark and Norway and lowest in Finland), partly on the maximum amount, which is relatively low in Denmark in relation to Sweden and - in particular - to Norway. In addition, it is significant that Finland has no upper limit to the amount of the daily cash benefits. There is, however, only a compensation level of 25 per cent in respect of an annual income exceeding EUR 45 221.

**Figure 5.1 Disposable incomes for childless couple, 2007**



**Figure 5.2 Disposable incomes when receiving sickness benefits as percentages of disposable incomes from work, 2007**



### *Length of Absence Periods*

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

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

There are differences among the countries in how sickness-benefit payments are calculated. In some countries, sickness benefits are payable for 5

days per week, in others for 6 or 7 days per week. This has been taken into consideration in the calculations of full-time equivalents. In some countries, “part-time illness” also exists, but as this is not registered in the statistics of all the countries, the calculation of full-time equivalents was made from the number of days when sickness benefits were received, regardless of whether the individual was considered “full-time” or “part-time” ill.

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

In Denmark, part-time illness amounted to 7.0 per cent of all concluded sickness-benefit cases in 2007, or ongoing cases at year end, of which 7.9 per cent concerned women and 5.8 per cent concerned men. In Norway, 29.8 per cent of all concluded sickness-benefit payments from the National Insurance Scheme in 2005 was part-time absence. In Sweden, absence is about 19 per cent less, calculated as net days. In the other countries, it is not possible to be absent due to illness on a part-time basis.

**Table 5.4 Employees' calculated absence due to illness for at least one week as percentages of all employees, 2007<sup>1)</sup>**

	Denmark <sup>2)</sup>	Finland	Norway	Sweden
Men	1.8	2.2	3.1	2.2
Women	3.0	2.8	4.7	3.5
Total	2.3	2.5	3.8	2.8

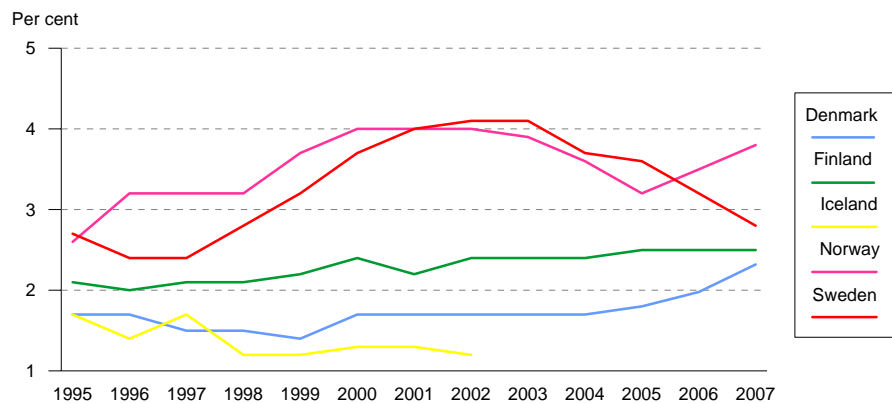
Note: For further information, see Appendix 5.

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

2 15-66 year-olds.

## ILLNESS

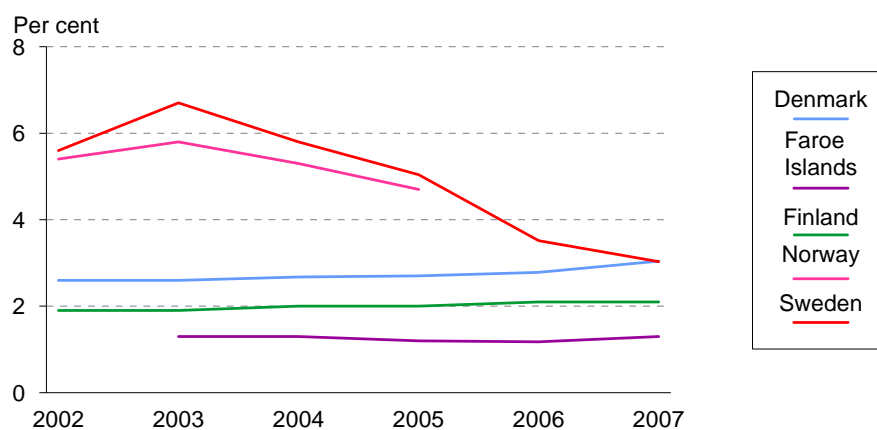
**Figure 5.3 Development in the calculated absence due to illness for at least 1 week among employees in per cent of all employed, 1995-2007**



**Table 5.5 Number of recipients of sickness benefits calculated as full-time equivalents, total and as percentages of the labour force broken down by gender, 2007**

	Denmark	Faroe Islands	Finland	Norway	Sweden
<i>Total</i>					
Men	36 804	216	26 220	45 838	56 624
Women	51 528	164	29 489	69 393	89 980
Men and women	88 333	380	55 709	115 230	146 604
<i>Per cent of the labour force</i>					
Men	2.4	1.6	1.9	3.6	2.2
Women	3.8	1.0	2.3	4.7	3.9
Men and women	3.0	1.3	2.1	6.0	3.0

**Figure 5.4 Number of recipients of sickness benefits converted into full-time equivalents in per cent of labour force, 2002-07**



**Table 5.6 Number of concluded sickness-benefit periods of at least 15 days (per cent), 2007**

	Denmark	Faroe Islands	Finland	Norway <sup>1)</sup>	Sweden
<i>Men</i>					
Duration (days)					
15-29	30.5	41.5	38.9	34.7	29.6
30-89	35.7	39.2	38.1	34.4	34.1
90-179	15.9	10.9	10.3	13.1	12.7
180-359	10.0	8.0	10.0	10.9	9.2
360+	7.9	0.3	2.7	6.9	14.4
Total	100.0	100.0	100.0	100.0	100.0
<i>Women</i>					
Duration (days)					
15-29	26.1	39.0	42.1	34.5	29.5
30-89	35.6	43.0	39.4	34.1	34.2
90-179	17.1	11.1	8.9	14.2	12.2
180-359	11.7	6.6	8.0	11.0	8.6
360+	9.5	0.2	1.7	6.2	15.4
Total	100.0	100.0	100.0	100.0	100.0
<i>Men and women</i>					
Duration (days)					
15-29	28.0	40.4	40.7	34.6	29.5
30-89	35.6	40.9	38.8	34.3	34.2
90-179	16.6	11.0	9.5	13.8	12.4
180-359	11.0	7.4	8.9	10.9	8.8
360+	8.8	0.3	2.1	6.5	15.0
Total	100.0	100.0	100.0	100.0	100.0

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

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

In Sweden, there is no limit to the period in which sickness benefit is payable, and consequently the benefit may be payable for more than one year of illness. In some cases, this may also occur in Denmark. The approximately 6.4 per cent in Norway of over 360 days also cover people who are ill for more than one year (365 days). They are not entitled to sickness benefits for more than one year, but will qualify for a rehabilitation benefit.

Men and women's absence due to illness shows a rather unequal pattern in the various countries. In general, men have the highest absence rate as to the long periods of absence, with the exception of Denmark, where women range somewhat higher than do men as to periods of absence of more than 180 days. The large number of people with an absence period exceeding one year in Sweden is due to the reform of the disability-pension scheme, where many cases were concluded, and many of the people concerned thus transferred to other benefits than sickness benefits or got well.

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

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

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

## **Services**

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

In Denmark, Finland and Sweden, local and/or county authorities are responsible for the organization of the health sectors, while it in Iceland is Central Government and in the Faroe Islands the Government. In Norway, Central Government is responsible for the specialized health sector (first



and foremost the hospitals), whereas local authorities are responsible for the primary health sector. In the present system within the primary health sector, everyone is attached to a specific general practitioner, as is the case in Denmark and the Faroe Islands.

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

## Hospitals

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

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

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

## Medical Treatment, Etc.

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

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

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

In Norway, about 90 per cent of the general medical treatment is provided by self-employed general practitioners. This only applies to a slight degree in the other Nordic countries. It is thus estimated that self-employed general practitioners perform about 20 per cent of the general medical treatment in Sweden. About 20 per cent of the general medical treatment as well as treatment by specialists are in Finland performed by self-employed doctors. Doctors employed by the public authorities perform the remaining part at public health centres.

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

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

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

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

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

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

## Dental Treatment

Dental treatment is a well-developed service in all the Nordic countries. With the exception of Iceland, treatment of children and adolescents is performed at public clinics, where treatment is completely or partly free of charge. In most of the countries, there are also special rebate schemes for the older part of the population. As to the remaining part of the population, citizens pay for the majority of the treatment themselves. Dental treatment of adults is mainly handled by private dentists. In Finland, the population is en-

titled to dental treatment, and people may choose between municipal and private dental treatment. The sickness-insurance fund reimburses the expenditure on private treatment. The amount that the patients have to pay themselves for municipal dental treatment is smaller than that payable for private treatment.

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

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

### *Differences and Similarities in the Expenditure on Illness*

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

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

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

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

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

### *Changes in the Social Expenditure on Illness from 2005 to 2006*

In Denmark, the expenditure on sickness benefits increased by more than 5 per cent from 2005 to 2006, partly as a result of an increase in the number of sickness-benefit recipients, which should be seen in connection with an increase in the employment rate as well as the low unemployment rate, partly an increase in the length of the sickness-benefit periods, including especially the long-term sickness-benefit periods. The expenditure on services within the health-care sector increased by more than 4 per cent from 2005 to 2006. In particular the expenditure on the hospital sector increased.

In the Faroe Islands, the expenditure on illness increased by 4.9 per cent. The increase was in particular due to increased expenditure on the Faroese hospital sector, medication and specialized treatment of illness abroad.

In Finland, the expenditure on both cash assistance and services on account of illness increased by 4 per cent. The number of new sickness-benefit periods increased by 1.7 per cent due to an improved employment rate. On average, the daily cash-benefit level remained the same in 2006 as in 2005. Also the expenditure on medication was kept at the same level in 2006 as in 2005.

In Iceland, the social expenditure on illness increased by 6.3 per cent at 2006 prices. The increase in the expenditure on cash benefits was 12.6 per cent and on services 4.7 per cent. The main reason for the increase in respect of cash benefits is pay increases that resulted in higher expenditure on daily cash benefits in the employer period. Pay increases also explain the increase in services.

In Norway, the expenditure on illness increased by 4.3 per cent at constant prices. Cash benefits increased by 7.8 per cent, while the expenditure on services increased by 2.6 per cent. The increase in the expenditure on cash benefits was a result of increasing expenditure on absence due to illness, including the expenditure on general daily cash benefits, by 7.2 per cent, while the expenditure on daily cash benefits during the employer period increased by 8.7 per cent.

In Sweden, the expenditure on illness increased by 2.1 per cent at constant prices. The cash benefits decreased by 2 per cent and the expenditure on sickness benefits by 6.2 per cent, as the absence due to illness decreased from 2005 to 2006. At the same time, the expenditure on treatment of illness increased by 3.4 per cent.

**Table 5.7 Expenditure on and financing of cash benefits and services in connection with illness, 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Cash benefits, millions</i>						
A. Paid sick leave	15 615	65	1 959	17 690	50 480	48 685
Of which:						
a. General sickness benefits	11 884	52	746	1 152	26 752	35 219
b. Daily cash benefits in employer period	3 731	4	860	16 328	23 728	12 400
c. Sick pay	-	10	180	210	-	-
d. Special insurance in the event of industrial injury or occupational disease	-	-	136	-	-	1 066
B. Other	432	-	-	-	450	80
Cash benefits, total	16 046	65	1 959	17 690	50 930	48 765
<i>Services, millions</i>						
Services, total	84 117	725	9 181	67 368	104 858	177 482
Total expenditure, millions	100 163	790	11 139	85 057	155 788	226 247
Expenditure as percentage of the GDP	6.1	6.7	6.7	7.3	7.2	7.8
<i>Financed by (per cent)</i>						
- Public authorities	90.6	98.8	69.0	78.7	63.5	76.2
- Employers	3.9	1.0	20.5	21.3	27.8	23.3
- The insured (contributions and special taxes)	5.6	0.2	10.5	0.0	8.7	0.5
<i>Changes 2005-2006 in terms of 2006 prices</i>						
- Millions	4 210	37	428	3 784	6 368	4 753
- Per cent	4.4	4.9	4.0	4.7	4.3	2.1

**Table 5.8 Expenditure on cash benefits and services in connection with illness, in PPP 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Cash benefits, total per capita	283	130	313	486	972	500
Cash benefits per person aged 16-64 years	437	210	478	749	1 510	782
Services, total per capita	1 486	1 442	1 467	1 852	2 002	1 822
Illness, total per capita	1 769	1 572	1 780	2 338	2 974	2 322

### *User Charges Payable for Health Services*

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

#### *Maximum User Charges*

In Denmark, a new subsidy system based on need was introduced on 1 March 2000, where the subsidy granted depends on an individual's consumption of subsidized medicine. In 2007, subsidies to a consumption of medicine of less than DKK 465 per year shall not be granted, after which the subsidy will gradually be increased to 85 per cent of expenses exceeding DKK 2 645 per year. For children under 18 years, a subsidy of 50 per cent shall, however, be granted to a consumption of medicine of less than DKK 465. For the chronically ill, user charges must not exceed DKK 3 410 per year.

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

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

In Iceland, the maximum user charge payable for out-patient treatment at hospitals in the primary health-care sector and at specialists' is ISK 18 000 per year for people in the age group 18-66 years and ISK 6 000 for children under 18 years. For pensioners between 67 and 69 years, who receive full basic pension, and for pensioners who are 70 years old or more and recipients of disability pension, and for people who have been unemployed for more than six months, the maximum user charge payable is ISK 4 500. When a patient reaches the maximum amount, he only has to pay one third of the rates. There are also special rules governing payment for physiotherapy, occupational therapy and other therapeutic treatment.

In Norway, the maximum user payment for medical treatment, psychological treatment and travel expenses in connection with examination and treatment as well as medicine was NOK 1 585 in 2005. Expenses above that amount are covered by Central Government. The Social Security Scheme financed about 50 per cent of the total expenditure on pharmaceutical products in 2005.

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

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

### *Medical Treatment, Etc.*

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

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

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

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

In Norway, user charges payable for medical visits vary. For treatment outside of the daytime hours by the medical emergency service, user payment is NOK 220. No user charge is payable for home nursing.

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

**ILLNESS**
**Table 5.9 User charges payable for medical visits as at 1 January 2007**

	Uniform rules in the entire country?	Amount of user charges	Deviations	Ratio of user charges of the total expenditure on medical visits
Denmark	Yes	None	A small group that has a free choice of doctor pays minor amounts for medical treatment	-
Faroe Islands	Yes	None	No	-
Finland	Yes	Public: EUR 0-11. EUR 15 for visits between 8 pm and 8 am on weekdays and on Saturdays, Sundays and Holidays. Private: at least 40 per cent	No payment for children under 18 years	About 8 per cent
Iceland	Yes	ISK 700-2 600 for visits to general practitioner, other rules apply to visits to specialists	ISK 350-1 000 for children under 18 years and pensioners, disabled and long-term unemployed people. For disabled and long-term ill children: ISK 230-700	Varies
Norway	Yes	General practitioner: NOK 125 (day time), NOK 210 (evening and night). Visits to a specialist: NOK 150 (day) and NOK 235 (evening and night)	In connection with pregnancy/birth, industrial injury, war injury, for inmates in prisons, children under 12 years, in connection with psychological treatment of children and adolescents under 18 years and in connection with dangerous, contagious diseases	About 35 per cent
Sweden	No	SEK 100- 300	No payment for children under 18 years.	..



### *Dental Treatment*

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

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

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

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

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

In Norway, adults usually pay the full amount for dental treatment. Young people under the age of 18 and certain other groups, such as the elderly, the long-term ill and the disabled, will be treated free of charge.

In Sweden, everyone under the age of 20 gets dental treatment for free. People over 65 years will receive a subsidy to dental treatment. People of the ages 20 to 65 years pay in principle the costs of dental treatment themselves.

*Medicine***Table 5.10 User payment for medicine as at 1 January 2007**

	Uniform rules in the entire country?	Amount of user charges	Deviations	Ratio of user charges of the total expenditure on medication
Denmark	Yes	Subsidy depends on the amount of the individual patient's consumption of medicine in the primary sector	There is a ceiling on user payment for the chronically ill. Local authorities may grant subsidies towards payment for medicine to pensioners with low incomes, to the disabled and to people in dire need	25 per cent
Faroe Islands	Yes	..	No	22.7 for prescription drugs
Finland	Yes	58 per cent of the amount	In connection with certain illnesses EUR 3 or 28 per cent of the amount shall be payable (depending on kind of illness)	56 for subsidized medicine
Iceland	Yes	ISK 1 700 + 65/80 per cent of the rest of the price, but no more than ISK 3 400/4 950	Pensioners and disabled people: ISK 600 + 50 per cent of the rest of the price, but no more than ISK 1 050/1 375	About 34 per cent
Norway	Yes	36 per cent. A maximum of NOK 510 per prescription.	For children under 12 years and people who only receive minimum pension: no user charges	About 22 per cent for subsidized medicine
Sweden	Yes	0-1 800 SEK	-	25

*Hospitalization*

In Denmark, the Faroe Islands, Iceland and Norway, hospitalization is free of charge, but no so in Finland and Sweden.

**Table 5.11 User charges payable for hospitalization as at 1 January 2007**

	Uniform rules in the entire country?	Amount of user charges	Deviations	Ratio of user charges of the total expenditure on hospitalization
Denmark	Yes	-	No	-
Faroe Islands	Yes	-	No	-
Finland	Yes	EUR 12 per bed day for short-term stays, EUR 26 per day and for day surgery EUR 72	Payment for long-term stays according to ability to pay, for children 0-17 years: only for a maximum of 7 days	About 4 per cent
Iceland	Yes	-	No	-
Norway	Yes	-	No	-
Sweden	No	SEK 0-80/day	..	..

## Chapter 6

# Old Age, Disability and Surviving Relatives

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

**Table 6.1 Expenditure on the elderly, the disabled and surviving relatives as percentages of GDP in the EU, the Faroe Islands, Iceland and Norway, 2005**

Denmark	15.2	Belgium	14.6	Hungary	11.2	The Netherlands	13.7
Faroe Islands	12.4	The Czech Republic	10.0	Ireland	5.4	Poland	13.5
Finland	13.0	Cyprus	9.0	Italy	17.0	Portugal	..
Iceland	9.9	Estonia	6.6	Latvia	6.8	Slovakia	8.5
Norway	11.7	France	14.8	Lithuania	7.3	Slovenia	12.2
Sweden	17.3	Germany	14.6	Luxembourg	10.7	Spain	9.9
Austria	15.8	Greece	13.1	Malta	10.9	United Kingdom	14.2

Note: See Table 3.1.

## The Structure of this Chapter

While the other chapters have followed the chapter structure of the ESSPROS, the descriptions of the elderly, the disabled and surviving relatives have been gathered in one chapter in this report. As the rules in the Nordic countries applying to pensions are largely identical and more often than not based on the pension systems for the elderly, it was considered most expedient to describe the pension systems together. The expenditure on home nursing has, where possible, been included in the chapter on illness. As to Sweden, it has only partly been possible to separate home nursing from the rest of the expenditure.

The structure of this chapter is as follows: first, a description is given of retirement from the labour market for people aged 50-65/67 years; then follows a general description of pensioners' incomes followed by a general description of the pension system, as well as a description of cash benefits and services provided to the elderly, the disabled and surviving relatives, respectively. At the end of this chapter, there is an overall description of the social expenditure on the elderly, the disabled and surviving relatives.

## Early Retirement from the Labour Market

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

Figure 6.1 shows the employment rate for men and women in the age group 50-66 years for Denmark 2007, and Figures 6.2 and 6.3 show the development in the employment rate for 60 and 64 year-old men and women, respectively, for the period 1990-2007/Denmark 2006).

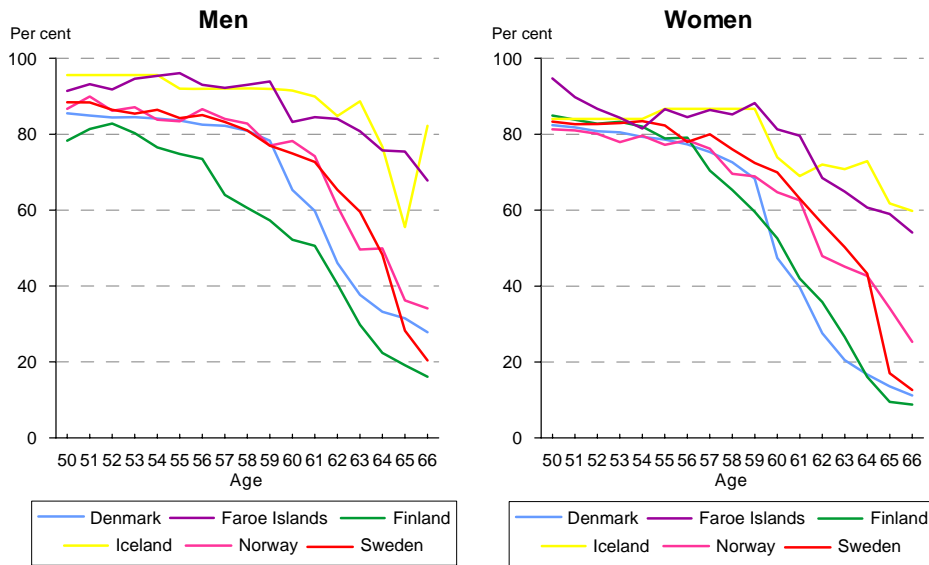
As it appears from Figure 6.1, men have a higher employment rate in general than have women. In all the Nordic countries, the employment frequency declines markedly with age in respect of both men and women. There are, however, also large differences from one country to another. The reasons for these differences are mainly to be found in different occupational structures, with the resulting different damages to the health of the labour force, differences in the unemployment situation, as well as differences in the possibilities of withdrawing early from work with public income-substituting benefits.

Early retirement from the labour market is most common in Denmark and in Finland. These two countries have the most comprehensive public retirement schemes. In Norway, the Faroe Islands and Iceland, there are no other public retirement schemes than health-related disability pension as well as a very limited unemployment problem. Sweden holds a position in between in respect of public retirement schemes.

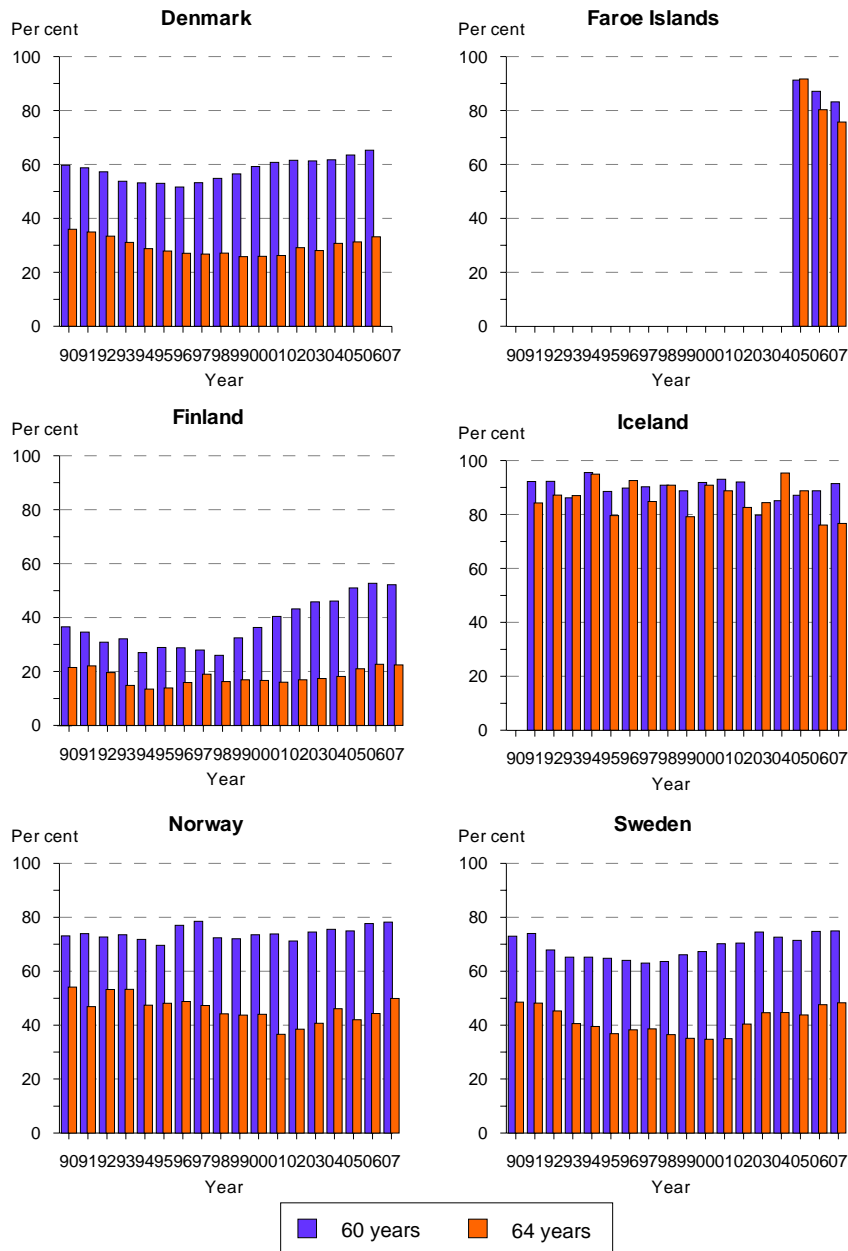
There are distinct differences amongst the countries as to the employment rate for the 60- and 64-year-old men and women.

The development during that same period also differs from one country to another. The employment rate for the 64 year-olds shows a somewhat heterogeneous pattern, however.

**Figure 6.1 People in employment as percentages of the population, broken down by age and gender, 2007**

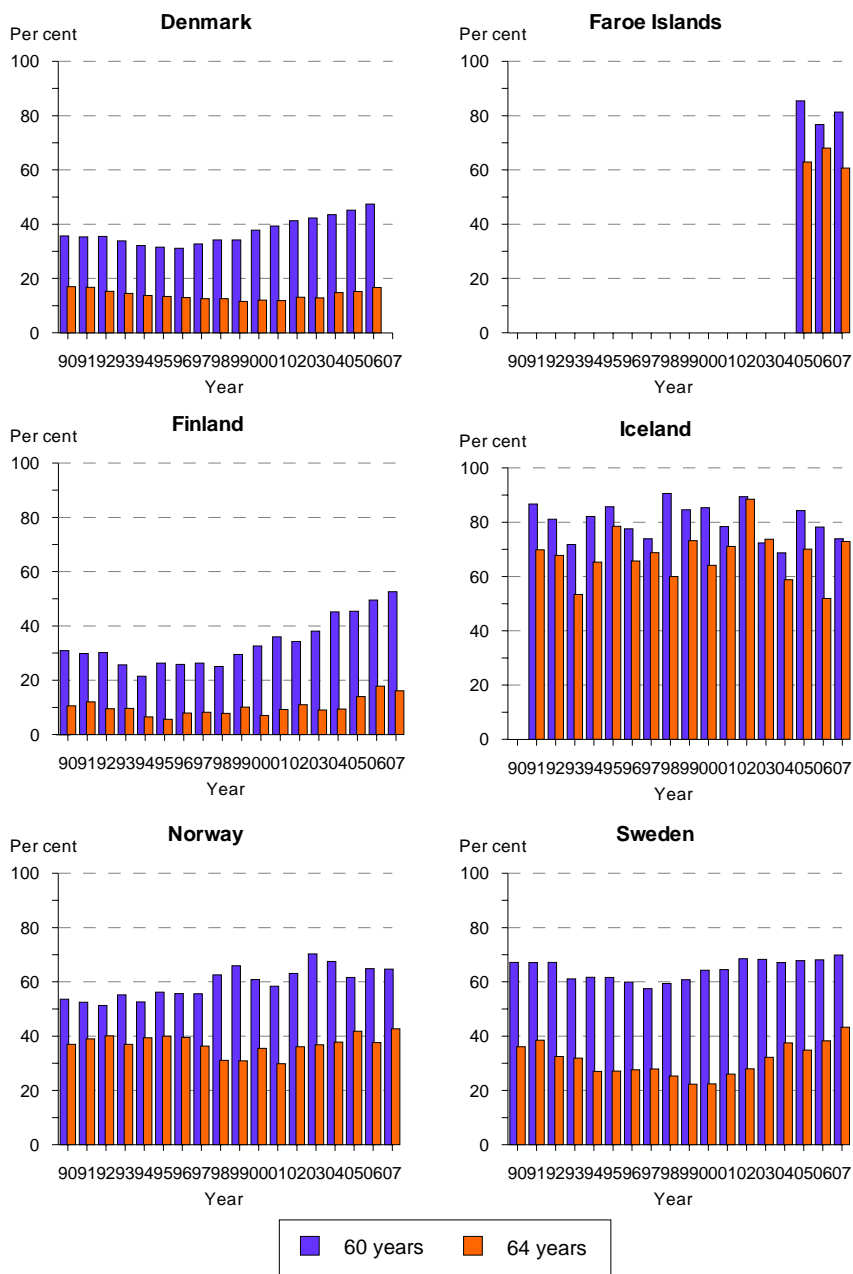


**Figure 6.2 Men of the ages 60 and 64 years in employment. Per cent, 1990-2007**



Note concerning Denmark: Calculation method changed as from 2002.

**Figure 6.3 Women of the ages 60 and 64 years in employment. Per cent, 1990-2007**



Note concerning Denmark: Calculation method changed as from 2002.

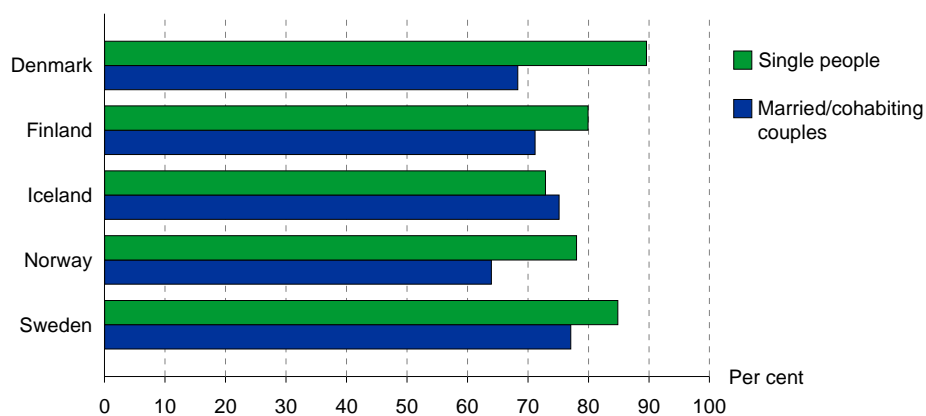


## Pensioners' Incomes

Figure 6.4 shows the disposable incomes in families, where at least one person in the household is over 65/67 years. The incomes are shown as percentages of the disposable incomes for single people and couples under 65/67 years.

As can be seen from the figure, families over 65/67 years have a lower disposable income on average in all the countries than have families under 65/67 years. This applies to both single people and couples, where single people (with the exception of Iceland) have a considerably higher income than do couples, however. This partly explains the large ratio of young households (students) among single-person households under 65 years.

**Figure 6.4 Equivalent average incomes for people over and under 65 years, respectively, in PPP-euro 2006**



## Pensions

The purpose of pensions is to guarantee all citizens a certain level of income in connection with old age, disability, early retirement from the labour market or loss of provider (spouse, etc.). In all the countries, pension is payable to the elderly. In addition, there are a number of schemes, which ease the transition to retirement pension: the so-called special retirement pensions.

The various pension types are in this publication divided as follows: Pensions granted on the basis of health criteria are described under disability pension. As from 2003, the disability pension was in Sweden replaced by an activity or sickness allowance. They have been included here instead of the previous disability pensions. The allowance may be granted from the age of 19 years and has been reduced in relation to the previous disability pension. The rules governing the award of disability pension have furthermore become more restrictive.

The special retirement pensions cover different types of pension aimed at easing the transition from working life to retirement. In respect of the Danish disability pensions (anticipatory pensions), it applies that the general and the increased general disability pensions, according to the rules applying until 1 January 2003, are regarded as special retirement pensions. As to the Faroese disability pensions, it applies that the intermediate and the highest amounts of disability pension are regarded as disability pensions, whereas the lowest amount of disability pension is regarded as special retirement pensions. The Finnish unemployment pensions are included in Chapter 5, Unemployment.

As regards loss of provider, Finland, Iceland, Norway and Sweden have a special survivor's pension payable to surviving spouses and children. Surviving spouses may in the Faroe Islands be awarded intermediate or lowest disability pension. In all the countries, a pension is payable to children, in Denmark and in the Faroe Islands by way of a special child allowance, however.

## Pension Structures and Income-Adjustment

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

No clear distinctions can be made between the three pension systems, especially not between the employment pensions and the supplementary pensions.

Nordic statistics consequently differ somewhat from European statistics, where basic and employment pensions are treated as one and referred to as the first pillar in the pension system, and supplementary pensions are referred to as the second pillar, while private pensions, which are not included in this report, are referred to as the third pillar in the pension system.

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

In Denmark and Iceland, the statutory basic pension may be discontinued, if the pensioner has other considerable incomes exceeding a certain level. For Danish old-age pensioners, however, income from work is only included in the income basis for the basic amount.

In the Faroe Islands, the statutory basic pension may be discontinued for disability pensioners as a result of other incomes, while everyone over the age of 67 is guaranteed the statutory basic pension irrespective of any other income. Individuals staying in nursing homes are paid a special, reduced pension towards payment for special needs, however.

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

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

In Finland, the employment pension is the most important part of the pension system, as 80 per cent of the pension expenditure stem from the employment pensions. The retirement pension depends entirely on the amount of the employment pension. No basic pension will be payable if the employment pension exceeds about EUR 1 035 per month in 2006 and about EUR 1 075 per month in 2007.

In Norway, everyone is guaranteed a minimum pension, irrespective of any previous affiliation to the labour market. In order to become entitled to any pension in addition to the minimum pension, a person must have accrued sufficient employment pension through activities in the labour market.

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

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

In Denmark, the employment pension depends solely on the length of the contribution period and the extent of the employment, whereas it in the other countries depends on the pension creditable period and the amount of income from work.

In the Faroe Islands, the employment-pension scheme is financed and administered by the labour-market parties but this part of the pension is based on solidarity, so that everyone over 67 years is paid the same amount. In principle, it has the same effect as the basic amount of the retirement pension and is thus treated as a basic pension in the present publication.

Income-substituting benefits, other than pensions, entitle recipients in some countries to pensions in relation to the supplementary/employment pensions, and in other countries only in certain cases.

In Denmark, retirement pensioners and disability pensioners who were awarded disability pension according to the rules applying until 2003 may be awarded a pension supplement and personal supplements, which will be income-adjusted in relation to the total household income basis, which is laid down by law. The supplementary pension to retirement pensioners – often called the "pensioner's cheque" - is also income-adjusted.

The special child allowance and the housing benefit to pensioners will also be income-adjusted according to a household's income. The various supplements shall not be income-adjusted.

In the Faroe Islands, there is no income-adjustment of the basic amount of the retirement pension, while the supplements to the retirement pension will be adjusted in relation to the household income. The basic amount of

the disability pension as well as supplements will be income adjusted in relation to the pensioner's personal income. Other personal supplements will not be income-adjusted. The basic pension will for all pensioners be fixed according to marital status.

In Finland, the statutory retirement pension is completely dependent on the employment pension, but other incomes (other than pensions) do not affect the amount of the statutory retirement pension. Rent subsidies payable to pensioners depend largely on a pensioner's and any spouse's incomes. The value of a pensioner's and any spouse's accommodation is, however, not taken into account if they are owner-occupiers.

There are no income-tested supplements payable in general to people who receive basic pension (cf. Table 6.2), but such a supplement is, however, payable to front veterans receiving a small employment pension or none at all. The extra front supplement is influenced by the same pension incomes as is the basic pension. All front veterans who participated in the war 1939-1944 or in 1918 are entitled to the front supplement. In 2007, there were 84 751 recipients of the front supplement.

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

In Norway, retirement pension is income-adjusted in relation to income from work for pensioners aged 67-70 years. Income adjustment ceases when a pensioner reaches the age of 70. The disability pension is also income-adjusted in relation to income from work exceeding a certain level. For all pensioners, the basic pension shall be fixed according to marital status and income from work and the capital of any spouse. Married and cohabiting couples are treated equally.

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

## OLD AGE, DISABILITY AND SURVIVORS

**Table 6.2 Pension recipients by type of pension, 2007<sup>1)</sup>**

	Denmark	Faroe Islands	Finland	Iceland <sup>2)</sup>	Norway <sup>2)</sup>	Sweden
<i>Recipients of:</i>						
Basic pension/ guaranteed minimum pension	Everyone resident in the country for at least 3 years	Everyone resident in the country for at least 3 years.	Everyone resident in the country for at least 3 years	Everyone resident in the country for at least 3 years	Everyone resident in the country for at least 3 years	Everyone resident in the country for at least 3 years
Length of residence required to obtain full basic pension	40 years	40 years	40 years	40 years	40 years	40 years
Employment pension	Employees	.	Employees and self-employed people	Employees and self-employed people	Employees and self-employed people	Employees and self-employed people
Supplementary pensions	Statutory for public-sector employees (civil servants)	Statutory for public-sector employees (civil servants)	-	-	Statutory for public-sector employees (civil servants)	-
	Public collective agreements	Public collective agreements	-	-	Public collective agreements	Public collective agreements
	Private collective agreements	Private collective agreements	-	-	-	Private collective agreements

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

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

**Table 6.3 Supplements to the basic pension/guaranteed minimum pension, 2007\***

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Child supplement</i>	No/Yes <sup>1)</sup>	Yes	Yes	Yes	Yes	No
- Income-tested?	No/Yes <sup>2)</sup>	No	No	No	Yes	-
- Taxable?	No	No	Yes	No	Yes	-
<i>Supplements to people receiving only the basic pension/guaranteed minimum pension</i>	Yes/No <sup>3)</sup>	Yes	. <sup>5)</sup>	Yes	Yes	Yes
- Income-tested?	Yes	Yes	. <sup>5)</sup>	Yes	Yes	Yes
- Taxable?	Yes	Yes	. <sup>5)</sup>	Yes	Yes	Yes/No <sup>7)</sup>
<i>Housing benefit</i>	Yes <sup>4)</sup>	No	Yes	No <sup>6)</sup>	Yes	Yes
- Income-tested?	Yes	-	Yes	Yes	Yes	Yes
- Taxable?	No	-	No	Yes	No	No
<i>Spouse supplement where only one spouse receives pension</i>	No	No	No	No	Yes	No
- Income-tested?	-	-	-	-	Yes	-
- Taxable?	-	-	-	-	Yes	-
<i>Wife/spouse supplement</i>	No	No	No	No	No	No

\* Besides, there is a relief and nursing supplement to the disabled in all the countries, which is neither taxable nor income-adjusted, with the exception of Iceland, where the supplement is both income-adjusted and taxable.

1 Parents, who are retirement pensioners, or who have been awarded disability pension before 1 January 2003, are entitled to the general and special child allowances. According to the new rules from 2003, disability pensioners are only entitled to child allowance, if they are single providers (similar to all other citizens).

2 The general child allowance is not income-adjusted as is the special child allowance.

3 Retirement pensioners and people who have been awarded disability pension before 1 January 2003 may be awarded a pension supplement in addition to the basic pension. Disability pension consists according to the new rules from 2003 of one total amount, which is income-adjusted and subject to tax.

4 Retirement pensioners and people who have been awarded disability pension according to the rules applying before 1 January 2003 may be awarded housing benefits depending on their income, the size of their accommodation and of the rent. The benefit is not part of the pension. According to the new rules from 2003, disability pensioners do not qualify for housing benefits but for rent subsidies. Rent subsidy is less favourable than housing benefits.

5 The retirement pension is totally dependent on the employment pension. People who have either a small or no employment pension are guaranteed a minimum amount. The basic pension is taxable, but less tax is payable on the pension than on wages/salaries.

6 There are special pension supplements that are not directly linked to the housing costs, but they are primarily awarded to pensioners having high housing costs and living alone.

7 People born in 1937 or earlier may be awarded pension supplements according to the old pension system, which is taxable; people with a very low pension may be awarded a maintenance supplement, which is exempt from tax.

## Taxation of Pensions

In Denmark, Iceland and Sweden, pensioners are taxed according to the same rules as apply to other taxpayers. In the Faroe Islands and in Norway, tax rules are especially favourable for pensioners and in Finland for pensioners with low incomes.

Housing benefits to pensioners, as well as special supplements to disabled people, are exempt from tax in all the countries, with the exception of Iceland. Child supplements payable to pensioners are exempt from tax in Denmark, the Faroe Islands and Iceland, but subject to tax in Finland and Norway. In Sweden, a tax allowance for work was introduced in 2007. This implies that pensioners will have to pay a somewhat higher tax than wage earners, as pensioners are not included in this scheme.

## Number of Pension Recipients

The figures in Table 6.4 do not include child pensioners, widow/widower pensioners or partial-retirement pensioners. In respect of Denmark, the total number of pensioners includes recipients of voluntary early retirement benefit aged 60-65 years, as well as recipients of transition benefit aged 58-59 years. As the widow's pension has been abolished in Denmark and in the Faroe Islands, the number of pension recipients in Denmark and in the Faroe Islands is overestimated in relation to the other Nordic countries. One reason for the high rates of pension in Finland to the 60-64 year-olds is that there are several early-retirement pension schemes, such as unemployment pension and an early-retirement pension as well as an individual disability pension. After the law reform in 2005, it is possible to apply for work-related retirement pension between the ages of 63 and 68 years. Besides, there were 29 998 people in 2007 aged 58-64 years who received partial-retirement pension.

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

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



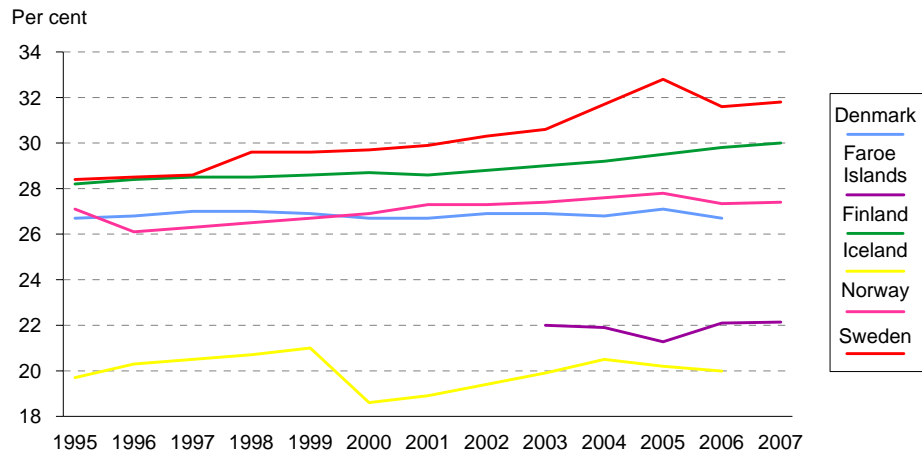
**Table 6.4 Pension recipients by age and as percentages of the age group as at December**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	2006	2007	2007	2006	2007	2007
<i>Men</i>						
16-39 years	1.3	1.5	2.0	2.7	2.4	2.2
40-49 "	4.6	3.2	5.6	5.7	7.0	6.4
50-54 "	7.5	5.4	11.8	7.5	11.9	11.0
55-59 "	9.0	8.8	21.1	9.0	17.8	15.7
60-62 "	39.8	15.1	45.1	12.3	29.6	29.6
63-64 "	68.2	14.4	83.6	16.8	51.4	48.7
65-66 "	96.8	20.0	100.8	49.6	63.1	98.8
67+ "	103.1	103.5	104.9	99.2	105.2	107.0
Total	23.7	18.8	27.1	16.9	27.2	27.8
<i>Women</i>						
16-39 years	1.1	1.5	1.6	4.2	2.9	3.0
40-49 "	5.0	5.3	4.7	10.0	10.6	11.4
50-54 "	9.4	10.3	9.6	12.0	18.1	19.2
55-59 "	12.3	14.0	18.5	15.8	26.9	27.7
60-62 "	57.3	24.3	47.3	21.2	39.9	44.5
63-64 "	83.3	30.6	84.0	26.9	60.0	64.5
65-66 "	100.8	31.8	102.1	61.5	67.7	98.4
67+ "	101.2	103.5	104.2	100.6	104.2	104.4
Total	29.6	25.8	32.8	23.2	31.7	35.7
<i>Men and women</i>						
16-39 years	1.2	1.5	1.8	4.2	2.7	2.6
40-49 "	4.8	4.2	5.2	7.7	8.8	8.9
50-54 "	8.4	7.7	10.7	9.6	15.0	15.1
55-59 "	10.7	11.3	19.8	12.3	22.2	21.7
60-62 "	48.6	19.2	46.2	16.6	34.7	37.0
63-64 "	75.8	22.2	83.8	21.9	55.7	56.6
65-66 "	98.9	25.4	101.5	55.8	65.5	98.6
67+ "	102.0	103.5	104.5	100.0	104.6	105.5
Total	26.7	22.1	30.0	20.0	28.0	31.8

Note: For further information, see Appendix 5.

NB: As it is possible to live outside the country in question and receive pension at the same time, the number of recipients may exceed 100 per cent in all the countries.

**Figure 6.5 Pension recipients as percentages of the age group 16/18 or older, 1995-2007**



## Old Age

### Pensions to the Elderly

In Denmark, Norway and in the old Swedish system, the qualifying age for employment pension is the same as for basic pension, whereas it is 63-68 years in Finland and 65-70 years in Iceland. In the new Swedish pension system, the qualifying age for employment pension is flexible from the age of 61 years.

The qualifying age for the supplementary and individual pension schemes is 60 years in Denmark.

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

In Denmark, it has since 1 July 2004 been possible to postpone the time of pensioning for up to 10 years and thus accumulate a life-long supplement to the retirement pension. In order to get the supplement, one must work for at least 1 500 hours a year corresponding to 29 hours per week during the period, in which the pensioning is postponed. The ATP shall be increased,

also if one chooses to have it paid out at a later age than 65 years. The ATP may be postponed until one turns 70 years.

In Finland and in the old Swedish system, one may be granted the statutory retirement old-age pensions before the statutory pensionable age (in Finland, as from 62 years), but the pension amount will be reduced. Similarly, the pension amount will be higher if retirement is postponed beyond the statutory pensionable age. In Norway, people between the ages of 67 and 70 will have their retirement pension income-adjusted against any income from work, and it is still possible to accumulate further pension points. In Sweden, the annual pension amount will increase, the longer one postpones claiming pension.

## OLD AGE, DISABILITY AND SURVIVORS

**Table 6.5 Rules applying to basic pension/retirement pension**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Pensionable age	65 years	67 years	65 years	67 years	67 years	61-67 years
Residence in the country for at least:	3 years between the ages of 15 and 65 years	3 years between the ages of 15 and 67 years	3 years after one has turned 15 years	3 years between the ages of 15 and 67 years	3 years between the age of 16 years and the end of the calendar year in which the ensured turns 66 years	3 years
Full pension shall be awarded on the following conditions:	40 years of residence in the country between the ages of 15 and 65 years	40 years of residence in the Kingdom of Denmark between the ages of 15 and 67 years	40 years of residence in the country between the ages of 15 and 65 years	40 years of residence in the country between the ages of 15 and 65 years	40 years of residence in the country between the ages of 16 years and the end of the calendar year in which the ensured turns 66 years	40 years of residence.
Pension on the basis of	Length of residence	Period of residence and marital status and income	Length of residence, marital status and other employment-related pensions	Length of residence and income	Length of residence, number of pension points, level of pension points, marital status	Length of residence
Reference income or calculation basis	The benefits are not based on previous income	Pension does not depend on previous income	The benefits are not based on previous income	The benefits are not based on previous income	The 20 years, in which most pension points are credited	The benefits are not based on previous income
Minimum pension	1/40 of maximum pension	1/40 of basic pension and marriage-adjusted supplement and pension contributions paid on the basis of solidarity	No statutory minimum	.	NOK 66 812 per year for single pensioner + a supplement, if no pension supplement has been granted	No statutory minimum
Maximum pension	If the income does not exceed a certain level.: DKK 119 244 per year for a single pensioner living alone; DKK 87 360 per year for married or cohabiting pensioners (2007)	Pension contribution awarded to everyone on the basis of solidarity. Basic amount depends on marital status. Supplement depends on marital status and simultaneous income.	No statutory maximum	No statutory maximum.	NOK 264 576 (2007)	No statutory maximum

To be continued ...

Table 6.5 continued

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Supplements:	Health supplement, heating allowance, personal supplement	Various personal supplements granted provided that a pensioner is unable to pay. Moreover, an income-adjusted supplement shall be granted towards payment for medication	Child allowance, nursing allowance, food allowance and housing supplement	Child allowance, certain special supplements	Means-tested spouse supplement, child allowance	Wife supplement, housing supplement
Indexation after pensioning:	100 per cent of the wage development with a reduction, if the increase exceeds 2 per cent	Basic amount shall not be adjusted. Pension contributions payable on a basis of solidarity shall be adjusted but not according to a fixed rate. Pension supplement increased by 4 per cent annually	Consumer index 100 per cent	Wage development, at least as to the consumer index	Parliamentary decision	Price index 100 per cent

## OLD AGE, DISABILITY AND SURVIVORS

**Table 6.6 Basis for award of employment pension/supplementary pensions**

	Denmark	Finland	Iceland	Norway	Sweden
Pensionable age	60 years or later	63-68 years	67 years	67 years	61-67 years
Full pension shall be awarded on the following condition:	"Full pension" does not exist	"Full pension" does not exist	Contribution period of 40 years	40 years of employment from the age of 17 to the age of 69 years	"Full pension" does not exist
Pension awarded on the basis of:	Duration of membership of the scheme and contributions paid	Age-dependent accumulation rate and total income from work from the age of 18 years	Duration of membership of the scheme and contributions paid, credited pension points	Pension points (20 years with the highest number of points credited) and income from work	Total income from all working years, time of pensioning, life expectancy
Accrued periods	None.	When the mother or the father receive income-related maternity benefits and parental subsidies/daily cash benefits, income-related unemployment benefits, sickness benefits	None	Years of minding children under 7 years, nursing of a disabled, ill or elderly person	Minding of infants, military service or the like, studies, income-related activities/sickness benefits, receipt of social benefits and services
<i>Indexation:</i>					
- before pensioning:	No (adjusted in accordance with agreement and/or when there are sufficient means).	Wages/salaries 80 per cent + price index 20 per cent	..	Wages/salaries	Wages/salaries
- after pensioning:	No (adjusted, when there are sufficient means)	Price index 80 per cent + wages/salaries 20 per cent	Pension fund decision	Wages/salaries reduced by 0.75 percentage points	Wages/salaries reduced by 1.6 percentage points
Pensions adjusted for life expectancy for the first time in the year:	Adjusted regularly	2010	..	2010	2001

### *Basic Pension/Guaranteed Minimum Pension to the Elderly*

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

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

Moreover, health and heating allowances and a personal supplement may be granted to pensioners with low incomes and high expenses. Pensioners with low incomes and a minor disposable capital may be awarded a supplementary pension allowance (the so-called pensioner's cheque), which is payable once every year in January. The pensioner's cheque has been increased several times. In 2007, the amount was DKK 7 600 and in 2009, it will be DKK 10 000. The improvements resulted in an increase in the number of recipients as well as in the average amount per recipient.

**Table 6.7 Income for single people, who have never had any income from work, at the time of pensioning, 2007**

	Denmark	Faroe Islands	Finland	Iceland <sup>2)</sup>	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Single people</i>						
- Basic amount	4 952	6 029	} 524	130 775	5 568	7 326 <sup>3)</sup>
- Supplement	5 618 <sup>1)</sup>	3 325		-	4 417	-
- Housing benefit	1 463 <sup>1)</sup>	-	310	-	.	4 167
- Total before tax	12 258	9 354	834	130 775	9 985	11 320
- After tax	9 431	8 679	834	115 686	9 985	9 745
- After tax in PPP-Euro	904	832	700	956	884	905

1 The supplement includes taxable supplementary pension allowances of DKK 633 for single people. Housing benefit according to the family-type model.

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

3 Guaranteed pension to people born in 1937 or earlier.

In the Faroe Islands, there is no income-adjustment of the retirement pension. The general pension supplement is adjusted in relation to the household income. Pensioners, who live in nursing homes, receive a special, reduced pension towards coverage of personal needs. This benefit amounted to DKK 889 per month in 2007.

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

In Iceland, the basic/minimum pension is adjusted according to special rules in relation to any other taxable incomes, such as one's own and any spouse's incomes. A supplement is payable in addition to the basic amount. The amount of this supplement depends on a pensioner's other income and on any spouse's income.

In Norway, the guaranteed minimum pension consists of a basic pension plus a special supplement. The special supplement is payable to people who do not qualify for employment pension, or who receive a very low employment pension.

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

### *Employment Pension to the Elderly*

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

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

The pension is financed through contributions from employees and employers. In 2007, the average contribution for employers was 16.6 per cent of the earned income, 4.3 per cent was for employees under the age of 53 years, and 5.4 per cent for employees aged 53 years or more.

In Iceland, the employment pension funds have paid out more since 2002 than what is payable as basic pension by the public authorities. In Norway, the employment pension is part of the security provided by the National Social Insurance Scheme and is calculated in relation to previous income. In Denmark, a special pension-saving scheme (SP) was introduced in 1999, to which all employees and recipients of various transfer incomes contribute. Payment into this pension scheme was suspended in 2004.



As part of the disability-pension reform in Denmark, a voluntary supplementary savings scheme for disability pensioners was established, which entered into force on 1 January 2003.

As it appears from Tables 6.8 and 6.9, there are large differences from one country to another as to how many people receive both basic and employment pension, and how many receive only basic pension. As it appears from Figure 6.6, the number of retirement pensioners increased from 2003 to 2005 in Denmark as a result of the lowering of the pensionable age from 67 to 65 years. In Finland, the number of retirement pensioners increased as a result of an increase in the share of the oldest age groups of the population.

In Norway, the decrease is due to the demographic composition of the population.

**Table 6.8 Retirement pensioners, in total, and pensioners receiving basic pension/guaranteed minimum pension at year-end 2007**

	Retirement pensioners, total			Retirement pensioners who receive only basic/ minimum pension				
	Total (1 000)	Men (1 000)	Women (1 000)	Total (1 000)	Men (1 000)	Women (1 000)	Men, per cent	Women, per cent
Denmark	867	379	489	207	54	152	26.4	73.6
Faroe Islands	6	3	3	.	.	.	.	.
Finland <sup>1)</sup>	964	395	569	64	12	52	18.8	81.3
Iceland <sup>2)</sup>	32	12	16	2	1	2	32.0	68.0
Norway	639	270	370	176	22	155	12.3	87.7
Sweden	1 760	788	972	140	19	121	13.8	86.2

Note: For further information, see Appendix 5.

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

2 Figures are from 2006.

### *Supplementary Pension to the Elderly*

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

In Denmark, about 90 per cent of all full-time employees, and in Norway about 60 per cent, are covered, while in Sweden, almost all wage earners are covered by the supplementary pension schemes. In Finland, these pension schemes are insignificant, as there is no upper limit to the amount of the employment pension.

**Table 6.9 Pensioners receiving retirement pension by way of basic pension/guaranteed minimum pension and employment pension at year-end 2007**

	Retirement pensioners who receive both basic/ minimum and employment pensions					Retirement pensioners who only receive employment pensions (new Finnish and Swedish system)				
	Total (1 000)	Men (1 000)	Women (1 000)	Men, per cent	Women, per cent	Total (1 000)	Men (1 000)	Women (1 000)	Men, per cent	Women, per cent
Denmark	661	324	337	49.1	50.9	.	.	.	.	.
Finland <sup>1)</sup>	406	127	279	31.3	68.7	512	265	247	51.8	48.2
Iceland <sup>2)</sup>	26	12	15	44.0	56.0	.	.	.	.	.
Norway	463	248	215	53.6	46.4	.	.	.	.	.
Sweden <sup>3)</sup>	1 110	509	602	45.8	54.2	510	260	249	51.1	48.9

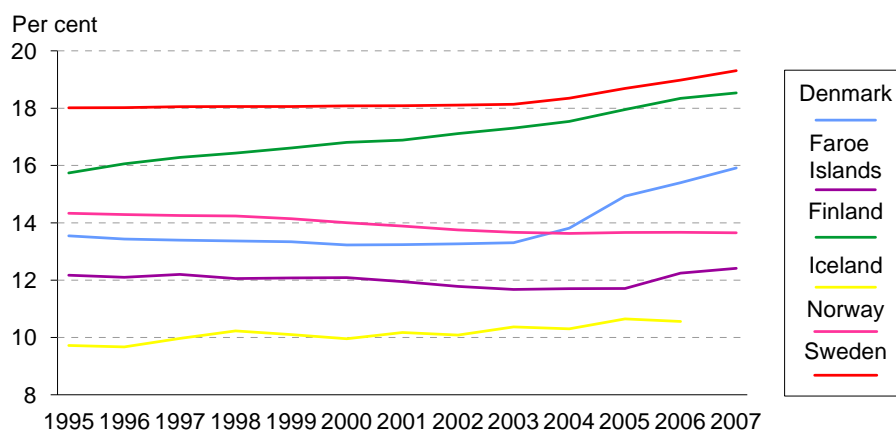
Note: For further information, see Appendix 5.

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

2 Figures are from 2006.

3 Pensioners receiving basic and employment pensions are pension recipients according to the old system, while pensions according to the new Swedish system are the income-based pension combined with another pension.

**Figure 6.6 Development in retirement pensioners in percent of population, 1995-2007**



## Pension Amounts

**Table 6.10 Average payment of statutory retirement pensions (before tax) per month, 2007**

	KR/EUR			PPP-Euro		
	Men	Women	All	Men	Women	All
Denmark <sup>1)</sup>	7 894	8 371	8 168	757	802	783
Faroe Islands <sup>2)</sup>	7 997	8 421	8 209	767	807	787
Finland <sup>3)</sup>	1 457	934	1 149	1 223	784	965
Iceland	.	.	.	.	.	.
Norway <sup>3)</sup>	15 503	11 226	13 031	1 373	994	1 154
Sweden <sup>4)</sup>	12 050	8 769	10 239	1 119	814	951

1 Average payment of statutory retirement pension in January 2006 and calculated payment of one's own pension by way of ATP in 2005 per recipient of statutory retirement pension. The figures are from 2006.

2 Average payment of retirement pension in May 2007 and payment of special basic pension. People in nursing homes, who receive a special, reduced pension, are not included.

3 Average payment of pension in December.

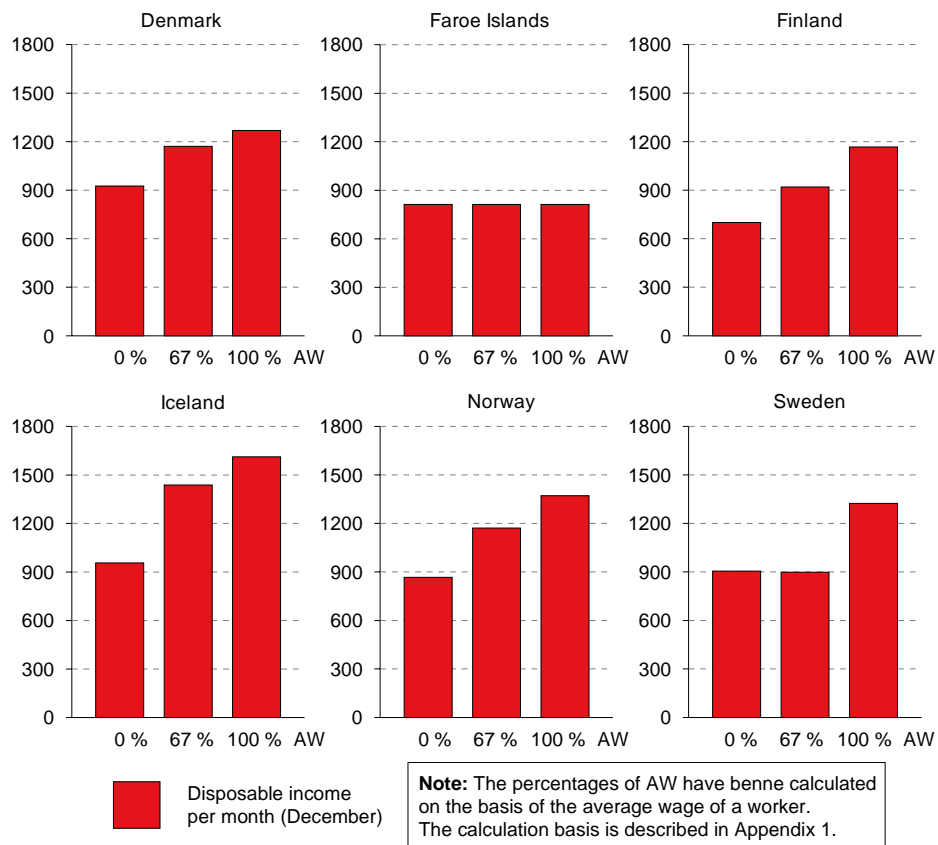
4 Average payment in December, including housing supplements. As from 2003, pensioners are taxed in the same way as are people with earned incomes.

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

Figure 6.7 shows the disposable income at three different compensation levels (including the maximum amount of employment pension and labour-market pension/supplementary pensions) for a single retirement pensioner without children in PPP-euro. As it appears from the figure, there are considerable differences in the compensation levels in relation to the transition to pension. This is above all due to the employment pension, which is a full pension in the old Swedish pension system. This also applies to some extent to the Icelandic employment-pension schemes. The very high compensation levels for the lowest income groups in Denmark, Finland and Sweden are results of the relatively high amount of housing benefits payable to pensioners in those countries. The reason for the very high compensation level in Iceland is first of all that it has been assumed that the recipients receive full compensation from the employment-pension scheme, which is 60 per cent of their previous wages. Secondly, the impact of the income adjustment for an average AW is not very large. In Norway, another important factor is that especially favour-

able tax rules apply to pensioners. Besides, the minimum pension is relatively high in Denmark, and the employment pension is generally high in Sweden. The Danish retirement pension includes both retirement pension and supplementary pensions. The supplementary pensions are calculated on the basis of the average payments made from the ATP in 2006 and the current pensions payable by pension funds. The calculation is consequently not quite comparable with that of the other countries.

**Figure 6.7 Disposable incomes (for single people without children) when receiving retirement pension (including employment pension) as PPP-Euro, 2007**



## Special Retirement and Partial Retirement Pensions

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

In Denmark, such pensions are first and foremost the general and the increased general disability pensions (anticipatory pension), which until 2003 was awarded to people aged 18-66 years whose working capacity was reduced by at least 50 per cent for health and/or social reasons. In Denmark, the number of new recipients of the general and increased general disability pensions has decreased steeply during recent years, which is mainly due to an enhanced effort to maintain people with reduced working capacities in employment, possibly on special conditions.

As a result of the reform of the disability-pension scheme, the number of recipients of the general and increased general disability pensions has decreased from 2003, as this scheme is being phased off. General and increased general pensions may only still be awarded, if the application was handed in before 1 January 2003.

Secondly, such pensions include the voluntary early-retirement pension, which is a voluntary retirement scheme for members of an unemployment fund, aged 60-66 years. In 1999, a number of changes of the disability-pension scheme were introduced to make it more financially advantageous to continue working and to postpone transfer to voluntary early retirement. Thirdly, partial-retirement pension, which is awarded to employees and self-employed people aged 60-66 years, who wish partly to retire from the labour market. Fourthly, flexi benefit, which is a voluntary retirement scheme for people in flexi-jobs of the age group 60-66 years in line with the voluntary early-retirement scheme.

In the Faroe Islands, people between the ages of 18 and 66 years, whose working capacities have been reduced by at least 50 per cent, may, where social and health circumstances so warrant, be granted the lowest amount of disability pension.

In Finland, employees and self-employed people who have turned 62 years may be awarded early-retirement pension. Early retirement reduces the pension, also after the recipient has reached the age of 63 years. All early-

retirement pensioners have been included in the statistics on retirement pensioners. Self-employed people and employees, who have been working for a long time, may choose partial-retirement pension when they reach the age of 58 years. Farmers, who stop farming before reaching the pensionable age, may receive a special pension. A new rule was recently introduced to the effect that only people born before 1950 are entitled to the Finnish unemployment pensions. This is described in Chapter 4.

In Norway, it was decided in 1989 to introduce a scheme of pensions fixed by collective agreements (AFP). The main idea of the scheme is that people in work may retire on certain terms before the statutory retirement age of 67 years. The pensionable age of the scheme has been lowered several times and was lowered to 62 years as from 1 March 1998. About 60 per cent of people in work may obtain a pension fixed by collective agreements. There are three further pension schemes that are adapted to the National Social Insurance Scheme, and they function as special early-retirement schemes for people under the age of 67. In the pension scheme for sailors and fishermen, retirement pension may be obtained from the age of 60, and in the pension scheme for woodsmen pension may be obtained from the age of 63.

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

**Table 6.11 Average monthly amounts of the special retirement/partial-retirement pensions before tax, December 2007**

	KR/EUR	PPP-Euro
<i>Denmark</i>		
Ordinary and increased ordinary disability pension <sup>1)</sup>	9 321	893
Voluntary early retirement pay <sup>2)</sup>	11 484	1 101
<i>Faroe Islands<sup>3)</sup></i>		
Lowest disability pension	6 391	613
<i>Finland<sup>4)</sup></i>		
Partial retirement pension	587	493
Special pensions to farmers	841	706
<i>Norway<sup>3)</sup></i>		
Pension fixed by collective agreement	15 441	1 368
Special pension to fishermen	5 121	454

1 Average pension paid out in January 2007.

2 Average benefit amount paid out in 2007.

3 Average pension paid out in December 2006.

4 Average monthly amount paid out in December 2006 (average annual amount in 2006 divided by 12).

**Table 6.12 Pensioners receiving special retirement/partial-retirement pensions, by gender and age, 2007**

	Total	-49		50-59		60-64		65+	
		M	W	M	W	M	W	M	W
<i>Denmark</i>									
General and increased general disability pension	35 890	3 757	3 887	6 020	8 976	4 231	8 802	61	156
Voluntary early-retirement pay	147 420	.	.	.	.	62 894	84 526	.	.
<i>Faroe Islands</i>									
Lowest disability pension	411	14	44	37	80	42	106	25	63
<i>Finland</i>									
Partial-retirement pension	29 988	.	.	2 680	3 608	10 868	12 726	48	58
Special pensions to farmers	29 316	.	.	895	1 318	3 424	3 979	7 783	11 917
<i>Norway</i>									
Pension fixed by collective agreement	44 251	..	..	..	..	13 103	11 883	10 409	8 856
Special pension to fishermen <sup>1)</sup>	1 950	1 990		..	..	..	..	..	..

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

## Services to the Elderly

### *Institutions and Home Help, etc., for the Elderly*

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

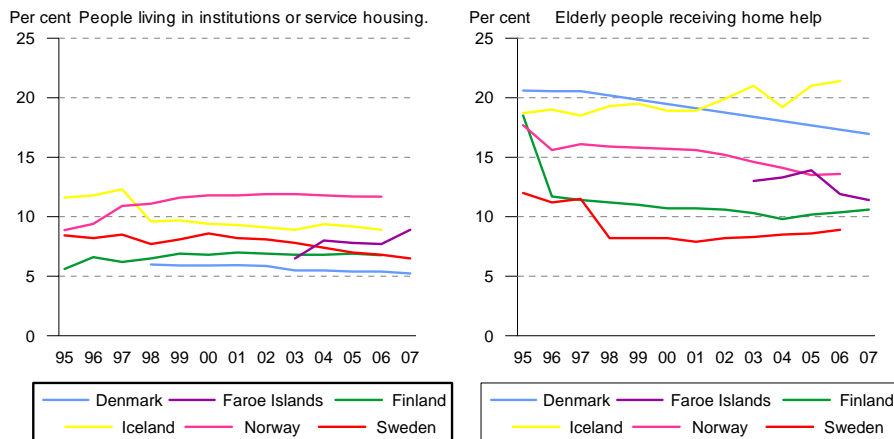
1. Institutions (nursing homes/homes for the long-term ill/old people's homes).
2. Service housing (service flats/collective housing/housing where special care is provided, etc.).

Elderly people may also, to varying degrees, be offered long-term medical treatment in hospital wards - often in the so-called geriatric wards in Finland and in the Faroe Islands. In all the countries, there are also special wards in

some nursing homes where elderly people who live in their own homes may be admitted on a short-term basis when needed. In all the countries, home help is provided to the elderly. The extent of the assistance is determined on the basis of individual needs and may vary from a few hours per month to several hours per day. With the exception of the Faroe Islands, the assistance is a municipal matter and is provided by municipally or privately employed staff.

The statistics concerning home help in the Nordic countries are not easily compared. While the figures for Denmark, the Faroe Islands, Norway and Sweden are situation-statements, the Icelandic and Finnish data contain information on how many people received help during the year. Besides, the Finnish statistics comprise households, whereas the statistics from the other countries comprise individuals. The decrease in the ratio of elderly, who live in nursing homes, housing for the elderly, etc., and in the ratio of elderly, who receive home help, from 2002 in Denmark (cf. Figure 7.8) is a result of statistical changes. Up until and including 2002, the statement thus includes people aged 67 years or more, while it from 2003 includes people aged 65 year or more.

**Figure 6.8 People living at institutions or in service housing and people receiving home help, in percent of the age group 65 years or more, 1995-2007**





**Table 6.13 People aged 65 or over living at institutions or in service housing, total and as percentages of the total number of elderly, December 2007**

	Denmark <sup>1)</sup>	Faroe Islands <sup>2)</sup>	Finland	Iceland	Norway <sup>2)</sup>	Sweden <sup>3)</sup>
	2007	2007	2006	2006	2006	2007
<i>People of the ages</i>						
65-74 years	5 689	25	8 300	294	7 169	7 904
75-79 years	5 924	65	9 546	466	10 129	10 850
80+ years	32 071	426	41 008	2 411	53 934	76 143
Total, 65/67+ years	43 684	516	58 854	3 171	71 232	104 559
<i>As percentage of the respective age groups</i>						
65-74 years	1.3	1.0	1.8	1.6	2.8	1.0
75-79 years	3.8	4.8	5.2	6.0	7.4	3.5
80+ years	14.3	22.7	18.6	25.0	24.7	15.5
Total, 65/67+ years	5.2	8.9	6.8	8.9	11.7	6.5

1 Includes residents in nursing homes, sheltered housing, housing where care is provided and long-term stays in housing units. The figures for long-term stays in housing units are from 2006 and based on the age group 67-74 years.

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

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

**Table 6.14 Elderly, who received home help, 2007**

	Denmark <sup>1)</sup>	Faroe Islands <sup>2)</sup>	Finland <sup>3)</sup>	Iceland	Norway <sup>4)</sup>	Sweden <sup>5)</sup>
	2007	2007	2007	2006	2006	2006
<i>Recipients of home help</i>						
65-74 years	26 720	86	14 837	..	10 107	17 241
75-79 years	27 433	138	42 770	..	13 688	20 750
80+ years	87 396	439	35 191	..	59 061	102 355
Total 65+ years	141 549	663	92 798	7 428	82 856	140 346
<i>Recipients of home help as percentage of the age group</i>						
65-74 years	5.9	3.3	3.2	..	4.0	2.2
75-79 years	17.5	10.2	13.6	..	9.9	6.7
80+ years	38.9	23.4	35.8	..	27.1	20.9
Total 65+ years	17.0	11.4	10.6	21.4	13.6	8.9

1 Home help to residents in their own homes with the exception of service housing.

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

3 Households in the age groups 65-74, 75-84 and 85+ years.

4 Age groups 67-74, 75-79 and 80+ years, including residents in service housing who receive practical assistance (home help) and home nursing. Recipients receiving home nursing only are not included.

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

### *Support Schemes and Leisure Activities*

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

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

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

## Disabled People

### Health-Related Disability Pension

In all the Nordic countries, people, whose working capacity has been reduced by physical and/or mental disabilities, may be entitled to a disability pension (anticipatory pension in Denmark, but called disability pension in the following), which in Sweden is called activity or sickness allowance as from 2003. These benefits form part of the sickness-insurance scheme, whereas they were previously part of the ordinary pension scheme.

#### *Disability Pension Basis*

In Denmark, the statutory retirement pension (old-age pension), disability pension, widow's pension and anticipatory pension were previously integrated in a coherent set of rules. Disability pensioners were awarded basic pension according to the same rules as apply to retirement pensioners. Be-

sides, pensioners who were granted the intermediate amount of disability pension also received a disability allowance, and pensioners who had been granted the highest amount of disability pension also received an unemployables amount in addition to the disability allowance. The disability allowance and the unemployables amount are not earnings-related and besides, the disability allowance is exempt from tax. As from 2006, an extra supplementary benefit was introduced to disability pensioners receiving general and general increased pension. The benefit is not taxable and will not be income-adjusted.

In 2003, however, a new disability pension scheme entered into force. The disability pension now consists of one connected benefit, which for single people almost corresponds to the unemployment benefit and for married/co-habiting couples corresponds to 80 per cent thereof. The new rules apply to applications for disability pension submitted after 1 January 2003, which means that people, who have been awarded disability pension in accordance with the previous rules, will still receive pension according to those rules and will for a number of years make up the majority of disability pensioners in Denmark. In Denmark, disability pensioners do not receive supplementary pension. As part of the disability-pension reform, a voluntary supplementary savings scheme for disability pensioners was established, which entered into force on 1 January 2003. It is a voluntary scheme, and all disability pensioners are free to join. The disability pensioners pay one third of the amount and the local authorities pay the remaining two thirds. The total contribution per person to the scheme amounts to DKK 5 040 annually in 2008.

In the Faroe Islands, retirement pension and disability pension are integrated in a connected set of rules. Disability pension is composed of a basic amount, a supplement and a disability allowance. Pensioners who receive the minimum amount of disability pension receive the basic amount and a small supplement. Pensioners who receive the intermediate and maximum amount of disability pension receive the basic amount, the intermediate or maximum supplement and a disability allowance. The disability amount is not income-adjusted and is exempt from tax. People, who suffer from severe physical or mental disabilities and who live in institutions, do not receive disability pension. Their personal needs are covered via the institutions' operating costs.

In Finland, Iceland and Norway, disability pension is granted by way of a basic pension/guaranteed minimum pension and an employment pension. As from 2003, the disability pension was changed in Sweden to the effect

that an activity or sickness allowance will be awarded. The sickness allowance is a temporary allowance. The disability pension was part of the general pension system, while the activity or sickness allowance is part of the sickness-insurance system. People of the ages 30 to 64 years may receive the allowance for a limited period, depending on the estimated length of the reduction of their working ability. People of the ages 19 to 29 years may be awarded an allowance due to a reduced activity level. This allowance is always limited to one to three years. For the calculation of the employment pension, which is done on the basis of any previous income from work, the time up to the statutory pensionable age is usually included in Finland, Iceland and Norway. In Finland, the percentage payable to disability pensioners for the period from they are awarded disability pension till they reach the statutory pensionable age is, however, lower than it is for retirement pensioners.

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

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

**Table 6.15 Rules governing basic pension/disability pension**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden <sup>1)</sup>
Pensionable age	18-64 years	18-67 years	18-64 years	16-65 years	16-64 years	18-64 years
Minimum degree of unfitness for work	Unfit for work	Lack of capacity for work	No specific level indicated	50 per cent	50 per cent (in the reactivation phase 20 per cent)	25 per cent
Pension on the basis of:	Length of residence, degree of unfitness for work and social grounds. Income level?	Residence period for at least 4/5 of the years since the age of 15 years	Lump sum depending on the length of residence, marital status and other employment-based pensions	Degree of unfitness for work, residence period and income	Degree of unfitness for work, length of insurance period and pension points, amount of income from work (the 20 best years) and family situation	Length of residence, amount of income-based sickness/activity daily cash benefits and degree of unfitness for work
Reference income or calculation basis	Benefits independent of previous income	Pension independent of previous income	Benefits independent of previous income	Benefits independent of previous income	Accrued pension points and future pension points until the age of 66 years. People fit for work before the age of 26 years shall be awarded extra pension points for the future	Benefit based on the pensionable income, i.e. income from work and income from certain benefits: sickness benefits, unemployment benefits and parental-leave benefit
Minimum pension	1/40 of the maximum	1/40 of the basic pension and marriage-adjusted supplement and pension contributions on the basis of solidarity	No statutory minimum	.	NOK 120 262. To people, who have become unfit for work before the age of 26 years: NOK 160 348	No statutory minimum
Maximum pension	If the income does not exceed a certain level: DKK 177 636 per year for single pensioners living alone; DKK 150 984 per year for married or cohabiting pensioners	Pension contributions awarded to everyone on the basis of solidarity. Basic amount and supplements depend on marriage and contemporary income	No statutory maximum	No statutory maximum	NOK 264 576 (2007)	No statutory maximum

To be continued ...

## OLD AGE, DISABILITY AND SURVIVORS

**Table 6.15 Continued**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden <sup>1)</sup>
Indexation after pensioning:	Wages/salaries 100 per cent and a reduction if the increase exceeds 2 per cent	Basic amount not adjusted every year. Pension contributions on a basis of solidary are adjusted but not according to a fixed rate. Pension supplements increase by 4 per cent annually	Consumer price index 100 per cent.	Pay development, at least the consumer price index	Parliamentary decision	Price index 100 per cent
Accumulation with income from work	Possible, reduction of benefits	Possible to have other income. Annual income limit of DKK 56 400	If a pension recipient takes on work that is equivalent to his previous occupation, he shall no longer be regarded as being unfit for work, and the pension shall be withdrawn. The pension may be suspended for 6-60 months if the pension recipient finds work	Possible, reduction of benefits	With the exception of the first year with full temporary disability pension or disability pension, the recipient may have an annual income from work of a maximum of NOK 66 812. With higher incomes, a lower disability pension shall be payable	Possible

1) Sickness/activity daily cash benefits.

**Table 6.16 Rules governing employment-based disability pension**

	Denmark <sup>1)</sup>	Faroe Island	Finland	Iceland	Norway	Sweden <sup>2)</sup>
Pensionable age	18-65 years	18-67 years	18-68 years	16-70 years	16-64 years	19-64 years
Minimum degree of unfitness for work	Unfitness for work.	Lack of capacity for work. Maximum disability pension shall only be awarded if the recipient is under 60 years. Intermediate and lowest disability pension shall be awarded to the age group 18-67 years	Disability pension: 2/5 left. Partial disability pension: 3/5 left	50 per cent	50 per cent (in the reactivation phase 20 per cent)	25 per cent
Pension on the basis of:	Degree of unfitness for work and social grounds	Lack of capacity for work. Pension and supplements depend on marital status. Intermediate disability pension to surviving relatives and children under 18 years	Pension based on accumulation increased by accumulation for life expectancy at the time of retirement, income for each year, age-dependent accumulation rate	Degree of unfitness for work and accrued pension amount in accordance with accrued pension points increased by further accumulation years until the pensionable age	Degree of unfitness for work, length of insurance period and pension points (actual previous and estimated future periods until a total of 40 years), amount of income from work (the 20 best years) and family situation	Average of the three highest annual incomes from a framework period, which immediately precedes the year in which the disability arose, depending on the degree of unfitness for work.
Reference income or calculation basis	-	Basic amount and supplements shall be adjusted according to the latest fiscal income	On the basis of the annual income. No income ceiling. For projected years the calculation basis is the income from the five previous years. The accrual rate for uncovered periods is based on the income on which the benefits are based	Income without ceiling	Accrued pension points and future pension points until the age of 66 years. People who have become unfit for work before the age of 26 years shall be awarded extra pension points for the future	The benefit is based on the pensionable income, i.e. income from work and income from certain benefits: sickness benefit, unemployment benefit and parental-leave benefit

To be continued ...

## OLD AGE, DISABILITY AND SURVIVORS

**Table 6.16 Continued**

	Denmark <sup>1)</sup>	Faroe Islands	Finland	Iceland	Norway	Sweden <sup>2)</sup>
Maximum pension	-	For single people DKK 144 000 (2007). For spouse DKK 126 360 (2007). In addition, a monthly supplement per child under 18 years	No statutory minimum	No statutory minimum	NOK 264 576 (2007)	No statutory minimum
<i>Indexation</i>						
- before pensioning:	-	-	Wages/salaries 80 per cent + price index 20 per cent	..	..	..
- after pensioning:		Adjusted by the Parliament	Price index 80 per cent + wages/salaries 20 per cent	Pension fund decision	Parliamentary decision.	Price index 100 per cent
Accumulation with income from work		Possible to have other income. If annual income limit is exceeded, the paid basic pension and supplements shall be reduced	Possible, if the income amounts to 40-59 per cent of the pensionable pay, the full disability pension shall be changed to a partial disability pension. If the income exceeds 60 per cent of the pensionable pay, the pension shall be discontinued	Possible, reduction of benefits	With the exception of the first year with full temporary disability pension or disability pension, the recipient may have an annual income from work of a maximum of NOK 66 812. With higher incomes, a lower disability pension shall be payable	Possible

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

2 Sickness/activity daily cash benefits.



### *Circumstances Influencing the Number of Disability Pensioners*

In the Nordic countries, there are a number of alternative benefits that affect both the award of disability pension and the number of disability pensioners. In Sweden, for example, sickness benefit is payable without any time limit, whereas sickness benefit is payable for a maximum of one year in the other countries, with a possibility of prolongation in Denmark, however. In Sweden, the disability pension has as from 2003 been replaced by a sickness and reduced activity allowance.

In Norway, a rehabilitation/disability benefit is normally payable before disability pension and any temporary disability pension will be awarded.

Also the other disability-pension schemes (which in this report are referred to as special retirement pensions) may affect the number of disability pensioners. The existence of schemes such as the voluntary early-retirement scheme in Denmark and the unemployment pension scheme in Finland has contributed to there being fewer disability pensioners than would otherwise have been the case in those countries. In Norway, the AFP scheme (pensions fixed by collective agreements) affects the number of disability pensioners. Several studies have shown that about 20 per cent of the AFP pensioners would have been disability pensioners, had the scheme not existed.

The amount of the disability pension, including pension supplements, is in principle either higher or equal to the pension awarded to retirement pensioners in all the countries. In addition, a number of special supplements may be payable in Denmark, prior to the disability pension reform in 2003, and in the Faroe Islands as well as an employment pension in the other countries, as mentioned above.

### *Compensation Levels*

Figure 6.9 shows the compensation level for a single 50 year-old disability pensioner who has previously been in work, and who has completely lost his fitness for work at three different income levels as PPP-Euro. In Denmark, the disability pension is independent of any previous income. There is, however, in Denmark supplementary benefits payable from agreement-based pension schemes, which have not been included. The disability pension in the other countries is calculated in relation to previous income from work.

In all the countries, men receive a higher benefit on average than do women. In Finland, Norway and Sweden, this is a result of higher accumulation of the ATP.

**OLD AGE, DISABILITY AND SURVIVORS**

**Table 6.17 Average monthly amount of statutory disability pension (before tax), 2007**

	KR/EUR			PPP-Euro		
	Men	Women	All	Men	Women	All
Denmark <sup>1)</sup>	12 398	11 714	12 034	1 188	1 123	1 153
Faroe Islands <sup>2)</sup>	12 771	10 973	11 858	1 224	1 052	1 137
Finland <sup>3)</sup>	1 093	899	1 002	918	755	841
Iceland	.	.	.	.	.	.
Norway	14 720	11 328	12 790	1 304	1 003	1 133
Sweden <sup>4)</sup>	9 967	8 571	9 131	926	796	848

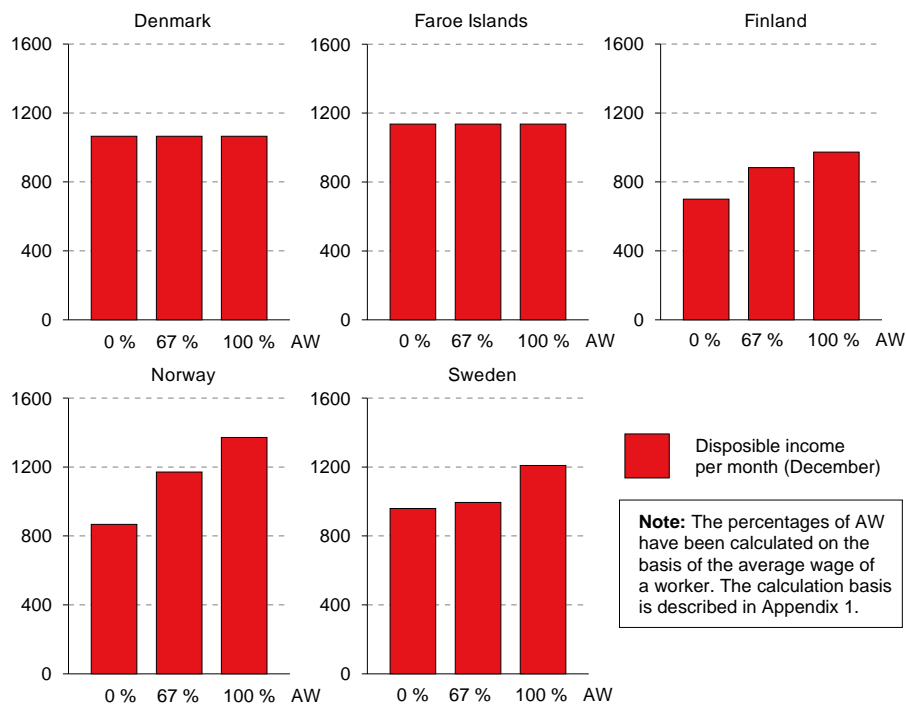
1 Average payment of highest and intermediate disability pension and new disability pension in January 2007.

2 Average payment per month (average annual amount in 2007, divided by 12) in respect of the maximum and intermediate disability pensions.

3 Average payment of pension amount as per December.

4 Average payment of pension amount in December, including housing supplement. Sickness or activity allowance replaced the disability pension as from 2003.

**Figure 6.9 Disposable incomes for a single 50 year-old disability pensioner with no fitness for work left, in PPP-Euro, 2007**



### *Number of Disability Pension Recipients*

In the period before the disability pension reform in 2003, there was an increase in the number of new awards of the intermediate and the highest disability pensions in Denmark, whereas the number of new awards of the general disability pensions (special retirement pensions) declined.

After the disability-pension reform only one kind of disability pension may be awarded. The new disability pension may be awarded to people who suffer from a permanently reduced fitness for work to such a degree that the person in question cannot maintain him/herself through employment on the usual terms or in a flexi job. The number of new awards in 2006 and 2007 in Table 6.18 thus comprises all awards of the new disability pension. The increase in the number of new awards up until 2005 is thus related to the fact that all new awards of disability pensions are now included here. From 2006 to 2007 there was a decrease in the number of new awards of disability pension, which may be a result of the municipal reform.

In the Faroe Islands, no major legal changes have taken place, which could influence the number of new awards.

In Finland, there has been a decline in the number of disability pension recipients.

The number of disability pensioners continues to rise in Iceland, although there has been a decrease in new awards since 2003. The decrease in the number of new applications may be explained by a tightening of the rules governing award of disability pension as well as by changes in the labour market by way of a declining unemployment rate.

**OLD AGE, DISABILITY AND SURVIVORS**

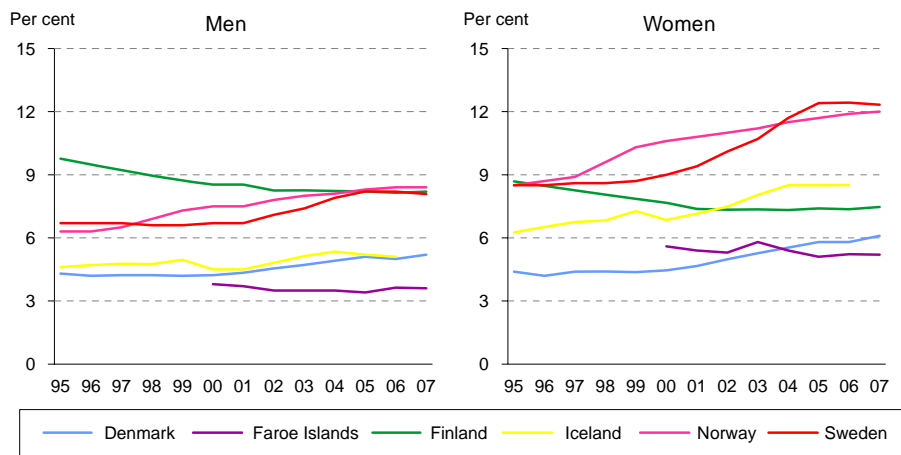
**Table 6.18 Recipients of disability pension and new accession of disability pensioners, by gender, 1995-2007**

	Denmark <sup>1)</sup>		Faroe Islands <sup>2)</sup>		Finland		Iceland <sup>3)</sup>		Norway <sup>4)</sup>		Sweden <sup>5)</sup>	
	M	W	M	W	M	W	M	W	M	W	M	W
<i>1995</i>												
Recipients	82 166	83 871	..	..	165	144	4 250	5 769	103	132	185	223
					348	156			401	900	413	163
New accession	5 941	5 087	..	..	..	..	502	723	12 006	13 299	18 639	20 565
New accession as percentage of population of qualifying age	0.3	0.3	..	..	..	..	0.6	0.9	0.9	1.0	0.7	0.8
<i>2000</i>												
Recipients	81 426	83 367	603	753	147	129	4 172	6 108	119	160	189	248
					022	247			160	413	727	216
New accession	4 332	4 237	126	97	13 004	11 691	378	801	13 529	16 150	21 303	27 934
New accession as percentage of population of qualifying age	0.2	0.2	0.8	0.8	0.8	0.7	0.4	0.9	1.0	1.3	0.8	1.1
<i>2006</i>												
Recipients	93 896	104	1 394		141	125	5 293	8 217	138	188	223	331
		728			876	507			893	925	481	416
New accession	6 736	7 536	142		13 941	13 274	243	437	14 090	17 477	20 361	27 815
New accession as percentage of population of qualifying age	0.4	0.4	0.5		0.8	0.8	0.2	0.5	1.0	1.4	0.7	1.0
<i>2007</i>												
Recipients	91 348	102	1 381		143	128	..	..	140	192	221	330
		875			563	061			733	811	424	322
New accession	5 548	6 354	117		14 377	13 810	..	..	13 896	18 288	20 316	27 367
New accession as percentage of population of qualifying age	0.3	0.4	0.4		0.8	0.8	..	..	1.0	1.4	0.7	1.0

Note: For further information, see Appendix 5.

- 1 The number of recipients in this table is calculated as at the beginning of the year; in the other pension tables, as at year-end.
- 2 Also included recipients of the lowest disability pension, who belong under special retirement pensions.
- 3 Pensionable age 16-66 years.
- 4 Pensionable age 18-67 years.
- 5 Activity and sickness allowance replace the disability pension as from 2003.

**Figure 6.10 Pensioners receiving disability pension by way of basic/minimum pension and/or employment pension as percentages of population 16/18-64 years, 1995-2007<sup>1)</sup>**



1 Figures for Denmark do not include all disability pensioners. Recipients of general and increased disability pension have not been included. Were all recipients to be included, the ratio on the Figure would be a little below 7.

Both in Norway and Sweden, the rules governing award of disability pension have been tightened. In Norway, there was an increase in the number of new awards. In Sweden, there was an increase in the number of awards almost throughout the entire period.

In Table 6.18 and Figure 6.10, the Danish figures are inclusive of disability pensioners according to the new rules as a result of the disability-pension reform from 2003. In Sweden, the activity and sickness allowance replaces the disability pension as from 2003. New benefits are awarded to people of the age group 19-64 years.

## Rehabilitation

People whose fitness for work has been reduced due to physical, mental or social factors may be granted support towards education, retraining and re-schooling where it is deemed necessary for their future possibilities to manage on their own and to support their families. Support may also be granted towards meeting special expenses incurred by such education or training. Education may consist of training in the open labour market. Support is provided by way of wages/salaries or wage/salary supplements. In addition,

special support may be granted towards acquisition of tools, etc., and towards setting up a business.

In Denmark, support is granted as a fixed rehabilitation allowance corresponding to the maximum amount of the daily cash benefits. Payment of the rehabilitation allowance is subject to rehabilitation being initiated according to a fixed occupational plan. The allowance is payable until the occupational plan has been implemented, but usually for a maximum of five years. In respect of young people under the age of 25, the rehabilitation allowance equals half the maximum amount. With a view to maintaining and integrating weak groups in the labour market, an enhancement of the work-related rehabilitation scheme took place in 1999.

In the Faroe Islands, rehabilitation allowance is payable when it is deemed necessary out of consideration for a person's risk of becoming ostracized from the labour market. The rehabilitation allowance is governed by the Act on Public Welfare, and the allowance is usually granted on the basis of need.

In Finland, rehabilitation benefits, which are payable by the Social Insurance Institution, equals the amount of the sickness benefit. The amount of the daily cash benefits from the accident- and traffic-insurance schemes as well as from the statutory employment-related pension scheme usually amounts to the amount that would have been payable in that same period.

In Iceland, a rehabilitation allowance is payable when an injured person is no longer entitled to sickness or industrial-injury benefits. As a rule, the allowance is payable for a maximum of 12 months or until a decision has been made as to the future of the disabled person in question. The allowance equals the disability pension and is awarded according to the same criteria; it is, however, never payable for more than 18 months. Everyone receiving rehabilitation allowance must undergo examinations and treatment during the period in which the allowance is being paid.

Since 1 January 2000, the social insurance fund has paid a rehabilitation benefit to people who are at risk of being excluded from the labour market due to illness or accidents. Especially in Iceland, there are many social institutions offering jobs to people undergoing rehabilitation. At the moment, endeavours are made to gather the activities in this area with the aim of enhancing the work-related rehabilitation.

In Norway, two different kinds of allowances may be granted to people undergoing rehabilitation. One is granted in connection with medical rehabilitation. This allowance is granted to people, who have exhausted their entitlement to sickness benefits, and whose fitness for work is still reduced by at least 50 per cent. In order to be entitled to this allowance, recipients must be undergoing active treatment with a view to improving their fitness for work. The other allowance is connected with occupational rehabilitation.

The allowance will be granted in connection with measures that are deemed necessary and expedient for the recipient to be able to get or maintain a job. Rehabilitation may be schooling, work training, wage subsidies, etc. Both allowances are short-term allowances and will be calculated on the basis of any pensionable income paid during the past year, or as an average of the last three years prior to the fitness for work becoming reduced by at least 50 per cent. Both allowances amount to a maximum of 66 per cent of the calculation basis up to six times, corresponding to NOK 400 872 as per 1 May 2007. Both the medical rehabilitation and the occupational rehabilitation are administered by the Directorate of Labour and Welfare. The rehabilitation proper, both the medical and the occupational, may be carried out in a co-operation between *inter alia* the health, labour-market, and social-insurance authorities.

In Sweden, a number of compensations and benefits are payable in connection with rehabilitation. A rehabilitation allowance as well as special allowances may be awarded instead of sickness benefits. The rehabilitation allowance is in that case awarded to people who participate in occupational rehabilitation, and the special allowances shall cover the expenses incurred by the rehabilitation, such as travel expenses. The occupational rehabilitation measures may for example be work training, analysis at a labour market institute and education/training.

**Table 6.19 People receiving rehabilitation benefit during the year and as at December 2007**

	Denmark <sup>1)</sup>	Faroe Islands	Finland <sup>2)</sup>	Norway <sup>3)</sup>	Sweden <sup>4)</sup>
<i>People receiving rehabilitation allowance during the year</i>					
Men	8 490	98	41 975	47 047	11 404
Women	16 558	143	63 351	54 157	25 021
Total	25 048	241	105 326	101 204	36 425
<i>People receiving rehabilitation allowance as at December 2007</i>					
Men	4 903	37	14 960	30 822	3 572
Women	9 999	65	20 167	37 591	7 373
Total	14 902	102	35 127	68 413	10 945

1 The basis for the statistics has been changed as from 2007, for which reason the figures are not directly comparable with those from previous years.

2 Includes rehabilitation benefits and services payable by the Social Insurance Institution.

3 People, who have only received occupational rehabilitation allowances.

4 Includes only people receiving rehabilitation allowances. The number of people receiving special allowances cannot be calculated. People, who received rehabilitation allowance as at 31 December 2007.

## Compensation for Industrial Injury

In all Nordic countries, people who have suffered an industrial injury are entitled to either sickness benefit or an equivalent benefit in the event of a temporary loss of their working capacities. In case of long-term or permanent loss of working capacity, disability pension or a similar benefit will be payable.

An industrial injury is defined as an accident at work or work-related illness causing temporary or permanent loss of the ability to work.

In all the countries, compulsory industrial-injury insurances have been established, but according to somewhat differing rules. The industrial-injury insurance fund pays out compensation for permanent injuries and for lost fitness for work, either by way of a non-recurrent payment or of monthly payments. Normally, the industrial injury insurance fund also covers expenses for treatment that are not covered by the general sickness insurance scheme.

In Denmark, compensation is granted for the loss of fitness for work if an industrial injury has reduced the working capacity by at least 15 per cent. In addition, a non-recurrent payment is payable if the degree of the permanent injury is 5 per cent or more. Compensation is calculated on the basis of 80 per cent of an injured person's previous annual income.

In the Faroe Islands, disability compensation will be granted where the industrial injury has reduced an injured person's fitness for work by 5 per cent or more. The compensation is as a rule calculated on the basis of two thirds of a fisherman's guaranteed minimum wage.

In Finland, one is entitled to a pension if one's fitness for work has been reduced by at least 10 per cent. The pension payable to a person who is completely incapable of working amounts to 85 per cent of the previous income from work. An employee who is partly incapacitated is entitled to part of the full pension corresponding to the reduction of the fitness for work. The compensation level for pension on the grounds of accidents drops to 70 per cent of the income from work when a recipient turns 65 years. Pension in the event of an accident payable to a partly disabled employee shall also be reduced when he turns 65 years.

In Iceland, entitlement to wages/salaries during illness (absence due to an accident) plays the most important part for injured persons. People who are not entitled to wages/salaries, or in the event that the period in which one is entitled to receive wages/salary has expired, the people concerned are entitled to daily cash benefits from the general industrial injury insurance fund. This benefit is a fixed amount independent of the wages/salary earned prior to the accident. The benefit is usually payable for a maximum of 52 weeks.



In Norway, one may be granted *disability pension* in the event that an industrial injury or a work-related accident reduces one's fitness for work by 30 per cent, where a reduction of the fitness for work of 50 per cent is normally required in order to be awarded *disability pension*. Compensation for disability will be awarded if the degree of disablement is 15 per cent or more.

In Sweden, compensation is granted by way of annuities in the event that one's fitness for work has been permanently reduced by at least one fifth (6.6 per cent). The annuity shall normally be calculated on the basis of an insured person's sickness-benefit entitling income.

## Care Allowance to Disabled People

In all the Nordic countries, families may receive financial support from the public authorities to cover expenses for taking care of a physically or mentally ill child in the home. The rules vary somewhat from one country to another, but the aims of the schemes are identical, i.e. to make it financially possible for a family to maintain a child in its home by having the extra expenses incurred by the child's disability covered.

Adults who have reduced capabilities and who live in their own homes are also entitled to subsidies. The various countries also have slightly differing rules in this respect. Support may be granted for technical aids that the person concerned needs in order to carry out a trade or to remedy his or her disorder, or to ease the daily existence in the home.

In several of the countries, subsidies may be granted for purchase and/or maintenance of a car or other motor vehicle.

## Services to Disabled People

### *Institutions, Home Help, etc., for Disabled People*

In all the countries, there is special housing available for people with reduced capabilities, such as:

1. Institutions (nursing homes/homes for the long-term ill).
2. Service housing (sheltered housing/service flats/collective housing).

## OLD AGE, DISABILITY AND SURVIVORS

**Table 6.20 People under 65 years receiving home help**

	Denmark	Faroe Islands <sup>1)</sup>	Finland <sup>2)</sup>	Iceland	Norway <sup>3)</sup>	Sweden <sup>4)</sup>
	2007	2007	2007	2006	2006	2006
Recipients of home help under 65 years, total	24 123	97	25 457	3 851	32 078	19 156
Recipients of home help as percentage of the age group 18-64 years	0.7	0.3	0.6	1.5	0.8	0.3

1 Home help to residents in their own homes with the exception of service housing.

2 Households. Out of the 25 457, 5 981 were disabled.

3 Households under 67 years, including residents in service housing who receive practical assistance (home help). Comprises recipients, who receive both home nursing and practical assistance and recipients who receive only practical assistance. Recipients receiving only home nursing are not included.

4 Includes people in their own homes who had been granted home help as at 1 October 2006.

**Table 6.21 People under 65 years living at institutions or in service housing, December**

	Denmark <sup>1)</sup>	Faroe Islands <sup>2)</sup>	Finland	Norway <sup>3)</sup>	Sweden <sup>4)</sup>
	2007	2007	2006	2006	2007
Under 65 years, total	13 144	147	21 099	19 499	28 135
As percentage of the age group 18-64 years	0.4	0.5	0.5	0.5	0.4

1 Including special housing for the elderly.

2 People under 67 years.

3 Data applies to residents in special-care housing units as well as to people admitted to institutions (age group 0-66 years).

4 People in permanent residence and short-term stays as at 10 October 2006 at institutions or in service housing.

In addition to these special types of accommodation, disabled people may also, to varying degrees, be offered long-term medical treatment in hospital wards in the so-called long-term-care wards.

In all the countries, home help is provided to disabled people. The extent of the help is determined on the basis of individual needs and may vary from a few hours a month to several hours per day. The assistance is a municipal matter and is provided by municipally or privately employed staff.

As mentioned above, it is difficult to compare statistics on home help in the Nordic countries. While the figures concerning Denmark, the Faroe Islands, Norway and Sweden are situation statements, the Icelandic and Finnish data contain information on the number of people who received assis-

tance during the year. Besides, the Finnish statistics cover households, whereas they in the other countries cover people.

### *Personal Assistance*

In all the Nordic countries, people with severe disabilities qualify for financial support towards payment for personal assistance and help to cope with daily life.

In Denmark, persons who suffer from a considerable and permanently reduced physical or mental capacity, and who need personal help and support to carry out the necessary practical chores in their homes for more than 20 hours per week, may choose to have a cash supplement towards payment for the employment of assistants. Besides, the local authorities may grant a supplement to cover the expenses occurred in connection with the employment of care assistants to carry out care, surveillance and accompaniment of people suffering from a considerably and permanently reduced physical or mental capacity, who are active in some way, for example in connection with work, which makes it necessary to grant very special support. At the end of 2007, 2 100 people were covered by the schemes for employment of assistants.

The local authorities may also grant 15 hours of accompaniment per month to people under 67 years, who are unable to get about by themselves due to a considerably and permanently reduced physical or mental capacity. People, who have been granted 15 hours of accompaniment per months at the age of 67 years, shall maintain this right after the age of 67 years. Besides, the local authorities may grant assistance by way of a special contact person to people who are deaf and blind, and see to it that people suffering from mental disabilities get offered a support and contact person. In 2007, 9 700 people were covered by the accompaniment and contact-person schemes.

In the Faroe Islands, child-minding needs in families with disabled children, whose needs cannot be met in the general day-care institutions, have been solved by the employment of personal support persons. Support persons also serve as relief to the family and therefore meet a need more comprehensively than a traditional institution could have done.

People between 18 and 66 years who suffer from a permanently reduced physical or mental capacity may be granted personal help and assistance. The aim is to give the disabled person an opportunity to live an independent and active life. The disabled person and his/her support person jointly determine the purpose of the support and lay down an action plan for the hours of support.

In Finland, local authorities may improve a severely disabled person's course of life in his own home by granting a financial supplement towards payment of a personal assistant. This supplement is earmarked for severely disabled persons who are highly in need of the help of others to manage daily life. The need for help and support must be assessed by a doctor, and where necessary, also by another employee from the social and health service. In 2007, 5 034 people were covered by the scheme.

Also in Iceland, personal assistance to deal with daily life may be granted. It is possible for a disabled person to employ a personal assistant direct and thus assume the role of employer in relation to the assistant.

Personal assistance may also be granted to people who need to free themselves from social isolation. Finally, families with disabled children may receive relief from another family, who takes care of the child/children - usually one or two weekends a month.

In Norway, all local authorities must offer schemes for user-controlled personal assistance. The number of assistance hours shall be determined by an individual's need for help. What signifies this scheme is that the recipient of the help acts as a manager for the assistant and/or an employer and thus assumes a larger responsibility for the organization and the scope of the help in relation to his own needs. Since 1994, local authorities have been subsidized in order for them to promote such schemes. The local authorities decide whether the service shall be granted as user-controlled personal assistance or as a municipally organized service. Central Government covers 85 per cent of the municipal expenditure. For those who do not wish to receive assistance in this way, it is the local authorities' responsibility to offer some other kind of help, such as home help or a "support contact". The number of hours will be determined by an individual's need. Moreover, there is a function-assistants scheme for the disabled in work. The assistants are to provide practical help during working hours to people who are severely disabled, and are managed by the recipient. The aim is to enable severely disabled people to remain in normal employment and to enable those who have not previously been in the labour market to assume a normal job.

In Sweden, people are entitled to personal assistance if they, due to severe, permanent disabilities, need help with their personal hygiene, meals, dressing or communication with others (the so-called basic needs). Help may also be granted towards other needs in daily life, if these cannot be managed in any other way. Personal assistance is based on the condition that the assistance must provide a disabled person with increased possibilities of leading an independent life. Help and assistance must be available at different times day and night and must be offered by a limited number of people. Personal assistance is granted by way of a personal assistant or a financial

supplement to employment of such an assistant. Local authorities cover the expenses for up to 20 hours of assistance per week. Should the need exceed 20 hours per week, Central Government shall cover the expenses for the hours exceeding 20. In 2005, about 16 500 people received personal assistance.

### *Rehabilitation*

In all the countries, there are specialized institutions for retraining, assessment of working capacity and re-schooling of disabled people and other occupationally impaired groups. Furthermore, sheltered workshops have been established for disabled people who are unable to maintain a job in the open labour market.

In Denmark, people with reduced fitness for work are offered training, assessment of working capacity, sheltered employment, etc., at rehabilitation institutions and in sheltered workshops. People with permanently limited fitness for work may furthermore find employment with private or public employers in flexi jobs or wage-subsidized sheltered jobs. Flexi jobs are given to persons who are not receiving any social pension whereas sheltered jobs are given to disability pensioners. At the end of 2007, there were 46 277 people in flexi jobs and 5 150 in sheltered jobs.

People, who have been approved for a flexi job, and who are unemployed, and people, who will become unemployed after employment in a flexi job, may according to special rules be granted a special benefit. At the end of 2007, 11 600 people received this special benefit.

In the Faroe Islands, people with reduced fitness for work are offered assessment of fitness for work, training, supplementary training courses, sheltered employment, etc., at a rehabilitation institution. The rehabilitation institution also provides short-term vocational courses. Furthermore, people with permanently reduced fitness for work may, as in Denmark, be employed by private or public employers in wage-subsidized jobs.

In Finland, the public health sector and the Social Insurance Institution provide the largest part of the medical rehabilitation. The Social Insurance Institution also offers assessment of fitness for work. The employment-pension funds initiate rehabilitation in order to prevent a person from becoming incapacitated for work or to improve his ability and capacity for work and to ease his return to the labour market. The accident and traffic insurances furthermore offer rehabilitation to their clients. War veterans may also undergo rehabilitation, and war invalids are offered rehabilitation at least every second year.

In Iceland, disabled people are offered retraining and education, sheltered employment in the open labour market or in sheltered workshops. The health sector is responsible for the medical rehabilitation and technical aids.

In Norway, it is the responsibility of the Directorate of Labour and Welfare to endeavour to activate the disabled in the labour market. The aim of the occupational rehabilitation is to enable job seekers and employees of ill health to get a job on ordinary terms. Occupational rehabilitation is based on training, job training and guidance. People with reduced fitness for work may have their work adapted according to their special needs. It is also possible to borrow various technical aids from the technical-aids centres. Besides, there are permanently sheltered work places. There are also so-called sheltered workshops for people with reduced fitness for work. Besides, people with disabilities may receive treatment and guidance at a number of retraining institutions. Disabled people, who have no connection with the labour market, may also borrow technical aids to ease their daily life.

In Sweden, people with reduced working capacities may participate in various labour-market measures via the employment service. A person who, due to a disability, cannot get a job in the open labour market may find employment at The Institution for Sheltered Work through the employment service. In the recruitment process, people with mental and intellectual incapacities as well as people with several disabilities are given priority.

### *Support Services and Leisure Activities*

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

Support schemes are mainly aimed at enabling disabled people to remain in their own homes for as long as possible. The service schemes include delivery of meals, telephone chains or alarms for the summoning of help, home-visiting schemes, physiotherapy and occupational therapy, hairdressing and pedicure, gardening and snow clearing. There are also schemes for washing and mending clothes. There are no centrally agreed policies regarding payment, but usually a fee is charged for the provision of meals, pedicure and gardening. In all the countries, there are so-called daytime measures aimed at various target groups, such as people with mental disabilities, to provide help by way of rehabilitation, employment and feeling of community.

The transport service scheme is a service to the elderly and the disabled who are unable to use public transport or to get about on their own.

## Survivors

### Pensions to Widows and Widowers

The increased participation by women in the labour market and changes in the distribution of income between spouses have contributed to the survivor's pension becoming less important. In Denmark and the Faroe Islands, pension to widows and widowers has been abolished. Pensioners, who cohabit with another pensioner, may in the event of their partner's death be paid a short-term survivor's pension consisting of both pensioners' total pension for three months. In the Faroe Islands, it is, however, necessary to be married to receive this benefit. The number of recipients of survivor's pension is not registered separately. A survivor's allowance is payable to non-pensioners in Denmark whose spouse or partner dies. The survivor's allowance is income and property adjusted and will be granted as a non-recurrent payment. In 2006, 476 people were granted survivor's allowance, of whom 370 people were under the age of 65.

In Finland, a prerequisite for being awarded survivor's pension is that the partners were married, and that the marriage had taken place before the age of 65. Registered partnership may also entitle to survivor's pension on the same terms. Also former spouses in a registered partnership, who are divorced, are entitled to pension if the recipient at the time of his/her death was obliged to pay maintenance allowance to the survivor. The pension paid is influenced by a survivor's own employment pension as well as by one's own pension, or one's own calculated employment pension. Within the employment-pension system, pension may also be awarded, if the survivor is under 50 years of age, and if the survivor has received disability pension continuously for at least three years prior to the spouse's death.

In Iceland, survivor's pension has been abolished as a basic pension but is still being paid by the employment-pension scheme. In Norway and Sweden, entitlement to survivor's pension is subject to a survivor's ability to provide for himself/herself.

In Norway, pension is granted to surviving spouses, registered partners and cohabitants. Pension may also be granted to survivors if they have either previously been married to each other or have had joint issue. In Sweden, the current widow's pension shall lapse on a long-term basis for most survivors. In the old system, a condition for being awarded widow's pension was that one had been married no later than 1989. In Finland, Norway and Sweden, widows and widowers are entitled to survivor's pension by way of basic pension/guaranteed minimum pension and employment pension.

The basic pension/guaranteed minimum pension shall be revoked when a survivor becomes entitled to the basic pension/guaranteed minimum pension from the retirement-pension scheme. The basic pension/guaranteed minimum pension shall also be revoked in the event that a survivor is awarded disability pension. Pension is payable to a survivor by way of an employment pension or a supplementary pension.

In Norway, there are favourable rules governing the employment pension in the Social Security Scheme's retirement- and disability-pension system for survivors. They may choose between their own employment pension, the deceased's accumulated employment pension or 55 per cent of the sum of their own and the deceased's accumulated employment pension.

In some of the countries, funeral assistance will also be granted.

**Table 6.22 Pensioners aged 18-64/66 years receiving statutory survivor's pension, 1995-2007**

	Denmark <sup>1)</sup>		Faroe Islands <sup>1)</sup>		Finland <sup>2)</sup>		Iceland <sup>3)</sup>		Norway <sup>4)</sup>		Sweden <sup>5)</sup>	
	M	W	M	W	M	W	M	W	M	W	M	W
1995	.	.	.	.	5 814	52 767	171	735	1 854	30 023	2 147	64 423
2000	.	.	.	.	7 945	46 292	1 459	2 176	2 001	25 086	1 617	53 254
2006	.	.	.	.	9 046	38 843	2 262	2 553	2 280	21 729	2 167	44 044
2007	.	.	.	.	9 202	38 275	..	..	2 225	21 085	2 132	41 719

1 The widow's-pension scheme has been abolished. Pension may be granted to widows by way of the disability-pension scheme.

2 Widows/widowers over 64 years may be granted survivor's pension by way of employment pension. In 2006, the number of pensioners over 64 years receiving survivor's pension was 189 307 women and 24 383 men and in 2007 189 705 women and 26 218 men.

3 From 1999, only pensioners aged 16-65 years receiving employment pension.

4 Not including widows and widowers receiving disability pension.

5 Includes widow's pension to people under 65 years as well as transition pension and special pension to surviving relatives. The transition period has varied during the period and was in 2005 12 months. Survivor's pension was income-adjusted from 1997-2002. As from 2003, all pensioners pay tax according to the same rules as apply to income from work.



**Table 6.23 Average monthly amount of statutory survivor's pension, (before tax) 2007**

	KR/EUR			PPP-Euro		
	Men	Women	All	Men	Women	All
Denmark	.	.	.	.	.	.
Faroe Islands	.	.	.	.	.	.
Finland <sup>1)</sup>	186	513	469	156	431	394
Iceland	..	..	..	..	..	..
Norway	4 809	7 343	7 100	426	650	629
Sweden <sup>2)</sup>	6 801	6 188	6 218	632	575	577

1 Amount paid on average as at December.

2 Average amount as at December 2006 to pension recipients under 65 years by way of widow's pension, transition pension and special pension to surviving relatives from both basic pension and income-based pension.

## Child Pension

In all the Nordic countries, child pension has been introduced by way of a basic pension and an employment pension. Child pension is granted to children under 18 years if one or both parents have died. In Denmark and in the Faroe Islands, a special child allowance is granted to orphans and to children who have lost one of their parents.

In Finland, Iceland and Norway, child pension may be payable until a child turns 21 years if the child/adolescent receives education, whereas it in Sweden is up to and including the month of June in the year in which the child turns 20 years. In Iceland, a fixed amount is granted by the public authorities, which is payable to those providing for the children, but the pension varies from one labour-market pension fund to another. If both parents have died, the double amount is payable. The Employment Pension Fund also pays child pension to the providers. In Norway, this applies only if both parents are deceased. Child pension, which is granted due to education or vocational training to young people in the age group 18-20 years is payable according to the Social Assistance Act. In Norway, the pension may in exceptional cases be granted to 21 year-olds.

In Denmark, the Faroe Islands, Norway and Sweden, child pension may furthermore be granted by way of supplementary pension if a deceased was a member of such a pension scheme.

**Table 6.24 Children receiving child pension by way of basic pension and/or employment pension, total, 1995-2007<sup>1)</sup>**

	Denmark	Faroe Islands	Finland	Iceland <sup>2)</sup>	Norway	Sweden
<i>Number of children receiving child pension</i>						
1995	17 590	213	29 338	1 325	13 658	31 208
2000	17 278	201	28 476	1 300	14 074	29 570
2006	16 993	178	25 058	1 249	14 043	31 981
2007	17 035	180	24 489	..	13 786	31 341
<i>As percentage of children of the qualifying age groups</i>						
	1.4	1.4	1.9	1.6	1.25 <sup>3)</sup>	1.44 <sup>4)</sup>

1 Entitled were children of widows and widowers as well as orphans; in Finland, Iceland, Norway and Sweden, children under 18 years (in some cases up to 20 years). As to Denmark and the Faroe Islands, child pension has been listed with orphans and children of widows and widowers receiving the special child supplement.

2 Only basic pension. In per cent of children of the entitled age, the figures are from 2006.

3 In per cent of children 0-17 years.

4 In per cent of children 0-19 years.

**Table 6.25 The average monthly statutory amount of child pension (before tax), 2007**

	Denmark	Faroe Islands	Finland	Norway <sup>1)</sup>	Sweden
KR/EUR	950	948	291	2 118	2 531
PPP-Euro	91	90	244	188	235

1 Amount paid on average as at December.

## Expenditure on and Financing of Benefits and Services to the Elderly, the Disabled and Survivors

### *Differences and Similarities in the Social Expenditure on the Elderly, the Disabled and Survivors*

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

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

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

In respect of cash benefits per capita to the disabled, Norway spends the most, which is due to the fact that medical rehabilitation is included under rehabilitation but under illness in the other countries (included in the sickness benefits). As to survivors, Finland spends the most and Denmark the least.

### *Changes in the Social Expenditure on the Elderly, the Disabled and Survivors from 2005 to 2006*

In Denmark, the expenditure on retirement pensions increased sharply by about 6 per cent as a result of the gradual lowering of the pensionable age from 67 to 65 years from 1 July 2004 to 1 July 2006. There was also a considerable increase in the expenditure on the ATP. The lowering of the pensionable age has on the other hand been the main reason for a decrease in the number of recipients of voluntary early retirement pension of almost 19 000 from 2005 to 2006 and thus a considerable decrease in the expenditure. To this should be added a decrease in the expenditure on the general and the increased general disability pensions under the special retirement pensions as a result of a decline in the number of pensioners of 8 500 from 2005 to 2006. These disability pensions are being phased out as a result of the disability pension reform from 2003.

The total expenditure on the maximum and the intermediate disability pensions and on the new disability pension after the reform increased slightly from 2005 to 2006 despite a decrease in the number of disability pensioners resulting from the lowering of the pensionable age. The increased expenditure is a result of an increase in the average expenditure per disability pensioner. Moreover, there was an increase in the expenditure on care and nursing, etc., for both the elderly and the disabled. There was also an increase in the expenditure on measures concerning people with reduced fitness for work, including people in flexi jobs.

In the Faroe Islands, the expenditure on the elderly increased by 9.4 per cent from 2005 to 2006. The increase in cash benefits was 4.1 per cent, which was mainly a result of an increase in the averagely paid pension. The expenditure on services increased by 19.7 per cent. A marked increase in the number of institutional places for the elderly resulted in increased running costs at the institutions.

The expenditure on cash benefits to the disabled increased by 7.9 per cent as a result of the disability pension having been adjusted by 4 per cent at the same time as the number of disability pensioners increased. The expenditure on services remained the same as in 2005.

There was a large percentage increase in the expenditure on survivors, but the total expenditure on survivors is rather limited and minor increases in the expenditure result in large percentage increases.

In Finland, the expenditure on retirement pensioner increased by 4.2 per cent as the number of retirement pensioners increased by 24 345 people, and the new pensioners were awarded higher pensions than before, and all former employment pensions were increased in 2006 by 2.2 per cent and the basic pension by 1.7 per cent. The number of people receiving partial-retirement pension decreased by 1 860 people. The expenditure on services to the elderly increased by 4.4 per cent.

The expenditure on the disabled remained the same in 2006 as in 2005, and the number of disability pensioners declined by 2 045 people. The majority of this decline was due to the age limit for the individual disability pensions being tightened. The expenditure on services to the disabled increased by 3.1 per cent, however.

The expenditure on survivors increased by 0.8 per cent, and the number of recipients of survivor's pension increased by 881 people, whereas the number of recipients of child pension decreased by 636 children.

In Iceland, the expenditure on the elderly increased by 4.7 per cent from 2005 at constant prices. The expenditure on retirement pension increased by 4.4 per cent. Despite the decrease in the expenditure on basic pension as a result of a decline in the number of pension recipients, who only receive

basic pension, the expenditure on employment pension continued to increase due to a higher wage/salary level. The expenditure on services increased by about 5.4 per cent at constant prices, and the expenditure on institutions increased by 5.8 per cent, which was mainly a result of both increased wage costs and services.

The expenditure on the disabled increased by 7.9 per cent at constant prices, where the expenditure on services increased by 7.5 per cent and cash benefits by 8.1 per cent. The basic pension increased by 2.8 per cent, and the employment pension by 22.1 per cent, which was due to both wage/salary increases resulting in higher employment pension and an increased number of disability pensioners receiving employment pension. The expenditure on care for the disabled also increased, which was mainly due to both the wage/salary increases and more initiatives at the institutions. On the other hand, the expenditure on survivors decreased at constant prices as the pension to survivors decreases.

In Norway, the expenditure on the elderly increased by 4.2 per cent at constant prices. The expenditure on the disabled increased by 1.7 per cent, whereas the expenditure on survivors decreased by 0.7 per cent. The increase in the expenditure on the elderly was a result of an increase in the expenditure on retirement pension, including especially increasing expenditure on supplementary pension. While the number of recipients of retirement pension increased by 4 638 people from 2005 to 2006, the number of people entitled to a supplementary pension increased by 7 185 people.

The increase in the expenditure on the disabled increased by 3.9 per cent, and the number of disability pensioners increased by 3.9 per cent from 313 552 in 2005 to 322 527 in 2006. The decrease in the payments to surviving relatives was a result of decreasing pension payments. The recipient number decreased by 189 in 2006 in relation to 2005 corresponding to a decrease of 0.8 per cent.

In Sweden, the expenditure on the elderly increased by 2.2 per cent, which was due to an increasing number of retirement pensioners.

Especially the expenditure on pension payments increased, but there was also an increase in the expenditure on social services for the elderly, particularly nursing and care to those living in their own homes.

The expenditure on the disabled increased by 1.4 per cent from 2005 to 2006, where especially the services increased. Here it was both the expenditure on people living in specially designed housing that increased, just as there was a steep increase in the assistance to carry out daily tasks.

The expenditure on survivors, which only consists of cash benefits, was largely unchanged from 2005 to 2006.

**OLD AGE, DISABILITY AND SURVIVORS**

**Table 6.26 Expenditure on and financing of pensions, other cash benefits and services to the elderly, 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
Cash benefits, million						
A. Retirement pensions	119 329	500	11 704	48 653	102 833	258 771
Of which:						
a. Basic/Minimum pension	77 246	449	1 760	20 942	40 381	32 145
b. Employment pension	7 642	-	9 622	27 711	50 299	165 971
c. Supplementary pension	34 440	37	322	-	11 939	60 655
B. Special retirement pensions	26 368	32	932	-	2 804	-
C. Partial-retirement pension	38	-	214	-	113	-
D. Other	24	19	83	-	-	420
Cash benefits, total	145 759	552	12 932	48 653	105 750	259 191
Services, million						
A. Institutions, etc.	1 676	211	672	19 409	19 926	48 551
B. Assistance to carry out daily tasks	26 476	94	461	1 068	13 687	20 861
C. Other	1 895	20	466	855	3 549	3 064
Services, total	30 047	325	1 598	21 332	37 162	72 476
Total expenditure, million	175 806	877	14 531	69 985	142 912	331 667
Expenditure as percentage of GDP	10.7	7.4	8.7	6.0	6.6	11.4
Financed by (per cent)						
- Public authorities	52.4	77.4	21.4	28.1	48.9	33.0
- Employers	24.3	12.6	63.3	54.0	31.0	45.5
- The insured (contributions and special taxes)	23.3	10.0	15.3	17.9	20.0	21.5
Changes 2005-2006 in terms of 2006 prices						
- Million KR/EUR	2 121	75	595	3 129	5 825	7 043
- Per cent	1.2	9.4	4.3	4.7	4.2	2.2

**Table 6.27 Expenditure on and financing of pensions, other cash benefits and services to disabled people, 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
Cash benefits, million						
A. Disability pensions	28 530	176	3 300	25 862	52 770	70 713
Of which:						
a. Basic/Minimum pension	28 530	176	781	17 832	22 755	14 577
b. Employment pension	-	-	2 506	8 031	25 487	47 636
c. Supplementary pension	-	-	13	-	4 528	8 500
B. Early retirement benefit due to reduced working capacity	4 901	10	112	-	-	-
C. Care allowance	-	-	76	-	3 091	3 564
D. Subsidies to financial integration of the disabled	11 342	-	94	-	18 398	1 652
E. Other	3 270	10	275	224	233	-
Cash benefits, total	48 043	196	3 857	26 086	74 492	75 929
Services, million						
A. Institutions, etc.	9 902	108	166	5 482	800	16 742
B. Assistance to carry out daily tasks	5 976	48	346	316	3 567	23 921
C. Rehabilitation	3 024	44	513	5 623	10 029	4 072
D. Other	2 283	47	486	662	1 260	9 306
Services, total	21 185	246	1 512	12 083	15 657	54 041
Total expenditure, million	69 228	442	5 369	38 169	90 149	129 970
Expenditure as percentage of the GDP	4.2	3.7	3.2	3.3	4.2	4.5
Financed by (per cent)						
- Public authorities	66.7	92.7	39.4	39.8	36.8	45.8
- Employers	8.3	5.1	45.8	48.8	37.7	53.0
- The insured (contributions and special taxes)	25.0	2.2	14.7	11.4	25.4	1.2
Changes 2005-2006 in terms of 2006 prices						
- Million	2 462	15	14	2 800	1 506	1 821
- Per cent	3.7	3.5	0.3	7.9	1.7	1.4

**OLD AGE, DISABILITY AND SURVIVORS**

**Table 6.28 Expenditure on and financing of cash benefits and services to survivors, 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
Cash benefits, million						
A. Survivors' pensions	1	19	1 466	4 745	5 397	18 072
Of which:						
a. Basic/Minimum pension	-	-	37	309	1 261	1 164
b. Employment pension	-	-	1 375	4 436	1 094	15 853
c. Supplementary pension	1	19	54	-	3 043	1 055
B. Death grants	-	-	37	75	70	-
C. Other	-	2	43	-	12	-
Cash benefits, total	1	21	1 503	4 820	5 478	18 072
Services, million						
A. Funeral grants	132	2	4	-	113	-
B. Other	-	-	-	-	-	-
Services, total	132	2	4	-	113	-
Total expenditure, million	133	23	1 507	4 820	5 591	18 072
Expenditure as percentage of the GDP	0.0	0.2	0.9	0.4	0.3	0.6
Financed by (per cent)						
- Public authorities	100.0	2.1	6.7	1.3	40.2	0.0
- Employers	0.0	65.2	73.1	70.2	40.7	97.6
- The insured (contributions and special taxes)	0.0	32.6	20.2	28.4	19.1	2.4
Changes 2005-2006 in terms of 2006 prices						
- Million	-5	10	11	-1 189	-39	-114
- Per cent	-3.4	84.0	0.8	-19.8	-0.7	-0.6



**Table 6.29 Expenditure on cash benefits to the elderly, the disabled and survivors in PPP/capita and per pensioner, 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>The elderly</i>						
Cash benefits per capita	2 574	1 097	2 066	1 338	2 019	2 660
Retirement pension per pensioner	13 682	8 128	10 553	12 667	14 362	13 991
Services per person 65 years or older	3 499	4 802	1 595	5 020	4 823	4 299
Total benefits and services to the elderly per capita	3 105	1 745	2 321	1 924	2 728	3 404
<i>The disabled</i>						
Cash benefits per capita	848	390	616	717	1 422	779
Disability pension per pensioner	14 080	12 087	9 270	14 636	14 259	11 834
Services per capita	374	489	242	332	299	555
Total benefits and services to the disabled per capita	1 223	879	858	1 049	1 721	1 334
<i>Survivors</i>						
Total per capita	2	45	241	133	107	185

### *User Charges*

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

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

In Denmark, residents in nursing homes, etc., are paid their pension in full and must then pay for services provided as part of their stay in the nursing home, such as rent, meals, hairdressing and laundry services. In return, care and cleaning are free of charge. User charges are estimated to amount to about DKK 1.29 billion in 2006. The permanent home help service is free of charge. In return, temporary home help must be paid for, depending on income. User charges amounted to about DKK 98 million in 2007. User charges payable for nursing homes and home help amount to a total of 4 per cent of the total expenditure.

In the Faroe Islands, residents in nursing homes pay no rent, but in return their retirement pension is reduced to DKK 889 per month towards per-

sonal needs. The inhabitants thus have no expenses to pay for rent, food, hairdressing, etc. Pensioners, who have an income besides their pension (such as supplementary pensions) must, however, pay for their stay in a nursing home. User charges amount to 10 per cent of a pensioner's supplementary income. At institutions for the mentally disabled, user charges amounted to about 2.3 per cent in 2007 of the total expenditure. User charges for home help depend on a household's income. In 2007, user charges amounted to 2.5 per cent of the total expenditure on home help.

In Finland, user charges payable for long-term care of the elderly depend on a patient's income. It must at most amount to 80 per cent of the net income and there must be at least EUR 80 per month left for personal use. In 2006, user charges amounted to 17 per cent of the total expenditure. User charges for home help depend on a household's income. User charges amounted to about 15 per cent of the total expenditure on home help.

In Iceland, residents in nursing homes pay for part of their stay in the home provided they have an employment pension over a certain level. The proportion of user charges of the total expenditure was about 3.3 per cent in 2005, while user charges for home help amounted to 9.7 per cent of the local authorities' expenditure.

In Norway, user charges payable for stays at institutions depend on a patient's income and are fixed on the basis of centrally laid down rules. User charges amount to a maximum of 75 per cent of the basic amount of the social security scheme less a free amount. 85 per cent are payable of incomes exceeding the basic amount of the social insurance scheme. User charges for stays at institutions amount to a little more than 10 per cent of the total running costs of the institution. User charges payable for home help are fixed by the individual local authorities, but the amount must not exceed the actual costs. If an income is low, user charges may not exceed NOK 150 per month. Besides, user charges must not be charged for that part of the help that is personal care and nursing or home nursing.

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

## Chapter 7

# Housing Benefits

**Table 7.1 Expenditure on housing benefits as percentages of GDP in the EU, the Faroe Islands, Iceland and Norway, 2005**

Denmark	0.7	Belgium	0.1	Hungary	0.5	The Netherlands	0.3
Faroe Islands	.	The Czech Republic	0.1	Ireland	0.5	Poland	0.1
Finland	0.3	Cyprus	0.4	Italy	0.0	Portugal	..
Iceland	0.2	Estonia	0.0	Latvia	0.1	Slovakia	0.0
Norway	0.1	France	0.8	Lithuania	0.0	Slovenia	0.0
Sweden	0.6	Germany	0.6	Luxembourg	0.2	Spain	0.2
Austria	0.1	Greece	0.5	Malta	0.2	United Kingdom	1.5

Note: See Table 3.1.

## Housing Benefits to Families

In all the countries, with the exception of the Faroe Islands, housing benefits are granted to both families with children and childless families. In Norway, housing benefits are usually only granted to childless families if at least one person receives other cash benefits. The rules governing housing benefits to families with children are more favourable than those applying to childless families.

In Denmark and Iceland, the benefit is only payable to families who live in rented accommodation. In the other countries, families who own their accommodation may also qualify for housing benefits. A family's income, its housing costs and the number of children in the household are taken into consideration when a benefit is being granted. The scopes of the schemes vary greatly from one country to another.

In all the countries, housing benefits are means-tested. In addition to the housing benefit, a subsidy may be granted, which will partly or fully cover any deposit, in order to enable people with a poor economy to find appropriate and reasonable accommodation.

## HOUSING BENEFITS

**Table 7.2 Average housing benefit per month to families**

	Denmark	Finland	Norway	Sweden
	2006	2007	2007	2007
<i>Average housing benefit per month per family, KR/EUR</i>				
<i>Married and cohabiting couples</i>				
- with children	1 615	315	2 770	1 886
- without children	637	194	2 492	764
<i>Single people</i>				
- with children	1 988	309	2 384	1 713
- without children	637	189	2 163	690
<i>Average housing benefit per month per family, PPP-Euro</i>				
<i>Married and cohabiting couples</i>				
- with children	155	264	245	175
- without children	61	163	221	71
<i>Single people</i>				
- with children	191	259	211	159
- without children	61	159	192	64

In Denmark, there was an increase of some 30 per cent in the number of housing-benefit recipients from 1999 to 2005, despite the reform of the rules governing housing benefits, which were gradually implemented in the years 1999-2003. The amendment of the rules results in an increase in that part of the rent costs, which the recipients of the housing benefits will have to pay themselves, as well as an indirect reduction of the maximum income amount for which the benefit may be granted. The increase in the number of families receiving housing benefits is presumably a result of the increased house building.

The number of housing-benefit recipients in Finland has decreased as from 2000, as the majority of the students, who live in rented accommodation, were granted a housing supplement to their study grants instead of the ordinary housing benefits.

In Sweden, childless households lost their entitlement to housing benefits as from 1996, if the applicant was over 28 years of age, and many other childless households, who had received housing benefits according to special rules, also lost this benefit. As from 1997, a number of significant changes were introduced, which resulted in a decrease in the number of households receiving housing benefits.

**Table 7.3 Families receiving housing benefits at the end of the years 1995-2007**

	Denmark	Finland	Iceland <sup>1)</sup>	Norway	Sweden
<i>1995</i>					
Married and cohabiting couples	33 610	74 402	645	5 016	198 044
Single people	141 265	139 414	1 976	13 740	352 416
<i>2000</i>					
Married and cohabiting couples	33 619	33 359	780	5 360	50 016
Single people	136 051	136 993	3 681	17 982	195 368
<i>2006</i>					
Married and cohabiting couples	31 325	22 918	1 137	6 218	52 523
Single people	163 870	127 251	8 541	25 123	215 074
<i>2007</i>					
Married and cohabiting couples	..	21 100	..	6 055	49 514
Single people	..	121 135	..	23 783	198 347

Note: For further information, see Appendix 5.

1 Figures for 1995 are from 1996.

The most important change is a new income-adjustment system, where temporary and permanent benefits are subject to an applicant's taxable income. Besides, the possibilities of receiving the benefit became limited, and individual income ceilings were fixed for cohabiting parents.

In Norway, the housing-benefit scheme was gradually extended, in that the requirements of the accommodation were reduced.

## Housing Benefits to Pensioners

In all the Nordic countries, with the exception of the Faroe Islands, housing benefits are payable to pensioners. The amount of the housing benefit depends on a pensioner's personal income, rent costs, etc.

In Denmark, the benefit may also be granted to pensioners who own the house or flat they live in, but only by way of a loan. To pensioners who live in housing-society dwellings, support will be granted by way of a supplement (40 per cent) and a loan (60 per cent). A heating supplement may be granted by way of personal supplements according to the Pensions Act to help cover heating costs. The benefit is payable to both retirement and disability pensioners. Previously, housing benefits were granted according to the same rules to both types of pensioners but after the reform of the disabil-

## HOUSING BENEFITS

ity-pension scheme that entered into force in 2003, new disability pensioners are granted housing benefits according to rules that are somewhat

**Table 7.4 Pensioners receiving housing benefits at the end of the years 1995-2007**

	Denmark <sup>1)</sup>	Finland	Norway	Sweden <sup>2)</sup>
1995	332 002	157 339	48 640	554 700
2000	330 738	161 541	82 818	458 337
2006	339 575	164 919	74 586	425 782
2007	..	164 592	66 755	415 851

Note: For further information, see Appendix 5.

1 As from 2003 inclusive of new disability pensioners, who receive housing benefits according to the new rules as a result of the anticipatory-pension reform from 1 January 2003.

2 Inclusive of 137 696 people in 2006 and 138 232 people in 2007, who received sickness/activity allowance.

less lenient (rent subsidy) than those applying to retirement pensioners and disability pensioners in the old system.

In Finland, housing benefits may be granted on the grounds of age or when one has become entitled to pension. Housing benefits are payable to pensioners with low incomes, regardless of their living in their own or in rented accommodation. Also heating costs and water costs are taken into consideration, if they are not included as part of the rent. The rent costs that are approved each year depend on the location of the accommodation as well as of the size of the family.

In Iceland, a supplement to the basic pension is payable to people living in Iceland. The benefit is not directly linked to the rent costs, but will mainly be granted to pensioners, who live alone and have low incomes.

In Norway, housing benefits are payable to recipients of retirement, disability and survivor's pensions. In relation to these target groups, there are no requirements as to the accommodation if their incomes do not exceed the minimum pension amount plus 30 per cent (NOK 141 508 for a single pensioner). In respect of incomes exceeding that amount, requirements concerning the accommodation have to be met in order for housing benefits to be payable, but an upper income limit has been fixed. Not all rented accommodation qualifies for housing benefits for these groups. Municipal rented accommodation and housing co-operatives qualify for housing benefits. This also applies to housing units with care facilities for which an establishment supplement is granted.

In Sweden, housing benefits are payable to retirement pensioners, disability pensioners and to people who receive survivor's pension, and who have

low personal incomes. The housing benefits are granted according to rules that apply uniformly to the entire country.

**Table 7.5 Average housing benefit per month to pensioners**

	Denmark <sup>1)</sup>	Finland	Norway	Sweden
	2006	2007	2007	2007
<i>Average housing benefit per month to married or cohabiting pensioners</i>				
- KR/EUR	1 698	174	2 368	} 2 176 <sup>2)</sup> 202 <sup>2)</sup>
- PPP-Euro	163	146	210	
<i>Average housing benefit per month to single pensioners</i>				
- KR/EUR	2 171	163	1 656	
- PPP-Euro	208	137	147	

1 As from 2003 inclusive of new disability pensioners, who receive housing benefits according to the new rules as a result of the anticipatory-pension reform from 1 January 2003.

2 Applies to both couples and single people (including recipients of sickness and activity allowances).

## Expenditure on and Financing of Housing Benefits

### *Differences and Similarities in the Social Expenditure on Housing Benefits*

There are distinct differences in the amounts spent by each country on housing benefits, measured as PPP per capita. Denmark, followed by Sweden, spends the most, while Norway, followed by Iceland, spends the least. Both in Denmark, Finland and Sweden, housing benefits play an important part for pensioners with low pension incomes, but particularly in Sweden, there are many single providers with low incomes who receive housing benefits. In Finland, housing benefits are payable as part of the pension.

### *Changes in the Social Expenditure on Housing Benefits from 2005 to 2006*

In Denmark, the expenditure on housing benefits to pensioners increased slightly from 2005 to 2006, primarily as a result of an increase in the number of recipients. The expenditure on rent subsidies to families, on the other hand, decreased slightly, primarily as a result of a slight drop in the number of recipients.

In Finland, the expenditure on housing benefits decreased by 1.2 per cent as the number of households receiving benefits decreased by 4 645. Housing benefits to pensioners are part of the basic pension and are included in the expenditure on pensions. A total of EUR 317 million was paid in housing benefits to pensioners in 2006.

In Iceland, the expenditure on housing benefits decreased by 4.6 per cent at constant prices owing to the fact that the benefit amounts do not increase as much as the inflation, and the number of recipients decreased by 3.1 per cent.

In Norway, the expenditure on housing benefits increased by 4.6 per cent at constant prices. The increase was mainly due to the increase in the expenditure on people living in rented accommodation. Here the increase was 8.4 per cent.

In Sweden, the expenditure on housing benefits largely remained the same in 2006 as they were in 2005.



**Table 7.6 Expenditure on and financing of housing benefits, 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Services, million</i>						
A. Housing benefit to people in rented housing	11 217	.	425	2 192	1 716	} 15 008 7 442
a. Of whom pensioners	8 606	.	-	-	534	
B. Housing benefit to owner-occupiers	-	.	14	-	1 304	
a. Of whom pensioners	-	.	-	-	193	
Services, total	11 217	.	439	2 192	3 020	15 008
Total expenditure, million	11 217	.	439	2 192	3 020	15 008
Total expenditure per capita, PPP-Euro	198	.	70	60	58	154
Expenditure as percentage of GDP	0.7	.	0.3	0.2	0.1	0.5
<i>Financed by (per cent)</i>						
- Public authorities	100.0	.	100.0	100.0	100.0	100.0
- Employers	0.0	.	0.0	0.0	0.0	0.0
- The insured (contributions and special taxes)	0.0	.	0.0	0.0	0.0	0.0
<i>Changes 2005-2006 in terms of 2006 prices</i>						
- Million	88	.	-5	-105	155	32
- Per cent	0.8	.	-1.2	-4.6	5.4	0.2

## Chapter 8

# Other Social Benefits

The previous chapters describe social benefits granted in connection with defined social incidents. In a number of cases, social incidents that are not covered by any specific legislation occur, however. It is difficult to compare the extent of the services provided in such cases, both in relation to the EU and to the Nordic countries.

**Table 8.1 Expenditure on other social benefits as percentages of GDP in the EU, the Faroe Islands, Iceland and Norway, 2005**

Denmark	1.0	Belgium	0.4	Hungary	0.1	The Netherlands	1.3
Faroe Islands	0.6	The Czech Republic	0.5	Ireland	0.3	Poland	0.4
Finland	0.5	Cyprus	0.8	Italy	0.0	Portugal	..
Iceland	0.5	Estonia	0.1	Latvia	0.1	Slovakia	0.5
Norway	0.6	France	0.5	Lithuania	0.2	Slovenia	0.7
Sweden	0.6	Germany	0.2	Luxembourg	0.4	Spain	0.2
Austria	0.3	Greece	0.5	Malta	0.3	United Kingdom	0.2

Note: See Table 3.1.

## Special Circumstances in the Individual Countries

A number of special circumstances in the Nordic countries make it difficult to compare the countries' data in this chapter.

In Denmark, non-insured unemployed people, who do not qualify for unemployment benefit, are entitled to social assistance in the event of unemployment, whereas non-insured unemployed people in Finland and Sweden are entitled to a special labour-market benefit in accordance with the labour-market legislation - and often also supplementary financial support.

In all the countries, social assistance falls under special legislation.

In all the countries, there are a number of special benefits that are placed under Other Social Benefits, such as support to pay removal expenses in Denmark, support to servicemen in Finland, assistance to nationals living abroad and support to pay non-recurrent expenses.

In all the Nordic countries, wage earners may be paid their wages from special wage earners' guarantee funds in the event that their employers go into liquidation and are unable to pay wages to their employees.

## Cash Benefits

### Social Assistance

In all Nordic countries, social assistance will be granted when all other support options in connection with loss of income or other social events have been exhausted. Consequently, the assistance, which is means-tested in all the countries, is the last resort of assistance granted by the social security systems. It will be given either as a substitute for other sources of income or as a supplement to a very low personal income. The assistance is awarded and granted according to need in order to meet costs of living. In all the countries, social assistance is subject to a household's income.

In Denmark and Iceland, social assistance is taxable. In the Faroe Islands, Finland, Norway and Sweden, it is a tax-free net benefit.

In Denmark, cash assistance to people, who are obliged to provide for children, equals about 80 per cent of the maximum rate of the unemployment benefit. For non-providers, the assistance equals about 60 per cent of the unemployment benefit. Young people under the age of 25, who do not have any children living with them, are awarded special, lower youth benefits. Recipients of cash benefits, who pay high net rents or have large obligations as providers, may furthermore be granted special assistance that is tax-free. Income such as income from work will be deducted from the cash assistance, whereas child benefits and rent subsidies do not cause the assistance to be reduced. Rent subsidy will, however, be taken into account when the special assistance is calculated.

With a view to ensuring that it pays better to work, a ceiling was introduced in 2003 in relation to the entire assistance in the form of cash benefit, special assistance and rent subsidy after six months' receipt of cash benefits. Besides, cash benefits to married couples will be reduced after six months at

## OTHER SOCIAL BENEFITS

the same time as the employment deduction will be increased. Besides, the cash benefits to young people under 25 will be reduced after six months to a level corresponding to the State education grants and loans. As from April 2007, spouses drawing cash benefits must have worked at least 300 hours within the past two years to remain entitled to cash assistance.

As from July 1 2002, a condition for being awarded the full cash assistance amount is that one has been a resident in the country for at least seven out of the past eight years. People, who do not comply with this requirement, are entitled to the so-called start assistance, which is lower than cash assistance. Local authorities may furthermore grant assistance based on need to non-recurrent expenses, removals, medical treatment, medication, dental treatment and the like, to cash assistance recipients and to others, who are unable to pay the costs.

In case a recipient of cash assistance rejects an offer of work or activation without reasonable course and is not available for work, the local authorities may discontinue payment of the assistance. In case a recipient of cash assistance rejects an offer of activation or fails to appear without reasonable course when he has been offered activation, the local authorities may reduce the assistance by up to one third.

In the Faroe Islands, assistance granted in accordance with the Welfare Act is divided into temporary and permanent assistance. Temporary assistance will be provided in case of illness, divorce or lack of working opportunities. Permanent assistance will be awarded at an amount corresponding to the one retirement pensioners, who have no other income, receive plus a supplement for each child corresponding to the child supplement according to the Pension Act.

In Finland, Central Government fixes the basic amount of the social assistance each year, but the local authorities are responsible for the payments. Cash assistance may be payable in the event that payment of other benefits is delayed. The local authorities may also grant preventive social assistance in time to help people coping with any income difficulties. In case a person on several occasions refuses to accept a job offer or training, the social assistance may be reduced by 20 or 40 per cent.

In Iceland, the local authorities are obliged to pay out social assistance to those unable to provide for themselves. The Ministry of Social Affairs has drawn up guidelines for what should be taken into consideration in connection with the award.

In Norway, everyone is in principle responsible for his or her own provision by utilizing all sources of income and other options of provision. This implies that all general forms of income, such as income from work, public and private pensions, family provision, family allowances, cash benefits,

governmental housing benefits and other financial options must be exhausted in full before social assistance becomes payable. The Government has drawn up recommended guidelines for the award of support, which include the expenditure on current, daily costs towards maintenance. These guidelines are a recommended starting point for the estimates that local authorities have to make. There is no upper limit to the amount of the assistance, which may also be granted by way of a loan. The social authorities may in special cases grant financial assistance to people who are in need of help in order to overcome or adapt to a difficult situation in which they would otherwise not qualify for social assistance. People of working age with a considerably reduced fitness for work and earnings capacity are as a supplement entitled to a qualification benefit, provided that they are not entitled to benefits according to the Social Security Act or the Labour Market Act, which entails that the target groups are those people whose main source of income is a social assistance. The benefit is not income-adjusted, but the qualification benefit is taxable and amounts to NOK 133 624 annually for people over 25 years and NOK 89 127 for people under 25 years. Child allowance may be awarded as a supplement. Entitlement to the benefit is based on participation in a full-time qualification programme of a duration of one or two years. The programme must be individually adapted and may e.g. include motivating, training, treatment and labour-market measures with the aim of qualifying the person concerned to working life.

In Sweden, the purpose of the social assistance, which is called "financial assistance", is twofold: if the need cannot be met in any other way, social assistance must partly serve to guarantee a family a reasonable financial standard of living and partly as a preventive and rehabilitating measure. Local authorities usually offer unemployed social-assistance recipients measures that prepare them for work. Those, who are fit for work, but who do not apply for work or accept work offers or the like, will often lose their entitlement to financial assistance. Central Government fixes national standards each year concerning the usual subsistence expenses, such as food, clothing and consumer goods. Usual subsistence expenses also include rent and transport. Social assistance may also be granted for other purposes, such as dental treatment, medical treatment, spectacles, equipment in the home and removal expenses.

When the amount of the social assistance is being calculated, a recipient's total income is taken into consideration, such as maintenance allowance, child allowance, housing benefit, etc. If, for instance, the housing benefit is increased by SEK 200 per month, the social assistance amount will be reduced accordingly. As in Norway, there is no upper limit, and the financial assistance may also be granted provided it will be paid back later, for example where a person expects an income which makes it possible to pay back the amount.

## OTHER SOCIAL BENEFITS

**Table 8.2 Rules governing award of social assistance, 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Social assistance payable as a fixed amount in the entire country?	Yes	Yes	Yes <sup>3)</sup>	Yes <sup>4)</sup>	No	No <sup>5)</sup>
Social assistance calculated individually by local authorities?	No	No	Yes	No	Yes	Yes
Do housing costs influence the amount of the social assistance?	No <sup>1)</sup>	Yes	Yes	No	Yes	Yes
Social assistance taxable?	Yes	No	No	Yes	No	No
Social assistance payable as a supplement to other social benefits?	Yes	Yes	Yes	Yes	Yes	Yes
Social assistance payable as a supplement to income from work?	No <sup>2)</sup>	Yes	Yes	Yes	Yes	Yes

1 The amount of the cash benefits depends on the rent. Cash-assistance recipients, who have high net costs for rent are granted a special allowance, e.g. when the rent, etc., after deduction of housing benefits exceeds the fixed amount limits.

2 Social assistance (cash assistance) will in general not be granted as a supplement to a low income from work. Award of cash assistance is subject to the occurrence of a life event such as for example unemployment or dissolution of marriage or co-habitation.

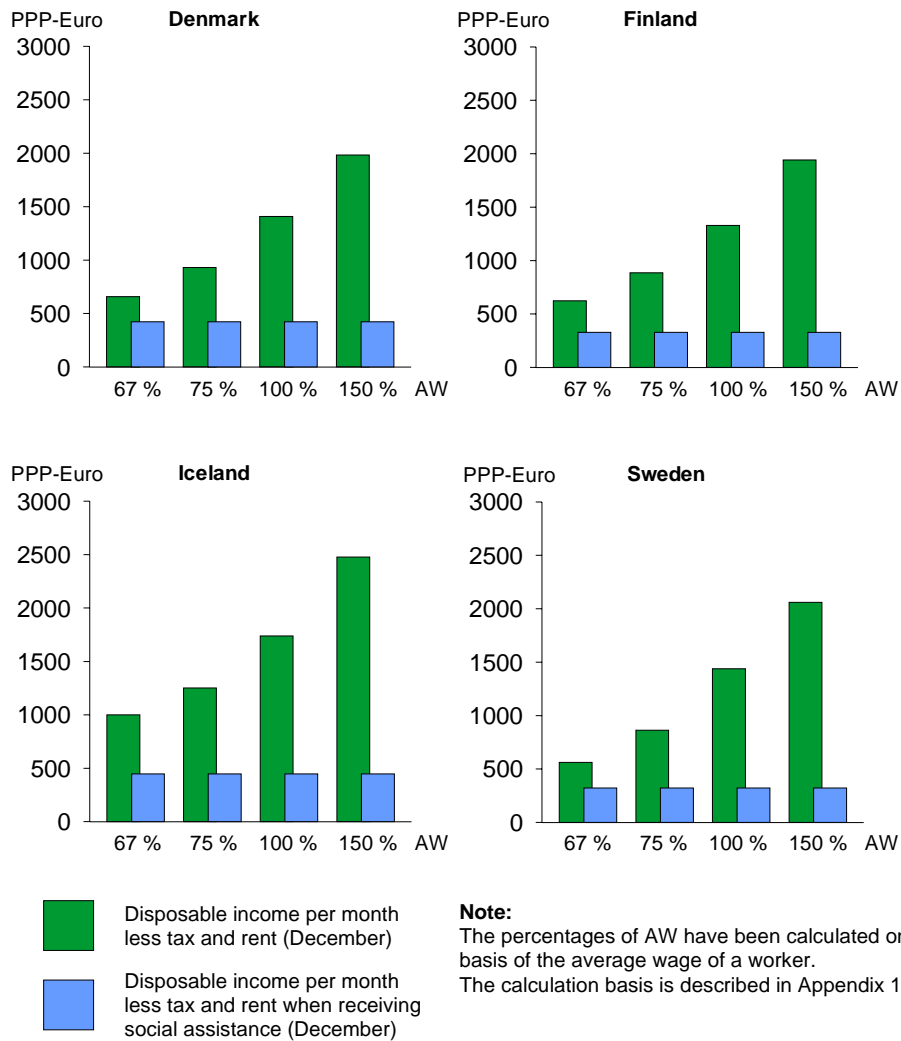
3 Each year, a "national standard" is calculated, which local authorities apply when calculating social assistance, cf. the text above. Local authorities may also award a so-called preventive social assistance individually.

4 In 2006, the maximum amount for single people over 18 years was ISK 87 615 and for co-habiting couples ISK 140 184 in the municipality of Reykjavik. In 2007, the maximum amount for single people over 18 years was ISK 95 325 and for co-habiting couples ISK 152 520 in the municipality of Reykjavik.

5 Central Government fixes a national standard each year for the entire country concerning the usual subsistence expenses. Besides, one may be granted social assistance towards payment of reasonable rent costs and certain other needs.

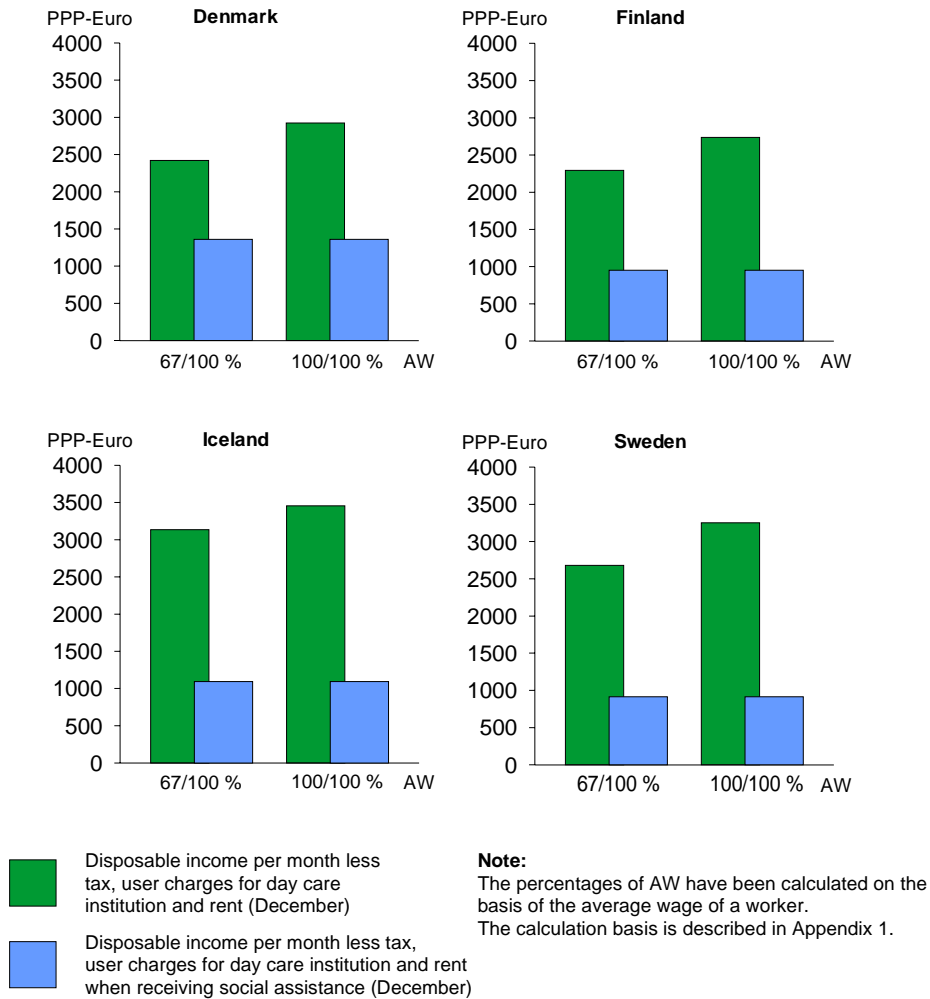
Table 8.3 shows the disposable income per month after tax, payment for day-care institution and rent when receiving social assistance in respect of the various family types. Figures 8.1 and 8.2 show the compensation levels for a single person without children and a couple with two children, respectively. The amount, which singles and couples have to live for when they receive social assistance, varies somewhat from one Nordic country to another, the amount being largest in Denmark and Iceland and smallest in Sweden. For single people without children, the compensation level is highest in Sweden for the lowest income groups, while it in all the countries is very low in respect of people, who previously had high incomes. This also applies to couples with two children, for which group the compensation level for the lowest incomes, apart from Sweden, however, is also relatively high in Denmark.

**Figure 8.1 Disposable income per month after tax and payment of rent for single childless people when receiving social assistance (December) 2007**



**OTHER SOCIAL BENEFITS**

**Figure 8.2 Disposable income per month after tax and payment for day-care institution and rent for a couple with two children when receiving social assistance (December) 2007**





**Table 8.3 Disposable monthly income after tax, payment for day-care institution and rent when receiving social assistance (December) 2007**

	Denmark <sup>1)</sup>	Finland	Iceland <sup>1)</sup>	Sweden
<i>National currency</i>				
Single provider with 1 child	9 492	635	101 141	5 340
Single childless person	4 398	389	54 160	3 470
Couples with 2 children	14 191	1 133	132 446	9 860
Childless couple	10 425	662	95 202	5 700
<i>PPP-Euro</i>				
Single provider with 1 child	910	533	836	496
Single childless person	422	327	447	322
Couples with 2 children	1 360	951	1 094	916
Childless couple	999	556	787	529

1 The benefit is the same as to non-insured unemployed people but in this calculation rent has been included as an expense.

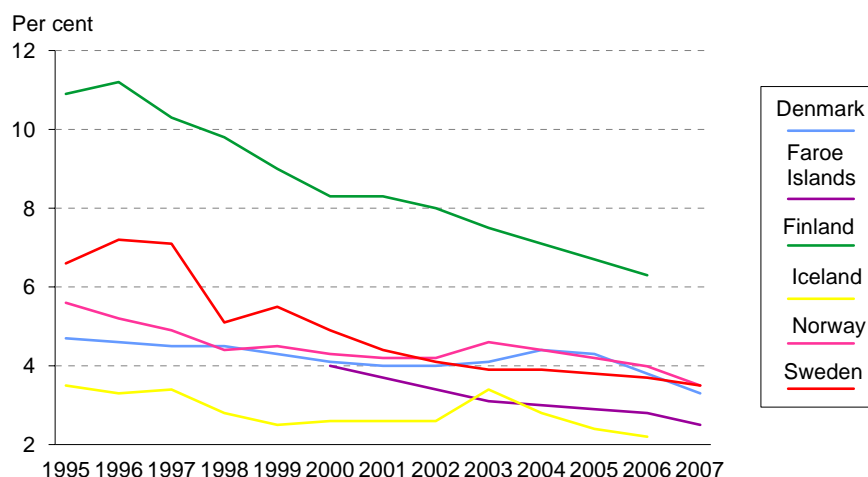
**Table 8.4 Individuals receiving social assistance during the year, in thousands and as percentages of the population 16/18 years or over**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	2007	2007	2006	2006	2007	2007
<i>Thousands</i>	138.3	0.9	265.1	5.0	127.5	254.8
<i>As percentages of the population 16/18 years or over</i>	3.3	2.5	6.3	2.2	3.5	3.5

Note: Calculations based on all people of 18 years or over (in Iceland 16 years in 1995) - children not included. Married couples who receive social assistance, and where the assistance is payable to one of the spouses only, count as two individuals. In respect of Norway, the figures for 2003 include recipients of the introduction benefit and so cannot be directly compared with those from previous years. In Sweden and Iceland, children over 18 years living at home also count as assistance recipients. The figures for Denmark include recipients of cash assistance payable towards maintenance (including refugees), but 3 319 recipients of the introduction benefit to refugees in 2006 were not included. Activated cash assistance recipients are included under labour-market measures. The statistics concerning the number of cash assistance recipients have been changed as from 2004 and again as from 2007, for which reason the figures cannot be compared with those from previous years. The Swedish figures include refugees.

## OTHER SOCIAL BENEFITS

**Figure 8.3 Recipients of social assistance during the year as percentages of the population 16/18 years and more, 1995-2007**



Note: See notes for Table 8.4.

**Table 8.5 Number of individuals 16/18 years or over, who receive social assistance, in total and as percentages of the population, per 1 December, 1995-2007**

	Denmark <sup>1)</sup>	Faroe Islands	Finland	Iceland <sup>2)</sup>	Norway <sup>3)</sup>	Sweden <sup>4)</sup>
<i>Total number</i>						
1995	97 399	..	170 058	..	76 054	..
2000	82 020	430	147 824	1 841	63 732	..
2006	76 105	388	122 972	1 715	61 071	132.561
2007	67 284	345	..	..	53 986	133.842
<i>As percentages of the population aged 16/18 years or over</i>						
1995	2.4	..	4.5	..	2.3	..
2000	2.0	1.3	3.7	0.9	1.9	..
2006	1.8	1.1	2.9	0.8	1.7	1.8
2007	1.6	1.0	..	..	1.5	1.8

1 Cf. notes for Table 8.4.

2 Average number of individuals in households receiving social assistance per month.

3 The figures include recipients of introduction benefits and so cannot be directly compared with figures from before 2003.

4 People from the age of 18 years in socially assisted households, who received assistance in November.

**Table 8.6 Individuals receiving social assistance during the year, by age, in total and as percentages of their age groups**

	Recipients		Recipients in per cent according to age			
	Total	18-24 years	25-39 years	40-54 years	55-64 years	65+ years
<i>Denmark<sup>1)</sup></i>						
Recipients, total	138 259	7.8	5.3	3.3	0.1	0.1
New, total	33 464	3.0	1.2	0.6	0.2	0.0
<i>Faroe Islands 2007</i>						
Recipients, total	887	4.5	4.0	2.3	1.7	0.3
New, total	.	.	.	.	.	.
<i>Finland 2006</i>						
Recipients, total	265 107	13.5	8.2	6.9	4.1	1.6
New, total	72 398	4.6	2.1	1.5	1.1	0.7
<i>Iceland 2006</i>						
Recipients, total	4 992	4.2	3.0	1.9	1.0	0.4
New, total	2 263	1.9	1.3	0.9	0.5	0.2
<i>Norway<sup>2)</sup> 2007</i>						
Recipients, total	127 464	5.8	5.2	3.9	1.8	0.5
New, total	38 368	2.3	1.5	1.0	0.5	0.2
<i>Sweden<sup>3)</sup> 2007</i>						
Recipients, total	264 191	8.3	4.9	3.7	1.8	0.6
New, total	81 644	2.8	1.5	1.0	0.5	0.3

1 Cf. notes for Table 8.4.

2 In respect of Norway, the figures include recipients of the introduction benefit and consequently cannot be directly compared with the figures from before 2003.

3 Includes only people who have a full personal identification number.

**Table 8.7 Families, who received social assistance during the year as percentages of all families, by type of family**

	Denmark	Finland	Iceland	Norway	Sweden
	2007	2006	2006	2007	2007
<i>Families by type (per cent)</i>					
Single men	6.5	13.4	9.4	7.2	9.3
- with children	7.4	15.3	18.0	5.7	19.1
- without children	6.4	13.3	5.0	7.3	6.9
Single women	5.0	10.2	9.4	8.3	8.4
- with children	14.4	25.2	14.3	13.3	6.6
- without children	2.9	8.2	9.2	4.4	8.6
Married/cohabiting couples	2.0	3.2	0.6	2.4	2.1
- with children	3.0	4.6	0.8	3.1	2.7
- without children	1.1	2.3	0.3	1.8	1.3
Total	3.3	7.9	4.0	4.5	5.6
- with children	4.2	8.5	4.3	5.1	5.3
- without children	2.8	7.8	3.8	4.1	5.7

Note: Cf. Table 8.4. In respect of Denmark, the age limit for categorization as children living at home was augmented in 2007 from 18 to 24 years. Figures for Sweden comprise only households where the registered person is between 18 and 64 years. The total number of households is an estimate.

## Assistance to Refugees in the Nordic Countries

The five Nordic countries have all acceded to the Geneva Convention on the Right to Political Asylum/Refugee Status for people who, due to race, nationality, political views or special social affiliation, are persecuted in their home countries. Apart from the above, refugees may be granted residence permits in the Nordic countries on humanitarian grounds. People who are granted asylum may, in all the countries, be granted residence permits for their close relatives, the so-called reunification of families.

A common feature of the Nordic countries is that a social safety net has been established and that a number of measures for the integration of refugees received into the country have been implemented. The rules do, however, vary considerably from one country to another.

At present, most of the asylum seekers or refugees that are received into the Nordic countries are people who have arrived at the borders applying for asylum. The statistics include both people who have arrived at the border of the country concerned and applied for asylum without being rejected and convention refugees. Reunifications of families are, however, not included in the statistics. The large number of residence permits granted to refugees in Denmark in 1995 can be attributed to refugees from Ex-Yugoslavia, who had been granted a temporary residence permit, applying for and being granted residence permits as refugees.

In Denmark, asylum seekers get board and lodging plus pocket money during their stay at an asylum centre. The municipalities handle the integration activities in respect of newly arrived refugees and other foreigners, who are offered a 3-year introduction programme that comprises courses in social knowledge, the Danish language and activation. Foreigners, who came to Denmark before 1 July 2002, are awarded an introduction benefit that corresponds to the cash benefits. Foreigners, who came to Denmark after 1 July 2002, and who do not comply with the requirement of having stayed in Denmark for at least seven out of the past eight years, are awarded a lower introduction benefit, which equals the so-called start assistance. Central Government reimburses 75 per cent of the local authorities' expenditure on introduction benefits during the 3-year introduction programme and furthermore grants a number of supplements towards payment of the local authorities' expenditure.

The refugee policy in the Faroe Islands is a Danish matter. The Danish Aliens Act has been implemented in the Faroe Islands. The Danish Immigration Service is the highest responsible authority in this field and makes decisions concerning asylum and residence permits in the Faroe Islands. Decisions are, however, made in co-operation with the Faroese authorities. These cases are very rare in the Faroe Islands, and until now years have passed between each application for asylum or residence permit on humanitarian grounds.

In Finland, Central Government covers local authorities' expenditure on refugees for the first three years of the refugees' stay.

In Iceland, refugees are granted social assistance from the moment they are received into the country. Central Government pays the first 12 months of assistance.

In Norway, asylum seekers and refugees who have been received in a government reception centre are granted a maintenance allowance according to special rules that apply to people staying at such centres. For individuals, who have been denied asylum, the allowance will be reduced. Central Government covers the local authorities' average expenditure on refugees and people, who are staying in the country on humanitarian grounds, during the first five years of their stay. Social assistance to refugees is awarded according to the Act on Social Services and Benefits in the same way as to all other recipients of social assistance.

A scheme was introduced entitling and obliging newly arrived immigrants with needs for basic qualifications to partake in an individually planned training programme. The programme runs for a year and is full time. Participation entitles to a benefit of NOK 133 624 as at 1 May 2007. The benefit is taxable. The programme contains courses in Norwegian, civics and other measures. As a supplement to the benefit, supplementary social assistance may be awarded according to the current rules.

In Sweden, refugees receive a benefit from Central Government during their stay in the reception centres for refugees while they await a reply to their applications. From the moment they are received into the country and the initiated introduction, refugees are entitled to a special benefit by way of social assistance or an introduction benefit to refugees. Central Government reimburses the local authorities' expenditure on this benefit for the first four years.

## OTHER SOCIAL BENEFITS

**Table 8.8 Number of refugees received, exclusive of reunified families, who have been granted residence permits in the Nordic countries, 1995-2007**

	Denmark	Finland	Iceland	Norway	Sweden
1995	20 347	1 415	5	4 602	5 642
2000	5 156	1 212	31	4 781	10 546
2006	1 095	1 142	-	3 198	24 942
2007	1 275	1 793	..	5 846	17 423

**Table 8.9 Number of asylum seekers, 1995-2007**

	Denmark	Finland	Iceland	Norway	Sweden
1995	5 104	854	4	1 460	9 047
2000	10 347	3 170	25	10 842	16 303
2006	922	2 324	39	5 320	24 322
2007	1 028	1 434	..	6 528	36 207

## Services

This section deals only with services that are not aimed at any particular sector, such as services offered to substance abusers. These offers are provided both by the health-care services and by the social-assistance system.

In all the Nordic countries, there are also a number of services that are not specifically aimed at any of the previously mentioned target groups. These may include unspecified services provided by the social authorities, help in case of crises, family counselling, centres for battered women, re-establishment centres, shelters for the homeless and others with special social problems, who may be in need of temporary accommodation.

## Treatment of Alcohol and Abuse

Special institutions for abusers administer treatment of substance abusers. There are both institutions for alcohol abusers and institutions for drug addicts. Some of these are privately owned institutions that have agreements with the

public authorities concerning cover of their running costs. In all the countries, part of the treatment is provided by the psychiatric-treatment system.

In all countries, outpatient treatment is provided, and in some of the countries efforts are made to include families and social networks in the treatment.

In Denmark, Finland and Sweden, compulsory treatment may be initiated if an abuser is deemed to be a danger to him/herself or to people in his or her environment. In Norway, people may be compulsorily admitted to an institution for up to three months for examination and planning of treatment. Also pregnant abusers may be compulsorily admitted to an institution and kept there during the entire pregnancy, if the abuse is of such a nature that it is likely to harm the child and that other measures may not be sufficient.

It is difficult to assess the number of abusers and the treatment of them, as treatment of abusers cannot be statistically separated from other somatic and psychiatric treatment.

## Expenditure on and Financing of Other Social Benefits

### *Differences and Similarities in the Expenditure on Other Social Benefits*

Expenditure on other social benefits is highest in Denmark, followed by Norway and Sweden, while the Faroe Islands and Finland are largely at identical levels, measured as PPP per capita.

The relatively high expenditure in Denmark is a result of non-insured people, who do not qualify for unemployment benefit, receiving cash benefits. In Finland and Sweden, such people are granted a cash labour-market benefit that may be supplemented by social assistance, if need be. A large part of the expenditure on social assistance in Finland and Sweden is supplementing benefits to the unemployed. Besides, the number of refugees and asylum seekers that is received into the country also plays a part, as they in all the countries receive social assistance or some other income-substituting benefit. There are also certain differences amongst the countries as to whether abusers are treated in special institutions or in the general somatic and psychiatric treatment system.

### *Changes in the Expenditure on Other Social Benefits from 2005 to 2006*

In Denmark, there was a large decrease in the expenditure on cash benefits under other social benefits from 2005 to 2006. There was especially a decrease in the expenditure on cash benefits as a result of a decrease in the number of recipients, which must be seen in relation to the decreasing unemployment rate. Besides, there was a decline in the expenditure on the introduction benefit, etc., to refugees in accordance with the Act on Integration as a result of the decreasing number of refugees. The expenditure on services increased, on the other hand, from 2005 to 2006, including the expenditure on treatment of abusers.

In the Faroe Islands, the expenditure on cash benefits under other social benefits increased from 2005 to 2006. The increase in the expenditure on social assistance to non-insured individuals of 7.7 per cent was mainly due to increased expenditure on temporary assistance.

In Finland, the large increase in the expenditure on other social benefits was a result of changes in the municipal expenditure statistics. The expenditure on social assistance remained at the same level in 2006 as in 2005, but the number of recipients decreased by 19 000 people. The expenditure on treatment of abusers increased by 7.1 per cent.

In Iceland, the expenditure on other social benefits decreased by 13.5 per cent at 2006 prices, where the cash benefits decreased by 18.9 per cent and services by 8.5 per cent. The decrease is solely due to an improvement in the economy which results in a very low unemployment rate.

In Norway, the expenditure on other social benefits increased by 9.1 per cent at constant prices. The increase was due to increased expenditure on services which increased by 18.5 per cent.

In Sweden, the expenditure on other social benefits increased by 1.8 per cent, which was mainly a result of an increase in the expenditure on treatment of abusers.



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**Table 8.10 Expenditure on and financing of other social benefits, 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
<i>Cash benefits, millions</i>						
A. Income-substituting/ supplementing benefits	8 355	57	436	1 615	5 405	8 710
a. Of which social assistance	-	57	419	1 539	4 771	651
B. Other benefits	1 594	-	62	453	427	-
Cash benefits, total	9 949	57	497	2 067	5 831	9 361
<i>Services, millions</i>						
A. Institutions, etc.	1 047	2	79	-	1 568	53
B. Rehabilitation and treatment of abusers	1 048	10	150	875	3 166	4 430
C. Other	1 698	2	223	1 630	2 590	2 506
Services, total	3 793	14	453	2 505	7 325	6 989
Total expenditure, millions	13 742	71	950	4 572	13 156	16 350
Expenditure as percentage of GDP	0.8	0.6	0.6	0.4	0.6	0.6
<i>Financed by (per cent)</i>						
- Public authorities	99.1	100.0	98.0	85.1	99.1	100.0
- Employers	0.9	0.0	2.0	13.5	0.5	0.0
- The insured (contribu- tions and special taxes)	0.0	0.0	0.0	1.5	0.4	0.0
<i>Changes 2005-2006 in terms of 2006 prices</i>						
- Million	-2 013	5	122	-712	1 095	283
- Per cent	-12.8	7.7	14.8	-13.5	9.1	1.8

**Table 8.11 Expenditure on other social benefits and services in  
PPP/capita, 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
Cash benefits, total	176	114	79	57	111	96
Services, total	67	28	72	69	140	72
Other social benefits, total	243	142	152	126	251	168

## Chapter 9

# Social Expenditure

Following a description of the social protection systems in the previous chapters, an overall description of the social expenditure is presented in this chapter. As mentioned in Appendix 1, the Nordic social expenditure statistics follow the calculation method used by EUROSTAT.

The Nordic countries' and the EU's expenditure on social affairs measured in relation to the Gross Domestic Product (GDP) and per capita as PPP-Euro, broken down by functions, is shown in the two following tables.

**Table 9.1 Social expenditure as percentages of GDP in the EU, the Faroe Islands, Iceland and Norway, 2005**

Denmark	29.3	Belgium	28.3	Hungary	21.4	The Netherlands	26.3
Faroe Islands	26.1	The Czech Republic	19.8	Ireland	17.0	Poland	19.2
Finland	25.9	Cyprus	17.8	Italy	24.6	Portugal	..
Iceland	21.4	Estonia	12.3	Latvia	11.8	Slovakia	16.4
Norway	23.4	France	29.6	Lithuania	12.8	Slovenia	23.0
Sweden	30.9	Germany	28.4	Luxembourg	21.5	Spain	20.3
Austria	27.8	Greece	23.5	Malta	18.4	United Kingdom	26.3

Note: See Table 3.1.

**Table 9.2 Social expenditure per inhabitant broken down by main groups in the EU, the Faroe Islands, Iceland and Norway, 2005, PPP/Euro**

	Families and children	Unemployment	Illness	Old age, disability and survivors	Housing benefits	Other social benefits	Total
Denmark	1 068	709	1 712	4 292	199	281	8 260
Faroe Islands	939	253	1 532	2 702		135	5 678
Finland	767	612	1 713	3 325	71	129	6 619
Iceland	895	118	2 245	2 989	62	145	6 455
Norway	1 132	250	3 001	4 647	58	242	9 330
Sweden	807	510	1 996	4 598	147	164	8 222
Austria	858	461	2 041	4 525	28	84	7 998
Belgium	567	962	2 129	4 069	18	123	7 868
The Czech Republic	257	122	1 203	1 719	16	90	3 407
Cyprus	442	219	947	1 884	86	167	3 744
Estonia	211	23	554	927	4	16	1 734
France	644	568	2 258	3 769	207	117	7 563
Germany	814	533	1 990	3 729	157	54	7 275
Greece	322	257	1 496	2 787	111	116	4 999
Hungary	365	89	927	1 624	74	22	3 101
Ireland	797	406	2 227	1 738	165	111	5 444
Italy	264	122	1 501	4 002	5	11	5 795
Latvia	147	51	346	765	8	13	1 330
Lithuania	143	29	468	879	0	27	1 545
Luxembourg	2 142	637	3 258	6 307	91	260	12 695
Malta	143	226	806	1 813	29	50	3 066
The Netherlands	380	456	2 389	4 032	99	377	7 733
Poland	96	63	434	1 533	14	40	2 182
Portugal	..	..	..	..	..	..	..
Slovakia	248	94	645	1 132	0	71	2 190
Slovenia	382	145	1 435	2 352	3	126	4 441
Spain	261	580	1 472	2 269	39	42	4 663
United Kingdom	443	181	2 176	3 801	393	51	7 043

Note: See Table 3.1.

The account of the social expenditure has been divided into four sections. First, an account is given of the social expenditure trends from 1995 to 2006; then the purposes of the social expenditure are described, followed by the financing of the total social expenditure, and finally the significance of taxation in relation to the total social expenditure is shown.

## Changes in the Social Expenditure, 1995-2006

The development in the social expenditure, in total and per capita, at current and at constant prices and in relation to the gross domestic product (GDP) and in purchasing power parities (PPP-Euro) since 1995, appears from the tables below. It should be noted that all the countries now use the ESA95/SNA-93 classification when calculating the GDP, which has resulted in corrections of the gross domestic products.

**Table 9.3 Social expenditure, in total and per capita, 1995-2006**

	Social expenditure		Social expenditure per capita		Social expenditure per capita aged 15-64 years	
	At current prices, million KR/EUR	At 2006 prices, million KR/EUR	At current prices KR/EUR	At 2006 prices KR/EUR	At current prices KR/EUR	At 2006 prices KR/EUR
<i>Denmark</i>						
1995	325 634	409 973	62 223	78 338	92 352	116 272
2000	373 495	419 473	69 948	78 559	104 894	117 807
2005	467 251	476 331	86 346	88 024	130 489	133 025
2006	477 624	477 624	88 001	88 001	133 097	133 097
<i>Faroe Islands</i>						
1995	..	..	..	..	..	..
2003	2 447	2 666	53 424	58 201	85 248	92 871
2005	2 709	2 749	56 039	56 852	88 105	89 384
2006	2 856	2 856	59 271	59 271	92 962	92 962
<i>Finland</i>						
1995	30 200	35 243	5 913	6 900	8 857	10 336
2000	33 142	35 812	6 403	6 919	9 567	10 337
2005	42 001	42 734	8 021	8 161	12 031	12 241
2006	43 802	43 802	8 334	8 334	12 488	12 488
<i>Iceland</i>						
1995	85 984	129 320	321 580	483 656	499 834	751 751
2000	131 390	171 985	467 324	611 710	717 535	939 228
2005	222 271	237 425	751 260	802 482	1 135 291	1 212 697
2006	247 998	247 998	826 961	826 961	1 243 104	1 243 104
<i>Norway</i>						
1995	253 620	316 771	58 181	72 668	90 091	112 524
2000	360 341	401 845	80 237	89 479	123 766	138 021
2005	463 983	474 235	100 727	102 952	153 671	157 066
2006	487 732	487 732	105 110	105 110	159 863	159 863
<i>Sweden</i>						
1995	612 633	683 086	69 405	77 386	108 988	121 521
2000	674 658	735 331	76 041	82 879	118 252	128 887
2005	855 600	867 267	94 946	96 241	145 672	147 658
2006	889 880	889 880	98 354	98 354	150 277	150 277

**Table 9.4 Social expenditure in relation to GDP, 1995-2006<sup>1)</sup>**

	GDP, million KR/EUR	Social expenditure as percentage of GDP	Index for social expenditure in relation to GDP (1995=100)
<i>Denmark</i>			
1995	1 019 545	31.9	100
2000	1 293 964	28.9	90
2005	1 551 967	30.1	94
2006	1 641 520	29.1	91
<i>Faroe Islands</i>			
1995	5 322	..	..
2003	8 582	28.5	..
2005	10 039	27.0	..
2006	11 878	24.0	..
<i>Finland</i>			
1995	95 916	31.5	100
2000	132 272	25.1	80
2005	157 162	26.7	85
2006	167 041	26.2	83
<i>Iceland</i>			
1995	452 139	19.0	100
2000	660 975	19.9	105
2005	1 021 510	21.8	114
2006	1 167 684	21.2	112
<i>Norway</i>			
1995	928 745	27.3	100
2000	1 423 864	25.3	93
2005	1 942 887	23.9	87
2006	2 161 728	22.6	83
<i>Sweden</i>			
1995	1 772 021	34.6	100
2000	2 196 764	30.7	89
2005	2 670 547	32.0	93
2006	2 899 653	30.7	89

1 GDP has been revised in relation to the previous report.

**Table 9.5 Social expenditure per capita, 1995-2006 (PPP-Euro in terms of 2006 prices)**

	Denmark	Faroe Islands <sup>1)</sup>	Finland	Iceland	Norway	Sweden
1995	7 509	..	5 793	3 996	6 437	7 186
2000	7 530	5 579	5 809	5 054	7 926	7 696
2005	8 437	5 449	6 852	6 630	9 119	8 937
2006	8 435	5 681	6 998	6 832	9 310	9 133

<sup>1)</sup> For the Faroe Islands, 2000 = 2003.

## Social Expenditure by Type and Purpose

The social expenditure is broken down by type into cash benefits and services. When the benefits are being distributed according to purpose, a division is made as to which social needs or risks the benefit is primarily aimed at relieving. The distribution of the social expenditure according to the purpose of the benefit is rather stable in each country. New legislation and changes in the social patterns have, however, given rise to shifts in the distribution. The comparison of the countries shows some differences in the distribution of the social expenditure according to purpose. The main reason for this is to some extent differences in the individual countries' assessment of the importance of benefits for various purposes.

**Table 9.6 The social expenditure in per cent, broken down by main groups, 1995-2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>1995<sup>1)</sup></i>						
Families and children	12.4	..	13.4	12.9	14.1	11.4
Unemployment	14.7	..	14.4	4.4	6.7	11.1
Illness	17.8	..	20.9	37.9	26.3	21.7
Old age	37.6	..	28.9	27.2	31.2	34.3
Disability	10.6	..	15.0	11.6	14.7	12.1
Survivors	0.1	..	3.8	2.8	1.5	2.4
Housing	2.4	..	1.5	0.4	0.7	3.4
Other social benefits	4.4	..	2.1	2.8	3.8	2.9
Total	100.0	..	100.0	100.0	100.0	100.0
<i>2000</i>						
Families and children	13.1	..	12.5	11.7	12.8	9.8
Unemployment	10.5	..	10.4	1.3	2.7	6.5
Illness	20.2	..	23.8	39.2	34.3	27.4
Old age	38.0	..	31.8	28.5	29.6	37.3
Disability	12.0	..	13.9	13.9	16.4	12.2
Survivors	0.0	..	4.0	2.6	1.2	2.2
Housing	2.4	..	1.5	0.7	0.5	2.1
Other social benefits	3.7	..	2.1	2.1	2.6	2.4
Total	100.0	..	100.0	100.0	100.0	100.0
<i>2005</i>						
Families and children	12.9	19.0	11.6	13.9	12.1	9.8
Unemployment	8.6	4.5	9.3	1.8	2.7	6.2
Illness	20.7	28.0	25.9	34.8	32.2	24.3
Old age	37.5	29.8	33.7	28.6	29.5	38.3
Disability	14.4	15.8	12.9	15.1	19.1	15.4
Survivors	0.0	0.5	3.6	2.6	1.2	2.2
Housing	2.4	0.0	1.1	1.0	0.6	1.8
Other social benefits	3.4	2.5	2.0	2.3	2.6	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
<i>2006</i>						
Families and children	13.1	18.2	11.4	13.9	12.4	9.8
Unemployment	7.2	3.1	8.5	1.3	1.8	5.5
Illness	21.6	28.2	26.3	39.2	32.6	26.0
Old age	37.8	31.3	34.3	26.7	29.9	38.1
Disability	14.9	15.8	12.7	14.6	18.8	14.9
Survivors	0.0	0.8	3.6	1.8	1.2	2.1
Housing	2.4	0.0	1.0	0.8	0.6	1.7
Other social benefits	3.0	2.5	2.2	1.7	2.8	1.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

1 Services in connection with illness, the elderly and the disabled have been calculated according to a different method in Denmark and Norway.

**SOCIAL EXPENDITURE**
**Table 9.7 Social expenditure, in per cent, broken down by type and purpose, 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Families and children</i>						
Cash benefits	40	44	54	39	52	53
Services	60	56	46	61	48	47
Total	100	100	100	100	100	100
<i>Unemployment</i>						
Cash benefits	95	99	89	75	81	84
Services	5	1	11	25	19	16
Total	100	100	100	100	100	100
<i>Illness</i>						
Cash benefits	16	8	18	17	33	22
Services	84	92	82	83	67	78
Total	100	100	100	100	100	100
<i>Old age</i>						
Cash benefits	83	63	89	70	74	78
Services	17	37	11	30	26	22
Total	100	100	100	100	100	100
<i>Disability</i>						
Cash benefits	69	44	72	68	83	58
Services	31	56	28	32	17	42
Total	100	100	100	100	100	100
<i>Survivors</i>						
Cash benefits	1	92	100	100	98	100
Services	99	8	-	-	2	-
Total	100	100	100	100	100	100
<i>Housing</i>						
Services	100	.	100	100	100	100
Total	100	.	100	100	100	100
<i>Other social benefits</i>						
Cash benefits	72	80	52	45	44	57
Services	28	20	48	55	56	43
Total	100	100	100	100	100	100
<i>Cash benefits, total</i>	59	43	63	44	59	57
<i>Services, total</i>	41	57	37	56	41	43
<i>Social expenditure, total</i>	100	100	100	100	100	100

Note: For further information, see Appendix 5.



## Financing of the Social Expenditure

In order to illustrate the financing of the social expenditure in the Nordic statistics, the direct financing of services and benefits and the current contributions paid into social funds are included. Contrary to previous reports, interest and other capital gains are now included in the social expenditure statistics. Interest and capital gains are mainly found in the funds established to guarantee pension payments, but also in other social-insurance schemes. This will be further dealt with in the following section.

### *Distribution of Current Contributions by Sources of Financing<sup>1</sup>*

Current contributions to the financing of the social expenditure are, in the Nordic statistics, broken down by the sources contributing to the individual benefits, i.e. public authorities and employers, the contributions and special taxes payable by the insured as well as interest and capital gains (other financing). As mentioned in Appendix 1, social costs are listed as net amounts, which means that investments, etc., and user charges payable by the citizens for social services have not been included.

There are many similarities in the financing of the social security systems in the Nordic countries but also major differences.

One of the similarities is that Central Government, directly or indirectly, through compulsory employer duties or duties payable by the employees, plays a significant part when it comes to the financing of cash benefits, whereas the local authorities play the most important part in the financing of services. Even in the latter case, Central Government plays a significant part by way of the general non-earmarked government grants.

The public authorities' (Central Government, county and local authorities) direct financing of the social cash benefits vary from about 65 per cent in the Faroe Islands to about 7 per cent in Iceland, while the public authorities' direct financing of services vary from 99.7 per cent in Denmark to about 89.3 per cent in Finland.

In all the Nordic countries, the local authorities are responsible for the day-to-day running of services such as child-minding, child and youth welfare, health sector and care and nursing provided to the elderly and the disabled. In Norway and Iceland, Central Government is responsible for the hospital sector.

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<sup>1</sup> For further information, see Appendix 5.

In Denmark, the local authorities are responsible for the administration of the cash benefits, while the responsibility in the other countries rests with Central Government.

All the Nordic countries have high ambitions as regards the social sector, which entails that the financing comprises very large amounts with both large macro-economic and budgetary significance.

The fiscal quotas, i.e. the sum of the direct and the indirect taxes as a proportion of GDP, are generally high and among the highest in the world.

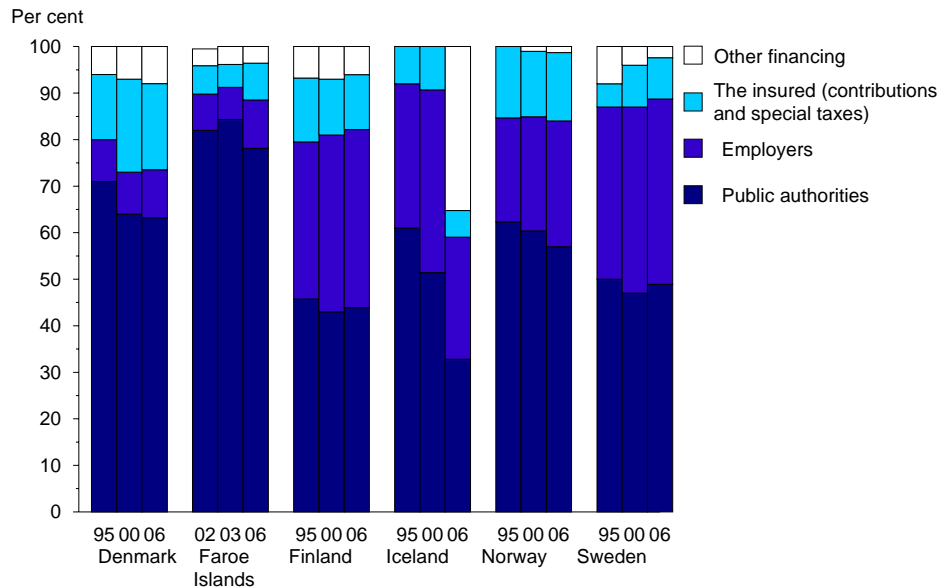
In spite of the many common traits, there are, however, considerable differences.

It should be mentioned that Finland and Sweden to a higher degree than the other countries rely on employer duties for the financing of the social cash benefits. More than half of the cash benefits are in those two countries financed by means of duties payable by employers. The share payable by the employees is highest in Denmark. The local-authority financing of the cash benefits is in general limited. It is highest in Denmark, where Central Government does not fully reimburse the local authorities their expenditure on cash benefits.

In respect of the financing of the social services, the most significant difference is the distribution of the burden between Central Government and the local authorities. This reflects the government grants' importance to the financing, and to which extent the grants are general or earmarked. In Denmark and Sweden, where the grants are mainly general, the local authorities finance the majority of the expenditure on services. In Finland, which has a high proportion of grants distributed on sectors, Central Government's proportion of the financing is considerably higher.

The distribution of current contributions to the financing of the social expenditure during the years 1995-2006 is shown in Figure 9.1. The large increase in other financing for Iceland is due to yields from the pension funds.

**Figure 9.1 Current contributions to the financing of the social expenditure, 1995, 2000 and 2006**



Note: For further information, see Appendix 5.

## Block Grants and Government Reimbursement to Local and County Authorities

In the Nordic countries, the local authorities are responsible for the administration of part of the social services and benefits. The local authorities are in direct contact with the citizens and recipients of social benefits, and in the first instance they also meet the costs of services and benefits.

Local and county authorities receive block grants and/or reimbursements from Central Government. A block grant may be given as a general contribution or may be earmarked for specific purposes and may, for instance, be calculated on the basis of the number of inhabitants and their age distribution or according to the tax base in the individual municipalities.

## SOCIAL EXPENDITURE

Government reimbursement may be fixed by law as percentages of the municipal expenditure or as fixed amounts. Government reimbursement may also be calculated as the difference between expenditure and contributions from other sources, including municipal contributions.

In Denmark, local authorities administer the main part of the social cash benefits and meet the costs of those benefits in the first instance. The costs are subsequently reimbursed, fully or partly, by Central Government. In the other Nordic countries, social benefits are mainly administered by government or other central bodies.

The local or county authorities that meet the costs in the first instance and subsequently receive block grants from Central Government in all Nordic countries administer the majority of the social services.

## Funds for Pension Purposes

The contributions financing the social expenditure are normally spent on current payments in the course of the year, but are, especially in relation to pensions, also used for the establishment of funds.

The purpose of the funds may be to guarantee that means are available for future payments (premium reserve systems). The establishment of funds may also occur in distribution systems (where the costs should, in principle, be covered by the contributions of the current year) so as to create a buffer to reduce variations in incoming and outgoing payments over time.

In Norway, social expenditure, including expenditure on employment pensions, is currently financed via the public budget, and the expenditure is consequently excluded from Table 9.8. The Social Security Fund is an independent, public fund and does not contribute directly to the financing of the running costs of the social-security service.

**Table 9.8 Size of funds for pension purposes, December 2007. Billion KR/EUR**

	Basic pension	Employment pension	Supplementary pension
<i>Denmark</i> <sup>1)</sup>	.	443	452
<i>Finland</i>	.	116	12
<i>Iceland</i>	.	1 498	.
<i>Sweden</i> <sup>2)</sup>	.	865	.

1 The employment pension includes ATP, the temporary pension-savings scheme and the special pension-savings scheme, but not the Employees' Capital Pension Fund.

2 Comprises only the AP funds.

## Taxation Rules and the Impact of Taxation on the Social Expenditure

Social cash benefits may be either exempt from tax or subject to tax. In all the countries, it is of great importance whether a benefit is tax-free or taxable, as the level of taxation is relatively high. The proportion of the taxable cash benefits of the total cash benefit amount has increased in recent years in all five countries. There are, however, considerable differences from one country to another. The largest tax-free cash benefits are granted to families and children. Other social benefits (social assistance) are subject to tax in Denmark and Iceland, but not in the other Nordic countries. According to the ESSPROS specification, housing benefits count as services.

In Table 9.9, the tax percentages, including the social expenditure for a single childless person with an average wage earner's pay (AW100) have been included. The data have been taken from typical cases 0 and 0.1-0.6 (cf. Appendix 1).

As to maternity benefits, the data apply to a single parent with no other children than the newborn.

The table illustrates the taxation differences amongst the various countries, both as to wages/salaries and to social benefits. Iceland, being the country with the lowest taxation on earned income, imposes practically no tax on social services. Also in the other countries, taxation on several of the benefits is much lower and especially so on pensions. The table does not provide an in-depth explanation of the significance of taxation to the social benefits, but contributes to illustrating the impact thereof.

The majority of the social cash benefits are taxable in the Nordic countries.

In several other OECD countries, a large part of the cash benefits is not subject to tax, or there are favourable tax rules concerning this type of income. Consequently, the tax system compensates in this way for low social cash benefits.

In several countries, tax relief instead of direct cash benefits is granted on social grounds. Tax relief for children will for example equal child supplements.

In the Nordic countries, very little tax relief is granted on social grounds.

In addition to the direct taxation, recipients of social cash benefits also pay indirect tax on their consumption, and there are considerable differences from one country to another. The traditional way of illustrating the social expenditure does not allow for these differences of taxation.

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In order to evaluate the significance of these differences, both the OECD and EUROSTAT have developed different methods for calculation of the net social expenditure.

The OECD has already published estimates concerning several OECD countries (2005).

In the OECD calculations of the net social expenditure, both direct and indirect taxes have been deducted from the social expenditure. Similarly, the calculated values of the tax relief granted on social grounds have been added. In order to avoid double taxation, tax relief that is granted in connection with lower taxation and has consequently already been calculated, has not been included.

The calculation was made in the following way:

- Social expenditure
- Less direct tax and social contributions paid on social cash benefits
- Less indirect tax on recipients' consumption of social cash benefits
- Plus the value of tax relief granted on social grounds
- = Net social expenditure.

Source: The OECD (Adema 2005).

Several methodological and practical questions still remain in connection with the net social expenditure calculation.

The calculation of the indirect taxation of the consumption of the social cash benefits is, for example, only approximate.

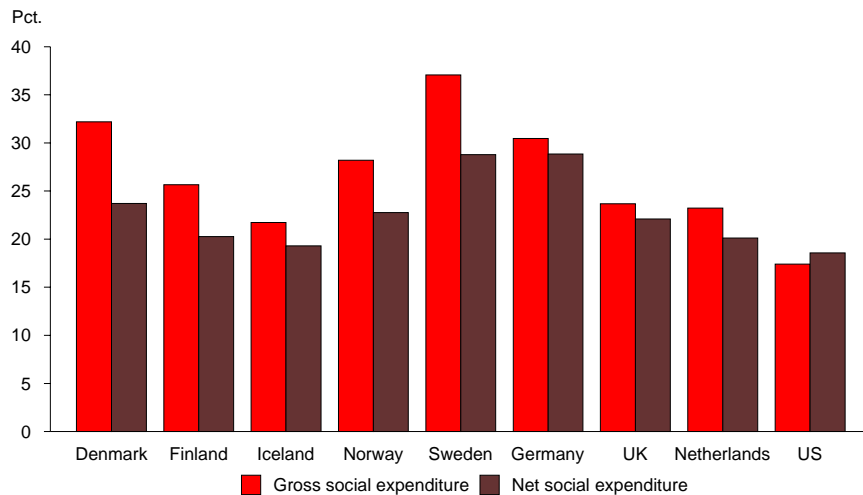
The result of the calculations shows, however, that there are considerable limitations to the traditional calculation of the social expenditure.

The result of the calculations of selected OECD countries can be seen in Figure 9.2.

As the direct tax was included in the calculation of the net social expenditure, the data on GDP was calculated at factor prices. The usual way of calculating GDP is at market prices (cf. Table 9.1 and the like).

In all the European countries, the net social expenditure is smaller than in the traditional statement of the social expenditure. There are, however, considerable differences from one European country to another.

**Figure 9.2 Gross and net social expenditure 2003, as percentages of GDP at factor costs**



Source: The OECD (Social Expenditure Database (SOCX 2007), 1980-2003 (including net data for 2003)).

**Table 9.9 Tax percentages of wages/salaries and social benefits, per month, for a single childless AW 100, in per cent, 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
Tax on: wages/salaries in per cent	37	41	31	27	29	28
Tax on daily cash benefits in connection with pregnancy and birth	31	41	31	26	26	30
Tax on unemployment benefits	29	33	23	3	24	27
Tax on sickness benefits	31	36	26	..	29	29
Tax on retirement pension	28	9	26	9	16	29
Tax on disability pension	30	12	23	..	16	29
Tax on social benefits, non-insured persons	25	..	19	1	..	22

Note: For further information, see Appendix 5.

**SOCIAL EXPENDITURE**
**Table 9.10 Taxation on cash benefits, 2006**

	Social ex- penditure, million KR/EUR	Of which cash benefits, million KR/EUR	Cash benefits exempt from tax, as per- centage of all cash benefits	Cash benefits subject to tax, as per- centage of all cash benefits
	1.	2.	3.	4.
<i>Denmark</i>				
I. Families and children	61 020	24 429	64	36
II. Unemployment	33 459	31 824	-	100
III. Illness	100 163	16 046	-	100
IV. Old age	175 806	145 759	1	99
V. Disability	69 228	48 043	16	84
VI. Survivors	133	1	-	100
VII. Housing	11 217	-	-	-
VIII. Other social benefits	13 742	9 949	11	89
IX. Administration	12 856	-	-	-
Total I.-IX.	477 624	276 052	10	90
<i>Finland</i>				
I. Families and children	4 848	2 607	58	42
II. Unemployment	3 622	3 227	-	100
III. Illness	11 139	1 959	-	100
IV. Old age	14 531	12 932	4	96
V. Disability	5 369	3 857	8	92
VI. Survivors	1 507	1 503	2	98
VII. Housing	439	-	-	-
VIII. Other social benefits	950	497	97	3
IX. Administration	1 397	-	-	-
Total I.-IX.	43 802	26 583	10	90
<i>Iceland</i>				
I. Families and children	36 318	14 154	50	50
II. Unemployment	3 373	2 515	5	95
III. Illness	85 057	17 690	-	100
IV. Old age	69 985	48 653	-	100
V. Disability	38 169	26 086	7	93
VI. Survivors	4 820	4 820	5	95
VII. Housing	2 192	2 192	25	75
VIII. Other social benefits	4 572	2 067	-	100
IX. Administration	3 511	-	-	-
Total I.-IX.	247 998	118 176	8	92

*... to be continued*



Table 9.10 ... continued

	Social expenditure, million KR/EUR	Of which cash benefits, million KR/EUR	Cash benefits exempt from tax, as per- centage of all cash benefits	Cash benefits subject to tax, as per- centage of all cash benefits
	1.	2.	3.	4.
<i>Norway</i>				
I. Families and children	59 156	30 588	58	42
II. Unemployment	8 437	6 870	-	100
III. Illness	155 788	50 930	-	100
IV. Old age	142 912	105 750	-	100
V. Disability	90 149	74 492	4	96
VI. Survivors	5 591	5 478	-	100
VII. Housing	3 020	-	-	-
VIII. Other social benefits	13 156	5 831	82	18
IX. Administration	8 890	-	-	-
Total I.-IX.	487 655	279 939	9	91
<i>Sweden</i>				
I. Families and children	85 420	45 233	57	43
II. Unemployment	47 819	40 263	-	100
III. Illness	226 247	48 765	-	100
IV. Old age	331 667	259 191	-	100
V. Disability	129 970	75 929	2	99
VI. Survivors	18 072	18 072	-	100
VII. Housing	15 008	-	-	-
VIII. Other social benefits	16 350	9 361	100	-
IX. Administration	19 327	-	-	-
Total I.-IX.	889 880	496 814	6	94

Note: For further information, see Appendix 5.

## *Appendix 1*

# Method

The present report employs the structure and definitions used in the ESSPROS<sup>1</sup> nomenclature. The overall definition in *Social Protection in the Nordic Countries* was, however, previously almost identical to that used by EUROSTAT.

## Definitions

Both in the previous issues of *Social Protection in the Nordic Countries* and in the ESSPROS, statistics primarily include all public transfer incomes and service measures aimed at insuring citizens in certain specific situations as well as against the consequences of certain types of life events. Also included are schemes that are compulsory for large groups of people as a result of collective or other kinds of agreements.

The statistics concern current running costs. As a rule, investment spending and tax reductions are not taken into account.

## Financing

Incoming funds or contributions to the financing of the social expenditure are broken down by means deriving from the public authorities, the employers and insured individuals or households. The incoming funds are used for current payments in the course of the year and in some cases for the establishment of funds to ensure future payments. According to need and rules, such funds may also cover current payments.

Yield on funds by way of income from interest and property is primarily found in relation to pensions. Where transfers to funds are made, and where

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<sup>1</sup> ESSPROS = European System of Integrated Social PROtection Statistics.

means from funds have been used towards the financing of the current social expenditure, these will be listed by net amounts in the expenditure statistics.

Benefits from public authorities payable only to their own employees are regarded as benefits payable by an employer. Certain benefits payable by employers to their employees, such as sickness benefits payable for part of a period of illness, are regarded as being financed by the employer, even though such benefits in other connections will be regarded as part of an employee's salary.

Charges payable by citizens (user charges) for social services have not been included in the social expenditure tables. Yield on real property is included as part of the financing according to the ESSPROS method of calculation.

## Specifications

Specifications of the individual expenditure entries can be found [here](#).

## Administration Costs

The present report lists administration costs as one single entry. In principle, only expenditure on the direct administration of the social expenditure is listed. It is, however, not always possible to separate administration costs from other payroll or running costs.

## Calculation of Fixed Prices

The consumer price index from the Nordic Statistical Yearbook was used for the conversion into fixed prices.

## Typical Cases and Income Distribution

A special workgroup was set up to be in charge of and responsible for the calculations used in the typical cases and the income distribution.

The work group is at present composed as follows: Denmark: Hanne Rasmussen and Arne Madsen, Ministry of Welfare; Faroe Islands: Michael Feldballe, Ministry of Health and Social Affairs; Finland: Ilari Keso (Chairman), Ministry of Social Affairs and Health; Iceland: Kristinn Karlsson, Sta-

## METHOD

tistics Iceland; Norway: Tonje Ek Brunvoll, Directorate of Labour and Welfare; and Sweden: Bengt Eklind, Ministry of Health and Social Affairs and Annica Wallrå, Statistics Sweden.

The calculations of the typical cases which form the basis of tables and figures regarding compensation in the event of lapse of income were revised in 2008 as regards the number of family types. In return, the calculation basis has remained unaltered in relation to the revision in 1998.

When calculating the disposable income, both housing benefits and payment for day care of children have been taken into consideration. Since the amount of both housing benefits and payment for day-care institutions depend on the household income, this plays a significant part as to compensation in connection with the social events in the calculations of the typical cases.

In the typical case concerning social assistance, the disposable income is also assessed after payment of rent.

Since 2004, the OECD has used the wages of an Average Wage Earner (AW), as the development in most of the OECD countries has entailed that the wages of an APW are no longer the best basis for comparative studies.

In respect of the Nordic countries this means that the wage level used for comparison is lower in Denmark and in Iceland, but higher in Finland, Norway and Sweden.

In all, the following has been used:

		APW 2004	AW 2004	Change in per cent
Denmark	DKK	327 192	316 500	-3.3
Finland	EUR	29 449	31 539	7.1
Iceland	ISK	2 859 073	2 770 000	-3.1
Norway	NOK	317 101	366 161	15.5
Sweden	SEK	244 454	293 700	20.1

A comparison of the compensation degree with a lower wage level will, all things being equal, result in a higher compensation, and a higher wage level will result in a lower compensation. On the NOSOSCO homepage there are compensation calculations for 2004 for both an AW and an APW. Although there have been considerable changes from APW to AW, we have, however, chosen the same income levels for the calculation of the typical cases.

<http://nososco-eng.nom-nos.dk/default.asp?side=212>

This has, however, been changed at the revision of the typical cases in 2008. It was desired to do the calculations on as recent a set of rules and legis-

relative basis as possible, for which reason the code of practise applying in 2007 was used. The OECD AW exists only for 2006, and so the countries have updated the OECD 2006 AW to 2007 prices by using the national wage indexes, cf. the table below:

#### Construction of an AW for 2007

		AW 2006	Wage index 2007	AW 2007
Denmark	DKK	330 900	1.02500	339 173
Faroe Islands	DKK	271 472	1.05949	287 623
Finland	EURO	33 190	Preliminary data	34 837
Iceland	ISK	3 197 000	1.08717	3 475 693
Norway	NOK	394 278	1.06722	420 780
Sweden	SEK	324 618	Preliminary data	336 818

The following family types and income levels were used:

Single parent with one child: APW 67%, 100 (I, II).  
 Single person with no children: APW 67%, 100% and 150%. (I, II, III, IV).  
 Couple with two children: APW 67%/100% and 100%/100% (I, II).  
 Couple with no children: APW 67%/100% and 100%/100% (I, II).  
 Pensioners: For pensioners, a “typical case” for an AW 0% has also been included for a single pensioner.

The following applies to the individual typical cases:

### *Typical Case 0*

#### *Income and tax regarding typical case for an AW, 2007*

### *Employer’s costs*

In order better to illustrate the overall taxation in the Nordic countries in terms of income tax and social contributions, employer costs, i.e. gross wages plus statutory social contributions, have been included. (The person concerned is assumed to work in the private sector). Consequently, two accounts of the net income (i.e. gross wages less income tax and social contributions payable by the employee) as to “gross income” were prepared: net in-

come in relation to employer costs and net income in relation to gross wages. Employer contributions for Norway correspond to those payable in Oslo.

As a supplement, the net income after payment of rent has also been included in order to calculate the typical case concerning social assistance.

In respect of Denmark, employers' statutory social contributions cannot be calculated. It is, however, estimated that for an employee with a salary corresponding to that of an AW, the contributions constitute about 1.5 per cent of the salary. This estimate is only used in typical case 0 for single people earning a salary corresponding to that of an AW. In the calculation of the lowest AW values, social assistance has not been included, even though people with such an income would be entitled to it.

### *Tax payment*

Average national rates of taxation have been used, i.e. the average municipal rates of taxation including the average church-tax percentages.

### *Gross income*

The gross income is the income from work and excludes, for instance, child allowance and housing benefit.

### *Disposable income*

The disposable income is calculated as gross income plus child allowance and housing benefit less income tax, social-security contributions payable by employees and charges payable for day-care institutions. The social security contributions payable by employees include, in the case of Denmark, Finland, and Sweden, contributions to the voluntary unemployment-insurance scheme by way of membership fees to the unemployment funds. Union contributions have, however, not been included in the calculations.

Disposable incomes are calculated on a yearly basis, both for employees in work and in connection with receipt of various social benefits. The calculations are based on the assumption that the people in question receive the social benefits throughout the year, even if this in some cases is not possible (e.g. maternity benefit). The listed incomes per month are the annual figures divided by 12.

The degrees of compensation in connection with social incidents are calculated as the disposable income in relation to receipt of the social benefit in per cent of the disposable income from work.

### *Children's ages and use of day-care institutions*

Child allowances and charges payable for day-care institutions are calculated on the basis of the following family types:

- Single parent with an infant of 0 years, i.e. a new-born baby in typical case I.
- Single parent with a child of five, i.e. a pre-school child attending a day-care institution.
- Couple with two children aged five and eight, i.e. a pre-school child attending a day-care institution and a child attending school, still needing after-school care.

Payment for day-care institutions is, where possible, calculated on the basis of average charges and national rules governing payment. For Norway, the rates applying in Oslo have been used, and for Iceland, the rates applying in Reykjavik have been used. As to Finland, it is assumed that also other children of pre-school age only make use of day care part-time.

In all the typical cases, it is assumed that the children are attending day-care institutions, with the exception of the infant in typical case I. The children in typical case II are also assumed to attend day-care institutions.

As to **child allowances**, these include, in addition to the child allowances proper payable to single parents and couples with children, **maintenance allowances to single parents** with children, corresponding to the amount of the allowances payable in advance by the social security scheme, cf. Chapter 3.

### *Housing costs and housing benefits*

In all the cases, the families are assumed to live in rented accommodation. The amount of the housing costs/rent depends solely on family type, but is independent of the amount of the income. Housing costs include the rent proper and in the typical case concerning social assistance also heating costs.

It has not been possible to determine the amount of the rent for the individual family types in a consistent way for all the countries. In some countries, the rent was determined on the basis of an estimate of the expenses for rented accommodation for the individual family types and calculations of the average rent per square meter at a national level, whereas it in other countries was based on rent surveys for various family types within certain municipal groups.

With the exception of the typical case concerning social assistance, the

rent for the individual family types is merely used to calculate the amount of any housing benefit, whereas the rent itself has not been included in the calculation of the disposable income, with the exception of typical case 0 (as a supplement) and the typical case concerning social assistance. As far as Iceland and Norway are concerned, calculations of housing benefits have not been included. This is due partly to the housing benefit being of limited importance, and partly to it being fixed on the basis of an assessment of the individual family's need.

### *Typical Case I*

#### *Level of compensation for typical case concerning childbirth, 2007*

The following family types were used:

- Single parent with a new-born baby receiving daily cash benefit, seen in relation to a single childless person in work (AW 67; 100 and 150).
- Couple with two children (five and eight years old) in addition to the new-born, where the person earning **the least** receives daily cash benefit, seen in relation to a couple with two children (five and eight years old) where both adults work (AW 67/100 and AW 100/100).
- Couple with a new-born baby where the person earning the **lowest** income receives daily cash benefit, seen in relation to a childless couple where both work (AW 67/100 and AW 100/100).

### *Typical Case II*

#### *Level of compensation for insured people in typical case concerning unemployment, 2007*

Calculations have been included for compensation level for all four family types, i.e. a single parent with one child receiving unemployment benefit (AW 67; 100); a single childless person receiving unemployment benefit (AW 67; 100; 150); a couple with two children where the person earning the highest income receives unemployment benefit (AW 67/100 and 100/100); and a childless couple where the person earning the highest income receives unemployment benefit (AW 67/100 and 100/100).



### ***Typical Case III***

*Level of compensation for non-insured people in typical case concerning unemployment, 2007*

Calculations of compensation levels have been included for a single person, who is assumed to be at least 30 years of age.

### ***Typical Case IV***

*Level of compensation in typical case concerning illness, 2007*

Calculations have been included for compensation levels for a single person receiving sickness benefits in relation to a previous income for an AW 67; 100 and 150.

### ***Typical Case V***

*Level of compensation in typical case concerning retirement pension, 2007*

AW 0; 67/65 and 100%.  
Has worked for 40 years.

### ***Typical Case VI***

*Compensation level in typical case concerning disability pension, 2007*

AW 0; 67 and 100%.  
The pensionable age is 50 years and the person concerned has been in work for at least 25 years.

### *Typical Case VII*

#### *Compensation level in typical case concerning receipt of social assistance, 2007*

A typical case concerning social assistance has been included for: A. a single parent with one child; B. a single childless person; C. a couple with two children; and D. a childless couple. For couples, it is assumed that neither of the partners has an income from work, income-substituting benefits or pension.

## Calculations of Income Distribution

The calculation basis for the tables on income distribution and poverty is as follows:

### **EU-Silcs definitions:**

The first EU-Silc questionnaire appeared in 2004 with income data for 2003, and data are now available for 2004-2006 for the income years 2003-2005.

Data relating to people aged 16 years and over living in private households are gathered in the questionnaires.

The relative poverty is defined as the percentage share of the population having an equivalent disposable income under the poverty level, where the limit is set at 60 per cent of the equivalent disposable income.

For each person, the equivalent disposable income is defined as his/her household's disposable income divided by the number of household members.

The total disposable household income was calculated by adding all personal incomes of the household members plus any other income at household level that has been adjusted by a factor compensating for those not responding to the questionnaire.

The so-called modified OECD scale was used in which a child is defined as being between 0 and 13 years and adults to be 14+ years. The first adult counts as one, while other adults count as 0.5 and children as 0.3. The scale thus looks as follows:

$$1 + ((\text{number of adults}) \times 0.5) + (\text{number of children} \times 0.3).$$

The disposable income is a household's total income after tax including social transfer incomes, and according to EUROSTAT's definitions, capital yield is not included in the disposable income.

Other incomes such as interest rates, dividends and yield on investments are included. Social income transfers cover disability, retirement and survivor's pensions and other family allowances, child benefits, daily cash benefits in relation to pregnancy and birth, advance payments of maintenance allowance, housing benefits and other social benefits. Computed interest income from housing was not included until 2007 for the income year 2006; in respect of Denmark it has, however, already been included.

## Households

A household consists of individuals living together and sharing the household economy. EU-Silc does not include people in institutions/nursing homes, prisons, etc. A household may also consist of other family types (for example a couple without children and grandparents or a couple with a couple of children + grandparents).

### *Single people*

One-person households consist of one adult (over 17 years) and any children living at the same address, irrespective of their ages.

### *Cohabiting couples*

Cohabiting couples consist of 2 adults (over 17 years) and any children living at the same address, irrespective of their ages. Households with more than two adults have also been included in this group.

### *Children*

Children are regarded as children until they reach the age of 17 years. This definition differs from the modified OECD equivalence scale (cf. above).

## Households Broken Down by Age

In the tables and figures where households have been broken down by age, it is the age of the head of the family that counts. The head of the family is defined as the person earning the most.

## Purchasing Power Parities

Purchasing power parities (PPP) are defined as the currency conversion factor corresponding to the purchasing power of the individual currencies. This means that a certain amount, when converted from different currencies by means of PPP factors, will buy the same amount (“basket”) of goods and services in all the countries.

The PPP calculations have partly been used in the comparison of social expenditure, partly in the comparison of compensation levels in connection with various social events.

The PPP calculations in the present report are in PPP-Euro (EU25=1) in respect of private consumption. 2005-estimates were used. The estimates for the individual countries are as follows: Denmark 10.48; Finland 1.21; Iceland 116.09; Norway 11.31 and Sweden 11.05.

### Alteration concerning the shift from PPP EU(15) to EU(25), 2005

	PPP (EU15)	PPP (EU25)
Denmark	9.99	10.48
Faroe Islands	9.99	10.48
Finland	1.15	1.21
Iceland	110.65	116.09
Norway	10.78	11.31
Sweden	10.53	11.05

## Ways of Comparing the Nordic Countries with Other Countries

The introductions to the various chapters contain tables of the social expenditure in the respective fields in relation to GDP.

When comparing the social expenditure in the Nordic countries with that of other EU Member States, one must bear in mind that social cash benefits are more often than not subject to tax in the Nordic countries, whereas part of these benefits are exempt from tax in the other EU countries. Furthermore, there is tax relief in several countries (tax reductions) for families with children, but these amounts are not included as social expenditure.

It should also be noted that the boundaries between the social and the education sectors vary from one country to another. There is, for instance, a very

early school start in several of the European countries, for which reason it is difficult to compare the expenditure on the minding of pre-schoolchildren.

The OECD and EUROSTAT are in the process of developing models for the calculation of the social net expenditure (after tax), cf. Figure 9.2.

It should be mentioned that the OECD calculations of expenditure on the health-care sector differ considerably from the calculations in the ESSPROS system and in the present report. While efforts are made in the ESSPROS to obtain as exact data as possible on the expenditure on social services to the elderly and the disabled, the majority thereof in the OECD statements in *A System of Health Accounts* were included as health expenditure. Besides, the expenditure in the ESSPROS is based on net calculations, while the OECD statements are based on gross expenditure (i.e. including investments, user charges, etc.).

## Other Factors

As from 2002, Norway uses the national accounts as basis for the calculation of the social expenditure. This implies that the social expenditure from 2001 and earlier is not completely comparable with the figures from 2002 and later. A detailed description thereof can be found in the 2004 report.

## *Appendix 2*

# The Basis for the Adjustment of the Social Benefits

**DENMARK:** All transfer incomes and a number of other rates are adjusted annually as at 1 January by means of a rate-adjustment percentage, which reflects the development in the annual wages/salaries in the labour market but with a reduction if the pay development exceeds 2 per cent. Consequently, the annual adjustment by means of the rate-adjustment percentage comprises the rates for social pensions, sickness, maternity and unemployment benefits, voluntary early retirement benefits, cash benefits, rehabilitation allowances, child allowances and child supplements as well as housing subsidies. The various amounts that are included in the calculation basis for the various benefits and various kinds of support are also adjusted by means of the rate-adjustment percentage. The housing subsidy will be adjusted as from 2004 by the increase in the consumer price index.

The maximum amount of unemployment benefit is adjusted by means of the rate-adjustment percentage. In respect of people, who receive individual daily cash benefits below the maximum amount, the calculation basis for the individual daily cash benefits (i.e. the previous earned income) will be adjusted by the rate-adjustment percentage. Daily cash benefits will then amount to 90 per cent of the new calculation basis. Recipients of individual daily cash benefits below the maximum amount consequently also have their benefits adjusted as per 1 January.

The maximum amount of sickness and maternity benefits is also adjusted by means of the rate-adjustment percentage. In respect of people, who receive less than the maximum amount, and where the daily cash benefits therefore amounts to 100 per cent of their previous earnings, the benefit shall be adjusted to the extent that the wages payable by their employers are typically adjusted in accordance with the collective agreement.

The adjustment has been laid down in both an act on a rate-adjustment percentage and in the individual acts on the various cash benefits, etc. The rate-adjustment percentage is calculated on the basis of the adjustment of the annual wages/salaries for workers and civil servants in the year that lies two years before the year, which the rate-adjustment percentage concerns, seen in relation to the year three years previously. The rate-adjustment percentage for 2007 was for example fixed on the basis of the adjustment of the annual wages/salaries from 2004 to 2005. If the change in the annual wages/salaries exceeds 2.3 per cent, the rate-adjustment percentage will be reduced by 0.3 per cent. If the change in the annual wages/salaries exceeds 2 per cent, but not 2.3 per cent, the rate-adjustment percentage will be reduced by the part exceeding the 2 per cent (i.e. by between 0 and 0.3 per cent). An amount corresponding to the reduction will be transferred to the rate-adjustment pool used for measures in the social, health and labour-market areas with a view to improving the conditions for recipients of transfer incomes and groups at risk

**THE FAROE ISLANDS:** The adjustment of the social benefits is based on special legislation, which lays down the annual adjustment at 4 per cent. The legislation covers pensions, pension supplements, special supplements to pensioners and maintenance allowance, with the exception of the basic amount of the retirement pension, which is not adjusted.

Unemployment benefits, sickness benefits and benefits in connection with pregnancy are adjusted in relation to the wage development.

**FINLAND:** The social benefits are adjusted in the following way:

Unemployment benefits, social assistance and basic/minimum pension are adjusted once a year on the basis of the consumer-price index of the previous year.

The employment pension is increased annually, where 20 per cent are fixed in relation to the wage/salary development and 80 per cent on the basis of the consumer prices.

Sickness benefits and parental daily cash benefits will not be adjusted at year-end for those who have already been awarded the benefit (if a person for example falls ill in December, the payment for January shall not be changed).

The income ceilings are, however, increased annually on the basis of the APL-index by 50 per cent in relation to the wage/salary development of the previous year and as to 50 per cent on the basis of the consumer price index of the previous year.

The child supplement is adjusted following a parliamentary decision.

## THE BASIS FOR THE ADJUSTMENT OF THE SOCIAL BENEFITS

**ICELAND:** All social benefits are adjusted annually as at 1 January in relation to the wage/salary and price developments of the adjustment percentage. The benefits in question are: basic pension to retirement and disability pensioners, unemployment benefits, public sickness benefits and maternity benefits to those who are not gainfully employed. Moreover, the income levels concerning basic and disability pensions are adjusted in relation to the wage/salary development as at 1 September each year.

The employment pension is adjusted in relation to the consumer-price index.

**NORWAY:** The retirement pension and the disability pension payable by the Social Insurance Scheme are calculated on the basis of the basic amount of the Social Insurance Scheme. The basic amount is adjusted by the Stortinget (the Norwegian parliament) following discussions between the Government and the pensioners' organisations. Usually, the adjustment is implemented on 1 May. The purpose of the adjustment of the basic amount is to give pensioners, who receive pension from the Social Insurance Scheme, an income development corresponding to the development for people in gainful employment.

Sickness benefits are not adjusted during a period of illness. Consequently, sickness benefits will not be adjusted if changes occur in an ill person's wage/salary level or in the basic amount during his/her sickness-benefit period.

The income basis for the fixation of daily cash benefits in case of unemployment is fixed for the entire period at the transition to unemployment benefits and will not be changed, should changes occur in the general income level in society.

In 2001, the Ministry of Social Affairs (now the Ministry of Labour and Social Inclusion) laid down recommended guidelines for the award of social assistance. These guidelines will be evaluated and revised at regular intervals according to need, and the latest adjustment took place in 2006. As from 1 January 2007, the rates have increased by 5 per cent in addition to the ordinary price increase. There are no rules governing an annual adjustment of the child allowance. The Parliament determines the annual rates in connection with the annual budget negotiations. These rates have not been price-adjusted since 1995, where the rate adjustments were a result of other conditions, such as the connection with the tax system, and the child allowance since 2000 being payable until a child turns 18 years (previously 16 years).



**SWEDEN:** The benefits that are supplements to incomes from work or continuations thereof (such as pensions) are more often than not automatically adjusted on the basis of the price development. The price-basic amount is used for the adjustment of the minimum pension amount.

The pension level and the ceiling for the sickness and the parental insurances (sickness and parental benefits) are important examples of benefits that are adjusted in this way.

Benefits that are means-tested are often adjusted in a different way.

In respect of the national standard of the social contribution (social assistance), the Government makes decisions every year as to an adjustment on the basis of price changes and the calculations of the National Consumer Agency on how large an amount different family types need for maintenance. The system makes it possible to take changed consumer patterns, etc., into account.

The housing benefits are fixed amounts and will be awarded on the basis of given incomes. They will only be altered following political decisions. The same applies to maintenance-allowance advances.

Although the child supplement is a general allowance it is not adjusted on the basis of the price development but only following a political decision.

## *Appendix 3*

# The Nordic Social Policy

## The Nordic Welfare Model

The Nordic welfare model may be characterized in the following way:

1. The public welfare policy is rather comprehensive and covers social security, social services, health, education and training, housing, employment, etc., with the purpose of ensuring the most basic needs.
2. Government involvement has been strong in all fields of policy. The political measures to obtain full employment have been based on macro-economic policy, social policy and an active labour-market policy, in which the labour-market parties play a significant role.
3. The Nordic welfare systems are based on a high degree of universalism, i.e. all citizens are entitled to basic social security and services irrespective of their position in the labour market. The universalism has contributed to broad public support to the welfare policy.
4. The income protection is based on two elements: In most schemes, there is an income-independent basic insurance and an income-dependent benefit to those who have been on the labour market. Compared with other industrialized countries, public income transfers play a significant part, for which reason the ratio of the social expenditure of GDP has been high. Public financing of transfer incomes has been considerable, and consequently the tax level has been high.
5. The Nordic countries may also be characterized as service states where local democracy plays a significant part. Social and health services are financed by way of taxes with no high user payment, and the aim is that all citizens have their needs met. Local authorities (municipalities and counties) provide the services and more often than not they also produce them.

6. The income distribution is relatively levelled. The income disparities in the Nordic countries as to wage/salary distribution and disposable incomes are limited compared with other countries. There are no large gaps between the various income groups, and consequently poverty and differences in the standard of living have been relatively limited.
7. Equal opportunities are a basic principle in the Nordic welfare states. In the Nordic countries, women have a high participation rate, and in most families there are two providers. Social measures are based on individual rights so that women are not financially dependent on their spouses.<sup>2</sup>

Although the basic principles of the Nordic welfare countries still apply, user charges are becoming more and more common instead of all welfare services being financed via taxes. The setting up of funds for pension financing also becomes increasingly significant.

## Organization of the Nordic Social Policy

**DENMARK:** Denmark has a three-tiered taxation and administration system (State, regions and municipalities). The tax system is two-tiered as only the State and the local authorities can levy taxes.

The overall responsibility for the legislation and the structure of the social policy rests with the Danish parliament and Central Government, whereas the municipal and regional authorities administer and pay the majority of the social benefits and services.

The municipal authorities are responsible for the main part of the social cash benefits, such as pensions, sickness benefits, rehabilitation, housing benefits, benefits to refugees and social assistance, and they meet the costs of those benefits in the first instance. The costs are subsequently reimbursed, fully or partly, by the State.

Administration and payment of unemployment benefits are, however, carried out by the voluntary unemployment insurance funds.

The local authorities are also responsible for and administer the main part of the social services, such as day care, residential institutions and preventive measures aimed at children and adolescents, housing for the disabled and the

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<sup>2</sup> Points 1-7 from *Nordic Social Policy, Changing Welfare States*. Edited by Mikko Kautto, Matti Heikkilä, Björn Hvinden, Staffan Marklund and Niels Ploug.

socially vulnerable groups as well as care and nursing for the elderly and the disabled (home nursing, home help, nursing homes, etc.).

The regional authorities bear the day-to-day responsibility for the health services, which includes the running of hospitals and the administration of services and benefits from the National Health Insurance Service, including payments to general practitioners and dentists as well as subsidies for medication. The regional authorities' expenditure is financed by block grants from the State and municipal contributions in the health-care sector.

The local authorities also receive block grants from the State.

The State and the local authorities cooperate regarding employment measures aimed at all citizens and businesses in joint job centres in the municipalities. The State is responsible for the employment measures aimed at the insured unemployed and the local authorities for the remaining target groups (cash benefits, rehabilitation, sickness benefits, etc.). In 14 pilot job centres, the State has delegated the state employment measures to the local authorities.

**THE FAROE ISLANDS:** There is a two-tiered taxation and administration system in the Faroe Islands (Home Rule and municipalities). The overall responsibility for the legislation and the administration and payment of the majority of the social benefits as well as the majority of the social services rests with the Home Rule.

The municipal authorities are responsible for day-care facilities for children and certain welfare services. Besides, they pay a small part of the expenditure on municipal doctors, school doctors, visiting nurses, home-care nurses, etc.

The unemployment benefit is financed by the labour-market parties and administered by a board composed of representatives for the labour market.

In 1995, the Faroese pension was changed from being a reimbursement scheme to being a block grant proper from Denmark. The administrative responsibility for the pension system thus rests with the Faroe Islands, while it is still being financed through the block grant. In 1999, the Faroe Islands got their own pension law laying down rights and regulation in the area.

A minor part of the retirement pensions are also administered and financed by the labour-market parties. The Labour-Market Support Fund is based on solidarity in that everyone, who reaches the age of 67 years and is resident in the Faroe Islands, is granted a fixed, monthly amount.

**FINLAND:** In Finland, Central Government has the overall responsibility for the legislation. The taxation system is a two-tiered system (State and municipalities) but the administrative system is three-tiered (State, regions and municipalities).

The Finnish pension system consists of two parts: an employment pension and a national retirement pension. The employment pension is a work-related and insurance-based pension while the national retirement pension is awarded to all citizens in the country, who receive only a small employment pension or none at all. The private sector's employment-pension schemes are managed by the private insurance companies.

The local authorities are responsible for arranging health and social services to all residents in the municipalities. Public health care services are supplemented by private health care services, for which the expenses are partly reimbursed by the public Sickness Insurance Scheme.

Cash benefits in connection with unemployment consist of an earnings-related allowance and a basic allowance. Most employees are covered by the unemployment insurance fund and are entitled to the benefit based on accrual.

**ICELAND:** There is only a two-tiered taxation and administration system in Iceland (State and municipalities). The State has the main responsibility for the legislation, including decision-making and responsibility for the social policy. It is also responsible for the majority of the social services, such as hospitals, health centres (primary health care) and home nursing.

Local authorities are responsible for home help, institutions and care of children and young people. Local authorities are in cooperation with the State also responsible for services to the elderly and the disabled.

As regards income transfers (social cash benefits and pensions), the State shares part of the responsibility with the labour-market parties. Pensions are partly administered by the National Social Security Institution (basic pensions) and partly by an independent pension fund (employment pensions) that is administered by the contributors (employees and employers).

The Unemployment Insurance Scheme is administered by the State, while the majority of the sickness benefits comes from salaries/wages payable during illness.

Local authorities are responsible for the social assistance.

**NORWAY:** There is a three-tiered administrative and political system in Norway (State, county and municipal authorities), and the same applies to the social sector.

Most of the social income transfers (sickness benefits, rehabilitation benefits and pensions) are administered by Central Government through the National Insurance Scheme.

The National Insurance Scheme is financed by contributions from employers, employees and the State. Employers' contributions depend on the regional zone in which an enterprise is located (five different zones in all).

Local authorities administer and are responsible for social assistance, primary health care, home help and home nursing, institutions for children, young people, the elderly and the disabled.

The State has taken over the responsibility for the hospital sector, which has left counties with only a minor responsibility.

**SWEDEN:** There is a three-tiered administrative system in Sweden (State, county and municipal authorities). The State is responsible for most income transfers, such as sickness benefits, parental benefits, unemployment benefits and the industrial injury insurance that is administered by the Swedish Social Security Fund.

The majority of the pensions comes from the pension funds and is administered by the contributors. The county authorities are responsible for the hospitals and most of the primary health sector (health centres). The local authorities are responsible for home help and home nursing, social assistance and institutions and care for children, young people, the elderly and the disabled.

*Appendix 4*

## Further information

Further statistical information on the social security systems in the Nordic countries is obtainable from the individual statistical offices in the respective countries.

Further information is obtainable from the following:

**DENMARK**

Statistics Denmark  
Sejrøgade 11  
DK-2100 Copenhagen Ø  
Phone +45 39 17 39 17  
Fax +45 39 17 39 99  
Web: [www.dst.dk](http://www.dst.dk)

National Board of Health  
Islands Brygge 67  
DK-2300 Copenhagen K  
Phone +45 72 22 74 00  
Fax +45 72 22 74 11  
Web: [www.sst.dk](http://www.sst.dk)

Danish Labour Market  
Supplementary Pension  
Kongens Vænge 8  
DK-3400 Hillerød  
Phone +45 48 20 48 20  
Fax +45 48 20 48 00  
Web: [www.atp.dk](http://www.atp.dk)

The Labour Market Authority  
Holmens Kanal 20  
P.O. Box 2150  
DK-1061 Copenhagen K  
Phone +45 35 28 81 00  
Fax +45 35 36 24 11  
Web: [www.ams.dk](http://www.ams.dk)

Directorate of  
Unemployment Insurance  
P.O. Box 1103  
Stormgade 10  
DK-1009 Copenhagen K  
Phone +45 38 10 60 11  
Fax +45 38 19 38 90  
Web: [www.adir.dk](http://www.adir.dk)

SFI - Danish National Research In-  
stitute for Welfare  
Herluf Trolles Gade 11  
DK-1052 Copenhagen K  
Phone +45 33 48 08 00  
Fax +45 33 48 08 33  
Web: [www.sfi.dk](http://www.sfi.dk)

## FURTHER INFORMATION

Ministry of Welfare  
Holmens Kanal 22  
DK-1060 Copenhagen K  
Phone +45 33 92 93 00  
Fax +45 33 93 25 18  
Web: [www.social.dk](http://www.social.dk)

Ministry of Employment  
Ved Stranden 8  
DK-1061 Copenhagen K  
Phone +45 33 92 59 00  
Fax + 45 33 12 13 78  
Web: [www.bm.dk](http://www.bm.dk)

Social Appeals Board  
Amaliegade 25  
P.O. Boks 9080  
DK-1022 Copenhagen K  
Phone +45 33 41 12 00  
Fax + 45 33 41 14 00  
Web: [www.ast.dk](http://www.ast.dk)

The Ministry of Refugee,  
Immigration and Integration Affairs  
Holbergsgade 6  
DK-1057 Copenhagen K  
Phone +45 33 92 33 80  
Fax +45 33 11 12 39  
Web: [www.inm.dk](http://www.inm.dk)

### **FAROE ISLANDS**

Ministry of Health and Social Affairs  
Eirargarður 2  
FO-100 Torshavn  
Phone +298 304050  
Fax +298 354045  
Web: [www.ahr.fo](http://www.ahr.fo)

Statistics Faroe Islands  
P.O Box 2068  
Fo-165 Argir  
Phone +298 352800  
Fax +298 352801  
Web: [www.hagstova.fo](http://www.hagstova.fo)

### **FINLAND**

Social Insurance Institution  
P.O. Box 450  
FIN-00101 Helsinki  
Phone +358 20 43411  
Fax +358 20 4341 530  
Web: [www.kela.fi](http://www.kela.fi)

Ministry of Social Affairs  
and Health  
P.O. Box 33  
FIN-00023 Government  
Phone +358 9 160 01  
Fax +358 9 1607 38 24  
Web: [www.stm.fi](http://www.stm.fi)

National Research and Development  
Centre for Welfare and Health  
(STAKES)  
P.O. Box 220  
FIN-00531 Helsinki  
Tel +358 9 39671  
Fax +358 9 3967 2324  
Web: [www.stakes.fi](http://www.stakes.fi)

Statistics Finland  
FIN-00022 Statistikcentralen  
Phone +358 9 17341  
Fax +358 9 1734 3522  
Web: [www.stat.fi](http://www.stat.fi)



Finnish Centre for Pensions  
FIN-00065 Finnish Centre  
for Pensions  
Phone +358 10 75 11  
Fax +358 9 1481 172  
Web: [www.etk.fi](http://www.etk.fi)

**ICELAND**

Statistics Iceland  
Borgartun 21a  
IS-150 Reykjavík  
Phone +354 528 1060  
Fax +354 528 1199  
Web: [www.statice.is](http://www.statice.is)

National Association of  
Pension Funds  
Suðurlandsbraut 30  
IS-108 Reykjavík  
Phone +354 581 4977  
Fax +354 581 4332  
Web: [www.ll.is](http://www.ll.is)  
Ministry of Health and  
Social Security  
Vegmúli 3  
IS-108 Reykjavík  
Phone +354 545 8700  
Fax +354 551 9165  
Web: [www.stjr.is/htr](http://www.stjr.is/htr)

**NORWAY**

Statistics Norway  
Kongens gate 6  
P.O. Box 8131 Dep.  
N-0033 Oslo  
Phone +47 21 09 00 00  
Fax +47 21 09 49 88  
Web: [www.ssb.no](http://www.ssb.no)

Directorate of Labour  
Hafnarhúsinu Tryggvagötu  
IS-150 Reykjavík  
Phone +354 511 2500  
Fax +354 511 2520  
Web: [www.vinnumalastofnun.is](http://www.vinnumalastofnun.is)

State Social Security Institute  
Laugavegi 114  
IS-150 Reykjavík  
Phone +354 560 4400  
Fax +354 562 4535  
Web: [www.tr.is](http://www.tr.is)

Ministry of Labour  
and Social Inclusion  
P.O. Box 8019 Dep.  
N-0030 Oslo  
Phone +47 22 24 90 90  
Fax +47 22 24 87 11  
Web: [www.dep.no/asd](http://www.dep.no/asd)

## FURTHER INFORMATION

Norwegian Labour and  
Welfare Organisation  
C.J. Hambros plass 2  
P.O. Box 5 St. Olavs Plass  
N-1310 Oslo  
Phone +47 21 07 00 00  
Fax +47 21 07 00 01  
Web: [www.nav.no](http://www.nav.no)

National Knowledge Centre  
for Health Services  
Pilestedet park 7  
P.O. Box 7004, St. Olavs plass  
N-0130 Oslo  
Phone +47 23 25 50 00  
Fax +47 23 25 50 10  
Web: [www.kunnskapssenteret.no](http://www.kunnskapssenteret.no)

Norwegian Board of Health  
Universitetsgata 2  
P.O. Box 7000 St. Olavs Plass  
N-0031 Oslo  
Phone +47 81 02 00 50  
Fax +47 24 16 30 01  
Web: [www.shdir.no](http://www.shdir.no)

## SWEDEN

Ministry of Health and  
Social Affairs  
103 33 Stockholm  
Phone + 46 8 405 10 00  
Fax + 46 8 723 11 91  
Web: [www.regeringen.se](http://www.regeringen.se)

National Board of  
Health and Welfare  
S-106 30 Stockholm  
Phone +46 8 55 55 30 00  
Fax +46 8 55 55 32 52  
Web: [www.sos.se](http://www.sos.se)

National Board of Occupational  
Safety and Health  
S-171 84 Solna  
Phone +46 8 730 90 00  
Fax +46 8 730 19 67  
Web: [www.arbssky.se](http://www.arbssky.se)

Statistics Sweden  
P.O. Box 24300  
S-104 51 Stockholm  
Phone +46 8 506 940 00  
Fax +46 8 661 52 61  
Web: [www.scb.se](http://www.scb.se)

National Labour Market Board  
S-113 99 Stockholm  
Phone +46 8 5860 60 00  
Fax +46 8 5860 64 99  
Web: [www.amv.se/ams](http://www.amv.se/ams)

Swedish Immigration Board  
P.O. Box 6113  
S-601 70 Norrköping  
Phone +46 11 15 60 00  
Fax +46 11 10 81 55  
Web: [www.migrationsverket.se](http://www.migrationsverket.se)

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**Table 2 Mean populations by gender and age 2007**

	Denmark		Faroe Islands		Finland		Iceland		Norway		Sweden	
	1 000	Per cent	1 000	Per cent	1 000	Per cent	1 000	Per cent	1 000	Per cent	1 000	Per cent
<i>Men</i>												
0-6 years	234	9	3	10	206	8	15	10	209	9	360	8
7-17 "	388	14	4	17	354	14	25	16	353	15	632	14
18-24 "	216	8	2	10	234	9	16	10	206	9	398	9
25-49 "	952	35	8	33	882	34	59	37	838	36	1 539	34
50-64 "	546	20	4	18	560	22	26	17	442	19	905	20
65-79 "	289	11	2	10	286	11	12	8	219	9	511	11
80- "	78	3	1	3	67	3	4	2	76	3	178	4
I alt	2 703	100	25	100	2 590	100	159	100	2 343	100	4 524	100
<i>Women</i>												
0-6 years	223	8	2	10	197	7	15	10	200	9	341	7
7-17 "	369	13	4	17	340	13	24	16	335	14	600	13
18-24 "	207	8	2	8	224	8	15	10	197	8	379	8
25-49 "	933	34	7	31	850	32	54	35	808	34	1 483	32
50-64 "	545	20	4	17	568	21	25	16	431	18	894	19
65-79 "	330	12	2	10	361	13	14	9	252	11	580	13
80- "	147	5	1	5	158	6	6	4	143	6	312	7
I alt	2 755	100	23	100	2 698	100	153	100	2 366	100	4 590	100
<i>Men and women</i>												
0-6 years	456	8	5	10	403	8	30	10	409	9	701	8
7-17 "	757	14	8	17	695	13	50	16	688	15	1 233	14
18-24 "	423	8	4	9	458	9	31	10	403	8	777	9
25-49 "	1 885	35	16	32	1 732	33	113	36	1 647	35	3 022	33
50-64 "	1 092	20	9	18	1 128	21	51	16	873	18	1 799	20
65-79 "	619	11	5	10	647	12	26	8	471	10	1 091	12
80- "	225	4	2	4	225	4	10	3	218	5	490	5
I alt	5 457	100	48	100	5 289	100	311	100	4 709	100	9 113	100

**SUPPLEMENTARY TABLES**

**Table 3.2.a Families by family type**

	Denmark <sup>1)</sup>	Finland	Iceland <sup>2)</sup>	Norway	Sweden <sup>3,4)</sup>
	2007	2007	2006	2007	2007
<i>Number of families with children aged 0-17 years (1 000)</i>	756	588	45	609	1 108
Percentage of whom are:					
- Married couples	62.2	61.8	57.6	56.3	} 77.6
- Cohabiting couples	16.5	18.3	21.9	22.4	
- Single parents	21.3	20.0	20.5	21.3	
Total	100.0	100.0	100.0	100.0	100.0
<i>Number of childless families (1 000)</i>	2 012	2 023	70	1 527	4 176
Percentage of whom are:					
- Married couples	27.8	25.8	43.7	31.9	} 29.4
- Cohabiting couples	8.7	8.6	5.4	6.2	
- Single parents	63.5	65.6	50.9	61.9	
Total	100.0	100.0	100.0	100.0	100.0
<i>Number of single parents with children (per cent):</i>					
Men	83.5	87.0	92.1	82.6	74.1
Women	16.5	13.0	7.9	17.4	25.9
Total	100.0	100.0	100.0	100.0	100.0
<i>Number of single childless people (per cent):</i>					
Men	50.2	51.5	47.3	51.9	50.0
Women	49.8	48.5	52.7	48.1	50.0
Total	100.0	100.0	100.0	100.0	100.0
<i>Average number of persons per family</i>	2.0	1.8	2.5	2.2	1.8

1 There are a further 16 492 families consisting of children under 18 not living at home. Children living at home aged 0-24 years.

2 Figures taken from Hagstofa Iceland's committee survey on living conditions (EU-Silc).

3 Figures taken from committee survey performed by Statistics Sweden of the economy of the households.

4 Cohabiting couples included as married couples.

**Table 3.12.a Children enrolled in day-care institutions and publicly financed day-care, by age as percentages of the respective age groups, 1995-2007**

	Denmark <sup>1)</sup>	Faroe Islands	Finland <sup>2)</sup>	Iceland <sup>3)</sup>	Norway <sup>4)</sup>	Sweden <sup>5)</sup>
<i>1995</i>						
0-2 years	48	..	18	37	22	37
3-6 years	83	..	55	64	61	74
0-6 years, total	68	..	39	53	44	59
7-10 years	53	..	5	-	.	45
<i>2000</i>						
< 1 years	15	..	2	7	2	.
1-2 years	77	..	35	59	37	60
3-5 years	92	..	66	92	78	86
0-5 years, total	75	..	46	68	52	66
6 years	90	..	67	-	.	77
0-6 years, total	77	..	49	58	.	68
7-10 years	63	..	3	.	.	51
<i>2006</i>						
< 1 years	15	19	1	7	3	-
1-2 years	87	82	39	80	62	68
3-5 years	95	91	70	95	93	96
0-5 years, total	80	76	48	75	67	72
6 years	89	79	67	.	.	85
0-6 years, total	81	77	51	64	.	74
7-10 years	65	31	1	.	.	63
<i>2007</i>						
< 1 years	17	21	1	..	4	-
1-2 years	90	81	40	..	69	70
3-5 years	96	92	72	..	94	97
0-5 years, total	81	77	49	..	71	73
6 years	90	80	69	..	.	86
0-6 years, total	82	78	52	..	.	75
7-10 years	65	28	1	..	.	65

1 Time of calculation of the number of enrolled children has been changed from March to September as from 2004. The number of enrolled children in 1995 concerns January 1996, the number from 2000 concerns March 2001, while the number from 2003 concerns March 2003.

2 Figures as from 2000 include children in publicly subsidised private day care.

3 As from 1995, only children between 0 and 5 years, as the after-school club schemes were taken over completely by the school sector in 1995 (no statistics available).

4 As from 2000, only children between 0 and 5 years.

5 As from 1998, a special pre-school class has been introduced for the 6 year-olds. These children have not been included in the calculation, unless they also attend a day-care institution.

**SUPPLEMENTARY TABLES**
**Table 3.12.b Children enrolled in day-care institutions and publicly financed day-care (1 000) by age, 1995-2007**

	Denmark <sup>1)</sup>	Faroe Islands	Finland <sup>2)</sup>	Iceland <sup>3)</sup>	Norway <sup>4)</sup>	Sweden <sup>5)</sup>
<i>1995</i>						
0-2 years	101	..	34	5	39	123
3-6 years	218	..	145	12	149	367
0-6 years, total	319	..	179	17	188	490
7-10 years	123	..	11	-	.	198
<i>2000</i>						
< 1 years	10	..	1	0	1	-
1-2 years	103	..	40	5	44	111
3-5 years	192	..	122	12	144	242
0-5 years, total	306	..	163	17	189	353
6 years	65	..	44	-	.	81
0-6 years total	370	..	207	17	.	434
7-10 years	171	..	8	-	.	255
<i>2006</i>						
<1 years	10	-	1	-	2	-
1-2 years	113	1	45	7	72	141
3-5 years	188	2	119	12	161	283
0-5 years, total	311	3	165	19	234	423
6 years	60	1	38	-	.	80
0-6 years, total	371	4	203	19	.	503
7-10 years	177	1	3	-	.	239
<i>2007</i>						
<1 years	11	-	1	..	3	-
1-2 years	117	1	47	..	82	147
3-5 years	188	2	123	..	165	294
0-5 years, total	316	3	172	..	249	441
6 years	59	1	39	..	.	82
0-6 years, total	375	4	210	..	.	523
7-10 years	175	1	2	..	.	243

1 Cf. Table 3.11.a

2 Cf. Table 3.11.a

3 Cf. Table 3.11.a

4 Cf. Table 3.11.a

5 Cf. Table 3.11.a



**Table 3.14.a Children and young people placed away from their homes during the year, by age and per 1 000 inhabitants in the respective age groups, 1995-2007**

	1995	2000	2006	2007		
				Total	Boys	Girls
<i>Denmark<sup>1)</sup></i>						
0-6 years	3.9	4.5	..	..	..	..
7-14 years	11.9	13.0	..	..	..	..
15-17 years	29.3	33.1	..	..	..	..
18-20 years	15.0	17.1	..	..	..	..
0-20 years	12.0	13.0	..	..	..	..
<i>Finland</i>						
0-6 years	5.2	5.7	6.9	..	..	..
7-14 years	8.5	9.6	11.5	..	..	..
15-17 years	12.7	16.1	22.2	..	..	..
18-20 years	9.0	11.7	14.8	..	..	..
0-20 years	8.1	9.7	12.2	..	..	..
<i>Iceland<sup>2)</sup></i>						
0-6 years	2.1	2.5	0.7	..	..	..
7-12 years	3.9	4.5	4.6	..	..	..
13-16 years	5.9	8.3	12.7	..	..	..
0-16 years	3.6	4.9	5.1	..	..	..
<i>Norway</i>						
0-6 years	3.4	3.6	4.2	..	..	..
7-14 years	7.9	7.9	9.1	..	..	..
15-17 years	14.2	17.4	18.6	..	..	..
18-19 years	7.4	11.0	17.2	..	..	..
0-19 years	7.1	7.9	9.7	..	..	..
<i>Sweden<sup>3)</sup></i>						
0-6 years	3.6	3.6	4.0	3.8	4.0	3.9
7-14 years	7.0	7.1	7.7	7.7	8.1	7.9
15-17 years	14.4	16.8	17.5	18.7	19.8	19.3
18-20 years	5.1	11.8	13.2	12.2	13.8	13.0
0-20 years	6.5	8.0	9.1	9.0	9.7	9.4

1 Including children and young people with reduced physical and/or mental capabilities.

2 The distribution on age and gender is based on estimates.

3 As from 1999, figures include the group of 18-20 year-olds who receive treatment according to the Social Service Act. This group of mainly 19-20 year-olds was previously included in the statistics as adult abusers.

**SUPPLEMENTARY TABLES**
**Table 4.3.a Development in the unemployment rate by gender, 1995-2007**

	Average number of unemployed people	Unemployed people as percentages of the labour force					
		Total	Men	Women	16-24 year-olds		
					Total	Men	Women
<i>Denmark<sup>1)</sup></i>							
1995	197 000	7.0	6.1	8.2	9.7	8.8	10.6
2000	131 000	4.6	4.0	5.2	6.5	6.5	6.5
2006	118 000	4.1	3.5	4.7	8.1	8.2	7.9
2007	115 000	4.0	3.6	4.4	8.1	8.5	7.8
<i>Faroe Islands<sup>2)</sup></i>							
1995	2 600	12.7	10.1	16.1	..	..	..
2000	1 000	4.2	2.5	6.6	..	..	..
2006	320	1.2	0.6	1.9	2.0	2.0	2.1
2007	480	1.8	1.2	2.5	3.1	2.4	3.9
<i>Finland<sup>3)</sup></i>							
1995	382 000	15.5	15.8	15.1	29.7	30.7	28.6
2000	253 000	9.8	9.1	10.6	21.4	21.1	21.6
2006	204 000	7.8	7.5	8.1	18.7	19.0	18.4
2007	183 000	6.9	6.6	7.3	16.5	16.4	16.6
<i>Iceland<sup>4)</sup></i>							
1995	7 200	4.9	4.8	4.9	11.0	13.1	8.6
2000	3 700	2.3	1.8	2.9	4.7	5.7	3.6
2006	5000	2.9	2.7	3.1	8.2	8.9	7.6
2007	4200	2.3	2.3	2.3	7.3	8.0	6.7
<i>Norway<sup>5)</sup></i>							
1995	107 000	4.9	5.2	4.6	11.8	12.2	11.5
2000	81 000	3.4	3.6	3.2	10.2	9.9	10.6
2006	84 000	3.4	3.5	3.4	8.6	8.6	8.7
2007	63 000	2.5	2.6	2.5	7.3	7.9	6.6
<i>Sweden<sup>6)</sup></i>							
1995	333 000	7.7	8.5	6.9	15.3	16.7	14.0
2000	203 100	4.7	5.0	4.2	8.1	8.6	7.4
2006	245 600	5.4	5.5	5.2	13.7	14.6	12.8
2007	291 800	6.2	5.9	6.4	18.9	18.4	19.5

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

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

3 The age group for Finland is 15-24 year-olds instead of 16-24 year-olds.

4 Data are based on the labour-force surveys.

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

6 Before 2003, the survey was only conducted twice a year, but now it is conducted continuously.

**Table 4.4.a Number of people (1 000) who received cash benefits for at least one day in connection with unemployment, 1995-2007**

	Denmark	Faroe Islands	Finland	Iceland <sup>1)</sup>	Norway <sup>1)</sup>	Sweden <sup>2)</sup>
<i>1995</i>						
Insured	672	6	683	19	310	824
Non-insured	111	1	270	..	-	137
Total	783	7	827	19	310	961
Total in per cent of the labour force	28	36	34	..	14	22
<i>2000</i>						
Insured	490	2	340	7	165	622
Non-insured	70	1	287	..	-	55
Total	560	3	603	7	165	677
Total in per cent of the labour force	20	12	23	4	7	16
<i>2006</i>						
Insured	420	2	306	7	127	479
Non-insured	65	-	224	..	-	86
Total	485	2	521	7	127	565
Total in per cent of the labour force	17	8	20	4	5	12
<i>2007</i>						
Insured	354	1	277	..	85	371
Non-insured	59	-	203	..	-	55
Total	413	1	465	..	85	425
Total in per cent of the labour force	15	5	18	..	3	9

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

2 Double registration may appear, as a person during one year may have been registered as being both insured and non-insured. In 2004, 19.000 people were calculated as being both insured and non-insured, and in 2005, the number was 21 000 people.

**SUPPLEMENTARY TABLES**
**Table 4.7.a Number of people in activation, 1995-2007**

	Number of people in activation during the year		Number of people in activation at the time of survey/average number of people in activation		People in activation as percentage of the labour force at the time of survey	
	Total	16-24 year-olds	Total	16-24 year-olds	Total	16-24 year-olds
<i>Denmark</i>						
1995, total	258 392	52 214	110 935	16 030	4.0	3.4
2000, total	221 534	34 828	87 239	10 507	3.2	2.6
2006, total	212 882	26 355	62 339	6 068	2.2	1.6
2007, total	..	..	..	..	..	..
Of whom:						
- Subsidized employment	83 070	7 741	29 127	1 849	1.0	0.5
- Education and training	70 028	4 203	16 343	1 084	0.6	0.3
- Other	102 992	19 122	16 870	3 135	0.6	0.8
<i>Finland</i>						
1995, total	285 575	82 217	103 667	25 973	4.2	9.9
2000, total	226 077	62 748	83 660	18 873	3.2	5.6
2006, total	214 608	53 577	79 538	15 183	3.0	4.6
2007, total	214 026	50 470	80 702	14 136	3.0	4.1
Of whom:						
- Subsidized employment	94 133	11 449	38 515	4 306	1.4	1.3
- Education and training	61 739	9 542	30 693	4 338	1.1	1.3
- Other	58 154	29 479	11 494	5 492	0.4	1.6
<i>Iceland</i>						
1995, total	..	..	..	..	..	..
2000, total	3 811	764	..	..	..	..
2006, total	4 903	916	..	..	..	..
2007, total	..	..	..	..	..	..
Of whom:						
- Subsidized employment	154	54	..	..	..	..
- Education and training	2 092	368	..	..	..	..
- Other	2 657	494	..	..	..	..
<i>Norway<sup>1)</sup></i>						
1995, total	..	..	42 145	16 482	1.9	5.6
2000, total	..	..	11 439	3 520	0.5	1.1
2006, total	47 847	..	10 139	3 162	0.4	0.9
2007, total	44 430	..	10 121	3 091	0.4	0.9
Of whom:						
- Subsidized employment	..	..	1 563	..	0.1	..
- Education and training	..	..	4 590	..	0.2	..
- Other	..	..	3 968	..	0.2	..
<i>Sweden</i>						
1995, total	781 000	..	275 100	..	6.1	..
2000, total	470 970	..	166 159	..	3.8	..
2006, total	646 059	..	205 535	..	4.4	..
2007, total	425 916	..	166 934	..	3.5	..
Of whom:						
- Subsidized employment	155 473	..	103 374	..	2.2	..
- Education and training	157 346	..	36 772	..	0.8	..
- Other	113 097	..	26 787	..	0.6	..

1 As from 2006, the labour force covers the 15-24 year-olds.

**Table 5.4.a Employees' calculated absence due to illness for at least one week as percentages of all employees, 1995-2007<sup>1)</sup>**

	Denmark <sup>2)</sup>	Finland	Iceland	Norway	Sweden
1995					
Men	1.4	2.0	1.3	2.2	2.2
Women	2.2	2.3	2.1	3.1	3.4
Total	1.7	2.1	1.7	2.6	2.7
2000					
Men	1.4	2.2	1.1	3.4	2.6
Women	2.0	2.5	1.5	4.7	4.9
Total	1.7	2.4	1.3	4.0	3.7
2006					
Men	1.5	2.3	..	2.8	2.4
Women	2.5	2.7	..	4.2	4.0
Total	2.0	2.5	..	3.5	3.2
2007					
Men	1.8	2.2	..	3.1	2.2
Women	3.0	2.8	..	4.7	3.5
Total	2.3	2.5	..	3.8	2.8

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

2 15-66 year-olds.

**SUPPLEMENTARY TABLES**
**Table 6.4.a Pension recipients by age, in thousands and as percentages of the age group as at December 2007**

	Denmark <sup>1)</sup>		Faroe Islands		Finland		Iceland <sup>1)</sup>		Norway		Sweden	
	1 000	As percentage of each age group	1 000	As percentage of each age group	1 000	As percentage of each age group	1 000	As percentage of each age group	1 000	As percentage of each age group	1 000	As percentage of each age group
<i>Men</i>												
16-39 years	11	1.3	0.1	1.5	16	2.0	2	2.7	17	2.4	32	2.2
40-49 "	18	4.6	0.1	3.2	21	5.6	1	5.7	24	7.0	40	6.4
50-54 "	14	7.5	0.1	5.4	23	11.8	1	7.5	19	11.9	32	11.0
55-59 "	17	9.0	0.1	8.8	42	21.1	1	9.0	26	17.8	47	15.7
60-62 "	44	39.8	0.1	15.1	53	45.1	1	12.3	26	29.6	57	29.6
63-64 "	40	68.2	0.1	14.4	47	83.6	0	16.8	25	51.4	58	48.7
65-66 "	50	96.8	0.1	20.0	50	100.8	1	49.6	25	63.1	97	98.8
67+ "	312	103.1	2.7	103.5	319	104.9	14	99.2	272	105.2	650	107.0
Total	506	23.7	3.5	18.8	571	27.1	20	16.9	434	24.2	1 013	27.8
<i>Women</i>												
16-39 years	9	1.1	0.1	1.5	12	1.6	2	4.2	20	2.9	41	3.0
40-49 "	19	5.0	0.2	5.3	17	4.7	2	10.0	35	10.6	70	11.4
50-54 "	17	9.4	0.1	10.3	19	9.6	1	12.0	28	18.1	55	19.2
55-59 "	23	12.3	0.2	14.0	38	18.5	1	15.8	39	26.9	82	27.7
60-62 "	63	57.3	0.2	24.3	57	47.3	1	21.2	35	39.9	85	44.5
63-64 "	50	83.3	0.1	30.6	50	84.0	1	26.9	29	60.0	77	64.5
65-66 "	54	100.8	0.1	31.8	55	102.1	1	61.5	27	67.7	97	98.4
67+ "	420	101.2	3.3	103.5	483	104.2	18	100.6	370	104.2	839	104.4
Total	656	29.6	4.3	25.8	731	32.8	27	23.2	583	31.7	1 346	35.7
<i>Men and women</i>												
16-39 years	20	1.2	0.2	1.5	28	1.8	4	4.2	37	2.7	73	2.6
40-49 "	38	4.8	0.3	4.2	39	5.2	3	7.7	59	8.8	110	8.9
50-54 "	30	8.4	0.2	7.7	41	10.7	2	9.6	47	15.0	87	15.1
55-59 "	41	10.7	0.3	11.3	80	19.8	2	12.3	65	22.2	129	21.7
60-62 "	107	48.6	0.3	19.2	110	46.2	1	16.6	61	34.7	142	37.0
63-64 "	91	75.8	0.2	22.2	98	83.8	1	21.9	54	55.7	135	56.6
65-66 "	104	98.9	0.2	25.4	105	101.5	2	55.8	52	65.5	194	98.6
67+ "	732	102.0	6.0	103.5	802	104.5	32	100.0	642	104.6	1 489	105.5
Total	1 162	26.7	7.8	22.1	1 303	30.0	48	20.0	1 017	28.0	2 359	31.8

1 Figures are from 2006.

Note: As it is possible in all the countries to live outside the country in question and receive pension at the same time, the number of recipients may exceed 100 per cent.

**Table 6.8.a Pensioners receiving retirement pension in total and pensioners receiving basic/guaranteed minimum pension at the end of the years 1995-2007**

	Retirement pensioners, total			Retirement pensioners who only receive basic/minimum pension				
	Total (1 000)	Men (1 000)	Women (1 000)	Total (1 000)	Men (1 000)	Women (1 000)	Men, per cent	Women, per cent
<i>Denmark</i>								
1995	709	288	421	328	79	250	24.0	76.0
2000	706	290	416	244	49	195	20.0	80.0
2006	836	362	474	199	46	153	23.2	76.8
2007	..	..	..	..	..	..	..	..
<i>Faroe Islands</i>								
1995	..	..	..	..	..	..	..	..
2000	6	2.4	3.2	..	..	..	..	..
2006	6	2.7	3.2	..	..	..	..	..
2007	6	2.7	3.3	..	..	..	..	..
<i>Finland<sup>1)</sup></i>								
1995	804	304	501	108	13	95	12.0	88.0
2000	870	339	531	90	14	76	15.6	84.4
2006	964	395	569	64	12	52	18.8	81.3
2007	978	404	575	61	12	49	19.7	80.3
<i>Iceland</i>								
1995	26	..	..	..	..	..	..	..
2000	29	13	16	2	1	2	31.2	68.8
2006	32	12	16	2	1	2	32.0	68.0
2007	..	..	..	..	..	..	..	..
<i>Norway</i>								
1995	625	254	372	258	40	218	15.4	84.6
2000	629	258	371	237	33	204	13.8	86.2
2006	634	266	368	184	23	161	12.3	87.7
2007	639	270	370	176	22	155	12.3	87.7
<i>Sweden</i>								
1995	1 590	682	908	307	28	279	9.1	90.9
2000	1 604	694	910	226	24	202	10.6	89.4
2006	1 717	560	954	151	20	131	13.1	86.9
2007	1 760	788	972	140	19	121	13.8	86.2

1 The numbers comprise people who have been awarded retirement pension before time as well as retirement pensioners under 65 years.

**SUPPLEMENTARY TABLES**

**Table 6.9.a Pensioners receiving retirement pension by way of basic/guaranteed minimum pension and employment pension at the end of the years 1995-2007**

	Retirement pensioners who receive both basic/minimum and employment pension					Retirement pensioners who receive only employment pension (new Finnish and Swedish system)				
	Total (1 000)	Men (1 000)	Women (1 000)	Men, per cent	Women, per cent	Total (1 000)	Men (1 000)	Women (1 000)	Men, per cent	Women, per cent
<i>Denmark</i>										
1995	381	209	171	55.0	45.0	.	.	.	.	.
2000	463	242	221	52.2	47.8	.	.	.	.	.
2006	636	315	321	49.5	50.5	.	.	.	.	.
2007	..	..	..	..	..	.	.	.	.	.
<i>Finland<sup>1)</sup></i>										
1995	641	265	377	41.3	58.7	55	26	29	47.3	52.7
2000	683	278	405	40.7	59.3	97	47	50	48.5	51.5
2006	414	130	284	31.4	68.6	486	253	233	52.1	47.9
2007	406	127	279	31.3	68.7	512	265	247	51.8	48.2
<i>Iceland</i>										
1995	..	..	..	..	..	.	.	.	.	.
2000	25	11	14	43.7	56.3	.	.	.	.	.
2006	26	12	15	44.0	56.0	.	.	.	.	.
2007	..	..	..	..	..	.	.	.	.	.
<i>Norway</i>										
1995	368	214	153	58.3	41.7	.	.	.	.	.
2000	392	225	166	57.5	42.5	.	.	.	.	.
2006	450	243	207	54.1	45.9	.	.	.	.	.
2007	463	248	215	53.6	46.4	.	.	.	.	.
<i>Sweden</i>										
1995	1 283	654	629	51.0	49.0	.	.	.	.	.
2000	1 378	670	708	48.6	51.4	.	.	.	.	.
2006 <sup>2)</sup>	1 171	540	630	46.2	53.8	396	203	193	51.3	48.7
2007 <sup>2)</sup>	1 110	509	602	45.8	54.2	510	260	249	51.1	48.9

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

2 Pensioners with basic and employment pensions are pension recipients according to the old system, while pension recipients according to the new Swedish system are pensioners with the income-based pension plus any other kind of pension.



**Table 6.18.a Pensioners receiving disability pension by way of basic/guaranteed minimum pension and/or employment pension, in total and in per cent, 1995-2007**

	1995		2000		2006		2007	
	Total	Per cent	Total	Per cent	Total	Per cent	Total	Per cent
<i>Denmark</i>								
18-19 years	485	0.3	570	0.4	777	0.4	860	0.4
20-29 "	8 317	5.4	7 598	4.9	7 950	4.1	8 874	4.3
30-39 "	18 305	11.9	18 364	11.9	20 700	10.7	21 827	10.7
40-49 "	34 919	22.7	33 757	21.8	44 232	22.8	47 077	23.1
50-59 "	57 198	37.2	60 933	39.4	75 525	39.0	77 373	37.9
60-64 "	34 504	22.4	33 366	21.6	44 608	23.0	48 200	23.6
Total 18-64 years	153 728	100.0	154 588	100.0	193 792	100.0	204 211	100.0
65-66 years	12 918	.	12 263	.	431	.	531	.
<i>Faroe Islands</i>								
18-19 years	..	..	5	0.4	6	0.5	5	0.4
20-29 "	..	..	62	5.0	56	4.5	48	3.9
30-39 "	..	..	165	13.3	132	10.6	134	10.8
40-49 "	..	..	264	21.3	235	18.9	239	19.2
50-59 "	..	..	434	35.1	469	37.7	452	36.3
60-64 "	..	..	307	24.8	345	27.8	367	29.5
Total 18-64 years	..	..	1 237	100.0	1 243	100.0	1 245	100.0
65-66 years	..	..	115	.	151	.	136	.
<i>Finland</i>								
16-19 years	1 978	0.6	1 569	0.6	1 118	0.4	1 338	0.5
20-29 "	9 031	2.9	8 240	3.0	9 966	3.7	10 229	3.8
30-39 "	20 379	6.6	18 451	6.7	17 033	6.4	16 865	6.2
40-49 "	49 498	16.0	43 096	15.6	38 916	14.6	38 449	14.2
50-59 "	113 830	36.8	108 344	39.2	117 466	43.9	114 422	42.1
60-64 "	114 787	37.1	96 569	35.0	82 884	31.0	90 321	33.3
Total 16-64 years	309 503	100.0	276 269	100.0	267 383	100.0	271 624	100.0
65-66 years	.	.	.	.	.	.	.	.
<i>Iceland</i>								
16-19 years	322	3.5	193	2.1	208	1.5	..	..
20-29 "	1 048	11.5	971	10.4	1 343	9.9	..	..
30-39 "	1 825	20.0	1 719	18.3	2 125	15.6	..	..
40-49 "	1 973	21.6	2 362	25.2	3 493	25.6	..	..
50-59 "	2 234	24.5	2 600	27.7	3 996	29.3	..	..
60-64 "	1 712	18.8	1 533	16.3	2 455	18.0	..	..
Total 16-64 years	9 114	100.0	9 378	100.0	13 620	100.0	..	..
65-66 years	905	.	902	.	949	.	..	..
<i>Norway</i>								
18-19 years	778	0.4	544	0.2	802	0.3	863	0.3
20-29 "	6 625	3.3	7 687	3.1	8 868	3.0	9 396	3.1
30-39 "	19 106	9.4	24 011	9.6	26 248	8.9	26 625	8.9
40-49 "	44 153	21.7	51 285	20.5	57 766	19.7	59 034	19.7
50-59 "	73 415	36.0	99 405	39.8	112 865	38.4	111 650	37.3
60-64 "	59 700	29.3	67 054	26.8	87 184	29.7	91 459	30.6
Total 18-64 years	203 777	100.0	249 986	100.0	293 733	100.0	299 027	100.0
65-66 years	32 524	.	28 526	.	34 085	.	34 517	.
<i>Sweden<sup>1)</sup></i>								
16-19 years	3 138	0.7	3 910	0.9	2 001	0.4	2 333	0.4
20-29 "	12 181	2.9	13 924	3.2	23 024	4.1	24 586	4.5
30-39 "	31 645	7.5	34 463	7.9	45 344	8.2	44 073	8.0
40-49 "	78 902	18.8	78 134	17.8	106 119	19.1	105 970	19.2
50-59 "	156 598	37.3	174 686	39.9	205 204	37.0	199 788	36.2
60-64 "	137 394	32.7	132 826	30.3	173 205	31.2	174 996	31.7
Total 16-64 years	419 858	100.0	437 943	100.0	554 897	100.0	551 746	100.0
65-66 years	.	.	.	.	.	.	.	.

1 In 2004, the age group 16-19 years included the 18-19 year-olds.

**SUPPLEMENTARY TABLES**
**Table 6.18.b.1 Pensioners receiving disability pension by way of basic/guaranteed minimum pension and/or employment pension as percentages of the respective age groups, 1995-1997**

	1995			1996			1997		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<i>Denmark</i>									
18-19 years	0.2	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.2
20-29 "	1.2	0.9	1.1	1.2	0.9	1.1	1.2	0.9	1.0
30-39 "	2.4	2.2	2.3	2.4	2.1	2.3	2.4	2.1	2.3
40-49 "	4.4	4.7	4.5	4.4	4.7	4.5	4.4	4.6	4.5
50-59 "	8.4	9.2	8.8	8.2	9.0	8.6	8.0	8.7	8.4
60-64 "	14.4	14.4	14.4	13.8	14.2	14.0	13.3	13.9	13.6
Total 18-64 years	4.3	4.4	4.3	4.2	4.2	4.2	4.2	4.4	4.3
65-66 years	14.5	14.1	14.3	14.4	14.1	14.2	14.2	14.0	14.1
<i>Faeroe Islands</i>									
18-19 years	..	..	..	..	..	..	..	..	..
20-29 "	..	..	..	..	..	..	..	..	..
30-39 "	..	..	..	..	..	..	..	..	..
40-49 "	..	..	..	..	..	..	..	..	..
50-59 "	..	..	..	..	..	..	..	..	..
60-64 "	..	..	..	..	..	..	..	..	..
Total 18-64 years	..	..	..	..	..	..	..	..	..
65-66 years	..	..	..	..	..	..	..	..	..
<i>Finland</i>									
16-19 years	0.9	0.6	0.8	0.9	0.6	0.7	0.9	0.6	0.8
20-29 "	1.6	1.2	1.4	1.6	1.1	1.3	1.5	1.1	1.3
30-39 "	3.1	2.2	2.7	3.0	2.2	2.6	2.9	2.2	2.5
40-49 "	6.6	5.2	5.9	6.5	5.1	5.8	6.4	5.1	5.8
50-59 "	20.9	17.9	19.4	19.4	16.6	18.0	18.0	15.6	16.8
60-64 "	49.5	44.4	47.6	47.9	43.4	45.6	46.1	41.9	43.9
Total 16-64 years	9.8	8.7	9.2	9.5	8.5	9.0	9.2	8.3	8.8
65-66 years	.	.	.	.	.	.	.	.	.
<i>Iceland</i>									
16-19 years	2.1	1.8	1.9	2.0	1.8	1.9	1.9	1.8	1.9
20-29 "	2.7	2.4	2.6	2.7	2.5	2.6	2.8	2.6	2.7
30-39 "	3.8	4.3	4.3	3.9	4.5	4.5	3.9	4.6	4.6
40-49 "	4.7	6.6	5.6	5.0	7.1	6.0	5.1	7.4	6.2
50-59 "	7.4	11.9	9.7	7.5	12.0	9.7	7.8	12.3	10.0
60-64 "	13.3	20.6	17.0	13.4	20.7	17.2	13.2	21.3	17.4
Total 16-64 years	4.6	6.3	5.4	4.7	6.5	5.6	4.8	6.7	5.7
65-66 years	16.8	26.4	21.8	18.8	28.6	23.8	19.4	28.2	23.8
<i>Norway</i>									
18-19 years	0.4	0.3	0.4	0.4	0.3	0.4	0.5	0.4	0.4
20-29 "	1.1	0.9	1.0	1.1	1.0	1.0	1.2	1.1	1.1
30-39 "	2.7	3.2	2.9	2.8	3.3	3.0	2.8	3.4	3.2
40-49 "	5.7	8.6	7.1	5.8	8.7	7.2	6.0	8.8	7.4
50-59 "	13.1	19.6	16.3	12.8	19.4	16.1	13.0	19.7	16.3
60-64 "	32.0	35.7	33.9	31.3	36.0	33.7	30.9	36.6	33.8
Total 18-64 years	6.3	8.5	7.4	6.3	8.7	7.5	6.5	8.9	7.6
65-66 years	42.5	43.0	42.8	41.7	42.7	42.2	41.7	43.2	42.5
<i>Sweden</i>									
16-19 years	0.9	0.7	0.8	0.9	0.6	0.8	0.9	0.7	0.8
20-29 "	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1
30-39 "	2.3	2.9	2.6	2.3	2.9	2.6	2.3	2.9	2.6
40-49 "	5.2	7.5	6.4	5.3	7.6	6.4	5.2	7.6	6.4
50-59 "	12.7	16.9	14.7	13.3	16.7	14.5	11.9	16.4	14.2
60-64 "	33.7	34.7	34.2	32.2	34.0	33.2	32.5	34.4	33.5
Total 16-64 years	6.7	8.5	7.6	6.7	8.5	7.6	6.7	8.6	7.7
65-66 years	.	.	.	.	.	.	.	.	.

**SUPPLEMENTARY TABLES**

**Table 6.18.b.2 Pensioners receiving disability pension by way of basic/guaranteed minimum pension and/or employment pension as percentages of the respective age groups, 1998-2000**

	1998			1999			2000		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<i>Denmark</i>									
18-19 years	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
20-29 "	1.2	0.9	1.1	1.2	0.9	1.1	1.2	0.9	1.1
30-39 "	2.4	2.1	2.3	2.4	2.1	2.3	2.4	2.1	2.3
40-49 "	4.4	4.6	4.5	4.4	4.6	4.5	4.4	4.7	4.5
50-59 "	7.9	8.6	8.2	7.8	8.5	8.1	7.7	8.6	8.1
60-64 "	12.9	13.6	13.3	12.5	13.2	12.9	12.1	12.9	12.5
Total 18-64 years	4.2	4.4	4.3	4.2	4.4	4.3	4.2	4.5	4.3
65-66 years	13.6	13.7	13.7	13.2	13.9	13.6	12.9	13.5	13.2
<i>Faroe Islands</i>									
18-19 years	..	..	..	..	..	..	0.6	0.2	0.4
20-29 "	..	..	..	..	..	..	1.1	1.1	1.1
30-39 "	..	..	..	..	..	..	2.1	3.0	2.5
40-49 "	..	..	..	..	..	..	2.9	5.9	4.3
50-59 "	..	..	..	..	..	..	6.4	10.0	8.1
60-64 "	..	..	..	..	..	..	15.8	17.2	16.5
Total 18-64 years	..	..	..	..	..	..	3.8	5.6	4.6
65-66 years	..	..	..	..	..	..	16.0	18.2	17.0
<i>Finland</i>									
16-19 years	0.8	0.7	0.8	0.8	0.6	0.7	0.7	0.5	0.6
20-29 "	1.5	1.1	1.3	1.5	1.1	1.3	1.5	1.1	1.3
30-39 "	2.8	2.1	2.5	2.8	2.2	2.5	2.9	2.2	2.6
40-49 "	6.3	5.1	5.7	6.2	5.0	5.6	6.1	4.9	5.5
50-59 "	16.6	14.5	15.5	15.8	13.9	14.8	15.6	13.8	14.7
60-64 "	44.0	39.9	41.9	41.5	37.4	39.4	39.1	35.0	37.0
Total 16-64 years	9.0	8.1	8.6	8.7	7.9	8.3	8.5	7.7	8.1
65-66 years	..	..	..	..	..	..	..	..	..
<i>Iceland</i>									
16-19 years	2.1	1.7	1.9	2.3	2.0	2.2	1.4	1.0	1.2
20-29 "	2.6	2.7	2.6	2.7	2.8	2.7	2.3	2.7	2.5
30-39 "	4.0	4.7	4.3	4.2	5.1	4.6	3.7	5.3	4.5
40-49 "	4.9	7.6	6.2	5.3	8.4	6.8	5.1	7.8	6.4
50-59 "	7.9	12.1	10.0	8.0	12.7	10.3	7.4	12.2	9.8
60-64 "	13.3	21.4	17.5	12.8	21.6	17.3	12.3	22.0	17.2
Total 16-64 years	4.8	6.8	5.8	5.0	7.3	6.1	4.5	6.9	5.7
65-66 years	17.6	26.6	22.1	17.5	28.8	23.3	19.0	32.2	25.8
<i>Norway</i>									
18-19 years	0.5	0.4	0.5	0.6	0.5	0.5	0.6	0.5	1.0
20-29 "	1.3	1.1	1.2	1.3	1.2	1.3	1.4	1.2	1.0
30-39 "	3.0	3.6	3.3	3.1	3.8	3.4	3.1	3.9	4.0
40-49 "	6.2	9.2	7.7	6.5	9.6	8.0	6.7	9.8	8.0
50-59 "	13.4	20.5	16.9	13.7	21.3	17.5	14.0	21.8	18.0
60-64 "	31.3	37.7	34.6	31.6	38.7	35.2	31.8	39.3	35.6
Total 18-64 years	6.9	9.6	8.2	7.3	10.3	8.8	7.5	10.6	9.0
65-66 years	41.5	43.9	42.8	41.2	45.0	43.2	41.2	45.7	43.0
<i>Sweden</i>									
16-19 years	0.9	0.7	0.8	1.0	0.8	0.9	1.1	0.8	1.0
20-29 "	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3
30-39 "	2.3	2.9	2.6	2.3	2.9	2.6	2.4	3.1	2.7
40-49 "	5.2	7.6	6.4	5.3	7.6	6.4	5.5	7.9	6.7
50-59 "	11.6	16.2	13.9	11.4	16.3	13.8	11.6	16.8	14.2
60-64 "	30.5	33.3	31.9	28.8	32.6	30.7	27.6	32.4	30.0
Total 16-64 years	6.6	8.6	7.6	6.6	8.7	7.6	6.7	9.0	7.8
65-66 years	..	..	..	..	..	..	..	..	..

**SUPPLEMENTARY TABLES**
**Table 6.18.b.3 Pensioners receiving disability pension by way of basic/guaranteed minimum pension and/or employment pension as percentages of the respective age groups, 2001-2003**

	2001			2002			2003		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<i>Denmark</i>									
18-19 years	0.3	0.2	0.2	0.3	0.2	0.2	0.3	0.2	0.2
20-29 "	1.3	1.0	1.1	1.3	1.0	1.2	1.4	1.0	1.2
30-39 "	2.5	2.2	2.3	2.6	2.3	2.4	2.7	2.4	2.6
40-49 "	4.6	5.0	4.7	4.8	5.3	5.1	5.0	5.5	5.3
50-59 "	7.9	9.1	8.5	8.3	9.8	9.0	8.6	10.4	9.4
60-64 "	11.9	12.7	12.3	11.8	12.8	12.3	11.6	13.1	12.4
Total 18-64 years	4.3	4.7	4.5	4.5	5.0	4.8	4.7	5.3	5.0
65-66 years	12.4	13.3	12.9	12.3	13.4	12.8	12.2	13.3	12.8
<i>Faroe Islands</i>									
18-19 years	0.9	0.2	..	0.9	0.3	..	0.7	0.7	0.7
20-29 "	1.0	0.9	..	1.0	0.7	..	1.0	0.7	0.9
30-39 "	1.9	2.9	..	1.7	2.6	..	1.8	2.6	2.2
40-49 "	2.9	5.1	..	2.7	5.2	..	2.7	4.8	3.7
50-59 "	6.4	10.5	..	6.3	10.2	..	6.2	10.2	8.1
60-64 "	14.4	16.5	..	13.1	16.3	..	12.7	17.5	14.9
Total 18-64 years	3.7	5.4	..	3.5	5.3	..	3.5	5.8	4.4
65-66 years	17.9	18.4	..	19.1	19.0	..	19.9	18.5	19.3
<i>Finland</i>									
16-19 years	0.5	0.4	0.5	0.4	0.3	0.4	0.3	0.2	0.3
20-29 "	1.5	1.1	1.3	1.6	1.1	1.4	1.6	1.2	1.4
30-39 "	2.8	2.2	2.5	2.9	2.2	2.6	3.0	2.3	2.6
40-49 "	5.9	4.9	5.4	5.9	4.9	5.4	5.9	4.8	5.4
50-59 "	15.1	13.5	14.3	15.3	13.7	14.5	15.4	13.7	14.6
60-64 "	35.1	30.5	32.7	33.5	29.2	31.3	31.9	28.0	29.9
Total 16-64 years	8.3	7.4	7.8	8.2	7.3	7.8	8.3	7.4	7.8
65-66 years	.	.	.	.	.	.	.	.	.
<i>Iceland</i>									
16-19 years	1.6	1.2	1.3	1.5	1.2	1.3	1.5	1.1	1.2
20-29 "	2.3	2.8	2.4	2.4	3.1	2.6	2.7	3.6	3.0
30-39 "	3.5	5.6	4.2	3.6	5.8	4.4	3.8	6.3	4.8
40-49 "	5.5	8.2	6.3	5.6	8.6	6.6	5.9	9.1	7.1
50-59 "	7.7	12.6	9.3	7.8	12.8	9.6	7.9	13.3	10.0
60-64 "	12.4	21.8	15.8	12.6	22.1	16.3	13.7	22.1	17.0
Total 16-64 years	4.7	7.1	5.4	4.8	7.5	5.8	5.1	8.0	6.2
65-66 years	18.3	32.1	23.6	16.4	30.2	22.0	15.9	30.3	21.8
<i>Norway</i>									
18-19 years	0.5	0.5	0.5	0.6	0.5	0.5	0.6	0.5	0.6
20-29 "	1.3	1.2	1.3	1.4	1.2	1.3	1.4	1.2	1.3
30-39 "	3.1	3.8	3.5	3.1	3.8	3.4	3.1	3.8	3.4
40-49 "	6.6	9.8	8.2	6.7	9.7	8.2	6.8	9.8	8.3
50-59 "	14.2	22.0	18.1	14.4	22.3	18.3	14.7	22.6	18.6
60-64 "	31.7	39.7	35.7	31.4	39.7	31.4	30.7	39.7	35.2
Total 18-64 years	7.7	10.8	9.2	7.8	11.0	9.4	8.0	11.2	9.5
65-66 years	40.3	46.1	43.4	39.4	46.1	43.1	39.8	46.6	43.4
<i>Sweden<sup>1)</sup></i>									
16-19 years	1.2	0.9	1.0	1.3	1.0	1.1	1.5	1.1	1.0
20-29 "	1.3	1.3	1.3	1.5	1.5	1.5	1.6	1.6	1.6
30-39 "	2.4	3.3	2.9	2.6	3.7	3.1	2.6	4.0	3.3
40-49 "	5.7	8.4	7.0	6.0	9.1	7.5	6.1	9.5	7.8
50-59 "	11.9	17.6	14.7	12.6	18.8	15.7	12.9	19.6	16.2
60-64 "	26.9	32.8	29.9	26.5	33.7	30.1	25.8	33.9	29.8
Total 16-64 years	6.8	9.4	8.1	7.1	10.1	8.6	7.4	10.7	8.9
65-66 years	.	.	.	.	.	.	.	.	.

1 In 2003, the age group 16-19 years included the 17-19 year-olds and in 2004 the 18-19 year-olds.

**Table 6.18.b.4 Pensioners receiving disability pension by way of basic/guaranteed minimum pension and/or employment pension as percentages of the respective age groups, 2004-2005**

	2004			2005		
	Men	Women	Total	Men	Women	Total
<i>Denmark</i>						
18-19 years	0.3	0.2	0.2	0.3	0.2	0.3
20-29 "	1.5	1.1	1.3	1.5	1.2	1.4
30-39 "	2.8	2.5	2.7	2.9	2.6	2.8
40-49 "	5.2	5.8	5.5	5.4	6.0	5.7
50-59 "	9.0	11.0	10.0	9.3	11.5	10.4
60-64 "	11.5	13.2	12.4	11.5	13.4	12.5
Total 18-64 years	4.9	5.5	5.2	5.1	5.8	5.4
65-66 years	9.3	10.7	10.0	3.2	3.9	3.6
<i>Faroe Islands</i>						
18-19 years	0.7	0.5	0.6	0.0	0.6	0.3
20-29 "	1.0	0.8	0.9	1.2	0.7	1.0
30-39 "	1.7	2.5	2.1	1.8	2.4	2.1
40-49 "	2.7	4.6	3.6	2.7	4.4	3.5
50-59 "	6.3	10.2	8.1	5.8	10.1	7.8
60-64 "	12.3	17.9	14.9	11.5	15.3	13.3
Total 18-64 years	3.5	5.4	4.4	3.4	5.1	4.2
65-66 years	14.7	15.6	15.1	15.9	17.2	16.5
<i>Finland</i>						
16-19 years	0.3	0.3	0.3	0.4	0.3	0.4
20-29 "	1.6	1.2	1.4	1.6	1.3	1.5
30-39 "	3.0	2.3	2.6	3.0	2.3	2.7
40-49 "	5.8	4.8	5.3	5.7	4.8	5.3
50-59 "	15.6	13.9	14.7	15.6	14.0	14.8
60-64 "	30.4	26.8	28.6	28.8	25.6	27.2
Total 16-64 years	8.2	7.3	7.8	8.2	7.4	7.8
65-66 years	.	.	.	.	.	.
<i>Iceland</i>						
16-19 years	1.6	1.3	1.4	1.4	1.1	1.3
20-29 "	2.9	3.9	3.4	2.8	3.6	3.2
30-39 "	3.9	6.8	5.3	3.7	6.6	5.1
40-49 "	6.2	9.4	7.8	5.9	9.7	7.8
50-59 "	8.3	13.6	10.9	8.3	13.7	10.9
60-64 "	13.6	23.4	18.6	13.8	23.1	18.5
Total 16-64 years	5.3	8.5	6.9	5.3	8.5	6.9
65-66 years	16.0	28.7	22.3	17.6	28.1	22.8
<i>Norway</i>						
18-19 years	0.6	0.5	0.6	0.8	0.6	0.7
20-29 "	1.4	1.3	1.4	1.5	1.4	1.5
30-39 "	3.2	3.9	3.5	3.3	4.1	3.7
40-49 "	6.9	10.0	8.4	7.0	10.2	8.6
50-59 "	15.0	22.8	18.8	15.0	22.8	18.8
60-64 "	29.7	39.2	34.5	28.9	38.7	33.8
Total 18-64 years	8.1	11.5	9.8	8.3	11.7	10.0
65-66 years	40.1	47.1	43.7	39.8	47.6	43.8
<i>Sweden<sup>1)</sup></i>						
16-19 years	1.6	1.2	0.7	2.0	1.5	1.8
20-29 "	1.8	1.8	1.8	2.0	2.0	2.0
30-39 "	2.8	4.4	3.6	2.9	4.6	3.7
40-49 "	6.4	10.4	8.5	6.5	10.9	8.7
50-59 "	13.5	20.7	16.8	13.7	21.3	17.5
60-64 "	25.5	34.7	32.0	24.8	34.5	29.6
Total 16-64 years	7.9	11.7	9.4	8.2	12.4	10.3
65-66 years	.	.	.	.	.	.

1 In 2003, the age group 16-19 years included the 17-19 year-olds and in 2004 the 18-19 year-olds.

**SUPPLEMENTARY TABLES**
**Table 6.18.b.5 Pensioners receiving disability pension by way of basic/guaranteed minimum pension and/or employment pension as percentages of the respective age groups, 2006-2007**

	2006			2007		
	Men	Women	Total	Men	Women	Total
<i>Denmark</i>						
18-19 years	0.3	0.2	0.7	0.3	0.2	0.7
20-29 "	1.5	1.1	1.3	1.6	1.2	1.4
30-39 "	2.8	2.6	2.6	3.0	2.8	2.8
40-49 "	5.2	5.8	5.6	5.5	6.2	5.9
50-59 "	9.2	11.5	10.2	9.6	12.0	10.6
60-64 "	11.3	13.4	13.1	11.6	14.1	13.3
Total 18-64 years	5.0	5.8	5.7	5.2	6.1	6.0
65-66 years	0.4	0.4	0.4	0.4	0.5	0.5
<i>Faroe Islands</i>						
18-19 years	0.8	0.6	0.3	0.4	0.3	0.3
20-29 "	1.1	0.7	1.1	1.1	0.6	1.1
30-39 "	1.8	2.3	2.3	2.0	2.3	2.3
40-49 "	2.9	4.3	4.2	2.9	4.2	4.1
50-59 "	6.2	9.8	9.9	5.9	9.4	9.8
60-64 "	11.5	16.8	18.4	11.7	17.8	17.9
Total 18-64 years	3.6	5.2	5.4	3.6	5.2	5.3
65-66 years	18.6	19.7	30.9	15.3	16.9	28.3
<i>Finland</i>						
16-19 years	0.5	0.4	0.9	0.6	0.4	0.9
20-29 "	1.7	1.3	1.5	1.7	1.4	1.5
30-39 "	2.9	2.3	2.6	2.9	2.3	2.6
40-49 "	5.6	4.7	5.1	5.6	4.7	5.2
50-59 "	15.5	13.8	14.5	15.3	13.7	14.6
60-64 "	27.3	24.8	27.8	26.6	24.5	26.5
Total 16-64 years	8.1	7.4	8.1	8.2	7.5	8.1
65-66 years	.	.	.	.	.	.
<i>Iceland</i>						
16-19 years	1.2	1.0	2.5	..	..	..
20-29 "	2.7	3.4	3.1	..	..	..
30-39 "	3.4	6.5	5.0	..	..	..
40-49 "	5.7	10.0	8.0	..	..	..
50-59 "	8.2	13.7	11.4	..	..	..
60-64 "	13.9	23.3	19.7	..	..	..
Total 16-64 years	5.1	8.5	7.3	..	..	..
65-66 years	17.7	29.6	24.9	..	..	..
<i>Norway</i>						
18-19 years	0.8	0.6	0.7	0.8	0.7	0.7
20-29 "	1.6	1.5	1.6	1.7	1.6	1.7
30-39 "	3.4	4.3	3.8	3.4	4.4	3.9
40-49 "	7.1	10.4	8.8	7.0	10.6	8.9
50-59 "	15.0	22.6	18.7	14.7	22.4	18.5
60-64 "	28.2	38.4	36.5	27.9	38.4	34.9
Total 18-64 years	8.4	11.9	10.3	8.4	12.0	10.3
65-66 years	38.8	47.3	44.7	37.3	46.3	45.5
<i>Sweden<sup>1)</sup></i>						
16-19 years	2.0	1.5	0.9	2.2	1.6	1.0
20-29 "	2.2	2.2	2.1	2.3	2.3	2.3
30-39 "	2.9	4.6	3.6	2.9	4.5	3.6
40-49 "	6.4	10.9	8.7	6.3	10.8	8.5
50-59 "	13.5	21.1	17.0	13.3	20.8	16.7
60-64 "	23.8	33.7	30.2	23.3	33.2	28.9
Total 16-64 years	8.2	12.4	10.0	8.1	12.3	9.9
65-66 years	.	.	.	.	.	.

1 In 2003, the age group 16-19 years included the 17-19 year-olds and in 2004 the 18-19 year-olds.

**Table 7.3.a Families receiving housing benefits at the end of the years 1995-2007**

	Denmark	Finland	Iceland <sup>1)</sup>	Norway	Sweden
<i>Number of recipients</i>					
<i>1995</i>					
Married and cohabiting couples	33 610	74 402	645	5 016	198 044
- with children	21 672	49 753	372	5 016	180 798
- without children	11 938	24 649	273	..	17 246
Single people	141 265	139 414	1 976	13 740	352 416
- with children	66 026	55 838	657	13 740	228 021
- without children	75 239	83 576	1 319	-	124 395
<i>2000</i>					
Married and cohabiting couples	33 619	33 359	780	5 360	50 016
- with children	21 284	25 559	417	4 954	47 622
- without children	12 335	7 800	363	406	2 394
Single people	136 051	136 993	3 681	17 982	195 368
- with children	61 700	50 184	1 296	15 725	161 548
- without children	74 351	86 809	2 385	2 257	33 820
<i>2006</i>					
Married and cohabiting couples	31 325	22 918	1 137	6 218	52 523
- with children	16 155	17 917	592	5 525	48 217
- without children	15 170	5 001	545	693	4 306
Single people	163 870	127 251	8 541	25 123	215 074
- with children	67 599	41 700	2 687	15 975	157 000
- without children	96 271	85 551	5 854	9 148	58 074
<i>2007</i>					
Married and cohabiting couples	..	21 100	..	6 055	49 514
- with children	..	16 572	..	5 337	45 930
- without children	..	4 528	..	718	3 584
Single people	..	121 135	..	23 783	198 347
- with children	..	40 081	..	14 691	146 217
- without children	..	81 054	..	9 092	52 130

1 Figures for 1995 are 1996.

**SUPPLEMENTARY TABLES**

**Table 7.4.a Pensioners receiving housing benefits at the end of the years 1995-2007**

	Denmark <sup>1)</sup>	Finland	Norway	Sweden <sup>2)</sup>
<i>1995</i>				
Married or cohabiting pensioners	68 872	13 732	5 771	42 300
Single pensioners	263 130	131 557	42 869	512 300
Total	332 002	145 289	48 640	554 700
<i>2000</i>				
Married or cohabiting pensioners	61 577	13 013	4 271	..
Single pensioners	269 161	139 451	78 547	..
Total	330 738	152 464	82 818	458 337
<i>2006</i>				
Married or cohabiting pensioners	58 150	11 965	2 642	..
Single pensioners	281 425	152 954	71 944	..
Total	339 575	164 919	74 586	425 782
<i>2007</i>				
Married or cohabiting pensioners	..	11 600	2 445	..
Single pensioners	..	152 992	64 310	..
Total	..	164 592	66 755	415 851

1 As from 2003 inclusive of new disability pensioners, who receive housing benefits according to the new rules of the anticipatory-pension reform from 1 January 2003.

2 Inclusive of 135 976 people, who received sickness/activity allowance.



**Table 9.7.a Social expenditure broken down by type and purpose as percentages of GDP, 2006**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
<i>Families and children</i>						
Cash benefits	1.5	1.9	1.6	1.2	1.4	1.6
Services	2.2	2.4	1.3	1.9	1.3	1.4
Total	3.7	4.3	2.9	3.1	2.7	2.9
<i>Unemployment</i>						
Cash benefits	1.9	0.7	1.9	0.2	0.3	1.4
Services	0.1	0.0	0.2	0.1	0.1	0.3
Total	2.0	0.7	2.2	0.3	0.4	1.6
<i>Illness</i>						
Cash benefits	1.0	0.5	1.2	1.5	2.4	1.7
Services	5.1	6.1	5.5	7.3	4.9	6.1
Total	6.1	6.7	6.7	8.8	7.2	7.8
<i>Old age</i>						
Cash benefits	8.9	4.6	7.7	4.2	4.9	8.9
Services	1.8	2.8	1.0	1.8	1.7	2.5
Total	10.7	7.4	8.7	6.0	6.6	11.4
<i>Disability</i>						
Cash benefits	2.9	1.6	2.3	2.2	3.4	2.6
Services	1.3	2.1	0.9	1.0	0.7	1.9
Total	4.2	3.7	3.2	3.3	4.2	4.5
<i>Survivors</i>						
Cash benefits	0.0	0.2	0.9	0.4	0.3	0.6
Services	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.2	0.9	0.4	0.3	0.6
<i>Housing</i>						
Services	0.7	.	0.3	0.2	0.1	0.5
Total	0.7	.	0.3	0.2	0.1	0.5
<i>Other social benefits</i>						
Cash benefits	0.6	0.5	0.3	0.2	0.3	0.3
Services	0.2	0.1	0.3	0.2	0.3	0.2
Total	0.8	0.6	0.6	0.4	0.6	0.6
<i>Cash benefits, total</i>	16.8	10.1	15.9	9.9	12.9	17.1
<i>Services, total</i>	11.5	13.4	9.5	12.5	9.2	12.9
<i>Social expenditures, total<sup>1)</sup></i>	28.3	23.6	25.4	22.5	22.1	30.0

1 The total social expenditure is in this table exclusive of administration costs.

**SUPPLEMENTARY TABLES**

**Table 9.x Current contributions to the financing of the social expenditure in per cent, broken down by public authorities, employers, the contributions made by the insured and other financing, 1995-2006**

	Public authorities total	Employers	The insured (contributions and special taxes)	Other financing	Total
<i>Denmark</i>					
1995	71	9	14	6	100
2000	64	9	20	7	100
2005	63	10	18	8	100
2006	63	11	20	6	100
<i>Faroe Islands</i>					
1995	..	..	..	..	..
2002	82	8	6	4	100
2005	81	9	6	4	100
2006	78	10	8	4	100
<i>Finland</i>					
1995	46	34	14	7	100
2000	43	38	12	7	100
2005	44	38	11	6	100
2006	44	38	12	6	100
<i>Iceland</i>					
1995	61	31	8	-	100
2000	51	39	9	-	100
2005	33	26	6	35	100
2006	32	25	6	38	100
<i>Norway<sup>1)</sup></i>					
1995	62	22	15	-	100
2000	60	24	14	1	100
2005	58	26	14	1	100
2006	57	27	15	1	100
<i>Sweden</i>					
1995	50	37	5	8	100
2000	47	40	9	4	100
2005	48	41	9	2	100
2006	49	40	9	2	100

1 There has been a change in the calculation method for the social expenditure, so that figures from before 2002 are not completely comparable with figures from after 2002.

**Table 9.9.a Tax percentages and social duties on wages/salaries and social benefits, per month, for a single childless AW, 2007**

	Denmark	Faroe Islands	Finland	Iceland	Norway	Sweden
	DKK	DKK	EUR	ISK	NOK	SEK
Wages/salaries, gross	28 264	23 969	2 903	289 641	35 065	28 068
Wages/salaries, net	17 734	14 118	2 000	210 358	24 708	20 263
Tax on: wages/salaries in per cent	37	41	31	27	30	28
Daily cash benefits in connection with pregnancy and birth, gross	14 798	23 969	1 983	231 713	32 753	22 208
Daily cash benefits in connection with pregnancy and birth, net	10 190	14 118	1 447	171 300	24 242	15 605
Tax on daily cash benefits in connection with pregnancy and birth	31	41	27	26	26	30
Unemployment benefits, gross	14 798	12 801	1 347	152 564	20 438	14 677
Unemployment benefits, net	10 515	8 538	1 032	147 831	15 473	10 703
Tax on unemployment benefits	29	33	23	3	24	27
Sickness benefits, gross	14 798	16 234	1 839	..	32 753	19 929
Sickness benefits, net	10 190	10 429	1 361	..	23 379	14 120
Tax on sickness benefits	31	36	26	..	29	29
Retirement pension, gross	18 691	9 354	1 888	214 661	17 771	20 132
Retirement pension, net	12 723	8 479	1 390	195 129	15 486	14 255
Tax on retirement pension	32	9	26	9	13	29
Disability pension, gross	14 722	13 443	1 490	..	17 771	18 235
Disability pension, net	10 289	11 848	1 142	..	15 486	13 017
Tax on disability pension	30	12	23	..	13	29
Social benefits, non-insured persons, gross	8 959	..	514	95 325	..	6 907
Social benefits, non-insured persons, net	6 678	..	415	94 799	..	5 396
Tax on social benefits, non-insured persons	25	..	19	1	..	22

**SUPPLEMENTARY TABLES**

**Table 9.10.a Cash benefits exempt from tax/subject to tax, in total and as percentages of GDP, 1995-2007**

	Cash benefits exempt from tax			Cash benefits subject to tax		
	Total, million KR/EUR	As percent- age of GDP	As percent- age of all cash benefits	Total, million KR/EUR	As percent- age of GDP	As percent- age of all cash benefits
<i>1995</i>						
Denmark	18 764	2	9	188 292	18	91
Finland	2 685	3	13	17 977	19	87
Iceland	6 574	2	15	37 653	8	85
Norway	20 204	2	14	126 225	14	86
Sweden	32 458	2	9	328 367	19	91
<i>2000</i>						
Denmark	23 737	2	11	199 950	15	89
Finland	2 601	2	12	18 599	14	88
Iceland	5 672	1	9	57 501	9	91
Norway	23 736	2	12	178 615	13	88
Sweden	32 695	2	8	352 586	16	92
<i>2006</i>						
Denmark	25 970	2	9	250 079	16	91
Finland	2 730	2	11	23 001	15	89
Iceland	8 719	1	8	99 440	10	92
Norway <sup>1)</sup>	26 444	1	10	243 125	13	90
Sweden	34 379	1	7	455 309	17	93
<i>2007</i>						
Denmark	26 252	2	10	249 799	15	90
Finland	2 788	2	10	23 794	14	90
Iceland	9 865	1	8	108 311	9	92
Norway <sup>1)</sup>	25 634	1	9	254 305	12	91
Sweden	36 836	1	7	459 978	16	93

1 Figures up until 2001 are not comparable with figures for 2006 and 2007.

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