

Denmark

Exchange rate: US\$1.00 = 5.69 kroner.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1891 (old age) and 1921 (disability).

Current laws: 2005 (partial early retirement pension), 2006 (ATP pension), 2007 (social pensions), and 2007 (anticipatory pensions).

Type of program: Universal and social insurance.

Coverage

Universal pension: Citizens residing in Denmark and noncitizens meeting the minimum residency requirements or covered by reciprocal agreements.

Labor-market supplementary pension (ATP): Employees, including recipients of disability pensions granted before 2003, cash sickness, maternity, unemployment, and social assistance benefits.

Voluntary coverage for persons previously insured for at least three years who are nonsalaried or self-employed, and for recipients of disability pensions granted as of 2003, or early retirement benefits (see Unemployment).

Exclusions: Employees working less than nine hours a week.

Source of Funds

Insured person

Universal basic pension: None.

ATP: Up to 1,080 kroner a year for a full-time worker. Recipients of sickness and maternity benefits, unemployment benefits, and certain vocational training benefits pay double contributions.

The insured's contributions are paid monthly or quarterly.

Self-employed person

Universal basic pension: None.

ATP: Up to 3,240 kroner a year.

Employer

Universal basic pension: None.

ATP: Up to 2,160 kroner (for a full-time worker) for each employee a year.

Contributions are paid quarterly.

Government

Universal basic pension: The total cost.

Contributions are paid monthly or quarterly.

Qualifying Conditions

Old-age pension

Universal basic pension (earnings-tested): Age 65 (rising by 6 months a year to 67 from 2024 to 2027) with at least three years of residence from ages 15 to 65 (Danish nationals) or at least 10 years of residence including the last five years before the pensionable age (foreign nationals). The full pension is paid with at least 40 years of residence from ages 15 to 65.

Partial pension: Benefits are proportionately reduced with less than 40 years of residence.

Earnings test: The benefit may be reduced for annual earnings (from work) greater than 291,200 kroner for an unmarried pensioner.

Benefits are payable abroad.

Universal pension supplement (income-tested): Age 65 (rising by 6 months a year to 67 from 2024 to 2027) with at least three years of residence from ages 15 to 65 (Danish nationals) or at least 10 years of residence including the last five years before the pensionable age (foreign nationals).

Income test: The supplement is reduced for total income greater than 64,300 kroner a year for an unmarried pensioner or 128,900 kroner a year for each person in a married couple or cohabitating.

Deferred universal old-age pension (basic and supplement): If the insured works at least 1,000 hours a year, the pension and supplement may be deferred until age 75.

ATP: Age 65 (rising by 6 months a year to 67 from 2024 to 2027). The full ATP pension requires a full and continuous contribution record since the start of the program in 1964 (or from age 16 if later).

Deferred ATP pension: The pension may be deferred until age 75.

Benefits are payable abroad.

Supplementary pension benefit (income-tested): Paid to needy pensioners.

Disability pension

Disability (anticipatory) pension (income-tested): The insured has an assessed, permanent reduced working capacity and cannot assure his or her own subsistence from any kind of paid work. (No pension is awarded if it is likely that the insured's assessed working capacity can be improved through rehabilitation or other measures.) Must have at least three years of residence from ages 15 to 65 (Danish

nationals) or at least 10 years of residence or be covered by a reciprocal agreement (foreign nationals).

Income test: The pension is reduced for annual income exceeding 69,800 kroner for unmarried persons (110,600 kroner if married or cohabitating); no pension is paid if the unmarried insured's annual income exceeds 735,700 kroner (1,242,600 kroner if in a married couple or cohabitating).

Following a medical assessment, the working capacity is assessed by nonmedical staff of the municipality. If the working capacity of the insured improves, a medical review is required.

At the pensionable age, the disability pension is replaced by the old-age pension.

Disability supplement: Paid to help meet extra costs resulting from the assessed disability. Expected extra costs must exceed 6,000 kroner a year or 500 kroner a month. There is no income test.

Benefits are payable abroad.

Survivor pension

Universal pension: No statutory benefits are provided for a surviving spouse.

Orphans younger than age 18 are eligible for benefits under Family Allowances.

Death grant: A lump sum is provided under Sickness and Maternity.

Dependent survivor's pension: Paid when one spouse or cohabiting partner (including a registered same-sex partner) dies and both received a social pension.

Dependent survivor's allowance (income-tested): Paid to a surviving spouse or partner (including a registered same-sex partner) who lived with the deceased for at least three years.

Income test: A reduced benefit is paid if the annual income of the surviving spouse or cohabitating partner exceeds 221,317 kroner; no benefit is paid if annual income exceeds 345,805 kroner.

ATP: If the deceased had at least two years of contributions after 2002, a benefit is paid to a surviving spouse (including a registered same-sex partner) and each child younger than age 21. If the deceased had contributions before 2003 only, a benefit is paid to a surviving spouse (including a registered same-sex partner) and each child younger than age 19.

Old-Age Benefits

Universal old-age basic pension (earnings-tested): 68,556 kroner a year is paid for unmarried, married, or cohabiting pensioners with at least 40 years of residence in Denmark before the pensionable age.

Universal old-age pension supplement (income-tested): 71,196 kroner a year is paid for an unmarried

pensioner; 34,416 kroner a year for a married or cohabitating pensioner.

Income test: The supplement is reduced by 32% for annual income over 69,800 kroner for unmarried persons (110,600 if married or cohabiting) up to 735,700 kroner (1,242,600 kroner), respectively.

Deferred universal old-age pension (basic and supplement): The pension is increased for each month of deferral from age 65 to 75.

ATP pension: The pension is calculated based on the individual's contribution record.

The maximum annual pension is approximately 25,000 kroner.

Pensions under 2,500 kroner are paid as a lump sum.

Deferred ATP pension: The pension is increased for each month of deferral from age 65 to 75.

Benefit adjustment: Pensions under the ATP are adjusted depending on the financial resources of the system.

Supplementary pension benefit (income-tested): A supplementary benefit is paid. (Old-age pensioners may claim additional social benefits to help meet daily living and housing costs.)

Permanent Disability Benefits

Disability (early) pension (income-tested): 204,900 kroner a year for an unmarried person; 174,168 kroner a year is paid for a married or cohabiting person.

Income test: The pension for an unmarried person is reduced by 30% of income exceeding 69,800 kroner; 110,600 kroner if married or cohabitating.

Disability supplement: The minimum monthly supplement is 1,500 kroner.

Benefit adjustment: Benefits are adjusted annually according to changes in wages.

Survivor Benefits

Death grant (means-tested): A lump sum of up to 9,900 kroner is paid (8,300 kroner if the survivor is younger than 18).

Benefit adjustment: The grant is adjusted annually according to changes in wages.

Dependent survivor's pension: The deceased's pension(s) is paid for three months.

Dependent survivor's allowance (income-tested): A means-tested lump sum of up to 13,443 kroner is paid.

Income test: A reduced benefit is paid if the annual income of the surviving spouse or cohabitating partner exceeds 221,317 kroner; no benefit is paid if annual income exceeds 345,805 kroner.

ATP: With at least two years of contributions after 2002, a lump sum of 50,000 kroner is paid; with contributions before 2003 only, a lump sum based on the deceased's accrued rights is paid.

Administrative Organization

Universal pension: Ministry of Social Affairs and Integration (<http://www.sm.dk>) provides general supervision and national administration.

ATP: Labor Market Supplementary Pension Institution (<http://www.atp.dk>), an independent institution headed by a bipartite board of directors, administers the program.

Danish Financial Supervisory Authority (<http://www.finanstilsynet.dk>) supervises the program.

Sickness and Maternity

Regulatory Framework

First law: 1892.

Current laws: 2005 (health) and 2006 (maternity).

Type of program: Universal (medical benefits) and employment-related (cash benefits) system.

Coverage

Cash sickness and maternity benefits: All employed and self-employed persons.

Medical benefits: All persons residing in Denmark.

Source of Funds

Insured person: None.

Self-employed person: Voluntary contributions to finance cash benefits during the first two weeks of incapacity.

Employer: The total cost of cash benefits for the first two weeks of incapacity if the employee worked for the same employer for at least eight weeks before the incapacity began. No contribution is made for medical benefits.

The employer's contributions also finance temporary disability benefits under Work Injury.

Government: Local (municipal) government meets the total cost of cash benefits from the third week (from day one if the insured is ineligible for the two-week benefit from the employer). Local (municipal) government is reimbursed fully by central government up to the end of the fourth week; thereafter, the cost is split equally among local and central governments. Local government (county level) finances the total cost of medical benefits.

Government contributions also finance temporary disability benefits under Work Injury, below.

Qualifying Conditions

Cash sickness and maternity benefits: For employer-financed sickness benefits, the insured must have at least 74 hours of employment in the previous eight weeks. For local government-financed sickness and maternity benefits, the insured must have at least 120 hours of work in the 13 weeks before the incapacity began and be in paid vocational training, in flexible employment with a public- or private-sector employer, receiving unemployment benefits, or have just completed vocational training for 18 months. Self-employed persons must have at least six months of work in the last 12 months, including the month before the incapacity began.

Seriously ill child benefit: Cash sickness benefits are paid to a parent to care for a seriously ill child younger than age 18, where the child needs to stay in the hospital for more than 12 days. The insured must have worked for at least 13 weeks or six months as a self-employed person.

Medical benefits: The insured must reside in Denmark; there is a six-week qualifying period if moving to Denmark from another country.

Sickness and Maternity Benefits

Sickness benefit: Up to 3,940 kroner a week is paid, based on the insured's hourly wage; for employees, the benefit is paid from the first day of incapacity; for self-employed persons, the benefit is paid from the third week of incapacity (may insure voluntarily for the first two weeks).

The weekly benefits provided under the national cash benefit program are paid for 52 weeks within any 18-month period; may be extended under specific circumstances.

Local government assesses the incapacity every eight weeks.

Partial benefit: A reduced benefit is paid for a partial incapacity to work.

Death grant (means-tested): A lump sum of up to 9,900 kroner (8,300 kroner if the survivor is younger than 18) is paid.

Benefit adjustment: The grant is adjusted annually according to changes in wages.

Maternity benefit: Up to 3,940 kroner a week is paid. For employees, the benefit is paid for up to 52 weeks, including from four weeks before or from 14 weeks after the expected date of childbirth for the mother and, concurrently, two weeks paid leave for the father. After the 14th week, both parents may share a 32-week leave period that must be taken before the child's ninth birthday.

For the adoption of a child, the benefit is paid for a 46-week leave period beginning from the date the parent takes charge of the child. After the 14th week, both parents may share a 32-week leave period that must be taken before the child's ninth birthday.

Seriously ill child benefit: 3,940 kroner a week is paid.

Additional leave of up to three months is awarded if the child is hospitalized as a result of a congenital disease.

Workers' Medical Benefits

Free service benefits are provided with a restricted choice of doctor, or the patient pays part of expenses with a free choice of doctor. Benefits include general practitioner care, specialist care, treatment by psychologists under special circumstances, hospitalization in a public hospital, 50% to 85% of the cost greater than 890 kroner a year for most prescribed drugs, free maternity care from a midwife or doctor, home nursing, chiropractic, physiotherapy, some dental care, and transportation for pensioners.

There is no limit to duration (except for treatment by psychologists, chiropractors, and physiotherapists).

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Sickness and maternity benefits: Ministry of Employment (<http://www.bm.dk>) provides general supervision and national administration.

Local (municipal) governments administer sickness and maternity benefits at the local level.

Medical benefits: Ministry of Health provides general supervision and national administration.

Local (municipal) and regional governments administer medical benefits at the local level.

Work Injury

Regulatory Framework

First law: 1898.

Current law: 2006 (occupational injury).

Type of program: Universal (medical benefits) and direct provision (cash benefits) system, involving compulsory income security provisions through a private carrier (accidents) and the Labor Market Occupational Disease Fund (occupational diseases).

Coverage

All employed persons, persons in vocational training, and persons with a congenital impairment resulting from the work or employment history of either parent.

Voluntary coverage for all self-employed persons and their spouses.

Special system for military personnel.

Source of Funds

Insured person: None.

Self-employed person: Voluntary contributions for benefits in the first two weeks of incapacity.

Employer: For temporary disability benefits, see source of funds for sickness benefits under Sickness and Maternity, above. For permanent disability benefits, the total cost of compulsory income security provisions through a private carrier (work injuries) and the Labor Market Occupational Disease Fund (occupational diseases).

Government: See source of funds under Sickness and Maternity, above.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. A claim for a benefit for a work injury or an occupational disease must be made within a year; beyond a year in special circumstances.

Temporary Disability Benefits

Up to 3,940 kroner a week is paid, based on the insured's hourly wage. For employees, the benefit is paid from the first day of incapacity; for self-employed persons, the benefit is paid from the third week of incapacity (may insure voluntarily for the first two weeks).

The benefits provided under the national cash benefit program are paid weekly for 52 weeks within any 18-month period; may be extended under specified circumstances.

Local government assesses the disability every eight weeks.

Partial benefit: A reduced benefit is paid for a partial incapacity to work.

Permanent Disability Benefits

Permanent disability pension: For a total disability (100%), the pension is 80% of the insured's earnings for the previous year.

The minimum annual earnings used to calculate benefits are 177,000 kroner.

The maximum annual earnings used to calculate benefits are 474,000 kroner. The maximum earnings are adjusted annually.

For an assessed loss in earning capacity of less than 50%, the insured may choose a monthly benefit or a lump sum.

The National Board of Industrial Injuries assesses the degree of disability, which may be reviewed at any time in the first five years after the award is made if the insured's condition changes.

The pension ceases at age 65.

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Permanent injury compensation: For a total disability (100%), a lump sum of 790,500 kroner is paid; up to 948,000 kroner in certain cases.

Benefit adjustment: Benefits are adjusted annually.

Workers' Medical Benefits

Benefits include the cost of prostheses, orthopedic equipment and wheelchairs, and some specialist care (most medical services are obtained under ordinary sickness insurance).

Survivor Benefits

Survivor pension: 30% of the insured's annual earnings is paid for up to 10 years to the surviving spouse or to a cohabiting partner (including a registered same-sex partner) who lived with the deceased for at least two years. The pension is paid if the survivor (re)marries.

The maximum annual benefit is 130,824 kroner.

The survivor pension ceases at age 65.

Orphan's pension: Each orphan up to age 18 (age 21 if a student) receives 10% of the deceased's annual earnings, up to 40%. Each full orphan up to age 18 (age 21 if a student) receives 20% of the deceased's annual earnings, up to 50%.

Transitional allowance: If the insured's death is the result of a work injury or an occupational disease, a lump sum of 149,000 kroner is paid to a spouse, cohabiting partner (including a same-sex partner) or, other persons depending on circumstances.

Benefit adjustment: Benefits are adjusted annually.

Administrative Organization

Ministry of Employment (<http://www.bm.dk>) provides general supervision.

Danish Financial Supervisory Authority (<http://www.ftnet.dk>) provides direct supervision of private carriers for work accidents and the Labor Market Occupational Diseases Fund.

National Board of Industrial Injuries (<http://www.ask.dk>) assesses entitlements for insured persons and survivors.

Labor Market Occupational Disease Fund (an independent self-governing institution) administers the employer-funded programs for occupational diseases.

Unemployment

Regulatory Framework

First law: 1907.

Current laws: 2005 (unemployment insurance) and 2008 (unemployment insurance).

Type of program: Subsidized voluntary insurance system.

Note: If an unemployed person is not eligible for benefits and has no means of support, the local (municipal) government may provide social assistance.

Coverage

Employees, self-employed persons, persons with at least 18 months of vocational training, central and local government officials, and persons in military service. Must be members of an approved unemployment fund established voluntarily by trade unions.

Source of Funds

Insured person: 8% of monthly gross salary or earnings (to the Labor Market Fund for unemployment insurance and voluntary early retirement). Contributions to an unemployment insurance fund vary according to fund (unemployment insurance and voluntary early retirement).

Self-employed person: 8% of monthly gross salary or earnings (to the Labor Market Fund for unemployment insurance and voluntary early retirement). Contributions to an unemployment insurance fund vary according to fund (unemployment insurance and voluntary early retirement).

Employer: Certain employers make contributions.

Government: Provides a subsidy.

Qualifying Conditions

Unemployment benefit: Membership in the unemployment fund during the last 12 months and 52 weeks (1,924 hours) of insured employment in the last three years.

Unemployment must not be due to voluntary leaving, misconduct, a labor dispute, or the refusal of a suitable job offer. The claimant must be registered for employment and capable of and willing to work.

Part-time unemployment benefit: Membership in the unemployment fund during the last 12 months and 34 weeks (1,258 hours) of insured employment in the last three years.

Voluntary early retirement pay scheme: Aged 60 (rising gradually to 64 from 2014 to 2023) and a resident of Denmark, with at least 30 years of paid voluntary early retirement contributions since age 30 (several transitional rules require shorter contribution periods). From April 2012 to October 2012 the insured may opt out of the program.

Unemployment Benefits

Unemployment benefit: 90% of average earnings in the previous 12 weeks, up to 3,940 kroner a week is paid. (Young unemployed persons who complete a period of vocational training or military service receive up to 5,230 kroner a week.) The benefit is paid from the first day of unemployment (five days a week) for up to two years.

Self-employed persons have a waiting period of three weeks.

If the unemployed person is aged 55 to 59, the period may be extended until age 60.

Part-time unemployment benefit: The maximum benefit is 66.7% of the maximum unemployment benefit.

Voluntary early retirement pay scheme: The maximum benefit is 91% of the maximum unemployment benefit, but not more than 3,585 kroner a week. Additional incentives for workers who remain in the labor market for at least two years after age 60. The benefit is paid for up to five years (decreasing gradually to three years from 2018 to 2023). In 2012, if the insured opts out of the program, a lump sum of contributions is paid. Those who remain in the program may choose between a lump sum of 143,300 kroner and a reduced benefit.

Administrative Organization

Ministry of Employment (<http://www.bm.dk>) and the National Directorate of Labor provide general supervision.

Authorized unemployment funds (with at least 10,000 members) administer the program nationally, collect contributions, and pay benefits.

Family Allowances

Regulatory Framework

First law: 1952.

Current law: 2004 (child benefits).

Type of program: Universal system.

Coverage

Danish citizens residing in Denmark, noncitizens residing in Denmark for a year or more (three years for a special supplement) or covered by a reciprocal agreement, and refugees.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Family allowances: The child must be younger than age 18 and reside in Denmark. The parent must pay taxes in Denmark.

Birth grant: Paid for multiple births.

Adoption grant: Paid for the adoption of a foreign child.

Family Allowance Benefits

Family allowances: The basic annual allowance is 17,064 kroner for each child up to age 2, 13,500 kroner for each child aged 3 to 6, and 10,632 kroner for each child aged 7 to 17.

Single parent's supplement: 5,104 kroner a year is paid for each child.

Orphan's supplement: Full orphans receive 29,592 kroner a year; half orphans receive 14,736 kroner a year.

Children of pensioners supplement: 13,044 kroner a year (one pensioner parent) or 14,736 kroner a year (two pensioner parents).

Study supplement: 6,696 kroner a year is paid for each parent who is a student.

All benefits and supplements are paid quarterly.

Birth grant: 8,412 kroner a year is paid for the second and each subsequent child.

The grant is paid quarterly until the children are age 7.

Adoption grant: A lump sum of 48,458 kroner is paid.

Benefit adjustment: Benefits are adjusted annually according to changes in wages.

Some benefits for the cost of child care and education and parental leave periods are provided.

Administrative Organization

Ministry of Social Affairs and Integration (<http://www.sm.dk>) provides general supervision and national administration.

Local (municipal) governments administer the program.