



# Access to social protection for workers and the self-employed

Best practice examples  
from EU Member States



Printed by [Xxx] in [Country]

Luxembourg: Publications Office of the European Union, 2018

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Print	ISBN 978-92-79-97229-4	doi:10.2767/998027	KE-04-18-963-EN-C
PDF	ISBN 978-92-79-97230-0	doi:10.2767/70549	KE-04-18-963-EN-N

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# Foreword



**Marianne Thyssen**  
**Commissioner**  
**for Employment,**  
**Social Affairs,**  
**Skills and**  
**Labour Mobility**

© Photo: European Union

Social protection systems in their different forms are the cornerstone of the European social model and of a well-functioning social market economy. The key function of social protection is to protect people against the financial implications of social risks, such as illness, old age, accidents at work, or job loss, to prevent and alleviate poverty and uphold a decent standard of living.

By proclaiming the European Pillar of Social Rights, the EU Institutions and our Member States have expressed their shared belief that effective, fair and inclusive social protection systems are essential to sustainable employment, social cohesion and a strong and resilient economy.

The Pillar has created a considerable momentum for Social Europe: Not since the enactment of the Charter of Fundamental Rights have we seen such widespread commitment to extending and reinforcing social protection for Europe's citizens, in order to make our systems fit-for-purpose for the challenges of the new world of work.

Work to implement the social protection and inclusion chapter of the Pillar is well underway. This means a stronger investment in Europe's people; children, parents, employees, entrepreneurs, older people, people with disabilities and the homeless. In this context, the Commission has proposed an initiative to help Member States to address the challenges that the fast-paced, digitalised world of work poses as regards social protection of non-standard workers and the self-employed. Our initiative aims to encourage Member States to extend and improve social protection for the 40 % of workers who are insufficiently covered, and make sure that all workers get the support they need during career transitions by:

- allowing non-standard workers and the self-employed to adhere to social security schemes on the basis of contributions (closing formal coverage gaps);
- taking measures allowing them to build up and take up adequate social benefits as members of a scheme (adequate effective coverage) and facilitating the preservation and transfer of social security benefits between schemes;
- increasing transparency regarding social security systems and rights.

Taking account of the common challenges we face, this selection of best practice examples was developed by national authorities and social partners for national authorities and social partners, in order to exchange experience, sharpen our thinking and draw lessons from how Member States are putting the Pillar into practice.

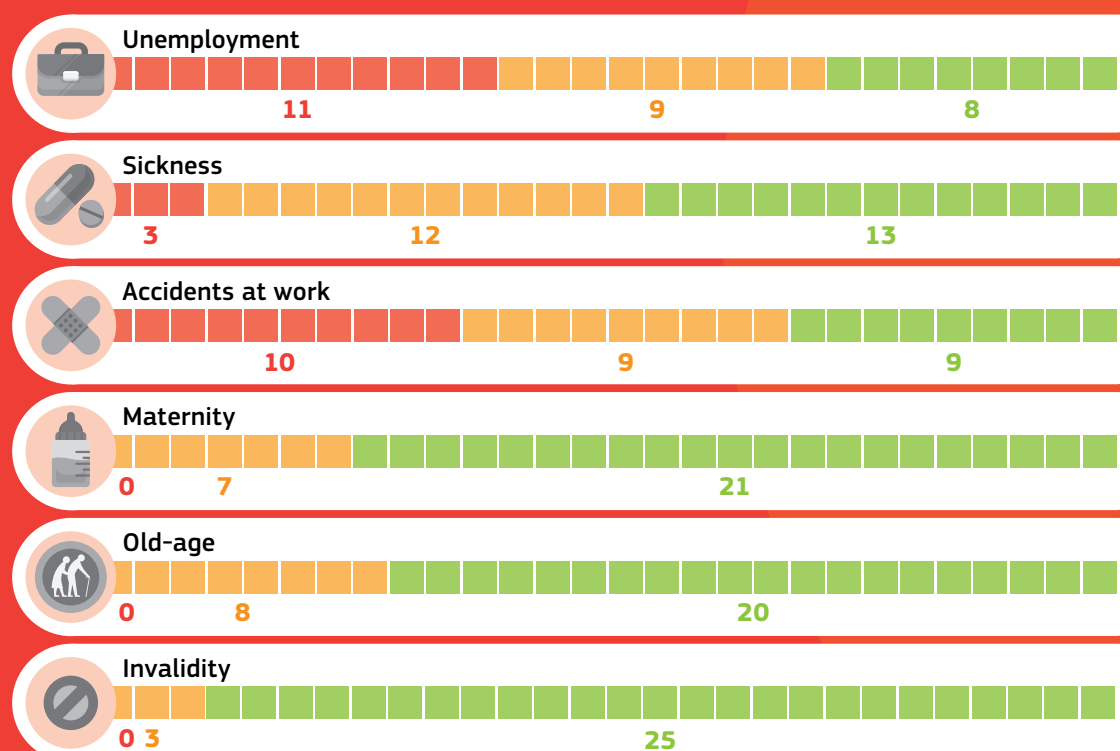
I have no doubt it will help you in your endeavour to bring about a fairer, more inclusive and social Europe.

# What are the gaps in social protection?

Numbers of Member States showing gaps in formal coverage for non-standard workers by policy area...



Numbers of Member States showing gaps in formal coverage for the self-employed by policy area...



■ No coverage
 ■ Coverage on a voluntary basis
 ■ Coverage on a mandatory basis

# 01

## CLOSING COVERAGE GAPS

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Member State: **Finland**

Institution: **Ministry of Social Affairs  
and Health**

## UNIVERSAL SICKNESS ALLOWANCE FOR ALL

### The problem

In Finland, the constitution says ‘those who cannot obtain the means necessary for a life of dignity have the right to receive indispensable subsistence and care’. Everyone should have the right to basic subsistence, including in the event of unemployment, illness, disability, old age, childbirth or the loss of a provider. The Finnish sickness insurance system is universal in that not only are all employees and the self-employed included, but also those who do not have any income at all (homemakers, students, etc.). Nevertheless, as the legislation was created in 1963 and several adjustments had been made since, a level of complexity led to some gaps in effective social protection coverage in relation to sickness allowance.

### The solution

In 2004, Finland’s Health Insurance Act was rewritten to clarify its rules and minimise gaps in coverage by making the system more modern and effective. The drafting of the Act was a joint effort in which a wide range of institutions, organisations and social partners were consulted.

Benefits are calculated based on previous earnings, including salaries, wages and income from self-employment. For those who combine employment and self-employment, both incomes are taken into account. For those on low or no income, sickness benefits, as well as maternity and paternity allowance, are paid at a minimum rate. A more recent change also shortened the waiting period for the self-employed to one day.

### The impact

These measures ensure all persons have the right to be reimbursed for expenses incurred through treatment for illness or loss of income caused by short-term incapacity to work due to illness, pregnancy or childcare. The universal minimum rate guarantees coverage for vulnerable people, such as the low paid and unemployed.

The shortened waiting period and the fact that all income is taken into account also help to ensure that the system is fair for the self-employed. While the basic structure of Finland’s system has remained the same, several adjustments such as these have helped to ensure effective coverage for all.

**For more information**, contact the Ministry of Social Affairs and Health: [stm.fi/en/frontpage](https://stm.fi/en/frontpage)



Member State: **Slovakia**

Institution: **Ministry of Labour, Social Affairs and Family**

## SOCIAL PROTECTION OF ATYPICAL WORKERS

### The problem

Under the Slovak Labour Code, some atypical work arrangements are defined as 'working on agreement', which means work is performed outside of an employment relationship. Until 2013, individuals performing work on agreement and those providing the work were not obliged to pay social security contributions (except accident insurance and wage guarantee insurance). As a result, workers on agreement were not entitled to receive income replacement payments in case of social situations like temporary incapacity, maternity, disability, retirement, occupational disease or unemployment.



### The solution

An amendment of the Social Insurance Act directly changed this lack of social protection coverage. As of 2013, individuals working on agreement with a regular income are obliged to pay contributions for sickness, pension and unemployment insurance.

A specific system was introduced for particular groups of people (for instance, students and pensioners). The new system was agreed following a standard negotiation process, including a public comment procedure and tripartite negotiations with social partners.

### The impact

The measure was focused on improving the social protection entitlements of atypical workers working 'on agreement'. As a result of the amendment, individuals working on agreement with a regular income are entitled to financial support in case of temporary incapacity, maternity, disability, retirement, occupational disease or unemployment.

At the same time, the measure contributed to a level playing field between different types of working arrangements. Following the reform, the number of individuals in working agreements also fell dramatically, from around 640 000 in 2012 to 400 000 in 2017.

**For more information**, contact the Ministry of Labour, Social Affairs and Family: [www.employment.gov.sk/en](http://www.employment.gov.sk/en)

Member State: **Slovenia**

Institution: **Ministry of Labour, Family, Social Affairs and Equal Opportunities**

## EVERY JOB COUNTS

### The problem

Slovenia has a single general social security system whereby the level of contributions and entitlements depends on the legal status of the individual. A permanent full-time employment contract is the primary legal basis for performing work in Slovenia. With work becoming more diversified, for example increasing numbers of self-employed individuals and the rise of different forms of atypical work (such as student work and supplementary work on an individual basis), there was a need to ensure adequate coverage for these workers within the social security scheme too.

### The solution

The ministries responsible for social security have adopted an 'every job counts' approach, meaning that all forms of work, including non-standard forms (such as student work, civil work contracts and supplementary work) are included in the social security systems. To this end, several changes have been made to pension insurance legislation, student work legislation and labour law.

The 2013 Pension and Disability Insurance Act made it compulsory to include other forms of work in the pension insurance system, in addition to work performed under standard employment contracts. The 2014 regulation on student work (amending the Public Finance Balance Act) aimed at reducing segmentation in the labour market by improving the social and economic security of student workers. Under the 2014 Prevention of Undeclared Work and Employment Act, supplementary work performed by individuals for individuals (such as cleaning, babysitting and tutoring) was formalised and included in the social security system.

### The impact

The legislative amendments introduced the payment of social security contributions for individuals on civil contracts, students and individuals performing supplementary work for individuals. Based on these amendments, these atypical workers are now entitled to a proportionate share of rights, notably pension and disability insurance and employer healthcare insurance. Social protection entitlements are also fully preserved when people change jobs or employment status.

**For more information**, contact the Ministry of Labour, Family, Social Affairs and Equal Opportunities: [www.mddsz.gov.si/en](http://www.mddsz.gov.si/en)





Member State: **France**

Institution: **European Trade Union Confederation (ETUC)**

## IMPROVING COVERAGE IN THE PERFORMING ARTS

### The problem

Temporary workers in performing arts industries risked missing out on social protection entitlements, due to the overwhelming administrative burden of short-term contracts in the sector.

To help ensure employers manage social protection entitlements correctly and efficiently, France identified a need for a one-stop shop to assist with labour contracts.



### The solution

The One-Stop Shop for Occasional Shows (GUSO - Guichet Unique du Spectacle Occasionnel) was established in 1999 as a mandatory contact point for organisers who organise occasional live shows (for example, cafes, bars, restaurants and individual organisers).

GUSO aims to reduce the administrative burden attached to labour contracts and takes care of the administration of employers' payroll including social security contributions and other rights and contributions associated with the employment status of short-term workers.

A system of portability of rights empowers workers to accrue time for vocational training leave. Employers fund vocational training rights within a mutual fund. Incentive measures have also been set up with employer subsidies to promote recruitment.

### The impact

The measures have resulted in collective agreements on unemployment insurance benefits for intermittent entertainment workers. Other agreements of this type enable workers to have access to lifelong learning and provide insurance coverage in case of death or in the case of total and permanent disability.

Agreements have also been reached for intermittent entertainment workers to have access to supplementary health insurance coverage at a reduced price, thanks to the establishment of a mutual fund supported by employers on the basis of a percentage of payroll.

**For more information**, contact the European Trade Union Confederation (ETUC): [etuc.org](https://etuc.org)

## What are some of the barriers to ensuring adequate and effective coverage for self-employed people?



### Waiting periods

are a barrier to adequate and effective coverage in **8 Member States**.



### Minimum working periods

are a barrier to adequate and effective coverage in **8 Member States**.



### Minimum qualifying periods

are a barrier to adequate and effective coverage in **7 Member States**.



### Duration of benefits

are a barrier to adequate and effective coverage in **8 Member States**.



### Transferability

The main barriers to ensuring the smooth transfer of social security entitlements include **gaps in legislation** and **high administration costs**.



# 02

## ENSURING ADEQUATE COVERAGE

Member State: **Belgium**

Institution: **FPS Social Security**

## MATERNITY BENEFITS FOR MORE SELF-EMPLOYED MOTHERS

### The problem

Self-employed women in Belgium are entitled to receive maternity benefits in the form of so-called service vouchers after they give birth. These vouchers – usually a form of payment provided by certified enterprises for the completion of household chores – are given to self-employed mothers for free. Until recently, self-employed women had to apply for maternity benefits themselves and they were often granted late due to slow administrative processes. Furthermore, many women were not aware of the scheme or sufficiently familiar with how it works.



### The solution

The problems with the maternity benefits system for the self-employed were addressed by the Royal Decree of 11 August 2017, which entered into force in September 2017. As is legally required, the finance inspectorate, Minister for Budget and Council of State were consulted in the process.

Following the reforms, maternity benefits are now granted semi-automatically, meaning self-employed women no longer need to apply for maternity benefits themselves. Provided they meet the qualifying conditions, women are automatically contacted by the social insurance fund to ask if they would like to receive support.

### The impact

This change has already increased the number of self-employed women who benefit from maternity benefits. Statistics so far show a significant increase in the total number of recipients of maternity benefits: 2 625 women received benefits in the second half of 2017 (when the reforms were introduced), compared to 2 313 women in the first half of the year – an increase of over 13 %.

The new system also means it is no longer necessary for women to apply for benefits during the busy weeks following childbirth. The benefits are granted much more quickly, as they are no longer dependent on individual applications and delays caused by slow administrative processes. The fact that self-employed mothers are contacted directly also helps make them aware of their right to maternity benefits and how they can access it.

**For more information**, contact FPS Social Security:  
[socialsecurity.belgium.be/en](https://socialsecurity.belgium.be/en)

Member State: **Denmark**

Institution: **Ministry of Employment**

## FAIR ACCESS TO UNEMPLOYMENT BENEFITS FOR THE SELF-EMPLOYED

### The problem

An increasing number of workers in Denmark earn income from a combination of standard employment, self-employment and non-standard work. However, until October 2018, the criteria for accessing unemployment benefits were different for employees and the self-employed. This meant that, when it came to calculating their eligibility for benefits, workers could not accumulate professional activity from both employment and self-employment during the same period. As such, they were unable to aggregate all their activity and income in order to assert their entitlement to unemployment benefits.

### The solution

In 2016, the Danish government set up a working party with members from the social partners, among others. In April of the following year, the working party presented its recommendations for a new unemployment benefits system to meet the demands of the future of work. Based on these recommendations, a new law passed through the Danish Parliament later in 2017, integrating non-standard workers and the self-employed into the general unemployment insurance scheme.

As of 1 October 2018, the qualifying criteria for accessing unemployment benefits are based on income, rather than hours worked. All work-related income earned within the past three years (including from employment, non-standard work and self-employment) is therefore taken into account.

### The impact

Under the new law, the self-employed and non-standard workers are covered by the unemployment benefits system according to the same principles that apply to employees. This change has created a fairer system in which workers are able, and incentivised, to take on all types of work, including self-employment and non-standard work, without fear of losing their rights to unemployment benefits. By clarifying the rights and obligations of the self-employed and non-standard workers, the new system also facilitates the overall regulation and management of the benefits system.

**For more information**, contact the Ministry of Employment:  
[bm.dk/the-ministry-of-employment](https://bm.dk/the-ministry-of-employment)



Member State: **Denmark**

Institution: **Ministry of Employment**

## FLEXIBILITY TO EXTEND PERIODS OF UNEMPLOYMENT BENEFIT

### The problem

In Denmark, workers are entitled to claim unemployment benefits for up to two years within a three-year period. In order to begin a period of unemployment benefit receipt, they have to complete a minimum of 1 924 hours (equivalent to one year) of work over a three-year period. Previously, however, this meant that those coming to the end of a benefit period were unable to begin a new period until they had completed their full 1 924 hours. There was no opportunity to extend the period, so some people were left unemployed and without benefits.



### The solution

In 2016, the Danish government set up a working party with members from the social partners, among others. In April of the following year, the working party presented its recommendations for a new unemployment benefits system to meet the demands of the future of work. Based on these recommendations, a new law passed through the Danish Parliament later in 2017 introduced an option for unemployment benefit recipients to prolong their two-year benefit receipt period by up to one additional year before having to obtain entitlement to begin a new period.

Recipients can now extend their existing receipt period based on hours of work completed (according to a 1:2 ratio). This means that if they have completed one month of work during their two-year benefit receipt period, their period will be extended by two months. If they have completed six months of work, they can extend the period by the full 12 months.

### The impact

By allowing the period in which workers can receive benefits to be extended, the new law helps ensure that the unemployed – a vulnerable group – have flexibility to access support over a longer period. The ratio system provides greater proportionality and reward for all hours worked during a benefit period, even if workers are not able to complete the full year of work required to begin a new period. The rules also encourage recipients to take on any work they can, as all hours worked will later be counted either towards a new benefit period or to an extension of their current period.

**For more information**, contact the Ministry of Employment:  
[bm.dk/the-ministry-of-employment](https://bm.dk/the-ministry-of-employment)



Member State: **France**

Institution: **Ministry of Social Affairs  
and Health**

## CONTINUOUS HEALTHCARE COVERAGE FOR ALL RESIDENTS

### The problem

France has had a universal healthcare system since the turn of the millennium. Until recently, however, the system required that citizens obtain a new health insurance policy in the event of unemployment or a change in family situation or administrative region. Each year, as many as two million people in France had to ask to have their file transferred to a new policy due to a change in employment. Some residents would even be asked to provide proof of their right to health insurance every year. This resulted in temporary losses of healthcare coverage for citizens, as well as unnecessary bureaucracy.



### The solution

Since January 2016, a new universal healthcare system has been in place: the 'Protection Universelle Maladie' (known as 'PUMa' for short). The PUMa – introduced by the government's Social Security Financing Act for 2016 after examination by the National Assembly and Senate – automatically provides individual access to healthcare for all adult workers, including those who are self-employed, non-standard workers or platform workers.

It also covers anyone legally resident in France for at least three months. Workers pay a healthcare contribution proportionate to their income, while unemployed residents pay a subsidised contribution. The reforms mean residents are entitled to health insurance even when unemployed and are no longer obliged to set up a new policy due to a change in employment.

### The impact

This new universal healthcare system makes it possible for workers to remain in their health insurance scheme when their employment status changes, as they are automatically covered thanks to their resident status. This ensures continuous coverage, avoiding the temporary gaps in coverage that used to arise under the previous system.

As well as guaranteeing continuous and effective coverage, the reforms have simplified the administration of healthcare – the number of phone calls to the Health Insurance Network fell by 16 % in 2016 – a change that should improve efficiency and save money.

**For more information**, contact the Ministry of Social Affairs and Health: [solidarites-sante.gouv.fr](https://solidarites-sante.gouv.fr)

Member State: **The Netherlands**

Institution: **Ministry of Social Affairs  
and Employment**

## TEMPORARY DISABILITY COVERAGE FOR NON-STANDARD WORKERS

### The problem

In the Netherlands, if a person becomes unemployed or unable to work due to a temporary disability, the duration and level of their benefits entitlements will be calculated according to how long they have been insured (their employment history). However, many non-standard workers lack employee insurance. With rising numbers of non-standard workers, the Ministry of Social Affairs and Employment took action to create a way for them to accrue an employment history, in order to enjoy the same entitlements as typical employees.

### The solution

To combat the lack of social coverage, two hard laws were introduced in 2005 to allow non-standard workers to build up an employment history: Article 42 of the Unemployment Act and Article 59 of the Act on work and income according to the Labour Capacity Act (Wet werk en inkomen naar arbeidsvermogen, WIA). Like all important legislation on employee insurance, the draft bills were discussed with both employer and employee organisations in the Labour Foundation (Stichting van de Arbeid) before being approved.

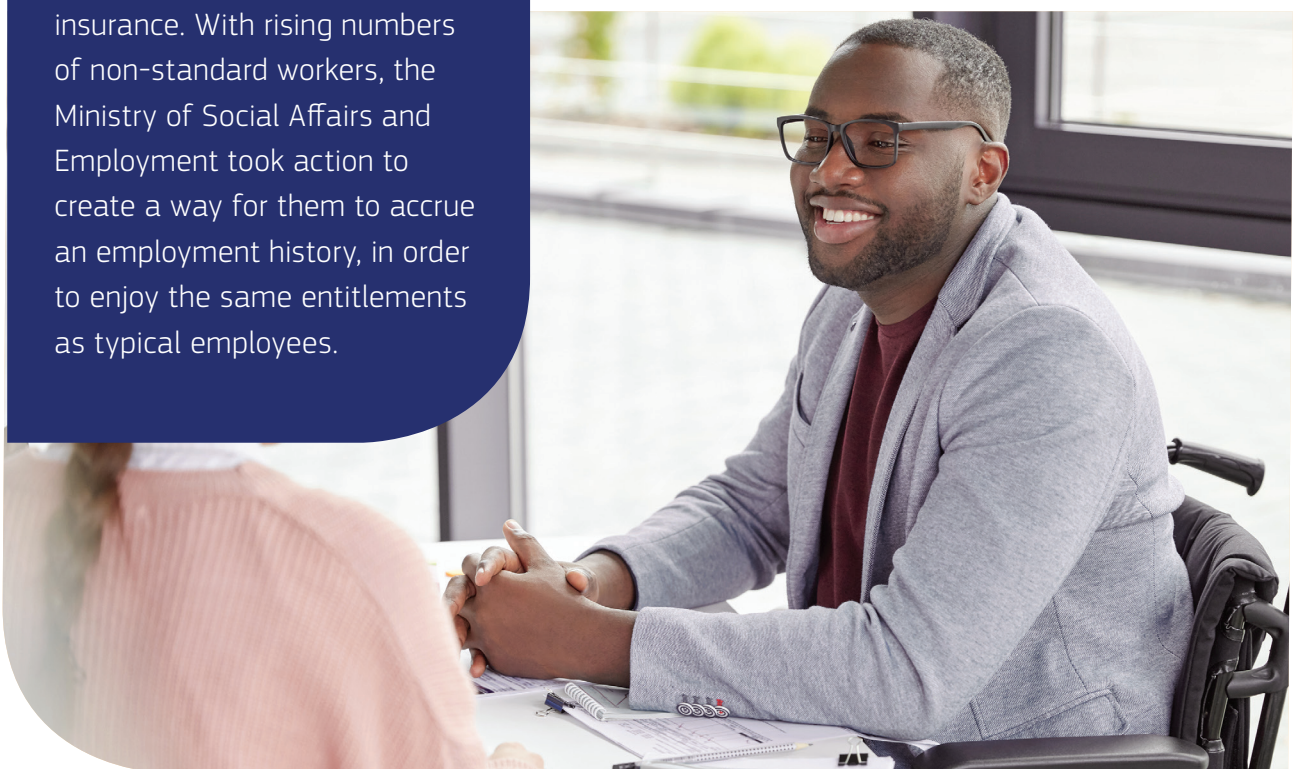
Now, all employees build up an employment history provided they work at least 208 hours in a calendar year (instead of the previous requirement of 52 working days per year); this includes non-standard workers who are not covered continuously under employee insurance. Every year in which they have worked counts towards their employment history, which determines the duration of the benefit the worker is entitled to if they become unemployed or temporarily unable to work.

### The impact

The measures provide adequate effective coverage for non-standard workers in line with the benefits that those in standard employment relationships are entitled to if they become unable to work due to temporary disability.

**For more information**, contact the Ministry of Social Affairs and Employment:

**[www.government.nl/ministries/ministry-of-social-affairs-and-employment](http://www.government.nl/ministries/ministry-of-social-affairs-and-employment)**



Member State: **Portugal**

Institution: **Instituto da Segurança Social I.P.**

## INCREASED PROTECTION FOR SELF-EMPLOYED WORKERS

### The problem

Until recently, there was a lack of balance between the duties and rights of self-employed workers in Portugal compared to the social protection guaranteed to employees. The way self-employment can be developed, whereby self-employed workers are economically dependent on a single contracting entity, led to the social protection of these workers being approached comparatively to that of employees. Given the continued prominence of non-standard and platform work, the Portuguese Government recognised the need to better protect self-employed workers, by ensuring a better balance between the duties and rights of self-employed workers regarding their contributions.



### The solution

New legislation (Decree-Law no. 2/2018) was adopted in Portugal in January 2018 and amended in July (Decree-Law no. 53/2018) to update the rules of the social security system and its contributory scheme for self-employed workers. Deductions are now based on average income in the previous quarter, rather than the preceding year. A minimum monthly contribution of €20 has been introduced and workers are also able to adjust their payments by as much as 25 % to take into account fluctuations in earnings. Further changes mean self-employed workers are now entitled to sickness benefits from their 11th day of incapacity (previously the 31st day) and can access care allowance for sick children and grandchildren. The definition of 'economically dependent' workers has also been widened and the eligibility criteria lowered to facilitate access to unemployment benefits. All these changes were the subject of consultation with the social partners sitting in the Standing Committee on Social Dialogue.

### The impact

The new scheme protects vulnerable self-employed workers by giving them better access to sickness benefits, unemployment benefits and care allowance. Contributions are more flexible and reflective of workers' earnings, increasing the system's fairness, while the introduction of a minimum monthly contribution ensures workers always remain protected. More broadly, these changes are part of the ongoing fight against unstable work and should help ensure self-employed workers can continue to contribute to economic growth, safe in the knowledge that their rights are protected.

**For more information**, contact the Instituto da Segurança Social I.P.:

[www.seg-social.pt/iss-ip-instituto-da-seguranca-social-ip](http://www.seg-social.pt/iss-ip-instituto-da-seguranca-social-ip)



Member State: **Slovakia**

Institution: **Ministry of Labour, Social Affairs and Family**

## COVERAGE FOR THE SELF-EMPLOYED

### The problem

Self-employed individuals are obliged to pay health, sickness and pension insurance contributions in Slovakia if their gross declared income or gross revenue exceeds the assessment base stipulated by law. The assessment base, determined by the tax base, is based on the yearly average wage recorded by the Statistical Office for the previous year. Most self-employed individuals in Slovakia calculate their obligatory social security contributions (health, sickness and pension insurance) using the minimum assessment base. According to the 2018 Pension Adequacy Report, the share of self-employed individuals paying from the minimum assessment base is around 72.2 % of all the self-employed. These self-employed individuals are entitled to temporary incapacity, maternity, disability, survivor's and old-age pension benefits, based on the minimum assessment base (a minimum pension was established in 2015). Increasing numbers of the self-employed highlighted the need to ensure adequate coverage for the self-employed.

### The solution

In January 2013, an amendment of the Social Insurance Act increased the minimum assessment base for paying mandatory contributions on health, sickness and pension insurance from 44.2 % to 50 % of the average wage recorded by the Statistical Office two years earlier.

The measure was agreed following the standard negotiation process, including a public comment procedure, tripartite negotiations with social partners and specific negotiations with associations of self-employed individuals on a higher level before the legislative process began.

### The impact

The measure focused on extending social protection coverage for individuals who are completely self-employed and pay compulsory social security contributions from the minimum assessment base. The scheme increases the entitlements of the self-employed to temporary incapacity, maternity, disability, survivor's and old-age pension benefits. For example, between 2013 and 2017 the average monthly sickness benefit available for the self-employed increased by 25 % (from €161.90 to €203.00). The impact on pension entitlements is also likely to be significant, although this will only be visible in the longer term.

**For more information**, contact the Ministry of Labour, Social Affairs and Family:

[www.employment.gov.sk/en](http://www.employment.gov.sk/en)





Member State: **Spain**

Institution: **PIMEC, the Catalan SME Organisation**

## REFORMING SOCIAL SECURITY FOR THE SELF-EMPLOYED

### The problem

Spain has over two million self-employed who are covered the public social security system's so-called 'Special Self-Employed Workers Regime' (RETA). This scheme has traditionally lacked a concrete link with other schemes, particularly the General Regime (Régimen General) for standard workers. There are plans for broad reforms of the RETA system and a dedicated ad hoc working committee has already been appointed in the National Parliament. However, such reforms will require years of negotiations between the social security system, Ministry of Employment and political parties.



### The solution

Recognising the urgency of the situation, the Catalan SME Organisation PIMEC pushed for 'fast-track reforms' to improve coverage for the self-employed. The reforms would address the links between RETA and the General Regime, as well as the entitlements of the self-employed in areas such as retirement benefits, aiming to improve flexibility, transferability and coverage.

Following an initial reform proposal by PIMEC in 2013 to amend the self-employed regulation, the legislative process has started and the final bill, which was passed in the Spanish parliament as Law 6/2017 came into effect on 1 January 2018.

### The impact

Under the new law, the self-employed can opt in and out of RETA up to three times per year and are automatically reimbursed by the social security system for any excess contributions caused by combining schemes (e.g. RETA and the General Regime) – two changes that have increased flexibility and transferability.

The retired self-employed who still have at least one employee on their payroll are now entitled to 100 % of their retirement benefits, while protection for self-employed mothers has also increased, as they are no longer required to pay contributions for one year of maternity leave. Such changes helped increase the number of new entrants to the RETA regime by 1 % in the first half of 2018.

**For more information**, contact PIMEC:  
[www.pimec.org](http://www.pimec.org)

Member State: **Spain**

Institution: **Workers' Commissions /  
Confederación Sindical de Comisiones  
Obreras (CCOO)**

## IMPROVING ACCESS TO SOCIAL PROTECTION FOR PART-TIME WORKERS

### The problem

Until recently, Spain's social security system lacked coverage for part-time workers. The problem was twofold: accessing social security benefits was difficult for part-time workers, as their contribution period often failed to meet the minimum contribution period (for retirement, for example, the minimum period is 15 years), and the amount of benefits they were entitled to receive was low. Spain has a high percentage of part-time workers (16.2 % as of 2018) with a marked gender bias towards women. 24.2 % of women in employment have a part-time contract, compared to 7.2 % of men. Because of this, the problem had a disproportionate effect on female workers.

### The solution

The sentence of the Court of Justice of the European Union (CJEU) of 22 November 2012, on the interpretation of EU Law in the application of the Spanish General Social Security Act on part-time workers, highlighted the need to improve access and adequacy, as did the Spanish Constitutional Court in its sentence of 14 March 2013.

In July 2013, following a process of social dialogue between unions, employer organisations and the government, an Agreement was made establishing a new system for calculating the periods of social security contributions in the case of part-time workers.

The new legislation consisted of the adoption of a new procedure for calculating the periods of contributions by part-time workers, called the 'global partiality coefficient', as well as establishing a multiplication coefficient of 1.5 for the contribution periods accredited by part-time workers.

### The impact

The measures aim to facilitate access to benefits for part-time workers by adjusting the minimum contribution periods required to access them. In the same way, the multiplication coefficient of 1.5 significantly increases the final amount of benefits that the worker receives. Official statistics measuring the effect of the measures are not yet available.

**For more information,** contact the CCOO:

[www.ccoo.es](http://www.ccoo.es)



Member State: **United Kingdom**

Institution: **Department for Work and Pensions**

## EQUAL PENSION RIGHTS FOR THE SELF-EMPLOYED

### The problem

The original state pension concept in the UK dates back to 1942. Over almost 70 years, it had been added to gradually to reflect societal changes, making it extremely complex. There were some areas of clear inequality, such as self-employed earners being unable to access any additional state pension (available to employed earners), despite over a third of the labour market being either self-employed or part-time workers. Under this system, only the basic state pension could be received by self-employed earners (maximum GBP 125.95 per week, 2018-19), with no opportunity to increase that amount.

### The solution

Following a government consultation in 2011, the new state pension was introduced in 2016. The reforms removed this inequality by ensuring contributions towards National Insurance made by employed and the self-employed are treated equally. The single-tier structure ensures that the full amount to which both groups are entitled (GBP 164.35 as of April 2018) is the same.

Under the previous system, the self-employed would only have been entitled to up to GBP 125.95 and would have been unable to add to this. Transitional arrangements have also ensured that those who were already working under the previous system will not end up worse off when they reach pensionable age.

### The impact

In the first 15 years of the new system, it is estimated that around three-quarters of people who reach state pension age will now have a higher payment than under the previous system. This will directly benefit over three million men and three million women by 2030. For the self-employed who work for 35 years, the changes mean they will receive a state pension around GBP 2 000 per year higher than under the previous system.

Overall, the new system is fairer and more transparent for self-employed workers. It is now easier for people to work out what they will receive when they retire, allowing them to plan for the future in a more informed way.

**For more information**, contact the Department for Work and Pensions:

[www.gov.uk/government/organisations/department-for-work-pensions](http://www.gov.uk/government/organisations/department-for-work-pensions)



## What are the transparency issues surrounding social protection?



Up to

20 %

of people are unaware of their social security entitlements<sup>1</sup>



Only

50 %

**of Member States**

provide personalised information, including an overview of rights and obligations and online tools and services



5

**Member States**

do not publish generic information about social security schemes

<sup>1</sup>OpenEvidence

# 03

## INCREASING TRANSPARENCY



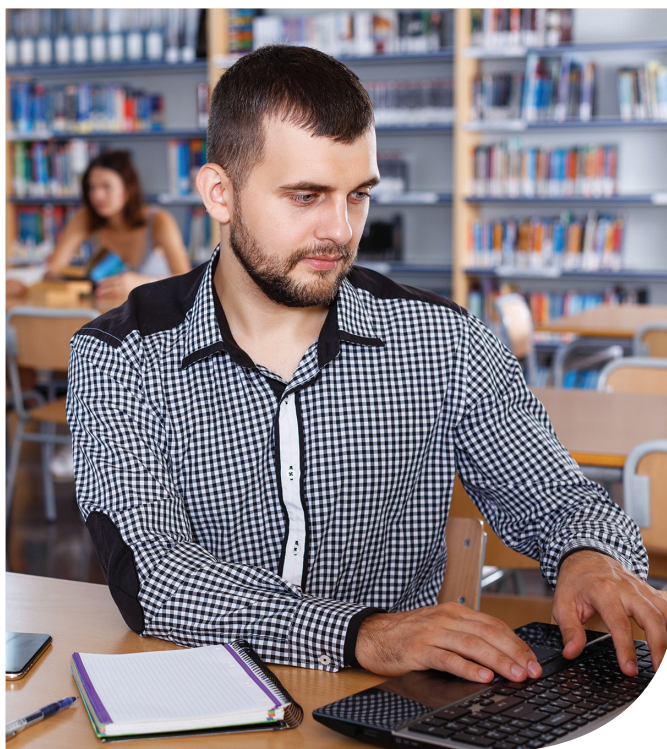
Member State: **Latvia**

Institution: **Ministry of Welfare**

## FINANCIAL LITERACY TRAINING FOR THE UNEMPLOYED AND GENERAL PUBLIC

### The problem

Despite gradual increases in the minimum wage in Latvia, many workers continue to be underpaid, often through non-standard or undeclared work. Employees who are not officially registered or are paid cash in hand are not only at risk of exposure to poor or unsafe working conditions, but also lack access to sufficient social protection. Part of the difficulty in addressing this problem relates to a lack of knowledge and awareness among workers about taxes, social security and financial management.



### The solution

Based on the identified need to improve the financial literacy skills of the unemployed, as well as any visitor to the State Employment Agency (SEA) website, a new digital online training programme entitled 'Financial literacy. My money today and tomorrow' was introduced in 2018.

This new digital course, co-funded by the ESF, is also available to employed people, including the risk groups of undeclared workers and low earners. It provides basic information on the social security system, the importance of paying taxes and the impact of this on pensions and eligibility to access state social insurance. The five-hour course also gives advice on personal financial management and budgeting.

### The impact

In total, 12 665 unemployed and job seekers registered at the SEA took part in the financial literacy training during the first eight months of 2018. Going forward, the initiative aims to reach 20 000 participants per year through the new online training programme. The course aims to have a long-term impact by helping individuals to plan ahead and think preventively.

Specifically, it should increase individuals' understanding of the importance of making socially and financially responsible choices and the impact of these choices on their own lives.

**For more information**, contact the Ministry of Welfare:  
[lm.gov.lv/eng](http://lm.gov.lv/eng)

Member State: **Lithuania**

Institution: **Ministry of Social Security  
and Labour**

## REDUCING INEQUALITY IN PENSION PAYMENTS

### The problem

Pensions consist of two parts in Lithuania: a general part that depends on the duration of pension insurance contributions, and an individual part that depends on the amount contributed. An individual acquires a full year of pension insurance if they make contributions based on at least the yearly minimum wage. The general pension is redistributed among citizens, and for lower earners it constitutes a major part of their pension.

According to data from the State Social Insurance Fund Board (Sodra), about 10 % of pensioners have not accumulated sufficient pension insurance to receive a full old-age pension. The average pension for those with full insurance is €323, whilst the average pension for those without full pension coverage is €179.

### The solution

In 2017, Sodra sent letters known as 'cherry envelopes' to 138 000 employees and 84 000 self-employed individuals who had earned less than the minimum wage over the previous 12 months. These were intended to remind workers that their future pension depends on their current insurance contributions and support them in negotiating higher salaries with their employers, as well as highlighting the possible consequences of the shadow economy.

In January 2018, following a public consultation procedure, new legislation was introduced requiring employers to pay social insurance contributions based on at least the minimum wage, irrespective of the employee's working hours (even for employees whose salary is below the minimum wage).

### The impact

The 'cherry envelopes' initiative successfully improved transparency regarding pension benefits among low-income workers, providing information to over 200 000 individuals. As a result of the measures implemented, the number of enterprises paying below the minimum wage decreased by 12.7 % (from 18 902 to 16 503) in nine months. In many cases, the minimum threshold for employer contributions increased social guarantees and income levels among the target group.

**For more information**, contact the Ministry of Social Security and Labour: [socmin.lrv.lt/en](https://socmin.lrv.lt/en)



Member State: **The Netherlands**

Institution: **Ministry of Social Affairs  
and Employment**

## ACCESSIBLE INFORMATION FOR ALL EMPLOYEES

### The problem

All workers need to be aware of their social protection entitlements. However, informing them about their rights is a challenge that many Member States are faced with, and the Netherlands is no exception. The Employee Insurance Agency (Uitvoeringsinstituut Werknemersverzekeringen, UWV) is the welfare agency that is responsible for implementing the employee insurance schemes in the Netherlands (unemployment, illness, incapacity to work). Under the legally binding Law on the structural organisation of work and income (Wet structuur uitvoeringsorganisatie werk en inkomen), the UWV is obliged to provide employees with information on the expected level and duration of the benefits available if an individual becomes unemployed, incapable of working or only partially fit for work. Under the same law, the UWV must periodically inform the employee about the data held about him/her in the policy administration (Polisadministratie), the register of employment contracts, employee income and employment-related benefits.



### The solution

The UWV found an innovative and effective way to provide instant information to all employees (standard and non-standard) on possible entitlements to employment-related benefits. Via their digital platform 'My UWV' (Mijn UWV), employees can see how much they have been paid per month by checking the employer's wage statement for the current year and previous years.

Moreover, 'My UWV' offers tools which allow the employee to calculate their (approximate) benefit entitlements and duration and see how this will affect their income, apply for benefits and fill out the appropriate forms, and contact the UWV for further information concerning their entitlements.

### The impact

As a result of the law, all employees (standard and non-standard) have access to information about their pay and the possible benefits they are entitled to at the click of a button.

**For more information**, contact the Ministry of Social Affairs and Employment:

[www.government.nl/ministries/ministry-of-social-affairs-and-employment](http://www.government.nl/ministries/ministry-of-social-affairs-and-employment)



Member State: **Portugal**

Institution: **Instituto de Informática I.P.**

## MODERNISATION AND DIGITALISATION OF SOCIAL SECURITY

### The problem

In the past, the Portuguese social security system has been hindered by excessive bureaucracy and a lack of efficiency and transparency, due largely to a lack of digital services and difficult access to information. With little information available online, it was difficult for citizens to find easily understandable information on social security services. This meant that citizens did not fully understand their rights and obligations and as such did not fully understand the state social security system.

### The solution

As part of its SIMPLEX programme, first launched in 2006, the Portuguese Government began implementing a modernisation strategy entitled 'Social security with you' in May 2017. The strategy introduced a wide range of measures and innovative digital tools to simplify access to social security information and services for citizens. It aimed to increase transparency and trust, improve efficiency, shorten response times and facilitate access to information and services.

New features include a social security portal, a 'pension simulator', a personal history of social security contributions and benefits, online statements and consultations, an online appointment system and increased compatibility with online banking.

### The impact

The modernisation strategy and its online features have made social security procedures simpler and more efficient and improved the availability and quality of information. The increased transparency and introduction of digital tools help citizens to understand their rights and obligations, increasing the trust of citizens in the social security system. They can now access services more easily and their requests are dealt with more quickly, while the reduction of paper forms and procedures increases efficiency, saves time and lowers administration costs.

**For more information**, contact the Instituto de Informática I.P.:  
[www.seg-social.pt/ii-ip-instituto-de-informatica-ip](http://www.seg-social.pt/ii-ip-instituto-de-informatica-ip)



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### Open data from the EU

The EU Open Data Portal (<http://data.europa.eu/euodp/en>) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.



This collection of best practice examples shows how European Union Member States are improving access to social protection for workers and self-employed citizens. It was developed by national authorities and social partners for national authorities and social partners, to support the implementation of social protection measures under the European Pillar of Social Rights.

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