

MISSOC

Mutual Information System on Social Protection

**Social protection in the Member States of the European Union,
of the European Economic Area and in Switzerland**

Social protection of the self-employed

Situation on 1 July 2009

Employment, social affairs & equal opportunities

Social protection and integration

European Commission

Directorate-General for Employment, Social Affairs and Equal Opportunities
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BELGIUM

Basic principles

In Belgium a special system covers *all self-employed persons* against all traditional risks, with the exception of employment injuries, occupational diseases and unemployment, and also provides for national insurance in case of bankruptcy.

Financing

This system, subject to global management, is financed at 60.8% by contributions, at 38.9% by taxes and at 0.3% by other sources.

A global national insurance contribution, with a progressive amount is paid for all branches of social welfare. A minimum and maximum contribution is provided for.

Sickness and maternity: Benefits in kind

As of 1 January 2008, self-employed persons and their family members are compulsorily insured against both "minor" and "major risks". The self-employed and their dependants thus enjoy the same entitlements and reimbursement in health care as employed persons and civil servants.

Sickness and maternity: Cash benefits

Insurance is compulsory for the self-employed person, the helper and the assisting spouse. The right to benefits is applied after a qualifying period of 6 months. In addition, for sickness benefits, a 1-month waiting period exists. Financial compensation is then granted for 11 months maximum (primary incapacity), the amount depending on whether or not there are dependants. Self-employed women and women assisting a self-employed person are entitled to maternity leave for an uninterrupted period of 8 weeks (9 in case of multiple births). There is no obligation to use up all weeks of maternity leave. However, 3 weeks constitute a minimum. During the period of maternity leave, the beneficiaries are entitled to a flat-rate amount of € 368.36 per week. Maternity benefit is paid by the sickness fund in 2 instalments: the first no later than 1 month after the end of the obligatory 3-week period, the second at the latest 1 month and 2 days after the resumption of the professional activity.

Long-term care

No specific legislation exists on dependence, but certain benefits are stipulated notably in legislation relating to sickness-invalidity insurance, to minimum income benefits and to allowances for disabled persons.

Invalidity

Insurance is compulsory for the self-employed person, the helper and the assisting spouse. Benefits are paid from the end of the primary incapacity benefits until retirement age. The amount varies depending on the family situation: whether or not there are dependants, single person or cohabitant.

Old-age

The retirement pension system of self-employed persons is compulsory for self-employed persons, helpers and assisting spouses born on or after 1 January 1956 (for assisting spouses born before this date contributing to this system is voluntary). Theoretically, retirement age is 65. Early retirement is possible, provided that the worker can prove a career of 35 years (any system). Moreover, the amount of the pension is reduced by 5% per year when the retirement starts before the age of 61, by 4.5% per year when the retirement starts after the age of 61 and before 62, by 4% per year when the retirement starts after the age of 62 and before 63, by 3.5% per year when the retirement starts at the age of 63 and before 64, and by 3% when the retirement starts at the age of 64 and before 65. However, the amount of the pension is not reduced if the worker can prove a career of at least 42 calendar years. The amount of the retirement pension depends on the professional career and the incomes due throughout this career.

Survivors

Compulsory insurance also includes benefits for survivors. The rule is that the spouse married to a self-employed person for at least one year may receive a survivorship pension from the age of 45. It amounts to 80% of the retirement pension of the deceased when it has been calculated according to the professional income. If the deceased did not yet receive a retirement pension, the amount of the survivorship pension is calculated according to the career of the insured. The benefits are paid for life, except in case of remarriage.

Employment injuries and occupational diseases

No protection system exists for the self-employed. However, the Asbestos Fund, which is responsible within the Occupational Diseases Fund for paying benefits to asbestos victims, can compensate a self-employed person provided the entitlement conditions are met.

Family benefits

The special system for all self-employed persons is compulsory for self-employed persons, helpers and assisting spouses born on or after 1 January 1956 (for assisting spouses born after that date, the system is voluntary) and also includes family benefits. The benefits consist of regular flat-rate benefits (adjusted according to age) and single flat-rate benefits at birth and adoption. Special amounts are stipulated for orphans, disabled children and children of disabled persons. The benefits are granted starting from birth or at the time of adoption until 31 August of the calendar year in which the child reaches the age of 18. Other age limits apply for the disabled (21 years old) and children following training or doing studies (until the age of 25). As of 1 January 2007, a supplement is provided, under certain conditions, to former unemployed persons who engage in self-employed activities. Likewise, as of 1 May 2007, a supplement is also provided, subject to certain conditions, to single parent families.

Unemployment

No protection system exists for the self-employed.

Social insurance in case of bankruptcy

Social insurance in case of bankruptcy allows the self-employed retailer (in case of bankruptcy) or the self-employed non-retailer (in case of receipt of a debt settlement plan), to receive financial aid for a period of 12 months in case of bankruptcies declared as of 1 July 2007. The aid equals the monthly amount of the minimum pension, i.e. € 1,178.09 for beneficiaries with at least one dependant or € 893.81 for single beneficiaries.

BULGARIA

Basic principles

As self-employed persons according to the Bulgarian legislation can be defined:

- Persons, registered as free-lance professionals and/ or craftsmen;
- sole entrepreneurs, proprietors and co-proprietors of companies;
- registered farmers and tobacco planters.

They are compulsory insured against invalidity due to general disease, against old-age and death. The insurance against these risks guarantees accumulation of periods of insurance for the purposes of granting old-age pension, invalidity pension, survivor's pension or death grant. Pensioners who are self-insured as well are exempted from compulsory insurance.

On optional basis the self-insured persons may insure themselves against general disease and maternity as well.

The self-employed persons are obliged to make social insurance contributions entirely on their own account on a monthly contributory income, within the minimum and the maximum monthly amount of the insurable income determined by the Public Social Insurance Budget Act for the respective year. The contributions amount is to the same portion of gross monthly individual income as in the general schemes.

For 2009 the minimum monthly amount of the insurable income for self-employed is BGN 260 (€ 133); minimum for farmers and tobacco producers – BGN 130 (€ 66) and maximum for all categories of insured persons – BGN 2,000 (€ 1,023). The final insurable income is equalised according the individual tax return during the following year. Contributions are paid as long as the lucrative activity lasts.

No difference to the standard schemes exists in relation to benefits, including the non-contributory provisions.

CZECH REPUBLIC

Basic principles

The Czech social security system is in principle uniform for employees and the self-employed. The foundations of the current insurance system applicable to the self-employed were laid in 1990 by adopting the definition of the self-employed (until then, a special category incorporated farmers, people providing services under a special licence issued by local governments, and artists) and the payment of the premium (for social security and the state employment policy) by the self-employed (until then, only farmers paid premiums).

Like all residents, self-employed persons are compulsorily covered for health care (benefits in kind in case of sickness and maternity). The self-employed persons without permanent residence from states outside the EU are not compulsorily covered under public health insurance system. The sickness insurance (cash benefits) is not compulsory for the self-employed, but they may join on a voluntary basis. The Basic Pension Insurance (*Důchodové pojištění*) for old-age, survivor's and invalidity pensions is compulsory. The self-employed are also protected in case of unemployment. As all residents, self-employed persons are entitled to non-contributory tax-financed benefits like family allowances.

Special rules are applicable for the self-employed concerning the assessment base for the social security premium and the state employment policy contribution.

The self-employed are divided into two groups: "full time" self-employed and "part time" self-employed (since 1 January 2004). "Part-time" self-employed person works at the same time as a self-employed and an employee (earning at least minimum wage) or it is a self-employed person receiving invalidity or old-age pension. The other self-employed are "full time" self-employed.

Financing

Health care, sickness and maternity cash benefits, pensions and unemployment benefits are financed by contributions. The contribution rates of the self-employed amount to 13.5% for health care, 1.4% for sickness cash benefits (optional insurance), 28% for pensions (invalidity, old-age and survivors), and 1.2% for unemployment (State Employment Policy), of the applicable assessment base.

For the health care insurance premium, the assessment base is 50% of their income from business and from other independent gainful activity minus costs incurred in order to achieve, secure and maintain such income. The minimum premium base is 12 multiplied by 50% of the monthly average salary (since 1 January 2009 the minimum premium base is CZK 1,590 (€ 62) monthly). The maximum premium base is 48 multiplied by monthly average wage (CZK 1,130,640 (€ 43,874)) per annum.

For pension and the State employment policy contributions, the assessment base is established by the self-employed within the brackets between the minimum and the maximum amounts applicable. The minimum assessment base is 50% of the difference between their income and their expenses. If such established minimum assessment base for "full time" self-employed is less than 50% of half of average wage, the minimum assessment base is in 2009 CZK 5,889 (€ 229) monthly. The minimum assessment base for "part time" self-employed is 10% of the average wage (in 2009 CZK 2,356 (€ 91) monthly). The maximum premium base is 48 multiplied by monthly average wage (CZK 1,130,640 (€ 43,874)) per annum.

Family benefits are tax financed.

Health care

Self-employed persons are entitled to the same benefits as all permanent residents. The self-employed persons without permanent residence from states outside the EU are not compulsorily covered under public health insurance system.

Sickness and maternity - cash benefits

Voluntary insured self-employed persons are entitled to the same earnings-related (depending on the assessment base) benefits as all other insured.

Invalidity, Old-age, survivors

Pensions are calculated according to the general rules.

Employment injuries

No social insurance scheme for the self-employed.

Family benefits

Universal non-contributory scheme. Self-employed persons are entitled to the same benefits as all permanent residents.

Unemployment

For the job seeker whose last activity before his inclusion in the job seekers list was independent gainful activity and who participated in the old-age pension insurance as a person performing independent gainful activity, the amount of his unemployment benefits shall be calculated from his last base for the assessment of the premium for old-age pension and the state employment policy contribution for the period under review calculated on the basis of 1 calendar month. For the first 2 months of the period of support, the percentage rate for unemployment benefit shall be set at 65%, for the following two months 50% and for the remaining period of support 45% of the assessment base. The percentage rate of retraining allowance shall be set at 60% of the assessment base. If the base for assessment cannot be established, the unemployment benefit shall be a fixed multiple (0.15 times during the first two months, 0.12 times during the following two months and 0.11 times during the remaining time of receipt of benefits and 0.14 times during the time of retraining) of the national average earning in the period from 1st quarter to 3rd quarter of the calendar year preceding the calendar year in which the unemployment benefit was claimed or in which the job-seeker started retraining.

Social services

Social services are financed from multiple sources - by the State budget (care allowance to persons and grants to providers), by regions' budget (grants) and by private funding (pocket money, sponsorship).

DENMARK

Basic principles

In Denmark the social protection system is based on the principle of national insurance. Persons covered are not defined according to their social situation and the general system does not operate on the principle of distinction between the employed and the self-employed. Consequently, self-employed persons receive the social protection of the general system.

Financing

Financing is carried out according to the regulations of the general system.

Sickness and maternity: Benefits in kind

Granting benefits is based only on residence in Denmark. The self-employed thus receive the same benefits as the employed.

Sickness and maternity: Cash benefits

The self-employed and their assisting spouses are also integrated into the general system for sickness benefits. However, they must meet certain conditions applied only to their category. For example, they must have exercised a self-employed activity of a certain importance and for a period of 6 months during the last 12 months. Furthermore, contrary to the employed (who receive benefits from the first day of sickness), a deferred period of 2 weeks is stipulated (they nonetheless have the chance to subscribe to voluntary insurance for this period).

The self-employed receive the same maternity benefits as the employed.

Long-term care

Self-employed persons are entitled to the same benefits as employees since this scheme is universal and benefits are granted according to the only condition of residence in a Danish municipality.

Invalidity

Residence in Denmark and Danish nationality are the only conditions to receive invalidity benefits. As a rule, the same regulations apply for the self-employed and the employed.

Old-age

Old-age protection includes two systems: social pension and supplementary pension (ATP). As the place of residence and nationality also determine the granting of social pension in this case, this pension therefore does not make a difference between the employed and the self-employed. These workers thus receive the same protection, which is also valid for certain special regulations of partial pension. On the other hand, supplementary pension (ATP) is a special insurance system for the employed. The self-employed have access only if, after exercising a salaried activity with a minimum of three years of contributions, they have voluntarily opted to continue the insurance.

Survivors

Due to the fact that each Danish citizen residing in Denmark is part of the national insurance system, no specific protection is stipulated in the form of survivor's pension. A specific protection exists only in the system of supplementary pension (ATP) which concerns only the employed. Protection for the self-employed exists only for previous employed activity followed by voluntary insurance.

Employment injuries and occupational diseases

As regards employment injuries and occupational diseases, self-employed persons are optionally protected as per 1 January 2004.

Family benefits

Family benefits are granted to the self-employed as well as to the employed.

Unemployment

Unemployment insurance is voluntary. The self-employed have their own unemployment funds. Thus, they have the same right to benefits as the employed, but with a waiting period of 4 weeks.

GERMANY

Basic principles

In Germany there are special provisions for self-employed craftsmen and retailers within the scope of the general system, and there are independent social security systems for farmers (including assisting family members), self-employed artists and publicists and the special schemes for the members of the professions, which have the right to form associations.

Persons who have been compulsorily insured against unemployment as employees for at least 12 months during the 24 months preceding the self-employed activity or persons who have received unemployment allowances during this period, may benefit from optional continued insurance, on request to the Federal Employment Agency (*Bundesagentur für Arbeit*).

Agriculture

Financing

Health insurance of working farmers is almost totally financed from contributions, with contributions assessed on the basis of surface values and laid down in 20 contribution categories. The benefits granted to the pensioners or retired farmers are funded from tax revenues, if they are not covered by their contributions and solidarity supplement included in the contribution of the working farmers. Since 2005 the working farmers have been increasingly contributing to financing the benefits granted to non-active members. The share of tax revenues amounts to approximately 51% for the system as a whole.

Such risks as invalidity, old age and survivors are financed through a special system (old-age insurance for farmers) with 77% from tax revenues and 23% from flat-rate contributions. Unlike the general pension insurance scheme, the old-age insurance for farmers offers only a partial coverage: average contributions and benefits amount to less than half of those from the general scheme.

Approximately 68% of the expenses under the schemes for employment injuries and occupational diseases are financed by contributions, 21% from taxes and 11% from other sources. Contributions are generally calculated in relation to surface and risk-oriented criteria.

Family benefits and basic security benefits for job-seekers are financed from tax revenues.

Sickness and maternity: Benefits in kind

In case of membership in the general statutory health insurance system: benefits in kind are granted according to the provisions of the general scheme.

Sickness and maternity: Cash benefits

For farmers, no statutory protection system has been set up.

Long-term care

Long-term care insurance is compulsory for any person who subscribed to compulsory health insurance for farmers, but also for those persons who subscribed to sickness insurance from a private body.

Benefits in cash and in kind are paid according to the regulations of the general system (like for the employees). Long-term care social insurance is financed by contributions. There is no specific autonomous protection scheme for farmers.

Invalidity

Membership is compulsory. It is only possible to receive benefits once the agricultural undertaking has been given up and if a qualifying period of 5 years has been fulfilled. The monthly benefit amounts to one twelfth of the general pension value (contribution months + credited months). The general pension value in the old Federal *Länder* amounts to € 12.56 and in the new *Länder* € 11.14.

Old-age

Membership is compulsory. Before the beneficiary is able to receive the benefits, the agricultural undertaking must also be given up. The qualifying period is 15 years. The monthly amount of benefits is one twelfth of the general pension value. The general pension value amounts to € 12.56 in the old Federal *Länder* and € 11.14 in the new *Länder*.

Survivors

Membership is compulsory. Before the beneficiary is able to receive the benefits, the agricultural undertaking must also be given up. The qualifying period is 5 years. The amount of benefits for widows/widowers is calculated on the term of insurance, and credited periods have to be taken into account if death occurred before attaining the age of 60. As far as half-orphans and full orphans are

concerned, 1/5 of the invalidity pension which the deceased parent or the deceased persons would have received will be allotted to them.

Employment injuries and occupational diseases

In the event of employment injuries and occupational diseases farmers are as a rule covered under the provisions of the general system. Special provisions apply when pensions and injury benefits are calculated and when farm helps and household helps are provided.

Family benefits

Farmers are granted family benefits under the provisions of the general system.

Unemployment

There is no compulsory unemployment insurance for self-employed farmers. If there is no sufficient income and no disposable assets, the self-employed farmers are in principle entitled to the standard allowance granted to jobseekers (*Arbeitslosengeld II*), a universal allowance granted to the gainfully employed to secure their subsistence.

Crafts and commerce

Financing

The risks invalidity, old age and survivors are financed from contributions and from tax revenues (federal level). The protection scheme employment injuries and occupational diseases is financed by means of contributions, and the amount of contributions is determined in relation to the risk. Family benefits and basic security benefits for job-seekers are covered by tax revenues.

Sickness and maternity: Benefits in kind

There is no independent statutory protection system for craftsmen and retailers.

Sickness and maternity: Cash benefits

There is no independent statutory protection system for craftsmen and retailers.

Long-term care

Long term care insurance is compulsory for any person who subscribed to compulsory sickness insurance but also for those persons who subscribed to sickness insurance from a private body.

Benefits in cash and in kind are paid according to the regulations of the general system (like for the employees). Long-term care social insurance is financed by contributions. There is no specific autonomous protection scheme for farmers.

Invalidity

Craftsmen are subject to compulsory membership of the system; retailers have the possibility of joining the statutory system. Provided that the qualifying period of 5 years is fulfilled and the beneficiary has paid compulsory contributions for 3 years in past 5 years preceding a reduction in earning capacity, he is granted benefits according to the regulations of the general system.

Old-age

Craftsmen are subject to compulsory membership of the system; retailers have the possibility of joining the statutory system. The qualifying period is 5 years, and benefits are granted in accordance with the regulations of the general system.

Survivors

Craftsmen are subject to compulsory membership of the system; retailers have the possibility of joining the statutory system. Benefits are granted in accordance with the regulations of the general system.

Employment injuries and occupational diseases

There is no compulsory accident insurance for craftsmen and retailers in the statutory system. Eight occupational accident insurance funds (*Berufsgenossenschaften*) offer compulsory insurance to entrepreneurs and their collaborating spouses or partners under certain conditions and in accordance with the statutes (i. e. the Accident Insurance Fund for Occupations in Health Service and Welfare Work (*Berufsgenossenschaft für Gesundheitsdienst und Wohlfahrtspflege*) to hairdressers, or the Accident Insurance Fund for Aviation, Inland Waterways Transport, Road Transport and Similar Enterprises (*Berufsgenossenschaft für Fahrzeughaltungen*) to taxi drivers). Moreover, under certain conditions entrepreneurs have the possibility to insure themselves on a voluntary basis with the competent occupational accident insurance fund of their branch of industry.

Family benefits

The general system applies.

Unemployment

There is no compulsory unemployment insurance for self-employed craftsmen and retailers. If there is no sufficient income and no disposable assets, the self-employed farmers are in principle entitled to the standard allowance granted to jobseekers (*Arbeitslosengeld II*), a universal allowance granted to the gainfully employed to secure their subsistence.

Liberal professions

The traditional professions having the right to form associations (such as surgeons, pharmacists, notaries, lawyers, accountants, tax agents, veterinaries, auditors and sworn auditors, dentists, psychological therapists, civil engineers) have their own self-financed schemes assuring compulsory coverage. Delegates are elected from among the members/ the insured and decide upon contributions and benefits. The relationship to be established with regard to the provision of services comes into existence by operation of law.

Self-employed artists and publicists

Through the Artists' Social Insurance (*Künstlersozialversicherung*) self-employed artists and publicists are covered by the statutory schemes for pension, sickness and long-term care insurance. Compulsory insurance requires the artist or publicist to conduct his or her activities on a commercial basis, to attain a minimum annual income more than € 3,900 from such activities and to employ not more than one person in the context of said activities.

Financing

The scheme is financed from the following sources: 50% come from the contributions paid by the insured, 20% are a federal subsidy and 30% are the social security charges for artists (*Künstlersozialabgabe*) paid by the entrepreneurs that commercialize art and journalism. The social security charges for artists are levied on all fees paid to self-employed artists and publicists, irrespective of the artist's membership of the Artists' Social Insurance. The Artists' Social Insurance Fund (*Künstlersozialkasse*) collects 50% of the income-related insurance contribution from the insured person and transfers a total contribution to the pension insurance and to the insured person's sickness and long-

term care insurance funds. Basic security benefits for jobseekers are covered by tax revenues.

Sickness and maternity: Benefits in kind and cash benefits

Membership of statutory sickness insurance is compulsory.

Long-term care

Membership of statutory long-term care insurance is compulsory.

Invalidity, old-age and survivors

Membership of statutory pension insurance is compulsory.

Employment injuries and occupational diseases

There is no independent regime for self-employed artists and publicists.

Family benefits

There is no independent regime for self-employed artists and publicists. The general system applies.

Unemployment

There is no compulsory unemployment insurance for self-employed artists and publicists. If there is no sufficient income and no disposable assets, the self-employed artists and publicists are in principle entitled to the standard allowance granted to jobseekers (*Arbeitslosengeld II*), a universal allowance granted to those capable of work to secure their subsistence.

ESTONIA

Basic principles

The social security system of Estonia comprises 3 contributory insurance schemes:

- health insurance,
- pension insurance,
- unemployment insurance,

and four non-contributory universal schemes:

- state unemployment allowances,
- family benefits,
- social benefits for disabled,
- funeral grants.

Self-employed persons are covered by the general schemes of health insurance (benefits in kind and in cash in case of sickness and maternity) and pension insurance (invalidity, old-age, and survivors) on compulsory base, but they are not covered by the unemployment insurance scheme (neither on compulsory base nor may they join the scheme voluntarily). In respect of unemployment, the self-employed are however covered by the non-contributory State unemployment allowance scheme. The other non-contributory schemes are also universal and cover all residents.

Financing

The pension insurance and health insurance are financed from social tax, which is paid by employers on behalf of their employees and by the self-employed at the rate of 33% of the tax base (20 percentage points allocated for the pension insurance and 13 percentage points for the health insurance). There are special provisions regulating the payment of social tax by the self-employed.

According to the Social Tax Act, the social tax base for the self-employed is defined as income from the entrepreneurship subject to deduction of documented proved expenditures which are made directly to obtain this income. These expenditures may also include social tax on sums paid by the self-employed to other persons and training costs deductible from the income taxable with the personal income tax. The Social Tax Act stipulates a minimum amount of social tax and a ceiling on the social tax, which is to be paid by the self-employed (the same

minimum applies also to social tax paid by employers on behalf of their employees, but there is no ceiling on the social tax paid by employers).

The amount of social tax to be paid by the self-employed per each working-able insured person cannot be smaller than the amount of tax calculated from the rate established by the state in the annual state budget, and shall not be higher than the amount of tax calculated from the amount of 15 times the minimum wage. In 2009, the monthly rate established in the state budget is EEK 4,350 (€ 278) and the minimum wage is EEK 4,350 (€ 278). Accordingly, the minimum amount of social tax to be paid by the self-employed is EEK 1,435 (€ 92) ($0.33 \times 4,350$) per month, while the ceiling is EEK 21,532 (€ 1,376) ($0.33 \times 15 \times 4,350$) per month. In the case of being simultaneously employed and self-employed, the minimum amount is applied on the total of wage income and income from the self-employment.

For the payment of social tax, the taxation period for self-employed persons is a calendar year (for other tax-payers it is a calendar month), but the self-employed are required to pay advance payments once a quarter.

Health care and cash benefits

For benefits under the health insurance, the general conditions apply both to employees and the self-employed. However, there are some special rules for self-employed for taking into account the reference earnings: sickness and maternity cash benefits for self-employed persons are calculated on the bases of actually paid tax over the previous calendar year (in case of employees, average earnings over the calendar year preceding sickness or maternity are taken into account).

Invalidity, old-age, and survivors' pensions

Also for benefits under the pension insurance, the general conditions apply both to employees and the self-employed. However, there are some special rules for self-employed for taking into account the reference earnings. In case of self-employed persons only the amount of social tax actually paid is taken into account for calculation of the pension coefficients. In case of employees, the due amount of social tax to be paid by the employer is taken into account as the employee is not a tax-payer for social tax and therefore cannot be held responsible if the employer has violated his legal obligations.

Family benefits

As the non-contributory schemes cover all residents, the self-employed are just as any other group both in terms of financing and benefit sides and there are no special provisions in their respect.

Unemployment

Self-employed persons are not covered by the unemployment insurance scheme, but they may be entitled to the State unemployment allowance scheme. In this scheme, self-employment is considered equal to employment in respect of the qualification period for entitlement to the allowance (the qualification period is 180 days of employment or equalised activity within the 12 months preceding unemployment). As a part of active labour market policy measures, the unemployed are entitled to labour market grant up to EEK 20,000 (€ 1,278) to start their own business, including self-employment, upon a presentation of a business plan.

GREECE

Basic principles

In Greece there exists a strictly contributory basic system for farmers (OGA) since 1 January 1998. Self-employed persons (craftsmen, retailers, professional motorists, hotel owners and others) are insured with the Social Security Organisation for the Self-Employed (OAEΕ, *ΟΡΓΑΝΙΣΜΟΣ ΑΣΦΑΛΙΣΗΣ ΕΛΕΥΘΕΡΩΝ ΕΠΑΓΓΕΛΜΑΤΙΩΝ*). Members of the liberal professions (medical personnel, doctors, pharmacists, engineers, lawyers, notaries etc.) are insured with the Insurance Fund for Independent Professionals (ΕΤΑΑ, *ΕΝΙΑΙΟ ΤΑΜΕΙΟ ΑΝΕΞΑΡΤΗΤΑ ΑΠΑΣΧΟΛΟΥΜΕΝΩΝ*).

AGRICULTURE

Beneficiaries of the basic system for *farmers* (OGA) are self-employed farmers, employed persons in agriculture, stock breeders, beekeepers and fishermen. Members of the religious community working in agriculture are insured optionally. Depending on the individual's average income during the last three years, independent professionals in cities, villages or settlements of less than 2,000 inhabitants, are insured either in OGA or OAEΕ. The system is based on compulsory membership, family members are co-insured and are exempt from contributions. The system covers the following fields: health care, maternity (benefits in cash and in kind), long-term care, invalidity, old-age, survivors, and employment injuries.

Financing

Financing of the system is based on the insured persons' contributions and, for those affiliated to the system after 1 January 1993, on participation of the State as well.

Sickness and maternity: Benefits in kind

In the field of health care, the system covers all benefits (ambulatory care, dental care, hospitalisation, pharmaceutical products, prostheses, psychotherapy) insofar as these benefits are carried out in public hospitals or in government regulated clinics. The same is true for maternity care.

Sickness and maternity: Cash benefits

Sickness benefits are not part of the system for farmers. However, two maternity benefits are provided for: a maternity allowance (flat-rate amount of € 436.98) and, in the

case of private maternity clinics, a birth allowance (flat-rate amount of € 218.49). A death allowance is also provided for (flat-rate amount of € 800).

Long-term care

- Invalidity pension supplement of 50%, in case of total invalidity.
- Retirement pension supplement in case of blindness.
- Special monthly allowance in case of quadriplegia-paraplegia of € 660.60.

Invalidity

Conditions:

- Incapacity for work for at least six months for those first insured before 31 December 1992, while for those insured after 1 January 1993 a minimum period of one year is required. In both cases invalidity of at least 67% is required.
- An insurance record of at least 5 years (2 of which during the 5 years preceding the invalidity), or of at least 15 years.

Old-age

Conditions:

- 65 years of age.
- An insurance record of at least 15 years.

Survivors

Surviving spouse and orphans are entitled to a survivors' pension under the following conditions:

- The deceased was retired.
- The surviving spouse receives no pension.
- The surviving spouse works exclusively in agriculture.
- Orphans until the age of 18 and unmarried.

Employment injuries and occupational diseases

In case of employment injuries at the workplace, one day of insurance is enough for the insured to be entitled to receive an invalidity pension. In case of employment injuries which occurred outside the workplace, the receipt of an invalidity pension is subject to completion of half of the insurance time required in case of invalidity.

Family benefits

In case of invalidity and retirement pension, the amount of the pension is increased by 10% if there is a spouse and by 8%, 10% and 12%, respectively, if there are one, two and three children.

Additional benefits for families with 3 children or more:

- Lump sum for the birth of the 3rd child, regardless of income: € 2,000,
- Monthly benefit for the 3rd child until the age of 6: € 174.28,
- Monthly benefit for families with more than 3 children: € 43.55 for each unmarried child under the age of 23,
- Monthly benefit for families with 3 children or more: € 100.24. The children should be unmarried and under the age of 23. The benefit is converted to a life-long pension for the mother when the children marry and/or reach the age of 23.

The above benefits are provided by OGA through the agency of the Ministry of Health and Social Solidarity. They are not subject to taxation since 1/1/2007.

Unemployment

Unemployment risk is not covered in the farmers' system.

CRAFTS, COMMERCE AND LIBERAL PROFESSIONS

Craftsmen, retailers, professional motorists, hotel owners etc. are affiliated with the Social Security Organisation for the Self-Employed (OAEΕ, *ΟΡΓΑΝΙΣΜΟΣ ΑΣΦΑΛΙΣΗΣ ΕΛΕΥΘΕΡΩΝ ΕΠΑΓΓΕΛΜΑΤΙΩΝ*). Members of the liberal professions (medical personnel, doctors, pharmacists, engineers, lawyers, notaries etc.) are insured with the Insurance Fund for Independent Professionals (ΕΤΑΑ, *ΕΝΙΑΙΟ ΤΑΜΕΙΟ ΑΝΕΞΑΡΤΗΤΑ ΑΠΑΣΧΟΛΟΥΜΕΝΩΝ*). The following fields are covered: health care, maternity (benefits in cash and in kind), long-term care, invalidity, old-age, survivors, and employment injuries.

Financing

The system is financed by the insured persons' contributions, State participation, social welfare and property income. Family members are also co-insured and exempt from contributions. Contributions are progressive according to insurance classes. Persons insured until 31 December 1992 pay unilateral contributions. For those insured

since 1 January 1993 contributions are bilateral (insured persons 2/3, State 1/3).

Sickness and maternity: Benefits in kind

Insured persons have the right to different benefits four months after registering with the Fund. The following benefits are offered: medical care, pharmaceutical products, dental care, hospitalisation, laboratory examinations, prostheses, birth allowance of € 800, and in certain cases participation in maternity fees.

Sickness and maternity: Cash benefits

Cash benefits in case of sickness are not provided for. Only in case of employment injury, in addition to health care, a monthly allowance for a duration of four months maximum is granted. This allowance represents three times the monthly contributions paid by the insured at the time the accident took place.

For insured persons required to be on an artificial kidney, suffering from chronic diseases and in case of serious incidents, ambulatory fees are also covered. In case of death, an allowance of € 1,200 is provided for.

Retired persons have the right to benefits in kind and cash exclusively under IKA-ETAM (Fund for the employed).

Long-term care

- An invalidity pension supplement of 50%, in case of total invalidity.
- An old-age pension supplement in case of blindness.
- A special monthly allowance in case of quadriplegia-paraplegia of € 660.60.

Invalidity

Conditions (for those insured after 1 January 1993):

According to the degree of invalidity (minimum of 50%, 67% or 80%):

- For persons under 21 years, an insurance record of at least one year,
- An insurance record of at least 5 years (2 of which during the 5 years preceding the invalidity), or of at least 15 years,
- No minimum insurance record required in case of employment injury.

Calculation of the pension: The pension depends on the number of years of insurance. Each year equals 2% of in-

come giving the right to pension. The amount of the pension also depends on the degree of invalidity.

Old-age

Conditions (for those insured after 1 January 1993):

- From the age of 65, with an insurance record of at least 15 years,
- Entitlement to a reduced pension from the age of 60, with an insurance record of at least 15 years, 2.5 of which during the 5 years preceding the date of the request for retirement,
- From the age of 55, for mothers of minor or disabled children and with an insurance record of at least 20 years,
- Entitlement to a reduced pension from the age of 50, with an insurance record of at least 20 years for mothers of disabled children incapable of any employment,
- Entitlement to a reduced pension from the age of 51, with an insurance record of at least 20 years for women with minor children (this age limit gradually increases to 55 in 2013; after 2013 entitlement ceases),
- An insurance record of at least 25 years without age conditions, for mothers of children with a disability of at least 67% and for spouses of disabled persons with a disability of at least 80%,
- From the age of 56, for mothers of at least 3 children and with an insurance record of at least 20 years (this age limit lowers by 3 years for each child and down until the age of 50; from 2013, the age limit lowers by 2 years and down until the age of 55),
- An insurance record of 37 years without age conditions.

Calculation of the pension: The pension depends on the number of years of insurance. Each year equals 2% of the income giving the right to the pension. In case of a reduced pension, the reduction rate equals $\frac{1}{200}$ for each month retirement precedes the age limit for entitlement to a full pension.

Survivors

Conditions (for those insured after 1 January 1993): A minimum period of affiliation (the same as in case of invalidity) of the deceased is required.

Entitlement: The surviving spouse receives 50% of the corresponding pension of the deceased. Each child receives 25% of the pension of the deceased parent. The total of

the pensions may not be more than 100%, or less than 80% of the amount that the deceased parent received.

Employment injuries and occupational diseases

See Sickness and maternity: Cash benefits.

Family benefits

In case of invalidity and old-age pension, the amount of the pension is increased by 8%, 10% or 12% of the 50% of the average monthly GDP per capita (as adjusted annually by the Ministry of Economy and Finance) if there are one, two or three children, respectively.

Unemployment

Unemployment risk is not covered.

SPAIN

Basic principles

Spain has a special scheme (R.E.T.A.) for the self-employed in crafts and commerce and for certain self-employed agricultural workers when they have been allocated a determined taxable income. The special scheme for maritime workers comprises also self-employed workers. Since 1 January 2008, the special scheme (R.E.A.) for self-employed agricultural workers has been incorporated into the R.E.T.A., in a Special System.

Special Scheme for Self-employed Workers (R.E.T.A.)

I- Agriculture (Special System)

Financing

Benefits in the event of sickness (only benefits in kind) and maternity, invalidity, old-age, survivorship and family benefits are funded from contributions, with an overall rate of 18.75% of a certain contribution basis. Coverage for permanent incapacity and survivors' pensions as a result of occupational contingencies is compulsory. For 2009, the contribution basis varies between a minimum of € 833.40 and a maximum of € 3,166.20 (per month), with certain exceptions.

For employment injuries and occupational diseases 1% of the same contribution basis has to be paid per month. For cash benefits in the event of sickness a voluntary insurance can be concluded. The contribution amounts to 4.30% of the basis.

Sickness and maternity: Benefits in kind

Membership is compulsory. The variety of benefits available from the system administered by the National Institute for Health Management (INGESA) and the respective bodies of the Autonomous Communities to cover the benefits in kind in the event of sickness and maternity includes out-patient treatment, dental treatment (only extractions, other treatments only in the event of employment injuries or occupational diseases), pharmaceutical products (co-payment of 40%), remedies appliances, prosthesis and, in the event of employment injuries or occupational diseases, plastic surgery.

Sickness and maternity: Cash benefits

As a general rule, the Special System provides for cash benefits in the event of sickness, based on voluntary insurance. Entitlement to a benefit in case of common illness requires a minimum insurance period of 180 days. In case of common illness or non-employment injury, the benefit amounts to 60% of the contribution basis from the 4th to the 20th day and to 75% from the 21st day.

When the incapacity for work is due to an employment injury or an occupational disease, and if voluntarily insured, the percentage is 75% as of the day following sickness leave. The duration of the benefit is limited to a maximum of 12 months, but can be extended by a further 6 months.

The Special System also includes cash benefits in the event of maternity and paternity, and non-contributory maternity allowance which are granted under the same conditions as in the General Scheme. Membership is compulsory.

The Special System covers the benefit for risk during pregnancy and risk while breastfeeding, which are granted under the same conditions as in the General Scheme. Membership is compulsory.

Long-term care

Same regulations and conditions as the General Scheme.

Invalidity

Membership is compulsory. After a minimum contribution period, which depends on the age of the beneficiary when invalidity occurred, the beneficiary is entitled to an invalidity pension under the same conditions as in the General Scheme.

Old-age

The compulsory old-age insurance of the Special System corresponds essentially to that of the General Scheme. The pension can be drawn as of the age of 65 (except in certain cases). Partial retirement is not covered.

Survivors

The compulsory survivors insurance of the Special System provides for pensions under the same conditions as the General Scheme.

Employment injuries and occupational diseases

Membership is not compulsory except for permanent incapacity and survivors' pensions. No minimum insurance periods are required.

Family benefits

Agricultural workers receive the same family benefits as under the General Scheme except for the period credited for the first two years of parental leave (*excedencia por cuidado de hijo*) to bring up a child and for the first year of leave to take care of other relatives.

Unemployment

No provision under the Special System.

II- Crafts, Commerce and Others

Financing

An overall rate of 29.80% of a certain contribution basis is paid for benefits in kind in the event of sickness, for maternity, for invalidity insurance, old-age provision, provision of the survivors and family benefits.

The risk of employment injuries and occupational diseases is also covered in the special scheme for the self-employed.

For 2009, the contribution basis varies between a minimum of € 833.40 and a maximum of € 3,166.20 (per month), chosen by the beneficiary within certain limits.

Sickness and maternity: Benefits in kind

Membership is compulsory. The benefits in kind in the event of sickness, to which the insured and registered self-employed including pensioners, family members or persons assimilated thereto without certain minimum insurance periods are entitled, comprise out-patient and in-patient treatment, pharmaceutical products (co-payment of 40%), remedies and therapeutic appliances, prosthesis, and dental treatment (only extractions, other treatment only in the event of employment injuries or occupational diseases). Benefits in kind in the event of maternity include the provision of all medical services and pharmaceutical products (co-payment of 40%).

Sickness and maternity (paternity): Cash benefits

Membership is compulsory. Insured persons are entitled to cash benefits in the event of sickness after a minimum insurance period of 180 days, during the last five years, after

a waiting period of 3 days. From the 4th to the 15th day the cash benefit amounts to 60% of the contribution basis, from the 21st day the cash benefit increases to 75% of the contribution basis. When the incapacity for work is due to an employment injury or an occupational disease, the percentage is 75% as of the day following sickness leave. The cash benefits are granted for a maximum of 12 months; however, it is possible to extend this period by 6 more months if a recovery seems to be possible from a medical point of view within this period. Self-employed workers in situation of temporary disability must submit to the corresponding body within 15 days the doctor's certificate testifying the sick leave as well as a certificate stating the name of the person in charge of the commercial and industrial management or, if appropriate, a certificate stating the temporary or definitive suspension of the activity.

This special scheme also includes cash benefits in the event of maternity and paternity, and non-contributory maternity allowance which are granted under the same conditions as in the General Scheme. Membership is compulsory.

This scheme covers the benefit for risk during pregnancy and risk while breastfeeding, which are granted under the same conditions as in the General Scheme. Membership is compulsory.

Long-term care

Same regulations and conditions as the General Scheme.

Invalidity

For the granting of benefits within the compulsory scheme (with the exception of accidents) a minimum insurance period is necessary which depends on the age of the insured person at the time when the contingency occurred. Benefits for permanent partial invalidity are only granted in case of employment injury or occupational disease.

Old-age

Compulsory old-age insurance grants benefits after a minimum insurance period of 15 years from the age of 65 years to the same amount and under the same conditions as in the General Scheme. It is not possible to retire before 65 years of age in this scheme (except in certain cases). Partial retirement is not covered.

Survivors

The compulsory survivors insurance of the special scheme provides for pensions under the same conditions as the General Scheme.

Employment injuries and occupational diseases

The insurance against the risk of employment injuries and occupational diseases is compulsory only for certain groups of self-employed workers. No minimum insurance period is required.

Family benefits

Self-employed workers receive the same family benefits as under the General Scheme except for the period credited for the first two years of parental leave (*excedencia por cuidado de hijo*) to bring up a child and for the first year of leave to take care of other relatives.

Unemployment

No provision under this scheme.

FRANCE

Basic principles

Social protection for the self-employed is subject to separate regulations. Farmers come under the agricultural system (*MSA*). The National Fund for the Self-employed Social Scheme (*Caisse nationale du régime social des indépendants, RSI*) manages the sickness insurance for the self-employed who are not related to agriculture as well as the old age insurance for craftsmen, retailers and manufacturers. The old age insurance for liberal professions is managed separately (*CNAVPL*). Compulsory supplementary systems are available for all these professions.

Agriculture

Coming imperatively under the system are the head farmer, farm associates and members of the family who take part in the farm, provided the farm or the agricultural holding have a value at least equal to the liability threshold.

Financing

The farmer's contributions are calculated according to professional income. Contributions include a technical part for benefits and a supplementary part for expenses related to the implementation and the social action of the Funds. The rate for contributions is fixed to the national level. The rate corresponding to the supplementary part can vary from +5% and -5% according to the Department. Rates applied:

- AMEXA (sickness, invalidity, maternity):
technical part: 8.13%,
supplementary part: 2.71%;
- capped old-age insurance¹:
technical part: 8.64%,
supplementary part: 2.53%;
- old-age insurance on the total income:
technical part: 1.39%,
supplementary part: 0.25%,
AVI: 3.20% of the professional income within the limit of the ceiling,
compulsory supplementary retirement: 2.97% on professional income;

¹ Note: Amount of the social security ceiling of 1st January 2009: € 2,859 per month, € 34,308 per year.

- family benefits:
technical part: 4.36% on professional income
supplementary part: 1.04% on professional income;
- insurance for employment injuries: yearly lump-sum contributions between € 316.79 and € 344.34 according to the risk (5 groups).

Farmers are also liable to the CSG (generalised social contribution) (7.5%) and the CRDS (contribution for the repayment of the social debt) (0.5%) like employed persons.

Sickness and maternity: Benefits in kind

As regards settlement of health care, benefits in kind mean those paid to employed persons under the general system.

Sickness and maternity: Cash benefits

No daily allowances exist within the framework of health insurance. For maternity, a benefit for replacement may be paid to compensate the fees paid to insure the replacement of the woman farmer in farm work. The duration of payment of the benefit for replacement is the same as the period of maternity leave for employees. The father who leads the farm can also claim a benefit for replacement of 11 days (or 18 in case of multiple birth) provided that he stops his activity and that he is replaced by salaried staff.

Invalidity

To be able to claim invalidity pension the insured must be at least 60 years old, be acknowledged as completely unfit to practice the agricultural profession, or present an invalidity reducing by two-thirds his ability to exercise the profession. Furthermore, he must, at the time the risk occurred, be subject to AMEXA for at least twelve months. The amount of invalidity pension is a flat-rate contribution: € 3,992.06 per year for total invalidity or € 3,122.08 per year for partial invalidity. A supplementary allowance for the constant aid of a third party for an amount of € 12,226.97 per year may be paid with the invalidity pension when the person concerned needs the assistance of a third person to carry out ordinary everyday activities.

Old-age

Old-age pensions may be granted from the age of 60 with one year of insurance. For the fund to be fully paid at the age of 60, the insured person born before 1943 must have completed at least 150 quarters of insurance. Insurance length grows progressively from 152 to 164 quarters for generations from 1944 to 1952. The farmer's old-age pen-

sion is composed of a basic pension comprising a flat-rate maximum pension of € 3,122.08 per year for the maximum duration required depending on the birth year of the insured person and a proportional pension calculated by points; and of a compulsory supplementary pension also calculated by points (one retirement point equals € 3.64 per year). Minimum guaranteed for a career of 22.5 years: € 7,566 per year.

Survivors

Conditions for entitlement, calculation of benefits and accumulation rules are the same as those applying for the salaried persons within the general scheme. When the basic pension is granted after 1st January 2003, the survivor is entitled to a supplementary pension corresponding to 54% of the acquired pension points. This last advantage is not subject to a means test.

Employment injuries and occupational diseases

The insurance covers the employment injuries and those occurring during the journey between home and work as well as the occupational diseases linked to some activities detailed in a list or defined by a committee for occupational diseases as being directly caused by work, after an individual assessment.

Care costs are covered at 100%. Daily cash benefits since the 8th day of interruption (€ 19.54 and € 26.06 since the 29th day). A pension is paid for work incapacity of at least 30%.

Family benefits

Family benefits for farmers are identical to those of the general system and are managed by the Mutual Insurance Fund for Farmers.

Unemployment

No unemployment insurance system exists for farmers.

Crafts, Commerce and Manufacturing, liberal professions

Workers practising a self-employed activity must be registered with social insurance organisations and pay their contributions themselves. Compulsory affiliation:

- managers of firms on the trades register as well as assisting family members who take part in the small-scale enterprise;

- persons practising an industrial and commercial activity involving signing up on the Commercial Register or liability to professional tax as a retailer;
- persons practising a liberal profession.

These schemes also cover partners who collaborate with these workers.

Financing

Sickness and maternity insurance:

Benefits in kind: 6.5%, of which 0.6% within the limit of € 34,308 and 5.9% within the limit of € 171,540.

Sickness benefits in cash (daily allowances) for craftsmen, retailers and manufacturers: 0.7% within the limit of € 171,540.

Old-age insurance:

Basic system for crafts, commerce and manufacturing: 16.65% of the professional income within the limit of the social security ceiling. Compulsory supplementary scheme: 7.1% of professional income within the limit of € 33,775 and 7.5% between € 33,775 and € 137,232—for the craftsmen scheme and 6.5% of professional income within the limit of € 102,924 for retailers and manufacturers. Specific contributions for the liberal professions.

Invalidity and death insurance:

For craftsmen: 1.8% of professional income within the limit of the social security ceiling. For retailers and manufacturers: 1.3% of professional income within the limit of the social security ceiling. Specific contributions for the liberal professions.

Family allowances:

5.4% of the total professional income for retailers and craftsmen as well as for the liberal professions.

Craftsmen, retailers and manufacturers as well as the liberal professions are also subject to the CSG (7.5%) and the CRDS (0.5%) on their professional income in the same conditions as employed persons.

Sickness and maternity: Benefits in kind

Craftsmen, retailers, manufacturers and liberal professions are covered by the same system of maternity-health insurance. Benefits in kind for health insurance are in line with those of the general system for the salaried.

Sickness and maternity: Cash benefits

For sick leave, daily allowances may be paid to craftsmen, retailers and manufacturers from the 4th day of hospitalisa-

tion or from the 8th day of absence in case of sickness or accident. To be able to receive daily allowances the insured must be signed up for health insurance for self-employed professions at the time of establishing incapacity to work, and must be up-to-date in the payment of his contributions. The benefits are paid during a maximum period of 360 days in three years or during three years for persons with a long-lasting sickness. The amount of the benefit is equal to 1/720 of the average annual professional income of the last three years taking account of the calculation of contributions. Maximum: 1/720 of the social security ceiling = € 47.65. Minimum: 1/720 of 40% of the social security ceiling = € 19.06. There is no sickness insurance cash benefits scheme for liberal professions.

Within the framework of maternity insurance, women managers of firms have the right to a flat-rate contribution allowance for maternity leave, corresponding to the monthly amount of the social security ceiling (€ 2,859) for birth and to half of that ceiling (€ 1,429.50) for adoption, which may be granted without condition of ceasing activity; and to daily flat-rate benefits on condition that they cease all professional activity for at least 44 consecutive days. These can be extended with maximum 2 periods of 15 days. The amount of the daily flat-rate benefits is € 2,096.60 for 44 days of leave, € 2,811.35 for 59 days et € 3,526.10 for 74 days. A flat-rate benefit can also be paid to the father during 11 consecutive days (or 18 days in case of multiple births), provided that he stops all activity.

Maternity and paternity insurance cash benefits are paid to craftsmen, retailers, manufacturers and liberal professions.

Long-term care

No specific insurance.

Invalidity

Invalidity Pension for craftsmen, retailers and manufacturers: The potential recipient must be less than 60 years old, be invalid, be affiliated to the scheme and up to date in the payment of contributions. The amount of invalidity pension is calculated as a percentage of the previous average annual income: 50% or 30%, according to the invalidity degree.

If the beneficiary of the invalidity pension needs the assistance of a third party to carry out ordinary everyday activities, a third-party surcharge for the amount of € 12,226.97 may be paid with the invalidity pension of craftsmen as with that of retailers and manufacturers.

For liberal professions the invalidity and death insurance varies according to the practised profession.

Old-age

Except for the liberal professions which are under a specific scheme, the rules applied in the systems of craftsmen, retailers and manufacturers are identical to those of the general system. Supplementary compulsory pensions paid out in points exist in schemes for these professions.

Survivors

Except for the liberal professions which are under a specific scheme, the rules applied in the systems of craftsmen, retailers and manufacturers are identical to those of the general system.

Employment injuries and occupational diseases

Employment injuries and occupational diseases are refunded in the framework of the sickness insurance under the same conditions of common right. Possibility to contribute voluntarily to the general system.

Family benefits

Craftsmen, like retailers, manufacturers and liberal professions receive family allowances from the general system paid by the general system's funds.

Unemployment

No unemployment insurance system exists for craftsmen, neither self-employed in commercial or industrial branches nor liberal professions.

IRELAND

Basic principles

The protection of all groups of the self-employed in the areas of benefits-in-kind for sickness and maternity, as well as benefits-in-cash for maternity, old age, survivors and family benefits is achieved within the general system.

Financing

There are no specific contributions for benefits-in-kind for sickness and maternity. However, the self-employed, along with employees, are liable to pay a Health Contribution of 4% of all income where income is in excess of € 26,000 per annum. A further 1% is payable where income is in excess of € 75,036. For the risks of old age, maternity and survivors, the self-employed pay contributions at the rate of 3% of all income, subject to a minimum payment of € 253 per annum. There is no annual income ceiling. Family benefits are tax financed.

Self-employed share-fishermen, who are already insured as self-employed contributors, may make optional contributions for additional cover for the risks of sickness cash benefits and unemployment. The rate of contribution is 4% of annual income in excess of € 2,500 and up to € 75,036, subject to a minimum contribution of € 200.

Sickness and maternity: Benefits in kind

The benefits are granted according to the regulations of the general system.

Sickness and maternity: Cash benefits

There is no protection system for the cash benefits for sickness. Share-fishermen who pay optional contributions are covered for cash benefits for sickness (payable for a limited duration of one year). The benefits-in-cash for maternity are granted according to the regulations of the general system.

Long-term care

The benefits are granted according to the regulations of the general system. The self-employed are not covered for Carer's Benefit.

Invalidity

There is no protection system for the self-employed.

Old-age

The self-employed have access to State Pension (Contributory) which is granted according to the regulations of the general system. It is payable from the age of 66 and is based on the number of contributions paid or credited over a working lifetime. The self-employed are not covered for State Pension (Transition) which is payable from the age of 65.

Survivors

The benefits are granted according to the regulations of the general system.

Employment injuries and occupational diseases

There is no protection system for the self-employed.

Family benefits

The benefits are granted according to the regulations of the general system.

Unemployment

There is no protection system for the self-employed. Share-fishermen who pay optional contributions are covered for cash benefits for unemployment (payable for a limited duration of 13 weeks in any one year).

ICELAND

Basic principles

In Iceland the system of social protection is founded fundamentally upon the principle of national insurance. The general system therefore does not make any distinction between employees and self-employed. Self-employed persons are thus covered by the social protection of the general system. They are also covered by the supplementary pension scheme.

Financing

The provisions of the general system and the supplementary pension scheme apply for the financing.

Sickness and maternity: Benefits in kind

The granting of benefits-in-kind for sickness and maternity is solely based on residency in Iceland. There is a requirement of six months residence in Iceland. For the self-employed persons the same provisions apply as for employees.

Sickness and maternity: Cash benefits

Cash benefits for sickness and maternity are based on periods of residency and employment in Iceland. Self-employed persons receive the same benefits as do employees, with no distinction made between the two groups.

Long-term care

There is no special scheme for long-term care but there are universal security schemes for all residents if there is continuous need for long-term care or need for nursing or other care in the home. There is no distinction made between self-employed persons and employees.

Invalidity

The risk of invalidity can be covered by two systems, i.e. through the national pension scheme for all residents and through the supplementary pension scheme for persons on the labour market. In the national pension scheme persons who have resided in Iceland for three years prior to application and are aged 16 to 67 are covered. This applies to both employed and self-employed persons. In the supplementary pension scheme the pension fund member must have contributed to a pension fund for at least two years. The same applies to employed and self-employed persons.

Old-age

Old-age is covered by two systems, i.e. the national pension scheme based on residency and the supplementary pension scheme based on employment. In the national pension scheme persons who have resided in Iceland for at least three years are covered. This applies to both employed and self-employed persons. A full annual pension is paid to those who have been resident in Iceland for at least 40 years between the ages of 16 to 66 inclusive. Shorter periods reduce the pension proportionally. The pension amount is reduced or withdrawn if the pensioner's annual income exceeds an income criterion. In the supplementary pension scheme there is no minimum period but a full pension can be drawn after 40 years of contributions. The same applies to employed and self-employed persons.

Survivors

In principle the same applies to survivors insurance as to old-age insurance. The survivors of self-employed persons are covered by the national scheme and the supplementary pension scheme as survivors of employed persons.

Employment injuries and occupational diseases

There is a national insurance system for employment injuries and occupational diseases which provides minimum protection for all actively employed. The self-employed are covered.

Family benefits

Family benefits are available in the general system to all families, thus to the self-employed just as to employees.

Unemployment

Social protection does exist for the self-employed just as for employees. Both groups are compulsorily insured.

ITALY

Basic principles

The self-employed receive health and maternity care, as well as benefits for employment injuries and occupational diseases, according to the regulations of the general system. This system is also in force, but with special regulations, in relation to cash benefits for maternity.

For the disability, old-age, survivors and family benefits branch, a special system exists comparable to the general system. Concerning the conditions of granting benefits and the granting itself, no distinction is made between the self-employed. They must be insured against disability, old-age and survivors' risk. This insurance, which includes the three risks, was reformed in 1995, in such a way that two systems currently coexist. The changes made are presented under the term "new system".

Agriculture, Crafts and Commerce

Financing

Farmers pay a percentage - based on four values - which varies according to the type of land cultivated, the age, the number of workdays and a reference income ("conventional income").

- Standard plots of land:
>21 years 20.30%; <21 years 17.80%
- Mountainous or difficult plots of land:
>21 years 17.30%; <21 years 12.80%
- 156 workdays € 7,680.88 (taxable income)
- 208 workdays € 10,187.84 (taxable income)
- 260 workdays € 12,734.80 (taxable income)
- 312 workdays € 15,281.76 (taxable income).

Moreover, they pay set contributions for employment injuries and occupational diseases: € 768.50 per annum flat-rate for standard plots of land and € 532.18 for mountainous or difficult plots of land and a supplementary tax of € 0.58 per workday, to adapt the pension fund. For the risk of maternity, a fixed contribution of € 7.49 per year has to be paid.

A distinction must be made between:

1) farm workers who do not own the land (tenant farmers and share farmers ("*Coloni e Mezzadri*" CM); 2) direct farm workers (owner farmers, Direct Farmers, CD) who practise their activity exclusively or predominantly, and 3) entrepre-

neurs (persons with farming as the main occupation) who practice their activity for at least two-thirds (standard plots of land) or 50% (mountain or difficult plots of land) of their working time. The latter pay only contributions for the pension.

Tenant farmers and share farmers pay 50% of the contributions, the remaining 50% is paid by the landowner.

Craftsmen pay 20% on company income up to € 42,069 or 21% on company income between € 42,069.01 and € 70,115 (if aged less than 21: 17% and 18%). Moreover, they pay set contributions for maternity of € 7.44 per year.

Retailers pay 20.09% on company income up to € 42,069 or 21.09% on company income between € 42,069,01 and € 70,115 (if aged less than 21: 17.09% and 18.09%). Moreover, they pay set contributions for maternity of € 7,44 per year.

The minimum taxable income for craftsmen and retailers is € 14,240. The maximum taxable income is € 70,115 for craftsmen and retailers registered before 1 January 1996 and € 91,507 for those registered after that date.

Self-employed farmers, craftsmen and retailers already retired may, on request, pay the contributions reduced by 50%, but only as regards contributions for retirement.

Family benefits are financed at 100% by taxes.

Sickness and maternity: Benefits in kind

Benefits are granted according to the regulations of the general system.

Sickness and maternity: Cash benefits

Generally speaking, no protection system exists for sickness benefits. In case of maternity, two months before the expected date of birth and until three months after delivery, insured persons receive maternity benefits of 80% of the minimum daily pay of farm workers hired on an open-ended basis. The benefits are financed at 100% by contributions.

Law no. 53 of 8 March 2000 provides for the possibility of receiving compensation/allowances one month before delivery (always 5 months compulsory) and furthermore, three optional months in the child's first year.

Long-term care

Benefits are granted according to the regulations of the general system.

Invalidity

Disability benefits are subject to income limits. The minimum period of membership is 5 years with at least three of them in the last 5 years. The amount of disability allowance and disability pension corresponds to the benefits in the general system.

Old-age

The amount of old-age pension, after a membership of 20 years, amounts to 2% of the number of years of contributions (max. 40) multiplied by the reference salary. For persons who on 31 December 1992 had completed at least 15 years of affiliation, the reference salary is the average of the activity income (with a ceiling) of the last 10 years. For persons who on 31 December 1992 had completed less than 15 years of affiliation, the reference salary corresponds to the average of the activity incomes (with a ceiling) over a variable period between the last 10 years and the whole period of work. Reference salaries are conventional incomes based on 4 values and adjusted according to the Consumer Price Index increased by 1% for each year of service.

According to the new system, the minimum period of affiliation for old-age pension is 5 years. For disability pension as well as for old-age pension, a contribution of 20% of annual income is entered on the accounts for each year of contributions. The annual amount of contributions is reassessed at the end of the year according to the five-year variation of GDP.

Survivors

The income ceilings and qualifying periods are similar to those applying to invalidity. The widow(er) receives 60% of the disability/retirement pension of the insured/retired if s/he does not remarry (in case of remarriage, a flat-rate benefit of two years of pension is granted). For the percentages, see below:

Spouse	60%
Spouse + 1 orphan	80%
Spouse + 2 or more orphans	100%
1 orphan	70%
2 orphans	80%
3 or more orphans	100%
1 parent	15%
2 parents	30%
1 brother or sister	15%
2 brothers or sisters	30%

Orphans receive the pension until the age of 18, 21 if they are students, 26 if they study at the university and all their lives if they are disabled.

Parents and brothers and sisters receive the pension of the insured/retired only if the latter has no other survivors.

Employment injuries and occupational diseases

Benefits are granted according to the regulations of the general system.

Family benefits

Benefits per month amount to € 10.21 (for pensioners) and to € 8.18 (for farmers) for each member of the household dependent on the insured/pensioner. In the case of craftsmen and retailers family benefits are only delivered to pensioners.

The standard age limit for the provision of benefits is 18 years. The age limit is 21 years if they are students and 26 years if they study at the university. There is no age limit if the child is disabled. In addition, supplements, which vary according to family income and the number of family members, are paid to retired persons.

Unemployment

Generally speaking, no protection system exists for unemployment.

Schemes for other groups of self-employed

Self-employed with a specific treatment (separate management):

- Coordinated and continuing collaborators (*collaboratori coordinati e continuativi, co.co.co.*)
- Coordinated collaborators for projects (*co.co.pro.*)
- Occasional workers whose annual income is above € 5.000 (*co.co.co.*)
- Door-to-door sellers whose annual income is above € 5.000 (*co.co.co.*).

The contribution rates effective from 1 January 2009 are:
17.00% for self-employed who are already insured under another compulsory management scheme or who are already retired;
25.72% for self-employed insured only under the separate management scheme.

CYPRUS

Basic principles

In Cyprus there is a General Social Insurance Scheme which covers every person gainfully occupied either as an employed or a self-employed person. Persons who are working in their own business or are working in any occupation for their own account e.g. agriculturist, stock farmer, industrialist, shopkeeper etc. are compulsorily insured under the Social Insurance Scheme as self-employed persons.

Financing

Financing is carried out according to Social Insurance Legislation. The rate of contribution of self-employed is 15.6% of the insurable income of the person concerned from which 11.6% is paid by the self-employed and 4% by the state. For the determination of the insurable income, each self-employed is classified in the respective occupational category according to his/her occupation and for each category of self-employed persons a compulsory minimum insurable income is prescribed but the individual self-employed person has the right to opt for a higher income up to the maximum insurable earnings of € 924 per week. If a self-employed person proves that his actual income is lower than the minimum insurable income of his occupational category, he is allowed to claim in order to be able to pay contributions on his actual income.

Benefits in kind: Sickness and Maternity

Medical care is provided by the Ministry of Health for self-employed as well as for all Cypriot citizens under certain conditions.

Cash benefits: Sickness and Maternity

As regards Sickness benefit in the case of self-employed persons there is a waiting period of 9 days. If the incapacity is due to an accident or if the self-employed person is hospitalised for at least one day, s/he is treated in the same way as the employed persons. In the case of Maternity allowance the same provisions apply for the self-employed as for the employed persons.

Invalidity, Old-age, Survivors

The same provisions apply for the self-employed as for the employed persons.

Social Pension

The same provisions apply for the self-employed as for the employed persons.

Family benefits

Family benefits are granted under no conditions.

Unemployment benefit, Employment Injuries and Occupational Diseases

The self-employed are not covered for Unemployment benefit or for Employment Injuries and Occupational Diseases.

LATVIA

Basic principles

All socially insured self-employed persons are subject to a single social security system. In contrast to employees, self-employed persons are only considered as socially insured if their contributions have actually been made.

Self-employed persons are subject to compulsory social insurance as provided by the law "On State Social Insurance" (*Likums "Par valsts sociālo apdrošināšanu"*). There are distinguished categories of self-employed persons who gain an income as:

- an individual performing individual work;
- a person who is permanently residing in the Republic of Latvia and who receives the author's royalties, except the inheritor of those royalties or other people who take over those royalties;
- sworn notary;
- sworn lawyer;
- sworn auditor;
- practise doctor, practise pharmacist, practise veterinarian, practise optometrist;
- other individuals registered as a profit tax payer on economic activities;
- owner of a the farmers' (fishermen's) farm not being in the employment of the management institution of respective farm but performing its management function, provided no manager (director) has been appointed (elected) under the law;
- a person whose permanent residence shall be the Republic of Latvia and whose work shall be paid from the funds of the foreign technical assistance or international finance institutions' loan allocated to the Republic of Latvia;
- sworn enforcement officer;
- individual businessman.

Self-employed persons shall be registered in the Tax Payers' Register of the State Revenue Service.

As self-employed people have no wages, the contribution basis is declared by the self-employed themselves. The Cabinet of Ministers sets the minimum amount of the contribution basis. The minimum amount of earnings

subject to contributions is LVL 2,160 (€ 3,075) per year in 2009. The payment is made every 3 months.

Self-employed persons are insured if their income exceeds the minimum amount of the base for compulsory contributions defined by the Cabinet of Ministers. The social insurance contribution rates differ amongst the categories of self-employed persons. They are the following in 2009:

- self-employed persons (also those disabled of group I or II) insured for the risks of old-age, death, sickness, parental leave, maternity and disability: 30.48%;
- self-employed persons over retirement age insured for the risks of old-age, death, parental leave, maternity and sickness: 28.04%;
- individuals carrying out management of real estate and registered as tax payers for income gained from economic activity who are insured for the risks of old-age, death and disability: 25.24%.

The self-employed persons do not make social insurance contribution payments concerning insurance against occupational accidents and insurance against unemployment as they employ themselves and bear responsibility for their working conditions and safety.

Social assistance arrangements (as provided by the law "On Social Services and Social Assistance", *Sociālo pakalpojumu un sociālās palīdzības likums*) and health care arrangements (as provided by the law "On General Practitioners", *Likums "Par prakses ārstiem"*, and by the law "On Medical Treatment", *Ārstniecības likums*) are applied without reference to employment status of the claimant, thus they are valid for self-employed persons as well.

LIECHTENSTEIN

Basic principles

In Liechtenstein, no independent special system for the self-employed has been set up. According to the insurance branch, self-employed persons may either be insured on a voluntary basis or are subject to compulsory insurance on account of their place of residence or economic activity in Liechtenstein.

Financing

The provisions of the general systems apply (obviously except for employer's contributions).

Sickness and maternity: Benefits in kind

The self-employed are subject to compulsory insurance concerning benefits in kind. As far as benefits and deductibles are concerned, it is also the regulations of the general system that apply.

Sickness and maternity: Cash benefits

No compulsory insurance. Persons who are over 15 years of age and are not compulsorily insured may take out voluntary insurance offering cash benefits. In case of sickness implying complete unfitness for work, the insured sick benefit is to be paid out to them during at least the same period of time as has been fixed for employees.

Self-employed women residing in Liechtenstein receive a one-time maternity supplement (amount subject to income and number of children) within the legal income limit.

Long-term care

In Liechtenstein, no independent protection system covering long-term care has been set up. Benefits payable in case of long-term care are drawn from various social security schemes. A self-employed person is entitled to the same benefits under the same conditions as an employee (except for benefits derived from the accident insurance: such a claim is only justified if he or she is insured on a voluntary basis).

Invalidity

The self-employed are subject to compulsory invalidity insurance (1st pillar). They pay contributions in harmony with the aggregate of the employer's and employee's contribu-

tions and those made to the administrative expense. As a matter of principle, self-employed persons are granted the same benefits as all other insured persons. Obviously, there are benefits which have been specifically tailored to the needs of employees or self-employed persons (e.g. financial assistance for invalid self-employed persons in order to help them maintain their undertakings).

There is no compulsory insurance in the 2nd pillar (company staff welfare). The self-employed have the possibility of taking out provident insurance with the same insurance carrier as their employees (in case they have employees). In such a case, they have to pay the full contribution rate. By analogy, they are subject to the same regulations that apply to employees. Also the self-employed who have no employees may join the insurance.

Old-age

The self-employed are covered by the compulsory old-age and survivors insurance (1st pillar). They pay contributions in harmony with the aggregate of the employer's and employee's contributions and those made to the administrative expense. However, they benefit from a decreasing contribution scale and pay lower contributions if their annual income falls below CHF 26,000 (€ 17,059). The self-employed are granted the same benefits as all other insured persons.

No compulsory insurance has been provided for in the 2nd pillar (company staff welfare).

The self-employed have the possibility of taking out provident insurance with the same insurance carrier as their employees (in case they have employees). In such a case, they have to pay the full contribution rate. By analogy, they are subject to the same regulations that apply to employees. Also the self-employed who have no employees may join the insurance.

Survivors

The self-employed are covered by the compulsory old-age and survivors insurance (1st pillar). They pay contributions in harmony with the aggregate of the employer's and employee's contributions and those made to the administrative expense. However, they benefit from a decreasing contribution scale and pay lower contributions if their annual income falls below CHF 26,000 (€ 17,059). The self-employed are granted the same benefits as all other insured persons.

No compulsory insurance has been provided for in the 2nd pillar (company staff welfare).

The self-employed have the possibility of taking out provident insurance with the same insurance carrier as their employees (in case they have employees). In such a case, they have to pay the full contribution rate. By analogy, they are subject to the same regulations that apply to employees. Also the self-employed who have no employees may join the insurance.

Employment injuries and occupational diseases

No compulsory insurance has been provided for. Self-employed persons may take out voluntary insurance. The regulations of the compulsory insurance apply correspondingly.

Family benefits

Self-employed persons are compulsory members of the Family Benefits Agency. They have to pay contributions (incl. contributions to the administrative expense) to such amount as an employer would have to bear (in the system of the Family Benefits Agency, employees' contributions are non-existent). Self-employed persons receive the same amount of benefits as all other persons.

Unemployment

The unemployment insurance is compulsory for employees. Subscription is not compulsory for the self-employed nor do they have any other possibility of voluntary insurance.

LITHUANIA

Basic principles

Self-employed persons are identified on the basis of the Law on State Social Insurance (*Valstybinio socialinio draudimo įstatymas*) according to the sources of payment of compulsory social insurance contributions. An "employed person" receives wages and is insured by the employer's means (a certain part of the contribution is also paid by the insured person). A "self-employed person" receives income for his/her activities and pays compulsory insurance contributions himself/herself. The basic legislation defines special categories of economically active persons who are insured or eligible to social protection. The following categories of insured under the Law on State Social Insurance are identified as self-employed:

- owners of personal enterprises;
- full members of partnerships;
- persons, who are occupied with individual activities (barristers, utter barristers, notaries, bailiffs, owners of licenses and other);
- farmers and their partners, in case their incomes from farm activities are equal to or higher than 4 European Size Units.

Self-employed persons are covered by pension insurance. The general contribution rate for these persons is 26.3%:

- Farmers and their partners pay contributions from 12 minimum monthly wages, only in case when their incomes are equal to or higher than 4 and less than 14 European Size Units.
- Farmers and their partners pay contributions from their declared income, (not less than 12 minimum monthly wages and not more than 12 average insured incomes of the current year), only in case when their incomes are equal to or higher than 14 European Size Units.
- Other self-employed persons including barristers, utter barristers, notaries and bailiffs, pay contributions from their taxable incomes but not more than 48 average insured incomes of the current year.

Self-employed owners of license contribute 50% of the official amount of basic pension.

Self-employed persons also pay social insurance contributions for maternity, maternity (paternity) and paternity benefits. The contribution rate is 2.2%.

In transitional year 2009 the contribution rate for pension and maternity insurance for self-employed is 10%.

Self-employed persons are not compulsorily covered by sickness insurance. They are not covered by employment injuries and occupational diseases insurance. They are also not obliged to insure themselves against unemployment, but are insured in itself due to their participation in the pension insurance scheme.

Health insurance (that means mainly benefits in kind, not sickness benefits) is compulsory for all residents.

For the purpose of health insurance (benefits in kind), self-employed persons might be identified on the basis of the Law on Health Insurance (*Sveikatos draudimo įstatymas*), the identification of self-employed in the social insurance and in health care has some differences. Following categories of insured under the above mentioned law might be treated as self-employed:

- owners of personal enterprises;
- members of partnerships;
- persons, who are occupied with individual activities (barristers, utter barristers, notaries, bailiffs, owners of licenses and other);
- farmers and their family members employed in the farm.

Compulsory health insurance contributions are set as follows:

- the owners of personal enterprises contribute 9% from individual activity incomes received within the calendar year;
- Individuals who receive income under the copyright agreement or from the sports and performers activities contribute 6% from the activity income and their assurers contribute 3%;

The annual contribution of these persons has to be not less than 9% of 12 minimum gross wages.

- Other self-insured persons pay 9% of the national minimum gross wage per month. In exemption, farmers whose agricultural holdings sizes are not larger than 2 European size units, according to the Commission Decision 85/377/EEC establishing a Community typology for agricultural holdings and its amending Decision 2003/369/EC, pay 3% of the national minimum gross wage per month.

LUXEMBOURG

Basic principles

In Luxembourg, social protection of the self-employed is regulated under the general system, but with certain particular features which take account of the specific situation of the self-employed. Social protection covers all risks; this includes unemployment for the self-employed who had to cease their occupation and who are looking for a salaried job. A specific system for employment injuries and occupational diseases applies for farmers.

As regards health care in case of sickness and maternity, as well as cash benefits for sickness, maternity, invalidity, old-age and survivors, the self-employed are, like the employed, required to be insured in the general system.

Financing

The general contributions rate is also in force as in the general system. For farmers, the premium method is set inclusively based on vegetable and animal productions of the farm during the year preceding the year of contributions. For the other categories of the self-employed, the premium method is set inclusively based on the professional income under fiscal law. The income of the previous taxation year and communicated by the contributions administration is taken into account.

Contributions to be paid by farmers are set according to the surface of the farmland and the nature of the crops. Smaller farms are subject to a system of flat-rate contributions.

Sickness and maternity: Benefits in kind

All the regulations shown in tables III and V (conditions and amount of benefits) are thus applicable to all workers.

Sickness and maternity: Cash benefits

To be given the right to financial sickness benefits, a qualifying period exists for self-employed persons from the month of the appearance of the sickness and the next three months. Instead of calculating by referring to the expected salary during the sickness, the benefits are calculated by referring to previously declared income subject to contributions. For cash benefits for maternity, the regulation of the general system applies to the self-employed.

Long-term care

There is no special feature compared to the general system.

Invalidity

The regulation of the general system is also applied to the self-employed for benefits. Exercising a self-employed activity is incompatible with granting an invalidity pension.

Old-age

The regulation of the general system is also applied to the self-employed for old-age protection. The periods of self-employed professional activity taking place before the systems were in use, are taken into account for up to 15 years as assimilated periods.

Survivors

The regulation of the general system is also applied to the self-employed for the survivors' protection system.

Employment injuries and occupational diseases

All measures of the general system are applicable, except for the farmers for whom specific rules exist:

- no right to financial benefits during the first thirteen weeks following the injury
- methods of calculating the different pensions, applying a surcharge for serious injuries.

Family benefits

As regards family benefits, the general system applies for the self-employed.

Unemployment

The self-employed who had to cease their occupation owing to economic and financial difficulties, to medical reasons, to a third party or by a case of force majeure, may obtain unemployment benefits when they register as jobseekers. They must have completed at least two years of compulsory pension insurance as a self-employed person. However, for the purposes of calculating the two-year qualifying period, periods of insurance completed as an employed person can be aggregated, provided the person has carried out activities as a self-employed person for at least six months before the submission of the request for compensation. Jobseekers must be resident in Luxembourg at the time of cessation of their activities.

Self-employed persons must register as jobseekers within six months following the cessation of their activities.

In case unemployment benefit is granted, the self-employed person is entitled to an allowance corresponding to 80% of the income which the pension fund used as a basis for calculating contributions for the last activity. Full unemployment benefit cannot exceed the ceilings provided in the general scheme. It cannot be lower than 80% of the social minimum wage.

HUNGARY

Basic principles

In principle all self-employed persons are covered for all the branches of social security in the general system, consisting of health and sickness schemes (covering health care, sickness, maternity and the specific treatment of work incapacity related to an employment injury or a professional disease) and pension scheme (covering old-age, survivorship, invalidity and the specific treatment for employment injuries or professional diseases) and a mandatory unemployment insurance.

Self-employed agricultural entrepreneurs are to pay all the contributions on the basis of the national minimum wage, except if their annual turnover did not exceed HUF 8 million (€ 29,508) in the preceding year, in which case they only have to pay 9.5% pension contribution and 4% in-kind health insurance contribution on the basis of 20% of their turnover income. If the self-employed agricultural entrepreneur chooses, she/he can pay additional contributions in order to gain higher benefit entitlements. Those self-employed agricultural entrepreneurs whose previous contributory periods combined with the remaining time until standard retirement age does not reach 20 years, are not compulsorily insured but have to pay HUF 4,500 (€ 17) per month in return for health care entitlement (unless being already otherwise insured).

The family support scheme is of a universal type, which covers every Hungarian citizen, regardless of their employment status. Consequently, every self-employed is covered by the family support scheme. The same principle is applied for the universal means tested social assistance schemes.

Financing

Contrary to the employee, the self-employed person pays the contribution him/herself on the basis of the self-employed income which s/he declares, but at least on the basis of the amount of the minimum wage (HUF 71,500 (€ 264)). Self-employed persons pay contributions on a monthly base.

For health insurance, the self-employed pay both employer and employee contributions as follows:

- as an employee: 4% for benefits in kind and 2% for cash benefits,
- as an employer: 1.5% for benefits in kind and 0.5% for cash benefits up to the amount of 200% of the minimum wage, while over the part of 200%, the contribution is 4.5% for benefits in kind and 0,5% for cash benefits.

They also pay a flat-rate health contribution amounting to HUF 1,950 (€ 7.19) per month.

For pension insurance, the self-employed pay both employer and employee contributions as follows:

- as an employer: 24%.
- as an employee: 9.5%.

Moreover, self-employed persons pay a contribution on the basis of their income for the unemployment scheme:

- 2.5% up to the amount of 200% of the minimum wage,
- 4% over the part of 200% of the minimum wage.

Self-employed persons who perform activities in a complementary way (*kiegészítő tevékenységet folytató vállalkozó*) pay a flat-rate contribution of HUF 4,500 (€ 17) per month for the entitlement to employment injuries, occupational disease scheme and for in-kind health services. In addition they pay a contribution of 9.5% for the entitlement to pension enhancement of 0.5% per year. The following persons are considered to be self-employed persons performing their activity in a complementary way: those private entrepreneurs running their business independently, who are either beneficiaries of their old-age pension benefit or beneficiaries of survivor's pension benefit, given that they reached the retirement age.

MALTA

Basic Principles

The Social protection system in Malta is a general scheme that covers both employed and self-employed persons. Self-employed persons are eligible to all benefits, pensions and allowances with the exception of unemployment benefit. In such a scenario however, a self-employed person is entitled to social assistance if he satisfies the capital/income means test.

Financing

For the purpose of Social Security Contribution payments, a distinction exists in Maltese legislation between self-occupied persons and self-employed persons.

Self-employed Contributions are paid by persons who are not gainfully occupied but have a net annual income that exceeds € 1,005. Persons who are gainfully occupied and whose annual net earnings exceed € 1,005, pay self-occupied Contributions.

The Self-occupied contribution is € 25.50 per week if the annual net earnings of the preceding year are less than € 8,840. If the annual net earnings exceed € 16,812, the contribution due is € 48.50 per week.

The Self-employed Contribution is € 21.29 per week if the annual net income exceeds € 1,005 but does not exceed € 7,380. If the annual net income exceeds € 7,380, the rates are the same as in the self-occupied category.

Benefits in kind: Sickness and Maternity

Medical care, health care services and treatment are free in Government Hospitals and Government Health Clinics to all residents.

Cash benefits: Sickness and Maternity

Sickness benefits are issued after a three-day waiting period. Payment is made every week. The rates payable are as follows:

- Single parents or a married person whose spouse is not employed on a full-time basis: € 17.20 per day.
- Single persons: € 11.13 per day.

The provisions of the maternity benefit are the same for employed and self-employed persons.

Invalidity Pension

The provisions that apply for an employed person apply for a self-employed person as per Table V "Invalidity".

Old-Age Pension

The provisions that apply for an employed person apply for a self-employed person. Only the calculation method to decide the amount of pension issued differs. Table VI "Old-age" refers.

Survivors Pension

The provisions that apply for an employed person apply for a self-employed person as per Table VII "Survivors".

Employment Injuries & Occupational diseases

Self-employed persons are entitled to injury benefit when injury is derived from gainful occupation. The waiting period is three days.

The injury benefit is paid every week and the rates are:

- Married person: € 25.82 per day.
- Single person: € 19.43 per day.

All gainful employed persons who contract one of the diseases referred to in the Fourth Schedule of the Social Security Act, 1987.

Family Benefits

Family benefits are granted to the self-employed as well as to the employed. The quantification of the amount of benefit due is means tested and based on the number of children under the care and custody of the recipient.

Unemployment Benefits

Self-employed persons are not entitled to an unemployment benefit.

THE NETHERLANDS

Basic principles

The general protection system applies as a rule to all residents of the Netherlands; therefore, there are only few special regulations for self-employed persons.

Financing

With the exception of the general child allowance act, that provides for child allowance to be financed from taxation, the national insurance schemes are financed by contributions, which - together with income tax - are deducted as set amounts.

Sickness and maternity: Benefits in kind

With regard to benefits in kind for sickness, the Health Insurance Act and the Exceptional Medical Expenses Act (AWBZ) apply to all residents, and thus also to the self-employed. The self-employed have a right to the same benefits as other residents in the case of maternity.

Sickness and maternity: Cash benefits

With regard to cash benefits for sickness, no protection system exists for self-employed persons. With regard to cash benefits for pregnancy and maternity leave, female self-employed persons are entitled to a benefit of at least sixteen weeks that is based on the minimum wage.

Long-term care

Long-term care is covered by the Exceptional Medical Expenses Act (AWBZ). The AWBZ applies to all residents, and thus also to the self-employed.

Old-age

The self-employed have a right to the same benefits as other residents.

Survivors

The self-employed have a right to the same benefits as other residents.

Employment injuries and occupational diseases

There is no special protection system against the risk of employment injuries and occupational diseases.

Family benefits

The self-employed have a right to the same benefits as other residents.

Unemployment

Self-employed persons are not insured against the risk of unemployment; here the corresponding law applies only to employees.

NORWAY

Basic principles

In Norway, all categories of self-employed are compulsory members of the general scheme of universal coverage.

Some special and more favourable provisions apply to fishermen, entitling them to benefits very similar to those of employed persons. They also enjoy a lower rate of member's contributions compared to other self-employed persons. This lower rate of contributions also applies to farmers, and is the same as that paid by employees.

Financing

Benefits to self-employed are generally financed as an integral part of the general scheme, which is financed in part by social security contributions, in part by tax revenue. The rate of the member's contributions levied on income from work of the self-employed, is generally 11%, whereas farmers and fishermen pay only 7.8% which corresponds to the rate applying to employees.

The lower rate of contributions and the extended benefit rights of fishermen are financed through a special contribution (*produktavgift*) levied on the first hand turnover value of the catch. The lower rate for farmers forms part of the general basis for the annual settlements (*jordbruksoppgjøret*) between the State and the agricultural sector.

Sickness and maternity: Benefits in kind

The general scheme applies to all residents, self-employed included.

Sickness and maternity/paternity: Cash benefits

Covered by the general scheme, but no right to cash sickness benefits (*sykepenger*) for the first 16 days (for employees, the first 16 days are covered by the employer), and the compensation rate is 65% in contrast with a 100% for employees (up to six times the Basic Amount (*Grunnbeløpet*)). In both respects a voluntary top-up coverage to fill the gap, is available. Fishermen and farmers have a top-up coverage as part of their collective arrangements, see under *Financing*.

With respect to Parental Benefit (*foreldrepenger*) and Cash Pregnancy Benefit (*svangerskapspenger*) the compensation rate is a 100% also for the self-employed.

Long-term care

The general scheme applies to all residents, self-employed included.

Invalidity

The general scheme of universal coverage applies, including basic pension and earnings-related supplementary pension.

Old-age

The general scheme of universal coverage applies, including basic pension and earnings-related supplementary pension.

Survivors

The general scheme of universal coverage applies, including basic pension and earnings-related supplementary pension.

Employment injuries and occupational diseases

A voluntary coverage in the general scheme is available for self-employed persons, farmers included.

Fishermen are compulsorily covered as part of their extended rights, see under *Financing*.

Family benefits

The general scheme of universal coverage applies also to self-employed persons of all categories.

Unemployment

Generally, there is no compulsory coverage for the self-employed. Nor is a voluntary coverage available.

However, unemployment benefits based on previous work as an employee, can be drawn up to nine months into a start-up period as a self-employed, and there is an entitlement to unemployment benefits between 64 and 67 years of age provided the activity as a self-employed has ceased.

Fishermen are compulsorily covered as part of their extended rights, see under *Financing*.

AUSTRIA

Basic principles

Austria used to have a comprehensive special scheme both for farmers and for craftsmen and retailers until 31 December 2004.

As of 1st January 2005 all pension systems were harmonised for those persons who had not yet completed the age of 50 by 1st January 2005 (the existing special schemes have continued to apply to persons over this age in a slightly modified way). The General Pension Act (*Allgemeines Pensionsgesetz - APG*) provides for harmonised provisions on contributions and benefits for employees, farmers, retailers and civil servants. However, the contributions for farmers and retailers are partially paid by the State. The existing special provisions have continued to remain in force in a modified way.

Differences existing in the field of health and accident insurance remain unaffected.

Agriculture

The special scheme for farmers borne by the Social Insurance Fund for Farmers (for pension insurance see Basic principles) covers farm proprietors, assisting family members and recipients of an agricultural pension. The scheme comprises benefits in kind in case of sickness, benefits in case of maternity as well as the areas of invalidity, old age and survivors. The special scheme requires compulsory membership, and if the obligation to insure ceases, it is possible to carry on insurance coverage on a voluntary basis.

Financing

88.8% of benefits in kind payable in case of sickness are funded from contributions and 11.2% are derived from other sources. 30% of maternity benefits are financed from contributions and 70% out of the families' compensation fund. The rate of contribution in respect of these benefits is 7.5% of the insurable value of landed property which as a matter of principle is calculated on the surface value and does not exceed the upper limit of assessment of monthly € 4,690; assisting family members are subject to special regulations.

32.4% of the protection scheme of the branches invalidity, old age and survivors is financed from contributions, 67.4% from government funds and 0.2% from other

sources. The rate of contribution is 15% of the insurable value of landed property which as a matter of principle is calculated on the site value and does not exceed the upper limit of assessment of monthly € 4,690; assisting family members are subject to special regulations.

97.2% of the employment injury and occupational disease scheme is financed from contributions and 2.8% are derived from other sources. The rate of contribution is 1.9% of the insurable value of landed property which as a matter of principle is calculated on the surface value and does not exceed the upper limit of assessment of monthly € 4,690.

Sickness and maternity: Benefits in kind

Benefits payable in case of sickness include the entire range of benefits (out-patient treatment, dental treatment, in-patient treatment, medicines, prostheses, psychotherapy and rehabilitation measures). Basically, all benefits imply a deductible of 20% to be borne by the patient, in case of hospital care this portion is reduced to 10%. As a matter of principle, the same regulations determined for sickness apply to benefits in kind in case of maternity. In contrast to this, benefits in case of maternity do not imply any deductibles. As a supplementary benefit in kind, a farm help may be used.

Sickness and maternity: Cash benefits

Concerning the scheme cash benefits in case of sickness, no protection scheme for farmers has been provided for. Maternity cash benefits are granted if there is no allowance for a farm help as replacement: € 25.57 per day is paid for an 8-week period before and for an 8-week period (12 weeks in case of a problematic birth) following the birth.

Long-term care

Benefits are granted according to the regulations of the general scheme (Long-term care benefit of the Federal Government and the *Länder*, benefits in kind by public and private providers).

Invalidity

Benefits are granted according to the regulations of the general scheme. The only particularity is that instead of the occurrence of invalidity, permanent incapacity must have been diagnosed (i.e. loss of capacity to pursue a regular remunerative activity).

Old-age

Benefits are granted according to the provisions of the General Pension Act (*APG*; see Basic principles).

Survivors

Instead of receiving a pension, the surviving spouse may elect to continue to run the business of the deceased spouse. In such a case, the widow's/widower's pension is dropped, but the deceased person's accumulated insurance periods will be added to the pension claims of the surviving spouse.

Employment injuries and occupational diseases

Special regulations contained in the general scheme apply to farm proprietors and assisting family members. Compulsory membership of the Social Insurance Fund for Farmers. Globally, benefits paid out correspond to those of the general scheme. The calculation of pensions rests on a flat-rate basis of assessment: in principle € 17,148.45.

Family benefits

Farmers are eligible for family benefits within the framework of the general scheme.

Crafts and commerce

The special scheme set up for self-employed craftsmen and retailers (for pension insurance see Basic principles) is borne by the Social Insurance Institute for the Self-employed and is responsible for members of the Chamber of Trade and Industry (in principle, all owners of business establishments) and such persons as derive revenue in respect of professional services or any other self-employment income on the basis of a commercial activity, have any influence on companies founded according to the commercial law, and for beneficiaries of a traders' pension. In regard to the schemes benefits in kind in case of sickness and maternity, invalidity, old age and survivors, membership is compulsory. If the obligation to insure ceases, it is possible to carry on insurance coverage on a voluntary basis.

Financing

Health care is financed at 86.6% by contributions and at 13.4% by other sources. The contribution rate amounts to 9.1% of revenues liable to income tax up to the upper limit of assessment of € 4,690 per month.

Cash benefits in case of sickness (voluntary insurance): the amount is 4.25% of revenues liable to income tax up to the upper limit of assessment of € 4,690 per month.

65.5% of the protection offered by the schemes invalidity, old age and survivors is financed from contributions, 33.9% from government funds, and the remaining 0.6% are derived from other sources. Contributions are 15.5% (and will be gradually increased - by 0.25 percentage points every year - to 17.5% starting in 2006) of revenues liable to income tax up to the upper limit of assessment of € 4,690 per month. A monthly amount of € 7.84 has to be paid in respect of employment injury and occupational disease insurance; a voluntarily increased insurance is possible.

Sickness and maternity: Benefits in kind

Benefits are granted according to the regulations of the general scheme. As is the case of farmers, an underlying deductible of 20% is applicable. Insured persons whose annual contributory basis is in excess of € 56,279.99 receive in principle cash benefits instead of benefits in kind (refund of costs in case of claims made against the contractual partners of the Social Insurance Institute). Benefits are granted also in case of maternity according to the regulations of the general scheme. In contrast to health insurance, the deductible is dropped in case of maternity. On principle, the insurance carrier concedes a farm help.

Sickness and maternity: Cash benefits

Benefits may be claimed in case of sickness after a waiting period of 6 months. Sickness benefits are paid subsequent to the expiration of a waiting period of 3 days during a period of up to 26 weeks. The daily amount of the sickness benefit is 80% of the monthly contributory basis divided by 30. In case of maternity, the waiting period does not apply. In replacement of a farm help, a maternity allowance in the amount of € 25.57 per day is paid for an 8-week period before and for an 8-week period (12 weeks in case of a problematic birth) following the birth.

Long-term care

Benefits are granted according to the regulations of the general scheme (Long-term care benefit of the Federal Government and the *Länder*, benefits in kind by public and private providers).

Invalidity

Benefits correspond to those of the general scheme with the unique particularity that instead of the occurrence of invalidity, a case of permanent disability must have been diagnosed (i.e. loss of capacity to pursue a regular remunerative activity).

Old-age

As regards old-age protection, the provisions of the General Pension Act (*APG*; see Basic principles) apply.

Survivors

When providing protection for survivors, it is a particularity that the surviving spouses may also elect to maintain the undertaking of the deceased spouse. In such a case, the widow's /widower's pension is not paid out, and the deceased person's accumulated insurance periods will be added to the pension claims of the surviving spouse.

Employment injuries and occupational diseases

Businessmen and craftsmen are insured within the framework of the general scheme. Benefits paid correspond in general to those of the general scheme.

Family benefits

Businessmen are entitled to family benefits of the general scheme.

Unemployment

On January 1st 2009 the new scheme for voluntary unemployment insurance entered into force. Self-employed persons can choose to be insured against unemployment or not and thereby further improve their social protection. Self-employed keep their entitlement to unemployment benefit, which they earned previously as non self-employed, for the duration of their self-employed activity, even without being member to a voluntary unemployment insurance, i.e. for free. That was already the case so far.

The following groups of self-employed persons are eligible for voluntary unemployment insurance: self-employed, who are covered for old-age in accordance with the Act on Social Insurance for Persons engaged in Commercial Activities (*Gewerbliches Sozialversicherungsgesetz (GSVG)*) or in accordance with the Act on Social Insurance for Self-Employed (*Freiberufliches Sozialversicherungsgesetz (FSVG)*), as well as self-employed lawyers and civil engineers. No

possibility for membership to the voluntary unemployment insurance exists for persons having reached the age of 60 or the age for early retirement or if an old-age pension or an old-age benefit has already been granted. The entitlement to benefits corresponds to that for compulsorily insured persons.

POLAND

Basic principles

The Law of 13 October 1998 on the system of social insurance (*Ustawa o systemie ubezpieczeń społecznych*) reshaped the social security landscape. From 1 January 1999 onwards the self-employed persons who perform non-agricultural activities and their co-operating persons are part of the general social insurance system. They are insured in the pension scheme on a mandatory basis (covering old-age, survivorship and invalidity) and in the employment injuries and occupational diseases scheme.

The sickness insurance of such persons is voluntary. The scheme on employment and prevention of unemployment is also applicable to self-employed persons (not to farmers). In the social security schemes there are in principle no specific rules for self-employed persons. Self-employed persons have the right to same benefits in the same amount as the employed persons. With regard to the financing, specific rules have been created for self-employed persons in order to establish the income basis upon which contributions are being levied.

Farmers and their family members are insured in a specific categorical system, which covers short-term incapacity of work (sickness, maternity and labour accidents) and pensions (old-age, invalidity and survivorship). Depending upon the size of the farmed land as well as other specific conditions, the insurance is either compulsorily or voluntarily.

Health care

Health care and family benefits are granted in principle to all persons residing legally in the country. In principle no differentiation is made between professional groups, except for the contribution payment with regard to health care. The benefits are provided in the same way to all persons who are entitled to them.

Financing

Contributions of self-employed persons are entirely financed by the insured themselves, with their own funds. The insured self-employed persons also calculate and transfer contributions to the appropriate field office of the Social Insurance Institute (*Zakład Ubezpieczeń Społecznych, ZUS*) as the competent administrative body. Farmers pay con-

tributions to the administrative body of the agricultural insurance system (KRUS).

Starting from the 30 December 1999, the self-employed person must also pay contributions for the social insurance of the co-operating persons (such as assisting family members).

For self employed persons the contribution basis for the pension insurance is a declared amount, no lower than 60% of the prognostic average monthly remuneration. This contribution is subject to the same maximum ceilings as those applied to employed persons. But there are preferential principles of paying social security contributions for persons starting up their own businesses. Persons who started up their own businesses are allowed to pay in the period of 24 calendar months, commencing the effective day of the business start-up, social security contributions based on the amount declared by them, however this is not to be lower than 30% of the minimum remuneration for work.

Sickness insurance contributions operate on the same basis as pension contributions except that a different maximum ceiling is used. The contribution basis for voluntary sickness insurance may not exceed 250% of the average remuneration in the previous trimester monthly.

The rate of contribution for accident insurance is 0.67% - 3.33% of gross wage.

The financing principles of *agricultural social insurance* are regulated by the law of 20 December 1990 on the agricultural social insurance. The basis of financing are contributions of insured persons and state subsidies. These subsidies for pensions' payment cover approximately 94% of the Agricultural Fund. The amount of the contribution is determined every trimester at a level guaranteeing fluent financing of the Fund's expenses.

Health care and maternity (benefits in kind)

The health care system provides benefits in-kind to the insured persons who are in need of health treatment. As far as benefits are concerned no difference is made between professional groups.

Sickness and maternity (benefits in cash)

Sickness insurance is to be taken on a voluntary basis for self-employed persons. The same for maternity benefits.

In order to open the entitlement for a sickness benefit the voluntarily insured self-employed person has to prove 90

days of continuous insurance record (whereas the mandatory insured employee has to be insured continuously for 30 days).

The self-employed person, if insured, does not receive any benefit if the illness lasts less than 30 days. However, the right to sickness benefit is granted from the first day of insurance if the claimant's incapacity for work results from an employment injury or occupational disease. The benefit amount and the period of payment are the same as for employed persons. Self-employed persons are not entitled to the Child-minding Allowance (*Zasiłek opiekuńczy*) and Compensation Allowance (*Zasiłek wyrównawczy*).

In the *agricultural insurance system* several income replacement benefits are foreseen in case of short-term work incapacity. Compensation along the lines of the general system is foreseen if the work incapacity is caused by an employment injury or occupational diseases. In case of non-work related illness or accident, the farmer is provided with a benefit when he or she is incapable of work for a continuous period of more than 30 days.

Invalidity

The same rules apply as for employed persons.

Old-age

The same rules apply as for employed persons but self employed persons generally do not have the right to the early retirement pension.

The *agricultural old-age pension* is composed of a contributory and a supplementary part. The contributory part provides in a benefit that is related to the average income of the persons concerned. The replacement rate of the supplementary part amounts to approximately 25% of the basic amount.

Survivors

The same rules as for employed persons.

Labour accidents and professional diseases

The same rules as for employed persons.

Family benefits

The family benefits are integrated in a universal scheme financed by general taxation.

Unemployment

The same rules as for employed persons.

PORTUGAL

Basic principles

In Portugal, all self-employed persons are compulsorily covered by the social protection system (general system of social security for self-employed persons).

However, membership is voluntary for persons whose gross annual income for self-employed work is equal to or less than six times the indexing reference of social support (IAS, *indexante dos apoios sociais*). In addition, lawyers and solicitors are covered by a specific insurance fund.

The general system of social security for self-employed persons provides for two benefit schemes: one compulsory, which stipulates the granting of benefits in case of maternity, occupational diseases, invalidity, old-age and death, and another voluntary membership which grants benefits also in case of sickness. The delivery of family benefits is guaranteed under the subsystem of family protection, which covers the whole residential population.

Employment injury insurance is compulsory. Self-employed persons are obliged to take out insurance against this risk with an insurance company.

Health care is paid for by the National Health Service, universal base for all residents, subject to a reciprocity principle as regards citizens of third States.

Financing

Financing of the general system for the self-employed is to be paid by the workers themselves. The rate of contributions amounts to 25.4% or 32%, depending on whether it concerns, respectively, the compulsory or voluntary protection scheme.

The amount of the contributions is the result of applying these rates to a flat-rate remuneration selected by the insured between 10 levels indexed to the indexing reference of social support (IAS, *indexante dos apoios sociais*), the first corresponding to 1.5 times this reference and the last to 12 times this reference. If the gross annual income of the self-employed work is less than 18 times the IAS, the tax base of the contributions is decreased, the limit being 50% of the said indexing reference.

In case of accumulation of an employed activity covered by a compulsory social protection system with the exercise of a self-employed activity, the law stipulates, as long as cer-

tain conditions are monitored, the exemption of payment of contributions based on the latter activity.

The exemption of contributions is also stipulated for those drawing an invalidity and old-age pension who practice a self-employed activity. This right is also guaranteed to persons holding an occupational disease pension and suffering from incapacity to work of 70% or more.

In case of first membership in the system, payment of contributions is due only from the 12th month of self-employed activity. This measure aims at developing self-employed work.

Sickness and maternity: Benefits in kind

Benefits are granted by the National Health Service, under the responsibility of the Ministry of Health.

Sickness and maternity: Cash benefits

Benefits are granted according to the regulations of the general system for the employed. However, some exceptions exist:

Sickness: the period of absence for granting sickness benefits is 30 days (employees: 3 days); the maximum period to pay this allowance is 365 days (employees: 1,095 days). In case of hospitalisation, in case of sickness (which would start during the granting period of maternity benefits and beyond that period) and in case of tuberculosis the compensation is paid during the entire period of incapacity (this right concerns both categories of workers).

Maternity: the system does not provide for the following benefits, which are granted to employed persons: child care benefit (*subsídio para assistência a filho*) and benefit for the care of grandchildren (*subsídio para assistência a netos*).

Long-term care

Benefits in cash are granted according to the regulations of the general system for the employed. Benefits in kind are delivered according to the regulations established for all dependants in long-term care.

Invalidity

Benefits are granted according to the regulations of the general system for the employed.

Old-age

Benefits are granted according to the regulations of the general system for the employed.

Survivors

Benefits are granted according to the regulations of the general system for the employed.

Employment injuries and occupational diseases

For employment injuries, rules are applied as established for the employees except for adaptations related to the nature of the self-employed activity, notably as regards the annual income taken into account for calculating bonuses and cash benefits. This corresponds to at least 14 times the indexing reference of social support (IAS, *indexante dos apoios sociais*).

As regards occupational diseases, benefits are granted according to the regulations of the general system for the employed (until a specific regulation is approved).

Family benefits

Benefits are granted according to the regulations of the general system of family benefits which covers all residents.

Unemployment

No unemployment protection system exists for the self-employed.

ROMANIA

Basic principles

Romania has opted for the incorporation of self-employed in the existing universal or general social protection schemes.

Commonly, social insurance schemes have self-employed specific rules with regard to coverage, financing and impact of non-compliance, whereas they enclose similar rules for self-employed and other groups of population with regard to covered risks and benefits. Social assistance schemes have not special rules based on personal statute.

Lawyers are members of a categorical scheme. This is influenced by the general scheme covering the same risks.

Financing

Specific rules with regard to financing.

Sickness and maternity: Benefits in kind

Coverage: Compulsory insurance.

Financing: Contributions. Rate 6.50%. No ceiling.

Sickness and maternity: Cash benefits

Coverage: Compulsory insurance.

Financing: Contributions. Rate: 0.85%. No ceiling.

Long-term care

Not special rules based on personal statute.

Invalidity, Old-age and Survivors

Coverage: Compulsory insurance for self-employed (except farmers who can opt for a voluntary insurance). No coverage threshold requirement. Multiple statutory coverage in case of practicing several professional activities.

Financing: The contribution rates vary with the working conditions:

Normal working conditions:	29.30%
Difficult working conditions:	34.30%
Special working conditions:	39.30%.

No ceiling.

Employment injuries and occupational diseases

Coverage: For short-term benefits voluntary insurance, For long-term benefits compulsory insurance (except farmers who can opt for a voluntary insurance).

Financed by contributions. Contribution rate for short-term benefits: 1%; no ceiling. For long-term benefits: See "Invalidity, Old-age, Survivors".

Family benefits

Not special rules based on personal statute.

Unemployment

Coverage: Voluntary regime.

Financing: Contributions. Rate 1.00%. No ceiling.

SWITZERLAND

Basic principles

In Switzerland, there is no special scheme for the self-employed. They are insured for all risks either on a compulsory basis (due to their domicile or gainful employment in Switzerland) or may be insured on a voluntary basis. Only unemployment insurance excludes them.

Financing

Concerning family allowances, there is a federal scheme for self-employed farmers financed by the public authorities (Confederation: 2/3 and cantons: 1/3). For the other self-employed, cantonal law is applicable: 13 cantons provide benefits for the self-employed, partially financed by the self-employed themselves.

The ordinary rules are applicable for the other branches of social security, except for employers' contributions, of course.

Sickness and maternity: Benefits in kind

Insurance is compulsory for all persons domiciled in Switzerland.

Sickness and maternity: Cash benefits

Sickness:

Insurance is optional: any person domiciled or gainfully employed in Switzerland, aged between 15 and 65, may take out insurance.

Maternity:

Women engaged in paid employment (employees and self-employed) are insured for the maternity allowance of the income compensation allowance scheme (APG scheme).

Long-term care

No special scheme. Benefits are provided by several branches of social security.

Invalidity, old-age and survivors

1st pillar (basic scheme):

Insurance is compulsory for all persons domiciled or gainfully employed in Switzerland.

2nd pillar (statutory minimum):

Insurance is compulsory only for employees and only above a certain salary threshold. The self-employed may take out insurance on a voluntary basis. The provisions for

compulsory insurance apply by analogy to optional insurance.

Employment injuries and occupational diseases

Insurance is compulsory only for employees. The self-employed domiciled in Switzerland may take out insurance on a voluntary basis. The provisions for compulsory insurance apply by analogy to optional insurance.

Family benefits

Federal scheme:

Self-employed farmers are entitled to family allowances on the same conditions as agricultural workers. The child allowance (paid up to the age of 16) amounts, per month and per child, to CHF 200 (€ 131) in lowland regions, CHF 220 (€ 144) in mountain regions. The vocational training allowance (paid during training, but up to the age of 25 at the latest) amounts, per month and per child, to CHF 250 (€ 164) in lowland regions, CHF 270 (€ 177) in mountain regions.

Cantonal schemes:

13 cantons pay family allowances to the self-employed not involved in agriculture. In principle, the conditions, types and amounts of the benefits are governed by the same rules as those applied to agricultural workers.

In three cantons, self-employed farmers receive family allowances supplementary to those provided under the federal scheme.

Unemployment

The self-employed have no possibility of insurance.

SLOVENIA

Basic principles

Self-employed: those engaged in an independent gainful activity as their sole and principal occupation (as independent contractors, craftsmen or private traders, persons engaged in artistic or other cultural activity, an activity in the field of media, in the field of health care or social security, persons engaged in clerical or any other religious office, have their own private practice as lawyers or notaries public or persons engaged in any other activity permitted by law) and thereby generate income equal to at least the minimum salary.

Health care

Self-employed persons are covered by the compulsory insurance based system. The contribution rate for all health insurance rights (benefits in kind, cash benefits) for self-employed is 12.92% of basis for pension and invalidity insurance.

Sickness cash benefits

Self-employed persons have the right to compensation during sickness leave on a basis of compulsory health insurance.

Maternity

Self-employed persons are insured for parental protection and have the right to parental leave, parental benefits and rights related to part-time work. The contribution rate for cash benefits for self-employed is 0.20% of basis for pension and invalidity insurance.

Invalidity and old-age

Self-employed persons are covered by the compulsory insurance scheme from the date of commencement of engagement in an independent activity (entry in the Register of Independent Contractors, entry into membership of a chamber, etc.), to the date of cessation of engagement in such activity. Compulsory insurance encompasses the *right to pension* (old-age pension, invalidity pension, widow/widower's pension, survivor's pension, partial pension), *rights under invalidity insurance* (occupational rehabilitation, the right to invalidity benefit, the right to reassignment and part-time work, the right to other benefits under invalidity insurance, the right to travel

allowance), *supplementary rights* (right to assistance and attendance allowance and the right to disability allowance).

Contribution rate for old-age, survivors and invalidity pensions for the self-employed is 24.35% of insurance basis (15.50% as employees and 8.85% as employers).

Employment injuries and occupational diseases

Covered by compulsory health and pension and invalidity insurance. Contribution for employment injuries and occupational diseases (temporary incapacity) for the self-employed is 0.53% gross wage. Long-term incapacity is covered by old-age and invalidity insurance (see "Invalidity and old-age" above).

Unemployment

A self-employed person is unemployed if the profit from his activity has not exceeded the amount of the minimum salary compensation, or if a person is an owner or co-owner of companies, whose profit in the last calendar year prior to occurrence of unemployment, reduced by payment of compulsory social security contributions, has not exceeded the amount of the minimum salary compensation.

Self-employed may be engaged in voluntary insurance for the case of unemployment. They are therefore entitled to unemployment financial benefits, reimbursement of transport and relocation costs, the right to health care and the right to pension and disability insurance.

Contribution rate for unemployment for the self-employed is 0.20% gross wage (0.14% as employees and 0.06% as employers).

SLOVAKIA

Basic principles

In Slovakia, the protection of the self-employed in the areas of benefits-in-kind for sickness and maternity, as well as benefits-in-cash for sickness, maternity, invalidity, old-age, survivors, unemployment and family benefits is achieved within the general system.

Financing

There are specific rates of contributions to the general system for self-employed persons. The Assessment Base of self-employed persons is 50% of average monthly taxable income over the previous year (for voluntary insured the sum assigned by him/her).

There are upper and lower ceilings for the Assessment Base. The maximum monthly Assessment Base is:

- 4-times the average wage in 2008 = € 2,892.12 for old-age, invalidity, survivors and unemployment insurance, and for reserve fund;
- 3-times the average wage in 2007 = € 2,006.17 for health (benefits in kind) insurance;
- 1.5-times the average wage in 2008 = € 1,084.55 for sickness and maternity (cash benefits) insurance.

The minimum monthly Assessment Base is € 295.50 (minimum wage).

Rates of contributions of self-employed persons as a percentage of the Assessment Base for:

- Old-Age and Survivors is 18% (if appropriate, 9% each for the 1st and 2nd pillar),
- Invalidity and Survivors is 6% (but no contribution if the person is entitled to old-age benefit or pre-retirement benefit),
- Sickness and Maternity (Health care) is 14% (but only 7% if disabled),
- Sickness and Maternity (Cash benefits) is 4.4%,
- Unemployment is 2% (only voluntary insurance),
- Reserve Fund is 2%.

Self-employed persons with a yearly income less than € 3,546 (12-times of minimum wage) are exempted from compulsory sickness and maternity insurance (cash benefits) as well as from compulsory invalidity,

unemployment, old-age and survivors insurance. Membership is possible through voluntary insurance.

Sickness and Maternity: Health care and cash benefits

The benefits are granted according to the regulations of the general system.

Invalidity, Old-Age, and Survivors

The benefits are granted according to the regulations of the general system.

Employment injuries and occupational diseases

There is no protection system for the self-employed.

Family benefits

The benefits are granted according to the regulations of the general system.

Unemployment

The benefits are granted according to the regulations of the general system, but only in case of non performance of the self-employed activity and previous voluntary insurance.

FINLAND

Basic principles

In Finland the self-employed are covered by the same social security schemes based on residence as employed persons and any other person residing permanently in Finland. They are entitled to health care, benefits for sickness and maternity, family benefits, basic unemployment benefits and national pension (old age, invalidity and survivors' pensions) under the same conditions as all residents. Self-employed persons are covered by the Self-employed Persons' Pensions Act (YEL), farmers are covered by the Farmers' Pensions Act (MYEL). Special rules apply to employment accident insurance and earnings-related unemployment benefits.

Financing

Most benefits are financed according to the rules of the general system. Following are the exceptions from the general system. The additional sickness cash benefit for farmers covering the waiting period in the general scheme is financed by the government. The earnings-related pensions for self-employed are financed mostly by their contributions and the rest is covered by the State (in 2009 approximately 12.2%). The earnings-related pensions for farmers are mostly financed by the State (in 2009 approximately 79.8%) and the rest is financed through the insured persons' contributions. The benefits for employment injuries for farmers are financed 33.8% by the insured persons and by the government each, whereby the remaining part is financed through transfer payments by other insurance systems.

Sickness and maternity: Benefits in kind

The granting of benefits-in-kind for sickness and for maternity is solely based on residence in Finland; self-employed persons thus receive the same benefits as employees, with no distinction made between the two groups.

Sickness and maternity: Cash benefits

Cash benefits for sickness and maternity are also based solely on residence in Finland. Benefits are calculated on the pensionable income insured under the Earnings-Related Pension Scheme (YEL or MYEL). For self-employed farmers an additional statutory scheme exists (covering the waiting period in the general system). Sickness allowance is paid after completion of a waiting period consisting of the first day of work incapacity and the following nine

weekdays. For persons insured under the Self-Employed Persons Pensions Act (YEL), the waiting period is effectively reduced to the first day of work incapacity and the following three weekdays.

Long-term care

All self-employed persons are entitled to the same long-term care as all residents.

Invalidity, old-age and survivors

These risks are covered by two systems: through the national pension scheme, which is valid for the self-employed in the same way as for all other population groups, and through the Earnings-Related Pension Scheme where special pension provisions apply to self-employed persons and farmers (Self-employed Persons' Pensions Act, YEL; Farmers' Pensions Act, MYEL). A self-employed person is obliged to take out a pension insurance when the activity concerned has lasted for at least four months and the estimated earned income is at least € 6,560.93 annually. The earnings-related pension insurance for self-employed persons in agriculture, i.e. farmers, fishermen and reindeer herders, is compulsory when the farm contains more than 5 ha of arable land and the income is at least € 3,280.47 annually.

Employment injuries and occupational diseases

The self-employed persons may take out a voluntary insurance against accidents at work and occupational diseases as laid down in the Employment Accident Insurance Act. The insurance coverage corresponds to the insurance coverage for employed persons. For self-employed farmers the insurance is compulsory.

Family benefits

Family benefits, as a part of the general system of social protection, are available to all families, thus to the self-employed just as to employees and all other groups in the population.

Unemployment

The self-employed are insured by the basic unemployment insurance. Since 1995 the self-employed have had the possibility to join voluntarily the earnings-related unemployment insurance scheme and qualify for the earnings-related unemployment allowance as members of special unemployment funds, with rules particularly adapted to the situation of the self-employed (e.g. in defining unemployment).

SWEDEN

Basic principles

In Sweden the social protection system is fundamentally founded on the principle of national insurance. The group of people protected is thus not defined according to a certain social status, and no distinction is made between employees and the self-employed. Self-employed persons thus enjoy the social protection of the general system.

Financing

The regulations of the general system apply for the financing.

Sickness and maternity: Benefits in kind

The granting of the benefits is based either on residence or on work in Sweden; self-employed persons thus receive the same benefits as employees, with no distinction made between the two groups.

Sickness and maternity: Cash benefits

With regard to cash benefits for sickness and maternity, compulsory insurance is required for employees as well as for the self-employed. For each group, however, slightly different regulations apply for sickness: while a waiting period of one day is required for workers, benefits thus being granted starting with the second day of sickness, self-employed persons can choose between two insurance categories, which stipulate a waiting period of either 3 or 30 days. Self-employed persons receive the same benefits for maternity as employees, with no distinction made between the two groups.

Invalidity

Benefits for invalidity require, besides certain age limits, residence or work in Sweden. For the self-employed the same regulations apply as for employees.

Old-age

For protection in old age there are two systems: an income-related pension and a guaranteed pension. The guaranteed pension is tied solely to residence in Sweden, and thus does not differentiate between employees and the self-employed. Self-employed persons consequently have the same protection. The income-related pension, on the other hand, is a separate additional insurance scheme

based on gainful employment – this as well is available to employees as well as to the self-employed.

Survivors

Similar to the regulations for old age insurance, the protection of survivors does not differentiate according to social status. In the guaranteed pension system, self-employed persons are insured based upon their residence in Sweden, consequently they enjoy protection through the income-related pension scheme just as employees do.

Employment injuries and occupational diseases

The system of protection for employment injuries and occupational diseases compulsorily includes all persons who are gainfully employed: it therefore applies to the self-employed as well as to employees.

Family benefits

The regulations of the general system apply here. Family benefits, as a part of the general system of social protection, apply to all families, thus for self-employed as well as for employees and all other groups in the population.

Unemployment

Social protection exists for the self-employed: Self-employed persons have the option of joining the unemployment insurance fund responsible for their occupational branch and consequently acquire entitlement to insurance benefits. In addition, if they fulfil the necessary requirements, they may have claim to unemployment assistance benefits.

UNITED KINGDOM

Basic principles

In the United Kingdom the general protection system basically includes the self-employed. For individual regulations, special requirements apply for the self-employed; but there are no further distinctions made within the group of self-employed persons itself.

Financing

National Insurance contributions are graduated for the self-employed (in contrast with those for employees) according to three income classes: Self-employed persons with annual profits less than GBP 5,075 (€ 5,927) can apply to be exempted from paying compulsory contributions. Those with annual profits GBP 5,075 (€ 5,927) or more pay a flat-rate contribution of GBP 2.40 (€ 2.80) per week. In addition, those self-employed people with annual profits between GBP 5,715 (€ 6,675) and GBP 43,875 (€ 51,244) also pay an earnings related contribution of 8% and 1% above GBP 43,875 (€ 51,244).

Family benefits are financed according to the regulations of the general system; they are paid for by taxation.

Sickness and maternity: Benefits in kind

Under the National Health Service, all residents (including self-employed persons) are entitled to receive health care on the basis of clinical need and which is essentially free at the point of service (entitlement is not linked to the payment of National Insurance contributions). Such services include general medical services (including care provided by general practitioners), acute hospital care and services provided by a district nurse or community psychiatric nurse. Charges can be made for some services, for example, prescriptions for medicines and surgical appliances, but many people receive these services free of charge, either because they have a low income, or because they belong to a category of people, such as pensioners, who are exempt from charges.

Sickness and maternity: Cash benefits

Incapacity Benefit is payable to self-employed persons who paid sufficient contributions in one of the last three tax years and have paid or been credited with sufficient contributions in both relevant tax years preceding the one of the claim for benefit. There are two rates of benefit: GBP 67.75 (€ 79) per week is paid for the first 28 weeks and GBP 89.80 (€ 105) per week thereafter. Employment and Support Allowance (ESA) was introduced on 27 October 2008. It replaced Incapacity Benefit and Income Support, paid because of an illness or disability, for new claimants only. If a claimant was receiving Incapacity Benefit before 27 October 2008, they will continue to receive it. It is intended that recipients move to the new benefit between 2009 and 2013. The rates of benefit are the same as Incapacity benefit. The self-employed, however, have no claim to Statutory Sick Pay (GBP 79.15 (€ 92) from the beginning of sickness) because this is paid by employers.

Maternity Allowance is payable to women who have been self-employed in at least 26 weeks out of the 66 weeks, ending with the week before the baby is due, and have average weekly earnings of at least GBP 30 (€ 35). It is paid for 26 weeks at GBP 123.06 (€ 144) or 90% of average earnings if less than GBP 123.06 (€ 144).

Long-term care

There is no general scheme of long-term care benefit in the UK, but self-employed people can get any available help on the same basis as everyone else.

Invalidity

The regulations of the general protection system apply.

Old-age

Self-employed persons can qualify for the contributory (state) Basic Retirement Pension on the same basis as employed persons, but they generally have no entitlement to a state earnings-related pension.

Survivors

The surviving spouse or civil partner of a self-employed person who has died may be entitled to survivor's benefits on the same basis as the spouse or civil partner of a person who was employed, but there is no entitlement to a state earnings-related pension.

Employment injuries and occupational diseases

No protection system exists for self-employed persons.

Family benefits

The general system applies without special arrangements.

Unemployment

No protection system exists for self-employed persons. If they become unemployed, they can claim income-based Jobseeker's Allowance (which is means-tested).