

Denmark

Exchange rate: US\$1.00 = 6.21 kroner.

Old Age, Disability, and Survivors

Regulatory Framework

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

Current laws: 2014 (ATP pension), 2017 (disability pension and universal pension), and 2018 (social services).

Type of program: Universal and social insurance system.

Coverage

Universal: Residents of Denmark.

Social insurance: Employed persons, including recipients of disability pensions granted before 2003, cash sickness and maternity benefits, unemployment benefits, and social assistance benefits.

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

Exclusions: Employed persons working less than nine hours a week.

Source of Funds

Insured person

Universal: None.

Social insurance: 31.55 to 94.65 kroner a month, depending on the number of work hours. Recipients of sickness and maternity benefits, unemployment benefits, and certain vocational training benefits pay double contributions.

Insured persons pay contributions monthly or quarterly.

Self-employed person

Universal: None.

Social insurance: 284 kroner a month.

Self-employed persons pay contributions quarterly.

Employer

Universal: None.

Social insurance: 63.10 to 189.35 kroner a month, depending on the number of work hours.

Employers pay contributions quarterly.

Government

Universal: The total cost.

The government pays contributions monthly or quarterly.

Social insurance: None; contributes as an employer.

Qualifying Conditions

Old-age pension (folkepension, universal, earnings and income tested): Age 65 (gradually rising to age 67 from 2019 to 2022 and to age 68 by 2030; rising based on life expectancy starting in 2035) with at least 40 years of residence from age 15 to the normal retirement age (including the five years before retirement for certain foreign nationals).

The pension consists of an earnings-tested basic pension and an income-tested supplemental pension.

Earnings test: The basic pension is subject to recovery if the beneficiary's annual earnings exceed 322,500 kroner.

Income test: The supplemental pension is subject to recovery if annual income (including that of a spouse or cohabiting partner) exceeds 71,200 kroner (for a single person) or 142,800 kroner (for a couple). Up to 60,000 kroner of the beneficiary's earnings is disregarded; if the spouse or cohabiting partner is not entitled to a pension, half of his or her earnings up to 222,800 kroner are disregarded.

Employment may continue.

Partial pension: A reduced pension is paid with at least three but less than 40 years of residence from age 15 to the normal retirement age. Certain foreign nationals must have at least 10 years of residence, including the five years before retirement.

Deferred pension: The pension may be deferred for up to 10 years after the normal retirement age. Must work at least 750 hours a year.

Old-age supplement (ældrecheck, means tested): Paid to needy pensioners.

Means test: The beneficiary's liquid assets must be less than 86,000 kroner. The supplement is subject to recovery if annual income (including that of a spouse or cohabiting partner) exceeds 20,500 kroner (for a single person) or 40,600 kroner (for a couple).

Additional assistance: Old-age pensioners may be eligible for additional means-tested supplemental benefits that help pay for health care, heating, housing, and certain other living expenses.

The universal old-age pension is payable abroad.

Old-age pension (arbejdsmarkedets tillægspension, ATP, social insurance): Age 65 (gradually rising to age 67 from 2019 to 2022 and to age 68 by 2030). The full pension requires a full and continuous contribution record since 1964 or age 16, whichever was later.

Deferred pension: The pension may be deferred for up to 10 years after the normal retirement age.

The social insurance old-age pension is payable abroad.

Disability pension (førtidspension, universal, income tested): Must be aged 18 or older but younger than the normal retirement age, be assessed with a significant loss of working capacity (which cannot improve through rehabilitation or other measures), be unable to assure his or her own subsistence from any kind of paid work, and have at least 40 years of residence from age 15 to the normal retirement age or have been a resident for at least 80% of the period from age 15 to the date of the award (including the five years before the disability began for certain foreign nationals).

Income test: The disability pension is subject to recovery if annual income (including that of a spouse or cohabiting partner) exceeds 77,300 kroner (if single) or 122,500 kroner (if married or partnered).

Partial pension: A reduced pension is paid with at least three years of residence but less than the number required for a full pension. Certain foreign nationals must have at least 10 years of residence, including the five years before retirement.

Senior disability pension (seniorførtidspension, income tested): Must have worked at least 27 hours a week for 25 years (less under certain conditions), have stopped working because of the physical demands and work-related health problems, and be within five years of reaching the normal retirement age.

Following a medical assessment, nonmedical staff of the municipality assesses the loss of working capacity. If the work capacity of the beneficiary improves, a medical reassessment is required.

Disability supplement: Paid to help meet extra costs exceeding 6,408 kroner a year (534 a month) resulting from the assessed disability.

The disability pension ceases at the normal retirement age and is replaced by the universal old-age pension.

The disability pension is payable abroad.

Survivor pension (efterlevelsespension, universal): Paid when one spouse or cohabiting partner (opposite or same sex) dies and both spouses or partners received universal old-age or disability pensions.

Survivor allowance (efterlevelshjælp, universal, income tested): Paid to a surviving spouse or partner (opposite or same sex) who lived with the deceased for at least three years.

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

Income test: The allowance is reduced if the annual income of the surviving spouse or cohabiting partner exceeds

241,636 kroner; no benefit is paid if annual income exceeds 377,554 kroner.

Survivor pension (arbejdsmarkedets tillægspension, ATP, social insurance):

New benefit: The deceased was younger than age 70 at the time of death and had at least two years of contributions since 2002.

Eligible survivors: A widow(er) or cohabiting partner opposite or same sex) who lived with the deceased for at least two years, certain divorced spouses, and children younger than age 21

Old benefit: The deceased was aged 67 or older at the time of death and was entitled to a social insurance pension before 2002.

Eligible survivors: A widow(er) or same-sex partner who cohabited with the deceased for at least two years, certain divorced spouses, and children younger than age 18.

Funeral grant (begravelseshjælp, means tested): Paid to cover the cost of the deceased's funeral.

Old-Age Benefits

Old-age pension (folkepension, universal), earnings and income tested: The pension consists of a basic pension and a supplemental pension.

Basic pension (grundbeløb, earnings tested): Up to 6,237 kroner a month is paid.

Earnings test: The basic pension is reduced by 30% of the beneficiary's annual earnings above 322,500 kroner. The pension is eliminated with annual earnings of at least 322,500 kroner.

Supplemental pension (pensionstillæg, income tested): Up to 6,728 kroner (if single) or 3,333 kroner (if married or partnered) a month is paid.

Income test: The supplemental pension is reduced by 30.9% of annual income (including that of a spouse or cohabiting partner) above 71,200 kroner (if single), by 32% of annual income above 142,800 kroner (if married or partnered to a person not receiving an old-age pension), or by 16% of annual income above 142,800 kroner (if married or partnered to an old-age pensioner). (Certain income is disregarded in the income test.) The supplemental pension is eliminated with annual income of 332,500 kroner (if single), 267,800 kroner (if married or partnered to a person not receiving an old-age pension), or 392,900 kroner (if married or partnered to an old-age pensioner).

Partial pension: The pension (basic and supplemental) is reduced by 2.5% for each year of residence less than 40 years.

Deferred pension: The pension (basic and supplemental) is increased for each month of deferral after the normal retirement age. The increment for deferring the pension for

a year is based on the ratio of the period of deferral to the average life expectancy at the time the pension is claimed.

Old-age supplement (ældrecheck, means tested): Up to 17,200 a year is paid.

Means test: The old-age supplement is reduced if the annual income (including that of a spouse or cohabiting partner) exceeds 20,500 kroner (for a single person) or 40,600 kroner (for a couple). The supplement is eliminated with annual income of at least 72,200 kroner (for a single person) or 142,800 kroner (for a couple).

Benefit adjustment: Benefits are adjusted annually based on changes in wages.

Old-age pension (arbejdsmarkedets tillægspension, ATP, social insurance): The monthly pension is calculated based on the insured's length of coverage and the number of contributions paid. If the annual old-age pension is less than 2,500 kroner, it is paid as a lump sum.

The maximum annual old-age pension is 23,500 kroner.

Deferred pension: The pension is increased by 5% for each year of deferral after the normal retirement age.

Benefit adjustment: Benefits are adjusted based on the financial resources of the system.

Permanent Disability Benefits

Disability pension (førtidspension, universal, income tested): Up to 18,642 kroner (if single) or 15,846 kroner (if married or partnered) is paid.

Income test: The disability pension is reduced by 30.9% of annual income (including that of a spouse or cohabiting partner) above 77,300 kroner (if single) or 122,500 kroner (if married or partnered).

Partial pension: The pension is proportionally reduced for each year of residence less than the number required for a full pension.

Senior disability pension (seniorførtidspension, income tested): Calculated in the same way as the disability pension and subject to the same income test.

Disability supplement: At least 1,000 kroner a month is paid.

Benefit adjustment: Benefits are adjusted annually based on changes in wages.

Survivor Benefits

Survivor pension (efterlevelserspension, universal): The universal old-age or disability pension the deceased received or was entitled to receive is paid to the surviving spouse or partner for up to three months.

Benefit adjustment: Benefits are adjusted annually based on changes in wages.

Survivor allowance (efterlevelseshjælp, universal, income tested): A lump sum of up to 14,677 kroner is paid.

Income test: The allowance is reduced if the annual income of the surviving spouse or partner exceeds 241,636 kroner; no benefit is paid if annual income exceeds 377,554 kroner.

Survivor pension (arbejdsmarkedets tillægspension, ATP, social insurance): A new benefit for contributions paid since 2002 or an old benefit for contributions paid before 2002 is paid, which is greater.

New benefit: A lump sum of up to 50,000 kroner is paid to each eligible survivor. The benefit amount is gradually reduced based on the deceased's age if the deceased was aged 66 to 69 at the time of death.

Old benefit: A lump sum is paid to each eligible survivor. The benefit amount varies depending on the deceased's date of birth and other factors.

Funeral grant (begravelseshjælp, means tested): A lump sum of up to 11,000 kroner is paid; 9,200 kroner if the survivor is younger than 18; 1,050 kroner if the deceased was born before April 1, 1957.

Benefit adjustment: Benefits are adjusted annually based on changes in wages.

Administrative Organization

Ministry of Employment (<http://bm.dk/>) provides general supervision and national administration of the universal program.

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

Labor Market Supplementary Pension Institution (<https://www.atp.dk/>), an independent institution headed by a bipartite board of directors, administers and collects contributions for the social insurance program.

Sickness and Maternity

Regulatory Framework

First law: 1892.

Current laws: 2010 (health) and 2015 (maternity).

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

Coverage

Universal (medical benefits): Residents of Denmark.

Social insurance (cash benefits): Employed and self-employed persons.

Source of Funds

Insured person

Universal (medical benefits): None.

Employment related (cash benefits): None.

Self-employed person

Universal (medical benefits): None.

Employment related (cash benefits): May pay voluntary contributions to reduce benefit waiting periods.

Employer

Universal (medical benefits): None.

Employment related (cash benefits): None.

Government

Universal (medical benefits): Regional governments finance the total cost.

Employment related (cash benefits): Local and regional governments finance the total cost.

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

Qualifying Conditions

Cash sickness benefit (sygedagpenge, employment related): Must have at least 120 hours of work in the 13 weeks before the incapacity began or be in paid vocational training, have completed within the last month at least 18 months of vocational training, be in flexible employment with a public- or private-sector employer, or be receiving unemployment benefits. Self-employed persons must have at least six months of work in the last 12 months, including the month before the incapacity began.

Partial benefit: Paid if the insured continues to work but is absent from work for at least four hours a week.

Sick child benefit (dagpenge ved pasning af alvorligt syge børn, employment related): Paid to a parent to care for a seriously ill child younger than age 18 who is hospitalized for more than 12 days. The insured must have worked for at least 13 weeks as an employee or six months as a self-employed person.

Cash maternity and paternity benefit (barselsdagpenge, employment related): Must have at least 120 hours of work in the 13 weeks before the maternity leave begins or be in paid vocational training, have completed within the last month at least 18 months of vocational training, be in flexible employment with a public- or private-sector employer, receiving unemployment benefits, or work in a job for people with reduced work capacity. Self-employed persons must have at least six months of work in the last 12 months, including the month before the maternity leave begins.

Medical benefits (universal): There is a six-week waiting period if moving to Denmark from another country; otherwise, there is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit (sygedagpenge, employment related): Up to 4,300 kroner a week is paid, depending on the insured's hourly wage. The benefit is paid after a 30-day (employed persons) or two-week (self-employed persons) waiting period. (Employers pay benefits to employed persons for the first 30 days, and self-employed persons may voluntarily insure for the first two weeks.) The benefit is paid for 22 weeks within any nine-month period; may be extended under certain conditions.

Partial benefit: A reduced benefit is paid.

Local government assesses the incapacity every eight weeks.

Sick child benefit (dagpenge ved pasning af alvorligt syge børn, employment related): 4,300 kroner a week is paid for up to 52 weeks; may be extended for up to three months if the child is hospitalized as a result of a congenital disease.

Maternity and paternity benefit (barselsdagpenge, employment related): Up to 4,300 kroner a week is paid for up to 52 weeks, including four weeks before the expected date of childbirth and 14 weeks after childbirth for the mother and, concurrently, two weeks for the father. After the 14th week, both parents may share the remaining 32 weeks of benefits that must be claimed before the child's ninth birthday.

For an adoption, the benefit is paid for up to 48 weeks from the date the parent takes guardianship of the child. The 48 weeks include 14 weeks to one adoptive parent and, concurrently, two weeks for the other adoptive parent. After the 14th week, both parents may share the remaining 32 weeks of benefits that must be claimed before the child's ninth birthday.

Workers' Medical Benefits

Free medical benefits are provided with a restricted choice of doctor, or the patient pays part of expenses with a free choice of doctor. Benefits include general practitioner care, specialist care, treatment by psychologists under special circumstances, hospitalization in a public hospital, 50% to 85% of the cost greater than 965 kroner a year for most prescribed drugs, free maternity care from a midwife or doctor, home nursing, chiropractic, physiotherapy, some dental care, and transportation for pensioners.

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

Dependents' Medical Benefits

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

Administrative Organization

Ministry of Employment (<http://bm.dk/>) provides general supervision and national administration for the cash benefits.

Ministry of Health (<http://www.sum.dk/>) provides general supervision and national administration for the medical benefits.

Local and regional governments (municipalities and counties) administer the cash and medical benefits at the subnational level.

Work Injury

Regulatory Framework

First law: 1898.

Current law: 2017 (occupational injury).

Type of program: Universal (medical benefits and cash benefits), social insurance, and employer-liability (through private carriers) system.

Coverage

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

Voluntary coverage for self-employed persons and their spouses.

Special system for military personnel.

Source of Funds

Insured person: None.

Self-employed person: Voluntary contributions.

Employer: For permanent disability benefits, the total cost of compulsory income security provisions through a private carrier (work injury) and the Labor Market Occupational Disease Fund (occupational disease).

Government: See source of funds under Sickness and Maternity.

Qualifying Conditions

The insured must have at least a 15% (temporary) or 5% (permanent) assessed loss of earning capacity. A claim for a benefit for a work injury or an occupational disease must be made within a year (may be extended under certain conditions).

Temporary Disability Benefits

See the cash sickness benefit under Sickness and Maternity.

Permanent Disability Benefits

Permanent disability pension: For a total (100%) disability, 83% of the insured's earnings in the last year is paid.

The minimum annual earnings used to calculate benefits are 197,000 kroner.

The maximum annual earnings used to calculate benefits are 527,000 kroner. The maximum earnings are adjusted annually.

Partial disability: For an assessed loss of earnings capacity of at least 50% but less than 100%, the disability pension is proportionally reduced. The insured may claim half of this amount as a lump-sum payment. For an assessed loss of earning capacity of less than 50%, a lump sum is paid.

The National Board of Industrial Injuries assesses the loss of earning capacity. The initial assessment may be reviewed at any time within the five years after the award is made if the insured's condition changes. Appeals may be made to the National Social Appeals Board within four weeks of receiving the decision.

The permanent disability pension ceases at the normal retirement age and is replaced by the old-age pension.

Permanent injury compensation: For a total (100%) disability, a lump sum of 879,000 kroner is paid; up to 1,054,800 kroner in certain cases.

Benefit adjustment: Benefits are adjusted annually.

Workers' Medical Benefits

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

Survivor Benefits

Survivor pension

Spouse's pension: 30% of the insured's annual earnings is paid for up to 10 years to the surviving spouse or cohabiting partner (opposite or same sex) who lived with the deceased for at least two years.

The maximum annual spouse's pension is 145,452 kroner.

The spouse's pension continues to be paid if the survivor (re)marries.

The spouse's pension ceases at the normal retirement age and is replaced by the old-age pension.

Orphan's pension: 10% of the deceased's annual earnings, up to 48,484 kroner, is paid to each orphan up to age 18 (age 21 if a student); 20% of the deceased's annual earnings, up to 96,968 kroner, is paid to each full orphan.

Transitional allowance: If the insured's death was the result of a work injury or an occupational disease, a lump sum of 165,500 kroner is paid to a spouse or cohabiting partner (same sex or opposite sex), or certain other persons.

Benefit adjustment: Benefits are adjusted annually.

Administrative Organization

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

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

Labor Market Insurance (<https://www.aes.dk/>) administers the program through private carriers and collects contributions.

Unemployment

Regulatory Framework

First law: 1907.

Current law: 2014 (unemployment insurance).

Type of program: Subsidized voluntary insurance system.

Note: If an unemployed person is ineligible for benefits and has no means of support, the local (municipal) government may provide social assistance.

Coverage

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

Source of Funds

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

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

Employer: Certain employers pay contributions for their employees who are members of an unemployment fund.

Government: Provides a subsidy.

Qualifying Conditions

Unemployment benefit (arbejdsløshedsdagpenge):

Must have been a member of the unemployment fund for at least one year and have total earnings of at least 228,348 kroner in the last three years.

The maximum monthly earnings used to calculate the total earnings in the last three years are 19,029 kroner.

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

Part-time unemployment benefit (supplerende dagpenge):

Must have been a member of the unemployment fund for at least one year and have total earnings of at least 152,232 kroner in the last three years.

The maximum monthly earnings used to calculate the total earnings in the last three years are 12,686 kroner.

Voluntary early retirement pay scheme: Age 62 and six months (gradually rising to age 64 by 2023), a resident of Denmark, and have at least 30 years of paid voluntary early retirement contributions since age 30 (several transitional rules require shorter contribution periods).

Unemployment Benefits

Unemployment benefit (arbejdsløshedsdagpenge):

90% of the insured's average earnings in the 12 months of highest income in the last 24 months is paid (based on a five-day work week) after a three-day waiting period for up to two years; for unemployed persons aged 55 to 59, the benefit may be paid until age 60. (Employers pay benefits to employed persons for the first three days of full or partial unemployment.)

The maximum weekly unemployment benefit is 3,827 kroner; 3,061 kroner (80% of the maximum weekly unemployment benefit) for young unemployed persons who complete vocational training or military service; or 1,926 kroner (50% of the maximum unemployment benefit) for persons younger than age 25.

Part-time unemployment benefit (supplerende dagpenge): Up to 13,323 kroner a month (71.5% of the maximum unemployment benefit) is paid.

Voluntary early retirement pay scheme: Up to 91% of the maximum unemployment benefit is paid for up to five years (gradually decreasing to three years from 2018 to 2023).

Workers who continue to work for two years after age 60 receive a reduced benefit based on the amount of work they have and their earnings. A tax-free bonus is paid when the insured reaches the normal retirement age.

Administrative Organization

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

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

Family Allowances

Regulatory Framework

First law: 1952.

Current laws: 2014 and 2016 (child benefits).

Type of program: Universal system.

Coverage

Residents of Denmark, foreign nationals covered by a reciprocal agreement, and refugees.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Child and youth benefit (børne- og ungedelse, income tested): Paid for children younger than age 18 who reside in Denmark. The parent must pay taxes in Denmark.

Child allowances (børnetilskud): Paid for children younger than age 18 who reside in Denmark.

Single-parent allowance (børnetilskud til enlige): Paid for a single parent.

Study allowance (børnetilskud til forældre under uddannelse, income tested): Paid to a parent who is studying. Must have at least six years of residence in Denmark in the last 10 years.

Children of pensioners allowance (income tested): Paid for the children of pensioners. The pensioner must have at least six years of residence in Denmark in the last 10 years.

Orphan's allowance: Paid for an orphan.

Multiple births allowance (flerbørnstilskud): Paid for two or more children who were born at the same time and are younger than age 7. The children may be adopted.

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

Family Allowance Benefits

Child and youth benefit (børne- og ungedelse, income tested): 4,506 kroner a quarter is paid for each child up to age 2; 3,567 kroner a quarter for each child aged 3 to 6; 2,808 kroner a quarter for each child aged 7 to 14; and 936 kroner a month for each child aged 15 to 17.

Benefit adjustment: Benefits are adjusted annually based on changes in wages.

Child allowances (børnetilskud)

Single-parent allowance (børnetilskud til enlige): 1,413 kroner a quarter is paid for each eligible child plus 1,440 kroner a quarter to the single parent (regardless of the number of children).

Study allowance (børnetilskud til forældre under uddannelse, income tested): Up to 1,855 kroner a quarter is paid.

Children of pensioners allowance (income tested): Up to 1,413 kroner a quarter is paid for each eligible child plus 4,080 kroner to the parents if both parents are pensioners; if only one parent is a pensioner, 3,632 kroner a quarter is paid to the pensioner parent.

Orphan's allowance: 4,080 kroner a quarter is paid for each half orphan; 8,160 kroner for each full orphan.

Multiple births allowance (flerbørnstilskud): 2,330 kroner a quarter is paid for each additional child after the first.

Benefit adjustment: Benefits are adjusted annually based on changes in wages.

Adoption grant: A lump sum of 53,667 kroner is paid.

Benefit adjustment: Benefits are adjusted annually based on changes in wages.

Administrative Organization

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

Danish Agency for Labor Market and Recruitment administers the program.