

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 January 2014

Employment, Social Affairs & Inclusion

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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 accidents at work, occupational diseases and unemployment, and also provides for national insurance in case of bankruptcy.

Financing

This system, subject to global management, is financed at 55.9% by contributions, at 44.0% by taxes and at 0.1% 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

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 weekly flat-rate amount.

The period of optional leave can moreover be extended, at the mother's request, in case of hospitalisation of the newborn for more than seven days after childbirth. In that case, the maternity leave is extended by a period of time equal to the number of full weeks the child remains hospitalised after these first seven days, up to a maximum of 24 weeks. This extension starts on the day following the two weeks of compulsory postnatal leave. The period of

optional postnatal maternity leave resumes when the extended leave comes to an end.

The maternity benefit is paid by the sickness fund at the latest one month after the last week of postnatal leave. When the optional postnatal leave was taken in parts, the benefit is paid at the latest one month after the last week of each period of leave (compulsory, optional or extended).

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.

Moreover, self-employed persons can receive a benefit in case their child is seriously ill or in case their child or partner is in need of palliative care.

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 38 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.

Accidents at work 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 monthly flat-rate benefits (adjusted according to age) and single flat-rate benefits at birth and adoption. Furthermore, special amounts (supplements or increases) may be granted under certain conditions. Supplements are stipulated for single-parent families, former unemployed persons and disabled children (with supplement). Increases are stipulated for beneficiaries receiving a pension, children of invalidity benefit recipients, orphans and disabled children (with increased rate). 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).

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 up

to 12 months and to acquire entitlement to benefits from the obligatory sickness and invalidity insurance, to health care and to child benefit. The financial aid consists of a monthly allowance equal to the monthly amount of the minimum pension, either at the single rate (if the beneficiary has no dependants) or the household rate (if the beneficiary has at least one dependant).

As of 1 October 2012, the social insurance in case of bankruptcy is extended to self-employed who suffered defined contingencies which, beyond their control, have rendered the exercise of their self-employed activity temporarily or definitively impossible (forced discontinuation). These contingencies are: natural disaster, fire, destruction and allergy. The self-employed person should have lost any professional income and he should not be able to claim a replacement income.

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.

The minimum monthly amount of the insurable income for self-employed persons is differentiated according to the amount of their annual taxable income for 2012:

- up to BGN 5,400 (€2,761): BGN 420 (€215);
- from BGN 5,401 (€2,762) to BGN 6,500 (€3,323): BGN 450 (€230);
- from BGN 6,501 (€3,324) to BGN 7,500 (€3,835): BGN 500 (€256);
- above BGN 7,500 (€3,835): BGN 550 (€281).

The minimum insurable income for self-employed persons who did not carry out an economic activity in 2012 and for self-employed persons who have started an economic activity in 2013 and in 2014 is BGN 420 (€215).

The minimum insurance income for farmers and tobacco producers is BGN 240 (€123).

The maximum amount of the insurable income for all categories of insured persons, including self-employed, is BGN 2,400 (€1,227).

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, the self-employed are compulsorily covered for health care (benefits in kind in case of sickness and maternity). The self-employed without permanent residence from states outside the EU are not compulsorily covered under the 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; 2.3% for sickness cash benefits (optional insurance); 28% for pensions (invalidity, old-age and survivors) in case of participation in the 1st pension pillar only, or 25% + 5% in case of participation in

both pillars; 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 2014 the minimum premium base is CZK 12,971 (€472) monthly, so the minimum premium is CZK 1,752 (€64) per month). The maximum premium base is not calculated for 2014.

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 in 2014 is CZK 6,486 (€236) monthly. The minimum assessment base for "part time" self-employed is 10% of the average wage (in 2014 CZK 2,595 (€94) monthly). The maximum premium base is 48 multiplied by the monthly average wage (CZK 1,245,216 (€45,312)) per annum.

Family benefits are tax financed.

Health care

The self-employed are entitled to the same benefits as all permanent residents. The self-employed without permanent residence from states outside the EU are not compulsorily covered under the Czech 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.

Accidents at work

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. In case the job seeker quits his/her job without any serious reason or agreed to the termination of the employment relationship with his/her employer preceding his/her Labour Office registration, the unemployment benefit amounts to 45% of the average monthly net wage during the whole support period. 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 and maternity 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, as to sickness benefits, 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).

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 disability pension. 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.

Accidents at work and occupational diseases

As regards accidents at work 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 also for the self-employed persons.

Of the 26 unemployment insurance funds, five operate within specific occupational fields which means that only employed persons from specific occupational fields can become members. Nine of them operate within specific occupational fields, but also admit self-employed persons working within the occupational field as members. One of them is an interdisciplinary unemployment fund which means that it admits employed persons from all occupational fields as members. 11 of them are

interdisciplinary unemployment funds for both employed persons and self-employed persons.

Self-employed persons are entitled to benefits but the conditions for entitlement differ a bit from those for the employees.

GERMANY

Basic principles

In Germany there are, on the one hand, special provisions for certain groups of self-employed (notably craftsmen), who are compulsorily insured with the statutory pension insurance and, on the other, 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.

Self-employed also have the opportunity within the statutory pension insurance to be compulsorily insured upon request or to pay voluntary contributions.

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 50% 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 approximately 77% from tax revenues and approximately 23% from flat-rate contributions. Unlike the general pension insurance scheme, the old-age insurance for farmers offers only a partial coverage. The partial nature of the old-age insurance for farmers is reflected in the level of contributions and of pension payments. There is a single, not-income-related contribution rate for the old-age insurance for farmers. The contribution amount takes

into account the lower benefit level of the old-age insurance for farmers compared to the statutory pension insurance.

Approximately 70% of the expenses under the schemes for accidents at work and occupational diseases are financed by contributions, 19% from taxes and 11% from other sources. Contributions consist of a basic contribution and a risk-oriented contribution and are calculated in a uniform way at federal level.

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 in the old-age insurance for farmers. 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.

Old-age

Membership is compulsory in the old-age insurance for farmers. Before the beneficiary is able to receive the benefits, the agricultural undertaking must also be given up. The qualifying period is 15 years.

Survivors

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.

Accidents at work and occupational diseases

In the event of accidents at work 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 accidents at work 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 and retailers having a home-based business are subject to compulsory membership of the statutory pension insurance; other 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 the past 5 years preceding a reduction in earning capacity, he is granted benefits according to the regulations of the general system.

Old-age

Craftsmen and retailers having a home-based business are subject to compulsory membership of the statutory pension insurance; other 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 and retailers having a home-based business are subject to compulsory membership of the statutory pension insurance; other retailers have the possibility of joining the statutory system. Survivor's benefits are granted in accordance with the regulations of the general system.

Accidents at work and occupational diseases

There is no compulsory accident insurance for craftsmen and retailers in the statutory system. Some occupational accident insurance funds (*Berufsgenossenschaften*) offer compulsory insurance to entrepreneurs and their assisting spouses or partners under certain conditions and in accordance with the statutes (i. e. the Occupational Accident Insurance Fund for Health Service and Welfare Work (*Berufsgenossenschaft für Gesundheitsdienst und*

Wohlfahrtspflege) to hairdressers, or the Occupational Accident Insurance Fund for Transport and Economics of Transport Services (*Berufsgenossenschaft für Transport und Verkehrswirtschaft*) 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.

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.

Accidents at work 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 tax-financed 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 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 on the basis of 15 times this rate. In 2014, the monthly rate established in the State budget is €320. Accordingly, the minimum amount of social tax to be paid by the self-employed is €105.60 (0.33 x 320) per month, while the ceiling is €1,584 (0.33 x 15 x 320) 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 €4,474 to start their own business, including self-employment, upon presentation of a business plan.

GREECE

Basic principles

In Greece there exists a contributory basic system for farmers, called Agricultural Insurance Organisation (OGA, *ΟΡΓΑΝΙΣΜΟΣ ΓΕΩΡΓΙΚΩΝ ΑΣΦΑΛΙΣΕΩΝ*), 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 (ΟΑΕΕ, *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 first three years from starting a business, as well as on the type of area in which s/he pursues business activities (isolated/underpopulated or not), self-employed persons in towns, villages or settlements of less than 2,000 inhabitants, or in islands of less than 3,100 inhabitants, are insured either in OGA or ΟΑΕΕ. Also, owners of tourist accommodation (hotels, rooms to let etc.) are insured either in OGA or in ΟΑΕΕ depending on the number of rooms of their establishment. 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 (granted by EOPYY - National Organisation for Healthcare Services Provision)

All beneficiaries under the OGA scheme receive the same benefits in kind as the insured under the IKA-ETAM scheme. The statutory basis is the Unified Regulation for Healthcare

Services (ΕΚΡΥ) of the National Organisation for Healthcare Services Provision (ΕΟΡΥΥ, *ΕΝΙΑΙΟΣ ΟΡΓΑΝΙΣΜΟΣ ΠΑΡΟΧΩΝ ΥΠΗΡΕΣΙΩΝ ΥΓΕΙΑΣ – ΕΟΠΥΥ*). The sole difference for OGA beneficiaries relates to co-payments in case of hospitalisation: these amount to 50% when Diagnosis-Related Groups (DRGs, *Κλειστό Ενοποιημένο Νοσήλειο, ΚΕΝ*) apply, and to 20% when daily fees apply.

Sickness and maternity: Cash benefits

Sickness benefits are not part of the system for farmers. However, a maternity allowance of a flat-rate amount of €436.98 is provided. A death allowance is also provided for (flat-rate amount of €800).

Furthermore, ΕΟΡΥΥ grants childbirth benefit for obstetrics costs (*ΒΟΗΘΗΜΑ ΤΟΚΕΤΟΥ*) when the childbirth takes place outside of hospital facilities, corresponding to a lump sum of €900 for one child, €1,200 for twins and €1,600 for triplets.

Long-term care

No single, discrete long term scheme.

Certain benefits and measures are provided by the invalidity and old-age schemes, which are compulsory social insurance schemes financed by contributions (Benefit for non-residential care, Total Invalidity Benefit, Old-age pension of Law No. 612/1977).

Other benefits (in cash or in kind) are provided by social welfare schemes.

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:

- 67 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.
- Orphans until the age of 24 if they study or regardless of age if they are incapable to work.

Accidents at work 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

The following benefits are provided:

- Single allowance child support (*ΕΝΙΑΙΟ ΕΠΙΔΟΜΑ ΣΤΗΡΙΞΗΣ ΤΕΚΝΩΝ*) of Law No. 4093/12, as amended: this is a monthly means-tested benefit of €40.00 granted from the first child and for each dependent child of the family, taking into consideration the number of dependent children, the equivalence scale, the equivalent income and the equivalence category. Granted by OGA.
- Special benefit for families with at least three children (*ΕΙΔΙΚΟ ΕΠΙΔΟΜΑ ΤΡΙΤΕΚΝΩΝ ΚΑΙ ΠΟΛΥΤΕΚΝΩΝ*) of Law No. 4141/13: this is a yearly means-tested benefit of €500.00 per child, granted under specific conditions by OGA.

Moreover, 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.

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 (ΟΑΕΕ, *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.

Auxiliary insurance is provisional for persons insured with OAEΕ. For persons insured with ETAA, auxiliary insurance is, under conditions, either compulsory or provisional.

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 (20% of the insurance category). For those insured since 1 January 1993 contributions are bilateral (insured persons 20% of the insurance category), State (10% of the insurance category).

Sickness and maternity: Benefits in kind (granted by EOPYY - National Organisation for the Provision of Health Services)

All beneficiaries under the scheme for the self-employed receive the same benefits in kind as the insured under the IKA-ETAM scheme. The statutory basis is the Unified Regulation for Healthcare Services (EKPY) of the National Organisation for Healthcare Services Provision (EOPYY, ΕΝΙΑΙΟΣ ΟΡΓΑΝΙΣΜΟΣ ΠΑΡΟΧΩΝ ΥΠΗΡΕΣΙΩΝ ΥΓΕΙΑΣ – ΕΟΠΥΥ).

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.

EOPYY grants childbirth benefit for obstetrics costs (*ΒΟΗΘΗΜΑ ΤΟΚΕΤΟΥ*) when the childbirth takes place outside of hospital facilities, corresponding to a lump sum of € 900 for one child, € 1,200 for twins and € 1,600 for triplets.

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 granted by EOPYY.

Long-term care

No single, discrete long term scheme.

Certain benefits and measures are provided by the invalidity and old-age schemes, which are compulsory social insurance schemes financed by contributions (Benefit for non-residential care, Total Invalidity Benefit, Old age pension of Law No. 612/1977, Solidarity Benefit for Pensioners - EKAS).

Other benefits (in cash or in kind) are provided by social welfare schemes.

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: see below, Old-age.

Old-age

Conditions for those insured before January 1993 may vary between OAEΕ and ETAA.

Conditions (for those insured after 1 January 1993):

- Full pension: From the age of 67, with an insurance record of at least 15 years. Reduced pension: from the age of 62, with an insurance record of at least 15 years of which 2 ½ years within five years before the application for retirement.
- Full pension: From the age of 62, with an insurance record of at least 40 years,
- Full pension: From the age of 67 for mothers and widowed fathers of minor children, with an insurance record of at least 20 years. Reduced pension: From the age of 62, with an insurance record of at least 20 years,
- Full pension: From the age of 55 for mothers or widowed fathers of disabled children incapable of any employment, with an insurance record of at least 20 years. Reduced pension: from the age of 50 with and insurance record of at least 20 years.
- Full Pension: An insurance record of at least 25 years without age conditions, for parents and siblings of persons with a disability of at least 67% and for spouses of persons with a disability of at least 80%.

Calculation of the pension:

1. People insured as of 1 January 2011 receive a basic pension (*ΒΑΣΙΚΗ ΣΥΝΤΑΞΗ*) of €360 per month (subject to

readjustment) for 12 months and a proportional pension (*ΑΝΑΛΟΓΙΚΗ ΣΥΝΤΑΞΗ*) calculated proportionally, starting from 0.80% up to 1.5%, of the pensionable wage or insurance class.

2. For people insured until 31 December 2010 whose insurance record is until that date, the pension depends on the number of years of insurance. Each year equals 2% of the income giving the right to the pension.

3. For people insured until 31 December 2010 and whose insurance record continues after that date, the pension is calculated as point 2, for the period until 31 December 2010, and as point 1 for the period thereafter.

4. The basic pension is provided to insured people who will be entitled to a pension after 1 January 2015.

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.

Accidents at work and occupational diseases

See Sickness and maternity: Cash benefits.

Family benefits

Same benefits as in agriculture, see above.

Unemployment

The Labour Employment Office (OAED, *ΟΡΓΑΝΙΣΜΟΣ ΑΠΑΣΧΟΛΗΣΕΩΣ ΕΡΓΑΤΙΚΟΥ ΔΥΝΑΜΙΚΟΥ*) provides an allowance for a period between three months and nine months to self-employed persons and liberal professionals who interrupt their activities under certain conditions (Law No. 3986/2011, Art. 44 para. 2 as replaced by Art. 50 of Law No. 4144/2013).

SPAIN

Basic principles

Spain has a special scheme (R.E.T.A.) for the self-employed in crafts and commerce. 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 and maternity, invalidity, old-age and survivorship 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 2014, the contribution basis varies between a minimum of €875.70 and a maximum of €3,597.00 (per month), with certain exceptions.

For accidents at work and occupational diseases, rates are fixed by government decree according to the different risk levels of activities, industries and jobs. For cash benefits in the event of sickness a voluntary insurance can be concluded. The contribution amounts to 3.30% 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 accidents at work or occupational diseases), pharmaceutical products (income-related co-payment), remedies appliances, prosthesis and, in the event of accidents at work 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 accident at work 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 365 days, but can be extended by a further 180 days.

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.

The Special System covers the benefit for caring of children affected by cancer or another serious illness (*Cuidado de menores afectados por cáncer u otra enfermedad grave*). This benefit is aimed at parents (including adoptive parents and pre-adoptive or permanent foster parents) who are both working and who reduce their working hours by at least 50% in order to engage in direct, continuous and permanent care of a child affected by cancer or another serious illness that requires long-term hospitalisation. The right to receive the benefit will only be granted to one of the parents.

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 legal age of retirement (65 years if 35 years and 6 months of contributions; or 65 years and two months, if less), 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.

Accidents at work 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

They are entitled to the out-of-work benefit (*Prestación por cese de actividad*) if they opted for the coverage of occupational contingencies.

II- Crafts, Commerce and Others

Financing

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

The risk of accidents at work and occupational diseases is also covered in the special scheme for the self-employed.

For 2014, the contribution basis varies between a minimum of €875.70 and a maximum of €3,597.00 (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 (income-related co-payment), remedies and therapeutic appliances,

prosthesis, and dental treatment (only extractions, other treatment only in the event of accidents at work or occupational diseases). Benefits in kind in the event of maternity include the provision of all medical services and pharmaceutical products (income-related co-payment).

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 accident at work or an occupational disease, the percentage is 75% as of the day following sickness leave. The cash benefits are granted for a maximum duration of 365 days; however, it is possible to extend this period by a further 180 days 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.

The Special System covers the benefit for caring of children affected by cancer or another serious illness (*Cuidado de menores afectados por cáncer u otra enfermedad grave*). This benefit is aimed at parents (including adoptive parents and pre-adoptive or permanent foster parents) who are both working and who reduce their working hours by at least 50% in order to engage in direct, continuous and permanent care of a child affected by cancer or another serious illness that requires long-term hospitalisation. The right to receive the benefit will only be granted to one of the parents.

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 accident at work or occupational disease.

Old-age

Compulsory old-age insurance grants benefits after a minimum insurance period of 15 years from the legal age of retirement (65 years if 35 years and 3 months of contributions; or 65 years and one month if less) to the same amount and under the same conditions as in the General Scheme. It is not possible to retire before the legal age of retirement 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.

Accidents at work and occupational diseases

The insurance against the risk of accidents at work 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

They are entitled to the out-of-work benefit (*Prestación por cese de actividad*) if they opted for the coverage of occupational contingencies.

FRANCE

Basic principles

Social protection for the self-employed is subject to separate regulations. Farmers come under the agricultural system (*MSA*). Craftsmen, retailers and manufacturers fall within the scope of the Social Protection Scheme for the Self-employed (*RSI*) while members of the liberal professions are covered by separate schemes (*CNAVPL*). However, liberal professionals also come under the *RSI* insofar as sickness insurance is concerned. Most of these schemes are complemented by compulsory supplementary systems governed by the same funds.

Agriculture

Coming imperatively under the system are the head farmer, his/her collaborating spouse and members of the family who take part in the farm.

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. Rates applied:

- AMEXA (sickness, invalidity, maternity):
 - technical part: 8.17%,
 - supplementary part: 2.67%;
 - flat-rate contribution for sickness (cash benefits): yearly maximum of € 200;
- capped old-age insurance¹:
 - technical part: 8.81%,
 - supplementary part: 2.50%;
- old-age insurance on the total income:
 - technical part: 1,94%,
 - supplementary part: 0.23%,
 - AVI: 3.28% of the professional income within the limit of the ceiling,
 - compulsory supplementary retirement: 3% on professional income;
- family benefits:

technical part: 4.38% on professional income
 supplementary part: 1.02% on professional income;

- insurance for accidents at work: yearly lump-sum contributions between €411.33 and €447.10 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%).

Sickness and maternity: Benefits in kind

Benefits in kind correspond to those paid to employed persons under the general system.

Sickness and maternity: Cash benefits

Since 1 January 2014, sickness cash benefits are paid provided that the person has been insured for at least one year. The sickness cash benefits are paid from the 4th day in case of hospitalisation and from the 8th day in case of illness or accident. The duration of payment is 3 years maximum. The sickness cash benefits amount to €20.91 for the first 28 days and to €27.88 thereafter.

For maternity and adoption, 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.

Long-term care

No specific insurance.

Invalidity

To be able to claim invalidity pension the farmer must not have reached the statutory retirement age, be acknowledged as completely unfit to practice the agricultural profession, or present an invalidity reducing by two-thirds his/her ability to exercise the profession. Furthermore, s/he must, at the time the risk occurred, be subject to AMEXA for at least twelve months. The invalidity pension corresponds to a flat-rate amount: €4,330.40 per year for total invalidity or €3,359.80 per year for partial invalidity. A supplementary allowance for the constant aid of a third party for an amount of €13,158.04 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

As is the case in the general system, the retirement age will gradually increase from 60 to 62 according to the year of birth. To obtain a full pension as of the age of 60, the farmer born in or before 1948 must have completed at least 160 quarters of insurance. The minimum insurance period increases progressively from 161 to 166 quarters for age cohorts from 1949 to 1957.

The farmer's old-age pension is composed of a basic pension comprising a flat-rate maximum pension of €3,359.80 per year for the maximum duration required depending on the birth year of the insured person and a proportional pension calculated by points (one point equals 3.948 per year); and of a compulsory supplementary pension also calculated by points (one retirement point equals €0.3362 per year). Guaranteed minimum for an entire farmer's career: €8,247.85 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.

Accidents at work and occupational diseases

The insurance covers accidents at work and accidents while travelling between home and work as well as occupational diseases linked to some activities detailed in a list or assessed 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 (€20.91 and €27.88 since the 29th day). A pension is paid for work incapacity of at least 30%. Survivors' annuity in case of fatal accident.

Family benefits

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

¹ Note: Amount of the social security ceiling of 1 January 2014: €3,129 per month, €37,548 per year.

Unemployment

No unemployment insurance system exists for farmers.

Crafts, Commerce and Manufacturing, Liberal Professions

The following self-employed and their collaborating spouses are compulsorily covered by these schemes:

- 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.

Financing

Sickness and maternity insurance:

Benefits in kind: 6.5% of the total professional income.

Sickness benefits in cash (daily allowances) for craftsmen, retailers and manufacturers: 0.7% within the limit of €187,740.

Old-age insurance:

Basic system for crafts, commerce and manufacturing: 16.95% of the professional income within the limit of the social security ceiling and 0.20% of the total professional income. Compulsory supplementary scheme: 7% of professional income within the limit of €37,513 and 8% between €37,513 and €150,192 for craftsmen, retailers and manufacturers. Specific contributions for the liberal professions.

Invalidity and death insurance:

For craftsmen: 1.60% of professional income within the limit of the social security ceiling. For retailers and manufacturers: 1.10% of professional income within the limit of the social security ceiling. Specific contributions for the liberal professions.

Family allowances:

5.25% 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.

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 hospitalisation 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 half of 1/365 of the average annual professional income of the last three years within the limit of the social security ceiling. Maximum: €51.44. Minimum: half of 1/365 of 40% of the social security ceiling = €20.57. 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 (€3,129) for birth and to half of that ceiling (€1,564.50) 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 (14 days of which must immediately precede the expected date of confinement), extendable with maximum 2 periods of 15 days. The amount of the daily flat-rate benefits is €2,262.92 for 44 days of leave, €3,034.37 for 59 days et €3,805.82 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 invalid, be affiliated to the scheme, be up to date in the payment of contributions, and not have reached the statutory retirement age for his or her age cohort. 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 €13,158.04 may be paid with the invalidity pension of craftsmen as with that of retailers and manufacturers.

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.

Accidents at work and occupational diseases

Accidents at work and occupational diseases are refunded in the framework of the general sickness insurance under the conditions applying there. 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 family benefit funds.

Unemployment

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

CROATIA

Basic principles

Croatia does not operate a separate system for the self-employed. They are covered by the general compulsory social security system.

There is no special definition of the self-employed person in the Croatian social security legislation, but the applicable 1998 Pension Insurance Act lists, among all categories of insured persons, the self-employed insured persons – craftsmen and tradesmen, persons engaged in a professional activity (e.g. lawyers, medical doctors, artists, journalists, interpreters, etc.), top sportsmen, chess-players and persons in agriculture or forestry. Similar provisions on personal coverage are contained also in the health insurance legislation. Moreover, the 2008 Act on Compulsory Insurance Contributions defines the self-employment activities of craft, agriculture and forestry, along with other occupational activities.

Health Care

There is no special insurance scheme for the self-employed; they are covered by the general compulsory health insurance scheme, and have the same entitlements as employed persons. Self-employed persons are self-contributors and the contribution is of the same percentage as for employed persons but it is assessed from the base for health and pension insurance of self-employed persons. The base is defined by the 2005 Rules for Payment of Contributions and the 2013 Decree on Amounts of Bases for Compulsory Insurance (a new decree is issued by the end of each year for the following calendar year and comprises social insurance contributions for all branches – health and sickness, pensions, including accidents at work and occupational diseases, and unemployment insurance).

Sickness Cash Benefits

Under the health insurance and health care scheme, self-employed persons are treated equally as the employed in respect of their rights and obligations. Yet in case of sick leave, the self-employed persons are granted the sickness cash benefit only from the 43rd day onwards, as they do not have an employer who would pay the same benefit during the first period of 42 days like in case of employed persons (but there are some cases in which self-employed

persons are by exception granted such benefit from the first day of sick leave, i.e. in case of nursing of a family member or if the sickness is a consequence of past involvement in the “Homeland War”).

Maternity

In respect of maternity leave and the corresponding cash benefit, self-employed mothers, including self-employed female farmers are eligible if they are at the same time compulsorily covered by the pension and health insurance schemes. With regard to the lump-sum birth grant, self-employed persons are treated equally as all other beneficiaries.

Pension Insurance

Under the general pension insurance system, self-employed persons and members of their families are granted equal rights under the same conditions as employed persons and their family members (old-age pension, early pension, invalidity pension, occupational rehabilitation, cash benefit for physical damage, survivors' benefit, including all benefits based on accidents at work and occupational diseases). The only exception are self-employed farmers who are not eligible for invalidity benefit based upon residual ability to work, that is, to occupational rehabilitation and invalidity pension for occupational (partial) incapacity for work.

Unemployment

Entitlement is subject to completion of previous employment periods. Self-employed persons are excluded from the scheme of unemployment benefits.

Family Benefits

Self-employed are treated equally as all other citizens. Family benefits are granted under the universal system (general coverage) based upon the social assistance principle (means tested).

Social Assistance

Self-employed persons are entitled to most of the social assistance benefits under the same conditions as all other citizens (universal system); they are not regarded as an exceptional category.

IRELAND

Basic principles

The protection of the self-employed is achieved within the general system through social insurance or social assistance payments.

Financing

The self-employed Social Insurance Contribution provides cover for survivors, maternity/adoptive and guardians and old age. There are no specific contributions for unemployment and sickness. For old age, maternity and survivors, the self-employed pay contributions at the rate of 4% of all income, subject to a minimum payment of €500 per annum. There is no annual income ceiling.

Family benefits are tax financed and available to all.

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, subject to a minimum contribution of €200.

Sickness: Benefits in kind and cash benefits

There are no specific contributions for sickness. The benefits are granted according to the regulations of the general social assistance system.

Share-fishermen who pay optional contributions are covered for cash benefits for sickness (payable for a limited duration of one year) and treatment benefit. 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 social assistance system.

There are no specific contributions for self-employed providing care (Carer's Benefit). The benefits are granted according to the regulations of the general social assistance system.

Invalidity

There are no specific contributions for invalidity. The benefits are granted according to the regulations of the general social assistance system.

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 also have access to the State Pension (Non-Contributory) which is granted according to the regulations of the general social assistance system.

Survivors

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

Accidents at work and occupational diseases

There are no specific contributions for this category. The benefits are granted according to the regulations of the general social assistance system.

Family benefits

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

Unemployment

There are no specific contributions for this category. The benefits are granted according to the regulations of the general social assistance system.

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 universal system does not make a distinction between employees and self-employed. Self-employed persons are covered by the social protection of the general system. They are also covered by the mandatory employment pension scheme.

Financing

The provisions of the general universal system and the employment pension scheme apply.

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 parental benefits as do employees, but the calculation of parental benefits is based on calculated remuneration instead of average wages earned.

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 which is based on residency and financed by the social security contribution (*tryggingagjald*) and taxes, and through the employment pension scheme for persons on the labour market which is financed by contributions. In the national pension scheme persons who have resided in Iceland for three years prior to application and are aged 18 to 67 years of age are covered. This applies to both employed and self-employed

persons. In the employment 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 can be covered by two systems, i.e. through the national pension scheme which is based on residency and financed by the social security contribution (*tryggingagjald*) and taxes, and through the employment pension scheme for persons on the labour market which is financed by contributions.

In the national pension scheme persons who have resided in Iceland for at least three years between the ages 16-66 inclusive are covered. This applies to both employed and self-employed persons. In the employment pension scheme the pension fund member must have contributed to a pension fund. 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 employment pension scheme as survivors of employed persons.

Accidents at work and occupational diseases

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

General family benefits

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

Unemployment

Social protection exists for the self-employed as for the employees. Both groups are compulsorily insured. Self-employed persons must have paid social security contribution (*tryggingagjald*) and income tax for a certain period.

ITALY

Agriculture, Crafts and Commerce

Basic principles

The self-employed receive health and maternity care, as well as benefits for accidents at work and occupational diseases, according to the specific qualifying conditions provided for within their special scheme. The general 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".

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 22.4%; <21 years 21%
- Mountainous or difficult plots of land:
>21 years 20.5%; <21 years 18%

The daily conventional income of €53.13 is updated by Ministerial Decree in May every year:

- 156 workdays multiplied by €53.13 = €8,288.28 (pensionable income)
- 208 workdays multiplied by €53.13 = €11,051.04 (pensionable income)
- 260 workdays multiplied by €53.13 = €13,813.80 (pensionable income)
- 312 workdays multiplied by €53.13 = €16,576.56 (pensionable income).

Moreover, they pay set contributions for accidents at work and occupational diseases which are equal to €768.50 for farmers cultivating standard plots of land and to €532.18 for farmers cultivating mountainous or difficult plots of land. A supplementary tax of €0.65 (multiplied by 156 workdays) is charged to be paid into 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) entrepreneurs (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 22.20% on company income up to €46,031 or 23.20% on company income between €46,031 and €76,718 (if aged less than 21: 19.20% and 20.20%). Moreover, they pay set contributions for maternity of €7.44 per year.

Tradespeople pay 22.29% on company income up to €46,031 or 23.29% on company income between €46,031 and €76,718 (if aged less than 21: 19.29% and 20.29%). Moreover, they pay set contributions for maternity of €7.44 per year.

The minimum pensionable income for craftsmen and trades people is €15,516. The maximum pensionable income is €76,718 for craftsmen and tradespeople registered before 1 January 1996 and €100,123 for those whose work insurance commenced as of January 1996.

Self-employed farmers, craftsmen and tradespeople 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 cash 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 conventional earnings (the minimum daily pay is

taken into consideration for 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 altogether) and furthermore, three optional months in the child's first year as child-raising periods, in which case the benefit amounts to 30% of conventional earnings.

Long-term care

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

Disability

Disability benefits are subject to income limits. The minimum period of membership is 5 years, 3 of which must have been completed 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, a minimum qualifying period of 20 years of contributions is required regardless of the contribution related calculation system to be applied when calculating the benefit.

Persons insured since 1/1/1996 onwards can retire prior to reaching the age of 70 provided that the amount of their pension equals 1.5 times the amount of the welfare-based social allowance.

A minimum qualifying period of 5 years of contributions applies to insured persons retiring at the age of 70.

Legal retirement age is as follows:

- Male self-employed and para-subordinate workers: 66 years and 3 months;
- Female self-employed and para-subordinate workers: 64 years and 9 months.

The retirement age is being gradually increased, according to the increase in life expectancy as provided for under art. 12 of Legislative Decree of 31 May 2010 No. 78, converted into Law No. 122/2010.

Since January 2012, the pension payment deferment scheme no longer applies.

Flexibility in the retirement age qualifying conditions rather than a pension deferment is now possible up to the age of 70 by means of the introduction of incentives (better transformation coefficients applied to the calculation of the pension amount) aimed at prolonging the working life.

Early pension:

Since January 2012 the former seniority pension (*pensione di anzianità*) has been replaced by the Early retirement pension (*pensione anticipata*). When the benefit is claimed before the age of 63 years and 3 months and the person has accrued the contribution qualifying conditions of 42 years and 6 months for men and 41 years and 6 months for women, the benefit itself shall be subject to a permanent reduction in amount, thus discouraging/closing existing pathways to early retirement: 1% reduction applies while benefiting of an early retirement pension claimed two years prior to the age of 63 years and 3 months, whereas a reduction of 2% shall apply if the benefit has been claimed even earlier than 2 years prior to the age of 63 years and 3 months.

Since January 2012, neither the pension payment deferment schemes (the so-called “windows”) nor the “quota system” (based on the sum of contributions and age) applies.

The early retirement pension contribution qualifying condition will be gradually increased from 2012 onwards, according to the increase in life expectancy as provided for under art. 12 of Legislative Decree of 31 May 2010 No. 78, converted into Law No. 122/2010. The increases for 2014 are as follows:

- 42 years and 6 months of insurance and contributions for men;
- 41 years and 6 months of insurance and contributions for women.

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 lifelong if they are disabled.

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

Accidents at work and occupational disease

Benefits are granted according to the specific qualifying conditions provided for within their special scheme.

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 tradespeople 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

No insurance scheme is provided for unemployment.

Schemes for other groups of self-employed

Self-employed with a specific treatment (separate pension fund):

- Coordinated collaborators for projects (*co.co.pro., Collaborazioni coordinate a progetto*),
- 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 2014 are: 22% for self-employed who are already insured under another compulsory management scheme or who are already retired; 27.72% for self-employed insured only under the separate pension fund scheme (27% for those who have a VAT registration number).

The minimum pensionable annual income for 2014 is € 15,516.

The maximum pensionable annual income for 2014 is € 100,123.

Professionals

Private *ad hoc* schemes exist for the liberal professions.

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 19.2% of the insurable income of the person concerned from which 14.6% is paid by the self-employed and 4.6% 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 €1,046 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 universal. The same provisions apply for the self-employed as for the employed persons.

Unemployment benefit, Accidents at work and Occupational Diseases

The self-employed are not covered for Unemployment benefit or for Accidents at work and Occupational Diseases.

LATVIA

Basic principles

All socially insured self-employed persons are subject to the social security system. 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 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 €3,840 per year in 2014. 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 2014:

- 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: 31.06%;
- self-employed persons over retirement age and persons who receive old-age pension (including pre-retirement pension) insured for the risks of old-age, death, parental leave, maternity and sickness: 28.66%;
- 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 and disability: 27.52%.

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, a separate protection system covering home support and care has been set up. Furthermore, 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 contributions 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 for self-employed in the 2nd pillar (occupational benefit plans). The self-employed have the possibility of taking out voluntary insurance upon their request (insofar as this is provided by the regulations of the pension fund). In such a case, they have to pay the full contribution rate themselves. Apart from that, they are subject to the same regulations that apply to employees.

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. The self-employed are granted the same benefits as all other insured persons.

There is no compulsory insurance for self-employed in the 2nd pillar (occupational benefit plans). The self-employed have the possibility of taking out voluntary insurance upon their request (insofar as this is provided by the regulations of the pension fund). In such a case, they have to pay the full contribution rate themselves. Apart from that, they are subject to the same regulations that apply to employees.

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. The self-employed are granted the same benefits as all other insured persons.

There is no compulsory insurance for self-employed in the 2nd pillar (occupational benefit plans). The self-employed have the possibility of taking out voluntary insurance upon their request (insofar as this is provided by the regulations of the pension fund). In such a case, they have to pay the full contribution rate themselves. Apart from that, they are subject to the same regulations that apply to employees.

Accidents at work 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

Unemployment insurance is a compulsory insurance for employees. Self-employed natural persons are not covered by compulsory insurance, nor do they have the possibility to take out 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 usually 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 (i.e. any independent activity where an individual seeks to get income or any other economic benefit over a continuous period through independent commercial or industrial activities of any nature, independent creative or professional activities and other similar independent activities, independent sports activities and independent performing activities) such as 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 Economic Size Units approved by the order of the Minister of Agriculture;
- Foster family members, as defined in the Law on Foster Families (*Šeimynų įstatymas*).

Self-employed persons, if they declare their income as wages, are covered by pension insurance. The general contribution rate for these persons is 26.3%:

- Owners of personal enterprises contribute from income declared as wages;
- Farmers and their partners pay contributions from 12 minimum monthly wages per year, only in case when their income is equal to or higher than 4 Economic Size Units and they do not pay income tax;

- 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 they pay income tax;
- Foster family members pay contributions from income dedicated to maintenance of a foster family member (not less than 12 minimum monthly wages and not more than 12 average insured incomes of the current year);
- Other self-employed persons including barristers, utter barristers, notaries and bailiffs, pay contributions from half of their taxable income 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, except for owners of personal enterprises until December 2013, also pay social insurance contributions for maternity, maternity (paternity) and paternity benefits. The contribution rate is 2.2%.

Self-employed persons are not compulsorily covered by the sickness insurance (cash benefits) and the insurance for accidents at work and occupational diseases. They are also not covered by the unemployment insurance.

Compulsory health insurance contributions for self-employed persons are set as follows:

- Owners of personal enterprises, full members of partnerships and members of small partnerships pay compulsory health insurance contributions in the amount of 9% of their income, with a maximum contribution of 9% of 48 times the taxable income approved by the Government of the Republic of Lithuania for the current year;
- Natural persons who engage in individual activities, with the exception of the persons specified in the next bullet point and persons who engage in individual agricultural activities, but whose income from these activities is not subject to personal income tax according to the provisions of the Law on Personal Income Tax, shall pay compulsory health insurance contributions in the amount of 9% of half of their income (9% of income for persons engaging in individual agricultural activities whose income from these activities is subject to personal income tax), with a maximum contribution of 9% of 48 times the taxable income approved by the Government of the Republic of Lithuania for the current year (9% of 12 times the taxable income for persons

engaging in individual agricultural activities whose income from these activities is subject to personal income tax);

- Natural persons who, while conducting individual activities, pay the personal income tax on the income from individual activities when acquiring a business certificate, shall, each month, pay compulsory health insurance contributions in the amount of 9% of the minimum monthly wage;
- Farmers whose economic size of holding, in accordance with the calculations carried out by the State Enterprise Agricultural Information and Rural Business Centre (*Valstybės įmonė Žemės ūkio informacijos ir kaimo verslo centras*), does not exceed 2 Economic Size Units approved by the order of the Minister of Agriculture, shall, each month, pay for themselves compulsory health insurance contributions in the amount of 3% of the minimum monthly wage;
- Providers of agricultural and forestry services defined by the Law on Agricultural and Forestry Services Provided under a Service Voucher (*Žemės ūkio ir miškininkystės paslaugų teikimo pagal paslaugų kvitą įstatymas*), shall pay compulsory health insurance contributions in the amount of 9% of the minimum monthly wage; alternatively, the users of such services pay this amount for them.

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 accidents at work 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, survivors and accidents, 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 waiting period exists for self-employed persons until the end of the month in which falls the 77th day of incapacity for work. Instead of calculating by reference to the salary earned before the sickness leave, the benefits are calculated by reference 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.

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 accident at work or a professional disease), the social insurance pension scheme (covering old-age and survivorship), benefits prior to retirement age (*korhatár előtti ellátás*) (social benefits), benefits for persons with changed working capacity (*megváltozott munkaképességű személyek ellátásai*) and a mandatory unemployment insurance.

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 national minimum wage (in case of pension contribution on the basis of 100% of the minimum wage; in case of health insurance and labour market contribution (*munkaerőpiaci járulék*) on the basis of 150% of the minimum wage; in case of social contribution tax (*szociális hozzájárulási adó*) on the basis of 112.5% of the minimum wage). Self-employed persons pay contributions on a monthly basis.

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

- as an employee: 4% for benefits in kind and 3% for cash benefits, 1.5% as labour market contribution and 10% for pension insurance;
- as an employer: 27% for social contribution tax.

Self-employed persons who perform activities in a complementary way (*kiegészítő tevékenységet folytató vállalkozó*) pay a flat-rate contribution of HUF 6,810 (€23) per month for the entitlement to accidents at work, occupational disease scheme and for in-kind health services. In addition they pay a contribution of 10% 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.

Self-employed agricultural entrepreneurs are to pay all the contributions (except the labour market contribution (*munkaerőpiaci járulék*)) on the basis of the national minimum wage, except if their annual turnover did not exceed HUF 8 million (€26,789) in the preceding year, in which case they only have to pay 10% pension contribution, a 4% in-kind health and a 3% cash benefits 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 6,810 (€23) per month in return for health care entitlement (unless being already otherwise insured).

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/she 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 for a person born in 1961 or before is €28.38 per week if the annual net earnings of the preceding year are less than €9,839. For a person born in 1961 or before if the annual net earnings exceed €17,812, the contribution due is €51.38 per week. For a person born in 1962 or after if the annual net earnings exceed €21,432, the contribution due is €61.82 per week.

The Self-employed Contribution for a person born in 1961 or before is €24.17 per week if the annual net income exceeds €1,005 but does not exceed €8,379. If the annual net income exceeds €8,379, 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: €19.46 per day.
- Single persons: €12.59 per day.

The provisions of the maternity benefit and of the maternity leave 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".

Accidents at work & 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: €29.20 per day.
- Single person: €21.97.

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.

Accidents at work and occupational diseases

There is no special protection system against the risk of accidents at work 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 11.4%, whereas fishermen pay only 8.2% 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.

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, earnings-related supplementary pension and minimum pension (old rules) and earnings-related pension and guarantee pension (new rules).

Survivors

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

Accidents at work 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.

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 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

Benefits in kind payable in case of sickness are predominantly funded from contributions, whereas maternity benefits are financed for 30% from contributions and for 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 €5,285; assisting family members are subject to special regulations.

The protection scheme of the branches invalidity, old age and survivors is for nearly one third financed from

contributions and for the rest predominantly from government funds. The rate of contribution is 15.5% 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 €5,285; assisting family members are subject to special regulations.

The accident at work and occupational disease scheme is financed almost entirely from contributions. 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 €5,285.

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 charge of 20% to be borne by the patient, in case of hospital care this portion is reduced to 10%. Benefits in kind in case of maternity are not subject to charges. 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: €51.20 per day is paid for an 8-week period before and for an 8-week period (12 weeks in case of risk births) 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, benefits in kind by public and private providers).

Invalidity

Benefits are granted according to the regulations of the general scheme. The only particularity is the different definition of invalidity.

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.

Accidents at work 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 €19,042.98.

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 predominantly by contributions. The contribution rate amounts to 9.1% of revenues liable to income tax up to the upper limit of assessment of €5,285 per month.

Cash benefits in case of sickness (voluntary supplementary insurance): the amount is 4.25% of revenues liable to income tax up to the upper limit of assessment of €5,285 per month.

66.9% of the protection offered by the schemes invalidity, old age and survivors is financed from contributions, 32.1% from government funds, and 1% is derived from other sources. Contributions are 17.5% of revenues liable to income tax up to the upper limit of assessment of €5,285 per month. A monthly amount of €8.67 has to be paid in respect of accident at work 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 charge of 20% is applicable. Insured persons whose annual contributory basis is in excess of €63,419.99 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 charge is dropped in case of maternity. On principle, the insurance carrier concedes a farm help.

Sickness and maternity: Cash benefits

Self-employed persons who employ no or less than 25 employees receive, from the 43rd day of work incapacity due to sickness, a daily support benefit of €28.40 for up to 20 weeks. In case of sickness, self-employed persons covered for more than six months by voluntary supplementary insurance receive a cash benefit from the fourth day of sickness for a maximum of 26 weeks. In case of maternity, a maternity allowance in the amount of €51.20 per day is paid for an 8-week period before and for an 8-week period (12 weeks in case of risk births) following the birth, provided no farm assistance (*Betriebshilfe*) is obtained.

Long-term care

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

Invalidity

Benefits are granted according to the regulations of the general scheme. The only particularity is the different definition of invalidity.

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.

Accidents at work 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 at least five years when certain conditions are fulfilled and even for the duration of their self-employed activity, even without being member to a voluntary unemployment insurance, i.e. for free.

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. Membership to the voluntary unemployment insurance is not possible for persons beyond age 63 (for people born before 1 January 1953, beyond age 60) or if an old-age pension or an old-age benefit has already been granted or if entitlement thereto exists. 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 contributions 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 accident at work 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 (*Zasilek opiekuńczy*) and Compensation Allowance (*Zasilek 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 accident at work 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.

Accidents at work and occupational 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 (including, among others, helping spouses and farmers) are compulsorily covered by the social protection system (general system of social security for self-employed persons).

However, membership is voluntary for persons whose annual reference 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 benefits in case of sickness, maternity, occupational diseases, invalidity, old-age, death and unemployment. The delivery of family benefits is guaranteed under the subsystem of family protection, which covers the whole residential population.

Insurance against accidents at work 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

The financing of the system for the self-employed is ensured by the self-employed workers themselves, including those engaged in commercial or industrial activities as well as members of the statutory bodies of legal persons, and by the contracting entities (i.e. natural or legal persons who, during the same calendar year, benefit from no less than 80% of the total value of the service provision activities of the self-employed person). The contribution rate of self-employed persons amounts to 29.6% (reduced rates apply to certain groups), to 34.75% for those engaged in commercial or industrial activities and for members of the statutory bodies of legal persons, whereas that of the contracting entities equals 5% (applied to the total value of the services they received).

For self-employed persons, the amount of the contributions is the result of applying the relevant rate to a flat-rate remuneration based on the actual total income (gross earnings) resulting from the self-employed activity and fixed according to one of the 11 levels indexed to the

indexing reference of social support (IAS, *indexante dos apoios sociais*), the first corresponding to one time this reference and the last to 12 times this reference. If the annual reference income of the self-employed work is equal to or less than 12 times the IAS, the contribution base can be decreased for a maximum period of 36 months from the start of the activity, the limit being 50% of the said indexing reference.

In case of simultaneous pursuit of an employed activity covered by a compulsory social protection system and a self-employed activity, the law provides, as long as certain cumulative conditions are monitored (for example, the employed and self-employed activity cannot be carried out for the same company), for 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 13th month of self-employed activity, at the earliest. 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, ambulatory surgery, sickness starting during the granting period of maternity benefits and lasting 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.

Accidents at work and occupational diseases

For accidents at work, 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

Unemployment benefit is available to self-employed carrying out commercial or industrial activities (individual entrepreneurs with commercial or industrial activities; owners of individual businesses with limited liability) and their spouses who regularly participate in the business activities as well as to members of the statutory bodies of legal persons. The scheme provides for entitlement to professional activity cessation allowance (*subsídio por cessação de atividade profissional*) and to partial professional activity cessation allowance (*subsídio parcial por cessação de*

atividade profissional) when the self-employed workers concerned, among other conditions, have completed 720 days of activity as self-employed, business manager or director, for which contributions have effectively been paid, in the course of the 48 months immediately preceding the date of cessation of the professional activity. The amount equals 65% of the reference earnings. These reference earnings correspond to the daily average earnings defined as $E/360$, whereby E represents the total earnings registered during the 12 calendar months preceding the second month prior to the date of cessation of the professional activity.

Unemployment benefit is also available to those self-employed who are in a situation of economic dependance, i.e. who provide at least 80% of their activities on behalf of a contracting entity (contract for the provision of services). The scheme provides for entitlement to activity cessation allowance (*Subsídio por cessação de atividade*) and to partial activity cessation allowance (*Subsídio parcial por cessação de atividade*) when the self-employed workers concerned, among other conditions, have completed 720 days of non-salaried, economically dependent activity, for which contributions have effectively been paid, in the course of the 48 months immediately preceding the date of involuntary cessation of the service contract. The amount is calculated as follows:

$(L \times 0.65) / 30 \times P$

L = Level of the beneficiary's contribution basis at the time of contract cessation.

P = Percentage corresponding to the degree that the beneficiary is economically dependent from the contracting entity.

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 no special rules based on a personal statute.

Lawyers and public notaries are members of categorical schemes. These are 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 5.50%. The threshold applied on the calculation basis is the minimum gross wage, no ceiling.

Sickness and maternity: Cash benefits

Coverage: Compulsory insurance.

Financing: Contributions. Rate: 0.85%.

Ceiling: 12 times the minimum gross wage.

Long-term care

No special rules based on personal statute.

Invalidity, Old-age and Survivors

Public system of pensions:

Coverage:

- Compulsory insurance,
- Coverage threshold requirement: monthly average net income exceeding 35% of Average Gross Earnings (as projected for the Annual State Social Insurance Budget) i.e. RON 804 (€179).

Financing:

- Contributions,
- calculation basis:
 - insured monthly income; threshold: 35% of the Average Gross Earnings (as projected for the Annual State Social Insurance Budget) i.e.

RON 804 (€179); ceiling: five times the Average Gross Earnings (as projected for the Annual State Social Insurance Budget) i.e. RON 11,490 (€2,556),

- different types of income, i.e. association income, gross income or the difference between the gross income and the deductible expenses; no ceiling.

- rate: 31.30% (including the 4.5%-rate for Pillar 2).

Accidents at work and occupational diseases

Accidents at work and occupational diseases scheme:

- Coverage: voluntary insurance.

Financing:

- Contributions,
- calculation basis:
 - insured monthly income; threshold: 35% of the Average Gross Earnings (as projected for the Annual State Social Insurance Budget) i.e. RON 804 (€179); ceiling: five times the Average Gross Earnings (as projected for the Annual State Social Insurance Budget) i.e. RON 11,490 (€2,556),
 - different types of income, i.e. association income, gross income or the difference between the gross income and the deductible expenses; no ceiling.

- rate: 1.00%.

Public system of pensions:

See above "Invalidity, Old-age, Survivors".

Family benefits

No special rules based on personal statute.

Unemployment

Unemployment insurance scheme:

Coverage:

- Voluntary insurance,
- coverage requirement: insured in the public system of pensions and health care scheme.

Financing:

- Contributions,
- calculation basis: insured monthly income; threshold: Minimum Gross Wage; ceiling: five times the Average Gross Earnings (as projected for the Annual State Social Insurance Budget) i.e. RON 11,490 (€2,556),
- rate: 1.00%.

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).

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 (€163) in lowland regions, CHF 220 (€179) 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 (€203) in lowland regions, CHF 270 (€219) in mountain regions.

Cantonal schemes:

The self-employed not involved in agriculture are entitled to family allowances on the same conditions as employees.

In five 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,...), 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).

Accidents at work and occupational diseases

Covered by compulsory health and pension and invalidity insurance. Contribution for accidents at work 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

Self-employed persons are also covered by compulsory unemployment insurance. They are therefore entitled to unemployment benefits, payment of social security contributions and payment of contributions for pension and invalidity insurance one year prior to fulfilment of the minimum conditions for old-age pension.

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 for health insurance is 1/1.6 (ca. 62.5%) and for other types of insurances it is 1/1.9 (ca. 52.6%) 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 5 times the national average wage.

The minimum monthly Assessment Base is 50% of the national average wage.

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

- Old-Age and Survivors is 18% (if appropriate, 14% for the 1st and 4% for the 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 Solidarity Fund (*Rezervnyj fond solidarity*): 4.75%.

Self-employed persons with a yearly income less than €4,830 (50% of the national average 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.

Accidents at work 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. The earnings-related pensions for farmers are mostly financed by the State and the rest is financed through the insured persons' contributions. The benefits for accidents at work for farmers are financed 33% 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 persons and farmers an additional statutory scheme exists (covering the waiting period in the general

system). For persons insured under the Self-Employed Persons' Pensions Act (YEL) and Farmers' Pension Act (MYEL), 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 pension insurance when the activity concerned has lasted for at least four months and the estimated earned income is above a certain amount. 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 above a certain amount.

Accidents at work 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. The self-employed have 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 principally 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 a waiting period of 1, 14, 30, 60 or 90 days. If no choice is made, the waiting period is 7 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.

Accidents at work and occupational diseases

The system of protection for accidents at work 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

Unemployment insurance exists for the self-employed. Self-employed persons are covered by the basic insurance and have the option of joining the unemployment insurance fund responsible for their occupational branch and consequently acquire entitlement to the income-related benefit.

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 5,885 (€7,106) can apply to be exempted from paying compulsory contributions. Those with annual profits GBP 5,885 (€7,106) or more pay a flat-rate contribution of GBP 2.75 (€3.32) per week. In addition, those self-employed people with annual profits between GBP 7,956 (€9,606) and GBP 41,865 (€50,549) also pay an earnings related contribution of 9%, and 2% above GBP 41,865 (€50,549).

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

Employment and Support Allowance (ESA) payable to self-employed persons who paid sufficient contributions in one of the last two tax years and have paid or been credited with sufficient contributions in both relevant tax years

preceding the one of the claim for benefit. ESA consists of two phases:

- An assessment phase rate (up to GBP 72.40 (€87) a week) is paid for the first 13 weeks of a claim while a decision is made on capability for work through a Work Capability Assessment;
- The main phase starts from week 14 of the claim, if the Work Capability Assessment shows that the illness or disability does limit ability to work.

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 (€36). It is paid for 26 weeks at GBP 138.18 (€167) or 90% of average earnings if less than GBP 138.18 (€167).

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.

Accidents at work 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).