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EUROPEAN SOCIAL CHARTER

Addendum to the
32nd National Report on the implementation of
the European Social Charter

submitted by

THE GOVERNMENT OF DENMARK

Article 4 of the Additional Protocol
for the period
01/01/2008 – 31/12/2011)

Report registered by the Secretariat on 2 June 2013

CYCLE 2013

Bidrag til svar på henvendelsen af 3. april 2013 fra The European Committee of Social Rights om modtagelse af yderligere oplysninger vedr. Socialpactens artikel 4 i tillægsprotokollen, jf. BM's høring af 4. april 2013.

Question:

“Article 4 of the Additional Protocol (Right of elderly persons to social protection)

Please specify what additional cash benefits/allowances are available for recipients of minimum old age pension (or guarantee pension for low income elderly persons, as the case may be). Please indicate the exact amounts of such benefits and all applicable eligibility conditions. With consideration to such additional benefits/allowances, please indicate the applicable minimum income guarantee for low income elderly persons.”

Answer:

Residents of Denmark are entitled to social old age pension (*folkepension*) when they reach the age of 65.

The following persons are entitled to this pension: Danish nationals; persons covered by Regulation (EC) No 883/2004 on the coordination of social security systems; other foreign nationals after 10 years' residence in Denmark between the age of 15 and 65.

In order to qualify for a pension, you must have lived in Denmark for at least three years between the age of 15 and 65. Entitlement to a full social pension is acquired after 40 years of residence in Denmark between the ages of 15 and 65. Persons with a shorter period of residence have the right to a pension amounting to 1/40th of the full pension rate for each year they have lived in Denmark between the ages of 15 and 65. The minimum pension payable is 1/40th of a full pension.

The following table shows the level of old age pension per month as at January 2012

The level of social old age pension per month as of January 2012		
	Non-single persons	Single persons
Basic amount	DDK 5,713	DDK 5,713
Pension supplement	DDK 2,868	DDK 5,933
Total	DDK 8,581	DDK 11,646

Persons receiving old age pension are also entitled to a yearly **supplementary pension amount** (lump sum) of DKK 11.200 paid in January.

The basic amount is gradually reduced if income from work exceeds DDK 291,200. The pension supplement is gradually reduced if total supplementary incomes exceed DKK 64,300 (singles) or DDK 128,900 (non-singles). Supplementary pension

amount is gradually reduced if total supplementary incomes exceed DKK 18,500 (singles) or 36,600 (non-singles). Entitlement to the supplementary pension amount is conditioned on the pensioners liquid assets do not exceed DKK 77,700. (2012-figures)

Old age pensioners are also entitled to:

1) Health allowance

Health allowance (*helbredstillæg*) shall be granted towards payment of 85% of the pensioner's own share of:

- a) expenses in relation to benefits in kind covered by public health insurance;
- b) expenses in relation to dental prostheses, glasses and chiropody if the local authority assesses the relevant expense as necessary.

Health allowance is gradually reduced if total supplementary incomes exceed DKK 18,500 (singles) or 36,600 (non-singles). Entitlement to health allowance is conditioned on the pensioners liquid assets do not exceed DKK 77,700. (2012-figures)

2) Heating allowance

Heating allowance shall be granted towards payment of a share of the pensioners heating expenses. The heating allowance is gradually reduced if the pensioner's total supplementary incomes exceed DKK 18,500 (singles) or 36,600 (non-singles). No assets-testing.

Calculation of yearly heating allowance 2012-figures		Non-singles Year, DDK	Singles Year, DDK
1.	Pensioners own minimum payment	6,750	4,500
Heating allowance amount=			
2.	$\frac{3}{4}$ of heating expenses between	6,751-13,900	4,501-13,900
3.	+ $\frac{1}{2}$ of heating expenses between	13,901-18,300	13,901-18,300
4.	+ $\frac{1}{4}$ of heating expenses between	18,301-22,700	18,301-22,700

3) Personal allowance

Personal allowance (*personligt tillæg*) may be paid to old-age pensioners whose financial situation is particularly difficult. The local council shall base its decision on a specific and individual assessment of the pensioner's financial situation.

Pensioners, who do not receive a full social old age pension due to less than 40 years of residence, cf. above, and whose financial situation therefore might be particularly difficult, can apply for a personal allowance.

Persons who have passed the pensionable age (65 years) and who are not eligible to a social old age pension can apply for social assistance, which is granted after specific and individual assessment of the pensioner's financial situation. The social

assistance to these persons cannot exceed the amount of a full social old age pension to a non-single.

4) Rent allowance

Old age pensioners are entitled to a rent allowance calculated after favorable rules (*boligydelse*). Non-pensioners with low incomes may receive a rent allowance calculated after other – less favorable - rules (*boligsikring*).

The main principles for calculating rent allowance (*boligydelse*) are as follows:

The calculation of rent allowance in respect of one person includes the housing costs for a gross floor space of 65 square meters. For each additional member of the household the calculation includes the housing costs for additional 20 square meters.

Pensioners' rent allowance is calculated as the difference between 75 per cent of the annual housing costs (with addition of DKK 6,100) and 22.5 per cent of the household income exceeding DKK 144,300. The rent allowance recipient shall as a minimum pay a share of the housing costs corresponding to 11 per cent or more of his/her household income, provided always that such amount shall constitute not less than DKK 15,300.

The calculated pensioners' rent allowance for owners, including a pensioner living in a single-family house or an owner-occupied flat, shall be granted as a loan.

5) ATP

Almost all pensioners receive a labour market supplementary pension (*arbejds-markedets tillægspension, ATP*). ATP is a compulsory social insurance scheme financed by contributions.

The scheme comprises all employees from the age of 16 working 9 hours or more per week, as well as persons who receive daily allowances in case of sickness, birth, adoption, or unemployment or who have started participating in activation or training/ education measures or who are in a period of work placement according to the law on an active labour policy. Also beneficiaries of disability pension (*førtidspension*) granted since 1 January 2003 are included as compulsory members.

ATP provides pensions depending on contributions: Annual amount of DKK 24,300 at the age of 65 if the insured has been affiliated to the supplementary scheme since 1 April 1964 and has always paid a full contribution. (2012-figures)

Concerning the question about a minimum income guarantee:

People with a very low or no social old age pension can apply for a personal supplement or social assistance, cf. section 3) above.