

Summary of advisory report on categories of people covered by employed persons insurance schemes

In its advisory report on the categories of people covered by certain employed persons insurance schemes [*Personenkring werknemersverzekeringen*], the Social and Economic Council discusses the boundaries of such categories and the types of employment relationship covered. The Council considers these matters from a pragmatic point of view, with its focus being on solving practical problems and limiting the administrative burden. The report is a response to a request for advice from the Dutch Minister of Social Affairs and Employment and the State Secretary for Finance. It is a follow-up to the advisory report that the Council prepared on this topic in 2004.

The Council finds that employed persons insurance should cover the following categories of people. First of all, employed persons insurance should be compulsory for people who are employed, either under private or public law, for a certain minimum amount of time. Secondly, coverage should also be extended to include other employment relationships in which work is performed for pay, provided that the person works for a certain minimum number of hours and is not self-employed. That is in fact already the case. Thirdly, the Council believes that a casual or incidental employment relationship – i.e. one that is entered into for only a very short period of time – should be exempt from the obligation to pay insurance and social security contributions. Finally, it should be possible to make an exception for certain employment relationships.

In its advisory report, the Council proposes a new way of determining the category of persons to be covered by employed persons insurance that involves setting a lower limit for incidental labour. The description is so technical in nature that it will not be repeated in this summary.

Essentially, the Council believes that such insurance should be made compulsory for any employment relationship in which work is performed for pay, on the condition that the employed person is contracted to work a specific minimum number of hours and is not self-employed, or that the employer and employee have not chosen to waive compulsory insurance coverage under certain conditions.