



Government of the Netherlands

National plan

State of play in the Netherlands on social protection in the light of the Council Recommendation on Access to social protection for workers and the self-employed

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Introduction

The Council Recommendation on Access to social protection for workers and the self-employed invites Member States to adopt and submit a plan setting out the corresponding measures to be taken at national level. This document gives a state of play in the Netherlands on social protection in the light of the Council Recommendation. It sets out in four chapters.

The first chapter outlines the context of social protection in the Netherlands. It also recalls the challenges faced by the social protection system and the existing gaps in access to social protection.

The second chapter describes the measures adopted during the COVID-19 crisis and the lessons learnt from the implementation of these measures.

The third chapter zooms in on the different objectives and principles of the Recommendation and lists the measures to be put in place or already launched since the adoption of the Council recommendation.

Finally, the fourth chapter describes the way forward, with a disclaimer that the Netherlands is currently having a caretaker cabinet.

1. Context

This section gives an outline of the Dutch social protection system.

1.1 Dutch social protection system

The Netherlands has an extensive social protection system that aims to provide protection in the event of loss of income as a result of illness, disability, unemployment and old age. In addition, the system provides insurance against the costs of short and long-term care and offers support when citizens are unable to provide for themselves. Below, the system is explained briefly and more details are provided regarding the ultimate safety net we have in the Netherlands – the Participation Act (bijstand) – and the Dutch pension system, which has been repeatedly named the best in the world.¹

Social protection in the Netherlands consists of social insurances (sociale verzekeringen) and social provisions (sociale voorzieningen). Social insurance is financed with contributions paid by employers and employees. Social provisions are financed directly from government budget. The implementation of the social protection system – the granting and payment of benefits – is in the hands of the implementing agencies (UWV, SVB), private parties (insurers), employers and municipalities.

Social insurance can be divided into national insurance and employee insurance. Every Dutch resident is compulsorily covered by the national insurance schemes: The General Old Age Pension Act (AOW), child benefits, the Long-term Care Act (WLZ) and the General Surviving Dependents Act (Anw). Everyone who is employed in the Netherlands is compulsorily covered by the employee insurance schemes: the Unemployment Insurance Act (WW), and the Work and Income according to Labor Capacity Act (WIA). In the event of illness of the employee, employers are obliged to continue to pay wages up to a maximum of two years. In addition, most employees participate in a collective supplementary pension insurance, administered by pension funds managed by employers and employee representatives.

Short-term care is regulated in the Netherlands in the Health Insurance Act (Zvw). Based on the Zvw all residents are obliged to register themselves with a private health insurer. Those who do not qualify for social protection benefits or who receive benefits that are deemed too low to make a living (social minimum), can make use of the social provisions. The most important of these are the Participation Act (bijstand), the Wajong Act, and a number of income-supported allowances, which are a contribution towards the costs of rent, care or childcare.

1.2 The Participation Act (bijstand)

The Participation Act can be regarded as the ultimate safety net in the Netherlands. It is meant for people who cannot make ends meet. It is a basic right for every adult who legally resides in the Netherlands. It does not matter how long people have worked or how high their last salary was. If people are unemployed, they can apply for social assistance on the basis of the Participation Act. In addition, if their income is too low to make ends meet, they can apply for a partial benefit. Their income will then be supplemented to a minimum amount.

The amount of social assistance is calculated on the basis of the personal situation of the applicant. If you are 21 years of age or older, you are entitled – together with your partner – to 100% of the Dutch net minimum wage. In 2021, this is € 1.536,34 per month. As a single person without children, you are entitled to 70% of the Dutch net minimum wage – this is € 1.075,44 per month. This also applies to single parents, and an extra child-related budget is added to this

1.3 Dutch pension system

The current Dutch pension system consists of three pillars, which together determine the amount of pension a person will receive when he or she retires. The first pillar is the state or AOW-pension, a public scheme which all residents of the Netherlands are entitled to. The second pillar consists of the collective pension funds. Although there is no statutory obligation for employers to offer a pension scheme to their employees, over 90% of employees are covered. The third pillar of the

¹ [Mercer CFA Institute Global Pension Index 2020 | Mercer Australia](#)

pension system consists of individual pension products or supplements, mostly used by self-employed and employees in industries with no collective pension funds.

1.3.1 First pillar: AOW

The basic old-age pension age in the Netherlands has risen from 65 in 2013 to 66.4 at present and will gradually increase to 67 in 2024 (was 2021). Thereafter, the pension age will be adjusted to life expectancy (where 1 year of increased life expectancy equals 8 months of adjustment to the pension age). For a single person, the gross pension benefit in 2021 is €1.292 per month and for each partner of a couple €883 per month. The basic benefit accrues at 2% of the full value for each person who resides or works in the country (in the 50 years between the ages of 15 and 65). The system is financed on a pay-as-you-go basis. Contribution is raised (by the tax authorities) through income taxation, equal to almost 18% of income up to €34.000 (median level). Employers pay no direct contribution, and pensioners do not pay AOW contributions either.

The level of the public old-age pension is linked to the minimum wage, and the social minimum, and as such serves as protection against old age poverty. As a consequence the poverty rate among the elderly in the Netherlands is the lowest of the OECD-countries.²

1.3.2 Second pillar: occupational pensions

The primary goal of the second pillar is to allow pensioners in the Netherlands to continue their life on the level they were used to during their working life. The second pillar consists of 350 occupational pension schemes: 68 are sector wide schemes, others are funded by a single employer. Second pillar pension funds are capital funded. Occupational pensions (second pillar) are supplementary to the public pension system (first pillar).

Retirement age is flexible, roughly between 60 and 70, with actuarial fair compensation in benefits for early or late retirement. Second pillar pension funds are usually compulsory in most sectors, in order to prevent competition on pay and conditions through pensions and to provide solidarity, stability and a good pension scheme for all employees.

More than 90% of the employees in pension funds are covered by a defined-benefit scheme. The remaining employees are covered by a defined-contribution scheme. For almost all of the participants the pension level is based on lifetime average earnings. Most schemes target a gross replacement rate of 70-75% after a complete 40-year career. The replacement rate includes the first pillar.

The contribution rates for the second pillar usually range from 15 percent to 25 percent of the qualifying income above the AOW threshold. Employers typically pay 2/3 of the pension contribution, and employees the rest.

1.3.3 Third pillar – private individual

Because of the size of the first and second pillar, third pillar pension savings arrangements are relatively small, except for (some) self-employed and those wishing to supplement their first and second pillar pension benefits. An attractive fiscal treatment is possible if participant prove their current first and second pillar savings will result in a replacement rate below 75%. Third pillar arrangements make up for about 5% of total pension entitlements.

1.4 Labour market trends

In the 2020 European Semester Country report of the Netherlands, it is stated that the Dutch labour market was performing well. Labour force participation continued to increase, and was among the highest in the EU at 80.3% in Q3-2019. The unemployment rate reached close to historically low levels – 3.4% in 2019 – backed by robust GDP growth. The long-term unemployment rate also stood at 1.4% in Q3 2019 (well below the EU average of 2,5%) and had been declining for all age groups.

Due to COVID-19, the Dutch economy shrunk with 4.1% in 2020. Unemployment increased, especially in the first months of the crisis (March-May 2020), but decreased over the course of 2020.

² [Inequality - Poverty rate - OECD Data](#)

In February 2021, the unemployment rate was 3.6%.³ Unemployment only increased moderately. Although it is expected that the economy will recover in 2021, unemployment is expected to rise to 4.7% in 2022, according to the Netherlands Bureau for Economic Policy Analysis (CPB).⁴

The Netherlands has a relatively large share of flexible contracts. In 2020, about 40% of the workers in the Netherlands did not have a permanent contract or fixed hours (CBS Statline, 2020).⁵ In 2020, there were 1.1 million people with a main job as self-employed person, which is 13% of all workers. In 2003 this share was 8%. The number of employees with a flexible contract also increased.

1.5 Gaps in social protection

The relatively large share of flexible contracts has consequences for social protection. First, due to the nature of flexible work, employees and self-employed switch between jobs more often. This has consequences for the extent and frequency in which flexible workers (self-employed and employees with a flexible contract) use the various social safety nets.

Secondly, flex-workers are less likely to fall back on (part of) social protection than workers with a permanent contract. In contrast to employees, self-employed persons are not compulsory insured against loss of work, incapacity for work or illness. Employees with a flexible contract are compulsory insured, but due to a shorter accrued employment history, they more often do not receive unemployment benefits or for a shorter period than permanent employees who lose their job. Employees with a flexible contract therefore more frequently have to rely on their own safety net or social assistance (bijstand) than permanent employees when they lose their job.

³ [Werkloosheid \(cbs.nl\)](https://www.cbs.nl/en-gb/indicatoren/12100)

⁴ [Raming Centraal Economisch Plan 2021 \(CEP\), maart 2021 \(cpb.nl\)](https://www.cpb.nl/raming-centraal-economisch-plan-2021)

⁵ [Werkzame beroepsbevolking; positie in de werkkring \(cbs.nl\)](https://www.cbs.nl/en-gb/indicatoren/12100)

2. Lessons learnt from the COVID-19 crisis

The COVID crisis has far-reaching consequences for our lives and therefore also for our economy and labour market. People, who already had a distance from the labour market before the crisis, might have an even more vulnerable position after the COVID-19 crises. At the same time, COVID-19 shows that it is necessary for employers to be able to adapt to changes in the (economic) environment. COVID-19 underlines the importance of workers being sufficiently resilient and agile to adapt to a changing work environment.

In response to the COVID-19 crisis, the Dutch government introduced emergency aid measures to limit unemployment and mitigate the social impact of the crisis. The government deliberately chose broad measures and subsidies, linked to the expected loss of turnover of entrepreneurs, in order to allow wide and immediate impact while maintaining capacity for the government agencies tasked with implementation. . The Temporary Emergency Scheme for Job Retention (NOW) and the Temporary Bridging Measure for Self-employed Professionals (TOZO) were both introduced in March 2020. The Social Package and the Temporary Support for Necessary Costs (TONK) were introduced in December 2020. The following sections will focus on the temporary measures taken during the COVID-19 crisis. With this package, the Dutch government wants to offer perspective and take away uncertainties for citizens and companies as much as possible.

2.1 Temporary measure 1: NOW

The NOW provides an almost full contribution for wage costs so that employers can retain their employees, both those with a permanent and a flexible contract. Over time, the aim and objectives of the support scheme have shifted somewhat: At first the sole aim was to avoid that people were laid off and to maintain jobs. Dismissing workers would result in the obligation to pay back (part of) the subsidies. For NOW3, this has been adjusted and there is now also a possibility for firms to decrease the wage sum to be able restructure (i.e. lay off a part of the workforce) up to 10%, while retaining the right to subsidies. Firms have an obligation to consult with trade unions in the event of collective redundancies.

The NOW consists of three packages, NOW 1, 2 and 3. NOW 1 ran from March-May (3 months), NOW 2 from June-September (4 months). NOW 3 runs for 9 months, from October-June 2021, in 3 tranches of 3 months (3.1, 3.2, and 3.3). Companies with a minimum of 20% decrease in turnover could apply for NOW 1, 2 and 3.. Up until January 2021, the budget spent on the NOW was 23.5 billion euros. So far, the NOW packages have worked very well. The Netherlands ranks among the countries with lowest unemployment rate in Europe⁶. The number of unemployed did not increase rapidly and even decreased during the second half of 2020. The unemployment rate is now at 3.9%. A share of unemployed are likely to have become inactive, though the participation rate increased again and is now 68.5%, not that much lower than the 69,3% at the start of 2020.⁷

2.2 Temporary measure 2: TOZO

The TOZO offers income support for self-employed professionals such as sole proprietors, self-employed people with no employees (ZZP'ers), partners in a general partnership or owners of a private limited company (DGAs) who are experiencing financial difficulties due to the crisis. The scheme consists of various packages, corresponding with the time frames during and for which social assistance or a capital loan can be requested. TOZO 1 ran from March-May 2020; TOZO 2 ran from June-September 2020. TOZO 3 ran from October 2020-March 2021, and TOZO 4 from April through to June 2021. At the end of September 2020, due to the introduction of stricter COVID-19 containment measures, the government decided to cancel a planned introduction of a test on the amount of personal capital of the applicant. The TOZO does however contain a partner income test as of TOZO 2.

⁶ See e.g. Labour Market and Wage Developments in Europe – Annual Review 2020, graph 2.2.

⁷ [Arbeidsparticipatie naar leeftijd en geslacht \(cbs.nl\)](https://www.cbs.nl/en-gb/achtergrond/2021/01/arbeidsparticipatie-naar-leeftijd-en-geslacht)

Self-employed can apply for this temporary scheme at their municipalities. The income support scheme is €1.075 per month for a single and €1.537 for a couple. The working capital loan has a maximum of €10.157, at a favourable interest rate. Application for the TOZO and the execution of payments is done at the level of the municipality. The remaining income is topped up to the amount of the social minimum, i.e. the amounts mentioned above. No repayment is necessary. Up until April 2021, the budget spent on TOZO was 3 billion euros.

The use of the TOZO has been roughly 90% income support and 10% capital loan from the start of the introduction of the scheme. The figures on the use of the TOZO scheme are not easy to obtain as the scheme is implemented at municipality level and the data from all 355 municipalities in the Netherlands need to be gathered. The current estimate for the number of applications to the scheme are however 367.000 for the TOZO 1 (March-May), 124.000 for TOZO 2 (June-September) and so far 165.000 under TOZO 3 (October 2020-March 2021) based on the latest available data.

2.3 Temporary measure 3: Social package

In addition, the government has put together a comprehensive social support package (social package): with a total of 1.4 billion euros in extra resources. With the social package social partners, municipalities, implementing organizations and schools are given the opportunity to offer support to vulnerable groups and give perspective to people who need to transition to a new job. To this end, the government is committed to increase training and development for job retention intensification, job (or unemployment) to job accompaniment, combatting poverty and problematic debts, tackling youth unemployment and protecting vulnerable groups in the labour market and (re)training and development. The social package was introduced in August 2020.

Lastly, municipalities in the Netherlands are also responsible for helping those with problematic levels of debt and those who live in poverty. Just like the budget for the assistance of those who receive welfare, this budget is normally fixed. The budget is now temporarily expanded, so that municipalities can better help these groups. Their number is also expected to rise. They can use this budget for debt relief programs, for reaching out towards individuals who are difficult to reach, for developing knowledge on how to help these groups, and for offering relief to those who cannot make ends meet temporarily through the TONK-instrument (including the self-employed).

2.4 Temporary measure 4: TONK

Moreover, the Dutch government continues to assess what extra support is needed for vulnerable groups hit hard by the crisis. On top of the above mentioned social package, extra funds are allocated to municipalities to realize additional social assistance. This applies in particular to people who have lost income as a consequence of the crisis. Groups in need of extra assistance are, for example, self-employed persons who currently lack assignments, flexible workers who work less or lose income because they are in quarantine, or households where the household income has partially disappeared. In December 2020, the Dutch government made available 130 million euros for a temporary support in necessary costs (TONK) for households that are facing serious financial trouble due to the economic crisis. The amount was later doubled to 260 million euros.

2.5 Lessons learnt

The measures from the aid and recovery package are temporary. At the same time, the COVID-crisis clarified the relevance of social protection in general and gives extra relevance to policies in the Netherlands that shape social protection for, among others, the self-employed, as described in more detail in the next chapter.

3. Policy initiatives

This chapter sets out the policy initiatives taken. It highlights both existing measures taken and policy initiatives. This paragraph zooms in on adequacy and transparency (3.1), whereas the second paragraph (3.2) highlights formal and effective coverage.

3.1 Policy objectives

This paragraph focusses on the key objectives of the Recommendation and how these are implemented and followed up in the Netherlands. The Recommendation focuses on formal coverage, effective coverage, adequacy, and transparency. For an overview of adequacy of social protection, also refer to chapter 1.

3.1.1 Entitlements and contributions

In the Netherlands, if a person becomes unemployed or unable to work due to a (temporary or structural) disability, the duration and level of their benefit entitlements will be calculated according to how long they have been insured and their former earnings (their employment history). However, many non-standard workers are not eligible to public employee insurances and are not privately insured. With rising numbers of non-standard workers, the Dutch government implemented measures to secure that this particular group will be able to accrue an employment history, in order to enjoy the same entitlements as typical employees.

To combat the lack of social coverage for part-time workers, two laws were introduced in 2005 to allow non-standard workers to build up an employment history: Article 42 of the Unemployment Act and Article 59 of the Act on work and income according to the Labour Capacity Act (*Wet werk en inkomen naar arbeidsvermogen, WIA*). Like all important legislation on employee insurance, the draft bills were discussed with both employer and employee organisations in the Labour Foundation (*Stichting van de Arbeid*). As a result, all employees build up an employment history provided they work at least 208 hours in a calendar year (instead of the previous requirement of 52 working days per year); this includes non-standard workers (i.e. seasonal workers) who are not covered continuously under employee insurance and does not hold for the self-employed. The measures provide adequate effective coverage for non-standard workers in line with the benefits that those in standard employment relationships are entitled to, if they become unable to work due to temporary disability.

3.1.2 Transparency and simplification of administrative requirements

The objective of transparency is described in the Council Recommendation as “*to ensure that the conditions and rules for all social protection schemes are transparent and that individuals have access to updated, comprehensive, accessible, user-friendly and clearly understandable information about their individual entitlements and obligations free of charge.*” As set-out below, in the Netherlands, specific attention is given towards clear, accessible and user-friendly information.

Employee Insurance Agency

All workers need to be aware of their social protection entitlements. However, informing them about their rights is a challenge. The Employee Insurance Agency (*Uitvoeringsinstituut Werknemersverzekeringen, UWV*) is the agency that is responsible for implementing the employee insurance schemes in the Netherlands (unemployment, illness, incapacity to work). Under the Law on the structure of the administrative organisation of work and income (*Wet structuur uitvoeringsorganisatie werk en inkomen*), the UWV is obliged to provide employees with information on the expected level and duration of the benefits available if an individual becomes unemployed, incapable of working or only partially fit for work. Under the same law, the UWV must periodically inform the employee about the registered personal data.

The UWV has an innovative and effective way to provide instant information to all employees (standard and non-standard) on possible entitlements to employment-related benefits. Via their digital platform ‘My UWV’ (*Mijn UWV*), employees can see how much they earn per month by checking the employer’s wage statement for the current year and previous years. Moreover, ‘My

UWV' offers tools, which allow the employee to 1. calculate their (approximate) benefit entitlements and duration and see how this will affect their income, 2. apply for benefits, and 3. contact the UWV for further information concerning their entitlements. As a result of the law, all employees (standard and non-standard) have access to information about their possible benefits they are entitled to⁸.

National pension tracking service

Mijnpensioenoverzicht.nl is a website that provides citizens with information on their future pension income. As elaborated on before, every legal resident of the Netherlands receives a basic pension from the government, the AOW. In addition, many Dutch people receive a pension from a pension fund or an insurer, which they have accrued while in employment. If they change jobs, this may mean that the pension fund with which they accrue pension will change. This means that most Dutch people receive a pension from several sources: the government, and one or more pension funds.

Mijnpensioenoverzicht.nl shows the pension one can expect to attain at individual level. The various pensions are shown on the website and added together, with both gross and net amounts shown. Since the information from multiple sources is easily assessable, the website enables citizens to get an overview of the net monthly pension they can expect when they retire. Mijnpensioenoverzicht.nl is constructed by the pension sector, for which it has a statutory obligation. This statutory safeguard means that all pension funds and insurers are obliged to cooperate, deliver data and contribute to the costs⁹.

3.2 Policy initiatives

This section provides a general outline of the initiatives that have been adopted recently or are intended to be adopted.

3.2.1 Measure 1: Law for a Balanced Labour Market

The government has taken measures to decrease the regulatory differences between permanent contracts and various forms of flexibility. The most important step taken recently has been the Law for a Balanced Labour Market ('Wet Arbeidsmarkt in Balans' (WAB)), taking effect from 2020. This law changes various aspects of labour market regulation in order to make permanent contracts more attractive to employers and flexible constructs less attractive. Measures include, but are not limited to:

- Employers now pay a lower contribution for unemployment insurance for employees on a permanent contract than they do for employees on a temporary contract. Not only does this make permanent contracts more attractive, it also helps to distribute costs for unemployment insurance according to use (as workers on temporary contracts are more likely to claim unemployment benefits).
- The right to severance pay is extended to all temporary contracts and the amount per year no longer depends on tenure. Previously, severance pay was zero for contracts with a duration of up to two years and higher than average for workers with a tenure longer than ten years.
- The total pay package (including fringe benefits) of employees hired via payroll constructions is further equalized with that of regular employees of the end user who perform similar tasks. From 2021 onwards, the pension arrangements for payroll workers have also been further equalized.

3.2.2 Measure 2: Disability insurance for self-employed

The introduction of a mandatory disability insurance scheme for the self-employed was agreed upon as part of the (preliminary) Pension Agreement (Pensioenakkoord) with the social partners in 2019. At the request of the government, the social partners produced a draft of the scheme in March 2020. The government has embraced this design, under the condition of feasibility, affordability and explainability, as part of the final Pension Agreement in July 2020¹⁰.

⁸ [Publications catalogue - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](#)

⁹ <https://www.pensioenfederatie.nl/website/national-pension-tracking-service>

¹⁰ [Kamerbrief uitwerking pensioenakkoord | Kamerstuk | Rijksoverheid.nl](#)

After further consultation with employers and employees organizations in 2020, a plan for a mandatory disability insurance for self-employed is now in preparation. Parliament has been informed early 2021 about the principles of the envisioned insurance scheme¹¹. In this letter to Parliament, the government has set out multiple challenges for the insurance scheme, primarily those that effect feasibility on certain aspects of the advised design. After the elections in March 2021, it is now up to the new government to further develop this plan and prepare legislation¹².

The scheme will be financed by a contribution that fully covers the cost of the distributed disability benefits and the organizational costs. Self-employed workers can influence the height of their contribution by selecting their waiting period (half a year, one year (default choice) or two years). The maximum income to be insured is equal to 143% of the minimum wage, rendering the maximum disability benefit equal to 100% of the minimum wage.

Mandatory insurance reduces the (inefficient) differences in regulation between self-employed and employees, and improves the functioning of the labour market (less segmentation) by discouraging socially inefficient choices for self-employment. It also reduces income inequality.

This measure will improve income security for the self-employed against the risk of disability, which improves economic equality. It will also weaken the incentives of workers and firms to choose self-employed rather than regular employment contracts. This may change the composition of employment in the direction of more employees who are better protected against basic income risks such as sickness, disability, pensions and unemployment. A quantitative estimate of the size of this shift is not available.

3.2.3 Measure 3: Access to collective pension schemes for self-employed

The self-employed have limited access to collective pension schemes. The government is proposing legislation to enable experiments (for the duration of four years) for the self-employed to voluntarily join the collective pension scheme in the sector in which they work or in the company for which they work, even if they have not previously participated as an employee. To this end adaptation of existing fiscal facilities is needed. The experiments are expected to start as of 1-1-2023.

In addition to the experiments, the government had advised social partners and self-employed organizations to jointly investigate how the pension accrual of self-employed people can be improved. They have made a preliminary inquiry and aim to further investigate the issue.

3.2.4 Measure 4: Gradual reduction of the standard income tax deduction for self-employed

The Dutch government has reduced the standard income tax deductions for self-employed. Tax incentives to become self-employed are reduced by a decrease of the standard income tax deduction for self-employed. Self-employed workers are allowed to apply a standard deduction to their income before the income tax is calculated, if they work at least 1.225 hours per year for their firm. In 2019, the deduction was €7.280. The currently envisaged reduction path is based on two decisions. In August 2019, the government decided to reduce the amount as of 2020 in eight annual steps of €250 and one step of €280 to €5.000 in 2028. In August 2020, the government decided to add 16 annual steps of €110 as from 2021. Hence, the deduction will be €3.240 in 2036.

The policy reform measure reduces the differences in taxation of (labour) income between dependent workers and self-employed workers. This will weaken the incentives of workers and firms to choose for non-standard employment relationships rather than regular employment contracts. This does not mean that there are still alternative and valid reasons to choose for non-standard employment relationships, which is still optional.

¹¹ [Kamerbrief over hoofdlijnen verplichte arbeidsongeschiktheidsverzekering voor zelfstandigen | Kamerstuk | Rijksoverheid.nl](#)

¹² Six out of the seven biggest political parties, as per the election results of March '21, have proposed some kind of a mandatory insurance scheme in their party programs on which they have run.

4. Way forward

Various measures (as also mentioned in paragraph 3.2) are currently being implemented. Despite the low unemployment rate and the high employment rate that the Netherlands experienced before the outbreak of the Covid crisis, the government wanted to evaluate whether the Dutch labour market and social security system are futureproof. The Dutch government therefore sought advice from the Independent Commission on the Regulation of Work (Commissie Regulering van Werk).

In February 2020, the Commission issued its report. As a follow-up, the government has published a technical document in which the Commission's policy recommendations have been developed into more concrete policy measures, including assessments of budgetary costs, legal aspects, implementation and enforcement aspects and possible alternatives or modalities.

The Dutch Social and Economic Council (Sociaal-Economische Raad), an important advisory body in which employers and employees participate, recently presented a draft advice on (amongst others) the labour market and social security. The draft advice contains concrete proposals to adjust the balance on the Dutch labour markets, for example by improving the labour market position of people in flexible work situations and by introducing more flexibility into permanent contract.

Making the labour market future-proof, with institutions that contribute to a better balance between people who work and people who employ other people, is a matter of years – as was also described by the Independent Commission.

The Dutch government believes that everyone who earns income from work should be treated equally by tax and social security as much as possible. The government wants to move towards a system in which the legal form in which people work has no influence on how people are taxed and the choice has less influence on which income protection people enjoy, especially with regard to the risk of old age and disability.¹³ However, as there were elections in March 2021, possible further choices – for example, whether to take on the draft advice of the Social and Economic Council - are left to a new government.

¹³ [Kamerbrief met reactie kabinet op rapporten Commissie-Regulering van Werk en WRR | Kamerstuk | Rijksoverheid.nl](#), p. 18