



EUROPEAN SOCIAL POLICY NETWORK (ESPN)

# Access to social protection for young people

## Netherlands

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**European Social Policy Network (ESPN)**

**ESPN Thematic Report:  
Access to social protection for  
young people  
The Netherlands  
2021**

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## SUMMARY

In this thematic report we describe and reflect on a number of social benefits that exist in The Netherlands, and we pay special attention to the access to these social protection measures for young people. It is important to note that, contrary to the guidelines' definition of young people as those aged 15-29, the majority of Dutch policies define young people as those aged 15-27.

Young people in employment and those who are involuntarily unemployed are eligible for benefits under the Unemployment Insurance Act (*Werkloosheidswet*, WW). The duration of the WW benefit depends on the number of years claimants have been in paid employment prior to becoming unemployed, and the amount paid depends on the most recently earned daily pay. Both these duration and amount criteria may be problematic for young people to fulfil, as they are more likely to have a shorter employment history and a lower salary than older age groups.

All young people, whether (un)employed or economically inactive, are obliged to have health insurance. People with low incomes qualify for healthcare benefits, which are not age-dependent. Several regimes provide income support to people during sickness or in the case of long-term disability, and do not treat age groups differently. However, they do require some form of work history, and hence young people who are entering the labour market for the first time may not be eligible.

The access of young people to maternity, paternity and parental cash benefits is generally not hindered by any specific gaps or barriers relating to age. Some of these benefits are income-related, while others consist of a fixed amount.

A minimum income is guaranteed for all people, irrespectively of status requirements, through the Participation Act (*Participatiewet*). Only people aged 18 or over can apply, which implies that those aged 15-17 are not individually entitled to social assistance benefits. Also, young people receive lower benefits until they are 21, as their parents are legally obliged to contribute to their livelihood. Benefit levels for people who share the cost of living with other adults (aged 21-65) are lower (this is called the *kostendelersnorm*), which may cause issues for young adults (21 and over) co-habiting with parents receiving social assistance.

All young people qualify for housing benefits, such as the rent allowance (*huursubsidie*), if they are 18 or over and have a rent and an income that are below a certain limit. They have the same access to this benefit as older people do. However, the waiting lists for social housing make them practically inaccessible for young people.

Summarising, we conclude that young people in The Netherlands have ample access to a variety of social benefits. Some benefits, such as the healthcare allowance and parental benefits, are no less accessible for young people than for other age groups. Others are (slightly) less accessible for young people. The WW, for example, requires a certain contributory period, which puts young people at a disadvantage. Also, those aged 15-17 are not entitled to social assistance benefits (over 17 only) and the 18-26 age group has slightly more difficult access to social assistance as a result of the mandatory four-week job-search period. Also, access to (affordable) housing can prove to be an important issue for young people, whereas young people living with their parents who receive social assistance may face pressure to move out.

# 1 KEY FIGURES ON THE SOCIO-ECONOMIC SITUATION OF YOUNG PEOPLE<sup>1</sup>

## 1.1 Distribution of young people (aged 15–29) by main activity status

**Table 1a: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and the Netherlands, % 15-29 and 30-64)**

	NETHERLANDS											
	15-29						30-64					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	68.0	68.3	69.3	70.9	72.2	70.2	76.5	77.4	78.5	79.7	80.6	80.9
<i>Paid employment**</i>	92.9	92.8	93.3	93.1	93.3	93.1	81.1	80.9	80.9	81.1	80.9	80.5
<i>Self-employment**</i>	6.1	6.3	6.1	6.3	6.1	6.2	17.2	17.6	17.9	18.0	18.2	18.6
<i>Contributing family work**</i>	1.0	0.9	0.7	0.6	0.6	0.7	1.7	1.4	1.1	1.0	0.9	0.9
UNEMPLOYMENT***	9.4	8.6	7.1	5.6	5.4	7.1	6.0	5.1	4.0	3.2	2.6	2.7
INACTIVITY****	25.0	25.2	25.4	24.9	23.7	24.5	18.6	18.4	18.2	17.7	17.2	16.9
	EU-27											
	15-29						30-64					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	45.0	45.9	46.9	47.7	48.2	46.1	71.4	72.4	73.5	74.5	75.3	74.9
<i>Paid employment**</i>	91.8	92.2	92.4	92.6	92.8	92.5	83.0	83.3	83.7	84.0	84.1	84.2
<i>Self-employment**</i>	5.3	5.2	5.2	5.2	5.1	5.4	14.6	14.5	14.3	14.2	14.2	14.1
<i>Contributing family work**</i>	2.9	2.6	2.4	2.2	2.1	2.1	2.4	2.2	2.0	1.8	1.7	1.7
UNEMPLOYMENT***	17.3	15.8	14.2	12.8	11.9	13.3	8.5	7.7	6.9	6.1	5.6	5.8
INACTIVITY****	45.6	45.4	45.3	45.3	45.3	46.8	22.0	21.6	21.0	20.6	20.2	20.5

Notes: (\*) The employment rate is expressed as a share (%) of the total population in the age group. The 3 categories of employment (paid employment [i.e. employees], self-employment and contributing family work) are expressed as a share (%) of the population in employment in the age group. Contributing family work is a form of labour (generally unpaid, although compensation may come indirectly in the form of family income) that supports another member of the family to run an agricultural holding or another business. (\*\*) The unemployment rate is expressed as a share (%) of the active population, i.e. the population that is either in employment or unemployed (not the total population), in the age group. (\*\*\*) The inactivity rate is expressed as a share (%) of the total population in the age group.

Reading note: In 2020, in the Netherlands, 70.2% of people aged between 15 and 29 were in employment, compared to 80.9% of those aged 30-64. In the EU-27 as a whole, these figures were 46.1% and 74.9%, respectively. The share of people unemployed in the active population in the Netherlands was 7.1% of the 15-29 age group and 2.7% of the 30-64 age group (EU-27 average: 13.3% and 5.8%). The shares of people economically inactive in the Netherlands in the 15-29 and 30-64 age groups were 24.5% and 16.9%, respectively (EU-27 average: 46.8% and 20.5%).

Source: Eurostat, ESPN Network Core Team calculations based on LFS indicators [*lfsa\_eegais*], [*lfsa\_egaps*], [*lfsa\_pganws*] and [*lfsa\_igan*]. Data downloaded on 24 May 2021.

<sup>1</sup> Except where otherwise specified, the indicators presented in Section 1 of this report were computed by the ESPN Network Core Team on the basis of data coming from two data sources coordinated at the European level by the statistical office of the European Union (Eurostat: <https://ec.europa.eu/eurostat>): European Union Labour Force Survey (EU-LFS) and European Union Statistics on Income and Living Conditions (EU-SILC). These indicators were computed for all the 35 ESPN countries for which the data needed were available. All these ESPN countries' estimates are presented in Annex B of the following Synthesis Report: Dalila Ghailani, Stéphanie Coster, Ramón Peña-Casas and Pietro Regazzoni (2021), "Access to social protection for young people. An analysis of policies in 35 countries", European Social Policy Network (ESPN), Luxembourg: Publications Office of the European Union. This Synthesis Report can be downloaded [here](#).

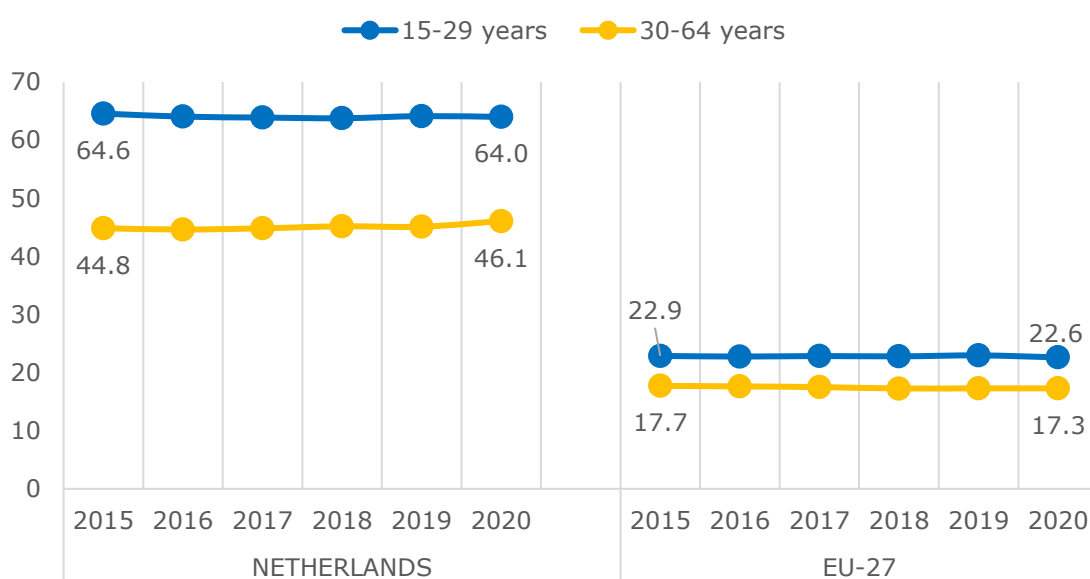
**Table 1b: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and the Netherlands, ratios 15-29/30-64)**

	NETHERLANDS						EU-27					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	0.89	0.88	0.88	0.89	0.89	0.87	0.63	0.63	0.64	0.64	0.64	0.62
Paid employment**	1.15	1.15	1.15	1.15	1.15	1.16	1.11	1.11	1.10	1.10	1.10	1.10
Self-employment**	0.35	0.36	0.34	0.35	0.34	0.33	0.36	0.36	0.36	0.36	0.36	0.38
Contributing family work**	0.61	0.65	0.58	0.58	0.63	0.80	1.21	1.20	1.21	1.24	1.24	1.20
UNEMPLOYMENT***	1.55	1.68	1.75	1.77	2.07	2.63	2.04	2.06	2.06	2.09	2.10	2.29
INACTIVITY****	1.34	1.37	1.39	1.41	1.38	1.45	2.07	2.11	2.16	2.20	2.24	2.29

Notes: To obtain the ratio of 15-29 to 30-64, the 15-29 percentage is divided by the 30-64 percentage: a value below (above) 1 in a given activity status therefore means that 15-29-year-olds are proportionally less (more) numerous in that activity status than 30-64-year-olds. See also Notes to Table 1a above.

Reading note: In 2020, in the Netherlands, 70.2% of people aged between 15 and 29 were in employment compared to 80.9% of those aged 30-64 (see Table 1a) – i.e. a 15-29:30-64 ratio of 0.87. In the EU-27 as a whole (see table 1a), these figures were 46.1 and 74.9% respectively (ratio 0.62).

Source: See Table 1a.

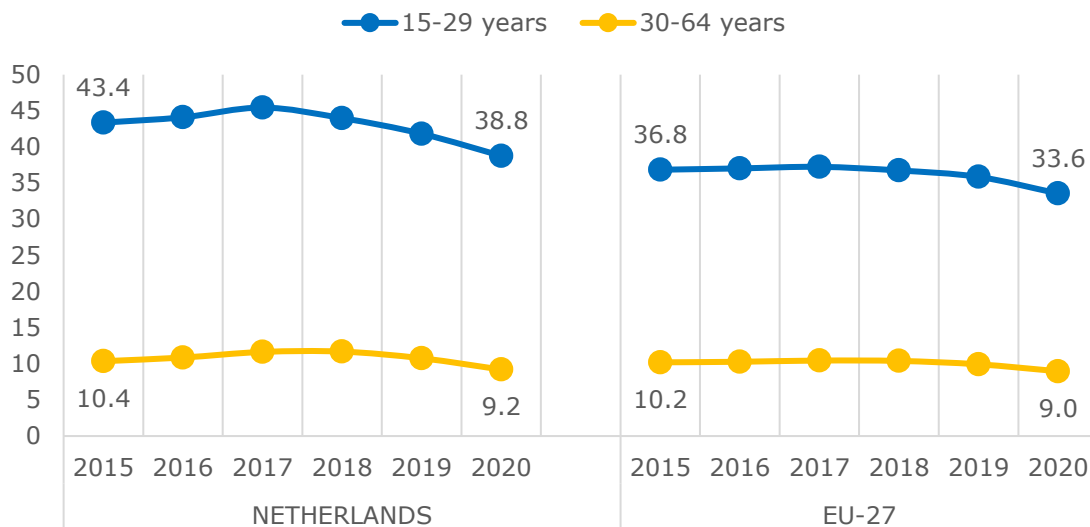
**Figure 1: Part-time employment as a share of the population in employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and the Netherlands, %)**

Reading note: In 2020, in the Netherlands, the share of part-time employment in total employment was 64.0% for the 15-29 age group and 46.1% for the 30-64 age group. For the EU-27 as a whole, these shares were 22.6% and 17.3%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicator [lfsa\_epgn62]. Data downloaded on 24 May 2021.



**Figure 2: Temporary employment as a share of population in paid employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and the Netherlands, %)**

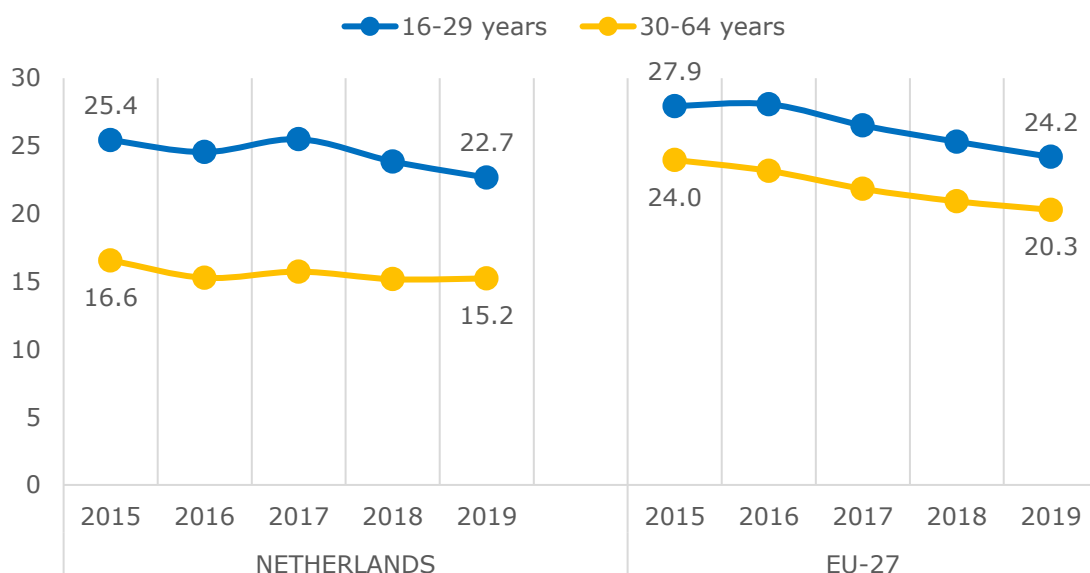


Reading note: In 2020, in the Netherlands, the share of temporary workers among employees was 38.8% for the 15-29 age group and 9.2% for the 30-64 age group. For the EU-27 as a whole, these shares were 33.6% and 9.0%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicators [Ifsa\_epgn62] and [Ifsa\_egaps]. Data downloaded on 24 May 2021.

## 1.2 Young people (aged 15–29) at risk of poverty or social exclusion

**Figure 3: People at risk of poverty or social exclusion - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and the Netherlands, %)**

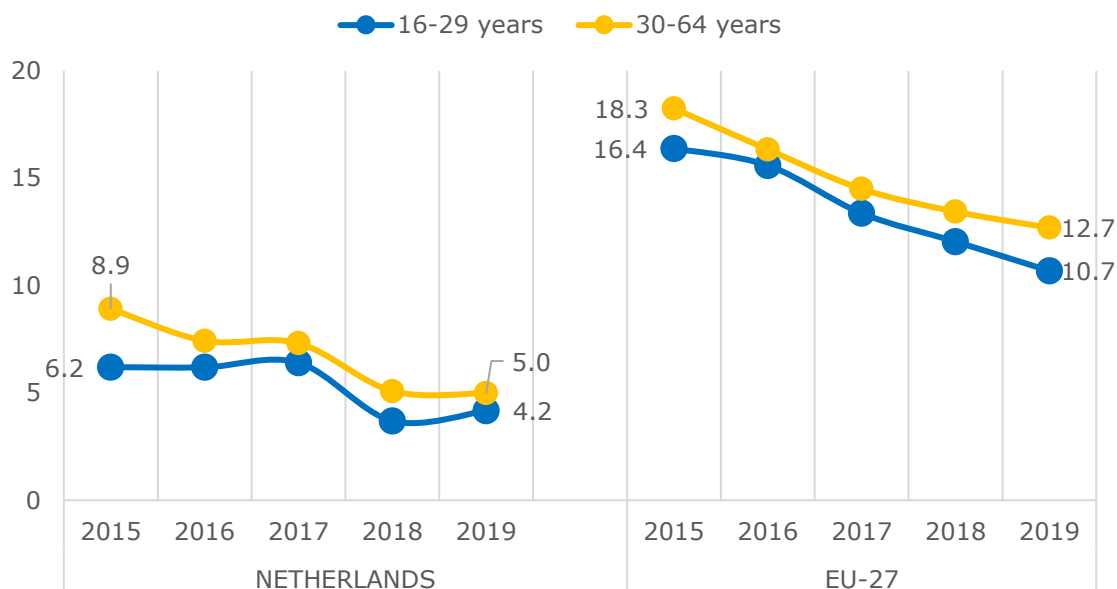


Reading note: In 2019, in the Netherlands, 22.7% of the 16-29 age group were at risk of poverty or social exclusion (i.e. they were living in a household that was at risk of poverty and/or severely materially and socially deprived and/or (quasi-)jobless according to the EU definition of these indicators) compared to 15.2% of the 30-64 age group. For the EU-27 as a whole, these figures were 24.2% and 20.3%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc\_peps02]. Data downloaded on 24 May 2021.

### 1.3 Young people (aged 15–29) materially and socially deprived

**Figure 4: People materially and socially deprived - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and the Netherlands, %)**

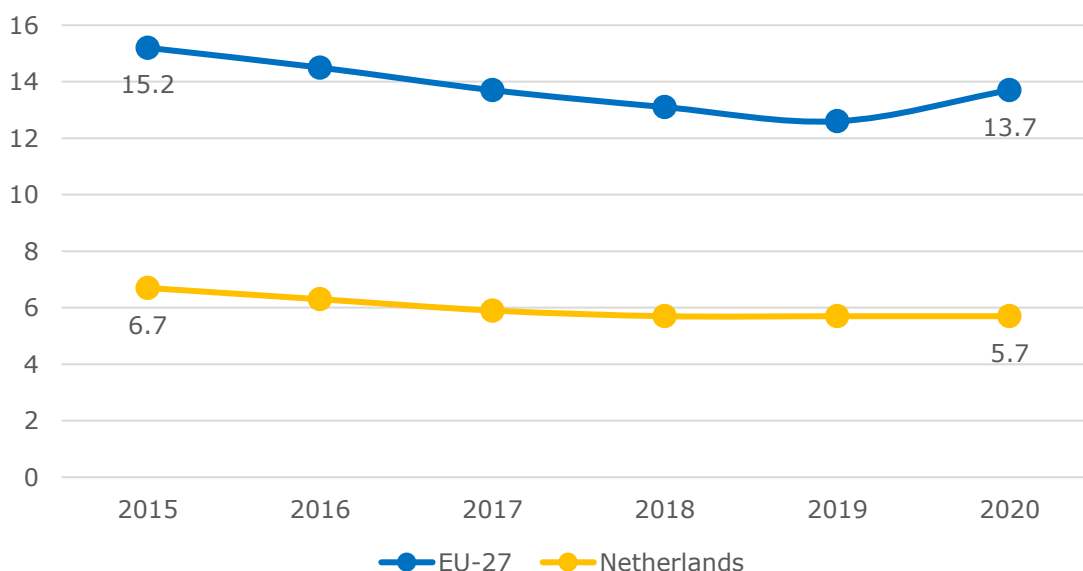


Reading note: In 2019, in the Netherlands, 4.2% of the 16-29 age group were materially and socially deprived (according to the EU definition of this indicator) compared to 5.0% of the 30-64 age group. For the EU-27 as a whole, these figures were 10.7% and 12.7%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc\_mdsc]. Data downloaded on 24 May 2021.

### 1.4 Young people (aged 15–29) neither in employment nor in education or training (NEETs)

**Figure 5: People aged 15-29 neither in employment nor in education or training (NEETs) (2015-2020, EU-27 and the Netherlands, %)**

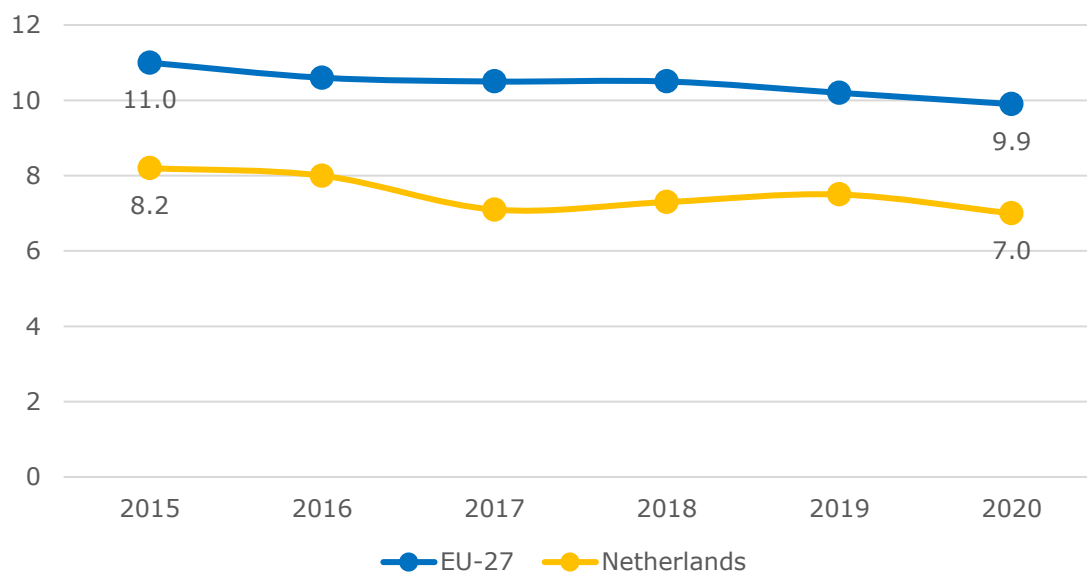


Reading note: In 2020, in the Netherlands, 5.7% of the 15-29 age group were neither in employment nor in education or training (NEET) compared to 13.7 for the EU-27 as a whole.

Source: Eurostat, LFS - indicator [lfse\_20]. Data downloaded on 24 May 2021.

## 1.5 Early leavers (aged 18–24) from education and training

**Figure 6: Early leavers from education and training for the 18-24 age group (2015-2020, EU-27 and the Netherlands, %)**

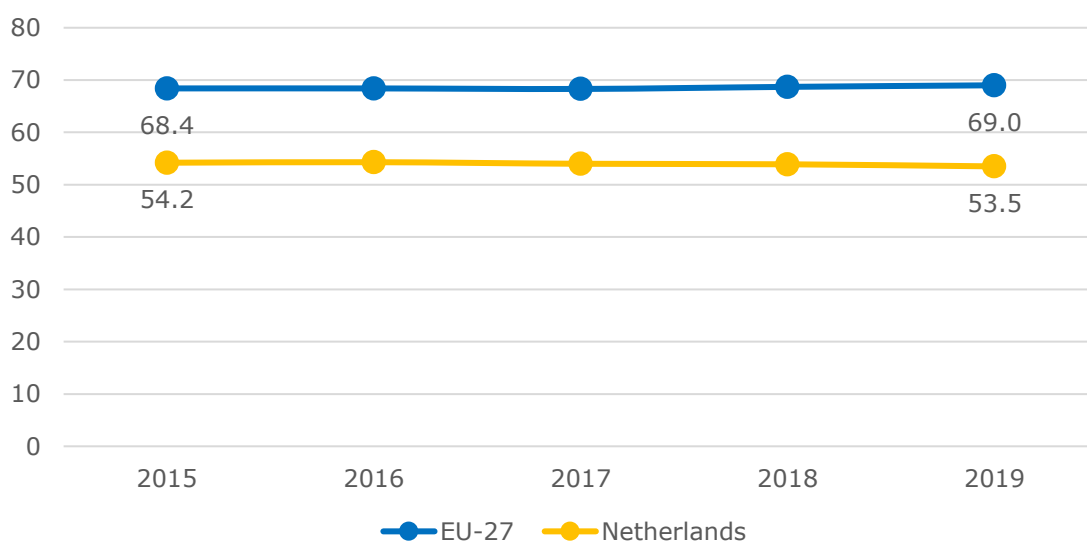


*Reading note: In 2020, in the Netherlands, 7.0% of the 18-24 age group were early leavers from education and training – i.e. they had completed, at most, lower secondary education and were not in further education or training. For the EU-27 as a whole, this figure was 9.9%.*

*Source: Eurostat, LFS - indicator [edat\_ifse\_14]. Data downloaded on 24 May 2021.*

## 1.6 Young people (aged 16–29) living with their parents

**Figure 7: Young people aged 16-29 living with their parents (2015-2019, EU-27 and the Netherlands, %)**



*Reading note: In 2019, in Netherlands, 53.5% of the 16-29 age group were living with their parents, compared to 69.0% for the EU-27 as a whole.*

*Source: EU-SILC - indicator [ilc\_lvps08]. Data downloaded on 24 May 2021.*

## 2 ACCESS TO UNEMPLOYMENT BENEFITS

The first of the two main pillars of support to unemployed people consists of unemployment benefits, based on an insurance scheme and administered by the Employee Insurance Agency (UWV), under the Unemployment Insurance Act (*Werkloosheidswet*, WW). The WW insures employees against the financial consequences of unemployment. The loss of income may be temporarily cushioned by a WW benefit. The UWV is responsible for implementing the employee insurance scheme, as well as activation services for people receiving unemployment benefits.

### 2.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in The Netherlands as far as young people are concerned are the following.

#### a) Age

There is no explicitly stated minimum age to gain access to WW benefits.

#### b) Activity status requirement

*Young people in employment* and the *young unemployed people* have access to WW benefits if they:

1. are insured under the WW;
2. lose at least five working hours per week (or at least half their working hours if they worked less than 10 hours a week);
3. have no further right to receive pay for the lost working hours;
4. are available to start work;
5. fulfil the “weeks requirement”, which means they must have been in paid employment for at least 26 of the 36 weeks preceding the first day of unemployment;
6. are not voluntarily unemployed; and
7. register as a job-seeker at the UWV in time.

Given criterion 7, young *economically inactive* people do not have access to WW benefits, as searching for a job is a form of economic activity. The self-employed are not covered either under the WW and cannot opt to insure themselves voluntarily.

Flex-workers, part-time workers and temporary agency workers are all covered by the WW, as long as they meet the criteria mentioned above. Trainees and apprentices are not insured for the WW.

#### c) Contributory history required to access the scheme

As mentioned under Section 2.1.b, the unemployed must fulfil the weeks requirement to gain access to WW benefits. This means they must have been in paid employment for at least 26 of the 36 weeks preceding the first day of unemployment.

This rule is the same for people in the 15-29 age group as for older age groups.

#### d) Waiting period

There is no waiting period in place for WW benefits.

When an employer wants to lay off a worker who has a permanent contract, they have to wait a certain notice period (*opzegtermijn*) before the contract can be terminated. During this notice period, the worker is still employed and still receives pay; hence they do not yet receive WW benefits during this period. The length of this notice period depends on the number of years the employee has been in paid employment. If this number of years is less than five, the notice period is one month. For 5-10 years, the notice period is two months; for 10-15 years it is three months; and for 15 years or more it is four months.

For people who work under a temporary contract, their employment can be terminated when the contract expires.

The unemployed must apply for WW benefits between one week before and one week after the first day of unemployment. The UWV takes up to four weeks to decide whether an unemployed person is eligible for WW benefits.

These rules are the same for people in the 15-29 age group as for older age groups.

#### **e) Replacement rate/benefit level**

The WW benefit level depends on the most recently earned daily pay. For the first two months, 75% of the most recently earned daily pay is paid. From the third month onward, this is lowered to 70%.

The calculation of the WW benefit level for people aged 15-29 is the same as that which applies to older groups.

Employers and trade unions can agree to provide supplementary unemployment benefits as part of their collective agreements. These can be used to extend the maximum duration, and/or to increase the replacement rate / benefit level. This is the case in, for instance, the education sector and the government sector.

#### **f) Duration**

The duration of WW benefits depends on the number of years a person has been in paid employment prior to becoming unemployed (*arbeidsverleden*, employment history). The duration of the WW benefit varies from a minimum of three months to a maximum of 24 months.

The calculation of the duration of WW benefits for people aged 15-29 is the same as that which applies to older groups.

As mentioned under (e), employers and trade unions can agree to provide supplementary unemployment benefits as part of their collective agreements, which can also be used to extend the maximum duration.

## **2.2 Gaps/obstacles in access for young people**

The main gaps and obstacles in access for young people identified for this scheme in The Netherlands are the following.

### **a) Main gaps in access for young people**

*Not specific to the 15-29 age group*

- Due to their specific status, self-employed people are unable to be covered by unemployment insurance. This concerned 6.2% of young people in 2020, which was (much) lower than among those aged 30-64 (see Section 1).

*Specific to the 15-29 age group*

- Legally speaking there are no gaps in access specifically for young people, but in practice there are obstacles that may affect them disproportionately compared with other age groups. These are mentioned in (b) below.

### **b) Main obstacles in access for young people**

*Not specific to the 15-29 age group*

- The level of WW benefits depends on the most recently earned daily pay. Due to the statutory minimum wage being lower for younger people,<sup>2</sup> younger people's daily pay and thus their WW level is more likely to be lower.
- The duration of WW benefits depends on people's employment history. Since younger people are more likely to have a shorter employment history, the duration of their WW benefits is more likely to be less. Moreover, they may not be entitled at all, as a result of not meeting the weeks requirement.
- Access to WW benefits depends on being able to fulfil the weeks requirement. A higher percentage of young people (38.8%) work under flexible contracts than people aged 30-64 (9.2%) (see Section 1). Therefore, their likelihood of not being able to fulfil the weeks requirement will be higher.

*Specific to the 15-29 age group*

- There are no obstacles in access specifically for young people.

### 3 ACCESS TO SICKNESS AND HEALTHCARE BENEFITS

#### 3.1 Sickness benefits

The sickness benefits system has three main characteristics. The first is the obligation of employers to continue payment of the salary in case of employee sickness for a period of two years.<sup>3</sup>

Second, sick workers who do not have an employer are entitled to the protection of the Sickness Benefits Act (*Ziektewet*, ZW). This includes workers with fixed-term contracts, agency workers or unemployed workers who become sick. They are referred to as *vangnetters* (people who make use of the safety net).

Third, after two years of sickness (either receiving continued payment of salary, or a ZW benefit), a medical examination is carried out to determine whether a person is eligible for a benefit based on their work and income according to the Labour Capacity Act (*Wet Werk en Inkomen naar Arbeidsvermogen*, WIA).<sup>4</sup>

##### 3.1.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in The Netherlands as far as young people are concerned are the following.

##### a) Age

Sickness benefits such as those under the ZW and the WIA<sup>5</sup> provide income support to people aged 18 or over who are completely or partially unable to work due to sickness. For

<sup>2</sup> <https://www.government.nl/topics/minimum-wage/amount-of-the-hourly-minimum-wage>

<sup>3</sup> The Wulbz (operative since 1996) implied a continuation of salary payments for one year, extended to two years as from 2004 (Law on Wage Payment during Two Years; *Wet verlenging loondoorbetalingsverplichting bij ziekte*, VLZ).

<sup>4</sup> The Resumption of Work for Partially Disabled Persons Scheme (*Werkhervatting Gedeeltelijk Arbeidsgeschikten*, WGA) or the Income Provision (Fully Disabled Workers) Regulation (*Inkomensvoorziening Volledig Arbeidsongeschikten*, IVA). The WGA provides incapacity benefits to those who have a work incapacity of 35% or more, or temporarily have a work incapacity of 80% or more. The IVA applies only to those who (structurally) have a work incapacity of 80% or more.

<sup>5</sup> The WGA or the IVA.

people with disabilities (diagnosed as such at age 18) the Disablement Assistance Act for Young Persons with Disabilities (*Wet werk en arbeidsondersteuning Jonggehandicapten*, Wajong) provides income support and reintegration services.

### **b) Activity status requirement**

Regarding sickness benefits, there are different regimes for different types of workers, as follows.

- For (young) people in employment: In cases of sickness, employers continue to pay salaries for up to two years.<sup>6</sup> After that, employment contracts can be terminated and sick workers are covered by the WIA. This generally does not apply to trainees and apprentices, unless they receive a normal wage.
- For young unemployed people: Sick people in employment who do not (or no longer) have an employer are entitled to protection under the ZW. This includes workers with fixed-term contracts, agency workers or unemployed workers who become sick, but excludes self-employed people. The ZW also applies to trainees and apprentices.
- For young economically inactive people: People who have been fully incapacitated from work since they were 18 receive a Wajong benefit. There are no requirements regarding their activity status, and the Wajong also applies to trainees and apprentices. If the situation of Wajong beneficiaries remains unchanged, they remain entitled until they reach the statutory retirement age, at which they become entitled to a General Old Age Pensions Act (*Algemene Ouderdomswet*, AOW) benefit. Young people who are partially disabled but can still work some hours are excluded from the Wajong, but they can apply for a Participation Act benefit (for more information; see Section 5 on guaranteed minimum income schemes). This also applies to other economically inactive (young) people who suffer from sickness sometime during their adult life, for which no specific income support scheme exists.

### **c) Contributory history required to access the scheme**

The ZW is based on a compulsory insurance system; all employers pay a compulsory monthly premium on behalf of their employees. In order to receive a ZW benefit, a person must have worked at some point. This also applies to the WIA. Hence, recent graduates are not covered by this scheme. If they become sick, they can apply for a Participation Act benefit (see Section 5).

From 2015 onwards, access to the Wajong has been limited to people who are not able to work. Young people with disabilities who are capable of working but need support fall under the Participation Act and receive a social assistance benefit rather than a Wajong benefit.

### **d) Waiting period**

People who are sick and would like to receive a ZW benefit must notify their employer or the UWV at the latest on the second day of being ill. Where a WIA benefit is needed, the application needs to be sent at the latest on the 93rd week of being sick. The UWV takes up to four weeks to decide whether applicants are eligible. This rule is the same for people in the 15-29 age group as for older age groups. A Wajong can be applied for at age 18; the UWV takes up to 14 weeks to decide whether applicants are eligible.

### **e) Replacement rate/benefit level**

The level of sickness benefits depends on the exact regime under which people fall.

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<sup>6</sup> The Wulbz.

- Sick people who are still in employment receive continued pay from their employers, of at least 70% of their previous wage. However, most collective agreements have increased this to 100% during the first year, and 70% during the second year.
- The WIA benefit for sick people who are unable to work is generally 75% of the previous wage for the first two months, and 70% from the third month onward.
- The Wajong benefit level is subject to a maximum of 75% of the minimum wage.
- The ZW benefit level is usually 70% of the previous income.

#### **f) Duration**

Sick people in employment who have an employer receive continued payment of their salaries for up to two years.

Sick people who are unemployed receive a ZW benefit for up to two years.

After two years of sickness (receiving either continued payment of salary or a ZW benefit), a medical examination is carried out to determine whether people are eligible for a WIA benefit. People who are more than 35% incapacitated from work can receive a WIA benefit.

Wajong benefits have no maximum duration. Entitlement to Wajong benefits ends when people again become able to work.

### **3.1.2 Gaps/obstacles in access for young people**

The main gaps and obstacles in access for young people identified for this scheme in The Netherlands are the following.

#### **a) Main gaps in access for young people**

*Not specific to the 15-29 age group*

- People who have just finished their education and have not yet started working for an employer are not covered by the WIA or ZW. If they become sick during their job-search period, they can only apply for a Participation Act benefit. Although this is not entirely specific to young people aged 15-29 and could also apply to older people, most recent graduates are young people.
- People who have temporary employment contracts and become sick only receive continued pay from their employer for the duration of the temporary contract. After that, they are dependent on a ZW benefit, which is generally lower. A higher percentage of young people (38.8%) work on temporary contracts than people aged 30-64 (9.2%) (see Section 1).

#### **b) Main obstacles in access for young people**

*Not specific to the 15-29 age group*

- None

*Specific to the 15-29 age group*

- Younger self-employed workers (aged 15-24) are less often insured against sickness than those aged 25-44 and 45-65.<sup>7</sup> This may be the result of them having lower earnings on average, making it more difficult for them to afford private insurance against the incapacity to work. These insurance policies are generally quite costly.

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<sup>7</sup> <https://www.cbs.nl/nl-nl/nieuws/2018/21/minder-zzp-ers-verzekerd-tegen-arbeidsongeschiktheid>



## 3.2 Healthcare benefits

The Dutch healthcare system combines public financing with private provision. All residents are required to purchase a basic health insurance policy covering family medicine, maternity care, pharmaceuticals, and hospital care. There is open enrolment, and individuals may switch to another insurer at the end of each year. Insured people can apply for a healthcare allowance under the Healthcare Allowance Act (*Wet op de zorgtoeslag*) to compensate for the costs of the nominal premium. Entitlement depends on a person's aggregate income. The government pays the health insurance costs of children under 18, as children are insured via their parents.

### 3.2.1 Eligibility conditions and benefit entitlements

#### a) Age

All residents aged 18 or over are required to purchase a basic health insurance policy, and eligibility for healthcare allowance depends only on a person's aggregate income and not their age. Children under 18 are insured via their parents, free of charge.

#### b) Activity status requirement

All citizens, including *young people in employment, young unemployed people and young economically inactive people* aged 18 or over are subject to mandatory healthcare insurance. Their entitlement to a healthcare allowance is not dependent on their activity status, but rather on their income level. People in the lowest income bracket receive a monthly allowance that is enough to cover health insurance fully – see (e).

#### c) Contributory history required to access the scheme

Having health insurance requires making monthly payments. People without health insurance are not covered for their health expenses. However, the number of people without health insurance in The Netherlands is very low, at 24,870 people, or less than 0.2% of the adult population in 2019.<sup>8</sup> People who are uninsured are notified by the *Centraal Administratie Kantoor* (CAK) and urged to insure themselves. People who don't comply can be fined twice upwards of €400, and after nine months the CAK takes out insurance on behalf of the person and collects the premium by seizing it from their wages or benefits.

Access to the healthcare allowance does not require the payment of any contributions; hence no contributory history is required to receive it.

#### d) Waiting period

There is no waiting period in place for people who need healthcare. There is a legally mandated annual co-payment (*eigen risico*) per adult of €385, which means that insured people pay the first €385 of the cost of all services subject to the co-payment. This does not include care given by GPs.

There is no waiting period applicable to the health allowance. All eligible applicants receive it straight away.

#### e) Replacement rate/benefit level

The level of the healthcare allowance depends on income level, and not on age. The allowance level varies from €107 per month (for people with incomes up to €21,500 annually) down to €3 per month (for people with incomes up to €31,000). The maximum allowance is sufficient to cover basic health insurance. People with incomes above €31,000

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<sup>8</sup> <https://www.zorgwijzer.nl/faq/cijfers-zorgverzekering>

are not entitled to the healthcare allowance. People with more than €114,776 in capital are also not eligible.

#### **f) Duration**

The healthcare allowance has no maximum duration. As long as people's income falls below a certain threshold and they are eligible, they receive the allowance.

### **3.2.2 Gaps/obstacles in access for young people**

#### **a) Main gaps in access for young people**

The obligatory health insurance premium that must be paid annually or monthly is not income-dependent or age-dependent. Healthcare allowances are only income-dependent, and not age-dependent.

#### **b) Main obstacles in access for young people**

*Not specific to the 15-29 age group (general gaps)*

- Out-of-pocket payments for healthcare costs are considerable, and have increased in recent years. The legally mandated annual co-payment per adult is €385, which means that insured people pay the first €385 of the cost of all services subject to the co-payment. This co-payment, together with rising healthcare costs may affect low-income households disproportionately, because they pay a larger share of their income to the healthcare system. The low-income households also more often report unmet medical needs than households with more income.
- Healthcare allowances are tapered, meaning that the level of benefit falls as income increases. People with incomes above €31,000 no longer receive the allowance. However, if the person's income changes during the year, it is their duty to inform the tax authorities so they can adjust the allowance accordingly. Research shows that many people forget to do this, and are later required to repay the healthcare allowance that they wrongfully received. The healthcare allowance accounts for the vast majority of allowance repayments (Algemene Rekenkamer, 2019). The average repayment for healthcare allowance is €327, or 17% of the average monthly income of the people having to repay it. 8% of people who have to repay some type of allowance take more than two years to do so.

*Specific to the 15-29 age group*

- None.

## 4 ACCESS TO MATERNITY, PATERNITY AND PARENTAL CASH BENEFITS

There are several child-related schemes in The Netherlands: the General Child Benefit Act (*De Algemene Kinderbijslagwet, AKW*); the Child-related Budget Act (*Wet op het kindgebonden budget, WKB*),<sup>9</sup> childcare allowance (*Kinderopvangtoeslag*) and the combination tax deduction (*combinatiekorting*). The latter two are designed to promote labour participation;<sup>10</sup> and the former two are together designed to provide income support. None of these schemes is contributory.

Employees who give birth to a child have the right to six weeks of paid pregnancy leave (before birth) and 10 weeks of paid maternity leave (after birth). The employer is reimbursed by the UWV for wage costs during this period (*Wet arbeid en zorg, WAZO*). Self-employed women are entitled to 16 weeks of government-paid maternity leave in the case of pregnancy and delivery (WAZO).<sup>11</sup> During this period they receive a benefit (*Zelfstandig en Zwanger-regeling, ZEZ*) up to minimum wage level.<sup>12</sup> This is paid by the UWV.

Based on the Act on Additional Paternity Leave (*Wet Invoering Extra Geboorteverlof, WIEG*), partners have the right to five working days of paid paternity leave. They may take up to five additional weeks of leave, during which 70% of their usual salary is paid by the UWV.<sup>13</sup> Additionally, parents have the option to take up to 26 weeks of unpaid parental leave during the first eight years of their child's life, to help them combine work and family life. Sectors may make their own agreements on paying part of this parental leave. The government has announced that it plans to implement nine weeks of partially paid (50%) parental leave by 21 August 2022.<sup>14</sup>

### 4.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in The Netherlands as far as young people are concerned are the following.

#### a) Age

Age is not a criterion for most maternity, paternity and parental cash benefits.

#### b) Activity status requirement

There are no activity status requirements for receiving the aforementioned child benefit, child-related budget and childcare allowance. The combination tax deduction is only applicable to parents where both of them are working.

*Young people in employment* and *young unemployed people* have access to **maternity** benefits; this includes the self-employed. Non-standard workers are also entitled, such as

<sup>9</sup> In 2010, the child-related budget was extended to include an educational expenses allowance.

<sup>10</sup> Labour participation is also stimulated by the phase-out of the (not child-related) double tax credit for single-income households.

<sup>11</sup> <https://www.juridischloket.nl/werk/zwangerschap-en-werk/zwangerschapsverlof>

<sup>12</sup> To receive the maximum benefit (equal to the minimum wage), self-employed workers must have worked for at least 1,225 hours in self-employment in the calendar year before the pregnancy. Fewer hours worked lead to a lower benefit.

<sup>13</sup> <https://www.rijksoverheid.nl/onderwerpen/geboorteverlof-en-partnerverlof/geboorteverlof-voor-partners>

<sup>14</sup> Letter to Parliament from Minister and State Secretary of Social Affairs and Employment, 29 April 2020, entitled "Government response to study on part-time work".

people working part time and on temporary contracts, and temporary agency workers. Trainees or apprentices are only entitled if they receive a wage from their employer.

- Female employees who give birth to a child have the right to six weeks of paid pregnancy leave (before birth) and 10 weeks of paid maternity leave (after birth). They may also choose to take only five or (the minimum) four weeks of pregnancy leave, in which case the remaining weeks are added to the maternity leave period. Hence the total is always 16 weeks. The employer is reimbursed by the UWV for the WAZO.
- Self-employed women are entitled to 16 weeks of government-paid maternity leave in the case of pregnancy and delivery (WAZO).<sup>15</sup> During this period they receive a ZEZ benefit up to minimum wage level.<sup>16</sup> This is paid by the UWV. Fewer young women (4.7%) are self-employed than young men (7.7%), and fewer young people in general are self-employed than people aged 30-64 (18.6%) (see Section 1).
- Women who receive WW, ZW or WGA benefits are entitled to 16 weeks of government-paid maternity leave.

*Young people in employment* have access to **paternity** benefits; this does not include the self-employed, but it does include trainees/apprentices if they receive a wage.

- The possibilities for paternity leave have traditionally been limited in The Netherlands compared with other countries. Up until 2018, partners were only entitled to two days of paid leave following the birth of a child. As of January 2019, with the enactment of the WIEG, this was expanded to five working days. Since 1 July 2020, partners have been entitled to five additional weeks of leave, during which 70% of their usual salary is paid by the UWV.<sup>17</sup>

### **c) Contributory history required to access the scheme**

No contributory history is required for the aforementioned benefits.

This rule is the same for people in the 15-29 age group as for older age groups.

### **d) Waiting period**

Pregnant women must apply for maternity benefits at the latest three weeks before the maternity leave starts, which is at least seven weeks before the due date (if they decide to shorten their pregnancy leave to four weeks and extend the maternity leave to 12 weeks; see (b)). Future fathers must apply for paternity benefits at the latest four weeks before the start of the leave of absence. These rules are the same for people in the 15-29 age group as for older age groups.

### **e) Replacement rate/benefit level**

During paternity leave, fathers receive 70% of their usual salary, which is paid by the UWV.<sup>18</sup> Some employers top this up to 100%.

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<sup>15</sup> <https://www.juridischloket.nl/werk/zwangerschap-en-werk/zwangerschapsverlof>

<sup>16</sup> To receive the maximum benefit (equal to the minimum wage) self-employed workers must have worked for at least 1,225 hours in self-employment in the calendar year before the pregnancy. Fewer hours worked lead to a lower benefit.

<sup>17</sup> <https://www.rijksoverheid.nl/onderwerpen/geboorteverlof-en-partnerverlof/geboorteverlof-voor-partners>

<sup>18</sup> <https://www.rijksoverheid.nl/onderwerpen/geboorteverlof-en-partnerverlof/geboorteverlof-voor-partners>

## f) Duration

Maternity leave lasts 16 weeks, and paternity leave lasts five days (with optionally an additional five weeks at 70% of salary).

## 4.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in The Netherlands are the following.

### a) Main gaps in access for young people

*Not specific to the 15-29 age group (general gaps)*

- The self-employed are not covered for paternity leave. This concerns 7.7% of young men in The Netherlands (see Section 1). People whose temporary employment contract is ended during their parental leave receive no further benefits.<sup>19</sup>

*Specific to the 15-29 age group*

- The aforementioned issue is likely to affect young people more than people aged over 29, because younger people are strongly over-represented among people working under flexible contracts.<sup>20</sup> A higher percentage of young people work under temporary contracts (38.8%) than people aged 30-64 (9.2%) (see Section 1). Hence, they more often risk facing a termination of their contract during their parental leave. Research indicates that the flexibilisation of the labour market has contributed to young people postponing the decision to have children.<sup>21</sup>

### b) Main obstacles in access for young people

*Not specific to the 15-29 age group (general gaps)*

- Although the recent extension of paternity leave has been very welcome, critics have argued that the benefit level of 70% is not sufficient for young parents to maintain their standard of living, especially since newborn children carry high costs. This is especially true for lower-income households. An alternative approach would be to cover 100% of salaries up to a (modest) level, so that low-income households would be more likely to use the extended paternity leave.<sup>22</sup>

*Specific to the 15-29 age group*

- The aforementioned issue is likely to affect young people more than people aged over 29, because younger people generally have lower incomes.

## 5 GUARANTEED MINIMUM INCOME SCHEMES

The Participation Act serves as the Dutch safety net and is means-tested. It provides a minimum income to anyone legally residing in The Netherlands who has insufficient means to cover the basic costs of living. The benefit bridges the period until someone finds a job again. Municipalities are responsible for providing the benefit and activation services for people on social assistance benefit, as well as for people who are not entitled to any benefits. Municipalities help people to look for work or training.

<sup>19</sup> <https://www.uvw.nl/particulieren/overige-onderwerpen/aanvullend-geboorteverlof-voor-partners/alles-over-aanvullend-geboorteverlof/index.aspx>

<sup>20</sup> <https://www.cbs.nl/nl-nl/nieuws/2019/07/aantal-flexwerkers-in-15-jaar-met-drie-kwart-gegroeid>

<sup>21</sup> <https://www.cbs.nl/nl-nl/longread/statistische-trends/2020/minder-geboorten-door-studie-en-flexwerk-?>

<sup>22</sup> <https://www.volkskrant.nl/columns-opinie/geboorteverlof-ook-voor-lagere-inkomens~baeb6eed/#:~:text=De%20uitbreiding%20van%20het%20geboorteverlof,kind%20juist%20erg%20duur%20is>

## 5.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in The Netherlands as far as young people are concerned are the following.

### a) Age

The Participation Act grants a minimum income to people aged 18 and over legally residing in The Netherlands who have insufficient means to support themselves. The Participation Act applies national standards to people aged 18-20, 21 up to statutory retirement age (currently 66 years and four months) and persons over the retirement age.

### b) Activity status requirement

*Young people in employment, young unemployed people and young economically active people*, but also the self-employed and non-standard workers, all have access to the Participation Act, provided that they are at least 18 and have insufficient means to support themselves.

### c) Other eligibility conditions

Other eligibility conditions include the following.

- The benefit is means-tested. Claimants who have savings above a certain threshold level are not eligible. This threshold depends on the household composition (€6,295 for single adults, €12,590 for single parents and adult couples).
- People aged 18-27 who can participate in education, and thus are eligible for a student grant, are not entitled to receive social assistance benefits. In other words, if they are able to study, they have to. People who participate in unpaid traineeships or apprenticeships, and who apply for social assistance benefits, may be required by their municipality to terminate them and look for paid work.
- Recipients of social assistance (including their partners) have to meet a number of conditions. They have to be available for work, actively look for work and accept work if it is offered to them. They may be required to perform some type of voluntary work in exchange for their benefits, and may be required to prove that they have acceptable language skills or have made sufficient efforts to acquire them. Recipients also have to provide municipalities with correct and up-to-date information (for example, regarding changes in co-habitation or income from work). If claimants refuse to co-operate in these efforts, the municipal social security administration will reduce the benefits or stop them entirely.

### d) Benefit level

A distinction is made between couples (married, registered or co-habiting) and single people/parents (caring for one or more children under 18), and each group has a separate standard amount. For the group aged 21-65 the amount of social assistance benefits is related to the minimum wage (70% of minimum wage for a single person) so the gap is sufficient to incentivise working. As of 1 January 2021, the gross minimum wage per month for people aged 21 and over was €1,684.80 per month, and the social assistance benefit for a single person was €1,075.44.<sup>23</sup> Young people under 21 receive lower social assistance benefits. The reasoning behind this is that their parents have a legal obligation to support their child(ren) financially. This is also reflected in, for instance, child maintenance (*kinderalimentatie*), which divorced parents have to pay for children until they are 21. The

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<sup>23</sup> This includes yearly holiday pay, which equals 8%.

<https://www.rijksoverheid.nl/onderwerpen/bijstand/documenten/publicaties/2020/12/18/uitkeringsbedragen-per-1-januari-2021>

social assistance level for young people aged 18-20 is €265.49 per month. Access to complementary benefits (*Bijzondere Bijstand*) for young people is possible when:

- parents have insufficient means to support themselves;
- parents are no longer alive; or
- the relationship with parents is fractured or non-existent.

Social assistance benefits complement other sources of income. If, for example, a person receives (or is entitled to receive) child maintenance, benefits/income from paid work or a student allowance, the benefit supplements this up to the applicable assistance level.

Social assistance benefits are awarded to people on a household basis. The level of benefits a household receives depends on the number of adults (who can share the costs) and is not related to the number of children (this is compensated for by the general child-related budget). The benefit levels for people on social assistance who share the cost of living with other adults (aged 21-65) are lower (the *kostendelersnorm*). The more co-habitants (independent of their source or level of income) there are, the lower the standard level of benefit is. Single parents receive an extra allowance (*alleenstaande-ouderkop*) on a monthly basis through the tax authorities (*Belastingdienst*).

### e) Distinctions between different groups of young people

As mentioned under (d), the benefit level varies between married/registered/co-habiting couples and single people/parents. This is true both for people aged 21 and over and people under 21. Additionally, for young people under 21, the benefit level is increased if they have children. Also, young people under 21 who recently quit their studies (for which they received a student grant) early and then apply for social assistance may receive a lower benefit temporarily. This is up to municipalities to decide.<sup>24</sup>

## 5.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in The Netherlands are the following.

### a) Main gaps in access for young people

*Not specific to the 15-29 age group*

- There are no gaps in access for young people that are not specific to the 15-29 age group.

*Specific to the 15-29 age group*

- People aged 15-17 are never individually entitled to social assistance under the Participation Act.
- As mentioned under Section 5.1.d, social assistance for someone aged 18-20 is (much) lower than for someone aged 21 or over. Access to complementary benefits is possible only if one of the specified conditions is met.
- As mentioned under Section 5.1.c, people aged 18-27 who can participate in education, and thus are eligible for a student grant, are not entitled to receive social assistance benefits. However, study grants are a loan, which means that these young people will incur student debt in order to sustain their livelihoods.
- During the first four weeks after applying for a Participation Act benefit, claimants under 27 are required to look for work on their own and are not yet entitled to social

<sup>24</sup> <https://www.rijksoverheid.nl/onderwerpen/bijstand/vraag-en-antwoord/welke-regels-gelden-er-voor-de-bijstand-voor-jongeren>

benefits. However, in the face of the COVID-crisis, the government has made it possible for municipalities to deviate from this rule.

## **b) Main obstacles in access for young people**

*Not specific to the 15-29 age group*

- As mentioned under Section 5.1.d, people on social assistance who share the cost of living with other adults receive lower benefits (*kostendelersnorm*). This means that benefit recipients who co-habit with their adult children receive a lower benefit from the moment their children turn 21. Research indicates that this may lead parents on social assistance to urge their adult children to leave the home. Data show that since the implementation of the *kostendelersnorm* in 2015, young people living in households on social assistance tend to leave the household more frequently around their 21<sup>st</sup> birthday (Blom et al., 2020). By contrast, young people living in households that do not receive social assistance tend to live with their parents progressively longer, as a result of increased housing costs and the abolition of the government study grant.<sup>25</sup> The *kostendelersnorm* may also make parents more reluctant to let their adult children live with them temporarily during times of crisis (for instance in cases of divorce, pregnancy, and domestic violence) (Blom et al., 2020).<sup>26</sup>

*Specific to the 15-29 age group*

- There are no (other) obstacles in access specifically for young people.

## **6 HOUSING BENEFITS**

People with low incomes and who live in a rental property can apply for rent allowance under certain conditions (see Section 6.1). This covers part of their housing expenses.

### **6.1 Eligibility conditions and benefit entitlements**

The main eligibility conditions and benefit entitlements that apply to the scheme in The Netherlands as far as young people are concerned are the following.

#### **a) Age**

People aged 18 or over can apply for housing benefits (rent allowance) if they meet the criteria. The most important criteria are:

- the rent must be under a certain threshold (the *liberalisatiegrens*, which is €752.33 in 2021); and
- their income must be under a certain limit, dependent on their rent, age and household composition.

#### **b) Activity status requirement**

*Young people in employment, young unemployed people and young economically inactive people* all have access to the rent allowance if they meet the aforementioned eligibility conditions.

<sup>25</sup> <https://www.cbs.nl/nl-nl/nieuws/2019/06/studerende-en-werkende-jongeren-gaan-later-uit-huis>

<sup>26</sup> <https://www.movisie.nl/artikel/jongvolwassenen-kostendelersnorm-participatiewet-0>



### c) Other eligibility conditions

There are conditions related to age, type of residence, nationality, income and financial capital of resident and co-residents; but these are not different for young people compared with other people.

### d) Benefit level

The benefit level depends on the amount of the rent, the income and financial capital of applicants, and the presence of co-residents. This is not age-specific.

### e) Distinctions between different groups of young people

No distinctions are made between different groups of young people.

## 6.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in The Netherlands are the following.

### a) Main gaps in access for young people

*Not specific to the 15-29 age group (general gaps)*

- When the criteria for the benefits change and more people qualify for them, the Dutch tax authorities should inform people about these changes. This has not been the case for the rent allowance, which changed with effect from 1 January 2021: since then, the benefit has not stopped immediately when a certain income threshold is reached, but instead is tapered (higher incomes receive lower amounts). No information about this change is provided on the website of the tax authorities, which limits the take-up rate of the rent allowance among people who have now become eligible to receive it.<sup>27</sup>

### b) Main obstacles in access for young people

*Not specific to the 15-29 age group (general obstacles)*

- Benefits that require active applications are difficult for people with lesser cognitive capacities.<sup>28</sup> This limits the take-up of these benefits.
- There is currently a housing crisis in The Netherlands, meaning that there is a vast shortage in the housing supply (especially in cities) and that rent levels are increasing rapidly. At the same time, wages have hardly increased. This has made housing unaffordable for a lot of people. Social housing is affordable, with rents not exceeding the *liberalisatiegrens* of €752.33 per month. However, there are long waiting lists for social housing, often exceeding 10 years. People can only register for social housing starting at age 18, which means that young people generally do not have access to social housing until at least their late 20s.
- The condition for the rent allowance is that the rent should be below the *liberalisatiegrens*. This is true for all social housing, and only a small part of privately owned rental properties. In other words, in order to benefit from the rent allowance, people need to obtain social housing in the face of long waiting lists.

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<sup>27</sup> <https://www.consumentenbond.nl/nieuws/2021/consumenten-lopen-veel-geld-mis-door-gebrekkige-informatie-over-toeslagen>

<sup>28</sup> <https://www.cpb.nl/sites/default/files/omnidownload/CPB-Achtergronddocument-nov2019-Gebruik-van-toeslagen-in-Nederland.pdf>

## 7 REFORMS, NATIONAL DEBATES AND RECOMMENDATIONS

### 7.1 Reforms implemented since 2015

In 2015 the Participation Act was enacted in The Netherlands. Its purpose is to help as many people as possible to find employment, including those with little capacity to work. Another goal of the act is to minimise dependence on benefits. Before 2015 people with disabilities were covered by a whole plethora of different regulations, such as the *Wet werk en bijstand* (WWB), the *Wet sociale werkvoorziening* (WSW) and a part of the Wajong. The evaluation of the Participation Act shows that young people with disabilities, who used to be covered by the Wajong but now fall under the Participation Act, now more often find employment. However, their income situation has not improved and their employment situation is generally precarious. Another issue is that municipalities are not in contact with all young people with disabilities who are entitled to a Participation Act benefit and who need guidance in finding employment (SCP, 2019).

*Changes in access to social protection for young people resulting from the COVID-19 crisis*

As a consequence of the COVID-19 crisis, four temporary income-support measures have been put in place. These are not specific for young people, but they will also benefit from them to some extent. Here, these four measures are explained in brief.<sup>29</sup>

- NOW: *Noodmaatregel Overbrugging Werkgelegenheid* (Temporary emergency bridging measure for sustained employment). Employers with more than a 20% turnover loss (for three months in a row) because of the COVID-19 restrictions can apply for the NOW, to receive up to 90% compensation for their employees' gross wages, depending on the lost revenue and regardless of the amount of working hours.<sup>30</sup> Despite this measure, many young people lost their jobs because more of them (38.8%) have flexible and temporary contracts than people aged 30-64 (9.2%) (see Section 1). Their employers (who must still pay 100% of the wages and standing charges), chose to let these employees go or not renew their contracts.<sup>31</sup>
- TOZO: *Tijdelijke Overbruggingsregeling Zelfstandig Ondernemers* (temporary bridging measure for self-employed professionals). Self-employed professionals can apply for the TOZO,<sup>32</sup> which is administered by municipalities. The TOZO offers a temporary benefit to bridge a loss of income due to the COVID-19 pandemic, aimed at providing a minimum income. In addition, self-employed professionals can receive a loan of up to €10,157 with a 2% interest rate, to cover liquidity problems (only when turnover loss is due to COVID-19). The amount of the TOZO depends on age (people under 21 receive a lower benefit than people over 21) and family status.<sup>33</sup>

<sup>29</sup> For a more elaborate explanation of these measures, please see the ESPN Thematic Report: Social protection and inclusion policy responses to the COVID-19 crisis in The Netherlands (Molleman, 2021).

<sup>30</sup> Letter to Parliament from three ministers, dated 17 March 2020, entitled "Emergency measures jobs and economy". [Kamerbrief over noodpakket banen en economie](#)

<sup>31</sup> <https://www.nporadio1.nl/nieuws/binnenland/4131a371-39fd-4213-aa84-20dfedd55ad1/now-is-niet-bedacht-op-jongeren-en-flexwerkers>

<sup>32</sup> Letter to Parliament by State secretary dated 27 March 2020, entitled "Temporary bridging measure for self-employed professionals". [Kamerbrief Tijdelijke overbruggingsregeling zelfstandig ondernemers](#)

<sup>33</sup> <https://www.rijksoverheid.nl/onderwerpen/coronavirus-financiele-regelingen/overzicht-financiele-regelingen/tozo/hooqte>

- TOFA: *Tijdelijke Overbruggingsregeling voor Flexibele Arbeidskrachten* (temporary emergency bridging measure for flex-workers). In June 2020, a one-off benefit of €1,650 in total was introduced as a temporary and feasible solution for flex-workers who suffered a loss of income over March, April and May 2020 (€550 per month).<sup>34</sup> More than 7 in 10 applications came from employees aged 18-27.<sup>35</sup>
- TONK: *Tijdelijke Ondersteuning Noodzakelijke Kosten* (temporary support for necessary costs). Households who cannot pay their fixed costs anymore due to the COVID-19 pandemic, can apply for TONK.<sup>36</sup> The main focus is on housing costs, but compensation for other necessary costs is also possible.

### *Good practice in providing social protection to young people*

In response to the COVID-19 crisis, a mandatory four-week waiting period for people aged under 27 applying for social assistance has been temporarily discarded. This is further explained in Section 7.2.

## **7.2 National debates**

### **National debates on the Participation Act**

The fact that claimants under 27 are only entitled to social benefits after a mandatory four weeks of actively looking for work has been the subject of some debate.

- In response to an evaluation of the Participation Act published in November 2019, several parties have pleaded for the elimination of this job-search period, which they refer to as a “waiting period”. These parties are especially concerned about young people with disabilities, as they are more vulnerable and prone to getting “lost” in the system. This group may incur financial problems as a result of not receiving a benefit during the first four weeks. Also, they may not return to the municipality after the four weeks have passed, which means that they disappear off the radar while suffering from increasing financial hardship. This resulted in a proposal for law reform on 13 February 2020, which suggested making an exception for young people with disabilities.<sup>37</sup> This proposal was declared controversial on 20 April 2021, because the Dutch cabinet had fallen. In the light of COVID-19, however, municipalities have been given the option of making exceptions to the job-search period for young people in general (as described in Section 7.3).
- In an official response to the evaluation of the Participation Act, The Netherlands Trade Union Confederation (FNV) argues that the four-week waiting period should be eliminated from the Participation Act altogether, as this will prevent debt and the consequences of it for young people.<sup>38</sup>
- In response to the outbreak of COVID-19, since 1 March 2020 municipalities were allowed to deviate from the rules concerning the waiting period at least until 1 July 2021.<sup>39</sup>

<sup>34</sup> Letter to Parliament by the Minister of Social Affairs and Employment, dated 3 June 2020, entitled “Temporary emergency bridging measure for flex workers”.

[Kamerbrief invoering tijdelijke overbruggingsregeling voor flexibele arbeidskrachten](#)

<sup>35</sup> <https://www.rtlnieuws.nl/economie/artikel/5174041/tofa-uwv-uitkering-coronacrisis-jongeren>

<sup>36</sup> Letter to Parliament by the Minister of Social Affairs and Employment, dated 9 December 2020, entitled “Adaptations in economic emergency measures”. [Kamerbrief over aanpassingen in het economische steun- en herstellapakket](#)

<sup>37</sup> Letter to Parliament (*Memorie van Toelichting*) by the State Secretary of Social Affairs and Employment entitled “Progress on broad offensive”, 13 February 2020.

<sup>38</sup> <https://www.fnv.nl/getmedia/c6636ea1-eb6d-4621-a64c-36105c67b061/Brochure-evaluatie-participatiewet-februari-2020.pdf>

<sup>39</sup> <https://www.tweedekamer.nl/kamerstukken/moties/detail?id=2020Z17173&did=2020D37194>

There has been some debate on the *kostendelersnorm*, as mentioned under Section 5.1.d.

- The *kostendelersnorm* stipulates that benefit recipients over 21 who share a household receive lower benefits because they share the cost of living.
- Several parties have suggested that this leads to homelessness among young people with parents receiving social assistance, as their parents may force them to leave the household to avoid their benefits being cut. These concerns have been voiced by several municipal councillors, the FNV, the National Client Council (LCR) and the Housing Union.
- Recent research has shown that the *kostendelersnorm* creates housing problems for social assistance recipients (Blom et al., 2020). Parents on social assistance may urge their adult children to leave the home because their co-habitation would otherwise lead to a cut in their benefit. It may also make parents more reluctant to let their adult children live with them temporarily during times of crisis (for instance in cases of divorce, pregnancy, and domestic violence) (Blom et al., 2020).
- However, a recent analysis by Statistics Netherlands (CBS) on homelessness found no evidence to support the claim that the *kostendelersnorm* causes homelessness (CBS, 2019).

This has led to some political debate regarding the *kostendelersnorm*. As early as in 2017 a parliamentary motion was submitted to abolish the *kostendelersnorm*, which was rejected. In 2020 several motions were submitted. One, which urged the cabinet to reconsider the *kostendelersnorm* and/or change its application so that it does not contribute to homelessness, was passed. Another motion sought to create exceptions for care-givers, young people and people with disabilities; this motion was rejected. The state secretary has said that he wishes to keep the *kostendelersnorm*, but will look into ways of improving it.<sup>40</sup>

### 7.3 Good practice and recommendations

The description given in the previous sections features several examples of good practice that help young people access social protection, most notably the following.

- The introduction of several income-protection measures as a quick response to the COVID-19 crisis helped cushion the impact on people's incomes. These measures were introduced with a focus on providing a swift and broad response, rather than involving lots of bureaucracy and conditions in order to target specific groups. Although this can pose a risk in terms of misuse of these measures, it does help in providing quick aid where needed. TOFA was the measure that was predominantly used by young people, such as students who used to work part time in the hospitality sector. Nevertheless, young people (often working on flexible or temporary contracts) were among the groups hit hardest in the first stage of the pandemic. This age group saw a sharp increase in the number of social assistance applications as well as in the unemployment rate (from 5.4% in 2019 to 7.1% in 2020; see Section 1).<sup>41</sup>
- The fact that the government temporarily enabled municipalities to make exceptions to the four-week job-search period for young social assistance applicants. In the context of the COVID-19 lockdowns, looking for jobs became much more difficult. This meant that the search period would not contribute to young people finding jobs, but would merely serve to postpone briefly their access

<sup>40</sup> <https://www.binnenlandsbestuur.nl/sociaal/nieuws/kamer-voorkom-dakloosheid-door-kostendelersnorm.15245960.lynkx>

<sup>41</sup> <https://www.cbs.nl/nl-nl/visualisaties/dashboard-arbeidsmarkt/werklozen/werkloosheid-naar-leeftijd-en-geslacht>

to social assistance, which could cause them financial problems. Therefore, this measure is temporarily being applied less strictly.

We formulate the following recommendations for tackling existing gaps and obstacles in the access to social protection for young people.

- The current housing crisis poses a major challenge for many, including young people. The latter are not able to find social housing due to long waiting lists, and the rent allowance does not apply to most privately owned rental property because the rent is too high. Solving this issue will require building much more social housing and improving the “outflow” of people who currently reside in social housing but no longer meet the income criteria.<sup>42</sup>
- There is evidence that the *kostendelersnorm* is causing housing issues among young people and that homelessness has increased among them. In line with several recent motions in parliament, we suggest that the government take quick action to alleviate these problems by encouraging municipalities to look at individual situations and consider whether imposing the *kostendelersnorm* is desirable. If, for instance, this causes children of social assistance benefits to become homeless and dependent on shelters, the costs both for society as a whole and for the municipality will be higher. More research is needed to establish what the effects are of the four-week job-search period that young people face when applying for social assistance. This would inform political debate and decision-making on whether this measure should be continued, altered or abolished. Does it really help young people find employment, or does it simply “scare them off” and leave them with increasing financial problems out of sight of municipalities?

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<sup>42</sup> Some people living in social housing have seen their income increase above the income threshold (of around €38,000 gross). This means that they no longer belong to the target group for social housing; however, they cannot be evicted.

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