



Ministerie van Sociale Zaken en  
Werkgelegenheid

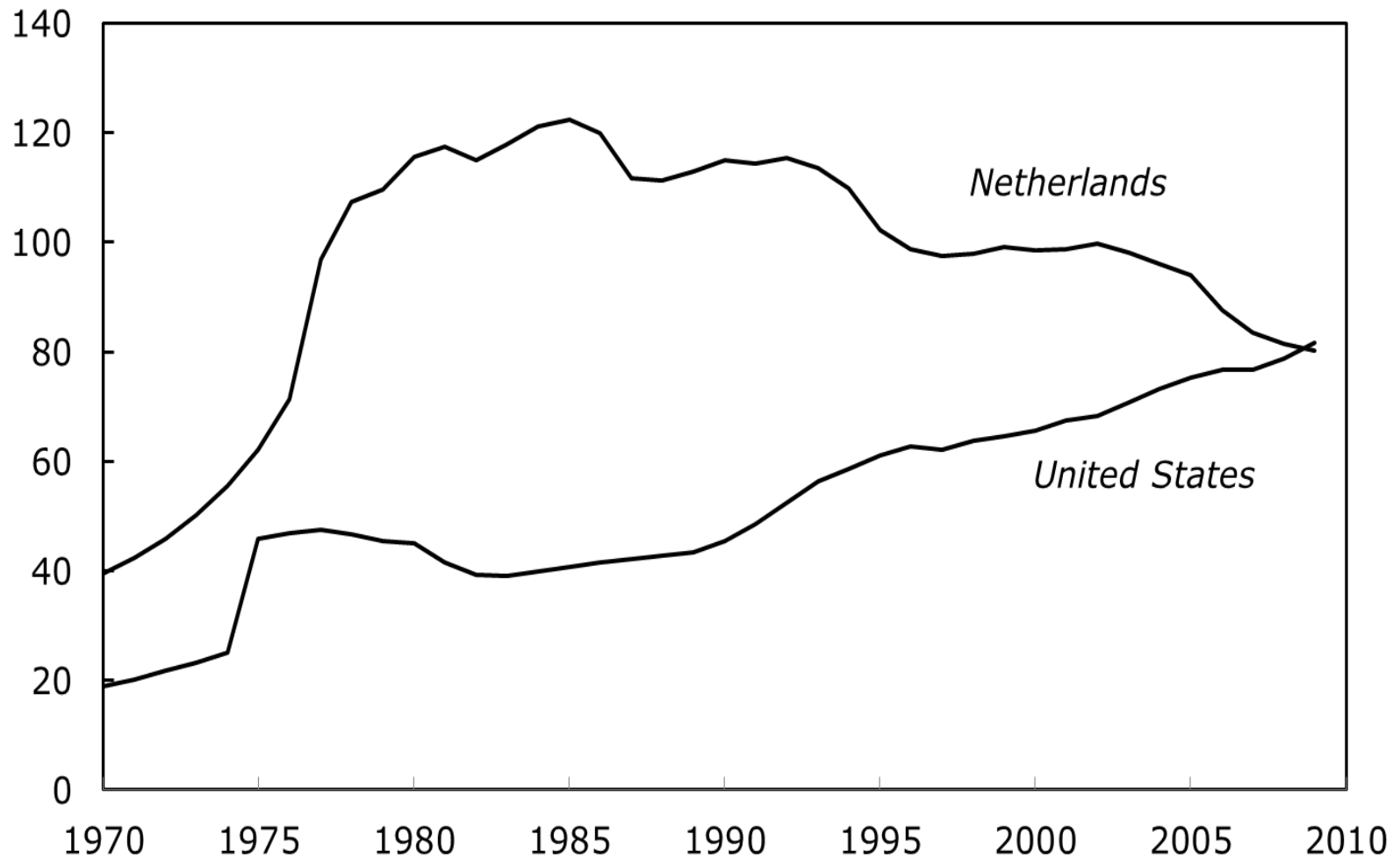
# Getting all incentives right

Disability insurance reform in  
the Netherlands

Washington, December 2013



## US vs NL (beneficiaries per 1000 workers, 1970-2010)





# Key results and key success factors

## Key results

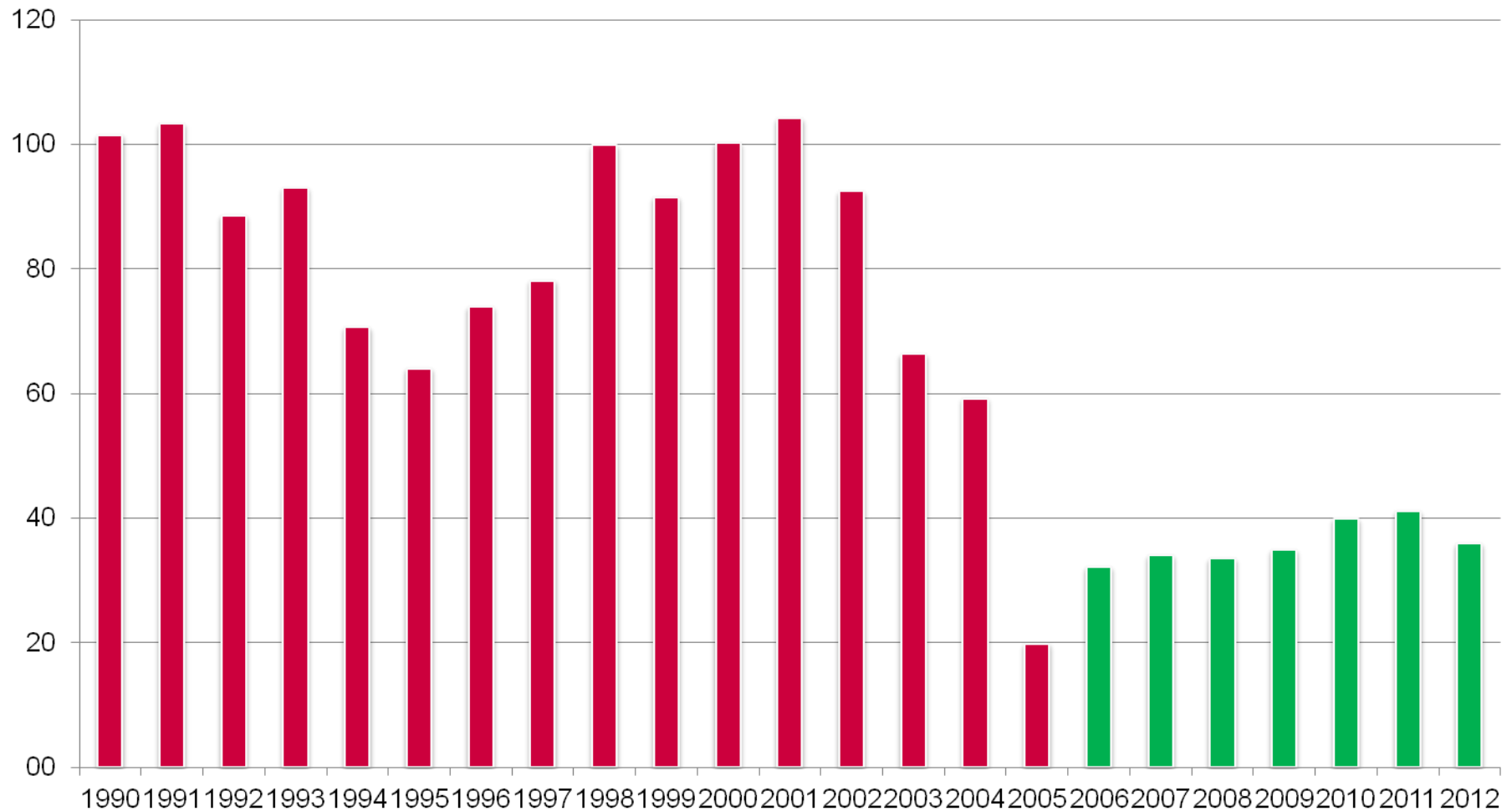
1. More people working. Expected maximum of 0,5 mln instead of 1,2 mln beneficiaries.
2. Savings \$4 billion.

## Key success factors

1. Broad consensus in politics and among social partners that a reform of disability system was needed.
2. Wide spread mind shift: work first.
3. New disability system built on the principle: getting all (financial) incentives right.
  - a) Employees / beneficiaries
  - b) Employers
  - c) Public and private insurers
  - d) Besides the legal system, also reducing the private top-ups on the legal benefits



## DI-inflow (in thousands), 1990-2012





## What caused the drop in entries to DI?

- Two years wage paying period / waiting period before DI entitlement
- Effective Gatekeeper protocol, including sanctions
- Stricter eligibility standards
- Distinction between permanent (26%), temporary fully disabled (53%), and partly disabled (21%)
- Strong work incentives for partly disabled
- Experience rating for firms in financing DI benefits
- Competitive market for sickness and disability benefit insurance and level playing field for public and private insurers.



## Challenges for next years

- Introduction of similar incentives for employers of increasing number of employees on flexible contracts
- Stable and competitive insurance market and level playing field between public and private insurers
- Tackling the debate about permanency and reviewing the status of temporary fully disabled
- Research of possible issues during the two years wage paying period.
- Reforming the scheme for disabled at a young age.



# Structure DI-system

