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Under henvisning til Europaudvalgets skrivelse af 9. marts 2001 (Alm. del - bilag 878) vedlægges Socialministeriets besvarelse af det deri stillede spørgsmål nr. 131 og 132.

*Astrid Bay-Bjørnsgaard*



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19. marts 2001

**Under henvisning til brev fra Folketingets Europaudvalg af 9. marts 2001 ( Alm del - bilag 878) følger hermed - i 4 eksemplarer - svar på spørgsmål 131 og 132.**

KSO/ J.nr. 449-228

**Spørgsmål 131:**

Ministeren bedes – som lovet på Europaudvalgets møde den 2. marts 2001 – oversende Danmarks bidrag til de redegørelser, som medlemsstaterne pr. 15. februar 2001 har afgivet til Komiteen for Social Beskyttelse om pensionssystemerne i EU-medlemslandene.

**Svar:**

Rapporten vedlægges.

**Spørgsmål 132:**

”Ministeren bedes – som lovet på Europaudvalgets møde den 2. marts 2001 – oversende et notat vedrørende afgørelsen fra EF-Domstolen om den svenske forældredrydelse (jfr. punkt 6 på dagsordenen for rådsmødet (beskæftigelses- og socialministre) den 6. marts 2001.”

**Svar:**

Vedlagt sendes det ønskede notat.

Ministry of Economics Affairs  
Ministry of Finance  
Ministry of Labour  
Ministry of Social Affairs,  
8.kt., J.nr. 040-165

14 February 2001

## **Contribution from Denmark to the questionnaire on safe and sustainable pensions.**

This paper constitutes the Danish government's answers to the questions presented by The Council of the European Union, The High Level Working Party on Social Protection, and with the approval of the European Council of Nice, to the member states in order to make a comprehensive assessment of the sustainability and quality of the retirement pension systems, see document SN 5367/00 (SOC), Brussels 7 December 2000.

The section-headings and -numbers below refer to the corresponding headings and numbers in the document SN 5367/00.

### **Common objectives**

#### ***1. Are there policy targets currently in use, guarantees to pensioners etc.?***

The Danish pension system consists of:

*1. Pillar.* Public Old-Age Pension. This is a basic universal pension which depends on the family income and the pensioners own earned income but the right to pension is independent of any previous relation to the labour market. Virtually all 67-years-olds and older receive public old-age pension. As from 2004, public old-age pension is received at the age of 65. The public old-age pension is financed by taxes on a pay-as-you-go basis

*2. Pillar.* Labour Market Supplementary Pension (ATP) and Special Pension Scheme (SP) are contribution financed and funded statutory pensions. The size of the pension will particularly depend on the number of years of contributions. There are 4.1 million members of the labour Market Supplementary pension Fund in 1998. Out of these about 448.000 are pensioners.

Civil Service Retirement Payments. This is a publicly financed labour market pension for civil servants. There are about 170,000 civil servants and employees in civil servants like jobs. About 93,000 received civil service retirement payment in 1997.

Labour Market and Company Pensions. These are pension schemes agreed by the social partners or in the company. They are funded and based on defined contributions. There are just over 1.6 million payers.

3. *Pillar*. Individual Pension Savings. These are individual pension schemes established in banks and in insurance and pensions institutes. Today just over 1.1 million persons pay to individual schemes.

Besides the institutional pension savings comprised by the pillars 1-3 the households also make a considerable amount of free non-institutional savings for retirement purposes. A substantial part of the savings may be invested in ownership of one's own dwelling.

The primary function of the public old-age pension system is to provide all elderly people with an adequate income. The public old-age pension is the main income source for the elderly. Old-age pensions are statutory index-tied to changes in the average earnings per hour in the labour market. The level of the old-age pension is politically decided and the result of a historical development. Public old-age pension together with expenditure-tied allowances (rent-support, heating allowances, medical allowances etc.) are sufficient to secure all elderly people an adequate standard of living.

In the last decade or so there seems to have been a broad consensus that increases in the pensioner's income-level (above index-tied rises) should primarily take place through an extension of the scope of the labour market pension schemes and rising contribution rates. The labour market pension schemes are funded schemes.

Through the statutory supplementary pension schemes (ATP, SP and Civil Service Retirement Payments) and the private labour market pension schemes agreed by the social partners or in the company it has been intended to secure an adequate high replacement rate (income from public and private pension schemes compared to earnings before retirement) for people with earnings in the middle and higher income brackets. The scope for these pension schemes and the agreed increases in contribution rates for the labour market pensions schemes are considered sufficient to secure such adequate replacement rates.

The policy to secure all firstly a sufficient basic income through the public old-age pension scheme (supplemented with various allowances tied to specific consumption), and secondly an adequate replacement rate through public and private labour market pension schemes, has not been expressed in quantitative terms.

***1. (Continued). How do the different pillars contribute to the realisation of this objective and cover the different categories of the population etc.?***

The public old-age pension (1<sup>st</sup> pillar) covers every person resident in Denmark for more than 3 years. The pension is thus residence based. The coverage is therefore almost 100 per cent. The pension secures every person resident in Denmark for a longer period a basic income.

With regard to other kinds of pensions it should be noted, that it is not possible to calculate the fractions of the populations *covered* by the schemes but only the fraction *contributing* in the actual year. In the following it is the pension contributions for people aged 25-59 years which is analysed. Further it should be noted that the pure fact that a person is contributing to one of the pensions schemes implies very little about what pension he or she will receive as a pensioner. The size of the pension will depend on the number of years with contributions and the size of the contributions.

ATP - the Danish Labour Market Supplementary Pension Scheme - is an independent, self-supporting institution which is operated jointly by the social partners. Thus ATP operates independently from the Government, and the ownership of all ATP assets is vested in its members. ATP covers all wage earners in Denmark. Benefits are financed by contributions paid by employers and wage earners. ATP is a fully-funded, contribution-defined, premium-reserve scheme. Contributions do not depend on income, but vary with the extent of the member's association with the labour market. However, ATP contributions are also levied on a number of social cash benefits and some self-employed people on a voluntary basis. That is why benefits reflect the beneficiary's lifelong association with the labour market. ATP contributes to give a fundamental security in terms of pension to wage earners by ensuring them a lifelong supplementary pension from the age of 67 (65). In addition, when an ATP member dies a lump sum is paid out to the surviving spouse and any children under 18 years of age.

The Labour Market Supplementary Pension (ATP)<sup>1</sup> (2<sup>nd</sup> pillar) covers mainly employees and unemployed but also some self-employed and persons who are not in the labour force. In 1998 99.7 per cent of the employees and the unemployed contributed to the ATP. 28 per cent of the self-employed contributed and 48<sup>2</sup> per cent of the persons outside of the labour market contributed.

The Civil Service Retirement Payments is a labour market pension for civil servants. The size of the pension depends on the number of years in which the person has been employed as a civil servant. Furthermore, the pension is related to the salary. Almost 7 per cent of the employees has acquired right to a civil servants pension in 1998. The Civil Service Retirement Payments Scheme and the agreement based labour market pension contributes to provide a connection between the previous wage income and the pension level.

The agreement based labour market pension covers a large part of the labour market. The size of the contribution is based on agreements between the social partners. 72 per cent of the employees and unemployed, 15 per cent of the self-employed and 23<sup>2</sup> per cent of the persons not in the labour force contributed to labour market pensions in 1998 (pillar 2).

1)

From 1999 the Special Pension Savings Scheme comes into force. It covers approximately the same fraction of the employees and unemployed as ATP and almost all self-employed. For persons who are not in the labour force the coverage is somewhat below that of ATP. The contributions amount to 1 per cent of the salary.

2)

It should be noted that a person may have been in the labour force part of the year but even though be registered as not being in the labour force. The contributions could therefore have been payed in the period on the labour market.

39 per cent of the employees and unemployed, 57 per cent of the self-employed and 16 per cent of the persons not in the labour force contributed to individual private pensions (pillar 3). The 3<sup>rd</sup> pillar pensions secures flexibility in the pension cover.

*1. (Continued). The relative importance of the different pillars in the income of the retired population etc.?*

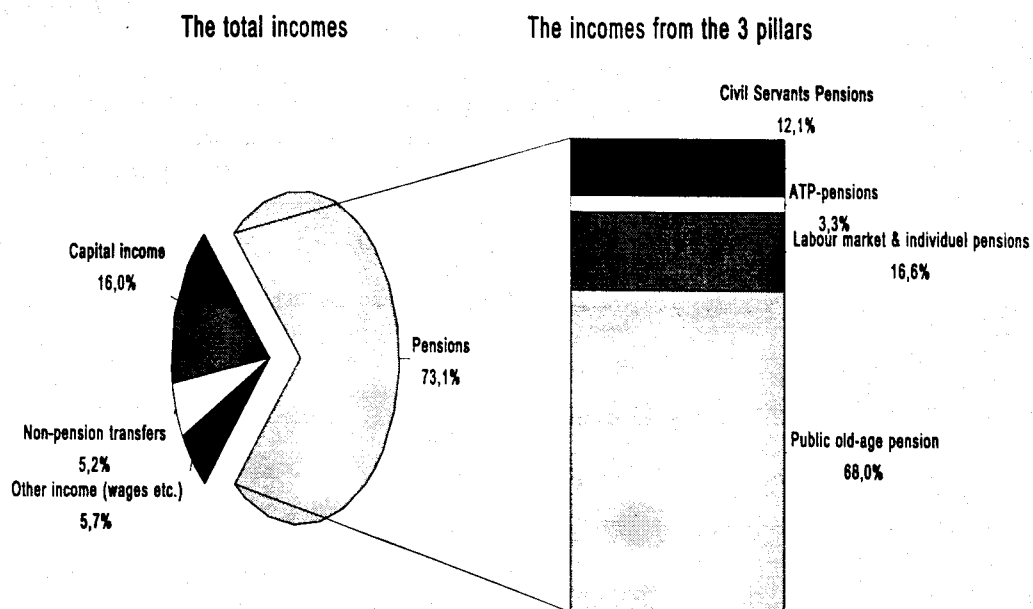
The retired population is in the following defined as the 67 years old and older. The persons have income from working, capital income and non pension transfers from the public sector, beside income from the different pillars. In the following the importance of the different sources of income is analysed in average for the pensioner group. 73.1 per cent of the pensioners income come from pensions from the 3 pillars, 16.0 per cent from capital income<sup>3</sup> and 5.2 per cent from non-pension transfers from the public sector, cf. figure. The rest 5.7 per cent come from other income, which mainly consist of wages. Focusing on the pension income from the 3 pillars 68.0 per cent of this is from pillar 1 pensions (public old-age pension) and 32<sup>4</sup> per cent is from pillar 2 and 3 pensions (Labour Market Supplementary Pension 3.3 per cent, civil servants retirement scheme etc. 12.1 per cent and labour market and individual pensions 16.6 per cent). It is not possible to distinguish labour market pensions from pillar 3 pensions. The relative weight of 2<sup>nd</sup> and 3<sup>rd</sup> pillar pension is expected to grow markedly in the coming years.

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3) The return of invested capital could of course be considered to be 3<sup>rd</sup> pillar income.

4) Income from 2nd and 3rd pillar lump sum pensions is not included. This is due to the fact that such pensions is often payed out before the person is aged 67 (but after the person is aged 60). It must be expected that consumption of these lump-sum pensions is spread out over the total years of retirement. If it is assumed that the main part of the lump sum pension payment is consumed after the age of 67 then it is only approximative 60-65 per cent of the pension income that is from pillar 1 pensions and that 35- 40 per cent is from pillar 2 and 3 pensions

# The incomes of the pensioners



The 1<sup>st</sup> pillar public old-age pension covered 99 per cent of the 67 years old and older in 1998. The Labour Market Supplementary Pension Scheme (ATP) covered 63 per cent of the 67 year old and older in 1998 and the other 2<sup>nd</sup> and 3<sup>rd</sup> pillar pensions covered all in all 34 per cent of the 67 years old and older in 1998.

The impact on public finance of the 1<sup>st</sup> pillar pension is that the pension expenses are paid by the state. The 2<sup>nd</sup> and 3<sup>rd</sup> pillar pensions are mainly funded. The ATP, the labour market pensions (except The Civil Service Retirement Payments) and the individual private pensions are all fully funded. The pensions are taxable and the contributions tax-deductible. The contributions are today larger than the pension payments. The impact on public finance of the 2<sup>nd</sup> and 3<sup>rd</sup> pillar pensions are therefore at present negative. But in the future when the number of elderly is at it's highest level this is expected to be reversed. The net tax receipt from 2<sup>nd</sup> and 3<sup>rd</sup> pillar pensions will at that time help to finance the increasing expenses of 1<sup>st</sup> pillar pensions.

The administrative costs of the public pension (1<sup>st</sup> pillar) is financed by general taxes. The administrative costs in 2<sup>nd</sup> and 3<sup>rd</sup> pillar pensions schemes are financed by the company (Pension Funds, company based pension funds, life assurance companies and banks etc.) and included as costs in the pension schemes. The administrative costs of a pension scheme have to be announced to the supervisory authority. This information is public.

There are no public guarantee according to 2<sup>nd</sup> and 3<sup>rd</sup> pillar pensions scheme. However, a major part of the pension schemes have an interest rate guarantee/guarantee of the coverage. These are issued by the companies. All 2<sup>nd</sup> and 3<sup>rd</sup> pillar companies (Pension Funds, company based pension funds, life assurance companies and banks) are supervised by the Danish FSA.

**1. (Continued). What instruments are used to determine the relative weight of the different pillars etc.?**

The first pillar of the Danish old age benefit system is – as mentioned earlier - a universal state pension scheme. Due to its universal character and its size, the public old-age pension plays a significant role as income for most of the pensioners today.

Due to the means-testing contained in the system though, the relative weight of the first pillar is decreasing as income from other pension schemes steadily increases in the years to come.

The second pillar comprises the public labour market supplementary pension scheme and the special pension saving scheme (introduced in 1999), which are mandatory for wage earners and a large group of people receiving income transfers. The private labour market pension schemes – also a part of the second pillar - are mandatory for the individual but voluntary in the sense that contributions are negotiated between employers and unions. Third pillar pension is voluntary.

The Danish government as such can thus not directly determine the size and thereby the weight of most of the second pillar and of the third pillar. Indirectly though it can be possible to affect the decisions made.

Regarding tax treatment, second and third pillar savings differ from free household savings in three respects

- There are differences in tax deduction at the time of paying in and taxation at the time of paying out. (This implies that the tax treatment of 2<sup>nd</sup> and 3<sup>rd</sup> pillar pensions in this respect is more advantageous than that of free household savings).
- There are differences in the taxation of asset returns (pension yield taxation is lower than taxation on capital income)
- Income from institutional second and third pillar savings affect through means-testing the level of public pension and other public services

Currently the net tax rate on second and third pillar savings is somewhat lower than the tax rate applicable to private capital yield and individual capital income. However, because the means-testing of old age social pensions and other social benefits are applied to the full payment from second and third pillar pensions income whereas only to the yield of free household savings, the current tax and transfer system provides only modest net benefits to pension savings relative to free household savings.

Compared to the early 1980's, the differential tax treatment of free household savings and institutional pension savings has been reduced significantly.

**1. (Continued). Are there secondary objectives to which the 2nd and 3rd pillars respond etc.?**

The increase in the coverage/importance of 2nd pillar pensions which came as a result of the collective agreements around 1990 should among other things be seen as a result of an understanding of the fact that with only around 1/3 of the employees covered by 2nd pillar pension there could in the future occur relatively large income differences among the pensioners. Such differences would in the light of the expected ageing be hard to handle by increasing public pensions. The increase in coverage was therefore partly a result of the expected ageing. Secondly there was an understanding that an increase in the pillar 2 pension could increase national savings. 2<sup>nd</sup> and 3<sup>rd</sup> pillar pensions in general might increase savings.

**1. (Continued). What are the views of your government on the economic, financial and social impact of the different pillars?**

The social impact of the first pillar is that it secures all permanent residents a tax financed pension. All people are secured a basic income as pensioners. The public pension is financed by general taxes, which gives the financing a social element. The 1<sup>st</sup> pillar fulfils an important role in the pension system, which the 2<sup>nd</sup> and 3<sup>rd</sup> pillars are not capable of fulfilling. But it is also obvious that there is some drawbacks in relation to the total economy by such a pension. The impact on the economy of the 1<sup>st</sup> pillar is mainly that it increases the need for taxes. Some taxes creates distortions in the economy, which in the long term might have negative consequences for employment and GDP. Secondly, the first pillar tends to reduce national savings by reducing the individuals need for savings.

The second pillar secures higher replacement rates for those covered compared to the basic public pension. Even though the contributions by the individual are mandatory for the people covered (collective bargaining) the contributions are not considered as harmful - due to distortions - for the labour supply as e.g. income-taxes are. As the contributions are mandatory they do increase national savings, though the impact may be small as it will to some extent be offset by reduced savings elsewhere among households.

The third pillar - individual pension savings - gives the individual an opportunity to secure a desired replacement rate as well as giving people not covered by labour market pensions an opportunity for supplementary pension savings.

**1. (Continued). Are there identifiable inadequacies in your system etc.?**

The Danish pension system is undergoing some important changes which will have significant positive effects on the sustainability of the pension system. These changes in relation to the pension system are described below. In the light of these changes, reforms of the Danish pension system are not considered necessary:

- The Government and a number of parties in The Parliament, representing a vast majority, have entered an agreement on a reform of the anticipatory pension system. The agreement also includes a number of measures that will make employment for persons with reduced working capacity more attractive. The reform of anticipatory pension system is scheduled to 1 January 2003. The reform includes a substantial simplification of the system through a reduction in the number of benefits and pension categories etc. The reform implies a reduced intake of pensioners and a corresponding increase of the labour force.
- The Government has introduced a bill in The Parliament which amends the Labour Marked Supplementary Pension scheme. The amendments are primarily of a technical nature and imply e.g. a future actuarial connection between the individual contribution and the resulting pension-rights. Today the relation between a contribution and the resulting pension rights are laid down in the legislation (with a constant pension right/contribution regardless of the age of the person at the time of contribution).
- The reform of the voluntary early retirement pay scheme in 1999 implied significant incentives (changes in benefits and rewards when postponing retirement) to postpone retirement. The reform is expected to raise the average retirement age  $\frac{1}{2}$  year from 61 to  $61\frac{1}{2}$ <sup>5</sup>. The results so far indicate that the reform will have the intended effects.
- The collective labour market agreement of 1999 between social partners included a substantial increase in the contribution rates, up to typical 9 percent for the newer pension schemes, over the following 4 years. It means that in the long run the labour market pension schemes together with public pension schemes will secure adequate replacement rates when retiring from the labour market, also for people in the middle and higher income brackets.

Taking these developments and reforms in to account the Danish pension system is found to have achieved a good balance between (1) the universal, public old-age pension scheme, financed through general taxation on a pay-as-you go basis; (2) the supplementary statutory or collectively agreed labour market pensions schemes, which are funded pension schemes (except for the civil servant retirement payments), and (3) the individual pension saving schemes.

## ***2. Taken account of gender equality etc.?***

In the public statutory pensions schemes (public old-age pension, civil service retirement pension, ATP and SP) benefits and contributions are fixed independent of gender.

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<sup>5</sup> See "A Sustainable Pension System", Ministry of Economic Affairs, June 2000

The labour market and company pension schemes are similarly based on a uni-sex principle. This principle was enforced by legislation in 1998 (in accordance with the Councils directive no. 86/378 of 24 June 1986, as changed by the Councils directive of 96/97 of 20 December 1996) for future members of the schemes. The statute specify that differential treatment based on gender is not allowed (not just concerning benefits and contributions, but also concerning conditions for access, duties, rights).

### *3. Standard of living of retired people etc.?*

Public services and care of the elderly are in Denmark regarded as essential supplements to the pension system. There is an on-going debate on how the quality can be improved. In the year 2000 a number of public hearings with elderly people have been held in different parts of the country in order to facilitate the dialogue between public authorities and senior citizens, and through these meetings the senior citizens have been given an opportunity to place their views and opinions on the public agenda.

Services and care of the elderly include housing such as specially adapted dwellings, free home help in the form of practical and personal support, rehabilitation such as physical exercises, as well as treatment and care in the home or in the hospital in case of illness. Furthermore various preventive and motivating activities are being offered to those elderly people who do not require any special care. Such activities can for instance take place in the locally run day-care center for the elderly.

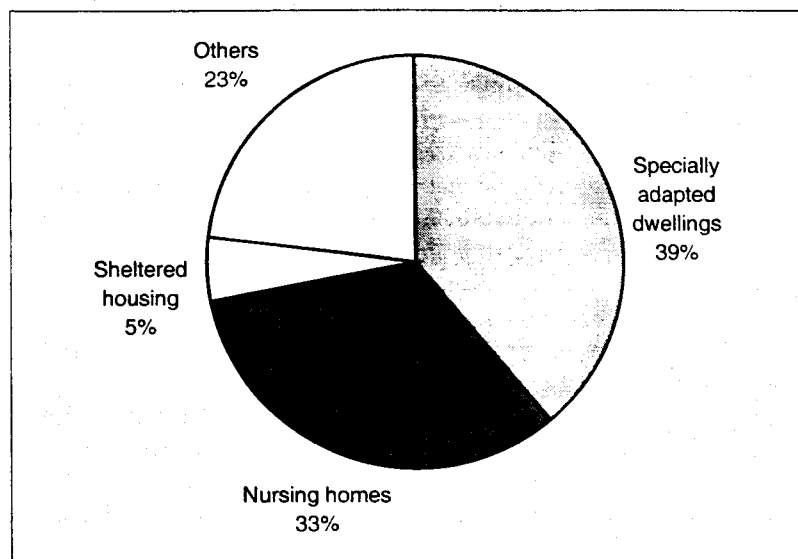
The large majority of elderly people in Denmark live in ordinary dwellings. Only a small minority, less than 10 percent, live in dwellings specially designed for elderly people. The distribution of types of accommodations for the 10 pct. who live in dwellings specially designed for elderly people are shown in figure 2. The category "Others" include dwellings over which the municipality can dispose, e.g. can allocate to elderly people: multi-occupied houses, privately owned houses and houses owned by non-profit organisations.

.Most recipients of old age pension take care of themselves. The proportion of the elderly who received home help, i.e. personal and practical support in the home, was 24 pct. in 2000. To each of these households home help was given for an average of 5.4 hrs. a week. Besides home help, local authorities offer preventive home visits twice a year to all citizens of age of 75 or above. In 2000 the public expenditures on services and care for the elderly totalled about 2 pct. of GDP<sup>6</sup>.

Figure 2. Types of accommodation specially designed for elderly people.

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<sup>6</sup> In Denmark expenditure on hospitals are not included in the total public expenditure on services and care for the elderly.



Pensioners are eligible for a number of special benefits according to various legal acts. Among these benefits are:

*Individual supplements according to the Social Pension Act:*

In case of economic need the recipients of social pensions (i.e. Public old-age pension and anticipatory pension) can be granted individually calculated supplements to the pension. The local authorities determine eligibility following a concrete and individual assessment of the applicant's expenses and means. There are no limitations as to the kind of expenses to which the support may be granted. A *health supplement* reimburses the recipient's own payment of expenses which the public health insurance covers in part. As a rule the supplement covers 85 pct. of the recipient's expenses for medicine, dental treatment, chiropractic, physiotherapy etc. However, the supplement can be reduced to the extent the recipient has more than a certain amount of income besides the social pension. Another supplement reimburses some of the recipient's *expenses for heating*. The amount of this supplement depends on the recipient's income and total expenses for heating.

*Housing benefits according to the Housing Benefits Act:*

Recipients of social pension (i.e. Public old-age pension and anticipatory pension) are also entitled to housing benefits, which reimburse some of the recipient's expenses for housing. The amount paid in housing benefits depends on the household income. Households that do not receive any social pensions can also become entitled to housing benefits, but recipients of social pensions are entitled to subsidies that are considerably higher.

*Child benefits according to the Child Benefits act:*

Pensioners with children are entitled to a special child benefit for each child they provide for. If both parents receive social pensions they are furthermore entitled to the so-called ordinary child benefit.

#### *Taxes on the value of real estate:*

Compared to other homeowners the recipients of social pensions pay a lower tax on the value of their property. In addition there are limitations as to the extent taxes on the value of real estate can be increased for pensioners from one year to another.

## **The challenge**

#### ***4. Major developments etc. likely to effect the pension system etc.?***

The major developments which will affect the pension system are:

- The anticipated ageing of the population, which will increase the number of pensioners in the future
- The increase in the number of people covered by 2<sup>nd</sup> pillar pensions and the increase in the contribution rate to 2<sup>nd</sup> pillar pensions. This will in the long run increase the importance of 2<sup>nd</sup> pillar pension in the incomes of the retired and reduce the relative importance of public pensions.

#### ***4. (Continued). The anticipated ageing of the population?***

Like in most other Western countries, the number of elderly people will increase considerably in Denmark up to the middle of this century whereas there will be fewer in the economically active ages. Whereas to-day there are 4 ½ in the economically active age for each elderly (aged 65 or more), there will be less than 3 in 2035. The ageing of the population is a challenge making demands on the Danish pension system and on the economic policy in general. A projection, prepared by Statistics Denmark in the autumn of 1999, based on the assumption that the development trend in fertility rate, mortality, and immigration in the last few decades will continue up to 2040 shows that the fertility rate will rise from 1.72 in 1998 to 1.78 in 2040. In the same period the life expectancy for women and men is expected to rise by 0.5 years and 3.6 years, respectively.

The projection points to two essential developments. One trend is that the number of elderly people in Denmark (those aged 65 or more) will rise by 50 per cent from 1999 to 2040. Owing to the rising life expectancies, the projection shows a tendency to "double ageing". Double ageing reflects the fact that not only is the number of the elderly people growing - but they themselves will also get older. The increase in the number of elderly will not really occur until after 2010 when the large cohorts from the years after the Second World War will retire. Denmark thus has a "demographic breathing space" for the next app. 10 years which is being used to create the conditions for enabling Denmark to cope with the challenge of the higher number of elderly people.

The other main trend is that the working-age population (18-to-64-year-olds) will be reduced by around 3 ½ per cent from 1999 to 2040, and that the workers will become older on the average. There is thus a demographically conditioned trend towards a reduction of the labour force. This does not directly affect the pension system. But a reduction of the labour force reduces the tax base, which will make it more difficult to finance the increasing pensions expenditures caused by the increase in the number of elderly. Another trend, which also tends to reduce the growth in the tax-base but has nothing to do with the demographic development is the long-term tendency for people in the labour force to work fewer and fewer hours per year.

#### ***4. (Continued). The increase in the importance of pillar 2 pensions etc.?***

Before the end of the 1980es only around every third active worker - mostly white collar workers in the public sector - was covered by a labour market pension.

Based on the proposal made by the Danish Confederation of Trade Unions various new collective agreement based pension schemes were established around 1989-1993 in the public sector and on the private labour market covering blue collar workers. Since then there has been an increase in the number of people covered by such pensions and there has been a gradual increase in the contribution rate (contribution as percent of salary). From year 2004 the majority of the labour force will be covered by pillar 2 pensions with contributions rates from 9 per cent and up.

Contributions to the labour market pension schemes are tax-deductible at the time, when the contribution is paid. Payment from the schemes will be income taxed when paid to the person.

The higher coverage of labour market pensions can be a part of the solution to the challenge from the ageing of the population. This demands, though, that the increase in institutional savings is not offset by lower free household savings due to the modest net benefits to labour market pensions provided by the Danish system. The higher coverage of labour market pensions will in the long run increase the importance of pillar 2 pension in the incomes of the retired and reduce the importance of public pensions.

#### ***5. Key problems connected with these developments?***

Due to the demographic development, the Danish welfare model may be put under dual pressure. For one thing, the rise in the number of elderly will generate heavier pressure on expenditure. The increasing number of elderly will call for higher public service expenses by way of nursing homes and home care/home help. Also, transfer incomes will increase due to increasing expenses particularly for old-age pension.

Further, the fall in the labour force will reduce the total funding base of the welfare state. Ensuring high public savings up to 2010 is thus important so as to allow for funding of the rising elderly expenses without having to shift too

heavy burdens on to the Danes of the future. To realise this objective consolidation of public finances should be given priority in conducting fiscal policy in the years to come. The economic policy in the next 10 years should aim to adapt the Danish welfare model to future requirements.

The demographic development is not expected to change the pension system or its structure. This is mainly due to first pillar public pension – in contrary to most other European countries – being an universal scheme independent of former labour income. As for the private labour market pensions there is a direct connection between the salary and the later pension. The build-up of the private labour market pensions will therefore – independent of demographic developments - gradually change the pension system as more and more retirement pensioners will receive labour market pension. As a consequence this development will make the total pensions system more able to secure that the pensioner does not suffer a large reduction in income when retiring.

Projections show that the demographic development will result in an increase in the public expenditure of just over 4 per cent of GDP towards 2035. The increased number of elderly people will increase public consumption by appr. 2 ½ per cent of GDP to which should be added an increase in the public transfers of just over 1 ½ per cent of GDP. The increase in public transfers is mainly caused by an increase in public old-age pension expenditures of approximately 2 per cent of GDP<sup>7</sup>.

The projections of the development in pensioners standard of living show that up to 2045 the average disposable income of a pensioner is expected to increase by an average of almost 20 per cent more than the growth of wages in the same period. The average replacement rate is over the same time period expected to rise from 74 per cent to 90 per cent. It is in particular the disposable income of pensioners with low and medium income which is expected to increase.

## How to meet the challenges

### *6. Impact of an improvement in employment etc.?*

In the conclusion of Lisbon European Council is stated that: *"on the basis of available statistics, to raise the employment rate from an average of 61% today to as close as possible to 70% by 2010 and to increase the number of women in employment from an average of 51% today to more than 60% by 2010. Recognising their different starting points, Member States should consider setting national targets for an increased employment rate. This by, enlarging the labour force, will reinforce the sustainability of the social protection systems."*

7)

In a projection prepared by the EPC ad hoc group on the Ageing population the increase in the expenditures to public pensions in Denmark is 4.5 per cent of GDP up to 2030. If the pensions from the Labour Market Supplementary Pension (ATP) is left out the increase is only 3.1 per cent of GDP. The Labour Market Supplementary Pension (ATP) is formally a part of the public sector, but because the pensions are funded and mainly financed by contributions from employers and employees the pension is left out in this projection. The remaining difference to the above mentioned 2 per cent is mainly caused by differences in the demographic projections.

Denmark has already today an average employment rate above 70 per cent and an employment rate for women above 60 per cent. The possible realistic increase in the employment rate measured in percentage point is therefore not as large as for the average employment rate in the EU. The present national target for Denmark is an increase in the employment rate of the 15-66 years old of app. 1 ½ percentage point up to 2010. That is an increase from 72.0 per cent in 1999 to 73.4 per cent in 2010.

An increase in the labour force is one of the main factors, which could help finance the increasing public expenditures caused by the demographic development. If a larger part of the persons in the economic active ages are employed, public expenses to income transfers to the group will be reduced and the tax base will increase. The public Danish old-age pension does not depend on how much the person has previously worked. A rise in employment will therefore not increase the future public pension expenditures. Better employment performance will therefore undoubtedly make it easier to finance the public pension system.

The other major element in the Danish strategy for handling the demographic challenge is reducing public debts in the years to come. This will reduce the burden of interest on the debt and thereby create better conditions for financing the increasing expenses to old-age pensions and public service to the elderly.

An increase in the employment rate from 1999 to 2010 of approximately 1 ½ percentage points is realistic, but also ambitious. The improvement is expected to be brought about by a reduction in the unemployment rate from 5.6 in 1999 to 4.6 per cent in 2010 and an increase in the activity rate of some ½ percentage points. The increase in the activity rates is expected to come from older workers, immigrants and refugees, and a reduction of the number of people on disability pension.

Changes in the public old-age pension system are not a part of the strategy for handling the ageing of the population. The old-age pension system has already been changed so the incentive to supplement the pension with income from employment has increased. The reform effort is directed towards postponing retirement. That is the anticipatory (i.e. disability) pension and the voluntary early retirement pay. The voluntary early retirement pay has been changed so that the incentives for early retirement are reduced and possibilities for gradual retirement are increased. In the anticipatory (i.e. disability) pension scheme the effort to test peoples ability to work before deciding about awarding the pension is increased. This is combined with a more thorough evaluation of the applicants' working capacity and a strengthening of the effort to try to get people back to the ordinary job or if this is not possible a subsidised job. The result is expected to be fewer people receiving anticipatory pension and an increase in the labour force.

Creating the sufficient and appropriate (mainly subsidised) job possibilities for the group of people affected by the reform of the anticipatory pension scheme is a major task for the future. The social partners are important in realising the goal of making the labour market ready to employ people with reduced working capacity.

The reform of the voluntary early retirement pay which reduces the incentive to early retirement is supplemented by senior policy initiatives, which aim at

making the employers more aware of the resources of the older workers and the possible initiatives that can be used to keep the older workers at the job.

The older workers must of course have the skills that is necessary on labour market of today. A major reform of adult vocational training programmes was introduced in 2000. It aims at securing for lifelong learning.

***7. Other adaptations to the pension system to help them to address the stated objectives and resolve the key problems?***

As stated above the Danish pension system is judged to have found a good balance between (1) the universal, public old-age pension scheme, financed through general taxation on a pay-as-you go basis; (2) the supplementary statutory or collectively agreed labour market pensions schemes, which are funded pension schemes (except for the civil servant retirement payments), and (3) the individual pension saving schemes.

There are no wishes to fundamentally change the role of the pillars. There are no plans about major changes regarding administrative cost etc. But it can be mentioned that plans are made for publishing transfer costs of 2<sup>nd</sup> and 3<sup>rd</sup> pillar pensions. These are subject to be collected public information this year, i.e. a web-information by the Danish FSA.

It is therefore not found necessary to contemplate any further reform of the pension system in the foreseeable future (besides the already implemented reform of the voluntary early retirement pay scheme in 1999 and the proposed reform of the anticipatory pension scheme from 2003, which taken together significantly strengthen the incentives and the possibilities to enter and stay in the labour market).

In relation to creating a reserve fund could the Danish strategy to reduce public debts in the years to come be seen as a way of building a kind of reserve fund.

***8. What pension reforms are currently being undertaken or are envisaged etc.?***

Major changes will be made in the anticipatory pension system from 2003 and onwards. The decision to reform the anticipatory pension system has been made in the context of recent efforts to establish a more socially inclusive labour market and is supposed to increase the labour supply. The ability to work, as opposed to the extent of a person's disability, will become a key factor when local authorities in the future decide whether a person should have anticipatory pension or not. Moreover, a supplementary funded pension scheme for recipients of anticipatory pension is introduced. This will ensure that when recipients of anticipatory pension become old age pensioners, they will have a standard of living, which compares better with the conditions for the old age pensioners who have been in the labour force. The individual contributions to the pension scheme will be co-ordinated with the pension rights the person may already have earned in private or semi-public pension schemes. The total public

expenditure in connection with the reform is estimated to 0.2 pct. of GDP, when the reform has been carried out in full.

From the 1 July 2004 the age for eligibility to old age pension will be changed from 67 to 65 years. This change has been made in connection with a reform of the voluntary early retirement pay scheme, in which the incentive for people aged 60 to 65 to stay in employment has been increased. It is estimated, that the reform of the voluntary early retirement payment scheme will reduce the expenditures mainly because fewer people decide to retire before the age of 65. This reform came into effect 1 July 1999 but will because of various transitional provisions first be carried out in full after 2004. So far estimates suggest that the reform works as expected. The total effects of the reform on public finances are expected to be moderate.

## **Reform strategies**

### ***9. Methods envisaged to build consensus and to ensure public confidence etc.?***

Essential demands to a sustainable pension system are:

- All people must be secured a adequate income in old-age, i.e. no one - whatever their previous earnings - should need to face poverty in old age, and furthermore the reduction in disposable income as a consequence of retirement should not be of a magnitude which prevents maintaining a certain continuity in the standard of living.
- This should be compatible with a balanced macroeconomic development in the longer run; i.e. the fiscal policy should be sound and sustainable, inflation low and there should be a reasonable balance in foreign payments.
- There should be a balanced solidarity between the generations; i.e. one generation should not finance present consumption by building up a big debt to be paid by future generations

Taking the developments and reforms in relation to the pension system in to account the Danish pension system is judged to be sustainable in the above sense, also when viewed in the light of the expected demographic development, if the Danish government medium term economic strategy is realised. It is therefore not considered necessary to initiate reforms of the Danish pension system - besides the reforms and adjustments mentioned above - and no such reforms are contemplated, nor is it a topic on the political agenda.

Continuing the relatively strict economic policy which have been maintained over a number of years, seems sufficient to prevent that the future increase in the number of old age people relatively to the number in the labour force will necessitate major changes in the pension system or a considerable increase in taxation.

A continuation of this economic policy and a high level of information to the public about the debt reduction strategy together with initiatives to promote a more transparent pension system are considered paramount for maintaining a

general trust in the pension system in the future. The information strategy is central to accomplishing the difficult task of building consensus about public debt reduction, i. e. the importance and necessity of continuing to have a relatively high public budget-surplus.

It is therefore a part of the Governments strategy that the time up to year 2010 shall be used to consolidate the public budget so as to reduce public debt. A reduced public debt means reduced public interest payments and consequently a greater economic capacity for financing rising expenditure to the elderly.

Another objective for the Government is to increase the size of the labour force up till year 2010. A greater labour force will make the public financial liabilities easier to manage since it make a rising employment in the private sector possible. The Governments initiatives in this regard have specially been targeted on finding employment for people with a reduced work-capability, who without help may find it impossible to obtain employment. In these cases the increased employment also lead to a reduction in the number of people dependent on public transfer payments and so in a reduction of public expenditure.

The social partners are decisive for the success of this policy. The Government cooperates and meets on a regular basis with the social partners and civil society organisations etc. in order to promote social responsibility and the inclusion of people with reduced work-capability and marginalized groups in society. The most important specific initiative to increase the labour force has been the reform of the voluntary early retirement pay scheme in 1999 and the agreement in 1999 between the labour market parties as to facilitate the employment of people with a reduced work-capacity. Both will tend to increase the labour force. The proposed reform of the anticipatory pension system will also contribute to this effect.

If the government's objectives for the year 2010 concerning an increased employment and a reduction in public debt succeed, it will be an advantageous basis for handling the challenges of the demographic development.

Socialministeriet  
Internationalt kontor  
J. nr. 449-228

Den 19. marts 2001.

### **Notat vedrørende EF-Domstolens afgørelse i sagen C-275/96, Kuusijärvi.**

Ved sin afgørelse af 11. juni 1998 har EF-Domstolen fastslået, at den svenske forældreydelse "föräldrapenning" i EF-forordning nr. 1408/71's system hører til "familieydelse."

Dette er grunden til det svenske forslag om ændring af bilag VI til forordningen, som blev behandlet på rådsmødet den 6. marts 2001.

### **Svensk föräldrapenning.**

Ifølge det i dommen oplyste er den svenske "föräldrapenning" en ydelse til forældre. En forælder har ret til at modtage ydelsen i højst 450 dage i forbindelse med et barns fødsel, inden barnet er fyldt 8 år eller har afsluttet det første skoleår. En betingelse er, at forælderen uden afbrydelse har været tilmeldt et socialforsikringskontor i mindst 180 dage på det tidspunkt, da udbetalingen af ydelsen påbegyndes.

Har tilmeldingen til socialforsikringskontoret været i 240 dage inden fødslen, er der ret til en højere ydelse end, hvis tilmeldingsperioden er kortere.

"Föräldrapenning" er reguleret i kapitel 4 i den svenske lov om "almän försäkring."

I henhold til denne lov skal en forsikret person være tilmeldt et socialforsikringskontor fra og med den måned, hvor han fylder 16 år, hvis han har bopæl i Sverige.

En forsikret person, der forlader Sverige, skal fortsat anses for at have bopæl i Sverige, hvis det er hensigten, at udlandsopholdet højst skal vare et år. Hvis udlandsopholdet skal vare længere, vil den pågældende skulle afmeldes fra sit socialforsikringskontor.

I den erklæring, som den svenske regering i henhold til artikel 5 i Rådets forordning nr. 1408/71 har afgivet om den lovgivning i Sverige, der er omfattet af forordningen, er "föräldrapenning" betegnet som en ydelse ved sygdom eller moderskab. Den skulle således høre under forordningens afsnit III, kapitel 1, ligesom de danske dagpenge ved fødsel eller adoption.

### **Faktiske forhold.**

Fru Kuusijärvi, der er finsk statsborger, arbejdede i Sverige i 11 måneder indtil den 10. februar 1993. Derefter modtog hun arbejdsløshedsunderstøttelse indtil 1. februar 1994. På denne dato fik hun et barn og fik herefter udbetalt børnetilskud og "föräldrapenning" i forbindelse med barnets fødsel.

Da hun i maj 1994 ville flytte til Finland og ønskede at få "föräldrapenningen" med, fik hun afslag af den svenske myndighed med den begrundelse, at hun var blevet afmeldt ved det svenske socialforsikringskontor den 2. juli 1994.

Herved opstod den sag, som prælimerært er blevet forelagt for EF-Domstolen.

### **Spørgsmål til EF-Domstolen.**

Der blev forelagt EF-Domstolen 3 spørgsmål:

1) gælder forordning (EØF) nr. 1408/71 i det hele taget for en person, som, inden forordningen blev anvendelig i Sverige (1. 1. 1994), flyttede fra Finland til Sverige og fik arbejde der, men som, da forordningen trådte i kraft i Sverige, ikke længere havde arbejde på svensk område og heller ikke var rejst til Sverige som arbejdsløs, efter at forordningen var blevet gældende i Sverige, men blot opholdt sig i landet på det pågældende tidspunkt som arbejdsløs efter en tidligere beskæftigelses-periode og på dette grundlag modtag svensk arbejdsløshedsunderstøttelse ? Kan en person i denne situation således gøre gældende, at hun eller han efter den 1. januar 1994 på grundlag af bestemmelserne i forordning (EØF) nr. 1408/71 er omfattet af lovgivningen i Sverige, hvad angår retten til svenske sociale sikringsydelser i form af "föräldrapenning"?

2) I bekræftende fald:

Skal artikel 13, stk. 2, litra f) i forordning (EØF) nr. 1408/71, sammenholdt med artikel 10 b) i forordning (EØF) nr. 574/72, fortolkes således, at en medlemsstat ikke er afskåret fra at indføre krav om bopæl i landet som betingelse for, at en person, som er ophørt med at arbejde der, fortsat er omfattet af landets lovgivning, hvad angår kontantydelse ved moderskab ?

3) Skal artikel 22 i forordning (EØF) nr. 1408/71 fortolkes således, at en person, som er begyndt at oppebære kontantydelse ved moderskab i en kompetent stat, fortsat har ret til disse kontantydelse ved flytning til en anden medlemsstat på de betingelser, som i øvrigt gælder efter den nævnte artikel, når blot den pågældende opfylder samtlige betingelser i den kompetente stats lovgivning, altså også et i henhold hertil gældende krav om bopæl i landet, eller skal artikel 22 fortolkes således, at denne ret består, så længe den pågældende opfylder alle de øvrige betingelser, som gælder efter den nationale lovgivning i fraflytningslandet, bortset fra et bopælskrav ?

### **EF-Domstolen.**

#### **ad første spørgsmål:**

EF-Domstolen afgør temmeligt kortfattet det første spørgsmål ved at henvise til sin afgørelse i sagen, C-85/96, Martínez Sala, hvor det er udtalt, at en person har status som arbejdstager efter forordning nr. 1408//1, såfremt den pågældende er forsikret, eventuelt blot mod en enkelt risiko, i henhold til en tvungen eller frivillig forsikring som led i en almindelig eller særlig social sikringsordning som omhandlet i forordningens artikel 1, litra a), uanset om der består et arbejdsforhold.

En person, der oppebærer arbejdsløshedsunderstøttelse i henhold til en medlemsstats lovgivning, har således utvivlsomt status som arbejdstager.

Den omstændighed, at en person allerede var arbejdsløs på det tidspunkt, da forordningen trådte i kraft i den pågældende medlemsstat, og modtog arbejdsløshedsunderstøttelse som følge af en beskæftigelse, han havde haft før dette tidspunkt, medfører ikke, at vedkommende falder uden for forordningens personelle anvendelsesområde.

Efter artikel 94, stk. 3, i forordning nr. 1408/71 erhverves rettigheder i medfør af forordningen, selv om de vedrører en begivenhed, der er indtruffet, før forordningen kom til anvendelse i den pågældende medlemsstat.

Tilsvarende bestemmer artikel 94, stk. 2, i forordningen, at enhver forsikringsperiode - og i givet fald enhver beskæftigelses- eller bopælsperiode - der er tilbagelagt forud for datoen for forordningens anvendelse i den pågældende medlemsstat, skal tages i betragtning ved afgørelsen af ret til ydelser efter forordningen.

Domstolen besvarer derfor det første spørgsmål med, at forordning nr. 1408/71 finder anvendelse på en person, der på det tidspunkt, da forordningen trådte i kraft i en medlemsstat, opholdt sig i medlemsstaten som arbejdsløs efter en tidligere beskæftigelsesperiode og på dette grundlag modtog arbejdsløshedsunderstøttelse i henhold til den pågældende medlemsstats sociale sikringsordning.

#### **ad andet spørgsmål:**

Det andet spørgsmål har betydning for sociale sikringsordninger, der som den danske og den svenske hviler på et bopælsprincip.

Det ønskes oplyst, om artikel 13, stk. 2, litra f), der blev indsat i forordning nr. 1408/71 ved ændringsforordning nr. 2195/91, er til hinder for, at en medlemsstat i sin lovgivning gør retten for en person, som helt er ophørt med at have erhvervsmæssig beskæftigelse på medlemsstatens område, til fortsat at være omfattet af medlemsstatens lovgivning om social sikring betinget af, at den pågældende bevarer sin bopæl i medlemsstaten.

Artikel 13, stk. 2, litra f) har følgende ordlyd:

*"er en person, der ophører med at være omfattet af en medlemsstats lovgivning, uden at han bliver omfattet af en anden medlemsstats lovgivning i overensstemmelse med en af reglerne i ovenstående litra eller med en af de i artikel 14 til 17 omhandlede undtagelser eller særlige regler, omfattet af lovgivningen i den medlemsstat, på hvis område han er bosat, i overensstemmelse med bestemmelserne i denne lovgivning alene."*

Domstolen kommer til det resultat, at artikel 13, stk. 2, litra f), i forordning nr. 1408/71 ikke er til hinder for, at en medlemsstat i sin lovgivning gør retten for en person, som helt er ophørt med at have erhvervsmæssig beskæftigelse på en medlemsstats område, til fortsat at være omfattet af medlemsstatens lovgivning om social sikring, betinget af, at den pågældende bevarer sin bopæl i medlemsstaten.

Man kan her spørge, - som anført af den svenske og den norske regering under retssagen - om artikel 13, stk. 2, litra f), ikke kun skal finde anvendelse i tilfælde, hvor det er helt klart, at den pågældende person definitivt er ophørt med enhver erhvervsmæssig beskæftigelse, og ikke i tilfælde af et midlertidigt ophør af beskæftigelsen. Også Kommissionen har under sagen anført, at artikel 13, stk. 2, litra f) først kan finde anvendelse fra det tidspunkt, da retten til en ydelse i den stat, hvor den pågældende senest har været beskæftiget, er ophørt, med mindre den pågældende person definitivt er ophørt med enhver erhvervsmæssig beskæftigelse.

Hertil udtaler Domstolen (præmis 39 og 40), at der ikke i ordlyden til artikel 13, stk. 2, litra f), findes noget holdepunkt for at antage, at bestemmelsen kun gælder for arbejdstagere, som definitivt er ophørt med enhver erhvervmæssig beskæftigelse, og ikke for arbejdstagere, som kun er ophørt med at have erhvervmæssig beskæftigelse i en bestemt medlemsstat. Bestemmelsen må kunne anvendes i enhver situation, hvor en person ophører med at være omfattet af en medlemsstats lovgivning, uanset hvad grunden hertil måtte være, og ikke alene af den grund, at den pågældende er ophørt med at have erhvervmæssig beskæftigelse i en bestemt medlemsstat, det være sig definitivt eller midlertidigt.

Domstolen støtter denne fortolkning på, at litra f) i forordningens artikel 13, stk. 2, blev indsat i 1991 som en reaktion på Domstolens afgørelse i Ten Holder- sagen, sag 302/84, Sml. side 1821), hvor en arbejdstager, der modtog kontantydelse ved sygdom efter at have haft beskæftigelse på denne stats område, flyttede til en anden medlemsstat uden på ny at tage beskæftigelse. Det fremgik ikke, at den pågældende ikke senere ville genoptage sin beskæftigelse i den nye bopælsstat. Domstolen fastslog i denne sag, at en sådan person, selv om der ikke fandtes nogen bestemmelse i forordningen, som regulerede denne situation, i medfør af forordningens artikel 13, stk. 2, litra a), (forordningens hovedregel med hensyn til lovvalg), fortsat er omfattet af lovgivningen i den medlemsstat, hvor han senest har været beskæftiget. Det må antages, at fællesskabslovgiver med indsættelsen af litra f) i forordningens artikel 13, stk. 2, har ønsket at foretage en udtrykkelig regulering af den situation, en person, som fru Ten Holder befandt sig i.

Domstolen besvarer derfor det andet spørgsmål med, at artikel 13, stk. 2, litra f), som er indsat i forordning nr. 1408/71 ved forordning nr. 2195/9, ikke er til hinder for, at en medlemsstat i sin lovgivning gør retten for en person, som helt er ophørt med at have erhvervmæssig beskæftigelse på medlemsstatens område, til fortsat at være omfattet af medlemsstatens lovgivning, betinget af, at den pågældende bevarer sin bopæl i medlemsstaten.

#### **ad tredje spørgsmål:**

Det er dette spørgsmål, der har givet anledning til den svenske bilagsoptagelse i forslaget til forordning (forskellige ændringer 1999-2000). Ved bilagsoptagelsen flyttedes ydelsen "föräldrapenning" fra forordningens afsnit III, kapitel 1, til dets kapitel 7, i hvilket den i optegnelsen nævnte sammenlægningsbestemmelse, artikel 72, befinder sig.

Der spørges, om forordningens artikel 22, som befinder sig under ydelser ved sygdom og moderskab i forordningens afsnit III, kapitel 1, er til hinder for, at en person, som helt er ophørt med at have beskæftigelse på en medlemsstats område, mister retten til fortsat udbetaling af forældreydelser som de i sagen omhandlede, fordi den pågældende er flyttet til en anden medlemsstat. Forordningens artikel 22 giver ret til såvel naturalydelse som kontantydelse ved sygdom og fødsel, når der er givet tilladelse til flytning til en anden medlemsstat end den kompetente.

Domstolen undersøger her, om de i sagen omhandlede forældreydelser virkelig er "ydelse ved moderskab," og kommer til det resultat, at de er "familieydelse" i forordningens forstand. Dette støttes på Domstolens tidligere afgørelser i sagerne Hoefer og Zachow, C-245/94 og C-312/94, Sml.I, side 4895).

I disse sager er det fastslået, at en ydelse, der skal gøre det muligt for en af forældrene at hellige sig pasningen af et lille barn, og som har til formål at anerkende det arbejde, som børnepasning er, at yde godtgørelse for andre udgifter i forbindelse med pasning og opdragelse samt, i givet fald, at mildne de økonomiske ulemper som følge af, at der gives afkald på en indkomst ved erhvervs-mæssig beskæftigelse, må ligestilles med en familieydelse i forordningens forstand.

Domstolen fastslår, at den svenske ydelse, "föräldrapenning" er i overensstemmelse med disse kriterier. Ydelsen har til formål, dels at give forældrene mulighed for at skiftes til at passe barnet, indtil det begynder i skolen, dels i et vist omfang at udligne det indtægtstab, som den forælder, der passer barnet, lider ved at give afkald på sin erhvervs-mæssige beskæftigelse.

Familieydelse skal efter forordningens artikler 73 og 74 udbetales til en arbejdstagers eller en arbejdsløs' børn, der bor i en anden medlemsstat

Men da fru Kuusijärvi hverken var arbejdstager eller arbejdsløs med ret til ydelser fra Sverige, efter at hun var flyttet fra Sverige, idet hun efter forordningens artikel 13, stk. 2, litra f) skulle være omfattet af finsk lovgivning om social sikring efter flytningen, var hun ikke længere berettiget til familieydelse fra Sverige.

Heller ikke forordningens artikel 10, som forbyder inddragelse af visse kontantydelse efter flytning mellem medlemsstaterne, kunne føre til et andet resultat, da den kun gælder for de kontantydelse, der direkte er nævnt i den, og det er familieydelse ikke.

Domstolen besvarer herefter det tredje spørgsmål med, at forordning nr. 1408/71 ikke er til hinder for, at det i en medlemsstats lovgivning bestemmes, at en person, som helt er ophørt med at have erhvervs-mæssig beskæftigelse på en medlemsstats område, mister retten til fortsat udbetaling af familieydelse i henhold til denne lovgivning, fordi den pågældende er flyttet til en anden medlemsstat og bor i denne stat sammen med sine familiemedlemmer.