

## COUNTRY NOTE

Database on Social Expenditure ([www.oecd.org/social/expenditure.htm](http://www.oecd.org/social/expenditure.htm))

OECD - Social Policy Division - Directorate of Employment, Labour and Social Affairs

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## DENMARK

### *Nomenclature*

AMU Arbejdsmarkedsuddannelserne (Training/education courses)

ATP Arbejdsmarkedets Tillægspension (Labour market supplementary pension scheme)

### *Monetary unit*

Social spending is expressed in millions of Danish kroner (DKK).

### *General notes*

In Denmark, about 70% of spending on social benefits is financed out of central and local government tax revenue. In other OECD countries, including Scandinavian countries with which Denmark is often compared, there is much greater role for social security contributions (paid by both employers and employees) in financing social effort.

The individual country notes of the OECD Benefits and Wages ( [www.oecd.org/social/benefits-and-wages.htm](http://www.oecd.org/social/benefits-and-wages.htm) ) provide a comprehensive description of characteristics of social programmes (e.g. conditions for receipt, calculation of payment rates, tax treatment of social support, benefit duration, etc.) for the working-age population, including: unemployment insurance and assistance, social assistance, employment-conditional benefits, housing benefits, family benefits, childcare support, and support for sole parent households.

### *Break in series*

Data for 1990 onwards are based on the new ESSPROS methodology format. Coherent spending series for 1980 onwards at the individual programme level were obtained on basis of information for a few years in the early 1990s for which both historical spending series and information based on the new ESSPROS format were available. For certain programmes and aggregate categories, breaks in series (between 1989 and 1990) were inevitable. In general, programmes from the old ESSPROS format which could not be matched with a figure from the new ESSPROS format were set to “missing” from 1990 onwards; similarly, figures from the new ESSPROS format which could not be matched to a programme from the old methodology were set to “missing” for the period 1980-89.

Reorganizational initiatives of the Danish Esspros statistics from 2007 have resulted in a break in series. In contrast to the previous statistics, specific items of income and expenditure for a particular account are now recorded much more precisely.

As membership of an unemployment fund formally speaking always has been voluntary, and voluntary contributions are not to be considered as taxes according to the regulations in the European System of Accounts, the treatment of them in the Danish national accounts has been changed and the contributions are now treated as voluntary contributions. Hence benefits

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accruing from unemployment funds are classified as Voluntary private benefits. (see 208.30.9.0.0.0)

Data for Private health insurance before 1997 refer the total health spending function (HC1-HC9, HCR1) as the split in current health spending (HC1-HC9) into the financing schemes is only from 1997 on.

### *Secretariat estimates*

Adjustment for 6 years old in Childcare pre-primary expenditure is estimated based on Enrolment rates from the OECD Education Database.

### *Sources*

#### **1980-89**

EUROSTAT (1995), *Social Protection Expenditure and Receipts 1980-1993*, Luxembourg.

EUROSTAT (1996), *Digest of Statistics on Social Protection in Europe – Old Age and Survivors: an update*, Luxembourg.

#### **1990-93**

Data from the New Cronos database (EUROSTAT) have been used for estimating expenditure.

#### **1994 onwards**

Data provided by EUROSTAT (ESSPROS database) from 1994, except for:

**1980 onwards**            4. Health: OECD Statistics ([www.oecd.org/health/healthdata](http://www.oecd.org/health/healthdata))

**1998 onwards**            5.2.1.8 Childcare (pre-primary education adjustment for 6 years old):  
OECD Education database (<http://www.oecd.org/edu/database.htm>).

**1980 onwards**            6. ALMP: OECD Labour Market Policy database.

(See Table “Passage from ESSPROS to SOCX” next page).

### *Background information*

European Social Statistics, Social Protection, ESSPROS qualitative information  
<http://ec.europa.eu/eurostat/web/social-protection/data/qualitative-information>


MISSOC, Mutual information system on social protection in the Member states of the European Union and of the European Economic Area  
(<http://ec.europa.eu/social/main.jsp?catId=815&langId=en>)

NOSOSCO, *Social Protection in the Nordic Countries* <http://nowbase.org/>

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 Passage from Esspros to SOCX (public / mandatory-voluntary private)

Denmark, in millions of DNK

		Code	1994	1995	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
		ESSPROS/SOCX																	
(1)		<b>ESSPROS Social protection benefits</b>	<b>1100000</b>	<b>308 359</b>	<b>316 172</b>	<b>362 984</b>	<b>454 187</b>	<b>464 247</b>	<b>511 992</b>	<b>528 911</b>	<b>569 785</b>	<b>595 086</b>	<b>599 762</b>	<b>614 447</b>	<b>637 183</b>	<b>653 405</b>	<b>657 800</b>	<b>654 871</b>	<b>669 678</b>
-	(2)	- ESSPROS Disability Economic integration of the handicapped	1121114	2 242	2 323	4 985	10 249	11 342	0	0	0	0	0	0	0	0	0	0	0
		Economic integration of the handicapped	1121122	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Economic integration of the handicapped	1122114	0	0	0	0	0	4 623	4 413	4 772	4 438	4 553	4 395	5 562	6 921	8 115	9 399	10 847
		Economic integration of the handicapped	1122122	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-	(3)	- ESSPROS Sickness Benefits in kind	1111200	44 801	44 768	61 240	79 128	84 117	93 181	99 748	106 941	109 447	109 181	112 824	114 065	116 544	119 982	123 161	126 493
			1112200	0	0	0	0	0	1 529	1 523	1 580	1 537	1 553	1 556	1 567	1 635	1 653	1 608	1 555
-	(4)	- ESSPROS Unemployment Cash - Vocational training allowance	1161114	12 792	10 472	18 485	16 933	15 869	1 428	1 252	1 916	4 034	4 309	3 355	2 745	2 269	1 763	1 781	1 636
			1161121	1 361	3 725	900	0	0	0	0	0	0	0	0	0	0	0	0	0
			1162114	0	0	0	0	0	3 272	3 602	4 776	5 545	5 012	5 168	5 652	5 407	5 149	5 616	4 903
			1162121	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Benefits in kind	1161200	1 304	2 285	1 356	1 619	1 635	7 275	7 893	8 441	10 196	9 082	8 989	9 113	8 656	8 194	8 011	7 635
			1162200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+	(5)	SOCX Health HEALTH Public benefits in kind	208.10.4.0.0.0	44 902	44 242	67 098	92 535	99 317	106 521	113 798	123 901	125 921	126 378	131 930	135 786	139 448	144 822	149 156	153 493
+	(6)	SOCX/ EDU-EAG FAMILY Services Child care (pre-primary education)	208.10.5.2.1.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Child day care (adjustment for 6yo)		x	x	-2 603	-3 225	-2 921	-3 261	-3 348	-4 593	-5 054	-803	-640	-601	-611	-750	-621	-667
+	(7)	SOCX ALMP ACTIVE LABOUR MARKET PROGRAMMES	208.10.6.0.0.0	16 916	19 457	24 470	24 204	24 507	22 098	24 146	27 702	36 609	37 279	36 804	37 300	40 297	41 597	42 634	42 754
-	(8)	<b>= SOCX MANDATORY PRIVATE SOCIAL EXPENDITURE</b>	<b>208.20.90.0.0.0</b>	<b>a</b>	<b>a</b>	<b>a</b>	<b>a</b>	<b>a</b>	<b>39 558</b>	<b>37 512</b>	<b>43 856</b>	<b>37 181</b>	<b>37 025</b>	<b>36 034</b>	<b>52 734</b>	<b>59 905</b>	<b>53 663</b>	<b>45 417</b>	<b>45 733</b>
		ESSPROS Scheme 31 invaldepensioner tilkendt af pensionskasser og forsikringselskaber		0	0	0	0	0	6 588	6 411	7 605	6 306	6 089	5 935	8 512	8 942	8 464	7 338	7 345
		ESSPROS Scheme 45 øvrige supplerende obligatoriske alderspensioner		0	0	0	0	0	28 583	26 771	31 270	27 593	27 472	26 955	39 911	46 588	41 200	34 712	34 883
		ESSPROS Scheme 49 ægtetælpensioner og børnepensioner		0	0	0	0	0	4 387	4 329	4 982	3 282	3 464	3 144	4 312	4 374	3 999	3 367	3 505
-	(9)	<b>= SOCX VOLUNTARY PRIVATE SOCIAL EXPENDITURE</b>	<b>208.30.90.0.0.0</b>	<b>56 031</b>	<b>52 842</b>	<b>51 297</b>	<b>62 413</b>	<b>54 757</b>	<b>38 728</b>	<b>36 530</b>	<b>43 641</b>	<b>46 726</b>	<b>45 433</b>	<b>46 711</b>	<b>45 189</b>	<b>43 383</b>	<b>41 172</b>	<b>37 880</b>	<b>37 036</b>
		ESSPROS Scheme 9 Arbejdsledeskasser		47 636	44 714	38 905	43 721	36 817	0	0	0	0	0	0	0	0	0	0	0
		ESSPROS Scheme 11 Pensionskasser (for visse fag eller firmaer)		7 508	7 153	10 752	16 463	15 467	0	0	0	0	0	0	0	0	0	0	0
		ESSPROS Scheme 22 Frivillig sygesikring		222	223	187	173	169	590	617	678	602	584	510	593	571	625	636	654
		ESSPROS Scheme46 efterløn og fleksydelse (efterløn for personer, der kommer fra fleksjob eller ledighedsydelse)		0	0	0	0	0	22 307	23 319	22 794	22 652	21 584	20 462	19 505	18 559	16 657	14 971	13 624
		ESSPROS Scheme64 forsørgelse forsikrede ikke-aktiverede ledige (dage/indtjening arb.markedsydelse 2014-2016/kompensationer/G-dage)		0	0	0	0	0	13 084	9 381	16 736	20 070	19 491	21 511	20 748	19 234	18 576	16 811	16 947
(10)		SOCX Health HEALTH Voluntary private insurance, benefits in kind	208.30.4.2.0.0	887	976	1 652	2 230	2 473	2 805	3 191	3 413	3 246	3 442	3 612	3 785	4 103	4 461	4 630	4 926
=	(11)	<b>SOCX PUBLIC SOCIAL EXPENDITURE</b>	<b>208.10.90.0.0.0</b>	<b>252 534</b>	<b>264 434</b>	<b>315 337</b>	<b>399 589</b>	<b>419 903</b>	<b>450 562</b>	<b>474 225</b>	<b>504 284</b>	<b>536 703</b>	<b>549 910</b>	<b>567 122</b>	<b>576 826</b>	<b>591 922</b>	<b>608 241</b>	<b>617 797</b>	<b>634 347</b>

Notes:

- (1) "ESSPROS / Social protection benefits" are Total ESSPROS expenditures (1000000) less Administration costs (1200000) and other expenditure (1400000, property income and other).
- (2) The ESSPROS data within "Disability / Economic integration of the handicapped" are not included in SOCX database to avoid double counting with SOCX "Active Labour Market Programmes / Measures for the disabled".
- (3) The ESSPROS data within "Sickness / Benefits in kind" are not included in SOCX database to avoid double counting with SOCX "Health / Benefits in kind".
- (4) The ESSPROS data within "Unemployment / Cash Vocational training allowance" "Unemployment / Benefits in kind" are not included in SOCX database to avoid any double counting with SOCX "Active Labour Market Programmes".
- (5) SOCX Health benefits in kind are from "OECD Health Data ([www.oecd.org/health/healthdata](http://www.oecd.org/health/healthdata))".
- (6) SOCX includes public spending on pre-primary education from OECD education database, unless such data are already included in "5.2.1. Day care services".
- (7) SOCX Active Labour Market Programmes are from "OECD database on labour market programmes".
- (8) Spending on some programmes recorded under the schemes below are categorised as Mandatory private in SOCX.
- (9) Spending on some programmes recorded under the schemes below are categorised as Voluntary private in SOCX. (9) Includes (10).
- (10) SOCX Private insurance Health benefits in kind are from "OECD Health Data ([www.oecd.org/health/healthdata](http://www.oecd.org/health/healthdata))".
- (11) = (1) - (2) - (3) - (4) + (5) + (6) + (7) - (8) - (9) + (10)

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<b>Code</b>	<b>Title of the programme</b>	<b>Description of the programme and attached notes</b>
<b>1. OLD AGE</b>		
208.10.1.1.1.1	All residents: State pension	The statutory basic pension may be discontinued, if the old-age pensioner has earnings above a certain level. All those who have been resident in the country for at least 3 years are entitled to a pension. The qualifying age for basic pension and guaranteed minimum pension is 65. The employment pension will be increased if it is not paid out before a pensioner reaches the age of 70. Benefit income for pensioners is taxed in line with prevailing rules for other taxpayers.
208.10.1.1.1.2	Personal supplement	Statutory for public sector employees, and established on the basis of public and private collective agreements. The qualifying age for the supplementary and individual pension is 60.
208.10.1.1.1.3	Employees: labour market scheme (ATP)	Pension funds and life-insurance companies under the Danish Financial Supervisory Authority. Generally, the insured pays one third of the contribution while the employer pays two thirds. The self-employed pay the entire contribution, while those receiving early retirement benefits pay half the contributions with the State paying the other half.
208.10.1.1.1.8	Pension : Early retirement (including supplements) (means-tested)	Labour market supplementary pension concerning recipients of early retirement pension.
208.10.1.1.2.1	Employees and self-employed, partial pension	The special old age and partial retirement pensions are the general anticipatory pension, which may be awarded to people aged 18-66 whose working capacity has been reduced by at least 50 per cent for health and/or social reasons.
208.10.1.2.1.1	Accommodation for the elderly	Accommodation for the elderly can be provided in a wide range of different institutions that include: nursing homes, homes for the long-term ill, old people's homes, sheltered homes, service flats, collective housing, and housing where special care is provided. The elderly may also, be offered long-term medical treatment in geriatric wards in hospitals.
208.10.1.2.1.2	Assistance in carrying daily tasks for old age people	The extent of assistance is determined on the basis of individual needs and may vary from a few hours per month to several hours per day. Assistance is a municipal matter and is provided by municipal staff.
<b>2. SURVIVORS</b>		
208.10.2.1.1.1	All residents: widow's state pension	Special pensions for widows and widowers have been abolished: they may apply for general anticipatory pension.
<b>3. INCAPACITY RELATED BENEFITS (Disability, Occupational injury and disease, Sickness)</b>		
208.10.3.1.1.4	Early retirement benefit due to reduced capacity to work ( means tested)	The disability pension is given to workers whose workability has been assessed through a resource scheme and estimated to substantially and permanently reduced in such a degree that self-providing from any kind of work, including flexi-job, is precluded. Disability pension will not be granted if the workability can be improved through activation, treatment, rehabilitation, resource schemes or in other ways.
208.10.3.1.3.1	Occupational accident and disease	Compensation is granted for loss of ability to work if an industrial injury has reduced the working capacity by at least 15 per cent. In addition, a non-recurrent payment is payable if the degree of the permanent injury is 5 per cent or more. Since 2007, the expenditures of this programme are reported under item 208.10.3.1.5.3.

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208.10.3.1.4.1	All labour force: daily sickness allowance (social security)	Employers sickness benefit payments for two weeks from 1990 in 208.20.3.1.4.1. In general, public sector employers must pay daily cash benefits for the whole of the period of absence, irrespective of its length.
208.10.3.1.4.2	Sickness benefits paid by communities	Municipal payment of sickness benefit to workers
208.10.3.1.5.8	Other cash benefits (social security)	Includes sickness benefit paid by voluntary schemes, expenditure on the care of ill or dying people, transport, benefits to sailors and other health insurance.
208.10.3.1.5.1 3	Compensation for loss of earnings when taking care of relatives with physical or mental disabilities	The municipal council shall pay compensation for loss of earnings to persons maintaining a child under 18 in the home whose physical or mental function is substantially and permanently impaired, or who is suffering from serious, chronic or long-term illness. Compensation shall be subject to the condition that the child is cared for at home as a necessary consequence of the impaired function, and that it is most expedient for the mother or father to care for the child. Moreover, persons who are attached to the labour market and who wish to care for a closely connected person with substantial and permanent impairment of physical or mental function or serious, chronic or long-term, including incurable, illness in the person's home, shall be employed by the municipal council.
208.10.3.2.1.2	Accommodation for disabled people	Accommodation for the disabled can be provided in institutions including, nursing homes, homes for the long-term ill, sheltered housing, service flats, collective housing). Disabled people may also be offered long-term medical treatment in hospital wards. Since 2007, the expenditures of this programme are reported under item 208.10.3.2.1.6.
208.10.3.2.1.4	Assistance in carrying out daily tasks for disabled people	People with severe disabilities may be granted financial support towards payment for personal assistance and help in carrying out daily task. Assistance is a municipal matter and is provided by municipal staff.
208.10.3.2.2.3	Rehabilitation for disabled people (hospitals, social security, family allowances)	See 3.2.2.4
208.10.3.2.2.4	Rehabilitation for disabled people	Support is granted as a fixed rehabilitation allowance, subject to rehabilitation being undertaken in line with a set occupational plan. The allowance is payable until the occupational plan has been implemented, but usually for a maximum of five years.
208.10.3.2.3.1	Subsidies for aid	For the years 1980 to 1984, data for "Counsellors for handicapped persons" and "Miscellaneous subsidies" are included under "Subsidies for aid".
208.10.3.2.3.2	Counsellors for handicapped persons	See 3.2.3.1
208.10.3.2.3.7	Leisure activities	As from 1990, data for "Leisure activities" are included in "Home-help services".
<b>4. HEALTH</b>		
208.10.4.2.0.0	Public expenditure on health	See <i>OECD Health Statistics</i> .
<b>5. FAMILY</b>		
208.10.5.1.1.1	Child family benefit	The allowance is payable until the child reaches the age of 18. It is tax free and independent of parents' income. Since 2007, the expenditures of this programme are reported under item 208.10.5.1.1.11.
208.10.5.1.1.5	Special child allowance for orphans	Special child allowances may be granted where one of a child's parents is a pensioner, or where one of the parents has died, or in case paternity has not been established.
208.10.5.1.1.6	Special child allowance for aged and invalid parents	See 5.1.1.5

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208.10.5.1.1.7	Child maintenance benefit paid in advance	Figures represent the amount paid by municipalities to parents/guardians, minus the amount recovered from the parents paying maintenance.
208.10.5.1.2.1	Income maintenance benefit in the event of childbirth	There are daily cash benefits in the event of pregnancy, childbirth or adoption. The maximum number of weeks for which maternity benefits are payable is 30. These benefits are taxable. Public sector employees and some private sector employees receive full pay during the months following childbirth. Since 2007, the expenditures of this programme are reported under item 208.10.5.1.2.3.
208.10.5.1.2.2	Parental leave benefits	Parental leave payments and childminding benefits (although the latter benefit is being phased out). The benefit has ceased in 2002, but will continue for those children born before 1/1.2002 until their 9th year and end 1/1.2011.
208.10.5.2.2.2	Residential accommodation and secured institutions for children and young people	Schemes for child in need of special support, which includes some measures, such as day care facilities, placement outside home etc.
208.10.5.2.3.1	Youth centres	The age limit is 10 in some municipalities and 14 in others for entitlement to places at youth centres.
208.10.5.2.3.2	Clubs	See 5.2.2.1
208.10.5.2.3.7	Other benefits in kind: supportive measures for families	Preventive and supportive measures for children, young people and their families. For instance practical or pedagogical support to the family, family therapy, accommodation, contact person for the child or for the family, counselling and the like. Financial support to the parent in case it is of vital importance considering the child's special need for support.
<b>6. ACTIVE LABOUR MARKET PROGRAMMES</b>		
See OECD Labour Market Policy database.		
208.10.6.0.5.1	Training	For the years 1980 to 1985, expenditure for "Training" is included in "Rehabilitation".
<b>8. HOUSING</b>		
208.10.8.2.1.1	Housing benefits (social housing)	Means-tested payments to families in rented accommodation, but can involve a loan to pensioners who own the house or flat they live in. A heating supplement may be granted. No expenditures data after 2006.
208.10.8.2.2.1	Other rent benefits	In addition to housing benefit, means-tested financial support is available to (partly) pay the deposit needed to secure an appropriate and reasonable home.
208.10.8.2.2.2 , and 208.10.8.2.2.3	Housing benefit to families and pensioners	Entitlement depends on a series of objective criteria and eligibility is determined through a calculation which includes the household income, household fortune exceeding a certain amount, the expenditure on use of the home of each individual household, the size of the dwelling, the number of children, and various other factors. Housing benefits may be granted to non-pensioners and to pensioners. Non-pensioners may receive housing benefits to dwellings that are rented, dwellings going through urban renewal and communal dwellings. Pensioners may receive housing benefits for rented dwellings, special dwellings for the elderly, owner-occupied dwellings, co-operative dwellings and communal dwellings. Expenditures data since 2007.
<b>9. OTHER SOCIAL POLICY AREAS</b>		
208.10.9.1.1.1	Income support	People not or no longer entitled to unemployment benefit, are eligible for means-tested social assistance.
208.10.9.1.1.4 208.10.9.1.1.5	Assistance up to 9 months	Support includes payment of non-recurrent expenses as well as removals, assistance to victims of the German occupation, financial assistance to Danish nationals living abroad, compensation to victims of crime, as well as financial support for

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	repatriation of sailors.
208.10.9.1.1.6 Assistance to people under 25	Young people under the age of 25 living at home, without children and without income from work equivalent to 60% of unemployment benefit for 18 months are entitled to special youth benefits.
208.10.9.2.1.3 Addiction advisory centres (services)	Compulsory treatment may be initiated if an abuser is deemed to be a danger to him/herself or to his/her environment.
208.10.9.2.1.5 Other services (mariners, asylum-seekers, Red Cross, etc.)	The large number of residence permits granted to refugees in 1995 is due to refugees from the former Yugoslavia. Asylum seekers get board and lodging plus pocket money during their stay at an asylum centre.
208.10.9.2.2.3 Other benefits in kind :Asylum applicants - various costs	Introduction programmes and integration programmes, support and other cost.
208.30.9.0.0.0 Other social policy areas	Data refer to unemployment benefits. As membership of an unemployment fund formally speaking always has been voluntary, and voluntary contributions are not to be considered as taxes according to the regulations in the European System of Accounts, the treatment of them in the Danish national accounts has been changed and the contributions are now treated as voluntary contributions. Hence benefits accruing from unemployment funds are classified as Voluntary private benefits.