



## **Working abroad: Unemployment benefits**

EUFASA conference in Berlin, May 2007

# Unemployment benefits: Summary (I)



## Introduction

- The questionnaire concerning unemployment benefits was answered by 21 countries, which demonstrates the importance of the subject
- The law in most countries is very complex and complicated and there are many exceptions to the rule. Some countries referred in their answers to the special regulations while posted in another EU country, others only answered with a simple yes or no.

## Key results

1. In any case, postings outside the EU/EEA area do not give any right to benefits being transferable, unless there exists a special bilateral agreement between the resp. countries.
2. Full time study, maternity and parental leave or caring for a handicapped /elderly person and imprisonment are accepted reasons for being away from the job market in several countries without losing the right to unemployment benefits.
3. The unemployment benefits upon returning home from a posting depend on many factors and only Sweden and the Czech Republic allow the spouses to be absent from the home job market for an unlimited period of time without losing the right to unemployment benefits. France and Germany allow an absence of four years, Austria, Iceland and Ireland for two years, the EU Commission for one to two years and in Belgium the length is conditional to the nature of the prior employment (public: 72 months, private 12 months). Finland allows an absence of 6 months.
4. In all these cases, employment in the home country prior to going abroad is a must, i.e. reactivation of previous entitlement. This can impose a special problem for foreign born spouses for whom it is often harder to get the first job in the home country of the civil servant due to language problems, etc.

## Unemployment benefits: Summary (II)

### Key results (ct'd)

6. Only Hungary requires employment during a posting abroad (a minimum of 365 days within four years of posting in a EU country or a country with which Hungary has a bilateral agreement or at a Hungarian Embassy).
5. As it is increasingly more difficult to find employment after being absent from the job market for several years, especially with the increase of age, this is a real problem for accompanying spouses.
6. It is not only a question of “wanting” to work but a question of “having” to work, since in today’s societies, both partners need to work. One salary on home postings is often not enough to support a family, especially in the lower ranks. This trend is supported by taxation and pensions systems as well.
7. If one is not eligible for unemployment benefits, this is also reflected in lost pension due to the fact that the spouse has not been able to acquire enough “working years” countable for pension. This development is especially brutal in case of divorce in countries, where the pension has to be “earned” individually and no “pension points” are credited to the non-working spouse.

### Recommendation

- The working group, therefore, strongly recommends that Ministries of Foreign Affairs support and work for a system similar to the system in Sweden, where unemployment benefits can be frozen for an indefinite period of time and in which spouses can be eligible for unemployment benefits when returning home from a posting if not securing employment.

# Overview of questions

## Questionnaire

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1. Does the spouse qualify for unemployment benefits when returning home from a posting and not securing a job?
2. Under which circumstances does the spouse qualify for unemployment benefits when returning home and not securing a job?
3. If yes, is there any minimum period the spouse has to have worked?
4. If yes, is there a time limit the spouse can be abroad (absent from the job market in the home country) without losing entitlement to unemployment benefits, in other words can these benefits be frozen for a period of time?
5. Does entitlement depend upon the location of posting e.g. EU country / Nordic country, etc.?
6. Does entitlement depend upon the nature of the employment prior to going abroad (such as public or private sector, etc.)
7. Are there any accepted reasons for being away from the job market?
8. Under what circumstances if any, does the spouse (qualified for unemployment benefits when returning home and not securing a job) lose this entitlement?
9. If the spouse does not qualify for unemployment benefits, does the working officer receive a tax allowance for being the sole bread winner of the family

# Unemployment benefits: Question 1

1. Does the spouse qualify for unemployment benefits when returning home from a posting and not securing a job?		
Austria	it depends	
Belgium	it depends	It depends : has she/he worked before leaving Belgium , did she/he work fulltime, halftime with a certain salary, halftime with certain rights, as a 'normal' employee or as a civil servant or as a independent person or as a person with a combination of this different statutes, the age of the beneficiary, how long she/he has been away for, the reasons why she/he has been abroad, has she/he been working abroad, what kind of employment she/he has been doing, in which country she/he has been working (according to the regulations with certain countries the labour prestations will be taken in account or not and will so have certain consequences
Cyprus	it depends	
Czech Republic	yes	
European Commission	it depends	if spouse is a certain EU citizen and having worked in certain EU member States and has qualified credits (see also appendix EU Commission)
Finland	it depends	
France	it depends	
Germany	it depends	see details "Appendix Germany"
Greece	no	The spouses only qualify for unemployment benefits while posted abroad
Hungary	it depends	the spouse must have had at least 365 days of employment in total during four years of foreign posting (work in EU country or country with which Hungary has a bilateral agreement or work at the Hungarian Embassy)
Iceland	it depends	if he/she has not been away for more than 24 months
Ireland	it depends	It depends. Spouse would be unlikely to have made sufficient insurance contributions over previous two years and would not meet means test requirements if cohabiting with officer.
Italy	no	
Luxembourg	no	
Netherlands	it depends	The Netherlands follows the EU/EER agreement. Any workers moving from one EU/EER country to another is entitled to take with them their unemployment benefits
Norway	it depends	
Portugal	no	
Spain	no (*) see question 2	
Sweden	yes	unemployment benefits are frozen for all spouses of Swedish civil servants sent abroad by their Government
Switzerland	it depends	see appendix Switzerland
UK	it depends	if availabe and able to work and spouses income within limits (see appendix UK)

# Unemployment benefits: Question 2

2. Under which circumstances does the spouse qualify for unemployment benefits when returning home and not securing a job?	
<b>Austria</b>	The spouse has to have worked in the home country prior to going abroad for minimum 52 weeks, and this within the last 2 years
<b>Belgium</b>	He/she must have resigned himself/herself and not have been away too long
<b>Cyprus</b>	In cases where the spouse has worked in the home country for more than 13 weeks before going abroad or in cases if she/he has worked in an EU country or a country with which Cyprus has a bilateral agreement
<b>Czech Republic</b>	The spouse has to have worked in the home country prior to going abroad
<b>European Commission</b>	The spouse has to have worked in the home country or in some of the EU States
<b>Finland</b>	the spouse has to have worked in the home country prior to going abroad
<b>France</b>	The spouse has to have worked in the home country before going abroad
<b>Germany</b>	If the spouse is already entitled to unemployment benefits on the basis of earlier periods of work in Germany "reactivation of entitlement" possible. For export of unemployment benefits from a EU-country see "appendix Germany" . Under certain conditions the spouse can contribute voluntarily to the public unemployment insurance while being posted to a non-member country of the EU (§ 28a Sozialgesetzbuch - SGB III) In that case the spouse has to have worked 12 months in a period of 2 years in the home country prior to going abroad.
<b>Greece</b>	no benefits when coming home
<b>Hungary</b>	see question 1 (the spouse must have had at least 365 days of employment in total during the four years of foreign posting)
<b>Iceland</b>	the spouse must have worked in the home country prior to going abroad
<b>Ireland</b>	the spouse has to have worked prior to going abroad
<b>Italy</b>	not applicable
<b>Luxembourg</b>	not applicable
<b>Netherlands</b>	the spouse has to have worked prior to going abroad
<b>Norway</b>	it depends on the place of posting abroad
<b>Portugal</b>	not applicable
<b>Spain</b>	once you quit a job voluntarily you do not qualify for unemployment benefits unless you negotiate a dismissal with your (private) employer. The claim for unemployment benefits has to be done within the next 15 days of the dismissal, so you cannot claim it when returning from a post unless you have negotiated a leave of absence and when returning you are not admitted to the company again and then you have those 15 days to claim the benefits
<b>Sweden</b>	the spouse has to have worked prior to going abroad
<b>Switzerland</b>	<b>yes, you qualify if</b> you have been working A) in a non-EFTA country and been there for more than a year. B) for a minimum of 12 months during the last 2 years. C) You asked for your indemnity during the year you come back and D) You have a work certificate from your employer to attest how long you have been working <b>no, you don't qualify if</b> you have been working A) In a European country: you have to apply in the country you have worked, B) if you come back from Germany: special agreement and C) had an independent job.
<b>UK</b>	difficult to answer this as proof will be required of work undertaken. Must be actively seeking work , British reg. Form 301 and 303

# Unemployment benefits: Question 3



3. If yes, is there any minimum period of time the spouse has to have worked prior to going abroad?	
Austria	52 weeks
Belgium	it depends where/in which sector she/he has worked
Cyprus	more then 13 weeks
Czech Republic	one year
European Commission	yes
Finland	yes, ten months
France	yes
Germany	no (see appendix Germany)
Greece	not applicable
Hungary	work at home prior to going abroad is not counted
Iceland	yes, the minimum period to have worked in order to be fully qualified for unemployment benefits is 12 months (Art. 15, par.1 of the Unemployment Benefit Act no. 54/2006. In order to receive partial benefits one has to have worked for at least 3 months.
Ireland	yes
Italy	not applicable
Luxembourg	not applicable
Netherlands	minimum of 6 month and more than 29 working-days during that time
Norway	it depends on the place of posting abroad
Portugal	not applicable
Spain	no
Sweden	one year to get full amount of unemployment benefits
Switzerland	yes, a minimum of 12 months during the last 2 years
UK	depends on the type of benefit requested, job seekers would depend on benefits

# Unemployment benefits: Question 4



4. If yes, is there a time limit the spouse can be abroad (absent from the job market in the home country) without losing entitlement to unemployment benefits, in other words can these benefits be frozen for a period of time?	
<b>Austria</b>	maximum 2 years
<b>Belgium</b>	72 months for those who have worked in the public sector and at least 12 months for those who have worked in the private sector, but certain companies can have different regulations and so it can be extended for some persons for 60 months
<b>Cyprus</b>	not applicable
<b>Czech Republic</b>	
<b>European Commission</b>	it varies from one to two years
<b>Finland</b>	6 months
<b>France</b>	4 years
<b>Germany</b>	the entitlement for benefits can be frozen for 4 years (reactivation of previous entitlement) - see appendix Germany
<b>Greece</b>	under certain circumstances a doctor or a lawyer can maintain his status for a limited period - taking a leave of absence for a year. During this time unemployment benefits are arranged through his/her professional associations
<b>Hungary</b>	it depends, see questions 1 - 3
<b>Iceland</b>	yes, for 24 months (if you keep your residence in Iceland, which most diplomats do)
<b>Ireland</b>	2 years
<b>Italy</b>	not applicable
<b>Luxembourg</b>	not applicable
<b>Netherlands</b>	The Netherlands follows the EU/EER agreements
<b>Norway</b>	
<b>Portugal</b>	not applicable
<b>Spain</b>	no
<b>Sweden</b>	no time limit, benefits can be frozen for as long as one is posted abroad
<b>Switzerland</b>	benefits cannot be frozen. Your only possibility of keeping your rights is to have followed an educational program or work for 12 months during the last 2 years
<b>UK</b>	benefits cannot be frozen. A new claim must be made when arriving back in UK.

# Unemployment benefits: Question 5



5. Does entitlement depend upon the location of posting e.g. EU country / Nordic country, etc.?	
<b>Austria</b>	yes, unemployment benefits are transferable within EU countries, but with strict time limits and conditions
<b>Belgium</b>	not only the country he/she has worked in is important, also the nationality of the beneficiary is taken into account (Belgian or not) There are different regulations for each country (a very complex matter)
<b>Cyprus</b>	If posted in an EU country coordination of Social Security System Reg. 1408/71 apply. If posted in another country it depends e.g. bilateral agreement. Cyprus has bilateral agreements with 11 countries
<b>Czech Republic</b>	no
<b>European Commission</b>	yes, entitlement is governed by EU Directives for Member State Workers
<b>Finland</b>	yes, unemployment benefits are transferable within EU countries, but with strict time limits and conditions. Also special rules for Nordic countries
<b>France</b>	no
<b>Germany</b>	yes, entitlement is governed by special EU regulations (see appendix Germany"
<b>Greece</b>	not applicable
<b>Hungary</b>	no
<b>Iceland</b>	yes, if a spouse has been working in another Nordic country within the last five years of leaving Iceland that work can be considered as work in Iceland for the purpose of unemployment benefits (see Art.47, Par.3 of Act No.54/2006). For work in another EE
<b>Ireland</b>	yes, Contributions paid in another EU country can be taken into account but last contribution must be paid in Ireland. Also habitual residence requirements take account of residence in the Common Travel Area (U.K., Isle of Man, and the Channel Islands)
<b>Italy</b>	not applicable
<b>Luxembourg</b>	no
<b>Netherlands</b>	EU/EER agreements
<b>Norway</b>	yes, if posted in a EU/EEA country or Switzerland and having worked there you are entitled to unemployment benefits on returning to home country
<b>Portugal</b>	not applicable
<b>Spain</b>	no
<b>Sweden</b>	no
<b>Switzerland</b>	yes, see answer to question 2
<b>UK</b>	no (habitual residency case must be undertaken when returning)

# Unemployment benefits: Question 6



<b>6. Does entitlement depend upon the nature of the employment prior to going abroad (such as public or private sector, etc.)</b>	
<b>Austria</b>	no
<b>Belgium</b>	yes (only for civil servants)
<b>Cyprus</b>	no
<b>Czech Republic</b>	no
<b>European Commission</b>	no
<b>Finland</b>	no
<b>France</b>	yes, the wage earner must have worked in the private sector (not liberal nor public)
<b>Germany</b>	no
<b>Greece</b>	see answer to question 4
<b>Ireland</b>	yes, entitlement could depend upon the nature of employment as civil servants do not pay standard insurance contributions
<b>Italy</b>	not applicable
<b>Luxembourg</b>	no
<b>Netherlands</b>	no
<b>Norway</b>	no
<b>Portugal</b>	not applicable
<b>Spain</b>	no
<b>Sweden</b>	no
<b>Switzerland</b>	no
<b>UK</b>	no

# Unemployment benefits: Question 7

7. Are there any accepted reasons for being away from the job market?	
Austria	yes, maternity leave (2½ years)
Belgium	yes, maternity leave, career interruption but then again it depends in which sector you have been working and for how long (again many different rules)
Cyprus	yes, maternity leave (16 weeks) or sickness
Czech Republic	yes, maternity leave, enrollment at a University or other Institution of Learning and care for handicapped or elderly person
European Commission	no
Finland	yes, maternity leave, further studies, care for handicapped or elderly person, education of own child under school-age, imprisonment
France	yes, maternity leave till the child reaches the age of 3
Germany	maternity leave (education of children under the age of 3 years)
Greece	not applicable
Ireland	no (non that are likely to apply to the spouse of a foreign officer)
Italy	not applicable
Luxembourg	maternity leave, parental leave, further studies
Netherlands	no
Norway	one year paid maternity leave gives entitlement to unemployment benefits. Leave for more than one year is accepted, but gives no right to unemployment benefits
Portugal	no
Spain	16 weeks maternity leave
Sweden	maternity leave for maximum 2 years, study full time up to 5 years within the Swedish University system
Switzerland	<b>A) for education:</b> You are entitled to qualify for unemployment benefits when returning home (even if you have not paid your contribution) if you have been abroad for education purposes, and as long as you have been living in Switzerland for a minimum of 10 years before and your education was more than 12 months. You must announce yourself then during the year of your return and you have to present a certificate to prove that you have successfully accomplished this education. <b>B) Maternity:</b> if you stayed at home for your child (under 10) and you never get any unemployment benefit during this time, you must have worked 12 months during the 4 years preceding your first inscription. You get 2 more years for each child.
UK	yes, depending on the type of benefit being claimed - proof would be required. Pregnancy, studying but proof required

# Unemployment benefits: Question 8



8. Under what circumstances if any, does the spouse (qualified for unemployment benefits when returning home and not securing a job) lose this entitlement?	
<b>Austria</b>	staying longer than the maximum time limit abroad
<b>Belgium</b>	if she/he has been away too long
<b>Cyprus</b>	in case where the spouse is not available or capable because of sickness. In such a case the spouse is entitled to sickness benefits
<b>Czech Republic</b>	if the spouse has not worked prior to going abroad for one year
<b>European Commission</b>	if there are insufficient credits, then the unemployed person is means tested and is not eligible for unemployment assistance
<b>Finland</b>	if she/he has been away too long
<b>France</b>	the employee has to register with the ASSEDIC (body dealing with unemployment benefits)
<b>Germany</b>	the spouse loses this entitlement, if he/she is not seriously seeking a job or not available for the job marked
<b>Greece</b>	not applicable
<b>Ireland</b>	not applicable
<b>Italy</b>	not applicable
<b>Luxembourg</b>	not applicable
<b>Netherlands</b>	if you are not actively looking for a job
<b>Norway</b>	not applicable
<b>Portugal</b>	not applicable
<b>Spain</b>	not applicable
<b>Sweden</b>	as soon as he/she starts working in another EU-country and enters therefore another social security system
<b>Switzerland</b>	if you are self employed abroad
<b>UK</b>	if income of spouse should increase

# Unemployment benefits: Question 9



9. If the spouse does not qualify for unemployment benefits, does the working officer receive a tax allowance for being the sole bread winner of the family?	
<b>Austria</b>	yes
<b>Belgium</b>	yes (but this is a general rule in the Belgian tax system)
<b>Cyprus</b>	no
<b>Czech Republic</b>	yes
<b>European Commission</b>	yes, just a small insufficient allowance (ca. 200 €/month)
<b>Finland</b>	no
<b>France</b>	no
<b>Germany</b>	yes
<b>Greece</b>	
<b>Ireland</b>	yes (for example the spouse could receive a Home Carer*s tax credit
<b>Italy</b>	yes, at home the working officer receives an allowance for the wife/husband not working.n (When abroad, the working officer receives an allowance of 20% of his/her foreign "supplement" if his/her wife/husband is not working and - for the majority of postings - present at posting!)
<b>Luxembourg</b>	no
<b>Netherlands</b>	no
<b>Norway</b>	no
<b>Portugal</b>	yes
<b>Spain</b>	no
<b>Sweden</b>	no
<b>Switzerland</b>	no
<b>UK</b>	no

# Special comments on situation in Germany



## Germany

### **a) Consideration for German unemployment-benefit purposes of time spent working in EU countries by spouses returning to Germany from a posting abroad:**

For unemployment-benefit purposes contributions paid/time spent by a spouse working in an EU Member State count under the laws of the country where the benefits are claimed (home country) as if they were paid in that country, and therefore must be considered as counting towards the qualifying period for unemployment benefits.

However, the spouse must have worked again in Germany immediately after returning home from a posting abroad before he/she can claim unemployment benefits.

The only case where this rule does not apply is when the spouse is already entitled to unemployment benefits on the basis of earlier periods of work in Germany ("reactivation of entitlement"); the time spent working abroad would therefore merely result in the spouse being able to claim benefits for a longer period. The benefits can be frozen for a period of 4 years (§ 147 Abs. 2 Sozialgesetzbuch – SGB – III)

### **b) Export of unemployment benefits from a EU-country:**

If the spouse is a national of a member state of the European Union and has been working in a member state\* he/she can export the unemployment benefits over a period of three months for job seeking purposes, on condition that:

He/she is seriously seeking a job and has been receiving unemployment benefits for at least four weeks in the country, which he/she is leaving. This period can be shortened, however, by the unemployment service concerned

he/she applies to the competent institution for Document E 303;

he/she registers with the employment services in the country he/she has moved to within seven days of his/her arrival;

he/she complies with the control procedures organised by the Member State where he/she is residing

\*please note that there are restrictions for some EU-countries

**c) Under certain conditions the spouse can contribute voluntarily to the public unemployment insurance system while being posted to a non-member country of the European Union (§ 28a Sozialgesetzbuch – SGB III). In that case the spouse has to have worked 12 months in a period of 2 years in the home country prior to going abroad.**

# Special comments on situation in Switzerland



## Switzerland

### **Principles: Following answers to the questionnaire do only exemplify these basic principles**

- If you voluntarily terminate your employment (which is what usually happens to spouses when they have to quit their job because of transfer), or lose your job due to professional mistake, your unemployment benefits can be frozen for a certain period of time
- You have no right if you have not been working 12 months during the last 2 years, except if you have followed an education program
- You have no right if you are self employed

# Special comments on situation in UK



## UK

There are various types of credit available:

- **Job Seekers:** for those actively seeking employment
- **Incapacity Benefit:** for those who are unable to work
- **Income Support:** offers support for carers or lone parents

# Special comments on situation in the European Commission



## European Commission

- Even if a spouse of a Commission Official is not eligible for benefits and decides to register as unemployed in Belgium, then the spouse has to forfeit special identity card and health insurance entitlement as the spouse of an official and is obliged to get his/her own insurance in their own name.
- Furthermore, if a spouse obtains employment with an annual income of more than € 5.000,- then that spouse lose their health insurance and also the children\*s and must obtain health insurance for themselves and their children.
- There is also the issue that when the spouse is abroad outside the EU, it has a devastating effect on their future pension entitlements.