INTERNATIONAL SOCIETY FOR LABOUR LAW AND SOCIAL SECURITY

XIIth WORLD CONGRESS

Madrid, 20-23 September 1988

Item: Employees' inventions

NATIONAL REPORT THE NETHERLANDS

Questionnaire for national reporters

General reporter: Prof. Jan Jonczyk, Polen

National Reporter: Guus Heerma van Voss

Department of social law and social policy, University of Tilburg
1. Applicable law and basic notions.

1.1. Sources of law concerning employee inventions.

The most important source of law concerning employee inventions is legislation. Other sources of law are international treaties, jurisprudence, collective agreements and individual labour contracts.

1.2. The role of the collective agreement and of the individual contract of employment.

In October 1986, the Ministry of Social affairs and Employment investigated 26 collective agreements from branches and companies in which inventions, patents and copyrights could be expected to play a role. It conducted this research in order to answer an ILO-questionnaire. These collective agreements are regarding the chemical, the farmaceutic and the electro-technic industry as well as the branche of journalism, commercial and non-profit services.

- Two collective agreements for chemical companies (DSM and Gist Brocades) contain extensive clauses about the rights, duties and remuneration of the employee inventor. In both collective agreements the employee is explicitly obligated to transfer all rights in relation to the invention to the employer.

- Three collective agreements for electrotechnical companies (Philips higher and lower staff and Duphar senior staff) state that at the start of employment individual labour contract may contain clauses about copyrights, patents or the transfer of rights on inventions.

- Four collective agreements for journalists either give
provisions concerning copyright or make this subject of study.

In addition, in 19 collective agreements clauses are found about compulsory confidentiality and/or competition clauses.

It seems that if collective agreements and individual agreements deal with the question of employees' inventions usually this is to extend the right to the patent of the employer outside the scope of the Patent Act. They also use to state that the wage of the employee already contains a payment for inventions in order to prevent possible claims of the employee.

Apart from this, some companies know the system of the 'box for suggestions'. For instance, the DAF-Trucks company has a set of rules with regard to an independent committee to discuss various suggestions and the method to calculate the remuneration if the idea is profitable for the company.

1.3. Concepts of employee and employer.

The Patent Act does not use the word 'employee'. If the inventor is someone, who is working in employment for another person, this other one is called the employer. In the comments to the Patent Act made in Parliament was stressed that the legislator in using the term "work in employment" did not only mean employment, based on the labour agreement as mentioned in the Netherlands' Civil Code (Burgerlijk Wetboek). The article also includes civil servants in employment to the State, regional and local governments and other bodies of public law. The jurisprudence of the Patent Office (Octrooiraad) affirms that the Patent Act refers to civil servants, as this
appears from the system and the history of the Act\(^1\).

But labour relations not based on an employment relationship are not included in the definition. An amendment of a member of Parliament in which this was suggested was rejected.

1.4. The definition of employee invention.

If the inventor's employment contract implies that he will use his expertise to make inventions of the same kind as the one, to which the patent request refers, the invention is considered as an employee invention (section 10-1 Patent Act). According to this description, if the inventions are made outside the scope of the expertise or the purpose of the work of the employee the invention is not regarded as an employee invention.

The Patent Act only deals with patents for new products or new procedures, which are an improvement on the state of art of technology, are not obvious, and will not be contrary to law, public order or morality (sections 1A, 2, 2A, 5 Patent Act).

1.5. The legislation governing employee inventions.

The most important source of law concerning employee inventions is the Patent Act (Rijksoctrooiewet) dating from 1910. Sections 10 and 12A of this Act refer to the position of the employee inventor. This Patent Act only deals with inventions useful for industrial (including agricultural) results, excluding plant- or animal species and essential biological processes to produce these results (section 3).

Besides this, two Acts should be mentioned, but will not be elaborated further upon in this report:

\(^1\) Octrooiraad (Aanvraagafdeling) 27 juni 1943, Nederlandse Jurisprudentie 1944/45, no. 676.
the Copyright Act (Auteurswet) 1912 which refers to the copyright of authors and has a different system for the rights of employees. This Act does not deal with inventions.

- the Sowingseed and Plant Act (Zaaizaad- en Plantgoedwet) which Act is not very important for the rights of (many) employees. It follows the system of the Patent Act, but it also applies to workers who are not in employment to the instructor.

1.6. In which branch of law should the legislation governing employee inventions be classified?

This legislation should be classified in the law of industrial and intellectual property, and more general in the field of business law or private law. Although the rights of the employee inventor are also part of labour law, Dutch labour law specialists do not usually publish about this subject.

For questions of international private law the question is important which legal system is applicable: the system of the country that governs the employment relationship or the system of the country that rules the granting of patents. According to legal doctrine in the Netherlands the law of the country that governs the employment relationship is applicable².

2. The right to the invention

2.1. The rights and obligations of employees in general, and of

² BODENHAUSEN, G.H.C., Octrooiverlening voor in buitenlandse dienstbetrekking gedane uitvindingen, Bijblad Industriële eigendom 1955, p. 130, with reply from DE HAAN, C.J., idem, p. 158.
research and high level employees in particular, before and after the invention.

After the invention as described under 1.4 the employer has the claim to the patent (section 10-1 Patent Act). If the employer wants to have a claim for inventions of his employees, outside the scope of this article, the parties may agree so in the labour agreement. In practice, the large companies have such clauses in their standard labour agreements.

If the employer is entitled to the patent, whether by the Patent Act or by contract, the inventor has the right to be mentioned in the patent as the inventor (section 12A Patent Act).

If the employer does not use his claim to the patent the employee can only indirectly force him to do so, by claiming a patent himself at the Patent Office (Octrooiraad). If the employer wants to prevent this, he has to oppose the claim of his employee by claiming the patent himself.

The employee cannot object if the employer confers the patent to another person.

2.2 Who has the initial ownership of the employee invention and on what legal ground?

The employer has the initial ownership on the ground of the Patent Act. According to legal doctrine the reasons for this situation are that the employee is employed in a job which makes inventions expectable and that he receives wages also for the time he is doing his research without an actual result. The labour contract puts the risk on the employer if

---

3 Octrooiraad 15 maart 1956, Nederlandse Jurisprudentie 1956, no. 649.
the research might not succeed, but also the benefits if it does. Nowadays inventions by one person are not as common as in the time of Edison. Most inventions need a lot of facilities which can only be paid for by companies. The right to the patent is the company's reward for this effort, and is considered as necessary to make future inventions payable and attractive to the company.

2.3. In what way is the right to the invention transferred or ceded to the employer?

The right belongs to the employer immediately on the ground of the Patent Act. For inventions outside the scope of the definition of employee invention of this Act, the right can be transferred by the labour agreement.

2.4. Legal theories and opinions and the reporter's opinion on the right to employee inventions.

Legal theory accepts the rule that the employer has the claim to the patent.

Originally legal theory unanimously denied the possibility of extending the employer's rights to the patent by contract outside the definition of employee invention given by the Patent Act. This was grounded on history, wording and purpose of section 10-1 Patent Act⁴. In 1950 the Netherlands' Supreme Court (Hoge Raad der Nederlanden) nevertheless decided that such an enlargement is valid⁵.

3. Special remuneration of the employee-inventor.

3.1. The right of the employee-inventor in general; and of research and high level employees in particular, to special

⁴ Cf. DRUCKER, p. 169-172.

⁵ Hoge Raad 30 juni 1950, Nederlandse Jurisprudentie 1952, 36, m.o. D.J. Veegens.
According to section 10-2 Patent Act, the employer is obliged to pay a special remuneration to the inventor if he cannot be regarded to find compensation in his wage or special payment for the lack of patent. This provision is mandatory and can not be excluded by contract.

3.2. The principles governing this remuneration: do they derive from the civil law, labour law, or business law?

It follows from the system of the Patent Act, that a remuneration is only to be paid, when the profits of the invention are extreme enlarge. The labour contract is in a way a 'chance-contract': the employee hands over the uncertain profits of his labour, for a wage fixed in advance. The remuneration of section 10-2 Patent Act was based on the consideration that these profits could be extremely large, in which case it would be fair to give a special payment to the inventor.

The Patent Act does not give rules for the calculation of this remuneration, only stating that:

- it should be "fair";
- it is obligatory as far as it has not yet been implied in the wage or a special payment;
- it is related to the money value of the invention and the circumstances under which it took place.

In jurisprudence various methods to calculate the remuneration are discussed.

For instance, the court (rechtbank) in Maastricht used the following method:

---

6 Rechtbank Maastricht Bijblad Industriële Eigendom 1964, no. 5, p. 28. CROON, p. 11.
1. it calculated what value the patent at the moment of 
granting would have had for the employee, if he himself 
had possessed it;
2. from this it subtracted the whole wage that the 
employee has earned, while working in his office to 
find solutions for technical problems the whole day;
3. from the difference the employee received a fair 
amount, considering the circumstances under which the 
invention took place, for instance the possibility that 
others contributed to the invention too, in which case 
the employee himself would never have received the 
total value of the patent either.

It seems clear, that with this method the employee will not 
soon have much profit from his inventions. In this case the 
employee first thought to receive fl. 1,400,000.--. 
Finally, five years later, he only earned fl. 7500.--. 
More specifically this decision has been criticized for the 
following reasons:
1. The court refers to the value the invention would had 
have for the employee. The Netherlands' Supreme Court 
(Hoge Raad der Nederlanden) once said that the employee 
should take part in the results of the invention for 
the company7.

This seems not only contrary to the words and history 
of the Patent Act, but also not fair, because the 
employer is not obliged to exploit an invention of an 
employee, so the results for the company might be lower

7 Hoge Raad 30 juni 1950, Nederlandse Jurisprudentie 
1952, no. 36, m.o. D.J. Veegens.
than the value of the patent 8.

2. It is not clear, over which period the wage should be subtracted: is that the last period or the whole time since the employee started to work for the company? To solve technical problems is not the same as to be employed to make patentable inventions. So the Patent Act is enlarged by the court.

3. It seems not fair that the calculation is made of the profits the employee would have made as 'free inventor' on the one hand, on the other hand taking in account that he would not have made the invention without working for this employer 9.

In a more recent case a court prevented this criticism. The court (rechtbank) of Den Bosch did not compare the employee with a 'free inventor'. It only considered what the position of the employee would have been if he, being an employee, would have been entitled to the patent. The question for this court was: which possibility was for the employee the most profitable at that moment 10? In this case the employee had claimed fl. 500.000,— and finally received fl. 77.900,—. This result was absolutely and relatively better than in the Maastricht case, but it also shows that the payments the employee can receive in the Dutch system are not extremely high.

If the employer and the employee cannot agree upon the

9 Cf. CHAVANNES.
amount of the remuneration, they can ask the Patent Office (Octrooiraad) together to decide for them. In that case the parties are obliged to follow the decision of the Patent Office. If they do not use this possibility the employee can ask the judge competent in labour disputes (kantonrechter) to decide within three years (sections 10-2 and 56-2 Patent Act).

3.3. Does the remuneration of the employee-inventor affect his social security benefits?
If the remuneration is an amount payable in one sum, it is not likely that this affects social security benefits.
If the remuneration is paid as part of the wage, the benefits for unemployment, sickness and invalidity might become higher. If the remuneration is continued after dismissal or during sickness or invalidity, the social security authorities might consider this payment as part of the income out of labour of the employee, so he might not have lost his total income. In that case the benefits will be lower than without remuneration. But this does not happen very often, as most remunerations are paid at once.

3.4. Legal theories and opinions and the reporter's opinion on the right to special remuneration.
The largest problem of the right to special remuneration is that the employee is very dependent on the employer's willingness to pay his remuneration. Other weak points are the difficulty to calculate the remuneration and that the remuneration is only an

exception.  

4. The status of the workforce as a whole at the enterprise and establishment levels.

4.1. The definition of collective inventions and problems arising therefrom.

A collective invention is a result or procedure invented by several persons, who have worked together according to an agreement (section 11 Patent Act). In the relation between employer and employees not many problems arise out of this, as the employer is entitled to the invention anyway. The system of the Patent Act entails that the employer may take the fact in consideration that the invention was made by more than one person, if he wants to calculate the amount of the remuneration.

4.2. Does the law provide, directly or indirectly, for a collective right to the individual employee invention? No.

4.3. What material and other gains does the workforce as a whole derive from the use of the individual employee invention? None described by law.

4.4. Employee participation in management of the enterprise and the establishment in respect of employee inventions.

This does not exist in the Netherlands in relation to employee inventions.

5. Proposals for rationalisation and technical improvements

5.1. Are there any legislative provisions on such proposals and if so what are the main features of such provisions? No. Although government wants to promote new technologies in industry no provisions are made for individual employees.

12 DRUCKER, p. 176.

266
5.2. Is there a right regarding proposals for rationalisation or technical improvements?

This right only exists in enterprises which want to stimulate the creativity of their employees. For instance the motor company DAF Trucks has a regulation for the proposals and their remuneration ("box of suggestions").

5.3. If so, does the author of such a proposal receive a special bonus or compensation?

In the regulation of DAF Trucks any approved idea that is fit to take over gives a right to a special bonus, unless the idea belongs to the regular task and responsibility of the author.

5.4. What is the role of the workforce as a whole as regards rationalisation at the enterprise and establishment levels?

The Workers' Council must be asked to advise the employer about important changes of the activities or the organisation of the enterprise. If the employer does not follow its advice the Workers' Council may ask the judge (the Enterprise Chamber of the Court Amsterdam - Ondernemingskamer Gerechtshof Amsterdam) to decide whether the employer could reasonably come to this decision after weighing all relevant interests (Sections 25 and 26 Workers Council Act - Wet op de Ondernemingsraden).

If the rationalisation carries collective dismissals (20 persons within three months) also the labour unions must be informed and asked to discuss the social effects of the measures (Collective Dismissals Mention Act - Wet Melding Collectief Ontslag).

6 Measures stimulating or impeding employees' technical
creativity


Although the government policies relating to technology last years are intensified, there are no measures adopted to stimulate the creativity of employees. Only enterprises are encouraged to invest in new technologies\(^\text{13}\).

In 1980 a centre for inventors is started in Rotterdam by the Ministry of Economic Affairs to stimulate and accompany inventors. The centre researches the inventions who are brought by several private inventors to see if they are applicable in practice, and, if so, the centre advises how to patent the invention and helps to find someone who wants to apply it (commercialising).

6.2. The attitude of employers and employers’ organisations.

As mentioned above some employers have measures to encourage employee inventions by rewarding them.

The largest Dutch employers' organisation VNO does not have an opinion about the subject at the moment.

6.3. The position of trade unions.

The largest Dutch trade union FNV and its union for industry (Industriebond FNV) do not have an opinion about this subject at the moment. My informant only mentioned his experience that at the Steel Enterprise of Hoogovens employees used to get some money for proposals to save money. This was a pretty sum of money (for instance fl. 16,000,— which is about a six months mediate salary), but he thought the company saved several millions, so the sum payed to the employee had no real relation to the value of

The FNV recently offered a reward of fl. 10,000,— itself for the employee who makes the best proposal to apply new technics at the own workplace to make work safer, healthier, better or nicer than before. The slogan of this "Great FNV-Technologies-award"-action is the phrase of the American unionleader Bill Haywood: "The managers's brains are under the workman's cap". The FNV will also try to realise the winning idea in practice in the company of the winner.

In the offices of 8 large FNV-unions the FNV will start in October 1987 a "point of support" of employees for new technologies. Union groups in enterprises and workers councils can raise there questions and problems about technology. Information and specialised expertise will be provided.

6.4. Procedural and jurisdictional guarantees concerning the rights of inventors and the rights of authors of proposals. The employee can invoke the rights mentioned above before the court like any other labour dispute. The remuneration can be decided, if both parties agree, by the Patent Office (section 10-2 Patent Act). This may be an advantage while the Patent Office is well informed about the value of patents. But it is not sure that this procedure is very often used, while employers are not obliged to cooperate to bring the case before the Patent Office.

7. Additional information.

7.1. If possible, please provide statistical data for the period 1975-1984 on:
a) employee inventions as a percentage of the total number of inventions and of the total number of persons employed;
b) the financial balance (surplus or deficit) for the country concerned arising from the export and import of patents and licenses.

Data on this balance are not much available and not very reliable. Nevertheless the data available may give at least some indication. A figure is enclosed founded in a report on the technology policy of the Dutch government.

According to this OECD-figures the Netherlands are the only OECD-country in which the expenses on technology as percentage of the industrial research and development are increasing. Also the benefits of the Netherlands are increasing, but less spectacular. At the moment the expenses are 60% more than the benefits. The government adds to this information that most countries have a deficit in this balance. Only the United States have a very large and increasing surplus and Sweden, England and Denmark have a modest surplus.

The picture for the different branches in the Netherlands is very varied. The electrotechnic industry is almost balanced. All other branches show a strong deficit (source: the Dutch National Bank - De Nederlandse Bank).

7.2. The importance for the national economy of proposals for rationalisation and technical improvements compared to the number of employee inventions.

Data about this subject were not available.

7.3. If relevant, please review the history of the law on employee inventions and indicate probable future
developments.

In the recodification of the Dutch private law the law of intellectual property should become book 9 of the new Dutch Civil Code. A concept for the content of this book has not yet been published. While the introduction of the books 3, 4, 6 and 7 of the new Civil Code has been delayed several times, book 9 will take many years at least, supposing it will ever be finished.

The rights of professors and other researchers of universities concerning their inventions are in dispute in the legal theory since many years. Only once, a judge decided that the mere fact that one works in employment for a university, does not entail that the result of a research for a dissertation must be considered to be a product of work, done in employment to the university, and brought about as result of a direct instruction to write it\textsuperscript{14}. More recently the Minister of Education published a concept of a new regulation of the statute of researchers at universities.

This concept-regulation does not only presume that universities are entitled to the results of their researchers in conformity with the Patent Act and other Acts concerning intellectual property rights, but defines the property rights wider than these Acts do too. This concept-regulation has evoked much criticism in Dutch law journals\textsuperscript{15}. The regulation is contrary to the 1974 advice of the chairman of the Patent Office (Octrooiraad) who

\textsuperscript{14} President Rechtbank Zutphen 28 april 1981, Rechtspraak van de Week/Kort Geding 1981, no. 58.

\textsuperscript{15} Cf. VERKADE.
concluded, in conformity with a committee he had constituted to advise him, that text and purpose of section 10-1 Patent Act lead to the conclusion that the right to the patent for inventions made at universities by staff members belongs to the persons concerned.\footnote{16}{Cf. VERKAD\ae, p. 1240-1241.}

8. Specific problems in the field of employee inventions not covered by above questions.

A specific problem is the position of the employee involved in research-work, who resigns and starts to exploit the invention by himself. In most cases a competition clause in the labour agreement prohibits this. But what if there is no such a clause?

In 1986 the president of the court (President van der Rechtbank) of Middelburg decided such a case.

Two employees, technicians, were in cooperation with other colleagues making a bakery machine. After they gained a lot of knowledge of the process that solved an existing technical problem, the two employees resigned and started their own enterprise. After their former employer introduced his new machine with the solution for the technical problem, they introduced also a new machine with also the same solution.

The judge noticed that the two former employees could only have their knowledge from their former jobs. He accepted that they continued their labour with the knowledge they got with the former employer, and that they competed him. But they were not allowed, knowing that their former employer was to bring on the market a machine of the same kind, using
their knowledge of it, to start competing the former employer immediately after ending their employment, by bringing a machine of the same kind on the market, that they had developed for the whole or for a great deal during their employment. While the development of such a machine, without the prescience, valued by an expert, would take six months he prohibited them to compete with the machine of the same kind during a period of six months\textsuperscript{17}.

\textsuperscript{17} President Rechtbank Middelburg 18 september 1986, Kort Geding 1986, no 437.
LITERATURE


COMMISSIE VAN DE EUROPESE GEMEENSCHAPPEN Studie naar het recht van de werknemer in geval van uitvinding in de Lid-Staten van de Europese gemeenschappen, Verzameling studies Serie Arbeidsrecht nr 2, Brussel, juli 1977.

CROON, C. De rechtspositie van de ontwerper, maker en uitvinder in dienstbetrekking, oratie Utrecht, Deventer 1964.

DORHOUT MEES, Nederlands Handels- en Faillissementsrecht II, bewerkt door van Nieuwenhoven Helbach.


VOLLMAR, H.F.A. Het Nederlandse handels- en
faillissementsrecht, Haarlem 1961.
Annex

Technological expenses and incomes as a percentage of industrial Research and Development for some countries for the years 1971 and 1981
(OECD)
1. **Public social security (obligatory).**

In the Netherlands two Acts provide for public old age pensions:

---

**A. The Algemene Ouderdomswet (AOW General Old Age Pensions Act)**

- The AOW was the first Dutch public insurance act, it came into force in 1957.
- The most important changes in the Act since 1957 are: in 1979 the net amount of the retirement was linked to the rate of the net minimum wages; in 1985 the rules for contributions and entitlement to the pension were changed to realize the equal treatment of men and women (before 1985 married women did not have an own right to a pension).
- Contributions have to be paid on earnings between the age of 15 and 65: one is entitled to the maximum rate after having paid contributions during 50 years.
- The payment of a retirement pension starts when the claimant reaches the age of 65 and ends when the claimant dies.
- The pensions are financed on a 'day as you go' basis: all pensions paid in one year are financed by the contributions of that year.
- Each contributor has to pay a contribution of 11.75% on the yearly earnings (in 1987) up to a maximum of ca. 65,000 Dutch guilders (1987), for the earnings above this maximum no contribution is required.
- The pension rate is linked to the minimum wage rate for a couple:
  * a single person receives a net pension rate equivalent to 70% of the net minimum wage.
  * persons over 65, married or living together, receive each a net pension equivalent to 50% of the net minimum wage.
  * a person over 65 who is married to or lives together with a partner below the age of 65 receives a supplement for that partner equivalent to 50% of the minimum wage rate. From 1 April, 1988 the amount of the supplement will be dependent on the income of this partner.
- The pensioner is also entitled to a holiday allowance: this allowance is calculated in the same way as it is for the minimum wage.
- The administration of the AOW (such as concerning decisions on entitlement to, termination and review of the pension) is consigned to the Sociale Verzekeringenbank (SVB, Social Insurance Bank) and the Raden van Arbeid (RvA, Labour Councils).
Public social security (obligatory).

In the Netherlands two Acts provide for public old age pensions:

A. The Algemene Ouderdomswet (AOW General Old Age Pensions Act)
- The AOW was the first Dutch public insurance act, it came into force in 1957.
- The most important changes in the Act since 1957 are: in 1979 the net amount of the retirement was linked to the rate of the net minimum wages; in 1985 the rules for contributions and entitlement to the pension were changed to realize the equal treatment of men and women (before 1985 married women did not have an own right to a pension).
- Contributions have to be paid on earnings between the age of 15 and 65; one is entitled to the maximum rate after having paid contributions during 50 years.
- The payment of a retirement pension starts when the claimant reaches the age of 65 and ends when the claimant dies.
- The pensions are financed out of a system of apportionment: all pensions paid in one year are financed by the contributions of that year.
- Each contributor has to pay a contribution of 11.75% on the yearly earnings (in 1987) up to a maximum of ca. 65,000 Dutch guilders (1987), for the earnings above this maximum no contribution is required.
- The pension rate is linked to the minimum wage rate for a couple:
  * a single person receives a net pension rate equivalent to 70% of the net minimum wage
  * persons over 65, married or living together, receive each a net pension equivalent to 50% of the net minimum wage.
  * a person over 65 who is married to or lives together with a partner below the age of 65 receives a supplement for that partner equivalent to 50% of the minimum wage rate. From 1 April, 1988 the amount of the supplement will be dependent on the income of this partner.
- The pensioner is also entitled to a holiday allowance: this allowance is calculated in the same way as it is for the minimum wage.
- The administration of the AOW (such as concerning decisions on entitlement to, termination and review of the pension) is consigned to the Sociale Verzekeringsbank (SVB, Social Insurance Bank) and the Raden van Arbeid (RvA, Labour Councils).
B. The Algemene Weduwen- en Wezenwet (AWW, the General Act for Widows and Orphans)

- The AWW came into force in 1959. The Act provided for a public insurance for widows and orphans. Recently the Dutch Government announced that the Act will be extended to widowers. This extension is expected to be effected in 1990.

- The AWW includes three types of benefits:
  - a widows' pension
  - a temporary widows' benefit
  - a pension for orphans

- The most frequently occurring circumstances in which the widow is entitled to a pension are: she has an unmarried child that was born before or on the day of the death of her husband, or she is 40 or older, she is pregnant or not able to work.

- If the conditions for a widows' pension are not fulfilled a widow can be entitled to the temporary benefit. There are but few recipients of this benefit (about 230 widows are entitled to this pension)

- The pensions are not earnings-related. There are two rates for the pension: a higher rate for a widow with at least one child under the age of 18. This rate is equivalent to the net minimum wage; the lower rate is paid to widows with no children under the age of 18, this rate is equivalent to 70% of the net minimum wage.

- The widows' pension is paid until the age of 65, beyond that age the widow is entitled to an old age pension (AOW, see above). The temporary widows' benefit is paid for a maximum of 19 months, the rate is equivalent to 70% of the net minimum wage.

- A pension for orphans is only paid if they have father nor mother left. The amount of the pension is dependent on the age of the orphan, its net amount is 32, 48 or 64% of the net minimum wage.

- The contribution conditions for the AWW are the same as those of the AOW, the rate is 1.25% in 1987.

- The administration of the AWW is, like that of the AOW, consigned to the SVB and RvA.
Private pension funds

The first additional pension fund (for the railway men) was founded in 1845. Since the second World War the number of additional pensions schemes increased dramatically. At present about 90% of the employees participate in an additional scheme. The character of the first schemes was largely charitable, but the last decades the schemes are based on collective agreements. There can be several reasons for introducing schemes for additional retirement pensions: (1) to the opinion of the employer the social security provisions of the company have to be completed by introducing an additional pension scheme (2) the scheme is introduced for reasons of efficiency: the employer tries to keep employees in the company by the scheme and/or (3) he tries to improve its competitive position on the labour market.

In the Netherlands most schemes are final pay schemes. In these schemes the pension rate is based on the amount of earnings of the employee at the end of his or her employment. Other schemes are 'building up' schemes in which for each year an employee participates in the scheme a certain amount or a certain percentage of the earnings of the year are set aside for the pension. The contribution rate is dependent on the type of the scheme. In general it can be said that the contribution rate is defined by the height of the earnings of the employee. In most cases both the employer and the employee pay part of the contribution. In general the employer's part is higher than the employee's. In some cases the employer pays the whole rate.

In most schemes the pension age is 65; in a (still) relatively large number of schemes the pension age for women is 60.

The government has always practised restraint in giving statutory rules on the content of the schemes for additional retirement pensions. It was the government's deliberate policy to leave this responsibility to the bargaining organizations of employers and employees.

In the Netherlands three Acts concern the occupational schemes:

* The Pensioen- en Spaarfondsenwet (PSW, Act on Pensions and Saving Funds). The main aim of this Act is to give security that there will be enough means for the actual payment of the pensions the employer has agreed to pay.

* Wet betreffende verplichte deelneming in een bedrijfspensioenfonds (Act on the obligatory participation in a pension scheme for a certain trade).

* Wet betreffende verplichte deelneming in een beroeps pensioenregeling (Act on the obligatory participation in an occupational pension scheme).

The last two Acts give the powers to introduce obligatory participation in a trade or occupational scheme for all employees and self-employed working in that trade or occupation (e.g. medical doctors, veterinary surgeons, midwives).

In many schemes men and women are not equally treated, especially not with respect to the age of entrance and the pension age. In many cases there is also an unequal treatment with respect to the amount of earnings that do not count for the calculation of the pension and on which no contribution is paid, as the statutory old age pension is considered to give the income guarantee equivalent to this amount. The 4th EEC regulation (PB L 225 pp. 40-42, 12-08-1986) orders to eliminate the unequal treatment in this area from 1 January, 1993.
The three most frequent forms of additional pension schemes are:

- trade pension funds (circa 75 concerning 1,350,000 participants)
- pension funds of a company (circa 1,000 concerning 625,000 participants)
- schemes that are reinsured, most times these are company schemes reinsured by a life-insurance company (circa 20,000 concerning 425,000 participants)

Public servants participate in the Algemeen Burgerlijk Pensioenfonds (ABP General Civil Pension Fund) which has circa 1,000,000 participants.

Almost all additional pension schemes have a provision for widows and orphans (the rate of the widows' pension is about 50% of the old age pension). More and more a provision for widowers is inserted in the pension schemes.

The Dutch additional pension schemes can be called a patchwork quilt; there are very many schemes differing in structure and rates. Nowadays little is heard about plans to come to a statutory additional pension provision for employees. These plans came forward in 1970 but nothing is heard about them since then (probably for ever).