

# HOW ARE FARMERS INSURED?

The law dictates that all farmers gainfully self-employed in agriculture or forestry are compulsorily insured with the SVB.

Compulsory insurance in the framework of farmers' social security applies to:

## Farm Managers

These are persons managing an agricultural/forestry entity for their own account and at their own risk or for whose account and at whose risk such an entity is managed.

In the case of spouses or registered partners jointly managing an agricultural/forestry entity and one of them or both already compulsorily insured on grounds of non-agricultural activities, both spouses or registered partners will also be compulsorily insured in the farmers' health and retirement insurance i.e. they will enjoy so-called **multiple insurance** coverage.

- **Compulsory accident insurance** applies if the (tax-wise) assessed value of the agricultural/forestry entity reaches or exceeds 150 EUR.
- **Compulsory health and retirement insurance** applies if the assessed value of the agricultural/forestry entity reaches or exceeds 1.500 EUR.

Compulsory insurance also is extended to **agricultural/forestry side activities** (e.g.: farm helps, accommodation & board on farms for holiday makers, direct sales to consumers, day-care mothers), provided the farm management activity constitutes compulsory insurance. Basically, additional contributions are payable for agricultural side activities.

In the past, earnings generated from agricultural side activities were attributed to the farm manager, even if such earnings were, e.g., gained by a child pursuing work on the respective holding as a regular occupation. As of the 2005 contribution year, there has been the option to assign, on application to be filed by the farm manager, earnings to the person by whom they were de facto generated.

This is meant to improve the respective family member's basis for contributions to old-age pension to be received in the future.

If the insurance limit is not reached, but the livelihood is mainly derived from the entity, then in such case too, compulsory insurance will take effect in all three branches of farmers' social security. This regulation complies with the structure of Austrian agriculture dominated by small-scale farms, especially in mountain regions.

## Spouses or Registered Partners and Children Pursuing Work in the Entity as a Regular Occupation

If one spouse or registered partner is the sole manager, his/her spouse or registered partner is also compulsorily insured under the farmers' health and retirement insurance schemes, provided the work he/she does in the agricultural entity is his/her regular work. Children, grandchildren, adopted children, stepchildren and spouses or registered partners of the children of a farm manager may also be compulsorily insured, but only if working in the entity is their regular occupation.

As a rule, work is deemed a **regular occupation** if the weekly working hours amount to at least **20**.

In case of a school- or professional education a regular occupation is basically ruled out for the duration of this education - with the exception of an agricultural or forestry training at the home entity („Heimpraxis“).

If the spouse/registered partner or the child is not gainfully employed, he/ she will not be covered by an insurance of his/her own. However, farmers' health insurance offers the possibility of coinsurance, which is, as a rule, exempt from paying additional contributions.

## Persons Handing Over the Farm

Since 2001, also parents, grandparents and parents-in-law handing over the farm are covered by compulsory insurance as regards health and retirement insurance, provided the work they do in the entity taken over by their children, grandchildren or children-in-law represents a regular occupation. So, it is guaranteed that they can acquire further insurance time, in particular for old-age retirement, also after the handing-over of the estate. This will, however, only apply if there is no compulsory insurance according to the Farmers' Social Security Act or any other federal act.

## Company Members

### Partners

- in a general partnership (Offene Gesellschaft, OG),
- in a limited partnership (Kommanditgesellschaft, KG), provided that the partners have unlimited liability

if the business subject of which is the management of an agricultural or forestry business,

## Assisting Family Members

The following dependants of the farm manager are covered by compulsory insurance as regards farmers' accident insurance, if they assist the manager in his/her work in the agricultural/forestry entity (even if only occasionally):

- spouses or registered partners
- children
- grandchildren
- Informally adopted children, stepchildren and sons/daughters-in-law
- adopted children and stepchildren
- spouses or registered partners of children
- parents, grandparents (including retirees)
- adoptive parents, stepparents and parents-in-law
- siblings

The contribution to the farmers' accident insurance is not payable per person, but only once, i.e. for the entire entity. With this **contribution paid for the entire entity, all family members**

**assisting the manager in the business** are covered by farmers' accident insurance, which does not apply to health and retirement insurance. It is, however, not required to pay an own, additional contribution for each single insured family member. The number of assisting family members, and thus the number of persons covered by farmers' accident insurance has no impact on the amount of the contribution.

## Retired Farmers

Retired Farmers are only compulsorily insured in the Farmers' Health Insurance.

### Persons insured with the Farmers' Social Security Authority (SVB) - Overview of Structure

active: 134.942 retired: 146.893	Health Insurance	Accident Insurance	263.914 entities
141.828 retired 175.706 pensions*	Retirement Insurance	Care Benefit	38.888 care benefit recipients*

Current status as at: 2015 (annual average); \* December 2015

## Voluntary Insurance

According to the Farmers' Social Security Act (BSVG), applicants may acquire either accident insurance coverage through voluntary insurance or retain such coverage as part of their health or pension insurances if the requirements for compulsory insurance are not met by them or if facts arise that result in an insured being excluded from compulsory insurance. Additionally, insured persons may acquire higher benefit entitlements apart from their existing compulsory insurance through higher voluntary insurance; insured persons are free to choose their own contribution amounts as well as the associated dates of payment.

Persons giving care to close relatives receiving Level 3 care benefits or higher in a domestic environment while being forced to give up their gainful activities in part or as a whole as a result of their caregiving may either opt for continued pension insurance according to the BSVG at a reduced rate, or for self-insurance as part of the pension insurance for caregiving relatives or for insured times based on giving care to a handicapped child according to the General Social Security Act (ASVG). All contributions for these insurance options are borne in their entirety by the Federal Government. Health insurance coverage, unless already existing, is given for this group of persons (caregivers) on a non-contributory „coinsurance“ with the person in need of care or through a voluntary self-insurance according to the ASVG (General Social Security Act). In this case the costs are also borne by the Federal Government.

According to farmers' social security law, the voluntary accident insurance option is available by way of self-insurance. As of January 2015, co-working life partners of managers or one of their children as well as other relatives, e.g. foster children or caregiving relatives that had not been

covered by accident insurance up to that date, may conclude voluntary insurance subject to the farm manager's approval.

In any event, candidates wishing to conclude voluntary insurance are required to submit an application.