

National Social Report 2014

Belgium

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Preface

This National Social Report (NSR) 2014 for Belgium was drawn up in the framework of the Social Open Method of Coordination (OMC)¹. It provides an overview of the situation in Belgium, from the perspective of the common objectives of the OMC, on the basis of an analysis of the indicators developed in the context of the Open method and explains, very concisely, the recent and the announced policy initiatives aimed at achieving these objectives (at all policy levels in Belgium).

The National Social Reports 2014 of the EU member states will be the basis for a report on the recent structural social policy reforms that the European Social Protection Committee will send to the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) of October 2014².

The NSR is in line with and complementary to the Belgian National Reform Programme (NRP) 2014.

In accordance with the guidelines approved by the European Social Protection Committee³, this report is structured as follows:

Section 1 'Introduction' briefly describes the political context and the recent developments in the general social protection strategy, gives an overview of the economic and social context in Belgium and of the progress towards the common objectives of the Social OMC and discusses the involvement of the stakeholders in the social protection policy in Belgium.

Section 2 discusses the quantitative objective in the field of poverty and social exclusion set by Belgium in the context of the Europe 2020 strategy, i.e. the reduction of the population at risk of poverty or social exclusion by 380,000 persons, compared to the reference year EU SILC 2008.

In accordance with the guidelines for this report, sections 3, 4 and 5 give a concise overview of the key measures that have been taken or will be taken in the field of the three strands of the Social OMC: social inclusion, pensions and health care⁴.

Section 6 concerns the thematic focus of this NSR: the social protection of young unemployed persons.

This report was drawn up by the Federal Public Service Social Security (general coordination), the Federal Public Planning Service Social Integration, Combatting Poverty, Social Economy and Major Cities Policy and the Federal Public Service Health, Food Chain Safety and Environment.

¹ The Social OMC is continued and reinforced in the context of the Europe 2020 strategy. Cf.: Employment, Social Policy, Health and Consumer Affairs Council (EPSCO), 17 June 2011 – The Future of the Social Open Method of Coordination (OMC) – Endorsement of the Opinion of the SPC <http://register.consilium.europa.eu/pdf/en/11/st10/st10405.en11.pdf>

² For the report of 2013: cf. Social policy reforms for growth and cohesion: Review of recent structural reforms 2013. Report of the Social Protection Committee: <http://ec.europa.eu/social/BlobServlet?docId=10976&langId=en>

³ Guidance for the Strategic Social Reporting 2014. Brussels, 4 December 2014. SPC/2013.12/9.

⁴ Long-term care is not discussed in this report as the reporting on this subject is done via the working group AGE of the Social Protection Committee.

1. Introduction

1.1. *Political context*

In 2013, further steps have been taken in the preparation of the Belgian state reform. In December 2013, the texts for the implementation of the second phase of the sixth Belgian state reform (transfers of competences, financing and fiscal autonomy, reform of the Senate and political modernisation) were approved by the Chamber of representatives and the Senate. From 1 July 2014, an important package of competences (+/- 20 billion euro) will be transferred to the federated entities. The transfers include aspects of the labour market policy (verification of the availability for the labour market of unemployed persons, target groups policies, service vouchers, the professional experience fund, job mediation, ...), elements of the health care and personal assistance policies (assistance for persons with disabilities, hospital policy, care for the elderly and long-term care, mental health care, prevention, organisation of primary health care) and family allowances. The Regions and the Communities are preparing for taking up their new competences.

On 25 May 2014 there will be European, federal and regional elections, which means that the end of the legislature is near. That is why, more than in other years, this report discusses measures that have been taken in the past. New policy initiatives are to be expected after the installation of the new governments.

1.2. *Social protection strategy*

The global social protection strategy at federal level is developed within the general framework of the coalition agreement of the Di Rupo government that dates from December 2011 (cf. NSR 2012). An important recent development is the Interfederal Pact for Competitiveness, Employment and Recovery that dates from November 2013. The objective of the Pact is to revitalise the economic recovery and to reinforce the collaboration between the Federal State, the Regions and the Communities in this context. Measures taken at all policy levels should increase the competitiveness of the Belgian companies, the employment rate, and the purchasing power of the citizens.

The key measures of the Federal Government include:

- Gradual implementation of labour cost reductions for a total amount of 1.350 billion euro: 450 million as of 2015, another 450 million as of 2017 and again 450 million as of 2019. Together with the other measures of the Federal Government, these reductions should allow to gradually reduce labour costs with 4.7 billion euro by 2019;
- Reinforcement of the "work bonus" for low-wage earners. In this way, the wage of an employed person with a gross monthly wage of € 1,500 will be gradually increased with € 120 net per year in 2015, 2017 and 2019, adding up to a total of € 360 net per year in 2019;
- One day of continuing vocational training per employed person per year is included in the collective labour agreements concluded by the social partners;
- Confirmation and assurance of the adjustment of social benefits in line with prosperity;
- Reduction of the VAT on electricity for private persons from 21% to 6% as of 1 April 2014;
- Agreement of the Federal Government on a framework to support job creation and investments in disrupted areas, especially areas hit by massive collective redundancies or by an unemployment rate that is 25% higher than the national average (the framework will be implemented in consultation with the regions).

1.3. Evolution of the social situation

Given the fact that the EU-SILC 2012 figures were still provisional at the time of writing, the social situation has been monitored up to and including the EU-SILC 2011 figures for this report. That implies, of course, that there is a considerable time gap between the situation the indicators reflect and the current situation. As far as possible, more recent data from other sources, especially from the Labour Force Survey, have been used.

The impact the crisis has had on the economy and the labour market in Belgium, has been smaller than in other EU member states. This is confirmed by the growth of the GNP and by the labour market indicators for 2011 and 2012. The social impact of the crisis has also been relatively limited in Belgium, although weaker social groups have been more vulnerable than others on some aspects (cf. below). Nevertheless, the new economic dip that set in by the end of 2011 has led to negative growth, budgetary problems and increasing unemployment rates in Belgium too. The real social impact of these evolutions will have to be assessed on the basis of future data.

The level of the poverty or social exclusion risk also remained stable at about 21% (or about 2.3 million people), at least until 2010 (EU-SILC 2011). That also means that no progress was made towards the Europe 2020 objective (reduction to 1.814 million people). However, behind the global stability, a number of divergent trends are found. Between 2005 and 2010 (EU-SILC 2006-2011), the poverty risk has decreased for elderly people while it has increased for children. Specific challenges are: (1) the growing number of people living in low work intensity households and the increasing poverty risk of this category (this finding implies a double challenge: access to the labour market and adequacy of the social protection benefits); (2) the very high poverty risk of single parent families and non-EU citizens; (3) the increase of the poverty risk among children; (4) the coincidence between low income situations and high housing expenses.

Social protection

In 2010, the expenses for social benefits represented 28.6% of GDP, which is higher than the EU27 level (28.1%) and slightly lower than the Eurozone level (29.1%). In 2011, the expenses increased to 29.0%, i.e. slightly higher than the average Eurozone level (28.7%). In 2010, the social benefits reduced the poverty risk level from 27.8% to 15.3%, i.e. a reduction by 45% (EU27: 35%). The poverty risk of people living in very low work intensity households was very high in 2010 (45% without and 75% with children). The adequacy of the social protection benefits is, of course, also determined by the relation of the benefits to the at-risk-of-poverty threshold. 2013 data, based on an extrapolation of the EU-SILC 2011 threshold show that the general image remains unchanged: a number of minimum benefits are still below the threshold. As regards the evolution of the number of benefit recipients, the gradual increase of the number of people receiving an invalidity benefit over the last years, with a significant increase between 2011 and 2012, is the most remarkable trend. The number of people receiving an unemployment benefit remained fairly stable between 2012 and 2013. The number of recipients of the active age social assistance benefit increased from 2009 to mid-2010, but then stabilised at that increased level.

Mainly because of the sharp increase of the energy prices – as well as of the prices for other utilities – and the high housing costs, the impact of the price evolution on the standard of living of low income households has become a point of interest during the last years. Recent data on price evolutions show that the prices for housing and utilities have stabilised. Analyses of the price evolution of consumer baskets of various income groups show that the prices of the consumer basket of low incomes increase sharper than the prices of the consumer basket of high incomes and as compared to the general consumer price (and health) index.

The number of persons with debt arrears continues to increase.

Child poverty

The analysis up to and including EU-SILC 2011 showed that child poverty increased for the three dimensions of the Europe 2020 objective (AROPE for children was 23.3%, 20.3% for the adult population). The poverty risk of children living in households with very low work intensity increased very sharply between 2008 and 2011 (from 70% to 75%). According to the Labour Force Survey, the percentage of children living in a jobless household remained stable during the last years for which figures are available (11.7% in 2012). In the field of education, the new PISA 2012 results confirm that Belgium is one of the few countries that combine a general high performance level among fifteen-year olds with a high coherence between the performances and the social-economic status of the students and thus with a high degree of social inequality. The negative impact of an immigration background on the performance is confirmed again. Even after controlling for the social-economic status, there is a strong negative relation between performance and the fact of having a migration background.

Active inclusion

The general poverty risk remained more or less stable until the 2011 EU-SILC survey. The poverty risk of households with very low work intensity increased. Poverty among the working population also remained stable. The employment rate, the unemployment rate and long-term unemployment as a percentage of total unemployment all remained stable until early 2012. The unemployment rate of low-skilled workers seems to be more influenced by the economic cycle. Temporary employment remained fairly stable. Part-time employment increased permanently. According to the Labour force survey, the percentage of the population living in a household where none of the adults has a paid job also remained stable in the most recent years (12.7% in 2012). However, in the most recent period, as of 2012, the unemployment rate increased from 7.2% (first quarter of 2012) to 8.5% (last quarter of 2013). The participation in lifelong learning (12% in Belgium and 15% in the EU in 2012) and the differences between the participation of groups of different education levels (8% for persons with a low initial qualification and 13% for persons with a high initial qualification status in 2012) all remained stable.

Housing

Until EU-SILC 2011, the number of persons at risk of poverty or social exclusion mainly increased among the persons who rented a home on the private housing market. Low incomes combined with high housing costs will result in difficult living conditions for certain categories of the population.

Pensions

As a result of the ageing of the population, the number of retired persons has increased continuously during the last years. At the beginning of 2013, about 17% of the population received a pension. In spite of the decreased poverty risk of the elderly, the level remains significantly higher than the general average, while the severe material deprivation rate is lower than that of the working-age population. The amount of the pensions and the income of the elderly seem to be relatively low in the EU context. Various indicators thus show a rather mixed picture of the living conditions of the elderly and probably reflect inequalities in this group. As regards the financial sustainability of the pensions, the Study Committee on Ageing (2013) estimates the additional pension costs at 0.8% of GDP for the period 2012-2018 and at 4.5% for the period 2012-2060. The total additional ageing costs are estimated at 0.7% of GDP for the period 2012-2018 and at 5.4% of GDP for the period 2012-2060. Compared to previous estimates, these figures show a slight decrease (-0.1%) of the ageing costs.

Health

The expenditure for sickness and health care remained relatively stable around 8.3/8.2% of GDP between 2009 and 2011. This level is comparable to the averages for the EU28 and the Eurozone. The health accounts data for 2011 confirm that health expenditure in Belgium includes a fairly high general share of personal contribution financing (19%). The 2013 Ageing report estimates the increase of the expenditure at 0.2% of GDP between 2012 and 2018 and at 2.4% of GDP for the period 2018-2060. That is a 0.2% decrease compared to earlier

estimates. The Belgian health care system includes lots of schemes aimed at guaranteeing its accessibility, which is internationally considered as a strength. However, various indicators point out that there are still problems in this field.

Persons with a migration background

The differences in poverty risk between persons with an EU nationality and a non-EU nationality are greater in Belgium than in most other EU member states. For Belgian nationals, the risk of poverty or social exclusion is 18%, while it is no less than 66% for people with a non-EU nationality. At EU-level, the risk of poverty or social exclusion for persons with an EU nationality is 23%, for persons with a non-EU nationality it is 47%.

1.4. The involvement of stakeholders

During its meeting of 12 September 2013, the Belgian Platform against Poverty and Social Exclusion discussed the Belgian policy regarding the integration of persons with a migration background (new country-specific recommendation for Belgium in 2013). At the Open Platform Day of 28 March 2013, the progress as regards the priorities of the Belgian presidency in the field of social policy since 2013 had already been assessed. That resulted in the publication of a number of recommendations. These recommendations were updated at the occasion of the meeting of the Belgian Platform in February 2014. The updated recommendations can be found here: <http://www.mi-is.be/be-fr/formulaire/opinion-de-la-plateforme-belge-contre-la-pauvrete-et-l-exclusion-sociale-ue2020-sur-le-pr> (in French, also available in Dutch).

The working group Social Indicators Europe 2020 / Social OMC, which gathers various stakeholders, discussed the analysis of the social situation in Belgium in February 2014 (cf. above).

On 18 December 2013, the Focal Point on Combating Poverty, Insecurity and Social Exclusion presented its (seventh) biannual report 2012-2013. The report is entirely dedicated to social protection and poverty. It was drawn up by a diversity of actors: people living in poverty and the associations that represent them, assistance providers from public and private services, representatives of the social partners, health insurance funds, administrations, public social security institutions. In a timespan of 1.5 years, two preparatory meetings, three plenary meetings and twenty thematic meetings were organised. The report evaluates the level of social protection for unemployed persons, ill or disabled persons, current and future pensioners and children and their families. A number of 'transversal' themes are discussed separately: social protection as a fundamental right in the fight against poverty, the causes of the pressure on social protection, the tension between social security and social assistance, the cohabitant status, the problems with the transition between different statuses and the non take-up of entitlements. In the coming months and years, the report will be discussed in various fora. The entire text can be found at <http://www.luttepauvrete.be/rapportbisannuel7.htm> (in French, also available in Dutch).

On Wednesday 6 November 2013, the Federal Public Services 'Employment, Labour and Social Dialogue' and 'Social Security' organised a stakeholder event in Brussels to present and evaluate the Employment Performance Monitor, the Social Protection Performance Monitor and other EU indicator sets and to promote the use of these instruments. A panel consisting of academics, the European Commission and representatives in the committees of the various Council configurations evaluated the instruments.

As mentioned in the Belgian National Social Report 2012, the stakeholders are involved in social policy making in an institutionalised way. Some of the most important fora at national level include the National Labour Council (social partners), the Federal Advisory Council for the Elderly and the National High Council for Disabled Persons...

2. A decisive impact on the eradication of poverty and social exclusion

During the past years, the composite indicator 'risk of poverty or social exclusion' showed a slight increase that remained within the margins of statistical significance⁵. This evolution is not in line with the path to reduce the number of persons at risk of poverty or social exclusion by 380,000 by 2020 (EU-SILC 2018), compared to 2010 (EU-SILC 2008).

	BE2008 (reference year)	BE2012	BE2018 (objective)	Required decrease 2012- 2018
Population at risk of poverty or social exclusion	2.194	2.356	1.814	542

Source: EU-SILC, Eurostat, DGSIE.

Below, an overview is presented of the initial impact of the target and of how it has worked in the Belgian context.

Selection of targets and sub-targets

The reflection with a view to determining the ambition level for the target led to the conclusion that further development of the methodological toolbox and of the statistical capacity supporting social policy is necessary. The evaluation of the probable future evolution of the target indicators with unchanged policies represented a major challenge. Although the future development of the poverty risk for elderly is already calculated via a micro simulation model (integrated with macro models) of the Federal Planning Bureau, the estimates for the entire population seemed too uncertain. Moreover, the possible impact of estimates of the future evolution of migration was unknown. This resulted in a scientific research project on this subject. A lack of sufficiently long time series of indicators was a problem too. On principle and pragmatic grounds, it was eventually decided to base the national target on the same indicators as the EU target and to apply the same ambition level, i.e. a reduction by 17% compared to the 2008 level.

In spite of the initial commitment to formulate sub-targets to further specify the global target, it was eventually decided to only set a global target.

Impact on the social protection and social inclusion strategies

The Europe 2020 target has served as a reference and inspired several national policy strategies.

- The Federal Plan against Poverty bundles the actions of the Federal Government aimed at attaining the EU 2020 target, which has also been included in the federal coalition agreement. The actions included in the plan are grouped around 6 strategic objectives. As far as possible, every strategic objective has been linked to an indicator, with a view to measuring the progress that has been made.
- The national child poverty reduction plan also refers to the Europe 2020 target. The plan aims to contribute to achieving the global poverty target and poses that if Belgium wishes to reduce the number of children living in poverty or social exclusion with the same ambition level as for the total population (17%) by 2020, at least 82,000 children have to be helped out of poverty or social exclusion on the basis of the AROPE indicator.
- In the frame of its strategy, Flanders has set its own target for the reduction of child poverty, linked to the Europe 2020 target (Flemish adjustment of the EU 2020 target: reduction of the number of children below the at-risk-of-poverty threshold by 60,000, on a total of 120,000

⁵ A working group has been created with a view to the structural reinforcement of the EU-SILC survey in Belgium.

children below the at-risk-of-poverty threshold in 2008 (= reduction by 50%)).

Impact on other policy dimensions

The very visible target and its integration in the general Europe 2020 strategy gave the social policy strand more visibility in its relation to other policy strands. The drafting of the National Reform Programme (NRP) is coordinated by the Federal Planning Bureau, but the contribution on the social target and the related policy priorities is coordinated by the Federal Public Service (FPS) Social Security. The FPS Social Security is also represented in the drafting committee of the NRP. The collaborative drafting of the NRP also implies more exchanges between the administrations of the various policy strands, e.g. on indicators, policy questions, etc.

Impact on poverty and social exclusion

The target was introduced in a difficult social-economic context that has persisted. The composite AROPE indicator increased slightly, although not in a statistically significant way. That, of course, also implies that there is no trend towards the target. However, it is difficult to assess the actual impact of the target in the field. The monitoring of the target clearly improves the visibility and the awareness as regards the evolution of the social situations. It also promotes a more shared comprehension of the situation. Although there is no trend towards the target, it cannot be excluded that the fact of having a very visible target has contributed to the fact that the situation did not further deteriorate in the context of the crisis. In the context of the federal recovery strategy, one of the government priorities has been to maintain the purchasing power, especially for low-income households. Poverty and social inclusion indicators are included in the indicator set that is used for monitoring the strategy.

Impact on stakeholders

For stakeholders, the target is a strong tool for policy assessment and accountability.

Impact on the visibility of social protection and social inclusion themes and general impact

It can safely be concluded that the target makes poverty, social exclusion and social policy in general more visible in regard to other policy strands and among policy makers, stakeholders and the general public. It encourages a more integrated policy: various policy sectors get better acquainted with social policy tools and themes, use similar tools and coordinate better. However, this did not result in a trend towards the target, but in this respect, account should be taken of the difficult social-economic context. It should be considered that the positive effects attributed to the use of the target are, after three years, only initial effects. The dynamics that have been created may further evolve and result in real policy changes. That is why Belgium is very much in favour of keeping the targets in the Europe 2020 strategy, although further work is necessary in order to increase their role and impact.

3. Recent reforms in social inclusion policies

3.1. Access for all to resources, rights and services, preventing and addressing exclusion and fighting all forms of discrimination / Supporting labour market integration⁶

- In the context of the application of the mechanism for the adjustment of the social benefits to the evolution of prosperity (**federal level**), a number of benefits, lump-sum amounts and calculation limits in the field of social assistance, pensions, unemployment and incapacity for work were increased on 1 September 2013 (on top of the adjustment to the increase of the consumer price index). All social assistance benefits (integration income, income replacement allowance for disabled persons and income guarantee for the elderly) were increased by 2%. The social security minima were also increased: the minimum pension for employed and self-employed persons (+1.25%), the unemployment minima (+2%) and the invalidity benefit minima for regular (+ 1.5 %) and irregular (+ 2.0%) workers.
- As of January 2015, the social contributions for self-employed persons will be calculated in a new way, in order to reinforce the link with the economic reality. Contrary to the previous situation, self-employed persons will now pay contributions on the basis of the income of the year in which they are due. That will reduce the number of problematic financial situations and the poverty risk among self-employed persons. Within four years after its entry into force, the new contribution calculation method will be evaluated.
- On 28 February 2014, the Federal Government decided to relax the conditions for the social-professional exemption, which allows persons receiving an integration income to earn a little extra and to acquire professional experience. The period of the exemption is still 3 years, but the beneficiary can make use of it during a maximum period of 6 years (currently 3 years), as of the first day he or she benefits from the exemption.
- A new step was taken in the preparation of the reform of the scheme for benefits for persons with a disability (social assistance). On 19 December 2013, the federal Council of Ministers took note of an orientation note preparing the reform. The global reform plan is aimed at the integration and the full and effective participation of people with a disability in society, as laid down in the Convention on the Rights of Persons with Disabilities.
- On 1 January 2013, the Federal Government reinforced the measures to stimulate the recruitment of persons with disabilities in the federal public services, with a view to attaining the objective: 3% of the federal public service sector workforce has to be reserved for people with disabilities. The government has given people with disabilities the right to fulfil their probationary period with reduced working hours (1/2 or 1/5 time).
- Since 1 January 2013, certain employers who are bound by a specific collective labour agreement have to reserve at least 0.05% of their total wage bill for one or more target groups, such as older workers, young workers and people with a disability.
- The "social-cultural participation" measure, which allows the public centres for social welfare to stimulate their clients to participate in activities or manifestations, was renamed "participation and social activation". The aim was to give the measure more visibility and to allow the public centres for social welfare to develop a more durable and structural participation policy.
- In **Flanders**, in preparation of the automatic granting of the school and study grants, the entitlement to study grants for potential 'renewals' is ex officio examined as of '13-'14. The administration itself starts the application procedure for the citizens who are already known in the databases because they received study grants during the past school or academic year.
- On 14 June 2013, the Flemish Government approved the concept note "w2-decree". As in 2013, at least 750 new work-wellbeing trajectories are planned in 2014. Again, € 4.2 million is made available.
- In 2013, Flanders spent an additional € 5 million on the fight against youth unemployment. In the context of the durable guidance towards the labour market, professional introduction projects were launched in the major Flemish cities in 2013. Professional introduction is the first

⁶ The measures in the field of pensions and health are discussed in sections 4 and 5.

component of the measures for unqualified youngsters. The second component is introductory internship (with early unemployment benefits). The third component is individual vocational training, aimed at a very broad target group and including a recruitment obligation for the employers. In 2013, the conditions were relaxed in order to attract more companies.

- In May 2013, the **Walloon Government** approved the evaluation of the first "social cohesion plan" (SCP). The SCP currently mobilises about 700 employed persons who form a network with more than a thousand public and private partners with a view to increasing social cohesion on the territory of their municipality. 147 municipalities participate in this programme that includes more than 1,700 actions in the field of literacy, social-professional reinsertion, guidance for jobseekers, mobility, energy saving at home, home maintenance training, addiction treatment, the fight against violence in the family, mental health, community gardens and boosting the community centres. In the context of the second programme of the SCP (2014-2019), a call for projects was launched in June 2013, for a budget of almost € 24 million (local authorities, social welfare and employment). This call is being executed in 181 cities and municipalities in Wallonia since then.
- In Wallonia, a new decree on the centres for social-professional insertion was adopted in July 2013 and new measures were taken to support the inclusion of people with a disability. A draft decree regarding the centres for adapted social-professional training and insertion, aims to extend the evaluation and orientation missions to the entire sector in order to harmonise the services offer. The text introduces automatic post-training follow-up, simplifies the procedures and introduces a financial contribution in the costs for child day care in order to facilitate the parents' access to training. The Walloon Government has earmarked a budget of € 30 million for the launch of 6 calls for projects for the financing of the transformation and the improvement of the care and accommodation facilities for people with a disability (the first call was launched in October 2013).

3.2. Investing in children

- In June 2013, a national plan against child poverty was approved, inspired on the recommendation of the European Commission "Investing in children: breaking the cycle of disadvantage". The plan, which bundles actions of the **Federal Government, the Communities and the Regions**, should help to attain the global poverty target Belgium has set in the context of the Europe 2020 strategy. Reducing the number of children living in poverty or social exclusion with the same ambition level as for the total population (17%) by 2020, would mean that at least 82,000 children have to be helped out of poverty or social exclusion on the basis of the AROPE indicator. The plan includes 140 actions, divided over 4 pillars: a) Access to sufficient resources; b) Access to high-quality services and opportunities; c) Stimulation of the participation of children; d) Partnerships between policy domains and government levels.
- In December 2013, the **Federal Government** made € 2 million available to support the Public centres for social welfare in creating a local consultation platform with e.g. schools, nurseries and poverty associations. The aim is to preventively and proactively detect hidden child poverty and to find remedies together. To this measure, a study has been linked, aimed at facilitating the exchange of experiences, collecting good practices and diffusing expertise.
- At the occasion of the transfer of the competence for family allowances to the Communities on 1 July 2014, the family allowances scheme for self-employed persons is being harmonised with the scheme for employed persons (increase of the allowances for the first child) and the income ceilings for the allocation of social supplements to the family allowances and the supplement for single parents are increased.
- On 6 January 2014, article 23 of the Constitution was completed with the right to family allowances. This guarantees that the authorities that are responsible for the right to family allowances will, in the future, not be able to reduce this right significantly as compared to the current rules that grant families a financial contribution to cover the costs of raising and educating children at least partially, unless reasons of general interest justify such a reduction.

- In the **Brussels Capital Region**, the French Community Commission has re-launched the nursery plan. € 9.6 million has been made available for new places in care facilities for children aged 0 to 3 years. The plan focuses on the creation of more places in existing collective child care facilities with social tariffs and guaranteed access for parents with a limited lump-sum parent contribution.
- In 2013, the **Flemish Government** launched a new call for local projects against child poverty. € 1 million has been made available for local child poverty reduction. An evaluation revealed that structural support in the longer term is necessary. That is why the poverty decree was modified by the planning decree, which stipulates that the Flemish Government will grant the local administrations yearly subsidies for the reduction of child poverty. For 2014, € 4.5 million has been made available.
- The child poverty theme requires a broad societal mobilisation, which focuses on society as a whole and on involving new partners. In this context, the Child Poverty Fund was established in 2013. It is managed by the King Baudouin Foundation and calls on citizens, organisations, companies and authorities to combat child poverty. In addition to the necessary structural work of the various authorities, the Fund aims to collect means for innovating projects in support of deprived families with children aged 0 to 3 years. The projects that obtain good results can afterwards be integrated in the structural anti-poverty policy of the various authorities.
- On 20 November 2013, the Flemish Parliament voted the decree on the organisation of preventive family support. The decree creates a regulatory framework for local alliances, which will be recognised as "Huizen van het Kind" ("Children's houses"), and anchors a number of projects in the field of preventive family support, which "Kind en Gezin" (Child and Family Care Agency) already subsidises, in a broader regulatory framework.
- In November 2013, the **Walloon Government and the Government of the Fédération Wallonie-Bruxelles** updated the action plan concerning children's rights, on the basis of the evaluation made in 2013.

3.3. Homelessness and housing inclusion

- On 1 September 2013, the pilot project "Housing First" was launched in five major Belgian cities: Antwerp, Ghent, Brussels, Liège and Charleroi. The guiding principle is the unconditional right to have a roof over one's head. With that certitude, people can evolve towards living a regular life. In addition to security of tenure, numerous types of guidance are offered simultaneously.
- The objective of the cooperation agreement on homelessness between the Federal State, the Communities and the Regions is to delimit the competences in the field of the fight against and the prevention of rooflessness and homelessness and to formulate common commitments.
- On 1 April 2014, the VAT on electricity for private persons was reduced from 21% to 6%.
- On 11 July 2013, the **Brussels Capital Region** adopted a new Housing Code. The reform includes a series of changes aimed at reinforcing the fight against unhealthy housing and unoccupied dwellings.
- In **Flanders**, a housing benefit is automatically granted to persons who have been on a waiting list for social housing for a long time. Originally, the beneficiaries had to be on a waiting list for five years. That period has been reduced: one can now receive a housing benefit after having been on a waiting list for four years.
- In 2013, the Flemish Government created the rental guarantee fund. Landlords who affiliate with the Fund are insured against non-payment by their tenants.
- Flanders has also launched the "Huurschatter" ("rent calculator"). This is a website that enables future tenants and landlords to calculate a fair rent for a dwelling.
- A campaign was launched to promote letting via a social lettings office among landlords in Flanders.

- A group purchase for electricity and natural gas for twenty social housing companies in Flanders will reduce the part of the energy costs for the communal areas in the rental costs tenants have to pay.
- In 2011, the Flemish Environment Agency already organised the campaign 'Well arranged = money saved', aimed at the entire population, but specifically at people living in poverty. The campaign explained clearly and unambiguously the rights and obligations of users of mains water. In February 2014, a follow-up campaign was organised in order to appropriately inform the entire population on the additional measures in support of the energetic renovation of rented homes.
- In May 2013, the **Walloon Government** adopted the cadastral mapping of the sites to which the Plan for permanent housing applies. A new subsidy for the improvement of caravans for long-term housing in these zones was introduced. The installation premium granted to persons moving into a decent dwelling has been increased in a number of situations.
- Since 2013, administrative fines are imposed on landlords of dwellings that have been declared uninhabitable or dwellings for which no renting permit has been issued.
- A decree on the granting of moving, rental and installation premiums has been adopted. The premiums are granted to persons who leave a dwelling that has been declared uninhabitable or an overcrowded dwelling and move into a habitable dwelling, to families of persons with a disability who leave an inadequate dwelling and move into a habitable and adapted rented dwelling and to homeless persons who become tenants of a habitable dwelling.
- In May 2013, Wallonia decided to extend the "energy coaches" project, which is aimed at helping insecure households to reduce their energy costs (60 coaches and 5,300 households involved).

3.4. Combating discrimination

- With the working group "coloured poverty", a first step towards a more coherent approach has been taken in **Flanders**. As regards the priorities in the field of coloured poverty, the Integration Policy Commission has drawn up a note with concrete actions, in close collaboration with the policy domains Work and Education. That note was approved by the Flemish Government in March 2014. This is one of the measures that have been included in the integrated Integration Action Plan. Getting these groups to participate in policy-making remains a major and complex challenge. Action in this field is taken by means of various projects.

3.5. Governance⁷

- **At federal level**, a Network of federal anti-poverty officers has been created (Royal Decree of 21 December 2013). These officers' mission is to help the federal public institution they work for with the implementation of the measures of the federal anti-poverty plans.
- The law of 15 December 2013 on administrative simplification introduced a regulatory impact analysis at federal level, which examines the potential consequences (side effects) of draft regulations at economic, environmental, social and governmental level by means of an ex ante evaluation. Poverty reduction is a specific item of the analysis, but it is also considered transversally in the context of other themes, such as equal opportunities, health, etc.
- On 14 March 2014, the **Flemish Government** decided that, henceforth, relevant decision and decree proposals have to be analysed as regards their possible impact on poverty, on people living in poverty or on inequalities that may lead to poverty. This analysis is integrated in the existing regulatory impact analysis. The poverty test has already been tried out in the context of the child premium, maximum billing in care and the recognition of social letting offices.
- The **Walloon Government** wishes to work transversally and to dialogue with all stakeholders. That is why it decided to create a regulatory framework with a view to

⁷ Regarding the participation of the stakeholders: cf. introduction.

recognising and subsidising a network against poverty in Wallonia, on a long-term basis. The Government also wished to reinforce the dialogue with people living in poverty, in order to increase the efficiency of the measures taken. By recognizing a network of associations that work with people living in poverty, the Walloon Government will have an organised interlocutor with useful experience. The decree was voted early 2014.

3.6. Evolution of expenditure

It is impossible to calculate the global budget that is spent on social inclusion because of the wide variety of the deployed means (e.g. individual benefits, subsidy programmes, investments in ICT, information campaigns and free legal services) and because of the explicit choice for a transversal and inclusive general policy within which there is specific attention to the reduction of poverty and social exclusion.

4. Recent reforms to achieve adequate and sustainable pensions

4.1. Early retirement

There have been no new changes since the reform of 2011/2012 (cf. NSR 2012 and SSR 2013). Since 2013, the early retirement age of 60 is being increased by 6 months every year, in order to attain the age of 62 in 2016. The minimum number of career years is also being increased. As of 2013, it is 38 years, 39 years as of 2014 and 40 years as of 2015. This reform is being implemented.

4.2. Retirement age

The legal retirement age has not changed.

4.3. Contribution period

There have been no changes in the minimum contribution period entitling to a full pension in 2013. The current contribution period entitling to a full pension is 45 years for employed persons in the private sector, for self-employed persons and for civil servants appointed under the general public sector scheme. However, certain specific public sector schemes give entitlement to a full pension after a shorter contribution period (preferential calculation fractions). It is reminded that the most advantageous calculation fraction in the specific public sector schemes is 1/48 since 1 January 2013 (the normal calculation fraction is 1/60). The most advantageous calculation fraction used to be 1/12 in the past.

4.4. Pension level

The following benefits and limit amounts for the calculation of pensions have been/will be adapted to the evolution of prosperity as follows (i.e. in addition to the yearly adaptation to the evolution of the consumer prices):

On 1 January 2013

- Amount of the first income limit for pensions for employed persons: + 2%

On 1 April 2013

- Increase of the minimum family pension for self-employed persons to the level of the minimum family pension for employed persons.

On 1 May 2013

- Holiday allowance for employed persons: + 5%

On 1 September 2013

- Pensions of employed and self-employed persons that took effect in 2008 (five years old): + 2%

- Amount of the minimum entitlement per career year for employed persons: + 1.25%

- All guaranteed minimum pensions: + 1.25%

- The amounts of the income guarantee for the elderly: + 2%

On 1 January 2014

- Small guaranteed minimum pension for employed persons: + 2.51% extra (family amount) and + 0.80% (amount for single persons and survivor's pensions)

On 1 May 2014

- Holiday allowance for employed persons: + 3.43%

On 1 September 2014

- Pensions of employed and self-employed persons that took effect in 2009 (five years old): + 2 %

4.5. Indexation of the pensions

There have been no changes during the period under consideration.

4.6. Supplementary pensions

- In February 2014, the social partners agreed on the equal access of blue and white collar workers to the second pillar pension. In practice, the workers and the employers have agreed to no longer make a distinction between blue and white collar workers in new pension schemes as of 1 January 2015 and to not increase the existing differences. As of 1 January 2025 there may be no more differences between blue and white collar workers as regards the supplementary pension, at sector level as well as at company level. The equalisation only applies to entitlements that will be acquired in the future.

4.7. Tackling the budgetary impacts of ageing

- In order to contain pension expenditure, a strong focus is put on the extension of professional careers, especially with a view to bringing the actual retirement age as close as possible to the legal retirement age of 65. To this end, the conditions for early retirement have been modified (cf. section 4.1).
- Reform of the pension bonus (employed/self-employed persons) and of the age complement (permanent civil servants) on 1 January 2014. The pension complement that exists in the pension scheme for permanent civil servants since 2001 and the pension bonus that exists in the pension schemes for employed and self-employed persons since 2007 (measures aimed at encouraging people to work longer) are replaced by an integrated pension bonus. This new pension bonus has the following characteristics: the acquisition only starts as of one year after attaining the age and career conditions for early retirement; lump sum per working day actually worked on a full-time basis; progressive bonus amount with a yearly increase by € 0.20, starting at € 1.5 to € 2.5. The pension penalty in the scheme for self-employed persons has been removed as of 1 January 2014.
- Reform of the survivor's pensions for employed persons, self-employed persons and permanent civil servants. In order to eliminate the unemployment trap that the survivor's pensions currently hold, especially for widows in the active age, they will be reformed as follows as of 1 January 2015:
 - Persons under the age of 45 will no longer be entitled to a survivor's pension but to a transitional allowance.
 - The age of 45 will gradually be increased to age 50 by 2025, with 6 months per year.
 - The transitional allowance will be granted for 12 months if the person has no dependent children and for 24 months if the person does have dependent children.
 - It will be possible to limitlessly combine the transitional allowance with a professional income or a social benefit.
 - When the person reaches the end of the transitional allowance period, he or she will immediately be entitled to unemployment benefits, without having to fulfil a waiting period and with early individualised assistance.
 - The transitional allowance will be calculated broadly in line with the current survivor's pension, with a minimum that corresponds to the minimum entitlement per career year (in proportion to the working time fraction) for employed persons and to the minimum pension for self-employed persons and civil servants.
- More transparent and less strict rules for "authorised professional activities" for retired persons (1/1/2013):
 - persons aged 65 and older with at least 42 career years will be allowed to earn as much as they want on top of their pension;
 - the pension will only be suspended completely when the income limit is exceeded by at least 25% (instead of 15% in the past);
 - indexation and yearly increase of the limits for the additional income pensioners may earn;
 - harmonisation of the rules and of their application between the different schemes;
 - administrative formalities will be reduced to a minimum.
- Gradually, the last months of professional activity will be taken into account for the calculation of the pension: as of 1/1/2015 the months of the year during which the pension takes effect will be taken into account for the calculation of the pension of employed and self-employed persons, as in the pension scheme for permanent civil servants.

- Relaxation in the application of the 'unity of career' principle. The 'unity of career' principle implies that the career fraction (in case of an unmixed career) or the sum of the career fractions (in case of a mixed career) for the calculation of the pension may not be higher than 1 (45/45). As of 1 January 2015, in the context of the application of this principle, the notion career will no longer be expressed in years, but in full-time equivalent days. The 'unity of career' will no longer be 45 years then, but 14,040 full-time equivalent days (45 x 312 days).
- Reform of the complement for cross-border workers (1 January 2015). Currently, when they fulfil the Belgian retirement conditions, the Belgian pension scheme for employed persons grants a pension complement to persons who live in Belgium and work across the border, in order to increase their foreign pension to the level of a Belgian pension. The measure that has been taken 'stabilises' this complement. It will only be possible to increase it when a new foreign pension decision influences the insurance periods and no longer e.g. when a pension complement is abolished in the country where the cross-border worker is employed.
- 2020-2040 Pension Reform Commission. With a view to the preparation of additional reforms, the Minister of Pensions and the Minister of Middle Classes, SMEs, Self-employed and Agriculture created a 2020-2040 Pension Reform Commission in April 2013. This Commission consists of twelve prominent experts in the field of pensions and ageing. It is an interdisciplinary commission with legal experts as well as economists, sociologists and administrative experts. Both Ministers have ordered the Commission to prepare concrete, fundamental reform proposals for the Belgian pension system (the legal and complementary pension schemes for employed persons, self-employed persons and permanent civil servants) that should ensure its effectiveness in the medium and long term. That means that during the period from 2020 to 2040, the pension system should be able to realise its social objectives, i.e. to keep pensioners out of poverty and to maintain their standard of living, whilst remaining financially sustainable. In the spring of 2014, the Commission will present both Ministers a report with concrete reform proposals.

4.8. Improving the accessibility of the benefits

- As of 1 July 2013 all survivor's pensions are granted automatically (an application is no longer needed).
- The notion 'cohabiting' – which is essential for the means test and for the granting of the basic or the increased amount of the income guarantee for the elderly – has been simplified (1 January 2014).

5. Recent reforms aimed at accessible, high-quality and sustainable health care

5.1. Stewardship of the health care systems

- As already mentioned in this report, important competences in the field of health will be transferred to the Communities on 1 July 2014. These competences include assistance to persons with disabilities, hospital policy, care for the elderly, long-term care policy, mental health care, prevention, organisation of primary health care... In total, € 4.2 billion of resources will be transferred. It is expected that this reform will allow the Communities to better adapt the health care services to the existing needs and to increase their efficiency.

5.2. Health service delivery (including e-health)

- Recognition conditions for psychological care providers: psychologists and psychotherapists. In January 2014, a political agreement was reached on the recognition of psychological care. There are a number of conditions: psychologists will be subject to the rules that apply to the other medical professions; an official recognition for practicing the profession will be obligatory; psychologists will also have to be able to produce a specific training certificate.
- Prevention. Several awareness campaigns are ongoing, e.g. concerning breast cancer screening, use of tobacco, overconsumption of antibiotics, drug abuse... The competent Ministers of the Federal Government and of the Community Governments have concluded various agreements concerning prevention campaigns on "organisms that have become resistant to multiple medicines", HIV and the eradication of measles and rubella in Belgium. The Communities have also taken various initiatives in the field of prevention and counselling. For 2014, Flanders has planned campaigns on assistance after suicide attempts, fall prevention in the elderly population and prevention of hearing damage among young people. The population will also be screened for colorectal cancer. In the Fédération Wallonie-Bruxelles, similar campaigns are organised.
- E-Health. On 29 April 2013, the Inter-ministerial Conference on Health voted the "2013-2018 e-Health Action Plan", aimed at the computerisation of health care. The plan identifies the measures that have to be implemented during the next five years, with a view to the generalisation of the electronic exchange of patient information and patient files. That should improve the quality of the care provided and reduce the administrative burden for patients, care providers and insurance institutions. The action plan concerns e.g. the electronic issuing of drug prescriptions, the traceability of implants, sharing of medical files between several care providers, the creation of a health file that is accessible for the patient, the electronic exchange of administrative information with the care insurers, the stimulation of computerisation among care providers, etc.
- Mediprima: reform of the reimbursement of medical costs in the context of urgent medical care provided by the care institutions. The reimbursement and the supervision will henceforth be organised by the Auxiliary Fund for Sickness and Invalidity insurance instead of the Public Social Welfare Centres. The implementation of the project started in January 2014.

5.3. Investing in the health care workforce

- On 1 January 2013, the Federal Government introduced a bonus of € 175 per year for nurses who take advanced training. The measure applies to training courses taken since 2011 and is aimed at encouraging advanced training for homecare nurses. This is the start of the development of an accreditation system for homecare nurses in Belgium. The measure is aimed at quality improvement and correct care billing.
- The Royal Decree of 3 April 2013 facilitates the recognition of the professional experience of nursing assistants. As of 1 January 2014 (Royal Decree of 22 November 2013), structural homecare teams can appeal to nursing assistants and delegate certain forms of care to them. That should allow to spread the care tasks over more care providers and to give more time and attention to the individual patients. These care tasks will also be reimbursable in the framework of the health care insurance.

5.4. Cost containment and cost-sharing

- In the budget for 2013, the so-called 'budgetary growth target' was limited to 2% in real terms above inflation (health index of 1.9%). Moreover, it was decided to save an extra € 272 million (which corresponds to about 1% of the total health care budget (social security)). These additional savings are made in the field of the payment of the medical professionals, the expenditure on pharmaceutical specialities, implants and hospital financing and by postponing other measures. After application of the budgetary growth target of 3% (in real terms), the budget for 2014 was revised downwards by € 777.5 million. That way, the nominal growth of the budget from 2013 to 2014 was limited to 1.5%.
- Since 2013, medication for patients in nursing homes is billed on the basis of the actual individual medication use (individual medication scheme).
- In April 2013, additional measures were taken to further reduce pharmaceutical expenditure. Prices were reduced by in total 1.95% of the turnover of the producers of medicines. Pharmaceutical companies could choose between a linear reduction of 1.95% for all their products or a flexible price reduction for different products (sharper price reduction for some medicines in order to be able to keep the price of other medicines stable) with the following conditions: for medicines in the reference reimbursement system, the price reduction per product may not be higher than 20% if they have been in the system for less than four years and not higher than 6% if they have been in the system for more than four years. Medicines to which the obligatory substitution provisions apply (antibiotics and anti-inflammatory medicines) are excluded. For calcium channel blockers, ACE inhibitors and antidepressants, a mandatory reduction of 1.95% per product is applied, as the reimbursement limit measure applies to these products.
- Comparison of price reductions in foreign countries (April 2013). An analysis of the evolution of ex-factory prices in Germany, France, the Netherlands, Finland, Austria and Ireland for pharmaceuticals under patent on the Belgian market for over 5 years and less than 12 years has been made. The calculated price reduction corresponds to the average of the percent reductions in the lowest ex-factory prices per unit between January 2011 and January 2012 for the six countries mentioned above. This calculated price reduction can nevertheless not lead to an ex-factory price which would be lower than the lowest ex-factory price in these six countries in January 2012. This system is therefore based on the evolution of prices (% reduction) and not on the prices themselves. The total saving that results from the calculated price reduction can be applied to another drug (out of patent, for instance) if the company does not want to lower its price of patented drugs.
- Unnecessary medical examinations. As of 1 march 2013, new rules apply for the prescription of certain types of medical imaging (radiographies, CT scans, NMR, ultrasounds) in order to prevent unnecessary examinations and exposure of patients to ionizing radiation. The prescribing doctor is obliged to specify the diagnostic reasons precisely (Royal Decree of 19 December 2012).
- Towards a new hospital financing system. Numerous factors incite the public authorities and the actors of the health care system to reflect thoroughly on the global hospital financing system. Especially the multitude of financial sources (the financial means budget, fees per medical act, lump sums or lump-sum fees, parts linked to a case mix ...) that are often based on variable and sometimes contradictory reasoning raises questions regarding coherence, predictability, readability and effectiveness. That is why a new hospital financing system is being prepared. The reform will be based, inter alia, on a study of the Belgian Health Care Knowledge Centre that has examined the effects of the introduction of a prospective lump-sum financing in five countries (the United Kingdom, France, Germany, the Netherlands and the United States (medicare)). A roadmap (October 2013) should lead to an implementation in the course of 2015.

5.5. Enhancement of access to services and of patient's choice

- Given the growing number of people with dementia and in order to be able to better meet the needs of elderly people with dementia, a new specific category D has been introduced, irrespective of their degree of physical dependence. This should allow to better finance the management of dementia in care facilities for the elderly. In Belgium, care facilities for the

elderly are financed on the basis of the care needs of their patients, which are assessed on the basis of the Katz scale. This additional category applies in the health care insurance as of July 2013.

- In January 2014, the scheme for increased health care reimbursements was simplified and extended: the status of beneficiary of the increased reimbursement scheme and the "Omnio" status were joined together. The increased reimbursements are granted automatically when the patient is entitled to certain social benefits (e.g. the social integration income, social assistance ...). That remains the case and from 1 January 2014 orphans are also granted entitlement automatically. For low-income earners, the health insurance fund has to examine the income conditions at the simple request of a family member. If the conditions are met, the increased reimbursements are granted automatically. Entitlement to the increased reimbursements depends on the gross taxable income. That should be below € 16,965.47 + € 3,140.77 per dependent family member (in September 2013). Because some beneficiaries are not aware of their entitlements, the health insurance funds will proactively propose to examine the entitlement to increased reimbursements as of January 2015.
- Compulsory application of the third party payment scheme for vulnerable patients as of 1 January 2014. The extension of the third party payment scheme to more categories of health care professions will be compulsory for two groups of vulnerable patients: patients entitled to increased reimbursements (beneficiaries of the increased reimbursement scheme and OMNIO) and chronically ill patients. In the third party payment scheme, patients only have to pay the non-reimbursable part of a service. The "third party" (=health insurance fund) pays the rest of the invoice. This measure will be implemented progressively per category of health care profession as soon as it will be possible to verify the insurance status online (determination of the patient's status) and when billing will be easier and faster via MyCareNet (an information exchange system for all health care professionals), as it is already mostly the case in hospital care.
- A law voted on 23 January 2014 will make it possible for the Minister of public health to grant financial support to organisations such as "Dokters van de Wereld" (Doctors of the World), "Straatverplegers" (Street Nurses) and "Samu social" (Social emergency service) who work in the context of pilot projects in the field. The financial support can help these organisations to develop the access to health care for the most vulnerable persons (such as homeless people).
- Too frequently, long hospital stays lead to unexpectedly high hospital bills. A new law of 23 January 2013 aims to resolve this problem by obliging the hospitals to communicate transparently about the prices of rooms, fee supplements in single rooms and additional costs on their websites. That should give patients an idea of the costs of their stay. Moreover, hospitals have to designate a contact person who can give the patients more detailed information on the costs of their hospitalisation.
- Organisation of health care for chronically ill patients in Belgium. A reform of the care for chronically ill patients is in preparation. In 2012, the Belgian Health Care Knowledge Centre published a scientific position paper, which lists a number of basic principles. In November 2013, the Federal Public Service Health, Food Chain Safety and Environment and the National Institute for Health and Disability Insurance presented an orientation note which translates these principles to the Belgian context. The aimed result is an action plan and a cooperation agreement between the Federal Government and the Communities (probably after the elections of May 2014).

5.6. Evolution of expenditure

It is in principle still too early to draw final conclusions on the evolution of health care expenditure between 2012 and 2013. However, the first indications with regard to health care expenditure (in the context of social security) reveal that the level of total health care expenditure in real terms has increased compared to 2012, but the increase remains below the imposed budgetary threshold and below the so-called allowed budgetary expenditure for 2013. Data from the Health Accounts show that the total health care consumption in Belgium remained stable between 2009 and 2011 (about 10.5% of GDP).

6. Thematic focus: access to social protection for young unemployed persons

6.1. Access to the minimum income / social assistance

The right to social integration

By virtue of the law of 26 May 2002 introducing the right to social integration, every Public Social Welfare Centre (PSWC) has the obligation to guarantee this right to persons with inadequate resources who fulfil the conditions of this law. These conditions concern nationality, age (the person concerned has to be an adult or a minor who is emancipated by marriage, who has dependent children or who is pregnant) and residence in Belgium. The objective is maximum integration and participation in social life. Therefore, the PSWC has three instruments at its disposal: employment, social assistance benefits (integration income) and individualised social integration projects (combined or not).

In all cases, the person concerned will receive an income to live from. Employment means having a fully-fledged job. If employment is impossible, the person concerned is entitled to a financial benefit, i.e. the integration income. The granting of the integration income can be followed by the conclusion of an individualised social integration project between the person concerned and the PSWC. The most adequate trajectory is chosen in consultation with the person concerned.

Pursuant to the law, the social integration of younger persons (-25 years) should primarily be realised through employment, adapted to their personal situation and possibilities, within three months after their application.

Employment is possible on the regular labour market, with the PSWC acting as employment agent, or with greater involvement of the PSWC. In the last situation, two types of employment measures are commonly used:

- 1) The PSWC itself acts as employer or provides the necessary support and training for the person concerned;
- 2) The person concerned is employed in the context of specific integration projects in which the PSWC provides for a financial contribution in the labour costs.

If immediate employment is not an attainable objective, an individualised social integration project can be developed. The project describes the employment trajectory of the beneficiary as well as the efforts for which the PSWC and the beneficiary engage themselves in order to succeed. There are three types of projects:

- Employment projects: focus on obtaining an employment contract within a certain period;
- Training projects: focus on training;
- Study projects: focus on full-time studies.

During the project, the beneficiary can receive an integration income. Persons under the age of 25 are only entitled to an integration income in four specific situations:

- As of the date of the application until the actual employment contract of the person is signed;
- When the person has agreed to an individualised social integration project and executes it;
- When the person cannot work due to health problems or other acceptable reasons;
- When the person's labour income is insufficient to live a decent life.

The amount of the integration income is determined on the basis of the applicant's household composition. When someone has an income that is lower than the amount of the integration income, the difference will be bridged.

This right is a residual right to which there can only be entitlement when there are no other possibilities for obtaining sufficient resources.

The right to social assistance

Social assistance (law of 2 April 1965) can be a useful supplement to the right to social integration or can even replace it when the person concerned does not fulfil the conditions for this right. Everyone has the right to social assistance, without age or nationality conditions⁸. The aim is to allow everyone to live a decent life. Social assistance can take different forms of material (financial, in kind) or immaterial (legal advice, budget counselling, various types of interventions, employment assistance) nature. The PSWC determines the assistance needs on the basis of a social investigation and provides the most adequate assistance.

Every month, on average 35,000 younger persons applied for assistance the Federal Government finances by virtue of both laws (about ¼ of the beneficiaries) in 2012. About 1/3 (29,000) of the persons who received an integration income were younger than 25. 1/3 of them were full-time students (11,000). About 1,600 younger persons were employed.

6.2. Acquisition of pension rights

Assimilated days

The periods during which unemployed persons 1° are in a situation of involuntary unemployment, 2° are employed by a province, a municipality or a public institution, 3° are in vocational training with a view to exercising an employed activity and receive a benefit by virtue of the regulations regarding involuntary unemployment or receive a compensation for loss of salary, are equated to periods of activity for the regulations on pensions for employed persons (= assimilated periods). That means that pension rights are acquired on the basis of a fictitious salary.

In general, the fictitious salary is based on the salary one actually earned during the period preceding the period of unemployment. Preferably, the daily average of the total of the (real, fictitious and lump-sum) remunerations of the year preceding the assimilated period is taken into account. Basically, the actual remunerations of the last activity that was exercised before the assimilated period and that led to the assimilation are taken into account. In absence thereof and in decreasing order of preference, the real or lump-sum remunerations of the year in which the assimilated period occurred or the real remunerations of the first activity exercised after the equivalent period are taken into account. In case of long-term unemployment (at least four years of unemployment) a limited fictitious remuneration is taken into account for the calculation of the pension rights.

6.3. Unemployment benefits

Unemployment benefits sensu stricto

To receive unemployment benefits, a person:

- has to be involuntarily unemployed;
- has to be completely out of work;
- has to be registered as a jobseeker;
- has to be fit for work;
- has to be available for the labour market;
- has to be between 18 and 65 years old;
- has to be actively searching for work;
- has to reside in Belgium;
- may not receive a salary;
- has to have worked for a minimum number of working days as an employed person during a reference period:

⁸ Citizens of the European Union and their family members are not entitled to the right to social assistance during the first three months of their stay on the Belgian territory.

Age	Working days	Reference period
<36 years	321 days (12 months)	21 months
36-49 years	468 days (18 months)	33 months
>=50 years	624 days (24 months)	42 months

The amount of the unemployment benefit varies according to the working time status of the person concerned (full-time, part-time), the family situation (with dependants, single, cohabiting), the duration of the period of unemployment and the calculation basis of the benefit (the average lost daily salary: 65% during the first three months, degressive after the first three months). There is a minimum benefit and a maximum benefit that evolves with the duration of the unemployment. There is no limitation in time, but after at most 48 months, the beneficiary will only receive a lump-sum amount that is slightly higher than the minimum income.

Professional integration benefits

After they have finished their studies and under certain conditions, young unemployed persons can receive professional integration benefits. These benefits are aimed at young persons who have not yet worked long enough to receive unemployment benefits (cf. above). To qualify for the professional integration benefits, the person concerned: 1) has to be no longer subject to compulsory education; 2) has to have finished a basic study or learning programme; 3) may no longer be a full-time student; 4) has to be younger than 30 years at the time of application; 5) has to be registered with an employment service as a full-time or part-time jobseeker 6) has to have completed a professional integration period of 12 months 7) has to have fulfilled the condition regarding the activation of the job-seeking activities (job-seeking and cooperation behaviour). During the professional integration period, the job-seeking activities are assessed. When he has completed the professional integration period and has been assessed positively, the person concerned will receive professional integration benefits, in principle for a maximum period of 36 months, which can be extended for certain categories. The amount of the benefit varies according to the age and the family situation (with dependent family members, single, cohabiting).

Other benefits, specifically for young persons

Young persons can receive specific benefits during their professional training or internship or when they become self-employed as well as bridging benefits.

The internship benefit is granted to young persons who do an introductory internship (instapstage) with an internship provider in order to get acquainted with the labour market. The coaching benefit can be granted to young persons who are trained in preparation of a first employment contract. The completion benefit is a once-only benefit that can be granted to young persons who have completed a vocational training programme. The establishment benefit can be granted for a maximum period of six months to non-working jobseekers who do not fulfil the qualifying conditions, who are no longer entitled to unemployment benefits because of a sanction and who prepare to get established as a self-employed person. The amount of the benefit is equivalent to the professional integration benefit. The bridging benefit can be granted to young persons who work in the context of part-time compulsory education and whose employment or apprenticeship agreement has temporarily been suspended partially or entirely due to a strike or a lock-out.

6.4. Health care services

Health care insurance

Persons who are in a situation of supervised unemployment (persons who receive unemployment benefits, but also persons who temporarily do not receive unemployment benefits because of a temporary suspension or sanction) are entitled to the reimbursement of

their medical expenses. They do not have to pay personal contributions to their health insurance funds in order to preserve their entitlements.

When the person who has become unemployed cannot be considered as a person in a situation of supervised unemployment, there are other ways to preserve the access to health care.

1) The person concerned can register as a dependant of a person who is covered by the health care insurance.

2) The person can register with the health insurance fund as a resident. All persons registered in the National Register can be covered by the health care insurance by paying personal contributions to a health insurance fund. These contributions are calculated on the basis of the financial capacity of the person concerned and his/her household. Persons who have received social assistance benefits during an uninterrupted period of three months and persons with a gross taxable income that is not higher than the annual amount of social assistance (the integration income) do not have to pay personal contributions.

Increased reimbursements

Young unemployed persons are entitled to increased health care reimbursements on the basis of their status, e.g. when they have received the integration income or an equivalent benefit from the PSWC for an uninterrupted period of three months or when they are entitled to benefits for persons with a disability (social assistance), or on the basis of a means test. In this last case, the applicant has to prove that his household had a low income during the calendar year preceding the application. Entitlement to increased reimbursement is granted when the gross taxable household income is lower than € 16,743.70, increased by € 3,099.72 per additional household member (amounts for applications made in 2014). However, other rules apply for certain categories with a stable income/situation, such as persons who have been fully unemployed for at least one year. For these categories, there is no reference period and the monthly income of the month preceding the application is taken into account.

Persons who are entitled to higher health care reimbursements pay a significantly lower patient fee for many types of health care and medicines. The increased health care reimbursements also give entitlement to a number of other advantages (social maximum billing (cf. below), public transport price reductions, social telephone tariffs ...).

Maximum billing

The increased health care reimbursements reduce the patients' share in the costs of individual health care provisions, but the total health care bill can still be high in case of serious or protracted illnesses. In such cases, maximum billing ensures that once a patient has paid a certain maximum amount of patient fees, he does not have to pay any further patient fees or personal shares. That maximum amount is determined on the basis of the household income, the age and the social status of the person concerned. There are various types of maximum billing: social maximum billing, income-based maximum billing and maximum billing on the basis of individual entitlement. Thanks to social maximum billing, persons entitled to higher reimbursements (as well as their partners and dependants) – such as long-term unemployed persons who fulfil the above-mentioned conditions – no longer have to pay patient fees once they have paid an amount of € 450 of personal shares (during a given calendar year). This amount is € 350 when one family member has individually paid € 450 of personal shares during each of the two preceding calendar years (maximum billing for chronic diseases). Maximum billing on the basis of individual entitlement is a special solution for children under the age of 19. Children under the age of 19 on 1 January of the year in which maximum billing is granted, who have actually paid € 650 of personal shares in health care costs can be individually eligible for maximum billing, without taking into account the income of their family. For children who have individually paid € 450 of personal shares during each of the two preceding calendar years, the amount is increased to € 550.

For income-based maximum billing, the family as it is registered in the National register is taken into account. All families are eligible for income-based maximum billing. The amount of the actually paid patient fees differs according to the net yearly family income.

Income categories	Amounts of the personal shares/patient fees	When one family member has individually paid € 450 of personal shares during the two preceding calendar years
€ 0 – 17,719.92	€ 450	€ 350
€ 17,719.92 - 27,241.07	€ 650	€ 550
€ 27,241.08 – 36,762.25	€ 1,000	€ 900
€ 36,762.25 – 45,886.69	€ 1,400	€ 1,300
€ 45,886.70 EUR <	€ 1,800	€ 1,700

Amounts on 1 January 2014

The third party payment scheme

In the context of the third party payment scheme, the care provider, care service or care institution receives the amount of the costs reimbursed by the compulsory health insurance directly from the insurance institution the beneficiary of the provided care is affiliated or registered with. Consequently, the patient does not have to pay the health care costs in full in order to be reimbursed afterwards. The patient only has to pay the personal share, if necessary. This technique can be applied for hospital care and for medicines and cannot be applied for ambulatory care.

The social third party payment scheme is an exception to this last rule. This scheme is applied for certain categories of insured persons, such as persons who are entitled to increased reimbursements, persons who have been unemployed for at least six months and persons who are in a financial emergency situation. In such cases, the care provider has to apply the third party payment scheme since 1 July 2011.