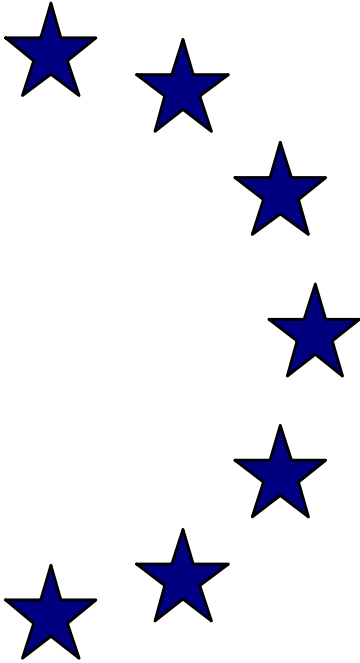


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**Indicators of unemployment and low-wage traps
(marginal effective tax rates on labour)**

by

Giuseppe Carone*, Aino Salomäki*,
Herwig Immervoll** and Dominique Paturot**

*Directorate-General for Economic and Financial Affairs

** OECD, Social Policy Division

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ABSTRACT

This paper presents results of an on-going joint European Commission / OECD project, aimed at monitoring the direct influence of tax and benefit instruments on household incomes. Indicators of financial work incentives are needed for identifying any undesired influences of taxes and social transfers on people's work decisions. At the same time, a central part of recent tax and benefit reform strategies has been to reduce reliance on welfare by "making work pay", that is, to make work an economically attractive option relative to welfare. It is therefore desirable to monitor the effects of such policies as well as the potential for further reform.

Marginal effective tax rates (METRs) are calculated in order to show what part of a change in earnings is "taxed away" by the combined operation of taxes, social security contributions (SSCs), and any withdrawal of earnings related social benefits. Three different types of METRs are calculated in order to measure so-called low-wage, unemployment and inactivity traps, that is situations where incentives to work are low.

The results allow the identification of countries and family types that face little financial incentive to increase work effort or to take up a job. Recent reforms to "make work pay" and to reduce the tax burden on labour, especially for low wage earners, have contributed to lower marginal (effective) tax rates. This has diminished the risk of potential low-wage and unemployment traps at certain income levels. Yet, despite such efforts there are still fundamental trade-offs in the ability of low income support programmes to be effective in relieving poverty and to have well-targeted benefits while maintaining the necessary work incentives. We have seen that the risk of negative effects on work incentives remains particularly high in some member states. The search for a suitable solution to the "challenging triangle" of welfare, - that is, designing a satisfactory income-support scheme for low-income families, whilst minimising disincentives to work and avoiding excessive budgetary cost - remains the key issue in the agenda for the reform of tax-benefit systems in many European countries. Continued monitoring of the mechanics of tax-benefit systems can serve as a valuable input into this process.

Giuseppe Carone and Aino Salomäki work in the European Commission's Directorate General for Economic and Financial Affairs. Herwig Immervoll and Dominique Paturot are with the OECD Social Policy Division. They wish to thank many colleagues in their institutions for helpful comments and suggestion. In particular, they are deeply grateful to Jouko Kuosmanen, Patricia Goldschmidt and Desney Erb for excellent research and statistical assistance. The views expressed in this paper are entirely those of the authors and should not be attributed to the European Commission, the OECD or their member countries.

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I. INTRODUCTION

This paper presents the results of an ongoing joint European Commission / OECD project¹ aimed at monitoring the direct influence of tax and benefit instruments on household incomes. The project uses and extends OECD tax-benefit models to compute a range of work incentive indicators such as marginal effective tax rates on earned income. Given widespread concern about possible adverse effects of taxes and benefits on unemployment levels, it has become increasingly important to regularly assess both the financial incentives to work and the degree of protection from unemployment related poverty risks. Indicators of financial work incentives are needed to identify any undesired influences of taxes and social transfers on people's work decisions. At the same time, a central part of many recent tax and welfare reform strategies has been to reduce reliance on welfare by "making work pay", that is, to make work an economically attractive option relative to welfare. It is therefore desirable to monitor the effects of such policies as well as the potential for further reform.

It is important in this context to distinguish between "incentives" and "incentive effects". While measuring financial work incentives is an integral part of any tax-benefit policy evaluation exercise, employment levels, unemployment rates and total hours worked are of course not determined exclusively by the size of benefits and the taxes needed to finance them. First, a lack of suitable jobs can give rise to involuntary unemployment which will persist to the extent that the legal and institutional framework prevents wage adjustment mechanisms from aligning supply and demand. Secondly, numerous non-financial considerations will play a role in the decision of whether and how many hours to work. In addition, any change in labour supply as a result of tax-benefit policy differs across population groups so that small changes in total labour supply may mask important changes for certain groups of individuals. Given these factors and the different roles they are likely to play across countries, it is perhaps not surprising that empirical results of the effects of taxes and benefits on total unemployment differ considerably across studies.²

The evidence is somewhat clearer when one restricts the analysis to one side of the labour market. Microeconomic studies of the sensitivity of labour supply with respect to changes in net income (and, thus, taxes and benefits) generally find small elasticities for men, and frequently also for the population as a whole. Estimates of elasticities are, however, much larger for certain groups of people such as secondary earners (mainly married women) or single parents.³ It is clear, therefore, that looking at how tax-benefit policy might influence the opportunity set of a single "average person" will not generally suffice. Instead, it is desirable to analyse how taxes and

¹ Within the European Commission services, the project is financed jointly by DGs ECFIN, EMPL and TAXUD and co-ordinated by EUROSTAT.

² Influential studies include Daveri, F. and G. Tabellini, (2000) and Nickell, S., (1997).

³ An overview of earlier studies is provided by Pencavel, J., (1986). See also Atkinson, A.B. and G.V. Mogensen, (eds.), (1993); Smith, N., S. Dex, J.D. Vlasblom and T. Callan (2003). An overview of several studies is provided by Blundell, R. and T. MaCurdy, (1999).

benefits affect people living in different household circumstances and with a range of different earnings levels.

To obtain a fuller picture of the financial consequences of work and unemployment this paper will therefore compare the effects of taxes and benefits on household incomes for different family types and earnings levels. By comparing net incomes at different wage levels and working hours, one can use these results to show the net impact of individual labour supply decisions on disposable income. While this in itself does not tell us how changes in tax-benefit policy will actually influence labour supply or unemployment levels, it contributes to a thorough understanding of the mechanics of tax-benefit systems. This understanding of how different tax-benefit instruments interact with each other as well as with people's individual labour market situation is an essential pre-requisite for identifying tax-benefit reform priorities. Such priorities may include increasing the financial reward for work by reducing in-work taxes and/or out-of-work benefits. They may also include reducing risks of financial poverty as a result of job loss by ensuring adequacy of out-of-work benefits or extending their coverage.

Given the numerous elements of tax-benefit systems and the often complex interactions between them, summary indicators should be comprehensive in scope. They should take into account all relevant tax-and transfer instruments in order to allow comparisons across countries with very different tax-benefit typologies. So-called *effective* tax rates satisfy this requirement by showing relative tax burdens resulting from the combined operation of taxes, social security contributions (SSCs) and benefit payments.

Marginal effective tax rates (METRs) show what part of a change in earnings is "taxed away" by the combined operation of taxes, SSCs and any withdrawal of earnings related social benefits. They are thus important policy indicators for determining how financially desirable it is for an employee to increase working hours or for an unemployed person to take up employment in the first place. Their magnitude may affect structural unemployment, labour market attachment and working hours, especially for those persons at the low end of the productivity scale whose labour market opportunities may not be sufficient to induce work given the low wages they attract. The results reported in this paper take a first step towards a more detailed look at the effects of taxes and benefits on labour market behaviour, especially of the poor. We discuss relevant concepts and limitations of these models and present results for the year 2001. Similar results for later years will become available during the course of the current project as models are updated each year.

Three different types of METRs are evaluated in this paper (and are explained in more detail below). The first one looks at the effects of a small earnings increase and can thus be used to assess the financial consequences of increased working hours. This indicator is relevant for analysing, for instance, "low-wage trap" issues where low-paid workers may be locked into benefit receipt: they find their benefits strongly reduced if they attempt to supplement their income with additional earnings.

In addition to computing METRs for a small earnings increase, one may wish to assess what part of potential in-work earnings are "taxed away" for a person making a transition into work. The second type of METR can be related to the so-called "unemployment trap" where unemployed persons with low earnings potential and/or receiving relatively generous unemployment benefits face a situation where taking up

employment may lead to small (or no) increase in disposable income as a result of the combined effects of benefit withdrawal and higher tax burdens on in-work earnings.

A third, and similar, type of METR can be computed for out-of-work individuals not eligible to unemployment benefits (they might instead receive minimum income benefits, if applicable). The resulting marginal effective tax rate can be interpreted as describing the work incentive situation for “inactive” people who are not part of the labour force. However, the same METR will also be relevant for evaluating work incentives for unemployed people who are actively seeking work but who do not (or no longer) qualify for receipt of unemployment benefits.

The paper is divided into five sections. In Section II the main methodological aspects of the calculation are presented, including a more detailed explanation of the different types of METRs as well as a brief discussion of the method’s main limitations. Section III then provides a detailed set of results showing the three different types of METRs. Section IV highlights some of the limitations and caveats to be borne in mind when interpreting results. Finally, Section V draws together a summary of the main results of the analysis and some implications for further policy reform in this area.

BOX 1 – “Unemployment trap”, “inactivity trap” and “low-wage trap”⁴

The shape of the budget constraint facing low-income workers does not depend on taxation alone. Indeed, due to the presence of income-tested benefits such as in-work benefits and housing benefits as well as discontinuities in SSC schedules, low-paid workers face non-linear budget constraints with one or more “kink” points. As a result, marginal effective tax rates vary in a complex way that reflects the intricacies of tax and SSC rules as well as provisions of the transfer system. For example, even though statutory tax rates are low for levels of taxable income, METRs faced by low-income individuals can be very high because of the withdrawal of various benefits as well as certain provisions built into SSC systems.

Targeting a particular benefit or tax advantage (allowance, deduction or tax credit) toward low income is usually done by phasing-out (more or less gradually) the scheme at higher levels of income. This of course reduces its budgetary costs. Yet, at the same time, it increases METRs because in the phase-out range, any additional unit of earnings causes a reduction in the benefit/tax advantage, reducing the net gain resulting from increased earnings.⁵ Depending on an individual’s labour market situation, the progressivity of tax systems combined with benefit phase-outs can affect financial work incentives in several ways.

The term “unemployment trap” is frequently used to refer to a situation where benefits paid to the unemployed and their families are high relative to potential net earnings such that work “does not pay”. While the judgement whether work “pays” is an individual decision that will depend on many factors, tax-benefit systems will play an important role. Unemployment benefit systems provide income security during unemployment and contribute to a more equitable income distribution. By providing income support to liquidity constrained persons during unemployment, they also contribute to a more efficient match between workers and jobs. Yet, at the same time, out-of-work benefits can discourage job search and put upward pressure on wage levels. In theoretical models of imperfect labour markets, unemployment benefits are deemed to increase the equilibrium unemployment rate. The mechanisms depend on the type of model. In the search model, for instance, higher unemployment benefits increase the reservation wage so that unemployed individuals receive fewer job offers with wage levels above the reservation wage. As a result, the outflow from unemployment is reduced. Under certain conditions, standard search theory models predict that an increase in the amount and duration of unemployment benefits leads to longer unemployment spells.⁶ A second type of model explains changes in unemployment

⁴ The discussion in this box draws on Carone G, and A. Salomaki (2001). That paper also presents an overview of the theoretical aspects of the impact of tax-benefit systems on labour supply and demand.

⁵ A benefit payment is equivalent to a negative tax. As such, the income effect on work effort or working hours is negative as long as leisure is a normal good. To the extent that social transfers fall with earnings a negative substitution effect will add to the negative income effect, leading to an unambiguous decrease of work effort or working hours.

⁶ When unemployment benefits are paid for a limited period (or benefits decline over time), the reservation wage will tend to fall with the duration of the unemployment spell. After the expiration period, there will be a sharp fall in the reservation wage and search intensity will rise, thereby significantly increasing the probability of leaving unemployment (the so called *exit rate* or *hazard rate*). See Atkinson and Micklewright (1991), Bover et al. (1996) and Layard et al. (1991). It is important to note the limitations of these models. As Atkinson and Micklewright (1991) point out, the representation of unemployment benefits in most standard search models is rather unrealistic. For instance, results of these models can change drastically if one takes into account that benefits depend on contribution histories, that they may not be payable at all if unemployment is judged to be voluntary and that refusals of job offers can cause benefit withdrawal.

levels through a link with the bargaining power of trade unions and, in particular, an influence of unemployment benefits on negotiated wage levels.⁷ Essentially, unions face a trade-off between wage increases and employment levels. More generous unemployment benefits make unemployment “less painful” and can therefore change the balance of this trade-off by increasing a union’s target wage.

The “inactivity trap” is a situation similar to the unemployment trap except that it applies to people not receiving any unemployment benefits, including those not considered part of the labour force or “inactive” as far as paid employment is concerned. For these individuals, a situation where employment is judged not to “pay” may be brought about by minimum income or other income related benefits which would be lost upon taking up paid work.⁸ However, the tax system may also have an important deterrent effect, which can be particularly relevant for partners or spouses of working individuals: if their incomes are taxed jointly than any potential earnings of the currently “inactive” partner may be taxed at relatively high rates and may thus reduce the net gain from work. Together, benefits and taxes can effectively create a wage floor below which a transition into employment does not bring any financial gain in the short term.

The “low-wage trap” (or “poverty trap”) is related not to a transition into work but to the financial consequences of increasing working hours (or work effort) for those already in (low-paid) work. As before, the “trap” refers to a situation where an increase in gross in-work earnings fails to translate into a net income increase that is felt by the individual to be a sufficient return for the additional effort (e.g., OECD, 1997). Again, both taxes and benefits can result in large parts of any additional gross earnings being effectively “taxed away”. The influence of taxes will be more relevant for earners of higher wages (and low-wage earners with high-wage spouses in joint tax systems). However, due to the withdrawal of income tested benefits and the operation of SSC earnings thresholds above which contributions are sometimes payable on earnings as a whole, the part of an additional working hour that is taxed away at low earnings is often much higher than at middle and high income levels. Indeed, typical in-work benefit schemes, while reducing the likelihood of “unemployment” or “inactivity traps”, generally increase marginal tax rates at relatively low earnings levels as in-work benefit amounts are phased out. In turn, this may increase the probability of “low-wage traps”. In terms of their potential effect on labour-supply, these instruments therefore trade off higher participation against lower working hours. Given this trade-off it is therefore essential to monitor both the financial incentives of taking up employment as well as the incentives to change working hours for those already in work.

⁷ Union wage bargaining models have for instance been formalised by Blanchard and Wolfers (1999), and Layard, Nickell and Jackman (1991).

⁸ While minimum income or social assistance benefits will generally be lower than unemployment benefits, they can, depending on the family structure, be of a similar magnitude or even exceed unemployment benefits. In the case of earnings related unemployment benefits this is particularly likely for people with low previous wages (in several countries, low unemployment benefits may also be “topped up” by social assistance payments). In addition, social assistance benefits will generally be available for longer periods than unemployment benefits and may be subject to less stringent job search requirements.

II. METHODOLOGY⁹

An indicator that can be used to measure the extent to which taxes and benefits reduce the financial gain from work is the METR (Marginal effective tax rate). These measures tell us what part of any additional earnings is taxed away through the combined effects of all relevant tax-benefit instruments. Depending on the size of the “additional earnings”, the METR can be related to all three types of “trap” discussed in Box 1. For unemployed people the additional earnings would simply be the total earnings they could attract when moving into work. The resulting METR quantifies to what extent the tax-benefit system contributes to an unemployment/inactivity trap in cases where the out-of-work person does/does not receive unemployment benefits (we will denote these measures $METR_{ut}$ and $METR_{it}$ respectively).¹⁰ For those in work, the “additional earnings” would be a small earnings increase and the part of that earnings change that is “taxed away” would relate to the individual’s decision of whether to increase or reduce work effort or working hours (this type of METR will be denoted $METR_{lw}$). Formally, we have

$$METR = 1 - (\Delta y_{net}) / (\Delta y_{gross}) \quad (1a)$$

Where Δy_{gross} are the “additional earnings” referred to above and Δy_{net} is the change in net income obtained after taxes and benefits so that the change in gross earnings between labour market states A and B is

$$\Delta y_{gross} = y_{grossB} - y_{grossA} \quad (1b)$$

and the net earnings change is

$$\Delta y_{net} = y_{netB} - y_{netA} = (y_{grossB} - t_B + b_B) - (y_{grossA} - t_A + b_A) \quad (1c)$$

where t denotes total taxes and b denotes total benefits.¹¹ It is clear therefore that, formally, all types of METR are the same with the only difference being the

⁹ A more detailed description of the methodology, the main assumptions and limitations of the tax-benefit model can be found in the OECD (2002a, b). Detailed country information on tax-benefit systems is available through www.oecd.org/els/social/workincentives.

¹⁰ $METR_{ut}$ and $METR_{it}$ can be seen as a “participation tax rate”, i.e., the amount of additional taxes plus lost benefits relative to gross earnings when moving into work. Elsewhere (e.g., OECD, 2002a), this has been referred to as an “Average Effective Tax Rate” or AETR. However, in public finance literature an average tax rate usually refers to the ratio of tax revenues divided by tax base without any relation to a transition between different labour market states.

¹¹ Another measure frequently used to characterise the income consequences of labour market transitions is the net replacement rate (NRR) usually defined as the ratio of net income while out of work divided by net income while in work (2001 NRRs across countries are reported in section III, Table 8. For European evidence based on household micro-data see also Immervoll, H. and C. O’Donoghue (2003). If labour market state B represents “in work” and A represents “out of work” then $NRR = y_{netA} / y_{netB}$ or, after combining with (1a) and rearranging, $NRR = 1 - \Delta y_{gross} (1 - METR_{ut}) / y_{netB}$ for a person entitled to unemployment benefits and $NRR = 1 - \Delta y_{gross} (1 - METR_{it}) /$

interpretation of states A and B (unemployment and employment in the case of $METR_{ut}$; inactivity and employment in the case of $METR_{it}$; and, e.g., employment with 30 and 31 hours of work per week in the case of $METR_{hw}$).¹²

We use the OECD tax/benefit model to calculate gross and net incomes for a set of different “hypothetical” family types (described in more detail below). For each of these family types, we vary gross in-work earnings for the main earner in order to compute the above METR measures for different earnings levels. To provide a conceptually consistent way of scaling results in relation to observed earnings levels across countries we use a range of 0-200% of Average Production Worker (APW) earnings as shown in Table 1.¹³ By computing taxes and benefits for each of these earnings levels, we can draw so-called “budget constraints” showing resulting net income at each point along the (gross) earnings scale.

Table 1- Average Production Worker (APW) Wage level and Minimum wage - 2001

	APW	APW	PPP rate	APW	MINIMUM WAGE		
	(national Currency)	in €		(PPP)	€	as % of APW	
<i>Belgium</i>	1,211,488	30,032	0.9791	30,673	13548	45%	<i>Belgium</i>
<i>Denmark</i>	293,000	39,318	1.2443	31,597			<i>Denmark</i>
<i>Germany</i>	63,338	32,384	1.048	30,901			<i>Germany</i>
<i>Greece</i>	3,734,865	10,961	0.7969	13,754	6576	60%	<i>Greece</i>
<i>Spain</i>	2,614,877	15,716	0.8295	18,946	5196	33%	<i>Spain</i>
<i>France</i>	140,186	21,371	1.007	21,223	13254	62%	<i>France</i>
<i>Ireland</i>	18,714	23,762	1.086	21,880	11724	49%	<i>Ireland</i>
<i>Italy</i>	40,469,979	20,901	0.8802	23,746			<i>Italy</i>
<i>Luxembourg</i>	1,222,407	30,303	1.097	27,623	15294	50%	<i>Luxembourg</i>
<i>Netherlands</i>	64,953	29,474	1.003	29,386	14004	48%	<i>Netherlands</i>
<i>Austria</i>	322,005	23,401	1.012	23,124			<i>Austria</i>
<i>Portugal</i>	1,600,047	7,981	0.7435	10,734	4680	59%	<i>Portugal</i>
<i>Finland</i>	160,802	27,045	1.083	24,972			<i>Finland</i>
<i>Sweden</i>	231,134	24,974	1.1582	21,561			<i>Sweden</i>
<i>UK</i>	18,950	30,473	0.7025	26,975	13608	51%	<i>UK</i>

Source: EUROSTAT, OECD.

Note: Purchasing power parities (PPP) and relative price level indices for the ESA95 aggregates. Final consumption expenditure (SNA approach) (PPP are provisional values)

When computing budget constraints, a decision needs to be made about what is assumed to drive the change in earnings. First, one can assume that hourly wages are constant while working hours change. This is necessary for calculating METRs for part-time workers. It is also more appropriate for very low wages since, as a result of (statutory or factual) minimum wages, full-time workers will normally not have earnings below a certain minimum. From Table 1 we can see that, in the majority of Member States with a statutory minimum wage, the minimum wage level is in the range of 50-60% of APW with the highest levels found in France and Greece (60 and 62% APW) and the lowest in Spain (at 33% APW). A second possibility is to assume

y_{netB} for a person not entitled to unemployment benefits. For a transition into work the term Δy_{gross} ($1 - METR$) is the part of in-work earnings that are not “taxed away” (and is thus equal to Δy_{net}).

¹² The formulation of METRs above considers discrete gross income changes Δy_{gross} . It is of course the case that each “discrete METR” is an average of METRs resulting from infinitesimal gross income changes within the Δy_{gross} interval.

¹³ Methodological details on the computation of Average Production Worker earnings amounts are provided in OECD (2002b).

that hourly wages are changing, while working hours remain constant. This is for instance necessary for evaluating net incomes and METRs of low-wage full-time workers. We provide results under both assumptions.¹⁴

II. 1 Model scope, income concepts and unit of analysis

The budget constraint shows current net income defined as current gross earnings plus total cash benefits minus total taxes. Total taxes include

- National and local income tax¹⁵, and
- Own SSC paid by employees and benefit recipients excluding voluntary contributions made to either private or public insurance institutions,

while cash benefits include

- family benefits (including employment-conditional “in-work” benefits where they are family related),
- minimum income (or social assistance) benefits generally excluding any strictly housing related parts,
- housing benefits generally including any strictly housing related parts of minimum income programs, and
- unemployment benefits.

Disability benefits, private-, occupational- or state old-age pension payments as well as any income from capital are not considered. Benefit incomes are often taxed or subject to SSC and this is taken into account when computing net incomes for benefit recipients.¹⁶

We are measuring current incomes and therefore do not take into account any longer-term effects of today’s labour market status on future earnings, pension entitlements, (re-)qualification for unemployment insurance benefits etc. To the extent that individuals are aware of these future income implications and take them into account

¹⁴ For most countries the two approaches (fixed hours and fixed hourly wages) yield the exact same result. But for some countries, notably, Denmark, Ireland, Luxembourg, The Netherlands and the United Kingdom, results differ due to tax-benefit rules such as the entitlement to partial unemployment benefits for part-time workers returning to work, or minimum/maximum working hours requirements built into tax concessions or benefits (such as employment-conditional benefits).

¹⁵ Only standard tax relief is included when calculating tax payments. These are tax concessions unrelated to actual expenditures incurred by the taxpayer and are automatically available to taxpayers who satisfy relevant eligibility rules. Typical standard reliefs include the basic relief available to all taxpayers, wage earners or benefit recipients, irrespective of family status; relief available to taxpayers depending on their marital status; relief granted to families with children; and the relief for work-related expenses. See OECD (2002b) for further details.

¹⁶ A detailed descriptions of countries’ tax-benefit rules can be found in OECD (2002a, b).

when considering their labour market status, it would clearly be desirable to allow for them. Unfortunately, this is beyond the scope of our static modelling framework. However, current incomes will be the more immediate concern particularly for low-income households who frequently face liquidity constraints and who are the main focus of the present analysis.

Social security contributions paid by employers are substantial in many countries. In addition, the extent to which pensions, healthcare or unemployment benefits are financed by contributions or taxes differs enormously across countries (see OECD, 2002b). It is therefore useful to consider how employers' SSC might affect our results. A first consideration is whether the insurance value or any future benefits bought by SSC should be taken into account in the calculations. As explained above, while taking into account future income streams may be desirable our static framework considers current incomes only. A second, and separate, issue concerns the incidence of SSC (see OECD, 1990, chapter 6). To the extent to which employers' SSC reduce employees' net wages they might usefully be considered a tax on employees. Similarly, any part of employees' SSC that are incident on the employer may not be considered as reducing employees' take-home pay. However, any "forward" or "backward" shifting of SSC will take place via adjustments to contractual wages. If APW values are measured in an equilibrium situation where these adjustments have taken place then any wage adjustments will already be reflected in the average wage figures used in our calculations. Given our concern with current cash incomes (and, in particular, take-home pay in the case of employed persons) it is therefore appropriate to fully deduct employees' SSC while not deducting any parts of employers' SSC that may be incident on employees since these will already be reflected in lower APW values.^{17,18}

¹⁷ For instance, to the extent that employers' SSC are incident on employees through lower wages, lower employers' SSC will, other things being equal, result in higher contractual wages. What does this mean in terms of financial work incentives as measured using our net income concept? If employers' SSC are raised from zero to X and a fraction of $0 \leq s \leq 1$ of X is shifted to employees then average wages w will decrease by sX . Once this adjustment process is complete, the NRR for a single person earning the average wage might be $B/((1-t)(w-sX))$, where B is the net unemployment benefit and t is the individual's average tax rate while in work. This is of course the same NRR we would obtain if, instead of raising X through employers' SSC, employees would pay contributions of X in the case where a fraction of $1-s$ would be shifted to employers. It is clear, therefore, that in the framework of our modelling exercise, the above net income concept results in conceptually consistent NRR (and, of course, METR) measures regardless of whether SSC are paid by employees or employers.

¹⁸ In order to provide a more comprehensive view of the impact of the tax system, results of additional computations taking also into account the impact of employers' SSC are provided in annex B and compared to the results in the main text. When employers' SSC are considered, METRs need to be interpreted as marginal effective tax rates on labour costs. To compute these, employers' SSC will of course enter both the numerator and the denominator of equation (1a). Given that employers' SSC vary substantially between countries (see Table B1 in annex B: they are relatively high in Belgium, Greece, Spain, France, Italy, Sweden, but very small in Denmark) this can of course change any METR ranking of countries. Yet, in some cases the patterns are not very different, especially at low wage levels (see Table B2-B5 in annex B). In any case, and as argued above, for considering the impact of labour market changes on people's current net income, the METR definition needs to exclude employers' SSC.

A final definitional issue to be considered when computing net incomes and measures such as METRs and NRRs is whom to compute them for. In multi-person households income situations will depend on the earnings, taxes and benefits of a number of people. For instance, one spouse's earnings may reduce the other spouse's unemployment benefits. Similarly, one household member's income tax liability will usually depend on other household member's characteristics even for tax systems that are not explicitly "joint". In order to capture all relevant interactions we compute all income measures at the household level. It is important to note that, for the purpose of evaluating financial work incentives, this implies the assumption that work decisions are taken at the household level.

II. 2 Family types

The stylised family types considered throughout the analysis are:

1. Single adult persons, without children (earnings of adult 0-200% APW).
2. Single adult parents, with two children (earnings of adult 0-200% APW).
3. One-earner adult couples (earnings of first spouse 0-200% APW; 2nd spouse inactive).
4. As in 3 but with two children.
5. Two-earner adult couple (earnings of first spouse fixed at 67% APW; 2nd spouse earning 0-200% APW).
6. As in 5 but with two children.

Adult employees are assumed to have an uninterrupted employment record of 22 years to ensure people qualify for unemployment benefits. Given this assumption, the assumed age for all adults is 40 years. In the case of families with children, the assumed ages are 4 and 6 meaning that their parents will not be entitled to maternity benefits. Similarly, child-care benefits are not considered in the present analysis (but will be in a later stage of the current project). All accommodation is assumed to be rented with rent constant at 20% of APW. Since the focus of this analysis is on labour market transitions we assume that people whose earnings are changing have just made a transition from unemployment into employment. As a result, people shown with limited working hours will often still be entitled to unemployment benefits since, in many countries, a transition from unemployment into part-time work is encouraged through the possibility of part-time unemployment benefits.

The combination of these six household typologies with the wide range of earnings and the three types of labour market status (employed, unemployed, inactive) implies that tax and benefit rules applied to a considerable part of countries' actual populations are covered in the calculations. Table 2 provides a summary picture of the relevance of the chosen household types in EU Member States and Candidate Countries.

**Table 2 - Distribution of households (%) by type of households*
(1999)**

	<i>Total</i>	<i>Single person</i>	<i>Single parent with dependent children</i>	<i>Two adults</i>	<i>Two adults with dependent children</i>	<i>Three or more adults</i>	<i>Three or more adults with dependent children</i>
BE	100	29.7	6.7	26.4	33.3	2.2	1.8
DK	100	37.3	5.2	31.3	21.3	2.9	2.2
DE	100	35.4	3.9	31.4	22.1	5.2	2.1
GR	100	16.0	2.1	28.8	28.1	16.7	8.5
ES	100	10.1	2.0	21.9	32.4	19.0	14.7
FR	:	:	:	:	:	:	:
IE	100	20.8	5.2	20.7	31.9	10.7	10.7
IT	100	22.0	2.4	27.1	29.8	12.3	6.3
LU	100	24.8	3.1	25.4	31.2	9.3	6.2
NL	100	33.7	4.8	31.2	26.1	2.8	1.4
AT	100	30.2	3.7	27.8	22.0	9.9	6.5
PT	:	:	:	:	:	:	:
FI	100	38.3	4.8	29.6	23.6	2.6	1.2
SE	100	38.2	5.7	28.1	24.4	2.0	1.5
UK	100	31.4	6.5	30.3	21.0	7.3	3.5
CY	100	12.1	1.6	24.1	41.4	10.4	10.5
CZ	100	24.5	4.2	30.2	35.6	2.8	2.7
HU	100	24.0	8.0	22.0	26.0	5.0	15.0
PL	100	14.0	6.0	22.0	36.0	9.0	13.0
SK	100	16.0	5.0	19.0	52.0	3.0	5.0

Source: Eurostat, Household budget surveys, 1999
*(Including retired persons)

While no set of hypothetical households can fully capture the heterogeneity of existing population, the purpose here is to choose households that allow us to assess the main features of tax-benefit systems. Yet, given the numerous dimensions that characterise real households (and will influence tax-benefit calculations) it is important not to try to extrapolate results to household types not covered here (or to the population as a whole, which would only be possible using a tax-benefit model in conjunction with representative household micro-data).¹⁹

¹⁹ For a microdata based method to assess effective tax rates in the EU, based on EUROMOD, an EU-wide tax-benefit microsimulation model, see H. Immervoll (2002).

III. RESULTS

The change in net income from equation (1a) can be described as the sum of the change in gross earnings plus the contributions of each tax-benefit instrument to the total METR so that:

$$METR = (\Delta IT + \Delta SSC - \Delta HB - \Delta FB - \Delta SA) / \Delta Y_{gross} \quad (2a)$$

where *IT*, *SSC*, *HB*, *FB* and *SA* denote income tax, own social security contributions, housing benefits, family benefits and minimum income/social assistance benefits. The impact of each component on the METR can be expressed as follows (taking social assistance as an example):

$$\frac{\Delta SA}{\Delta Y_{gross}} = \frac{\Delta SA}{SA} \times \frac{SA}{Y_{gross}} \times \frac{Y_{gross}}{\Delta Y_{gross}} \quad (2b)$$

The contribution to the METR of a particular tax-benefit instrument is determined by its percentage change following a change in gross income as well as its size relative to gross income. In the case of tax, the second term on the right-hand side is the average tax rate while the first and third term combined are the elasticity of the tax liability with respect to the tax base, which is one of the measures of tax progressivity commonly used in literature (e.g., Jacobsson, 1976).

III.1 Marginal effective tax rate relating to the “low-wage trap”

Definition: The marginal effective tax rate for an employed person ($METR_{lw}$) is an indicator of the so-called low-wage trap (or poverty trap). It is aimed to measure the financial incentives to improve a household’s income situation by increasing earnings, and it is defined as the rate at which taxes are increased and benefits reduced as a person increases his or her earnings by a small amount.

To identify the possible earnings range over which different tax-benefit components can have an impact on METRs we first consider the earnings levels at which different transfers are completely phased out (Table3).

The general impression is that in almost all countries, METRs on individual and household incomes in excess of 67% APW are entirely determined by income tax and SSC while benefit withdrawals tend to only play a role below 67% APW. There are few exceptions to this general pattern.

As regards social assistance (upper panel of Table 3), relevant exceptions are Denmark, France, Portugal and Sweden, where transfers are still in place for single earner couples with children up to 75-80% of the APW wage level. Housing benefit entitlements (Table3, lower panel) extend up to earnings levels of almost 110% APW for some Swedish household types and to around 80-90% APW for families with children in Denmark, Germany, France, the Netherlands, Finland and the United Kingdom. In Belgium, Greece, Spain, Ireland, Italy and Portugal there is no housing benefit system at all, at least not at national level.

Table 3 Level of household's earnings (as % of APW) at which transfers are completely phased out
Year: 2001

Social Assistance transfers						
SA	Single	Single2C	1earnerC	1earnerC2C	2earnerC67	2earnerC2C67
BE	27	34	34	34		
DK	46	54	80	81	83	84
DE	51	59	56	58		
GR						
ES	21	31	27	36		
FR	47	66	68	79		79
IE	43	17	57	50		
IT						
LU	43	51	64	72		
NL	37	41	48	46		
AT	43	50	54	64		
PT	45	89	89	133	81	109
FI	34	19	47	65		
SE	49	25	66	72		
UK	16	38	25	40		
Housing Benefits transfers						
HB	Single	Single2C	1earnerC	1earnerC2C	2earnerC67	2earnerC2C67
BE						
DK	49	78	80	93	83	93
DE	51	63	56	81		84
GR						
ES						
FR	48	90	58	90		91
IE						
IT						
LU	43	51	64	72		
NL	54	72	72	72	72	72
AT	43	50	54	64		
PT						
FI	56	86	74	91	74	91
SE	49	107	66	82		107
UK	56	96	68	85	69	83

Notes: Single2c= Lone parents with two children
 1earnerc= one-earner couple
 1earnerc2c= one-earner couple, with two children
 2earnerc67= two-earner couple, second spouse earns 67% APW,
 2earnerc67c2= two-earner couple, two children, second spouse earns 67% APW.

In most countries universal (non-means-tested) child benefits are paid for each dependent child, so this component usually does not have any impact on METRs. A few exceptions are worth noting, however. In Italy child allowances are related to income and hours of work so that part-time workers receive less than full-time workers and high-income full-time workers receive less than low-income full-time workers. A second notable feature is that family benefits can also be received by one-earner couples without children. A particular relevance on the determination of the METRs is apparent through family-related in-work benefits which are phased-out for higher incomes. In 2001, such in-work benefits existed in the UK (Working Families' Tax Credit, WFTC) and Ireland (Family Income Supplement, FIS).²⁰ In both cases the

²⁰ The UK Working Families Tax Credit (WFTC, recently replaced by Child Credit and Employment Credit) is an in-work benefit for parents working at least 16 hours per week. The WFTC is aimed at improving work incentives by increasing in-work incomes of low-wage workers relative to the net income available to recipients of unemployment benefits (see Blundell *et al.*, 2000). In Ireland,

withdrawal of in-work benefits is one of the main driving forces of $METR_{lw}$. In the case of the WFTC, benefit amounts were reduced by 55 pence for each £1 extra income giving rise to relatively high $METR_{lw}$. For recipients of these benefits, the phase-out range ends at around 100% APW (somewhat lower in the case of Ireland and somewhat above in the case of the WFTC) so that $METR_{lw}$ of higher earnings levels are no longer affected by the benefits withdrawals (and are therefore lower).

Looking at the earnings ranges over which benefits have an influence on $METR_{lw}$ we can conclude that they will only be relevant for lower earnings levels (often close to the earnings of a full-time worker earning the statutory minimum wage where it exists) and will rarely be relevant beyond APW earnings levels. In the discussion that follows we will therefore focus mainly on households at the lower end of the income scale. Indeed, for a two-earner couple where one spouse earns at least 67% APW (one of the family types for which results are shown below) the financial effects of the second spouse's working hours decision will, in most countries, be determined almost exclusively by taxes and SSC. Most income-related benefits are already phased out at 67% APW and will therefore not affect the second spouse's $METR_{lw}$ (of course, the decision of whether to participate at all will be affected by out-of-work benefits – this will be shown in the discussion of $METR_{ut}$ and $METR_{it}$ in sections III.2 and III.3 below).

III.1.1 Budget constraints

To summarise the large volume of model output we show a summary of $METR_{lw}$ results for selected earnings levels as a first step (Table 4). Comparing results across countries one can see a substantial divergence of METRs even at similar relative earnings levels. Yet, it is very important to remember that, given the often complex shapes of budget constraints, single point estimates of METRs, for particular earnings levels are not very informative and may give a misleading picture of the overall situation if presented in isolation (Immervoll *et al.*, 2001). In the second step we therefore derive a fuller representation by plotting both net incomes and $METR_{lw}$ over the 0-200% APW range of gross earnings income for all six family types discussed above (Figures 1-6). The “additional earnings” (Δy_{gross}) used for computing $METR_{lw}$ is 1% of APW. For people earning less than 50% APW we assume part-time work (at APW hourly wage level).

one employment-conditional benefit is the Family Income Supplement (FIS) which pays 60% of the difference between the net family income and an earning limit (dependent on family size). A claimant must be working at least 19 hours per week (two-earner couples can combine their joint working hours for this purpose). Several other EU countries have introduced employment-conditional benefits since 2001. In the United States, an employment conditional refundable tax credit (Earned Income Tax Credit) has been in place for more than two decades and has been made successively more generous since the early 1990s.

Table 4 - Low-wage trap indicator (2001)

Marginal effective tax rate at different wage levels, as wage increases by 1% of the APW wage level

% of APW	Single					Single parent, 2 children					1 earner couple				
	33%	50%	67%	100%	150%	33%	50%	67%	100%	150%	33%	50%	67%	100%	150%
BE	-20	72	54	55	56	-20	72	54	55	56	-16	62	45	51	56
DK	109	45	56	50	64	105	105	67	50	64	104	116	110	45	64
DE	100	70	51	58	59	100	100	48	55	52	100	100	39	48	45
GR	16	16	16	29	41	16	16	16	19	41	16	16	16	29	41
ES	6	23	33	29	33	6	6	6	29	29	6	6	26	29	33
FR	89	18	41	34	37	84	84	46	21	40	91	91	30	28	30
IE	100	20	24	26	48	0	60	62	26	48	100	100	4	26	26
IT	10	26	32	39	39	10	10	120	39	39	10	26	32	39	39
LU	109	28	31	42	53	110	120	14	14	49	110	110	14	29	36
NL	100	120	45	45	42	100	89	41	45	42	100	93	45	45	42
AT	100	18	37	43	50	100	18	37	43	50	100	100	37	43	50
PT	55	11	23	25	35	55	55	55	11	35	55	55	55	23	25
FI	54	83	41	47	52	46	74	88	47	52	100	83	95	47	52
SE	100	37	37	35	52	25	45	57	55	52	100	100	37	35	52
UK	73	76	32	32	32	88	89	89	69	32	73	76	70	32	32
CZ	46	46	26	30	30	100	17	41	36	30	100	26	41	28	30
HU	21	39	40	40	51	13	12	34	40	51	21	39	40	40	51
PL	25	34	34	34	34	100	34	34	34	34	100	25	34	34	34
SK	38	46	27	23	30	100	100	46	23	30	100	100	100	23	30
NO	72	36	36	36	49	63	63	63	36	49	72	36	36	36	49
SZ	100	23	23	29	33	100	100	20	27	30	100	100	22	25	28
US	43	29	29	29	42	27	48	46	51	29	35	46	29	29	29
JP	93	17	17	22	28	93	93	17	19	22	93	93	17	19	22

% of APW	1 earner couple with 2 children					2 earners couple*					2 earners couple with 2 children*				
	33%	50%	67%	100%	150%	33%	50%	67%	100%	150%	33%	50%	67%	100%	150%
BE	-20	62	45	51	56	-20	72	56	56	56	-20	72	56	56	56
DK	100	100	116	45	64	45	45	56	50	64	45	45	56	50	64
DE	100	100	60	46	45	55	54	51	54	45	50	52	51	54	42
GR	16	16	16	19	41	16	16	16	29	41	16	16	16	19	41
ES	106	6	6	23	29	6	23	33	29	33	6	6	26	29	33
FR	84	84	88	21	25	25	25	35	34	30	18	18	29	28	30
IE	100	60	62	26	26	20	20	24	26	48	20	20	24	26	48
IT	10	10	32	120	39	51	26	32	39	39	120	26	32	39	39
LU	110	110	110	14	36	14	27	31	34	42	14	14	14	34	42
NL	100	93	45	45	42	25	45	45	45	42	25	45	45	45	42
AT	100	100	37	43	50	18	18	37	43	50	18	18	37	43	50
PT	55	56	55	67	25	15	15	23	23	25	82	11	11	23	25
FI	100	100	85	47	52	27	37	41	47	52	27	37	41	47	52
SE	100	100	100	35	52	25	37	37	35	52	45	37	37	35	52
UK	88	89	89	69	32	22	32	32	32	32	10	32	32	32	32
CZ	100	100	26	38	30	26	26	26	30	30	27	31	26	26	30
HU	13	12	34	40	51	20	39	40	40	50	20	39	40	40	50
PL	100	100	34	34	34	34	34	34	34	34	34	34	34	34	34
SK	100	100	100	23	30	13	23	23	23	30	13	23	23	23	30
NO	100	77	36	36	49	36	36	36	36	49	36	36	36	36	49
SZ	100	100	90	24	28	24	27	27	33	36	22	25	27	31	35
US	80	48	64	51	29	29	29	29	29	29	4	24	29	29	29
JP	93	93	93	19	22	14	17	17	22	22	10	13	17	19	22

* The wage level of the first earner is fixed at 67% of the APW, while the wage level of the second earner is indicated in each column

Source: Joint European Commission-OECD project, using OECD Tax -Benefit models.

In order to show the effect of minimum income/social assistance benefits on $METR_{lw}$, the underlying assumption here is that the person whose earnings are being varied is *not* entitled to unemployment benefits when he or she works zero hours. In these charts, $METR_{lw}$ (thick solid black line, plotted against the right-hand axis) is depicted along with net incomes (for the household as a whole: thick upwards sloping kinked line) and gross earnings (thin upwards sloping straight line).²¹ The net income plot represents the “budget constraint”: it shows the opportunity set in terms of feasible combinations of net income and gross earnings (with earnings being determined by hourly wages and working hours). The vertical distance between gross and net income is the amount of net taxes. Net taxes are positive if net income is below gross income and negative if it is above. Dividing net taxes by gross income gives the effective tax burden. The point where the two lines cross represents situations where the effective tax burden is zero. We call this the break-even point. All persons with net incomes

²¹ For presentational convenience we have limited the METR range shown to [-120%; +120%].

above gross incomes receive a net transfer. For a given country and family type, higher break-even points mean larger numbers of net benefit recipients.²²

The slope of the net income plot represents the marginal effective tax rate $METR_{lw}$. $METR_{lw} = 0$ where the slope of the net income line is parallel to the gross income line since in this case, any change in gross income results in the same change in net income. The flatter the net income plot the larger the part of any “additional earnings” that is “taxed away”. Where the net income line is horizontal, an increase in gross income is taxed away entirely ($METR_{lw} = 100\%$). Of course, $METR_{lw}$ can exceed 100% in which case the net income line will be downwards sloping (e.g., in Hungary where the entire amount of minimum income benefit is withdrawn once earnings of a single person exceed about 16% APW). Negative $METR_{lw}$ occur in cases where the increase in net income exceeds the amount of “additional earnings”. This can, for instance, be an (intended) result of in-work benefits where workers receive a relatively large benefit when they increase earnings beyond a certain threshold (UK families with children). Another reason may be that certain types of SSC are no longer compulsory once earnings exceed a certain level (such as in the Netherlands where high-wage earners are supposed to fund their own private health insurance).²³

Looking at the $METR_{lw}$ plot it is apparent that there are numerous spikes and steps reflecting kinks in the budget constraint. It is important to note that a large spike in itself will not necessarily translate into a large work (dis-)incentive. The budget constraint (or what we have termed the “opportunity set” above) is based on the assumption that people can “choose” any earnings levels (or at least any of the 200 points used to draw each of the graphs in figures 1-6). Clearly, this is unrealistic if we interpret the budget constraint in terms of changing working hours. However, workers may also be able to influence their earnings through increasing the quality of their work (or “effort”). Nevertheless, the “additional earnings” that a typical worker would consider when deciding whether additional work “pays” may frequently be larger than the 1% APW interval we have chosen for computing $METR_{lw}$. It is useful to note therefore that, following equation (1), alternative $METR_{lw}$ measures can easily be recomputed for other earnings changes using the same numerical model output presented here.²⁴ To understand the mechanics of existing tax-benefit systems and to capture all interactions between different tax-benefit instruments that might potentially influence people’s choices it is, in the first instance, nevertheless desirable to look at the effects of small changes in earnings (such as 1% of APW) on net incomes.

Spikes are most obvious at low earnings levels where several different tax and benefit instruments often interact in complex ways. At very low gross earnings levels marginal rates are usually close to 100% reflecting the withdrawal of minimum income/social assistance benefits. Where different benefits are withdrawn

²² Note that the distribution of gross incomes differs across countries. As a result, the break even point is not sufficient to make inferences about the number of benefit recipients across countries.

²³ Contributions to private insurance schemes are not taken into account in our model calculations.

²⁴ Doing this for multiples of the 1% APW interval as considered here is facilitated by the detailed numerical breakdowns of budget constraints (table A5 in annex A). This table is also available in electronic spreadsheet format (http://europa.eu.int/comm/economy_finance/publications/economicpapers_en.htm).

independently (e.g., social assistance and housing benefits in Luxembourg), $METR_{lw}$ can remain above 100% over an extended earnings range resulting in decreasing net incomes as working hours increase.

At the other extreme, $METR_{lw}$ at low earnings levels are much lower (and driven by the marginal income tax and SSC rates) in countries where extensive minimum income safety nets do not exist (Greece, Italy). Of course this comes at the expense of high risks of poverty for those with low or zero earnings.²⁵ Indeed, an essential use of the “budget constraint” graphs is the evaluation of the adequacy of minimum income/social assistance schemes and their role in reducing poverty risks²⁶. The minimum income level guaranteed by such schemes is represented by the point at which the net income line intersects the left-hand axis.

At the upper end of the earnings spectrum, changes in $METR_{lw}$ usually result from a combination of increasing marginal income tax rates and SSC provisions which frequently cause drops of $METR_{lw}$ due to upper contribution thresholds above which marginal SSC rates drop to zero (e.g., Austria, Luxembourg). A notable feature of the German income tax is that statutory marginal rates rise continuously rather than in steps.

III.1.2 Decomposition by tax-benefit instrument

The influence of each tax-benefit instrument can be seen more clearly from Table A1 in annex A where we show a decomposition of $METR_{lw}$ results in terms of individual tax-benefit components. This decomposition (see equation (2a)) identifies the relative contribution of different tax and benefit instruments to high $METR_{lw}$ which is essential when thinking about the influence of individual policy measures.

Without commenting on the results in great detail, it is instructive to look at the influence of the Family Benefit component in Ireland and the United Kingdom as this provides an example of the adverse impact on $METR_{lw}$ of benefit instruments aimed at increasing labour force participation. While Irish $METR_{lw}$ are close to zero for families without children up to 60-70% of APW they are far higher (about 60%) over the same income range for households with children, due to the functioning of the aforementioned Family Income Supplement (counted in the Family Benefit category in Table A1). In the United Kingdom we find a similar picture due to the gradual reduction of the Working Family Tax Credit. Yet, the marginal deduction rate is lower than in Ireland. At the same time, these programmes increase the incomes of low-wage employees and thus provide both income support for the “working poor” and an incentive to seek employment. These latter effects will be reflected in the $METR_{ut}$ and $METR_{it}$ measures discussed in sections III.2 and III.3 below.

²⁵ Several countries are, however, successful at combining means-tested minimum income safety nets with retaining a degree of work incentives for benefit recipients by exempting a part of in-work earnings from means-testing.

²⁶ Immervoll et al. (2001) use this method to analyse and compare the effects of the tax-benefit system on low-income households in the Benelux countries.

BOX 2 – Major differences across household types in Member States

As calculated $METR_{lw}$ may be quite sensitive to the household characteristics, it is useful to pinpoint possible striking divergences among different households types across countries.

*Comparing results across family types in Figure 1-6 it is apparent that in **Denmark** the $METR_{lw}$ for single persons (with or without children) is only half as much as the high rate (close or even higher than 100%- a clear poverty trap) faced by couples (with or without children) with earnings over the range of 50-80% of the APW wage level.*

*In **France**, the $METR_{lw}$ for single workers over the range 50-65% of APW earnings is only 27% while it is close to 90% for a couple with children (up to 75% of APW earnings) because of the withdrawal of relatively more generous housing benefits.*

*In **Ireland**, the presence of children makes the $METR_{lw}$ for single parents and one-earner couples with children close to 60% over an income range of 40-90 % of APW earnings, while it is only 20% for single people without children. Low-income one-earner households, without children, face $METR_{lw}$ as high as 100% over the income range up to the 55 % of APW earnings.*

*In **Luxembourg**, the $METR_{lw}$ is higher than 100% until a gross wage of 43% of APW earnings for all the 6 family types considered in the analysis. After that level of earnings, it drops to about 30% for single workers and to 13% for single parents (after 50% of APW earnings). Yet, for a one-earner couple with children it remains higher than 100% until earnings reach 60% of APW earnings, a clear case of poverty trap.*

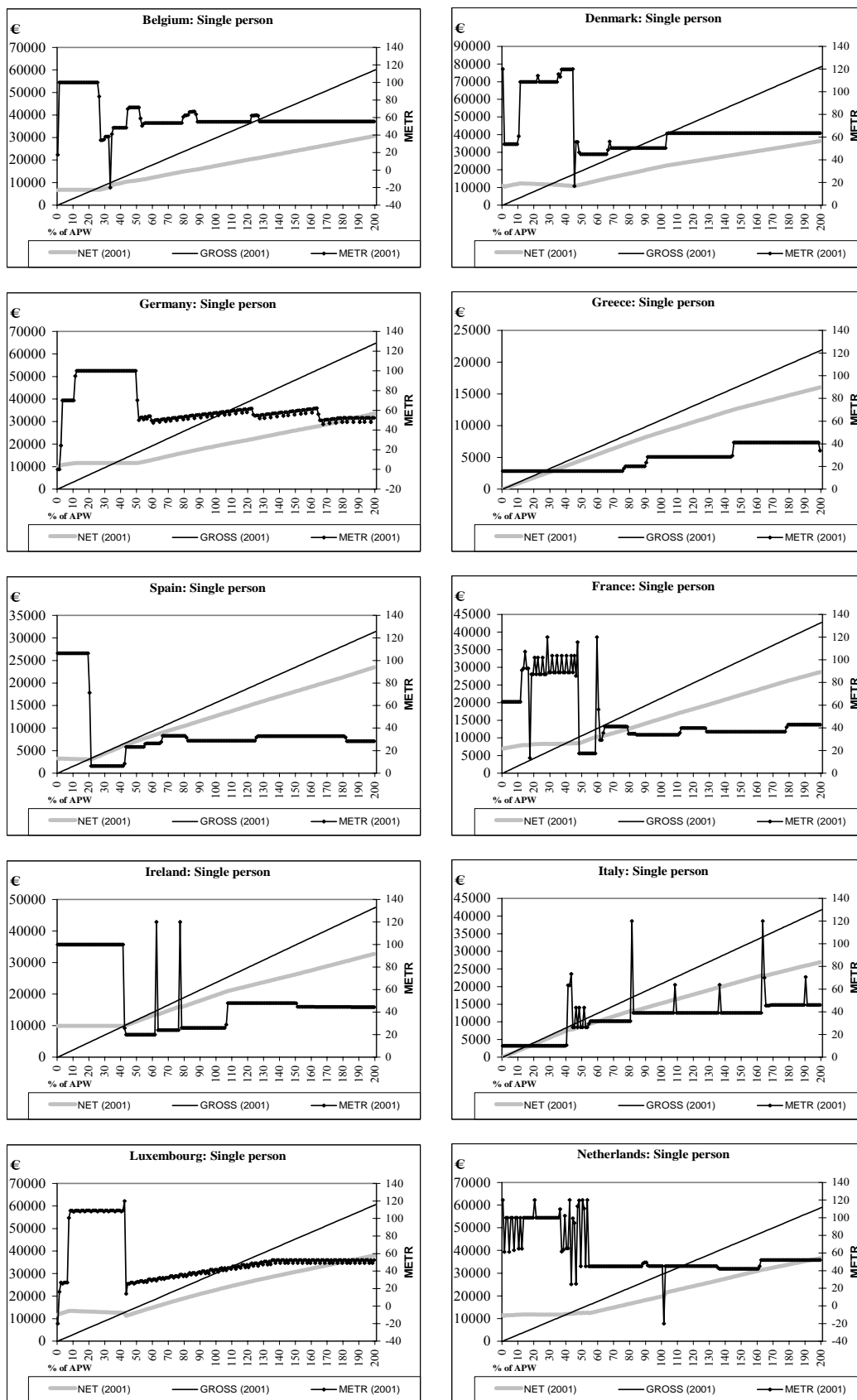
*In **Austria**, the pattern of the $METR_{lw}$ across family types and income levels is very similar to the one in Luxembourg. Indeed, the $METR_{lw}$ is 100% for all family types until 40% of APW earnings. Then it drops substantially (to 18%) only for singles and lone parents. For one-earner couples the rates remain at 100% until an income level of 50% of APW earnings is reached, while for one-earner couples with children the $METR_{lw}$ remains at 100% up to an income level of 60% of APW earnings.*

*In **Finland**, risk of poverty trap is a concern for one-earner couples with two children, who face a $METR_{lw}$ of 100% over a wide range of income (up to 65% of APW earnings), due to the withdrawal of housing benefit and social assistance. On the other hand, $METR_{lw}$ for single workers and for single parents are generally lower (but for single parents are high at between 40-80% of APW).*

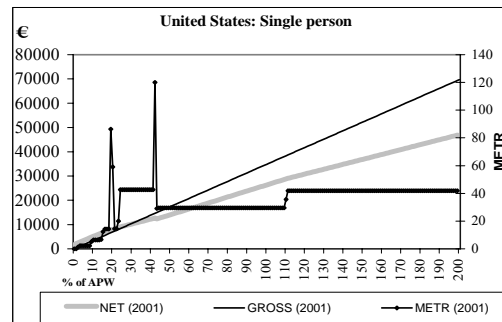
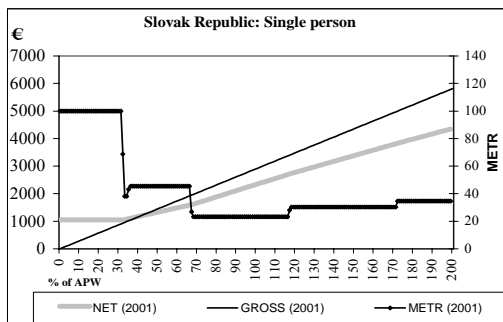
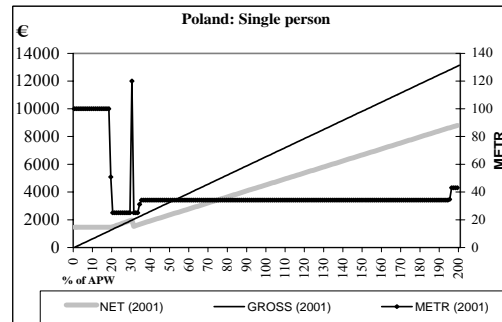
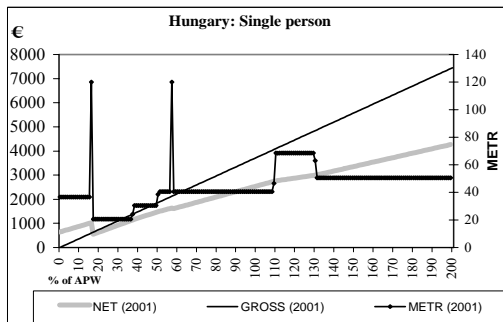
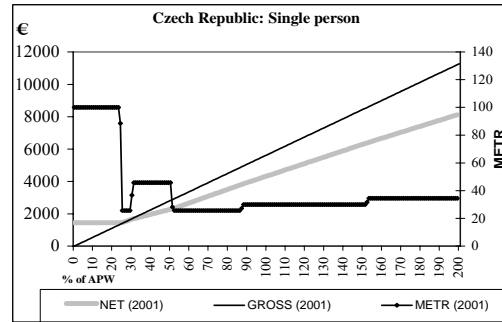
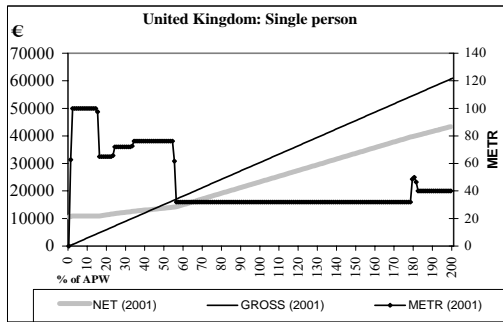
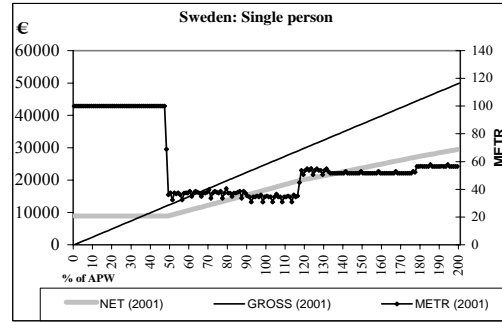
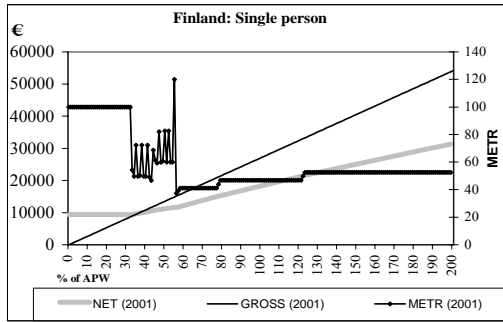
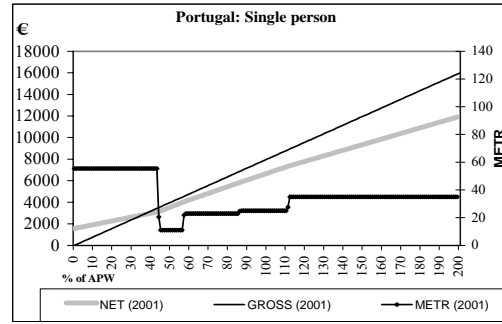
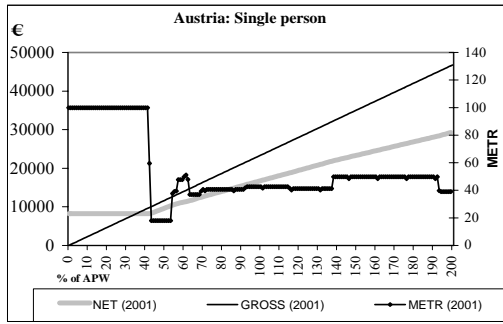
*A similar situation is found in **Sweden**, where the $METR_{lw}$ are at 100% for couples (with and without children, because in Sweden, as in Finland, child benefits are not means-tested) until their gross earnings are close to 65-70% of the APW wage level. In both countries, these results are generated by the combined effect of high tax rates and withdrawal rates of social assistance and housing benefits as earned income increases.*

*For the **United Kingdom**, the phase-out of in-work benefits gives rise to high $METR_{lw}$ for single parents and households with children up to high levels of earnings (a rate close to around 90%).*

Figure 1 – Low-wage indicator: METR_{lw} for single person

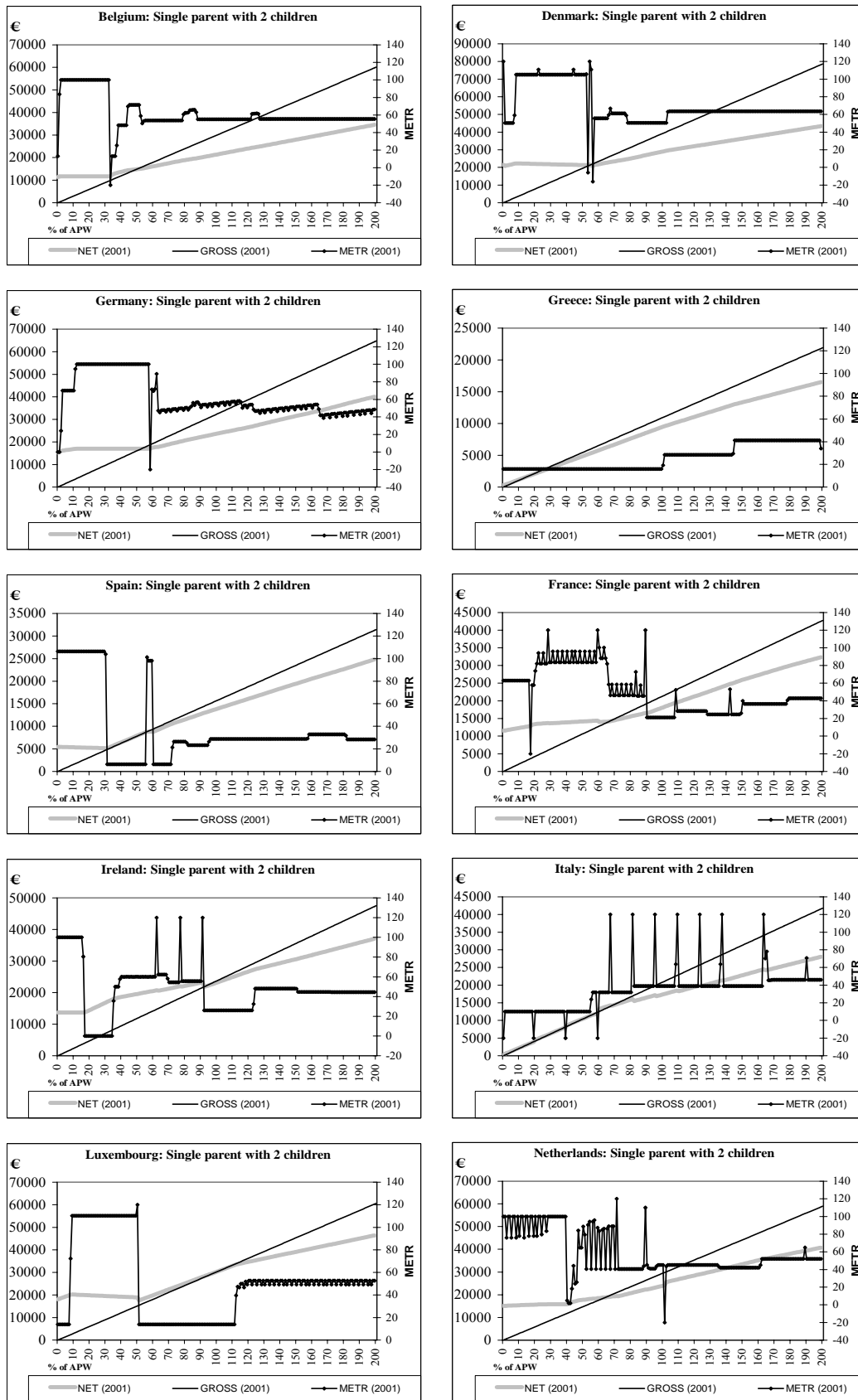


Source: Joint EC-OECD project, using OECD Tax-Benefit models.



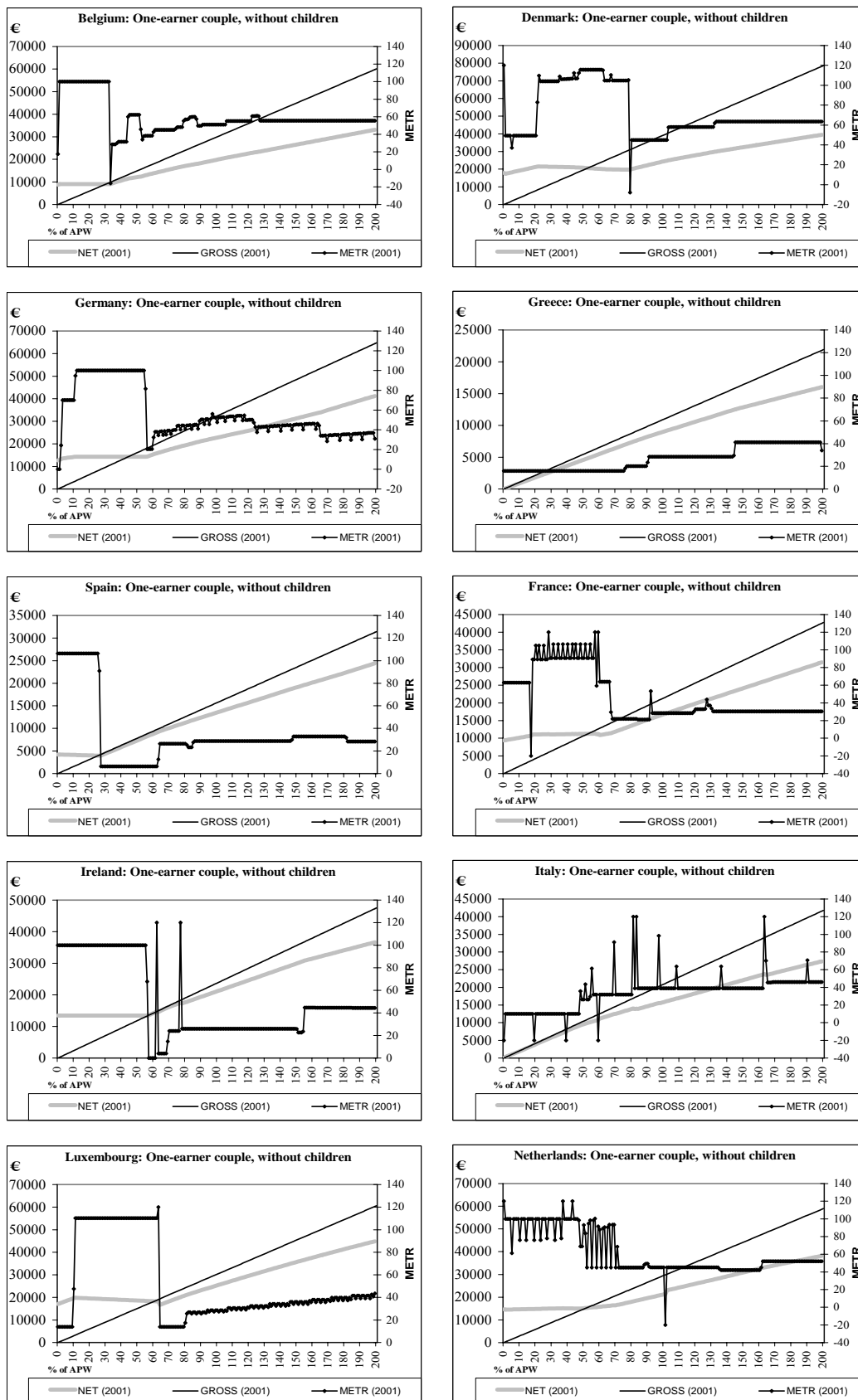
Source: Joint EC-OECD project, using OECD Tax-Benefit models

Figure 2 - METR_{JW} for single parent with 2 children

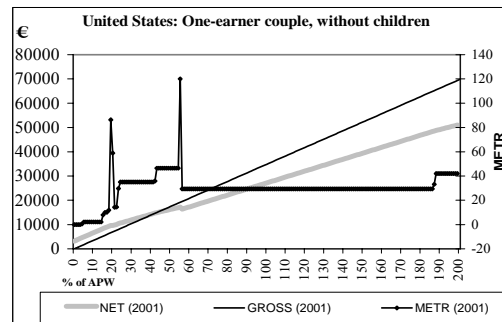
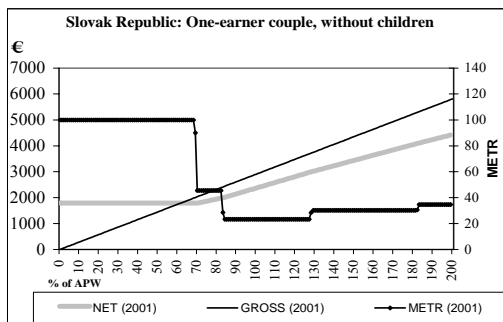
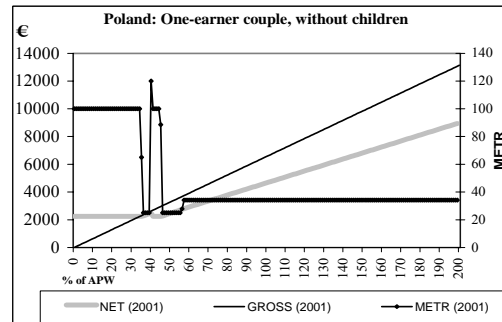
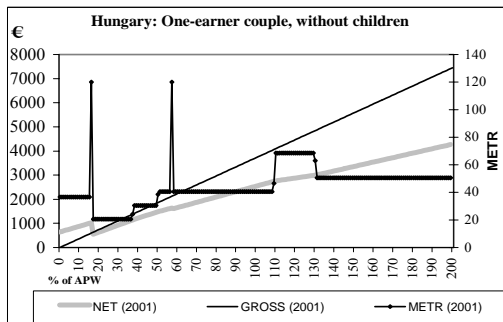
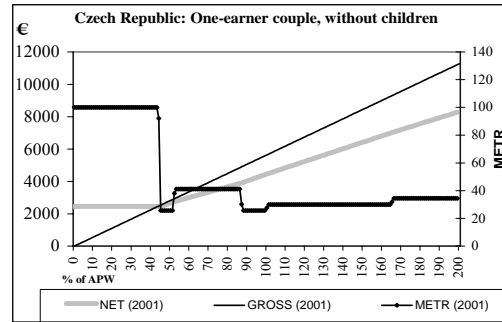
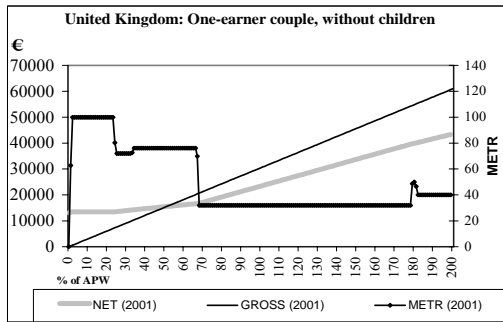
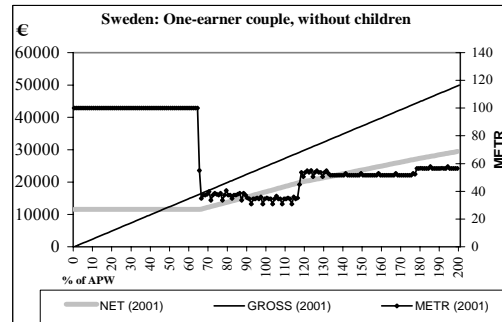
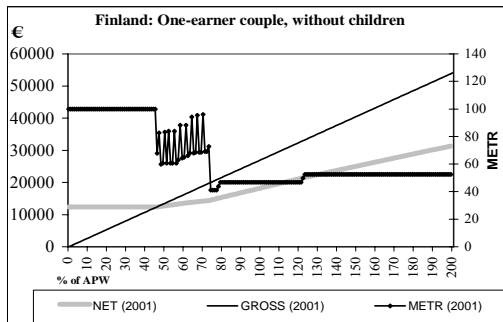
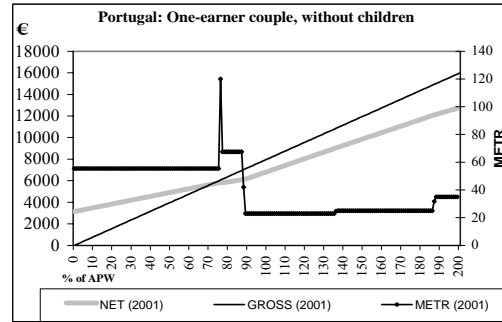
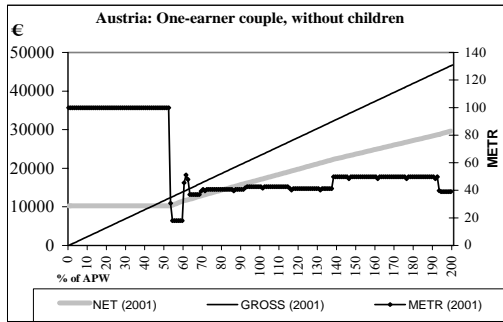


Source: Joint EC-OECD project, using OECD Tax-Benefit models

Figure 3 – METR_{lw} for one-earner couple without children

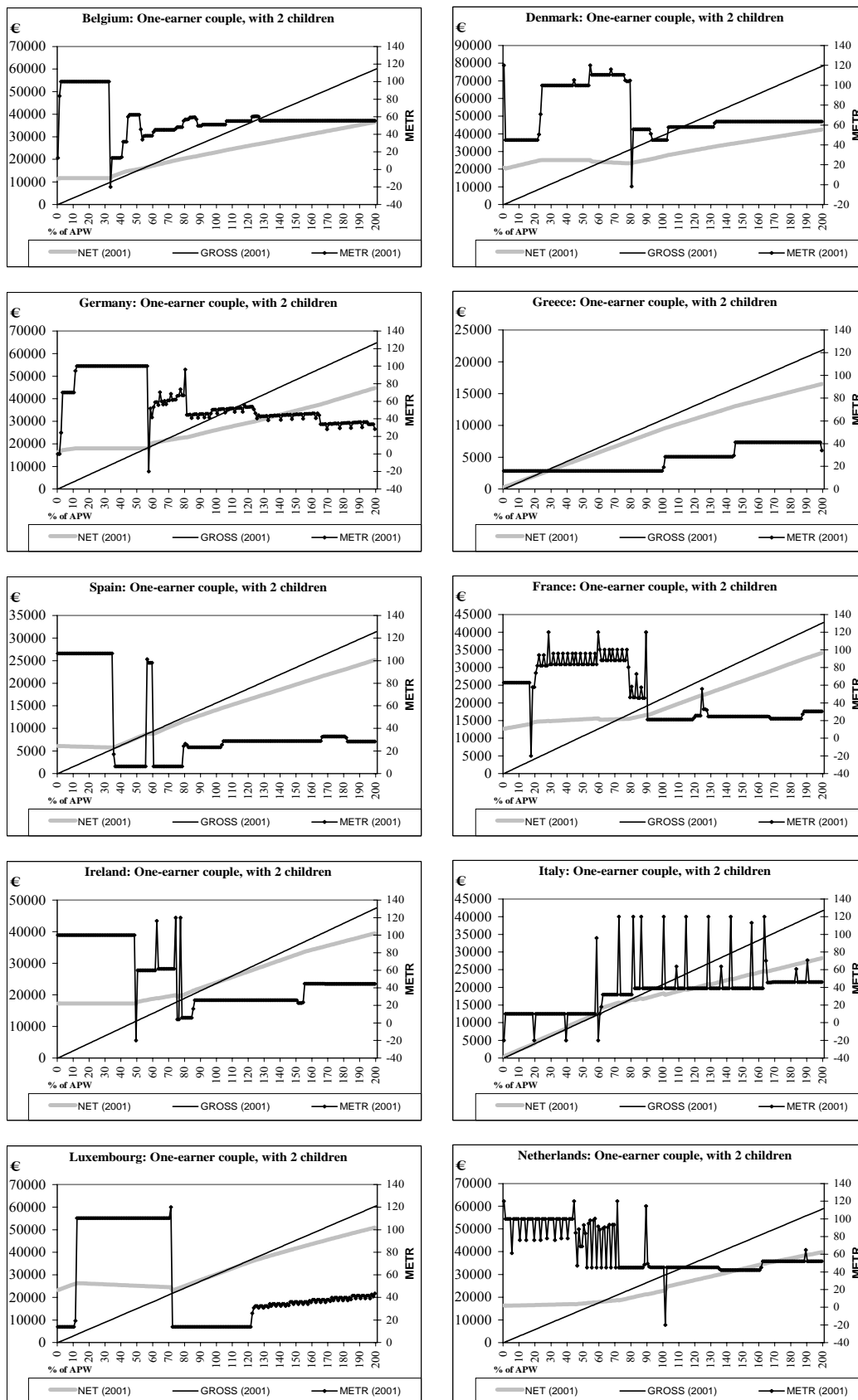


Source: Joint EC-OECD project, using OECD Tax-Benefit models



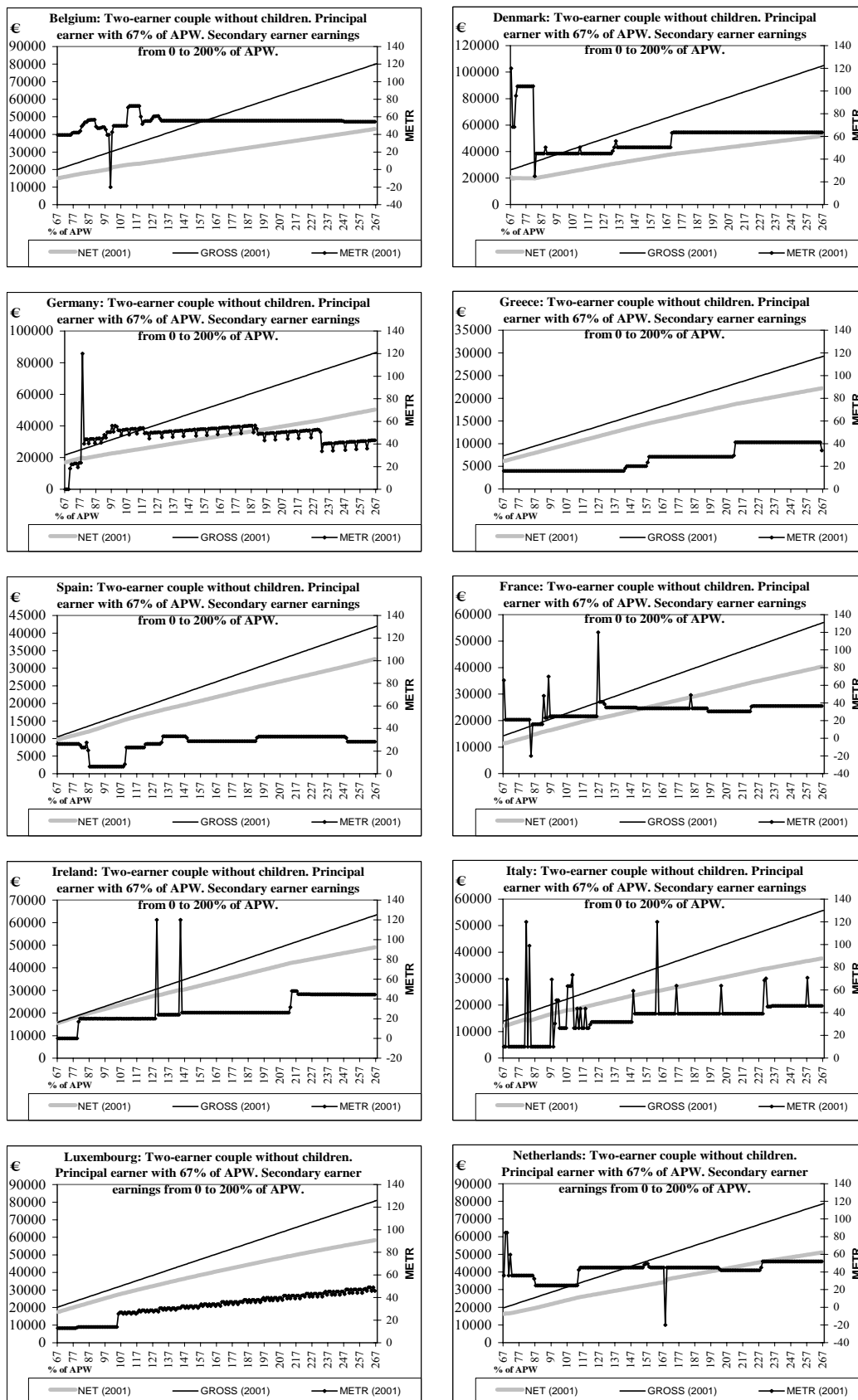
Source: Joint EC-OECD project, using OECD Tax-Benefit models

Figure 4 – METR_{lw} for one-earner couple with 2 children

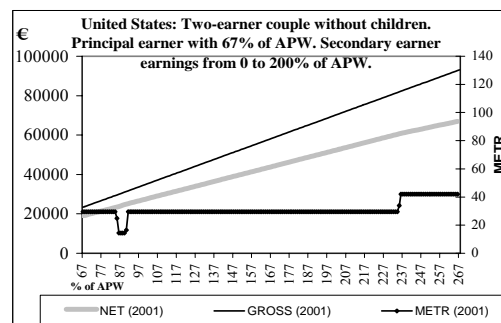
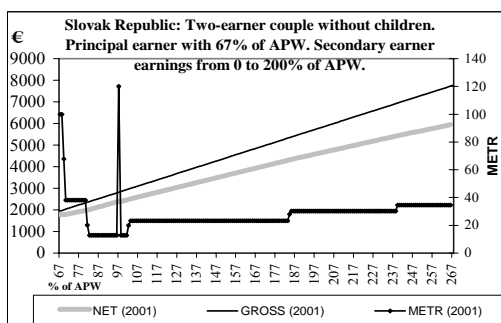
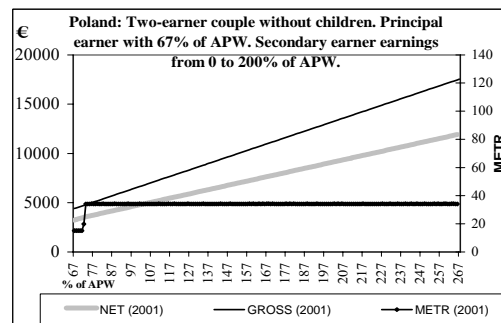
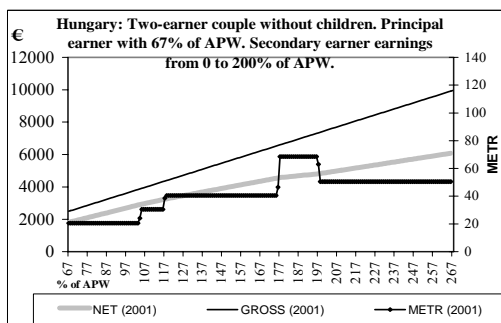
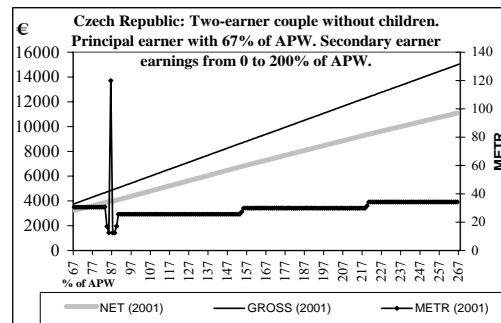
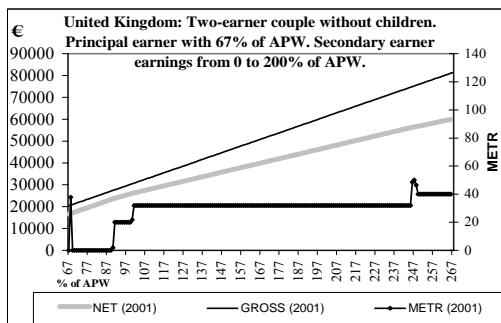
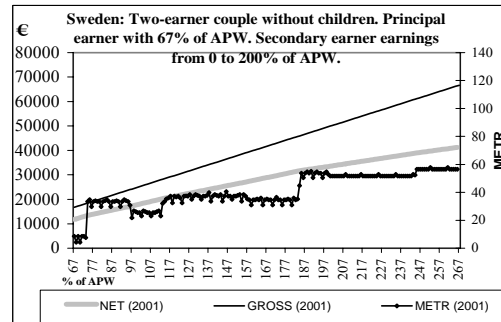
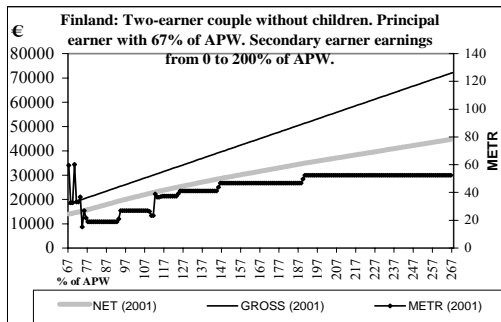
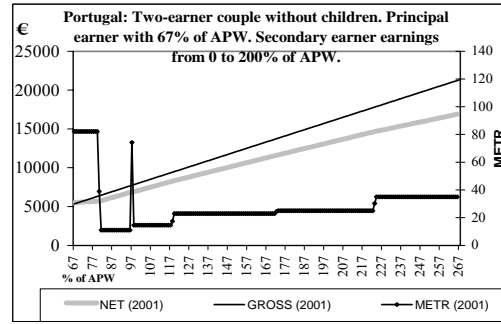
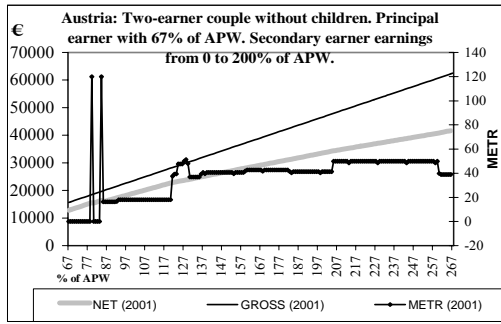


Source: Joint EC-OECD project, using OECD Tax-Benefit models

Figure 5 – METR_{lw} for two earner couple without children

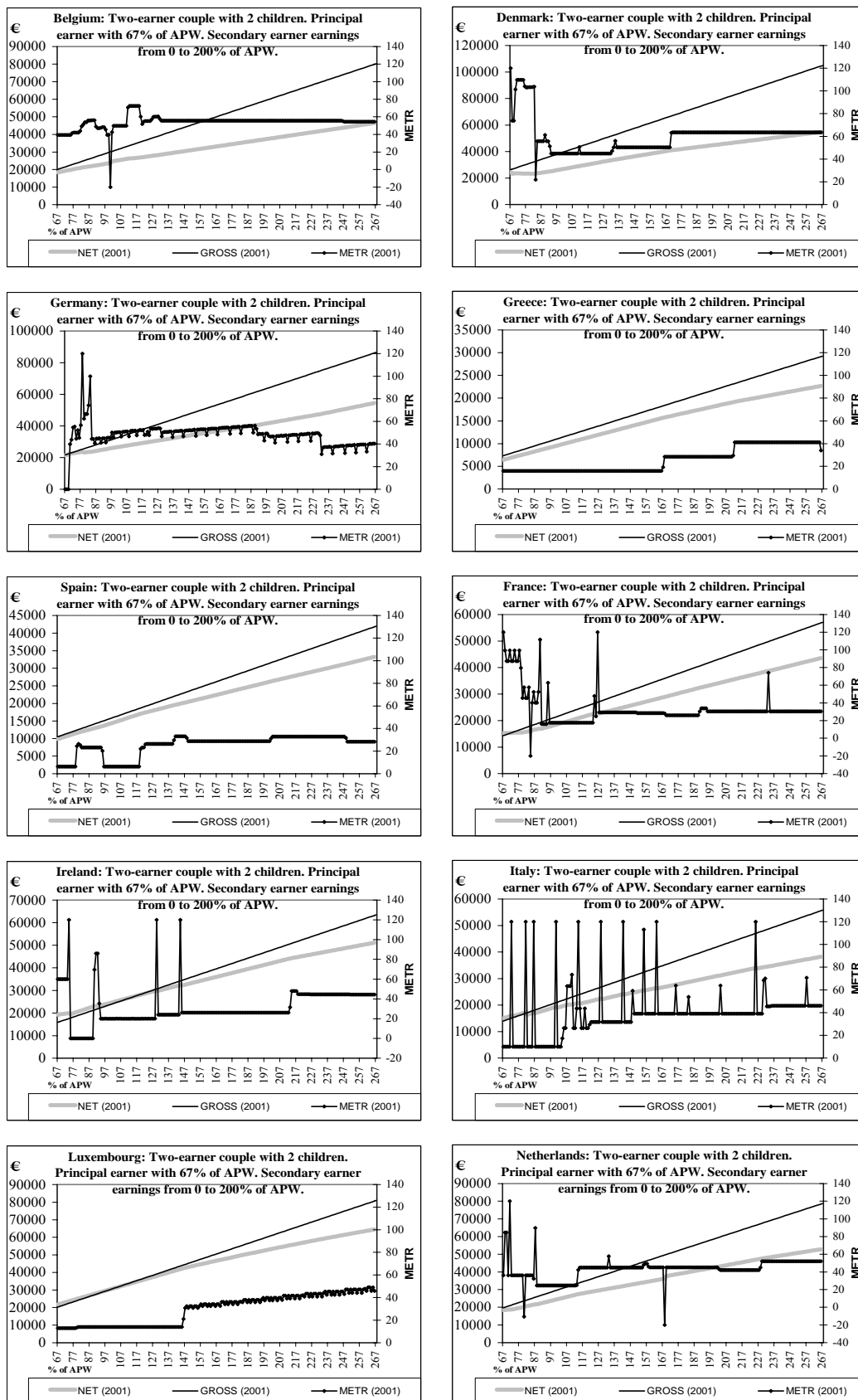


Source: Joint EC-OECD project, using OECD Tax-Benefit models

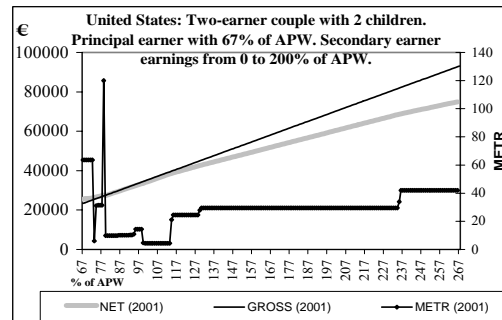
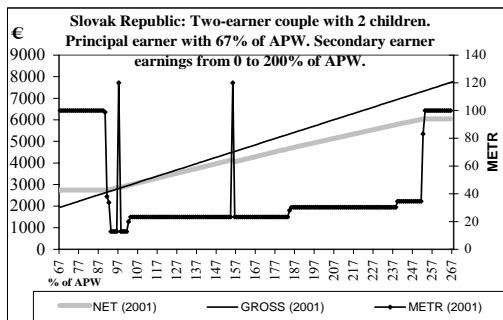
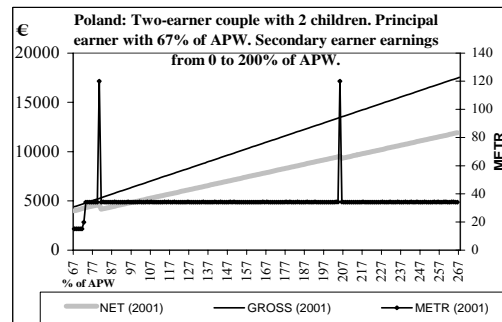
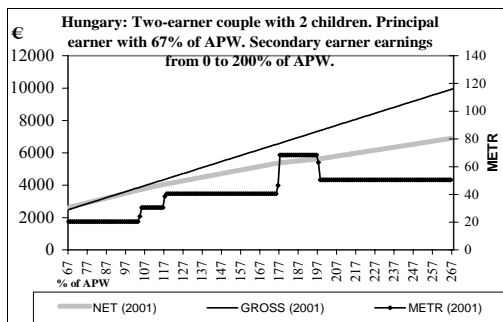
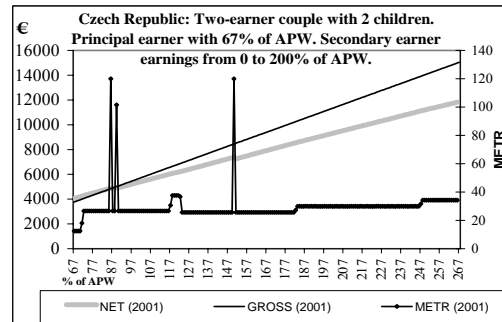
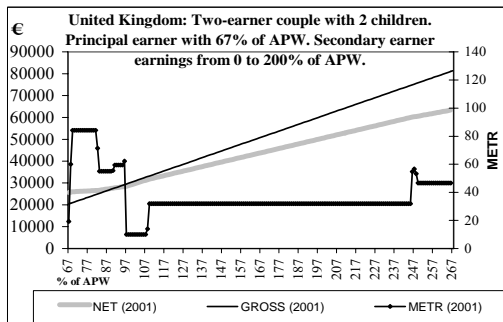
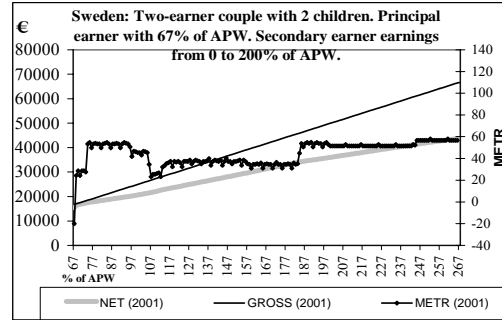
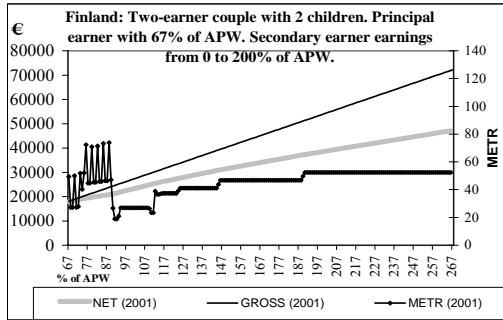
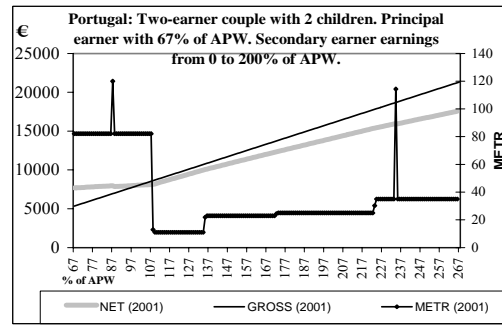
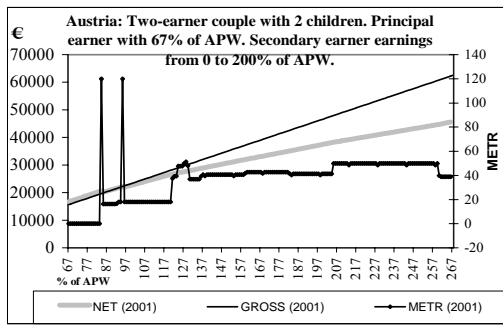


Source: Joint EC-OECD project, using OECD Tax-Benefit models

Figure 6 - METR_{JW} for two-earner couple with 2 children



Source: Joint EC-OECD project, using OECD Tax-Benefit models



Source: Joint EC-OECD project, using OECD Tax-Benefit models.

III.2 Marginal effective tax rate relating to the “unemployment trap”

The above analysis has focussed on measuring to what extent any incremental change in gross earnings feeds through to net income levels for people already in employment. The unemployment and inactivity traps, on the other hand, are related to the net income effects of transitions between employment and non-employment and, in particular, how the relative gain from employment is affected by tax and transfer policies. While the formal representation of the relevant marginal tax rate indicators is equivalent to the $METR_{lw}$ discussed in the previous section, their interpretation for policy purposes is different. Indeed, and as we have argued above, policies aimed at making work pay often face a trade-off between providing incentives at the “extensive” and “intensive” margin of labour supply: policies that improve the incentive situation in terms of participation may create financial disincentives for those already in work.

Definition: The marginal effective tax rate for an unemployed person ($METR_{ut}$) is an indicator of the so-called unemployment trap. It aims to measure the short-term financial incentives to move from unemployment (where unemployment benefits are received) into paid employment and is defined as the rate at which taxes increase and benefits (mainly unemployment benefits) decrease as a person takes up a given job.

The $METR_{ut}$ thus measures what part of in-work earnings is effectively “taxed away” when moving into work. When measuring the financial consequences of moving into work a critical question is, of course, what hourly wage the job pays and how many hours the person works. In our calculations we assume a transition into a full-time job. For computing unemployment benefits in the unemployed situation the characteristics of the previous job are also relevant. We assume that the previous job was also full-time with earnings in the previous job amounting to 67% APW (Table 6) and 100% APW (Table 7). In countries with earnings-related unemployment benefits this will obviously have an impact on the level of out-of-work income (y_{netA} and y_{grossA} in equations 1a and 1b).²⁷ For low income families, any topping up of incomes with means-tested benefits (such as social assistance where available) is taken into account in both the in-work and out-of-work situation (i.e., it is assumed that people in fact apply for the benefits they are entitled to and that they do not have assets or other characteristics that disqualify them from benefit receipt).

Since re-entry wages for unemployed persons may be different from wages received in the previous job, we consider a range of different scenarios in Tables 6 and 7.²⁸ In annex A (Figures A1-A6) we also present $METR_{ut}$ (and $METR_{it}$) results for a continuous range of re-entry wage levels from 50% to 200% of APW. Similar to

²⁷ The benefit level is generally related to previous earnings but may also be influenced by other factors such as employment record, age and family situation, and is usually subject to floor and ceilings. Depending on the level of in-work earnings any non-earnings related elements of benefit payments (such as floor or ceilings) can give rise to very high or very low out-of-work incomes relative to in-work incomes.

²⁸ The literature on the “cost” of job loss refers to the interaction of several mechanisms, such as the erosion of human capital skills or considerations of social stigma, that lead to deteriorating wage prospects following a period of unemployment (See Kletzer (1998)). On the other hand, prospective wages may have improved due to training measures, for example.

section III.1 we have decomposed the $METR_{ut}$ measures in terms of the tax-benefit instruments that drive them (Table A2–A3 in the annex).

All simulations look at the level of unemployment benefits during the second month of unemployment (i.e., after expiration of any waiting periods) and, as explained in section II, assume an uninterrupted work history of 22 years. In interpreting the figures on the risk of unemployment trap one should consider that for those entitled, the duration of the unemployment benefit is often limited and is also conditional upon other eligibility criteria (Table 5). In particular, job search requirements and their enforcement can differ considerably across countries and this will need to be borne in mind especially when comparing computed $METR_{ut}$ measures across countries. Furthermore, in some countries, unemployment benefits are reduced during the period of unemployment.²⁹ Thus, in these cases the $METR_{ut}$ faced by an unemployed person would decline over time. Clearly, the computed unemployment benefits will therefore often represent an “upper bound” while unemployment benefits (and thus $METR_{ut}$) may be lower for those with shorter work histories or longer unemployment spells. To obtain a measure of the importance of the modelling assumptions as well as the relevant range of possible values, the section on “inactivity traps” below (see section III.3) considers a situation where people are not entitled to unemployment benefits at all (or where unemployment benefits have expired).

²⁹ For instance, the payment rate in Belgium decreases over time from 60% to 43% for a single person. For couples with children, when need is proven, the payment rate can continue at 60% for a prolonged period. In the Czech Republic, France, the Slovak Republic and Spain payment rates decrease over time for all family situations. In France the decrease of UI benefits is graduated and depends on the duration of contribution and the age of the claimants. The maximum duration of benefit payments is either fixed or depends on the employment record (Austria, France, Germany, Greece, Hungary, the Netherlands, Poland, Spain) or age (Austria, Finland, France, Germany, Greece, Luxembourg, the Netherlands, Portugal, Sweden). See EC-MISSOC 2002 and OECD (2002a) for details.

Table 5 -Unemployment benefit systems in the EU

(2002)

Country	Benefit duration, months		Waiting period days	Entitlement conditions (UI), months (2)
	Unemployment insurance (1)	Unemploym. assistance		
Belgium	No limit	None	0	14 / 18
Denmark	48	None	0	12 / 36
Germany	6 - 32	Unlimited	0	12 / 36
Greece	5 - 15	None	6	6 / 14
Spain	4 - 24	6-18	0	12 / 72
France	4 - 60	Unlimited	7	4 / 8
Ireland	15	Unlimited	3	9 / 12
Italy	6 - 9	None	0	12 / 24
Luxembourg	12-24	None	0	6 / 12
Netherlands	6 - 60	24	0	6 / 9
Austria	5 - 16	Unlimited	0	12 / 24
Portugal	12 - 30	6-15	0	18 / 24
Finland	23	Unlimited	7	10 / 24
Sweden	14	5	5	6 / 12
UK	6	None	3	None

Sources:EC-MISSOC 2002; OECD(2002a)

1) The duration of unemployment insurance may vary according to the duration of the employment record (contribution period), the age and the family situation of the beneficiary.

2) Expressed in terms of months that the unemployed person must have been employed and contributing to the insurance scheme (the first figure) within the investigated period of time (the latter figure)

Looking at the third column in Table 6 (see also panel 3 in table A2.1 in the annex) we can see that for an unemployed person (single without children) previously employed at a low wage level of 67% of APW and taking up a new job at the same wage level as before unemployment, the $METR_{ut}$ is close to 90% in Belgium, Denmark, Germany, France, Luxembourg, the Netherlands, Portugal, Sweden. In other words, the short-term net financial reward for taking up a job is only 10% of gross earnings. In most of these countries, this high $METR_{ut}$ is due to the loss of relatively generous unemployment benefits. In Belgium, part of the high $METR_{ut}$ is also due to a relatively large increase in taxes when taking up a job (21% of gross earnings). Obviously, undertaking a job paying a wage lower (higher) than the wage before unemployment implies higher (lower) $METR_{ut}$. Take the case of returning to work with a re-entry wage equivalent to 50% of APW earnings³⁰ (Table 6, first column in each panel). A single person with a pre-unemployment wage of 67% of APW earnings may see his/her disposable income fall to a level lower than in the case where he/she remains unemployed. This unemployment trap is revealed by a $METR_{ut}$

³⁰ According to Table 1, half of the average production worker wage level is close to the statutory minimum wage in several Member States.

even higher than 100% in as many as nine Member States (Belgium, Denmark, Germany, Greece, Spain, France, Portugal, and Sweden). Of course this is only true for as long as the person remains entitled to unemployment benefits. If benefits are withdrawn completely as a result of the unemployed person's refusal to accept the lower paid job then the alternative to low-paid work is no income at all or social assistance benefits, and therefore the $METR_{ut}$ may in fact be in fact much lower.

It is interesting to note (panel 1 and 2 in Tables A2.2, A2.3 and A2.4 in the annex) that for very low-income (up to 50% of APW) single parent and one-earner households, the income support provided by social assistance programmes in some member states (Denmark, France, Luxembourg, Portugal and Sweden) while in work makes METRs lower than they would otherwise have been. Indeed, transfers from social assistance schemes reduce the negative impact on net incomes from the complete withdrawal of the unemployment benefits transfers when moving into work. While social assistance may in some countries also be received as a top-up to low unemployment benefits, employment-conditional benefits (or tax credits) are, of course, only available while in work (in Tables A1-A3 in the annex tax credits are shown as part of income tax component -IT - while family-related in-work benefits and tax credits are included in component FB). These in-work benefit schemes are designed to significantly raise in-work income for low-wage families above out-of-work income levels. As discussed in section III.1, the resulting reduction in $METR_{ut}$ is the intended positive effect on participation incentives which needs to be traded off against an increase of $METR_{lw}$ as a result of phasing out in-work benefits at higher income levels.

The $METR_{ut}$ faced by a single unemployed person with a pre-unemployment wage of 100% APW is broadly similar for low re-entry wages (Table 7). Yet, when taking up a new job at the same wage level as before, unemployment $METR_{ut}$ are generally lower than those faced by low-wage workers (compare columns 2-3 in Table 6 and Table 7). It is also interesting to note the differences across family types. The risk of an unemployment trap is usually higher for a one-earner couple with two children than for a single person.

To conclude this section it is worth recalling that an alternative but related indicator of the unemployment trap is the net replacement rate (NRR). The NRR is the ratio of net income when out of work divided by net income when in work. This indicator is conceptually and numerically different from the $METR_{ut}$ (see footnote 11) which indicates the part of gross earnings that is "taxed away" when taking up a job. To complement the information provided by the $METR_{ut}$ measures, we have computed a range of NRRs for the hypothetical family types at low and average wage levels (Table 8). These NRRs are computed for a transition from full-time jobs paying wages between 50% and 150% of APW to unemployment (as before, with the unemployment benefit being computed for the second month of unemployment; all other definitions are also similar to the ones used for computing the METR measures).

Table 6 - Unemployment trap (2001)

Marginal effective tax rate for an unemployed person
(previous work= 67% of the APW wage level) returning to work at a wage equivalent to:

% of APW	Single				Single parent, 2 children				1 earner couple			
	50%	67%	100%	150%	50%	67%	100%	150%	50%	67%	100%	150%
BE	100	89	78	71	91	82	74	68	92	80	70	65
DK	107	91	78	73	104	97	83	76	73	83	77	71
DE	100	88	77	70	100	93	79	70	100	88	74	65
GR	101	79	60	50	107	84	61	51	101	79	60	50
ES	100	81	65	53	100	82	62	51	100	77	61	50
FR	103	87	70	59	89	92	76	60	87	89	68	55
IE	87	73	59	54	50	54	60	53	100	87	68	54
IT	69	60	53	49	74	53	54	52	67	57	53	49
LU	107	88	71	63	104	89	64	57	102	107	79	63
NL	93	85	72	60	92	87	75	62	96	91	77	63
AT	88	75	64	57	99	84	69	61	100	86	71	62
PT	111	88	67	55	77	72	63	52	77	72	65	51
FI	90	81	69	63	94	88	79	70	97	91	78	69
SE	105	87	70	62	103	91	80	69	100	98	78	67
UK	78	70	58	49	45	56	65	57	84	82	66	55
CZ	80	67	54	46	94	80	67	57	92	79	64	53
HU	84	75	64	61	89	71	61	59	84	75	64	61
PL	92	77	63	53	86	84	68	57	94	78	63	54
SK	88	77	59	49	100	91	72	59	100	100	80	62
NO	89	75	62	57	96	87	79	67	101	83	67	59
SZ	115	92	71	58	100	92	69	56	100	95	71	57
US	85	71	57	51	59	63	58	49	83	75	60	50
JP	94	74	56	45	103	95	70	55	84	71	54	43

% of APW	1 earner couple with 2 children				2 earners couple *				2 earners couple with 2 children*			
	50%	67%	100%	150%	50%	67%	100%	150%	50%	67%	100%	150%
BE	87	76	68	64	99	89	78	70	99	89	78	70
DK	76	87	82	75	107	91	78	73	107	91	78	73
DE	100	85	75	65	99	86	75	67	114	98	83	72
GR	107	84	61	51	101	79	60	50	107	84	61	51
ES	100	82	61	50	100	81	65	53	103	83	65	54
FR	78	84	76	59	104	88	70	58	104	87	68	55
IE	95	87	72	57	54	48	42	37	72	61	51	43
IT	78	54	53	53	75	64	56	51	80	70	62	55
LU	101	104	83	64	102	83	66	57	115	89	68	58
NL	94	90	78	63	89	78	67	57	89	78	67	57
AT	100	97	78	67	80	69	60	54	86	74	63	56
PT	55	55	57	56	114	91	68	54	111	86	65	52
FI	100	99	89	76	82	71	63	58	91	78	67	61
SE	100	100	84	71	105	87	70	62	105	87	70	62
UK	66	72	74	62	43	41	38	36	54	49	43	39
CZ	100	96	77	63	76	63	51	44	77	65	55	46
HU	89	71	61	59	84	73	62	60	84	73	62	60
PL	100	91	80	65	77	66	55	48	77	66	55	51
SK	100	100	96	72	85	69	54	45	85	69	58	48
NO	99	92	73	63	89	75	62	57	94	78	64	59
SZ	100	100	75	59	108	88	68	56	109	88	68	56
US	59	62	60	50	85	71	57	48	83	69	56	47
JP	84	86	71	56	95	75	56	45	91	71	56	44

* The wage level of the first earner is fixed at 67% of the APW, while the wage level of the second earner is indicated in each column

Source: Joint European Commission-OECD project, using OECD Tax -Benefit models.

Table 7 - Unemployment trap (2001)

Marginal effective tax rate for an unemployed person
(previous work= 100% of the APW wage level) returning to work at a wage equivalent to:

% of APW	Single				Single parent, 2 children				1 earner couple			
	50%	67%	100%	150%	50%	67%	100%	150%	50%	67%	100%	150%
BE	100	89	78	71	91	82	74	68	92	80	70	65
DK	107	91	78	73	104	97	83	76	73	83	77	71
DE	101	88	77	70	115	104	87	75	100	88	74	65
GR	112	88	66	54	126	98	71	57	120	94	70	56
ES	129	103	79	63	138	110	81	64	135	103	78	62
FR	120	100	79	65	101	100	82	63	100	99	74	60
IE	87	73	59	54	50	54	60	53	100	87	68	54
IT	92	77	65	56	100	73	67	61	93	76	67	58
LU	144	115	89	75	154	126	89	73	118	119	87	69
NL	110	98	80	65	104	97	81	66	102	96	81	65
AT	96	81	68	60	106	89	73	63	100	86	71	62
PT	141	110	81	65	107	94	78	62	107	94	79	61
FI	99	88	73	66	104	95	84	73	99	92	79	69
SE	133	109	85	72	123	106	90	76	114	109	85	72
UK	78	70	58	49	45	56	65	57	84	82	66	55
CZ	97	80	62	52	94	80	67	57	95	81	66	54
HU	84	75	64	61	89	71	61	59	84	75	64	61
PL	92	77	63	53	86	84	68	57	94	78	63	54
SK	111	95	71	57	101	92	72	59	100	100	80	62
NO	117	95	76	67	113	99	88	73	117	95	76	65
SZ	143	113	84	67	145	126	92	71	124	113	83	65
US	108	88	69	59	68	70	63	52	100	88	69	56
JP	116	91	67	52	92	88	65	52	106	88	65	50

% of APW	1 earner couple with 2 children				2 earners couple*				2 earners couple with 2 children*			
	50%	67%	100%	150%	50%	67%	100%	150%	50%	67%	100%	150%
BE	87	76	68	64	99	89	78	70	99	89	78	70
DK	76	87	82	75	107	91	78	73	107	91	78	73
DE	115	95	82	70	118	101	85	74	138	116	95	80
GR	126	98	71	57	112	88	66	54	126	98	71	57
ES	139	111	80	63	129	103	79	63	140	111	84	66
FR	89	92	81	62	120	100	78	63	122	100	76	61
IE	95	87	72	57	54	48	42	37	72	61	51	43
IT	104	73	66	62	92	77	65	56	95	81	69	60
LU	113	112	89	68	139	111	85	69	155	119	88	71
NL	102	96	82	66	115	97	80	65	114	97	80	65
AT	100	97	78	67	101	85	70	61	107	89	73	63
PT	67	64	63	60	144	113	83	64	141	108	80	61
FI	100	99	89	76	98	83	71	64	106	89	75	66
SE	104	103	86	73	133	109	85	72	133	109	85	72
UK	66	72	74	62	43	41	38	36	54	49	43	39
CZ	100	96	77	63	100	81	63	52	97	80	65	53
HU	89	71	61	59	84	73	62	60	84	73	62	60
PL	100	91	80	65	77	66	55	48	77	66	55	51
SK	100	100	96	72	118	94	71	56	118	94	75	59
NO	109	99	78	66	117	95	76	67	122	99	78	68
SZ	134	125	92	70	134	107	81	65	150	118	89	69
US	68	68	64	53	108	88	69	56	108	87	68	55
JP	84	86	71	56	117	92	67	52	113	87	67	52

* The wage level of the first earner is fixed at 67% of the APW, while the wage level of the second earner is indicated in each column

Source: Joint European Commission-OECD project, using OECD Tax -Benefit models.

Table 8 – Net Replacement Rates for unemployed persons (2001)

% of APW	Single				Single parent, 2 children				1 earner couple			
	50%	67%	100%	150%	50%	67%	100%	150%	50%	67%	100%	150%
BE	82	83	63	46	84	79	63	48	81	73	55	41
DK	92	85	60	45	94	96	76	61	71	86	63	47
DE	100	81	61	62	100	92	82	78	100	85	63	51
GR	101	76	58	58	108	81	66	65	101	76	63	63
ES	77	78	74	52	84	81	79	66	75	76	75	53
FR	94	83	71	70	86	92	78	70	82	87	67	69
IE	87	69	50	38	70	65	59	45	113	87	64	45
IT	47	50	52	39	55	54	60	49	48	50	56	43
LU	78	85	85	87	90	90	89	92	110	108	84	85
NL	91	80	71	61	93	87	77	66	96	89	73	63
AT	85	68	55	55	100	84	70	64	100	82	60	56
PT	112	86	78	83	83	75	76	80	81	73	76	79
FI	83	74	61	48	92	89	82	67	97	88	69	54
SE	97	82	78	56	90	92	89	69	100	98	78	56
UK	76	64	45	31	66	65	62	46	84	78	56	39
CZ	63	57	51	50	95	80	63	58	92	75	57	52
HU	64	65	47	35	76	73	58	46	64	65	47	35
PL	89	68	47	32	85	80	56	38	92	70	48	33
SK	79	72	64	47	100	92	72	56	100	100	75	52
NO	94	66	66	53	92	89	86	68	93	78	67	53
SZ	100	90	80	81	100	92	91	91	100	94	80	80
US	68	63	58	42	60	64	56	40	69	70	60	41
JP	74	70	60	60	88	83	60	60	83	67	59	58
% of APW	1 earner couple with 2 children				2 earners couple				2 earners couple with 2 children			
	50%	67%	100%	150%	50%	67%	100%	150%	50%	67%	100%	150%
BE	80	74	58	45	95	91	78	63	96	92	80	67
DK	71	84	75	58	96	93	77	64	96	93	78	66
DE	100	84	78	70	93	90	85	80	98	99	96	91
GR	108	81	66	65	101	88	75	72	103	91	80	76
ES	84	81	78	66	90	89	85	68	94	90	89	78
FR	79	85	78	69	96	92	82	79	96	92	83	79
IE	97	90	72	53	79	71	59	47	88	80	68	55
IT	58	57	62	52	79	77	71	59	83	81	76	62
LU	118	116	89	89	91	90	89	88	95	94	92	91
NL	95	89	77	65	85	85	83	74	86	86	84	75
AT	100	97	76	66	82	80	76	72	88	86	81	76
PT	75	69	66	78	107	95	88	88	105	92	87	87
FI	100	99	85	65	84	81	75	66	90	86	80	70
SE	100	100	82	61	91	91	87	71	92	92	88	72
UK	78	76	71	53	71	63	53	42	79	72	60	49
CZ	100	96	75	59	80	77	72	67	84	80	75	70
HU	76	73	57	46	83	81	68	57	87	85	73	63
PL	100	90	73	51	86	76	62	48	87	77	63	50
SK	100	100	96	69	84	81	78	64	86	84	83	69
NO	100	91	74	59	86	83	80	69	90	87	83	72
SZ	100	100	91	91	93	92	86	84	94	93	92	91
US	66	65	59	42	84	81	75	59	85	83	78	63
JP	89	87	68	59	90	86	77	73	88	84	78	73

Net replacement rates are calculated on the first month of unemployment.

Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

III. 3 *Marginal effective tax rates relating to the “inactivity trap”*

To conclude, we examine the financial disincentives to move from a labour market condition of inactivity or long-term unemployment (that is, individuals looking for a job but not or no longer entitled to unemployment benefits).³¹ This means that we are considering as a starting point for the calculation of the $METR_{it}$ a hypothetical individual living in a household where the only source of net out-of-work income is provided through benefits other than unemployment benefits or through the earnings of a spouse. This is a relevant situation for low-income families where one or both of the spouses have never worked or are otherwise excluded from receiving unemployment benefits.

Definition: The marginal effective tax rate for an “inactive” person ($METR_{it}$) is an indicator of the so-called inactivity trap. It aims to measure the short-term financial incentives to move from inactivity, unpaid work or unemployment where no unemployment benefits are received, into paid employment and is defined as the rate at which taxes increase and benefits (mainly minimum income or social assistance benefits) decrease as a person takes up a given job.

Except for the receipt of unemployment benefits, all other modelling assumptions are the same as in section III.2 above. Table 9 reports estimates of $METR_{it}$ faced by “inactive” persons deciding to take up employment. As in the previous section we have calculated $METR_{it}$ for a move to work at different gross wage levels. Decomposition of the $METR_{it}$ in terms of underlying tax-benefit instruments is reported in Table A4 in annex A. As with the $METR_{ut}$ results in the previous section, figures A1-A6 in the annex A show $METR_{it}$ over a broad range of re-entry wages (50-200% of APW).

We start by looking at the results for taking up employment with very low earnings of 33% of the APW wage level corresponding, in most cases, to a low wage part-time job. Table 9 clearly show that all one-earner household types considered in our analysis face a high risk of an inactivity trap in at least eight member states. In fact, METRs are close to or higher than 90-100% in the following countries: Belgium, Denmark, Germany, Luxembourg, Ireland (but not for single parents with children), Netherlands, Austria, Finland, and Sweden. In the short-term there is no, or only very little, gain for recipients of means-tested benefits who take up employment. This is mainly due to the withdrawal of transfers from social assistance schemes, but in some countries (Denmark, Germany, France, Austria, Sweden, United Kingdom) the withdrawal of housing benefit also contributes to high $METR_{it}$.

³¹ After the exhaustion of unemployment insurance, jobless persons often continue to receive unemployment assistance (e.g., Austria, France, Germany, Greece, the Netherlands, Portugal, Spain, Sweden). In most countries, benefits of last resort (minimum income, social assistance) exist for those not entitled to any unemployment benefits. Exceptions are Greece and Italy where no such schemes exist on a national level.

Table 9 - Inactivity trap indicator (2001)

Marginal effective tax rate when moving from social assistance to work at a wage level equivalent to:

% of APW	Single					Single parent, 2 children					1 earner couple				
	33%	50%	67%	100%	150%	33%	50%	67%	100%	150%	33%	50%	67%	100%	150%
BE	85	71	67	64	61	97	77	71	67	63	97	78	69	63	61
DK	96	96	83	72	69	84	92	87	76	72	34	59	73	70	67
DE	84	90	80	71	67	84	90	85	74	67	84	90	81	69	62
GR	16	16	16	18	22	16	16	16	16	20	16	16	16	18	22
ES	69	50	44	40	37	100	68	58	46	40	88	60	47	41	37
FR	81	83	71	60	52	69	75	81	69	55	76	83	86	65	54
IE	100	87	73	59	54	51	50	54	60	53	100	100	87	68	54
IT	10	16	20	27	31	-1	-1	-2	17	27	7	8	13	24	30
LU	89	92	76	63	58	86	94	82	59	54	79	90	98	73	59
NL	97	92	84	72	59	93	82	80	70	59	96	96	92	78	63
AT	100	88	75	64	57	100	99	84	69	61	100	100	86	71	62
PT	55	50	42	36	35	55	55	55	52	45	55	55	55	54	44
FI	100	86	78	67	61	70	65	66	65	60	100	97	91	78	69
SE	100	98	82	67	60	82	63	61	60	56	100	100	98	78	67
UK	80	78	70	58	49	81	45	56	65	57	88	84	82	66	55
CZ	83	70	59	49	43	100	94	80	67	57	100	92	79	64	53
HU	69	55	53	49	51	61	45	38	39	45	69	55	53	49	51
PL	92	72	63	53	47	100	86	84	68	57	100	94	78	63	54
SK	99	81	72	56	46	100	100	91	72	59	100	100	100	80	62
NO	83	85	71	60	56	78	73	69	68	60	93	91	76	63	56
SZ	100	100	81	63	53	100	100	92	69	56	100	100	95	71	57
US	21	29	29	29	33	30	33	43	45	40	18	25	32	31	31
JP	79	69	56	43	36	108	103	95	70	55	79	84	71	54	43

% of APW	1 earner couple with 2 children					2 earners couple*					2 earners couple with 2 children*				
	33%	50%	67%	100%	150%	33%	50%	67%	100%	150%	33%	50%	67%	100%	150%
BE	97	72	65	60	59	46	45	49	51	52	46	45	48	51	52
DK	37	58	74	74	69	56	52	50	50	55	83	70	64	59	61
DE	84	90	77	69	62	42	45	47	48	49	52	51	51	51	
GR	16	16	16	16	20	16	16	16	18	22	16	16	16	16	20
ES	106	77	64	49	42	18	16	19	23	25	15	12	15	20	23
FR	68	75	82	74	58	21	23	27	30	31	56	43	41	37	34
IE	100	95	87	72	57	12	15	18	22	24	34	29	29	29	29
IT	-5	-4	-7	12	26	28	33	32	35	37	37	44	43	44	43
LU	75	87	93	76	59	14	17	20	24	28	14	14	14	18	24
NL	96	94	90	78	63	35	33	36	39	38	38	35	38	40	39
AT	100	100	97	78	67	21	20	24	30	34	21	20	24	30	34
PT	55	55	55	57	56	42	33	30	28	27	87	73	57	46	39
FI	100	100	99	89	76	25	27	30	35	40	42	38	38	40	43
SE	100	100	100	84	71	27	27	29	32	36	37	37	37	36	40
UK	93	66	72	74	62	7	15	19	24	26	63	49	44	40	38
CZ	100	100	96	77	63	31	29	28	28	29	31	30	30	31	31
HU	61	45	38	39	45	21	23	27	32	40	21	23	27	32	40
PL	100	100	91	80	65	31	32	33	33	33	54	47	44	41	41
SK	100	100	100	96	72	32	28	27	26	27	81	61	51	46	40
NO	100	99	92	73	63	26	29	30	32	37	26	29	30	32	37
SZ	100	100	100	75	59	20	21	23	25	27	20	21	22	24	26
US	30	37	46	49	43	27	28	28	29	29	27	20	22	24	26
JP	79	84	86	71	56	15	16	16	17	18	36	28	24	25	23

* The wage level of the first earner is fixed at 67% of the APW, while the wage level of the second earner is indicated in each column

Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Particularly relevant is the disincentive for the breadwinner of a couple with two young children. This is a result of the recognition that larger families require more resources. As a result, means-tested benefits are often substantially larger than for single persons. This implies that the range of benefit withdrawal will extend further up the earnings scale. For one-earner couples with two children we therefore see that in seven member states, taking up a job with a wage close to 50% of APW earnings results in about the same net income as remaining with no work at all (Ireland, Luxembourg, Netherlands, Austria, Finland, Sweden). There is therefore a relatively high risk that social assistance recipients might remain trapped in long-term benefit

dependence. The potential disincentive to take up a job remains strong up to wage levels of 67% of APW in most of the aforementioned EU Member States. In Finland

and Sweden, a relatively high marginal income tax rate (above 25%, considering both personal income tax and social security contributions), combines with the withdrawal of means-tested benefits to generate a $METR_{it}$ of 100%.

A move from inactivity to work at the average wage level (100% of APW) of one spouse can still be problematic (or financially unrewarding, given $METR_{it}$ higher than 80%) for jobless households with children in Austria, The Netherlands, Finland and Sweden. To recoup a greater part of lost subsidies, a job paying more than the average wage is required. In the first three of these countries, 50% or more of the high $METR_{it}$ is due to the withdrawal of social assistance while in Sweden we can see that the withdrawal of the social assistance benefit and the housing benefit has roughly the same influence as income taxes (see Table A4.4 in the annex A).

The $METR_{it}$ for our hypothetical household with 2 earners ('with or without children) shows the financial incentive for the second spouse to move from inactivity to work (in our calculation the first earner is assumed to be always employed at 67% of the APW wage level). The $METR_{it}$ when the second earner in a family with 2 children decides to take up a job (see last panel in table 9) is relatively high in Denmark, Germany and Portugal. While in Portugal this is mainly due to the withdrawal of social assistance, in Germany it is mainly the result of the joint taxation of family income.

As mentioned in Box 1, high participation disincentives generated by the tax-benefit system have been found to be more likely to have an impact on labour market behaviour when they concern certain groups of persons, one being lone parents. Lone parent social assistance recipients often face $METR_{it}$ that are higher than for other household types. At the same time, the direct benefit of staying home to engage in unpaid childcare or housework will frequently be larger than in households where there are no children or where responsibilities can be shared. It is interesting to note to what extent recent policy effort to overcome inactivity trap for these persons in some countries has succeeded in designing appropriate measures. For example, in the UK, $METR_{it}$ for lone parents receiving social assistance are usually lower than for other family types. A lone parent taking up a minimum wage job (50% of APW earnings) will see 45% of his/her earnings "taxed away" while for singles, one-earner couples without children, and one-earner couples with children, $METR_{it}$ are 78%, 84% and 66%, respectively.

IV. DISCUSSION

The scope of the modelling approach taken in this paper has been discussed in some detail in the preceding sections. We have also highlighted some of the limitations and caveats to be borne in mind when interpreting results and, particularly, when comparing them across countries. In this section we briefly re-iterate these issues and discuss how some of them are addressed in parallel work undertaken jointly by the European Commission and OECD.

The results presented in this paper can be characterised in terms of the following features:

1. as *tax-benefit indicators* they describe features of tax-benefit systems as they apply to individuals in specific situations (rather than the country population as a whole), thus they can be considered as policy indicators;
2. as *work incentive indicators* they relate to the financial trade-off applying to individuals' participation and working time/effort decisions (rather than the behavioural response of individuals facing these trade-offs);
3. as *income indicators*, they focus on household disposable income (rather than labour costs), current income (rather than longer-term or life-time income), and cash incomes (rather than broader income concepts including benefits in kind, etc.).

Indicators such as the METRs and NRRs presented here provide point estimates for one particular set of circumstances which makes it essential that the sensitivity analyses be undertaken with respect to the assumptions underlying the calculations. Evaluating taxes and benefits for a wide range of earnings and household types goes some way towards such an assessment. However, while having results for different scenarios is a starting point, we would ideally want to know how important each of the scenarios is in a particular country in order to have a basis for choosing between them. This is particularly important if indicators are to be compared across countries.

Some of the relevant issues have been anticipated and are currently being investigated. These include the question of how relevant different types of social benefits are when considering individual household circumstances: how likely is it that individuals actually receive the social benefits to which they are legally entitled? One specific facet of this issue concerns the receipt of different types of social benefits at the same time. For instance, unemployed individuals in low-income families may receive unemployment benefits and, at the same time, a low overall family income may make the family as a whole eligible for social assistance or minimum income benefits. While in some countries, the concurrent receipt of these two types of benefits is not legally possible, the situation is less clear in others and the most appropriate modelling assumption will therefore depend on how many cases of concurrent benefit receipt there are in practice.

Clearly, the decision whether to include minimum income schemes in the calculation can have a considerable impact on relevant indicators. This is particularly the case for countries operating relatively generous minimum income schemes. In the present paper, we have presented all indicators under the assumption that the unemployed

person receives unemployment insurance benefits and, where legally possible, also minimum income benefits. However, all indicators have been computed under both assumptions (receiving and not receiving social assistance) and the “no Social Assistance” results are available on request.

Another issue that arises when comparing net household incomes across countries is the conceptual scope of the net income definition (as discussed in section II). Social transfers can take the form of direct cash payments to recipients. Alternatively, they can be delivered indirectly by intervening in the markets of goods and services likely to be consumed by intended recipients. Subsidised housing or childcare services are prime examples of the latter approach. In a similar way, taxes may directly reduce people’s current incomes (income taxes or employees’ social insurance contributions). But they may also alter the price structure in relevant markets affecting wages (taxes on employers including employer’s social insurance contributions: see footnote 17) and the prices of goods and services (indirect taxes).

Tax/benefit models are primarily designed to capture the direct effects on current cash incomes. As such, they do not normally consider:

- benefits in-kind;
- the value of deferred benefits bought by current contributions to social insurance or compulsory private insurance schemes;
- differences of consumption possibilities due to indirect taxes;
- the effects on gross wages resulting from the imposition of taxes levied on the employer.

This focus is useful since direct cash payments made to households are of considerable interest. In comparing results across countries and over time it is nevertheless important to keep in mind differences in the extent to which direct payments capture the functioning of taxes and benefits. While tax/benefit models based on typical households cannot fully capture these differences, it is possible to complement the main output of these models (current cash household income and its components) in order to illustrate limitations of a strict focus on this income concept.

In the framework of the present EC-OECD project, work is currently being undertaken in four areas. First, insurance contributions paid by employers are now computed alongside current cash household incomes. Whilst these are not directly included in (most) of the indicators produced, they do provide important contextual background. Secondly, a detailed review of available evidence on benefit take-up analyses the extent and determinants of non-benefit take-up across countries. Thirdly, a study of coverage rates using both survey data and administrative sources aims to improve our understanding of who the benefit recipients are and how the combination of different benefits contributes to incomes of different types of household. Finally, efforts are underway to be able to compare household incomes after childcare costs have been deducted and respective subsidies taken into account. This is particularly relevant since childcare costs can use up a considerable part of family budgets and can therefore have important implications for parents’ labour supply decisions. Since childcare is one area where institutional arrangements vary greatly across countries, it

is not sufficient to only take into account childcare benefits paid directly to parents since subsidies to childcare institutions can have equally important effects on family budgets. To capture these factors, information on childcare costs has been collected and is currently being reviewed. A subsequent analysis of the implications for families' budgets of countries' childcare arrangements will build on this.

V. SUMMARY AND CONCLUSIONS

This note has presented a cross-country comparison of 3 indicators of so-called unemployment, inactivity and low-wage traps for a set of hypothetical family types. Technically speaking, these are marginal effective tax rates (METRs) and constitute the main empirical results of the joint European Commission-OECD project allowing comparable tax-benefit calculation to be performed within a consistent conceptual framework.

These indicators provide a useful picture of the financial (dis)incentive to take up a job (unemployment/inactivity trap) or increasing working time or work efforts (low-wage trap) when potential earnings are low. Results have been presented for all current EU Member States along with a range of Candidate and non-EU countries. By taking into account the interactions between various components of each country's tax-benefit system, the calculations presented in this note provide a detailed picture of the mechanics of tax-benefit systems. The plots of net incomes for different earnings levels (budget constraints) allow us to address issues of work incentives and benefit adequacy in a single framework.

The resulting METRs vary greatly across individual circumstances and family structures. Moreover, certain benefits (e.g. housing benefits and family benefits) are often available to certain groups of unemployed or low-income households. Figures presented here show the extent to which features of the tax system and the possibility of receiving means-tested benefits can produce METRs that can be much higher at the bottom than the top end of the earnings distribution. This implies that low-skilled individuals are more likely to confront unemployment, inactivity or low-wage traps.

The analysis of available figures shows that, as a result of the interaction of tax and benefit provisions, there is a risk of a low-wage trap for employed persons in several Member States, especially in those where means-testing has traditionally played an important role in the benefit system. We have also seen that the risk is the highest for households whose overall gross earning is close to the minimum wage and, in most case, not higher than 60-70% of APW earnings.

For persons entitled to unemployment benefit, we have seen that the risk of an unemployment trap is particularly high when, as a result of depreciation of past skills of an unemployed person, potential re-entry wages are lower than those before unemployment. When re-entry wages are lower than earnings before unemployment, individuals in Member States may find there is little, if any, immediate financial incentive to return to work. Any related work disincentives are also more likely to be relevant for the low-skilled because their unemployment spells tend to be longer and more frequent than for highly skilled workers. It is important to note that the work incentive indicators presented in this paper are based on the assumption that the unemployed person actually has a choice. Strictly enforced job search requirements

can go some way towards reducing the possibility of job refusals. Also, while an important influence especially for low-income households, the immediate financial gain is likely not to be the only consideration when deciding whether to return to work. Nevertheless, unemployment traps are a distinct possibility which, along with benefit adequacy, needs to be taken into account when discussing benefit reforms.

As one would expect, the likelihood of an inactivity trap for people receiving means-tested benefits is also highest for low-skilled workers with low earnings potential - possibly leading to continued benefit dependency and progressive marginalisation in the labour market. To some extent, this is more worrying than the possibility of an unemployment trap. The duration of unemployment insurance benefits is usually limited and benefits are more likely to be subject to stringent job search conditions. While the institutional diversity is considerable, these features restricting benefit reciprocity apply to a lesser extent to means-tested benefits of “last resort”. At the same time, concerns over poverty levels make re-designing these benefit schemes more difficult. Job-search requirements and other conditions need to be more finely tuned than in the case of unemployment benefit recipients who have already, and recently, demonstrated their ability to work. Careful analysis of budget constraints can, however, help to reduce any existing negative impact on work incentives. Earnings disregard allows benefit recipients to maintain some work attachment, while in-work benefits can increase the attractiveness of taking up employment. In the case of non-working spouses, potential inactivity traps can be addressed by reducing the degree to which taxes paid by the working (or unemployed) spouse would be affected if the non-working spouse were to take up employment. Finally, integrating and co-ordinating the functioning of different parts of the tax-benefit system can prevent situations where taxes in combination with the withdrawal of a number of benefits generate METRs close to or in excess of 100%.

The results presented in this note allow us to identify countries and family types that face hardly any financial incentive to increase work efforts or to take up a job. Recent reforms to “make work pay” and to reduce the tax burden on labour, especially for low wage earners, have contributed to lower marginal (effective) tax rates on transfer recipients. This has diminished the risk of potential poverty and unemployment traps at certain income levels. Yet, despite such efforts there are still fundamental trade-offs in the ability of low income support programmes to be effective in relieving poverty and to have well-targeted benefits while maintaining desirable work incentives. We have seen that the risk of negative effects on work incentives remains particularly high in some member states. Mostly concerned are countries where income support and social policy measures are significant and where means-testing of benefits is substantial. On the other hand, the recourse to strict targeting through means-testing is almost inevitable if unsustainable budgetary costs are to be avoided. The search for a suitable solution to the “challenging triangle” of welfare, that is designing a satisfactory income-support scheme for low-income families, while minimising disincentives to work and avoiding excessive budgetary cost, remains the key issue in the agenda of the reform of tax-benefit systems in many European countries. A continued monitoring of the mechanics of tax-benefit systems can serve as a valuable input into this process.

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ANNEX A

Table A1 – Low-wage trap indicator 2001

Marginal effective tax rate and its main components, at different wage levels, as wage increase by 1% of the APW wage level

A1.1 Single person

% of APW	33						50						67						100						150									
	METR _{1w} =		SA +	HB +	FB +	IT +	SSC	METR _{1w} =		SA +	HB +	FB +	IT +	SSC	METR _{1w} =		SA +	HB +	FB +	IT +	SSC	METR _{1w} =		SA +	HB +	FB +	IT +	SSC	METR _{1w} =		SA +	HB +	FB +	IT +
BE	-20.0	0%	0%	0%	126%	-314%	71.6	0%	0%	0%	19%	52%	53.7	0%	0%	0%	41%	13%	55.1	0%	0%	0%	41%	14%	55.5	0%	0%	0%	41%	14%				
DK	108.7	70%	22%	0%	8%	8%	44.9	0%	0%	0%	36%	9%	56.0	0%	0%	0%	38%	18%	50.4	0%	0%	0%	41%	9%	63.5	0%	0%	0%	41%	9%				
DE	100.0	22%	42%	0%	16%	21%	70.3	6%	11%	0%	33%	21%	51.2	0%	0%	0%	31%	21%	57.5	0%	0%	0%	37%	21%	59.4	0%	0%	0%	37%	21%				
GR	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	28.5	0%	0%	0%	13%	16%	41.1	0%	0%	0%	0%	25%	16%			
ES	6.4	0%	0%	0%	0%	6%	23.2	0%	0%	0%	17%	6%	33.1	0%	0%	0%	27%	6%	28.8	0%	0%	0%	22%	6%	32.9	0%	0%	0%	0%	27%	6%			
FR	88.9	42%	29%	0%	4%	14%	17.5	0%	0%	0%	4%	14%	41.2	0%	0%	0%	28%	14%	33.9	0%	0%	0%	20%	13%	36.5	0%	0%	0%	0%	27%	9%			
IE	100.0	100%	0%	0%	0%	0%	20.0	0%	0%	0%	20%	0%	24.0	0%	0%	0%	20%	4%	26.0	0%	0%	0%	20%	6%	47.9	0%	0%	0%	0%	42%	6%			
IT	10.0	0%	0%	0%	1%	9%	26.4	0%	0%	0%	17%	9%	31.8	0%	0%	0%	23%	9%	39.1	0%	0%	0%	30%	9%	39.1	0%	0%	0%	0%	30%	9%			
LU	109.2	100%	0%	0%	-1%	10%	27.7	0%	0%	0%	14%	14%	30.7	0%	0%	0%	17%	14%	41.6	0%	0%	0%	28%	14%	52.7	0%	0%	0%	0%	39%	14%			
NL	100.0	75%	0%	0%	2%	23%	120.0	0%	76%	0%	8%	37%	44.9	0%	0%	0%	8%	37%	45.0	0%	0%	0%	40%	5%	42.0	0%	0%	0%	0%	42%	0%			
AT	100.0	49%	33%	0%	0%	18%	18.1	0%	0%	0%	0%	18%	36.9	0%	0%	0%	19%	18%	42.7	0%	0%	0%	25%	18%	49.9	0%	0%	0%	0%	32%	18%			
PT	55.5	44%	0%	0%	0%	11%	11.0	0%	0%	0%	0%	11%	23.0	0%	0%	0%	12%	11%	25.0	0%	0%	0%	14%	11%	35.0	0%	0%	0%	0%	24%	11%			
FI	54.4	5%	23%	0%	20%	7%	82.7	0%	45%	0%	31%	7%	41.1	0%	0%	0%	34%	7%	46.8	0%	0%	0%	40%	7%	52.5	0%	0%	0%	0%	46%	7%			
SE	100.0	33%	42%	0%	17%	9%	37.3	0%	0%	0%	29%	9%	37.2	0%	0%	0%	29%	9%	35.2	0%	0%	0%	31%	4%	51.6	0%	0%	0%	0%	52%	0%			
UK	72.6	0%	51%	0%	12%	10%	76.2	0%	44%	0%	22%	10%	32.0	0%	0%	0%	22%	10%	32.0	0%	0%	0%	22%	10%	32.0	0%	0%	0%	0%	22%	10%			
CZ	45.8	0%	20%	0%	13%	12%	45.8	0%	20%	0%	13%	13%	25.6	0%	0%	0%	13%	13%	30.0	0%	0%	0%	17%	12%	30.0	0%	0%	0%	0%	17%	12%			
HU	20.5	0%	0%	0%	8%	13%	38.6	0%	0%	0%	26%	12%	40.5	0%	0%	0%	28%	12%	40.5	0%	0%	0%	28%	12%	50.5	0%	0%	0%	0%	38%	12%			
PL	25.0	0%	0%	0%	0%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	0%	9%	25%			
SK	38.1	0%	25%	0%	0%	13%	45.5	0%	22%	0%	10%	13%	26.9	0%	4%	0%	10%	13%	23.3	0%	0%	0%	10%	13%	30.2	0%	0%	0%	0%	17%	13%			
NO	71.7	0%	36%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	49.3	0%	0%	0%	0%	41%	8%			
SZ	100.0	42%	39%	0%	7%	12%	23.0	1%	1%	0%	9%	12%	23.4	0%	0%	0%	12%	12%	29.1	0%	0%	0%	18%	12%	33.4	0%	0%	0%	0%	22%	12%			
US	42.6	18%	0%	0%	17%	8%	29.5	0%	0%	0%	22%	8%	29.5	0%	0%	0%	22%	8%	29.5	0%	0%	0%	22%	8%	42.0	0%	0%	0%	0%	34%	8%			
JP	93.1	72%	0%	0%	11%	10%	17.4	0%	0%	0%	7%	10%	17.3	0%	0%	0%	7%	10%	21.6	0%	0%	0%	12%	10%	27.8	0%	0%	0%	0%	18%	10%			

A1.2 Single parent with 2 children

% of APW	33						50						67						100						150									
	METR _{1w} =		SA +	HB +	FB +	IT +	SSC	METR _{1w} =		SA +	HB +	FB +	IT +	SSC	METR _{1w} =		SA +	HB +	FB +	IT +	SSC	METR _{1w} =		SA +	HB +	FB +	IT +	SSC	METR _{1w} =		SA +	HB +	FB +	IT +
BE	-20.0	166%	0%	0%	0%	-314%	71.6	0%	0%	0%	19%	52%	53.7	0%	0%	0%	41%	13%	55.1	0%	0%	0%	41%	14%	55.5	0%	0%	0%	41%	14%				
DK	105.2	79%	14%	0%	5%	8%	105.2	79%	14%	0%	5%	8%	66.8	0%	11%	0%	38%	18%	50.4	0%	0%	0%	41%	9%	63.5	0%	0%	0%	0%	55%	9%			
DE	100.0	46%	34%	0%	0%	21%	100.0	30%	22%	0%	28%	21%	47.9	0%	0%	0%	27%	21%	55.4	0%	0%	0%	35%	21%	51.8	0%	0%	0%	0%	39%	13%			
GR	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	19.3	0%	0%	0%	3%	16%	41.1	0%	0%	0%	0%	25%	16%			
ES	6.4	0%	0%	0%	0%	6%	6.4	0%	0%	0%	0%	6%	6.4	0%	0%	0%	0%	6%	28.8	0%	0%	0%	22%	6%	28.8	0%	0%	0%	0%	22%	6%			
FR	83.7	42%	24%	0%	4%	14%	83.7	42%	24%	0%	4%	14%	46.3	0%	24%	0%	8%	14%	21.1	0%	0%	0%	8%	13%	40.0	0%	0%	0%	0%	31%	9%			
IE	0.0	0%	0%	0%	0%	0%	60.0	0%	0%	50%	10%	0%	62.4	0%	0%	48%	10%	4%	26.0	0%	0%	0%	20%	6%	47.9	0%	0%	0%	0%	42%	6%			
IT	10.0	0%	0%	0%	1%	9%	10.0	0%	0%	0%	1%	9%	120.0	0%	0%	116%	23%	9%	39.1	0%	0%	0%	30%	9%	39.1	0%	0%	0%	0%	30%	9%			
LU	110.3	100%	0%	0%	0%	10%	120.0	36%	491%	0%	0%	13%	14.0	0%	0%	0%	0%	14%	14.0	0%	0%	0%	0%	14%	49.2	0%	0%	0%	0%	35%	14%			
NL	100.0	98%	0%	0%	0%	2%	88.6	0%	48%	0%	8%	33%	40.6	0%	0%	0%	8%	33%	45.0	0%	0%	0%	40%	5%	42.0	0%	0%	0%	0%	42%	0%			
AT	100.0	56%	26%	0%	0%	18%	18.1	0%	0%	0%	0%	18%	36.9	0%	0%	0%	19%	18%	42.7	0%	0%	0%	25%	18%	49.9	0%	0%	0%	0%	32%	18%			
PT	55.5	44%	0%	0%	0%	11%	55.5	44%	0%	0%	0%	11%	55.5	45%	0%	0%	0%	11%	11.0	0%	0%	0%	0%	11%	35.0	0%	0%	0%	0%	24%	11%			
FI	45.5	0%	19%	0%	20%	7%	74.3	0%	37%	0%	31%	7%	87.7	0%	47%	0%	34%	7%	46.8	0%	0%	0%	40%	7%	52.5	0%	0%	0%	0%	46%	7%			
SE	25.5	0%	0%	0%	17%	9%	44.9	0%	8%	0%	29%	9%	57.2	0%	20%	0%	29%	9%	55.2	0%	20%	0%	31%	4%	51.6	0%	0%	0%	0%	52%	0%			
UK	88.2	78%	0%	0%	0%	10%	89.3	0%	20%	37%	22%	10%	89.3	0%	20%	37%	22%	10%	69.4	0%	0%	37%	22%	10%	32.0	0%	0%	0%	0%	22%	10%			
CZ	100.0	87%	0%	0%	0%	12%	17.3	0%	0%	0%	5%	13%	40.9	0%	15%	0%	13%	13%	36.0	0%	10%	0%	13%	12%	30.0	0%	0%	0%	0%	17%	12%			
HU	12.5	0%	0%	0%	0%	13%	12.5	0%	0%	0%	0%	12%	34.5	0%	0%	0%	22%	12%	40.5	0%	0%	0%	28%	12%	50.5	0%	0%	0%	0%	38%	12%			
PL	100.0	75%	0%	0%	0%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	0%	9%	25%			
SK	100.0	62%	25%	0%	0%	13%	100.0	62%	25%	0%	0%	13%	45.5	0%	22%	0%	10%	13%	23.3	0%	0%	0%	10%	13%	30.2	0%	0%	0%	0%	17%	13%			
NO	63.4	0%	0%	40%	17%	7%	63.4	0%	0%	40%	17%	7%	63.4	0%	0%	40%	17%	7%	35.8	0%	0%	0%	28%	8%	49.3	0%	0%	0%	0%	41%	8%			
SZ	100.0	59%	29%	0%	0%	12%	100.0	55%	27%	0%	6%	12%	19.5	0%	0%	0%	8%	12%	27.3	0%	0%	0%	16%	12%	29.7	0%	0%	0%	0%	18%	12%			
US	27.4	23%	0%	0%	-3%	8%	48.5	23%	0%	0%	18%	8%	45.5	0%	0%	0%	38%	8%	50.5	0%	0%	0%	43%	8%	29.5	0%	0%	0%	0%	22%	8%			
JP	93.1	83%	0%	0%	0%	10%	93.1	81%	0%	0%	3%	10%	17.3	0%	0%	0%	7%	10%	18.6	0%	0%	0%	9%	10%	21.6	0%	0%	0%	0%	12%	10%			

A1.3 One-earner couple, without children

% of APW	33						50						67						100						150									
	METR _{IW} =		SA +	HB +	FB +	IT +	SSC	METR _{IW} =		SA +	HB +	FB +	IT +	SSC	METR _{IW} =		SA +	HB +	FB +	IT +	SSC	METR _{IW} =		SA +	HB +	FB +	IT +	SSC	METR _{IW} =		SA +	HB +	FB +	IT +
BE	-15.9	224%	0%	0%	74%	-314%	62.3	0%	0%	0%	10%	52%	45.1	0%	0%	0%	32%	13%	51.0	0%	0%	0%	37%	14%	55.5	0%	0%	0%	41%	14%				
DK	104.1	81%	11%	0%	4%	8%	115.6	80%	23%	0%	5%	8%	110.4	80%	12%	0%	1%	17%	44.9	0%	0%	0%	36%	9%	63.5	0%	0%	0%	55%	9%				
DE	100.0	39%	41%	0%	0%	21%	100.0	39%	41%	0%	0%	21%	38.9	0%	0%	0%	18%	21%	47.5	0%	0%	0%	27%	21%	45.4	0%	0%	0%	33%	13%				
GR	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	28.5	0%	0%	0%	13%	16%	41.1	0%	0%	0%	25%	16%				
ES	6.4	0%	0%	0%	0%	6%	6.4	0%	0%	0%	0%	6%	26.4	0%	0%	0%	20%	6%	28.8	0%	0%	0%	22%	6%	32.9	0%	0%	0%	27%	6%				
FR	90.8	42%	31%	0%	4%	14%	90.8	42%	31%	0%	4%	14%	29.7	8%	0%	0%	8%	14%	28.4	0%	0%	0%	15%	13%	30.4	0%	0%	0%	21%	9%				
IE	100.0	100%	0%	0%	0%	0%	100.0	100%	0%	0%	0%	0%	4.0	0%	0%	0%	0%	4%	26.0	0%	0%	0%	20%	6%	25.9	0%	0%	0%	20%	6%				
IT	10.0	0%	0%	0%	1%	9%	26.4	0%	0%	0%	17%	9%	31.8	0%	0%	0%	23%	9%	39.1	0%	0%	0%	30%	9%	39.1	0%	0%	0%	30%	9%				
LU	110.4	100%	0%	0%	0%	10%	110.4	100%	0%	0%	0%	10%	14.0	0%	0%	0%	0%	14%	28.7	0%	0%	0%	15%	14%	36.1	0%	0%	0%	22%	14%				
NL	100.0	98%	0%	0%	0%	2%	92.9	0%	48%	0%	8%	37%	44.9	0%	0%	0%	8%	37%	45.0	0%	0%	0%	40%	5%	42.0	0%	0%	0%	42%	0%				
AT	100.0	55%	27%	0%	0%	18%	100.0	55%	27%	0%	0%	18%	36.9	0%	0%	0%	19%	18%	42.7	0%	0%	0%	25%	18%	49.9	0%	0%	0%	32%	18%				
PT	55.5	44%	0%	0%	0%	11%	55.5	44%	0%	0%	0%	11%	55.5	45%	0%	0%	0%	11%	23.0	0%	0%	0%	12%	11%	25.0	0%	0%	0%	14%	11%				
FI	100.0	51%	21%	0%	20%	7%	83.3	0%	46%	0%	31%	7%	95.4	0%	54%	0%	34%	7%	46.8	0%	0%	0%	40%	7%	52.5	0%	0%	0%	46%	7%				
SE	100.0	24%	51%	0%	17%	9%	100.0	36%	27%	0%	29%	9%	37.2	0%	0%	0%	29%	9%	35.2	0%	0%	0%	31%	4%	51.6	0%	0%	0%	52%	0%				
UK	72.6	0%	51%	0%	12%	10%	76.2	0%	44%	0%	22%	10%	69.9	0%	38%	0%	22%	10%	32.0	0%	0%	0%	22%	10%	32.0	0%	0%	0%	22%	10%				
CZ	100.0	87%	0%	0%	0%	12%	25.6	0%	0%	0%	13%	13%	41.1	0%	15%	0%	13%	13%	27.6	0%	0%	0%	15%	12%	30.0	0%	0%	0%	17%	12%				
HU	20.5	0%	0%	0%	8%	13%	38.6	0%	0%	0%	26%	12%	40.5	0%	0%	0%	28%	12%	40.5	0%	0%	0%	28%	12%	50.5	0%	0%	0%	38%	12%				
PL	100.0	75%	0%	0%	0%	25%	25.0	0%	0%	0%	0%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%				
SK	100.0	62%	25%	0%	0%	13%	100.0	54%	22%	0%	10%	13%	100.0	54%	22%	0%	10%	13%	23.3	0%	0%	0%	10%	13%	30.2	0%	0%	0%	17%	13%				
NO	71.7	0%	36%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	49.3	0%	0%	0%	41%	8%				
SZ	100.0	53%	32%	0%	4%	12%	100.0	51%	30%	0%	7%	12%	21.6	0%	0%	0%	10%	12%	24.5	0%	0%	0%	13%	12%	27.6	0%	0%	0%	16%	12%				
US	35.0	21%	0%	0%	7%	8%	46.4	17%	0%	0%	22%	8%	29.5	0%	0%	0%	22%	8%	29.5	0%	0%	0%	22%	8%	29.5	0%	0%	0%	22%	8%				
JP	93.1	83%	0%	0%	0%	10%	93.1	81%	0%	0%	3%	10%	17.3	0%	0%	0%	7%	10%	18.6	0%	0%	0%	9%	10%	21.6	0%	0%	0%	12%	10%				

A1.4 One-earner couple, with 2 children

% of APW	33						50						67						100						150									
	METR _{IW} =		SA +	HB +	FB +	IT +	SSC	METR _{IW} =		SA +	HB +	FB +	IT +	SSC	METR _{IW} =		SA +	HB +	FB +	IT +	SSC	METR _{IW} =		SA +	HB +	FB +	IT +	SSC	METR _{IW} =		SA +	HB +	FB +	IT +
BE	-20.0	166%	0%	0%	0%	-314%	62.3	0%	0%	0%	10%	52%	45.1	0%	0%	0%	32%	13%	51.0	0%	0%	0%	37%	14%	55.5	0%	0%	0%	41%	14%				
DK	99.7	92%	0%	0%	0%	8%	99.7	92%	0%	0%	0%	8%	116.1	92%	11%	0%	-4%	17%	44.9	0%	0%	0%	36%	9%	63.5	0%	0%	0%	55%	9%				
DE	100.0	48%	31%	0%	0%	21%	100.0	48%	31%	0%	0%	21%	60.4	0%	22%	0%	18%	21%	46.1	0%	0%	0%	26%	21%	45.3	0%	0%	0%	32%	13%				
GR	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	19.3	0%	0%	0%	3%	16%	41.1	0%	0%	0%	25%	16%				
ES	106.4	100%	0%	0%	0%	6%	6.4	0%	0%	0%	0%	6%	6.4	0%	0%	0%	0%	6%	23.2	0%	0%	0%	17%	6%	28.8	0%	0%	0%	22%	6%				
FR	83.7	42%	24%	0%	4%	14%	83.7	42%	24%	0%	4%	14%	88.2	42%	24%	0%	8%	14%	21.1	0%	0%	0%	8%	13%	24.6	0%	0%	0%	15%	9%				
IE	100.0	100%	0%	0%	0%	0%	60.0	0%	0%	60%	0%	0%	61.6	0%	0%	0%	58%	0%	4%	26.0	0%	0%	0%	20%	6%	25.9	0%	0%	0%	20%	6%			
IT	10.0	0%	0%	0%	1%	9%	10.0	0%	0%	0%	1%	9%	31.8	0%	0%	0%	23%	9%	120.0	0%	0%	267%	30%	9%	39.1	0%	0%	0%	30%	9%				
LU	110.4	100%	0%	0%	0%	10%	110.4	100%	0%	0%	0%	10%	110.3	100%	0%	0%	0%	10%	14.0	0%	0%	0%	0%	14%	36.1	0%	0%	0%	22%	14%				
NL	100.0	98%	0%	0%	0%	2%	92.9	0%	48%	0%	8%	37%	44.9	0%	0%	0%	8%	37%	45.0	0%	0%	0%	40%	5%	42.0	0%	0%	0%	42%	0%				
AT	100.0	60%	22%	0%	0%	18%	100.0	60%	22%	0%	0%	18%	36.9	0%	0%	0%	19%	18%	42.7	0%	0%	0%	25%	18%	49.9	0%	0%	0%	32%	18%				
PT	55.5	44%	0%	0%	0%	11%	55.5	45%	0%	0%	0%	11%	55.5	45%	0%	0%	0%	11%	67.5	44%	0%	0%	12%	11%	25.0	0%	0%	0%	14%	11%				
FI	100.0	73%	0%	0%	20%	7%	100.0	27%	36%	0%	31%	7%	85.3	0%	44%	0%	34%	7%	46.8	0%	0%	0%	40%	7%	52.5	0%	0%	0%	46%	7%				
SE	100.0	37%	38%	0%	17%	9%	100.0	29%	34%	0%	29%	9%	100.0	29%	34%	0%	29%	9%	35.2	0%	0%	0%	31%	4%	51.6	0%	0%	0%	52%	0%				
UK	88.2	78%	0%	0%	0%	10%	89.3	0%	20%	37%	22%	10%	89.3	0%	20%	37%	22%	10%	69.4	0%	0%	37%	22%	10%	32.0	0%	0%	0%	22%	10%				
CZ	100.0	87%	0%	0%	0%	12%	100.0	88%	0%	0%	0%	13%	25.6	0%	0%	0%	13%	13%	37.7	0%	12%	0%	13%	12%	30.0	0%	0%	0%	17%	12%				
HU	12.5	0%	0%	0%	0%	13%	12.5	0%	0%	0%	0%	12%	34.5	0%	0%	0%	22%	12%	40.5	0%	0%	0%	28%	12%	50.5	0%	0%	0%	38%	12%				
PL	100.0	75%	0%	0%	0%	25%	100.0	75%	0%	0%	0%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%				
SK	100.0	62%	25%	0%	0%	13%	100.0	62%	25%	0%	0%	13%	100.0	55%	22%	0%	10%	13%	23.3	0%	0%	0%	10%	13%	30.2	0%	0%	0%	17%	13%				
NO	100.0	92%	0%	0%	0%	8%	76.5	0%	41%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	49.3	0%	0%	0%	41%	8%				
SZ	100.0	62%	27%	0%	0%	12%	100.0	58%	25%	0%	6%	12%	89.8	50%	21%	0%	7%	12%	23.6	0%	0%	0%	12%	12%	27.6	0%	0%	0%	16%	12%				
US	80.1	0%	0%	80%	-7%	8%	48.5	23%	0%	0%	18%	8%	63.7	18%	0%	0%	38%	8%	50.5	0%	0%	0%	43%	8%	29.5	0%	0%	0%	22%	8%				
JP	93.1	83%	0%	0%	0%	10%	93.1	83%	0%	0%	0%	10%	93.1	83%	0%	0%	0%	10%	18.6	0%	0%	0%	9%	10%	21.6	0%	0%	0%	12%	10%				

A1.5 Two-earner couple without children. Principal earner with 67% of APW. Secondary earner earnings from 0 to 200% of APW.

% of APW	33						50						67						100						150						
	Components		METR _{lw} =	SA +	HB +	FB +	IT +	SSC	METR _{lw} =	SA +	HB +	FB +	IT +	SSC	METR _{lw} =	SA +	HB +	FB +	IT +	SSC	METR _{lw} =	SA +	HB +	FB +	IT +	SSC	METR _{lw} =	SA +	HB +	FB +	IT +
BE	-20.0	0%	0%	0%	127%	-309%	72.3	0%	0%	0%	20%	53%	55.5	0%	0%	0%	41%	14%	55.5	0%	0%	0%	41%	14%	55.5	0%	0%	0%	41%	14%	
DK	44.9	0%	0%	0%	36%	9%	44.9	0%	0%	0%	36%	9%	56.0	0%	0%	0%	38%	18%	50.4	0%	0%	0%	41%	9%	63.5	0%	0%	0%	55%	9%	
DE	55.5	0%	0%	0%	35%	21%	54.2	0%	0%	0%	34%	21%	51.2	0%	0%	0%	31%	21%	54.2	0%	0%	0%	34%	21%	45.1	0%	0%	0%	32%	13%	
GR	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	28.5	0%	0%	0%	13%	16%	41.1	0%	0%	0%	25%	16%	
ES	6.3	0%	0%	0%	0%	6%	23.2	0%	0%	0%	17%	6%	33.1	0%	0%	0%	27%	6%	28.8	0%	0%	0%	22%	6%	32.9	0%	0%	0%	27%	6%	
FR	24.8	0%	0%	0%	11%	13%	24.8	0%	0%	0%	11%	14%	34.8	0%	0%	0%	21%	13%	33.9	0%	0%	0%	20%	14%	30.4	0%	0%	0%	21%	9%	
IE	20.0	0%	0%	0%	20%	0%	20.0	0%	0%	0%	20%	0%	24.0	0%	0%	0%	20%	4%	26.0	0%	0%	0%	20%	6%	47.9	0%	0%	0%	42%	6%	
IT	51.1	0%	0%	0%	42%	9%	26.4	0%	0%	0%	17%	9%	31.8	0%	0%	0%	23%	9%	39.1	0%	0%	0%	30%	9%	39.1	0%	0%	0%	30%	9%	
LU	14.0	0%	0%	0%	0%	14%	26.9	0%	0%	0%	13%	14%	30.6	0%	0%	0%	17%	14%	34.2	0%	0%	0%	20%	14%	41.6	0%	0%	0%	28%	14%	
NL	24.6	0%	0%	0%	2%	23%	44.9	0%	0%	0%	8%	37%	44.9	0%	0%	0%	8%	37%	45.0	0%	0%	0%	40%	5%	42.0	0%	0%	0%	42%	0%	
AT	18.1	0%	0%	0%	0%	18%	18.1	0%	0%	0%	0%	18%	36.9	0%	0%	0%	19%	18%	42.7	0%	0%	0%	25%	18%	49.9	0%	0%	0%	32%	18%	
PT	14.6	0%	0%	0%	4%	11%	14.6	0%	0%	0%	4%	11%	23.0	0%	0%	0%	12%	11%	23.0	0%	0%	0%	12%	11%	25.0	0%	0%	0%	14%	11%	
FI	27.0	0%	0%	0%	20%	7%	37.3	0%	0%	0%	31%	7%	41.1	0%	0%	0%	34%	7%	46.8	0%	0%	0%	40%	7%	52.5	0%	0%	0%	46%	7%	
SE	25.5	0%	0%	0%	17%	9%	37.3	0%	0%	0%	29%	9%	37.2	0%	0%	0%	29%	9%	35.2	0%	0%	0%	31%	4%	51.6	0%	0%	0%	52%	0%	
UK	21.8	0%	0%	0%	12%	10%	32.0	0%	0%	0%	22%	10%	32.0	0%	0%	0%	22%	10%	32.0	0%	0%	0%	22%	10%	32.0	0%	0%	0%	22%	10%	
CZ	25.6	0%	0%	0%	13%	12%	25.6	0%	0%	0%	13%	12%	25.6	0%	0%	0%	13%	12%	30.0	0%	0%	0%	18%	12%	30.0	0%	0%	0%	17%	12%	
HU	20.5	0%	0%	0%	8%	12%	38.6	0%	0%	0%	26%	12%	40.5	0%	0%	0%	28%	12%	40.5	0%	0%	0%	28%	12%	50.5	0%	0%	0%	38%	12%	
PL	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	
SK	12.8	0%	0%	0%	0%	13%	23.3	0%	0%	0%	10%	13%	23.3	0%	0%	0%	10%	13%	23.3	0%	0%	0%	10%	13%	30.2	0%	0%	0%	17%	13%	
NO	35.8	0%	0%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	49.3	0%	0%	0%	42%	8%	
SZ	23.6	0%	0%	0%	12%	12%	27.3	0%	0%	0%	16%	12%	26.8	0%	0%	0%	15%	12%	32.9	0%	0%	0%	21%	12%	35.9	0%	0%	0%	24%	12%	
US	29.5	0%	0%	0%	22%	8%	29.5	0%	0%	0%	22%	8%	29.5	0%	0%	0%	22%	8%	29.5	0%	0%	0%	22%	8%	29.5	0%	0%	0%	22%	8%	
JP	13.8	0%	0%	0%	4%	10%	17.4	0%	0%	0%	7%	10%	17.4	0%	0%	0%	7%	10%	21.6	0%	0%	0%	12%	10%	22.2	0%	0%	0%	12%	10%	

A1.6 Two-earner couple with 2 children. Principal earner with 67% of APW. Secondary earner earnings from 0 to 200% of APW.

% of APW	33						50						67						100						150						
	Components		METR _{lw} =	SA +	HB +	FB +	IT +	SSC	METR _{lw} =	SA +	HB +	FB +	IT +	SSC	METR _{lw} =	SA +	HB +	FB +	IT +	SSC	METR _{lw} =	SA +	HB +	FB +	IT +	SSC	METR _{lw} =	SA +	HB +	FB +	IT +
BE	-20.0	0%	0%	0%	127%	-309%	72.3	0%	0%	0%	20%	53%	55.5	0%	0%	0%	41%	14%	55.5	0%	0%	0%	41%	14%	55.5	0%	0%	0%	41%	14%	
DK	44.9	0%	0%	0%	36%	9%	44.9	0%	0%	0%	36%	9%	56.0	0%	0%	0%	38%	18%	50.4	0%	0%	0%	41%	9%	63.5	0%	0%	0%	55%	9%	
DE	50.2	0%	0%	0%	30%	21%	52.4	0%	0%	0%	32%	21%	51.0	0%	0%	0%	30%	21%	54.0	0%	0%	0%	33%	21%	42.4	0%	0%	0%	30%	13%	
GR	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	19.3	0%	0%	0%	3%	16%	41.1	0%	0%	0%	25%	16%	
ES	6.3	0%	0%	0%	0%	6%	6.3	0%	0%	0%	0%	6%	26.4	0%	0%	0%	20%	6%	28.8	0%	0%	0%	22%	6%	32.9	0%	0%	0%	27%	6%	
FR	17.5	0%	0%	0%	4%	13%	17.5	0%	0%	0%	4%	14%	29.3	0%	0%	0%	16%	13%	28.4	0%	0%	0%	15%	14%	30.4	0%	0%	0%	21%	9%	
IE	20.0	0%	0%	0%	20%	0%	20.0	0%	0%	0%	20%	0%	24.0	0%	0%	0%	20%	4%	26.0	0%	0%	0%	20%	6%	47.9	0%	0%	0%	42%	6%	
IT	120.0	0%	0%	267%	1%	9%	26.4	0%	0%	0%	17%	9%	31.8	0%	0%	0%	23%	9%	39.1	0%	0%	0%	30%	9%	39.1	0%	0%	0%	30%	9%	
LU	14.0	0%	0%	0%	0%	14%	13.9	0%	0%	0%	0%	14%	13.9	0%	0%	0%	0%	14%	34.2	0%	0%	0%	20%	14%	41.6	0%	0%	0%	28%	14%	
NL	24.6	0%	0%	0%	2%	23%	44.9	0%	0%	0%	8%	37%	44.9	0%	0%	0%	8%	37%	45.0	0%	0%	0%	40%	5%	42.0	0%	0%	0%	42%	0%	
AT	18.1	0%	0%	0%	0%	18%	18.1	0%	0%	0%	0%	18%	36.9	0%	0%	0%	19%	18%	42.7	0%	0%	0%	25%	18%	49.9	0%	0%	0%	32%	18%	
PT	82.2	71%	0%	0%	0%	11%	11.0	0%	0%	0%	0%	11%	11.0	0%	0%	0%	0%	11%	23.0	0%	0%	0%	12%	11%	25.0	0%	0%	0%	14%	11%	
FI	27.0	0%	0%	0%	20%	7%	37.3	0%	0%	0%	31%	7%	41.1	0%	0%	0%	34%	7%	46.8	0%	0%	0%	40%	7%	52.5	0%	0%	0%	46%	7%	
SE	45.5	0%	20%	0%	17%	9%	37.3	0%	0%	0%	29%	9%	37.2	0%	0%	0%	29%	9%	35.2	0%	0%	0%	31%	4%	51.6	0%	0%	0%	52%	0%	
UK	10.0	0%	0%	0%	0%	10%	32.0	0%	0%	0%	22%	10%	32.0	0%	0%	0%	22%	10%	32.0	0%	0%	0%	22%	10%	32.0	0%	0%	0%	22%	10%	
CZ	26.7	0%	14%	0%	0%	12%	30.7	0%	13%	0%	5%	12%	25.6	0%	0%	0%	13%	12%	25.6	0%	0%	0%	13%	12%	30.0	0%	0%	0%	18%	12%	
HU	20.5	0%	0%	0%	8%	12%	38.6	0%	0%	0%	26%	12%	40.5	0%	0%	0%	28%	12%	40.5	0%	0%	0%	28%	12%	50.5	0%	0%	0%	38%	12%	
PL	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	34.2	0%	0%	0%	9%	25%	
SK	12.8	0%	0%	0%	0%	13%	23.3	0%	0%	0%	10%	13%	23.3	0%	0%	0%	10%	13%	23.3	0%	0%	0%	10%	13%	30.2	0%	0%	0%	17%	13%	
NO	35.8	0%	0%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	35.8	0%	0%	0%	28%	8%	49.3	0%	0%	0%	42%	8%	
SZ	21.7	0%	0%	0%	10%	12%	24.5	0%	0%	0%	13%	12%	26.8	0%	0%	0%	15%	12%	30.8	0%	0%	0%	19%	12%	35.0	0%	0%	0%	23%	12%	
US	4.5	0%	0%	0%	-3%	8%	24.5	0%	0%	0%	17%	8%	29.5	0%	0%	0%	22%	8%	29.5	0%	0%	0%	22%	8%	29.5	0%	0%	0%	22%	8%	
JP	10.0	0%	0%	0%	0%	10%	12.6	0%	0%	0%	3%	10%	17.4	0%	0%	0%	7%	10%	18.6	0%	0%	0%	9%	10%	21.6	0%	0%	0%	12%	10%	

Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Table A2 - Unemployment trap indicator 2001

METR for an unemployed person (previous work= 67% of APW wage level), returning to work at a wage equivalent to:

A2.1 Single person

% of APW	50							67							100							150						
	METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC						
BE	100	73%	0%	0%	0%	16%	11%	89	55%	0%	0%	0%	21%	13%	78	37%	0%	0%	0%	28%	14%	71	24%	0%	0%	0%	32%	14%
DK	107	104%	0%	0%	0%	-4%	7%	91	78%	0%	0%	0%	6%	7%	78	52%	0%	0%	0%	18%	8%	73	35%	0%	0%	0%	30%	8%
DE	100	53%	6%	12%	0%	8%	21%	88	40%	5%	9%	0%	14%	21%	77	27%	3%	6%	0%	20%	21%	70	18%	2%	4%	0%	27%	19%
GR	101	69%	0%	16%	0%	0%	16%	79	52%	0%	12%	0%	0%	16%	60	35%	0%	8%	0%	2%	16%	50	23%	0%	5%	0%	6%	16%
ES	100	94%	0%	0%	0%	0%	6%	81	70%	0%	0%	0%	5%	6%	65	47%	0%	0%	0%	11%	6%	53	31%	0%	0%	0%	16%	6%
FR	103	88%	0%	0%	0%	4%	12%	87	65%	0%	0%	0%	9%	12%	70	44%	0%	0%	0%	14%	13%	59	29%	0%	0%	0%	18%	12%
IE	87	48%	36%	0%	0%	4%	0%	73	35%	27%	0%	0%	8%	2%	59	24%	18%	0%	0%	12%	5%	54	16%	12%	0%	0%	21%	5%
IT	69	54%	0%	0%	0%	6%	9%	60	40%	0%	0%	0%	10%	9%	53	27%	0%	0%	0%	17%	9%	49	18%	0%	0%	0%	22%	9%
LU	107	107%	0%	0%	0%	-1%	2%	88	80%	0%	0%	0%	3%	5%	71	54%	0%	0%	0%	9%	8%	63	36%	0%	0%	0%	17%	10%
NL	93	94%	0%	3%	0%	0%	-3%	85	70%	0%	6%	0%	2%	7%	72	47%	0%	4%	0%	8%	13%	60	31%	0%	3%	0%	17%	9%
AT	88	57%	8%	5%	0%	-1%	18%	75	43%	6%	4%	0%	4%	18%	64	29%	4%	3%	0%	10%	18%	57	19%	3%	2%	0%	15%	18%
PT	111	100%	0%	0%	0%	0%	11%	88	75%	0%	0%	0%	2%	11%	67	50%	0%	0%	0%	5%	11%	55	33%	0%	0%	0%	11%	11%
FI	90	75%	0%	7%	0%	2%	5%	81	56%	0%	9%	0%	10%	6%	69	37%	0%	6%	0%	19%	6%	63	25%	0%	4%	0%	27%	6%
SE	105	107%	0%	0%	0%	-2%	-1%	87	80%	0%	0%	0%	6%	1%	70	54%	0%	0%	0%	14%	3%	62	36%	0%	0%	0%	23%	4%
UK	78	29%	0%	35%	0%	9%	5%	70	22%	0%	30%	0%	12%	6%	58	15%	0%	20%	0%	16%	8%	49	10%	0%	13%	0%	18%	8%
CZ	80	53%	0%	7%	0%	7%	13%	67	39%	0%	6%	0%	9%	13%	54	26%	0%	4%	0%	11%	13%	46	18%	0%	3%	0%	13%	13%
HU	84	83%	0%	0%	0%	-4%	6%	75	62%	0%	2%	0%	4%	8%	64	41%	0%	1%	0%	12%	9%	61	28%	0%	1%	0%	22%	10%
PL	92	55%	0%	15%	0%	-4%	25%	77	41%	0%	12%	0%	0%	25%	63	28%	0%	8%	0%	3%	25%	53	18%	0%	5%	0%	5%	25%
SK	88	67%	0%	5%	0%	3%	13%	77	50%	0%	9%	0%	5%	13%	59	34%	0%	6%	0%	7%	13%	49	22%	0%	4%	0%	10%	13%
NO	89	84%	0%	0%	0%	5%	1%	75	62%	0%	0%	0%	9%	3%	62	42%	0%	0%	0%	15%	5%	57	28%	0%	0%	0%	24%	6%
SZ	115	107%	0%	0%	0%	-3%	10%	92	80%	0%	0%	0%	1%	11%	71	54%	0%	0%	0%	6%	11%	58	36%	0%	0%	0%	11%	11%
US	85	71%	0%	0%	0%	5%	8%	71	53%	0%	0%	0%	10%	8%	57	36%	0%	0%	0%	14%	8%	51	24%	0%	0%	0%	20%	8%
JP	94	79%	0%	0%	0%	4%	10%	74	59%	0%	0%	0%	5%	10%	56	40%	0%	0%	0%	6%	10%	45	26%	0%	0%	0%	8%	10%

A2.2 Single parent with 2 children

% of APW	50							67							100							150						
	METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC						
BE	91	73%	0%	0%	0%	7%	11%	82	55%	0%	0%	0%	15%	13%	74	37%	0%	0%	0%	23%	14%	68	24%	0%	0%	0%	30%	14%
DK	104	104%	-5%	-1%	0%	-2%	8%	97	78%	0%	5%	0%	6%	7%	83	52%	0%	5%	0%	18%	8%	76	35%	0%	3%	0%	30%	8%
DE	100	71%	3%	2%	0%	3%	21%	93	53%	6%	4%	0%	9%	21%	79	36%	4%	3%	0%	17%	21%	70	24%	3%	2%	7%	16%	19%
GR	107	69%	0%	22%	0%	0%	16%	84	52%	0%	16%	0%	0%	16%	61	35%	0%	11%	0%	0%	16%	51	23%	0%	7%	0%	5%	16%
ES	100	94%	0%	0%	0%	0%	6%	82	70%	0%	0%	6%	0%	6%	62	47%	0%	0%	4%	5%	6%	51	31%	0%	0%	2%	11%	6%
FR	89	88%	-13%	-1%	0%	4%	12%	92	65%	0%	7%	0%	7%	12%	76	44%	0%	12%	0%	8%	13%	60	29%	0%	8%	0%	10%	12%
IE	50	24%	10%	0%	15%	2%	0%	54	18%	7%	0%	22%	4%	2%	60	12%	5%	0%	32%	6%	5%	53	8%	3%	0%	21%	15%	5%
IT	74	54%	0%	0%	11%	0%	9%	53	40%	0%	0%	0%	4%	9%	54	27%	0%	0%	5%	13%	9%	52	18%	0%	0%	6%	19%	9%
LU	104	114%	-1%	-10%	0%	0%	1%	89	85%	0%	0%	0%	0%	4%	64	57%	0%	0%	0%	0%	7%	57	38%	0%	0%	0%	9%	10%
NL	92	94%	0%	2%	0%	0%	-4%	87	70%	0%	10%	0%	2%	6%	75	47%	0%	9%	0%	8%	12%	62	31%	0%	6%	0%	17%	8%
AT	99	71%	10%	5%	0%	-4%	18%	84	53%	7%	3%	0%	2%	18%	69	35%	5%	2%	0%	9%	18%	61	24%	3%	2%	0%	14%	18%
PT	77	100%	-34%	0%	0%	0%	11%	72	75%	-14%	0%	0%	0%	11%	63	50%	0%	0%	2%	0%	11%	52	33%	0%	0%	1%	6%	11%
FI	94	87%	0%	3%	0%	-1%	5%	88	65%	0%	9%	0%	8%	5%	79	43%	0%	12%	0%	18%	6%	70	29%	0%	8%	0%	26%	6%
SE	103	107%	0%	-1%	0%	-2%	-1%	91	80%	0%	4%	0%	6%	1%	80	54%	0%	9%	0%	14%	3%	69	36%	0%	7%	0%	23%	4%
UK	45	29%	28%	18%	-39%	4%	5%	56	22%	21%	18%	-19%	8%	6%	65	15%	14%	20%	-4%	13%	8%	57	10%	9%	13%	0%	16%	8%
CZ	94	56%	25%	0%	0%	0%	13%	80	42%	19%	3%	0%	3%	13%	67	28%	13%	7%	1%	6%	13%	57	19%	8%	4%	3%	10%	13%
HU	89	83%	0%	0%	0%	0%	6%	71	62%	0%	2%	0%	0%	8%	61	41%	0%	1%	0%	9%	9%	59	28%	0%	1%	0%	21%	10%
PL	86	55%	9%	0%	0%	-4%	25%	84	41%	7%	12%	0%	0%	25%	68	28%	5%	8%	0%	3%	25%	57	18%	3%	5%	0%	5%	25%
SK	100	67%	14%	6%	0%	0%	13%	91	50%	17%	10%	0%	2%	13%	72	34%	11%	10%	0%	5%	13%	59	22%	7%	7%	3%	7%	13%
NO	96	90%	0%	0%	4%	2%	1%	87	67%	0%	0%	13%	4%	2%	79	45%	0%	0%	20%	11%	4%	67	30%	0%	0%	13%	19%	5%
SZ	100	107%	-11%	-5%	0%	-1%	10%	92	80%	0%	0%	0%	1%	11%	69	54%	0%	0%	0%	4%	11%	56	36%	0%	0%	0%	8%	11%
US	59	75%	0%	0%	0%	-24%	8%	63	56%	11%	0%	0%	-11%	8%	58	38%	7%	0%	0%	6%	8%	49	25%	5%	0%	0%	12%	8%
JP	103	79%	-5%	0%	19%	0%	10%	95	59%	10%	0%	14%	2%	10%	70	40%	7%	0%	9%	4%	10%	55	26%	5%	0%	8%	6%	10%

A2.3 One-earner couple, without children

% of APW	50							67							100							150						
	METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC						
BE	92	73%	0%	0%	0%	8%	11%	80	55%	0%	0%	0%	12%	13%	70	37%	0%	0%	0%	20%	14%	65	24%	0%	0%	0%	27%	14%
DK	73	104%	-47%	-8%	0%	14%	9%	83	78%	-15%	-1%	0%	12%	9%	77	52%	0%	1%	0%	16%	8%	71	35%	0%	1%	0%	27%	8%
DE	100	53%	13%	13%	0%	0%	21%	88	40%	13%	13%	0%	2%	21%	74	27%	9%	9%	0%	9%	21%	65	18%	6%	6%	0%	16%	19%
GR	101	69%	0%	16%	0%	0%	16%	79	52%	0%	12%	0%	0%	16%	60	35%	0%	8%	0%	2%	16%	50	23%	0%	5%	0%	6%	16%
ES	100	94%	0%	0%	0%	0%	6%	77	70%	0%	0%	0%	1%	6%	61	47%	0%	0%	0%	8%	6%	50	31%	0%	0%	0%	13%	6%
FR	87	88%	-14%	-1%	0%	3%	12%	89	65%	0%	5%	0%	7%	12%	68	44%	0%	3%	0%	8%	13%	55	29%	0%	2%	0%	12%	12%
IE	100	78%	22%	0%	0%	0%	0%	87	58%	27%	0%	0%	0%	2%	68	39%	18%	0%	0%	6%	5%	54	26%	12%	0%	0%	11%	5%
IT	67	54%	0%	0%	3%	1%	9%	57	40%	0%	0%	1%	7%	9%	53	27%	0%	0%	3%	15%	9%	49	18%	0%	0%	2%	20%	9%
LU	102	107%	-7%	0%	0%	0%	2%	107	80%	15%	7%	0%	0%	4%	79	54%	10%	5%	0%	3%	7%	63	36%	7%	3%	0%	8%	10%
NL	96	104%	1%	-2%	0%	-1%	-7%	91	77%	1%	7%	0%	1%	4%	77	52%	1%	6%	0%	7%	11%	63	35%	0%	4%	0%	17%	7%
AT	100	62%	14%	7%	0%	-1%	18%	86	46%	13%	6%	0%	2%	18%	71	31%	9%	4%	0%	9%	18%	62	21%	6%	3%	0%	14%	18%
PT	77	100%	-34%	0%	0%	0%	11%	72	75%	-14%	0%	0%	0%	11%	65	50%	0%	0%	0%	3%	11%	51	33%	0%	0%	0%	7%	11%
FI	97	75%	8%	7%	0%	2%	5%	91	56%	6%	14%	0%	10%	6%	78	37%	4%	12%	0%	19%	6%	69	25%	3%	8%	0%	27%	6%
SE	100	107%	-3%	-2%	0%	-2%	-1%	98	80%	6%	5%	0%	6%	1%	78	54%	4%	3%	0%	14%	3%	67	36%	3%	2%	0%	23%	4%
UK	84	29%	17%	24%	0%	9%	5%	82	22%	12%	29%	0%	12%	6%	66	15%	8%	20%	0%	16%	8%	55	10%	6%	13%	0%	18%	8%
CZ	92	54%	22%	0%	0%	4%	13%	79	41%	16%	3%	0%	6%	13%	64	27%	11%	5%	0%	8%	13%	53	18%	7%	4%	0%	11%	13%
HU	84	83%	0%	0%	0%	-4%	6%	75	62%	0%	2%	0%	4%	8%	64	41%	0%	1%	0%	12%	9%	61	28%	0%	1%	0%	22%	10%
PL	94	55%	0%	15%	0%	-2%	25%	78	41%	0%	12%	0%	0%	25%	63	28%	0%	8%	0%	3%	25%	54	18%	0%	5%	0%	5%	25%
SK	100	67%	14%	6%	0%	1%	13%	100	50%	24%	10%	0%	3%	13%	80	34%	18%	10%	0%	6%	13%	62	22%	12%	7%	0%	8%	13%
NO	101	84%	0%	11%	0%	5%	1%	83	62%	0%	8%	0%	9%	3%	67	42%	0%	6%	0%	15%	5%	59	28%	0%	4%	0%	22%	6%
SZ	100	107%	-10%	-6%	0%	-2%	10%	95	80%	2%	1%	0%	1%	11%	71	54%	1%	1%	0%	4%	11%	57	36%	1%	1%	0%	8%	11%
US	83	71%	0%	0%	0%	4%	8%	75	53%	6%	0%	0%	9%	8%	60	36%	4%	0%	0%	13%	8%	50	24%	3%	0%	0%	16%	8%
JP	84	79%	-5%	0%	0%	0%	10%	71	59%	0%	0%	0%	2%	10%	54	40%	0%	0%	0%	4%	10%	43	26%	0%	0%	0%	6%	10%

A2.4 One-earner couple, with 2 children

% of APW	50							67							100							150						
	METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC						
BE	87	73%	0%	0%	0%	2%	11%	76	55%	0%	0%	0%	8%	13%	68	37%	0%	0%	0%	17%	14%	64	24%	0%	0%	0%	25%	14%
DK	76	104%	-55%	0%	0%	17%	9%	87	78%	-18%	5%	0%	13%	9%	82	52%	0%	6%	0%	16%	8%	75	35%	0%	4%	0%	27%	8%
DE	100	70%	6%	4%	0%	0%	21%	85	52%	9%	1%	0%	2%	21%	75	35%	6%	4%	0%	9%	21%	65	23%	4%	3%	0%	16%	19%
GR	107	69%	0%	22%	0%	0%	16%	84	52%	0%	16%	0%	0%	16%	61	35%	0%	11%	0%	0%	16%	51	23%	0%	7%	0%	5%	16%
ES	100	94%	0%	0%	0%	0%	6%	82	70%	0%	0%	0%	0%	6%	61	47%	0%	0%	4%	4%	6%	50	31%	0%	0%	2%	10%	6%
FR	78	88%	-24%	-1%	0%	3%	12%	84	65%	-7%	7%	0%	7%	12%	76	44%	0%	12%	0%	7%	13%	59	29%	0%	8%	0%	9%	12%
IE	95	92%	36%	0%	-33%	0%	0%	87	69%	27%	0%	-11%	0%	2%	72	46%	18%	0%	0%	3%	5%	57	31%	12%	0%	0%	9%	5%
IT	78	54%	0%	0%	14%	0%	9%	54	40%	0%	0%	3%	2%	9%	53	27%	0%	0%	5%	12%	9%	53	18%	0%	0%	8%	18%	9%
LU	101	114%	-14%	0%	0%	0%	1%	104	85%	15%	0%	0%	0%	4%	83	57%	15%	5%	0%	0%	7%	64	38%	10%	3%	0%	4%	9%
NL	94	104%	0%	-2%	0%	-1%	-7%	90	77%	0%	7%	0%	1%	4%	78	52%	0%	7%	0%	8%	12%	63	35%	0%	5%	0%	17%	7%
AT	100	74%	7%	2%	0%	-1%	18%	97	55%	14%	5%	0%	4%	18%	78	37%	10%	3%	0%	10%	18%	67	25%	6%	2%	0%	15%	18%
PT	55	100%	-56%	0%	0%	0%	11%	55	75%	-30%	0%	0%	0%	11%	57	50%	-6%	0%	2%	0%	11%	56	33%	6%	0%	1%	4%	11%
FI	100	87%	6%	3%	0%	-1%	5%	99	65%	12%	9%	0%	8%	5%	89	43%	8%	14%	0%	18%	6%	76	29%	5%	9%	0%	26%	6%
SE	100	107%	-2%	-2%	0%	-2%	-1%	100	80%	6%	7%	0%	6%	1%	84	54%	5%	8%	0%	14%	3%	71	36%	4%	5%	0%	23%	4%
UK	66	29%	45%	22%	-39%	4%	5%	72	22%	33%	21%	-19%	8%	6%	74	15%	22%	20%	-4%	13%	8%	62	10%	15%	13%	0%	16%	8%
CZ	100	58%	29%	0%	0%	0%	13%	96	43%	39%	0%	0%	1%	13%	77	29%	26%	3%	1%	5%	13%	63	19%	18%	4%	1%	8%	13%
HU	89	83%	0%	0%	0%	0%	6%	71	62%	0%	2%	0%	0%	8%	61	41%	0%	1%	0%	9%	9%	59	28%	0%	1%	0%	21%	10%
PL	100	55%	22%	0%	0%	-2%	25%	91	41%	25%	0%	0%	0%	25%	80	28%	17%	8%	0%	3%	25%	65	18%	11%	5%	0%	5%	25%
SK	100	67%	14%	6%	0%	0%	13%	100	50%	26%	11%	0%	0%	13%	96	34%	33%	14%	0%	3%	13%	72	22%	22%	9%	0%	6%	13%
NO	99	90%	1%	5%	0%	3%	1%	92	67%	1%	13%	0%	8%	3%	73	45%	1%	9%	0%	15%	4%	63	30%	0%	6%	0%	21%	5%
SZ	100	107%	-12%	-5%	0%	-1%	10%	100	80%	6%	3%	0%	1%	11%	75	54%	4%	2%	0%	4%	11%	59	36%	3%	1%	0%	7%	11%
US	59	75%	0%	0%	0%	-24%	8%	62	56%	11%	0%	0%	-13%	8%	60	38%	11%	0%	0%	4%	8%	50	25%	7%	0%	0%	10%	8%
JP	84	79%	-5%	0%	0%	0%	10%	86	59%	17%	0%	0%	0%	10%	71	40%	19%	0%	0%	2%	10%	56	26%	13%	0%	2%	4%	10%

A2.5 Two-earner couple without children. Principal earner with 67% of APW. Secondary earner earnings from 0 to 200% of APW.

% of APW	50							67							100							150						
	METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC						
BE	99	67%	0%	0%	0%	19%	13%	89	50%	0%	0%	0%	24%	15%	78	34%	0%	0%	0%	30%	15%	70	22%	0%	0%	0%	34%	14%
DK	107	104%	0%	0%	0%	-4%	7%	91	78%	0%	0%	0%	6%	7%	78	52%	0%	0%	0%	18%	8%	73	35%	0%	0%	0%	30%	8%
DE	99	53%	0%	0%	0%	25%	21%	86	40%	0%	0%	0%	26%	21%	75	27%	0%	0%	0%	28%	21%	67	18%	0%	0%	0%	30%	19%
GR	101	69%	0%	16%	0%	0%	16%	79	52%	0%	12%	0%	0%	16%	60	35%	0%	8%	0%	2%	16%	50	23%	0%	5%	0%	6%	16%
ES	100	94%	0%	0%	0%	0%	6%	81	70%	0%	0%	0%	5%	6%	65	47%	0%	0%	0%	11%	6%	53	31%	0%	0%	0%	16%	6%
FR	104	88%	0%	0%	0%	4%	12%	88	65%	0%	0%	0%	10%	12%	70	44%	0%	0%	0%	14%	13%	58	29%	0%	0%	0%	16%	12%
IE	54	48%	0%	0%	0%	6%	0%	48	35%	0%	0%	0%	10%	2%	42	24%	0%	0%	0%	13%	5%	37	16%	0%	0%	0%	16%	5%
IT	75	54%	0%	0%	1%	11%	9%	64	40%	0%	0%	1%	14%	9%	56	27%	0%	0%	1%	20%	9%	51	18%	0%	0%	0%	23%	9%
LU	102	107%	0%	0%	0%	-7%	2%	83	80%	0%	0%	0%	-1%	5%	66	54%	0%	0%	0%	5%	8%	57	36%	0%	0%	0%	11%	10%
NL	89	94%	0%	0%	0%	0%	-4%	78	70%	0%	0%	0%	2%	6%	67	47%	0%	0%	0%	8%	12%	57	31%	0%	0%	0%	17%	8%
AT	80	60%	0%	0%	0%	2%	18%	69	45%	0%	0%	0%	6%	18%	60	30%	0%	0%	0%	12%	18%	54	20%	0%	0%	0%	16%	18%
PT	114	100%	0%	0%	0%	3%	11%	91	75%	0%	0%	0%	5%	11%	68	50%	0%	0%	0%	7%	11%	54	33%	0%	0%	0%	9%	11%
FI	82	75%	0%	0%	0%	2%	5%	71	56%	0%	0%	0%	10%	6%	63	37%	0%	0%	0%	19%	6%	58	25%	0%	0%	0%	27%	6%
SE	105	107%	0%	0%	0%	-2%	-1%	87	80%	0%	0%	0%	6%	1%	70	54%	0%	0%	0%	14%	3%	62	36%	0%	0%	0%	23%	4%
UK	43	29%	0%	0%	0%	9%	5%	41	22%	0%	0%	0%	12%	6%	38	15%	0%	0%	0%	16%	8%	36	10%	0%	0%	0%	18%	8%
CZ	76	53%	0%	0%	0%	11%	13%	63	39%	0%	0%	0%	11%	13%	51	26%	0%	0%	0%	12%	13%	44	18%	0%	0%	0%	14%	13%
HU	84	83%	0%	0%	0%	-4%	6%	73	62%	0%	0%	0%	4%	8%	62	41%	0%	0%	0%	12%	9%	60	28%	0%	0%	0%	22%	10%
PL	77	55%	0%	0%	0%	-4%	25%	66	41%	0%	0%	0%	0%	25%	55	28%	0%	0%	0%	3%	25%	48	18%	0%	0%	0%	5%	25%
SK	85	67%	0%	0%	0%	5%	13%	69	50%	0%	0%	0%	7%	13%	54	34%	0%	0%	0%	8%	13%	45	22%	0%	0%	0%	10%	13%
NO	89	84%	0%	0%	0%	5%	1%	75	62%	0%	0%	0%	9%	3%	62	42%	0%	0%	0%	15%	5%	57	28%	0%	0%	0%	24%	6%
SZ	108	107%	0%	0%	0%	-5%	6%	88	80%	0%	0%	0%	0%	8%	68	54%	0%	0%	0%	6%	9%	56	36%	0%	0%	0%	11%	10%
US	85	71%	0%	0%	0%	6%	8%	71	53%	0%	0%	0%	10%	8%	57	36%	0%	0%	0%	14%	8%	48	24%	0%	0%	0%	17%	8%
JP	95	79%	0%	0%	0%	6%	10%	75	59%	0%	0%	0%	6%	10%	56	40%	0%	0%	0%	7%	10%	45	26%	0%	0%	0%	8%	10%

A2.6 Two-earner couple with 2 children. Principal earner with 67% of APW. Secondary earner earnings from 0 to 200% of APW.

% of APW	50							67							100							150						
	METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC						
BE	99	67%	0%	0%	0%	19%	13%	89	50%	0%	0%	0%	24%	15%	78	34%	0%	0%	0%	30%	15%	70	22%	0%	0%	0%	33%	14%
DK	107	104%	0%	0%	0%	-4%	7%	91	78%	0%	0%	0%	6%	7%	78	52%	0%	0%	0%	18%	8%	73	35%	0%	0%	0%	30%	8%
DE	114	70%	0%	0%	0%	23%	21%	98	52%	0%	0%	0%	25%	21%	83	35%	0%	0%	0%	27%	21%	72	23%	0%	0%	7%	23%	19%
GR	107	69%	0%	22%	0%	0%	16%	84	52%	0%	16%	0%	0%	16%	61	35%	0%	11%	0%	0%	16%	51	23%	0%	7%	0%	5%	16%
ES	103	94%	0%	0%	0%	3%	6%	83	70%	0%	0%	0%	7%	6%	65	47%	0%	0%	0%	12%	6%	54	31%	0%	0%	0%	16%	6%
FR	104	88%	0%	0%	0%	5%	12%	87	65%	0%	0%	0%	9%	12%	68	44%	0%	0%	0%	11%	13%	55	29%	0%	0%	0%	13%	12%
IE	72	62%	0%	0%	0%	10%	0%	61	46%	0%	0%	0%	12%	2%	51	31%	0%	0%	0%	15%	5%	43	21%	0%	0%	0%	17%	5%
IT	80	54%	0%	0%	9%	8%	9%	70	40%	0%	0%	9%	12%	9%	62	27%	0%	0%	8%	18%	9%	55	18%	0%	0%	5%	22%	9%
LU	115	114%	0%	0%	0%	0%	1%	89	85%	0%	0%	0%	0%	4%	68	57%	0%	0%	0%	4%	7%	58	38%	0%	0%	0%	10%	10%
NL	89	94%	0%	0%	0%	0%	-4%	78	70%	0%	0%	0%	2%	6%	67	47%	0%	0%	0%	8%	13%	57	31%	0%	0%	0%	17%	8%
AT	86	66%	0%	0%	0%	2%	18%	74	49%	0%	0%	0%	6%	18%	63	33%	0%	0%	0%	12%	18%	56	22%	0%	0%	0%	16%	18%
PT	111	100%	0%	0%	0%	0%	11%	86	75%	0%	0%	0%	0%	11%	65	50%	0%	0%	0%	4%	11%	52	33%	0%	0%	0%	7%	11%
FI	91	87%	0%	0%	0%	-1%	5%	78	65%	0%	0%	0%	8%	5%	67	43%	0%	0%	0%	18%	6%	61	29%	0%	0%	0%	26%	6%
SE	105	107%	0%	0%	0%	-2%	-1%	87	80%	0%	0%	0%	6%	1%	70	54%	0%	0%	0%	14%	3%	62	36%	0%	0%	0%	23%	4%
UK	54	29%	0%	0%	16%	4%	5%	49	22%	0%	0%	12%	8%	6%	43	15%	0%	0%	8%	13%	8%	39	10%	0%	0%	5%	16%	8%
CZ	77	56%	0%	4%	0%	3%	13%	65	42%	0%	4%	0%	6%	13%	55	28%	0%	3%	3%	8%	13%	46	19%	0%	2%	2%	11%	13%
HU	84	83%	0%	0%	0%	-4%	6%	73	62%	0%	0%	0%	4%	8%	62	41%	0%	0%	0%	12%	9%	60	28%	0%	0%	0%	22%	10%
PL	77	55%	0%	0%	0%	-4%	25%	66	41%	0%	0%	0%	0%	25%	55	28%	0%	0%	0%	3%	25%	51	18%	0%	0%	2%	5%	25%
SK	85	67%	0%	0%	0%	5%	13%	69	50%	0%	0%	0%	7%	13%	58	34%	0%	0%	4%	8%	13%	48	22%	0%	0%	3%	10%	13%
NO	94	90%	0%	0%	0%	3%	1%	78	67%	0%	0%	0%	8%	3%	64	45%	0%	0%	0%	15%	4%	59	30%	0%	0%	0%	23%	5%
SZ	109	107%	0%	0%	0%	-4%	6%	88	80%	0%	0%	0%	0%	8%	68	54%	0%	0%	0%	6%	9%	56	36%	0%	0%	0%	10%	10%
US	83	75%	0%	0%	0%	0%	8%	69	56%	0%	0%	0%	5%	8%	56	38%	0%	0%	0%	10%	8%	47	25%	0%	0%	0%	14%	8%
JP	91	79%	0%	0%	0%	2%	10%	71	59%	0%	0%	0%	2%	10%	56	40%	0%	0%	3%	4%	10%	44	26%	0%	0%	2%	6%	10%

Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Table A3 - Unemployment trap indicator 2001

METR for an unemployed person (previous work= 100% of APW wage level), returning to work at a wage equivalent to:

A3.1 Single person

% of APW	50							67							100							150						
	Components	METR _{ut} = UB + SA +		HB + FB +		IT + SSC		METR _{ut} = UB + SA +		HB + FB +		IT + SSC		METR _{ut} = UB + SA +		HB + FB +		IT + SSC		METR _{ut} = UB + SA +		HB + FB +		IT + SSC				
BE	100.0	73%	0%	0%	0%	16%	11%	88.8	55%	0%	0%	0%	21%	13%	78.4	37%	0%	0%	0%	28%	14%	70.9	0.2	0.0	0.0	0.3	0.1	
DK	106.8	104%	0%	0%	0%	-4%	7%	91.1	78%	0%	0%	0%	6%	7%	77.7	52%	0%	0%	0%	18%	8%	72.7	35%	0%	0%	0%	30%	8%
DE	100.8	72%	0%	0%	0%	8%	21%	88.4	54%	0%	0%	0%	14%	21%	76.9	36%	0%	0%	0%	20%	21%	70.4	24%	0%	0%	0%	27%	19%
GR	112.0	80%	0%	16%	0%	0%	16%	87.6	60%	0%	12%	0%	0%	16%	65.7	40%	0%	8%	0%	2%	16%	53.7	27%	0%	5%	0%	6%	16%
ES	129.3	131%	0%	0%	0%	-8%	6%	103.1	98%	0%	0%	0%	-1%	6%	79.2	66%	0%	0%	0%	7%	6%	63.1	44%	0%	0%	0%	13%	6%
FR	120.5	115%	0%	0%	0%	-5%	11%	99.5	86%	0%	0%	0%	2%	12%	78.8	57%	0%	0%	0%	9%	12%	64.8	38%	0%	0%	0%	14%	12%
IE	87.3	48%	36%	0%	0%	4%	0%	72.6	35%	27%	0%	0%	8%	2%	58.5	24%	18%	0%	0%	12%	5%	54.0	16%	12%	0%	0%	21%	5%
IT	91.9	80%	0%	0%	0%	3%	9%	76.6	60%	0%	0%	0%	8%	9%	64.6	40%	0%	0%	0%	15%	9%	56.4	27%	0%	0%	0%	21%	9%
LU	144.0	160%	0%	0%	0%	-11%	-5%	115.0	119%	0%	0%	0%	-5%	0%	89.1	80%	0%	0%	0%	4%	5%	75.2	53%	0%	0%	0%	14%	8%
NL	110.1	140%	0%	-6%	0%	-4%	-20%	97.8	104%	0%	0%	0%	-1%	-6%	80.5	70%	0%	0%	0%	6%	5%	65.4	47%	0%	0%	0%	16%	3%
AT	96.0	79%	0%	0%	0%	-1%	18%	81.0	59%	0%	0%	0%	4%	18%	67.7	39%	0%	0%	0%	10%	18%	59.7	26%	0%	0%	0%	15%	18%
PT	141.0	130%	0%	0%	0%	0%	11%	109.8	97%	0%	0%	0%	2%	11%	81.4	65%	0%	0%	0%	5%	11%	65.2	43%	0%	0%	0%	11%	11%
FI	98.9	98%	0%	0%	0%	-4%	5%	87.5	73%	0%	4%	0%	5%	5%	73.4	49%	0%	3%	0%	16%	6%	65.6	33%	0%	2%	0%	25%	6%
SE	133.5	153%	0%	0%	0%	-16%	-4%	108.9	114%	0%	0%	0%	-4%	-1%	84.9	76%	0%	0%	0%	7%	2%	72.0	51%	0%	0%	0%	18%	3%
UK	78.4	29%	0%	35%	0%	9%	5%	70.4	22%	0%	30%	0%	12%	6%	57.7	15%	0%	20%	0%	16%	8%	49.1	10%	0%	13%	0%	18%	8%
CZ	97.4	77%	0%	1%	0%	7%	13%	79.6	57%	0%	1%	0%	9%	13%	62.3	38%	0%	1%	0%	11%	13%	51.5	26%	0%	0%	0%	13%	13%
HU	84.2	83%	0%	0%	0%	-4%	6%	74.9	62%	0%	2%	0%	4%	8%	63.6	41%	0%	1%	0%	12%	9%	61.1	28%	0%	1%	0%	22%	10%
PL	92.1	55%	0%	15%	0%	-4%	25%	77.4	41%	0%	12%	0%	0%	25%	63.1	28%	0%	8%	0%	3%	25%	53.5	18%	0%	5%	0%	5%	25%
SK	111.3	100%	0%	-5%	0%	3%	13%	94.6	75%	0%	2%	0%	5%	13%	71.1	50%	0%	2%	0%	7%	13%	56.7	33%	0%	1%	0%	10%	13%
NO	117.2	125%	0%	0%	0%	-6%	-2%	95.3	93%	0%	0%	0%	2%	1%	75.6	62%	0%	0%	0%	10%	3%	66.5	42%	0%	0%	0%	20%	5%
SZ	142.6	140%	0%	0%	0%	-7%	10%	112.6	104%	0%	0%	0%	-2%	11%	84.4	70%	0%	0%	0%	4%	11%	67.2	47%	0%	0%	0%	9%	11%
US	107.6	100%	0%	0%	0%	0%	8%	87.8	75%	0%	0%	0%	6%	8%	68.5	50%	0%	0%	0%	11%	8%	58.8	33%	0%	0%	0%	18%	8%
JP	115.6	101%	0%	0%	0%	4%	10%	90.6	75%	0%	0%	0%	5%	10%	66.8	51%	0%	0%	0%	6%	10%	52.1	34%	0%	0%	0%	8%	10%

A3.2 Single parent with 2 children

% of APW	50							67							100							150						
	Components	METR _{ut} = UB + SA +		HB + FB +		IT + SSC		METR _{ut} = UB + SA +		HB + FB +		IT + SSC		METR _{ut} = UB + SA +		HB + FB +		IT + SSC		METR _{ut} = UB + SA +		HB + FB +		IT + SSC				
BE	91.3	73%	0%	0%	0%	7%	11%	82.3	55%	0%	0%	0%	15%	13%	74.0	37%	0%	0%	0%	23%	14%	68.0	0.2	0.0	0.0	0.3	0.1	
DK	104.1	104%	-5%	-1%	0%	-2%	8%	96.5	78%	0%	5%	0%	6%	7%	82.5	52%	0%	5%	0%	18%	8%	75.9	35%	0%	3%	0%	30%	8%
DE	114.7	97%	-5%	-2%	0%	3%	21%	104.1	73%	0%	1%	0%	9%	21%	86.7	49%	0%	1%	0%	17%	21%	74.9	32%	0%	1%	7%	16%	19%
GR	125.7	88%	0%	22%	0%	0%	16%	97.9	66%	0%	16%	0%	0%	16%	70.8	44%	0%	11%	0%	0%	16%	57.1	29%	0%	7%	0%	5%	16%
ES	137.9	140%	0%	0%	-7%	-1%	6%	110.1	104%	0%	0%	0%	-1%	6%	81.1	70%	0%	0%	0%	5%	6%	63.7	47%	0%	0%	0%	11%	6%
FR	100.6	115%	-13%	-9%	0%	-3%	11%	100.0	86%	0%	1%	0%	2%	12%	81.7	57%	0%	8%	0%	4%	12%	63.3	38%	0%	5%	0%	8%	12%
IE	50.5	24%	10%	0%	15%	2%	0%	54.3	18%	7%	0%	22%	4%	2%	60.0	12%	5%	0%	32%	6%	5%	52.5	8%	3%	0%	21%	15%	5%
IT	99.9	80%	0%	0%	11%	0%	9%	73.0	60%	0%	0%	0%	4%	9%	67.1	40%	0%	0%	5%	13%	9%	60.7	27%	0%	0%	6%	19%	9%
LU	153.7	170%	-1%	-10%	0%	0%	-6%	126.1	127%	0%	0%	0%	0%	-1%	89.1	85%	0%	0%	0%	0%	4%	73.4	57%	0%	0%	0%	9%	7%
NL	104.1	140%	0%	-13%	0%	-4%	-19%	96.6	104%	0%	-1%	0%	-1%	-6%	81.2	70%	0%	1%	0%	6%	4%	65.8	47%	0%	1%	0%	16%	3%
AT	106.3	92%	0%	0%	0%	-4%	18%	88.7	69%	0%	0%	0%	2%	18%	72.9	46%	0%	0%	0%	9%	18%	63.1	31%	0%	0%	0%	14%	18%
PT	106.8	130%	-34%	0%	0%	0%	11%	93.8	97%	-14%	0%	0%	0%	11%	77.6	65%	0%	0%	2%	0%	11%	61.8	43%	0%	0%	1%	6%	11%
FI	103.5	110%	0%	-3%	0%	-8%	5%	94.5	82%	0%	5%	0%	2%	5%	84.0	55%	0%	9%	0%	14%	6%	72.7	37%	0%	6%	0%	24%	6%
SE	123.1	153%	0%	-10%	0%	-16%	-4%	106.1	114%	0%	-3%	0%	-4%	-1%	89.6	76%	0%	5%	0%	7%	2%	76.0	51%	0%	4%	0%	18%	3%
UK	45.0	29%	28%	18%	-39%	4%	5%	56.2	22%	21%	18%	-19%	8%	6%	65.3	15%	14%	20%	-4%	13%	8%	56.7	10%	9%	13%	0%	16%	8%
CZ	94.4	81%	1%	0%	0%	0%	13%	79.5	60%	1%	3%	0%	3%	13%	67.5	41%	0%	7%	1%	6%	13%	56.7	27%	0%	4%	3%	10%	13%
HU	88.6	83%	0%	0%	0%	0%	6%	71.2	62%	0%	2%	0%	0%	8%	61.0	41%	0%	1%	0%	9%	9%	59.3	28%	0%	1%	0%	21%	10%
PL	86.1	55%	9%	0%	0%	-4%	25%	84.4	41%	7%	12%	0%	0%	25%	67.8	28%	5%	8%	0%	3%	25%	56.6	18%	3%	5%	0%	5%	25%
SK	101.1	100%	-8%	-4%	0%	0%	13%	92.3	75%	0%	3%	0%	2%	13%	72.5	50%	0%	5%	0%	5%	13%	59.4	33%	0%	3%	3%	7%	13%
NO	113.1	131%	0%	0%	-12%	-4%	-2%	99.2	98%	0%	0%	1%	0%	0%	87.8	66%	0%	0%	12%	8%	2%	72.9	44%	0%	0%	8%	17%	4%
SZ	145.4	160%	-12%	-6%	0%	-7%	10%	126.3	119%	0%	0%	0%	-3%	10%	92.1	80%	0%	0%	0%	1%	11%	70.7	53%	0%	0%	0%	6%	11%
US	68.1	100%	-14%	0%	0%	-26%	8%	70.0	75%	0%	0%	0%	-13%	8%	62.9	50%	0%	0%	0%	5%	8%	52.1	33%	0%	0%	0%	11%	8%
JP	92.3	101%	-19%	0%	0%	0%	10%	87.6	75%	0%	0%	0%	2%	10%	64.6	51%	0%	0%	0%	4%	10%	51.8	34%	0%	0%	2%	6%	10%

A3.3 One-earner couple, without children

% of APW Components	50							67							100							150						
	METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC						
BE	92.2	73%	0%	0%	0%	8%	11%	80.0	55%	0%	0%	0%	12%	13%	70.5	37%	0%	0%	0%	20%	14%	65.4	0.2	0.0	0.0	0.0	0.3	0.1
DK	72.6	104%	-47%	-8%	0%	14%	9%	82.9	78%	-15%	-1%	0%	12%	9%	77.1	52%	0%	1%	0%	16%	8%	71.1	35%	0%	1%	0%	27%	8%
DE	100.0	73%	3%	4%	0%	0%	21%	88.3	54%	6%	6%	0%	2%	21%	73.9	36%	4%	4%	0%	9%	21%	65.0	24%	3%	3%	0%	16%	19%
GR	120.0	88%	0%	16%	0%	0%	16%	93.6	66%	0%	12%	0%	0%	16%	69.7	44%	0%	8%	0%	2%	16%	56.4	29%	0%	5%	0%	6%	16%
ES	135.1	131%	0%	0%	0%	-3%	6%	103.4	98%	0%	0%	0%	-1%	6%	78.2	66%	0%	0%	0%	6%	6%	61.8	44%	0%	0%	0%	12%	6%
FR	100.0	115%	-14%	-7%	0%	-4%	11%	98.6	86%	0%	0%	0%	1%	12%	74.1	57%	0%	0%	0%	4%	12%	59.6	38%	0%	0%	0%	9%	12%
IE	100.0	78%	22%	0%	0%	0%	0%	86.9	58%	27%	0%	0%	0%	2%	67.7	39%	18%	0%	0%	6%	5%	53.8	26%	12%	0%	0%	11%	5%
IT	92.8	80%	0%	0%	3%	1%	9%	76.1	60%	0%	0%	1%	6%	9%	66.6	40%	0%	0%	3%	15%	9%	57.7	27%	0%	0%	2%	20%	9%
LU	118.4	160%	-28%	-10%	0%	0%	-4%	119.2	119%	0%	0%	0%	0%	0%	87.0	80%	0%	0%	0%	2%	5%	68.6	53%	0%	0%	0%	7%	8%
NL	102.4	140%	0%	-13%	0%	-4%	-20%	96.4	104%	0%	-1%	0%	-1%	-6%	80.7	70%	0%	0%	0%	6%	5%	65.2	47%	0%	0%	0%	16%	3%
AT	100.0	84%	0%	0%	0%	-1%	18%	85.5	62%	2%	1%	0%	2%	18%	70.8	42%	2%	1%	0%	9%	18%	61.7	28%	1%	0%	0%	14%	18%
PT	106.8	130%	-34%	0%	0%	0%	11%	93.8	97%	-14%	0%	0%	0%	11%	79.5	65%	0%	0%	0%	3%	11%	60.8	43%	0%	0%	0%	7%	11%
FI	98.9	98%	0%	0%	0%	-4%	5%	92.2	73%	0%	9%	0%	5%	5%	79.1	49%	0%	8%	0%	16%	6%	69.3	33%	0%	6%	0%	25%	6%
SE	114.1	153%	-11%	-8%	0%	-16%	-4%	108.9	114%	0%	0%	0%	-4%	-1%	84.9	76%	0%	0%	0%	7%	2%	72.0	51%	0%	0%	0%	18%	3%
UK	84.2	29%	17%	24%	0%	9%	5%	82.2	22%	12%	29%	0%	12%	6%	66.0	15%	8%	20%	0%	16%	8%	54.7	10%	6%	13%	0%	18%	8%
CZ	95.3	79%	0%	0%	0%	4%	13%	81.1	59%	0%	3%	0%	6%	13%	65.9	40%	0%	5%	0%	8%	13%	53.9	26%	0%	4%	0%	11%	13%
HU	84.2	83%	0%	0%	0%	-4%	6%	74.9	62%	0%	2%	0%	4%	8%	63.6	41%	0%	1%	0%	12%	9%	61.1	28%	0%	1%	0%	22%	10%
PL	93.8	55%	0%	15%	0%	-2%	25%	77.7	41%	0%	12%	0%	0%	25%	63.4	28%	0%	8%	0%	3%	25%	53.6	18%	0%	5%	0%	5%	25%
SK	100.0	100%	-10%	-4%	0%	1%	13%	100.0	75%	7%	3%	0%	3%	13%	79.8	50%	6%	5%	0%	6%	13%	62.0	33%	4%	4%	0%	8%	13%
NO	117.2	125%	0%	0%	0%	-6%	-2%	95.3	93%	0%	0%	0%	2%	1%	75.6	62%	0%	0%	0%	10%	3%	64.8	42%	0%	0%	0%	19%	5%
SZ	124.1	140%	-13%	-8%	0%	-5%	10%	113.1	104%	0%	0%	0%	-2%	11%	83.5	70%	0%	0%	0%	3%	11%	64.9	47%	0%	0%	0%	7%	11%
US	99.8	100%	-8%	0%	0%	0%	8%	87.8	75%	0%	0%	0%	6%	8%	68.5	50%	0%	0%	0%	11%	8%	55.5	33%	0%	0%	0%	15%	8%
JP	105.9	101%	-6%	0%	0%	0%	10%	87.6	75%	0%	0%	0%	2%	10%	64.6	51%	0%	0%	0%	4%	10%	49.9	34%	0%	0%	0%	6%	10%

A3.4 One-earner couple, with 2 children

% of APW Components	50							67							100							150						
	METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC							METR _{ut} = UB + SA + HB + FB + IT + SSC						
BE	86.8	73%	0%	0%	0%	2%	11%	75.9	55%	0%	0%	0%	8%	13%	67.7	37%	0%	0%	0%	17%	14%	63.6	0.2	0.0	0.0	0.0	0.3	0.1
DK	75.5	104%	-55%	0%	0%	17%	9%	87.1	78%	-18%	5%	0%	13%	9%	82.3	52%	0%	6%	0%	16%	8%	74.6	35%	0%	4%	0%	27%	8%
DE	114.6	94%	-7%	7%	0%	0%	21%	95.5	70%	0%	3%	0%	2%	21%	81.8	47%	0%	6%	0%	9%	21%	70.3	31%	0%	4%	0%	16%	19%
GR	125.7	88%	0%	22%	0%	0%	16%	97.9	66%	0%	16%	0%	0%	16%	70.8	44%	0%	11%	0%	0%	16%	57.1	29%	0%	7%	0%	5%	16%
ES	138.9	140%	0%	0%	-7%	0%	6%	110.8	104%	0%	0%	0%	0%	6%	80.0	70%	0%	0%	0%	4%	6%	62.8	47%	0%	0%	0%	10%	6%
FR	89.0	115%	-24%	-9%	0%	-4%	11%	92.1	86%	-7%	1%	0%	1%	12%	81.3	57%	0%	8%	0%	4%	12%	62.3	38%	0%	5%	0%	7%	12%
IE	95.3	92%	36%	0%	-33%	0%	0%	87.3	69%	27%	0%	-11%	0%	2%	71.8	46%	18%	0%	0%	3%	5%	56.5	31%	12%	0%	0%	9%	5%
IT	103.7	80%	0%	0%	14%	0%	9%	73.5	60%	0%	0%	3%	2%	9%	66.3	40%	0%	0%	5%	12%	9%	62.1	27%	0%	0%	8%	18%	9%
LU	112.6	170%	-43%	-10%	0%	0%	-4%	112.1	127%	-7%	-7%	0%	0%	-1%	89.1	85%	0%	0%	0%	0%	4%	67.6	57%	0%	0%	0%	4%	7%
NL	102.4	140%	0%	-13%	0%	-4%	-20%	96.4	104%	0%	-1%	0%	-1%	-6%	82.3	70%	0%	1%	0%	6%	5%	66.2	47%	0%	1%	0%	16%	3%
AT	100.0	95%	-9%	-3%	0%	-1%	18%	96.6	71%	2%	1%	0%	4%	18%	78.2	48%	2%	1%	0%	10%	18%	66.7	32%	1%	0%	0%	15%	18%
PT	67.4	130%	-74%	0%	0%	0%	11%	64.4	97%	-44%	0%	0%	0%	11%	63.2	65%	-15%	0%	2%	0%	11%	59.7	43%	0%	0%	1%	4%	11%
FI	100.0	110%	-4%	-3%	0%	-8%	5%	98.8	82%	5%	5%	0%	2%	5%	88.8	55%	3%	11%	0%	14%	6%	75.9	37%	2%	7%	0%	24%	6%
SE	104.1	153%	-13%	-17%	0%	-16%	-4%	103.1	114%	-2%	-4%	0%	-4%	-1%	85.9	76%	0%	1%	0%	7%	2%	72.6	51%	0%	1%	0%	18%	3%
UK	65.8	29%	45%	22%	-39%	4%	5%	71.8	22%	33%	21%	-19%	8%	6%	73.6	15%	22%	20%	-4%	13%	8%	62.3	10%	15%	13%	0%	16%	8%
CZ	100.0	83%	5%	0%	0%	0%	13%	95.9	62%	21%	0%	0%	1%	13%	76.8	41%	14%	3%	1%	5%	13%	62.8	28%	9%	4%	1%	8%	13%
HU	88.6	83%	0%	0%	0%	0%	6%	71.2	62%	0%	2%	0%	0%	8%	61.0	41%	0%	1%	0%	9%	9%	59.3	28%	0%	1%	0%	21%	10%
PL	100.0	55%	22%	0%	0%	-2%	25%	91.0	41%	25%	0%	0%	0%	25%	80.0	28%	17%	8%	0%	3%	25%	64.7	18%	11%	5%	0%	5%	25%
SK	100.0	100%	-9%	-4%	0%	0%	13%	100.0	75%	9%	4%	0%	0%	13%	96.1	50%	21%	9%	0%	3%	13%	71.8	33%	14%	6%	0%	6%	13%
NO	108.8	131%	0%	-13%	0%	-7%	-2%	98.6	98%	0%	0%	0%	1%	0%	77.9	66%	0%	0%	0%	10%	3%	66.3	44%	0%	0%	0%	18%	4%
SZ	134.0	160%	-20%	-9%	0%	-7%	10%	125.4	119%	-1%	0%	0%	-3%	10%	91.8	80%	0%	0%	0%	1%	11%	70.0	53%	0%	0%	0%	6%	11%
US	68.0	100%	-14%	0%	0%	-26%	8%	68.5	75%	1%	0%	0%	-14%	8%	64.1	50%	4%	0%	0%	3%	8%	53.0	33%	2%	0%	0%	10%	8%
JP	84.1	101%	-27%	0%	0%	0%	10%	86.4	75%	1%	0%	0%	0%	10%	71.0	51%	8%	0%	0%	2%	10%	55.6	34%	6%	0%	2%	4%	10%

A3.5 Two-earner couple without children. Principal earner with 67% of APW. Secondary earner earnings from 0 to 200% of APW.

% of APW	50							67							100							150								
	Components	METR _{ut} = UB +	SA +	HB +	FB +	IT +	SSC	METR _{ut} = UB +	SA +	HB +	FB +	IT +	SSC	METR _{ut} = UB +	SA +	HB +	FB +	IT +	SSC	METR _{ut} = UB +	SA +	HB +	FB +	IT +	SSC					
BE	99.0	67%	0%	0%	0%	19%	13%	88.8	50%	0%	0%	0%	24%	15%	77.8	34%	0%	0%	0%	30%	15%	70.4	0.2	0.0	0.0	0.0	0.3	0.1		
DK	106.8	104%	0%	0%	0%	-4%	7%	91.2	78%	0%	0%	0%	6%	7%	77.8	52%	0%	0%	0%	18%	8%	72.8	35%	0%	0%	0%	0%	30%	8%	
DE	118.0	73%	0%	0%	0%	0%	25%	21%	100.7	54%	0%	0%	0%	26%	21%	84.6	36%	0%	0%	0%	28%	21%	73.7	24%	0%	0%	0%	0%	30%	19%
GR	112.0	80%	0%	16%	0%	0%	16%	87.6	60%	0%	12%	0%	0%	16%	65.7	40%	0%	8%	0%	2%	16%	53.7	27%	0%	5%	0%	0%	6%	16%	
ES	129.3	131%	0%	0%	0%	-8%	6%	103.1	98%	0%	0%	0%	-1%	6%	79.2	66%	0%	0%	0%	7%	6%	63.1	44%	0%	0%	0%	0%	13%	6%	
FR	119.8	115%	0%	0%	0%	-6%	11%	100.0	86%	0%	0%	0%	3%	12%	78.3	57%	0%	0%	0%	9%	12%	63.1	38%	0%	0%	0%	0%	13%	12%	
IE	53.7	48%	0%	0%	0%	6%	0%	47.5	35%	0%	0%	0%	10%	2%	41.8	24%	0%	0%	0%	13%	5%	37.0	16%	0%	0%	0%	0%	16%	5%	
IT	91.9	80%	0%	0%	0%	3%	9%	76.6	60%	0%	0%	0%	8%	9%	64.6	40%	0%	0%	0%	15%	9%	56.4	27%	0%	0%	0%	0%	21%	9%	
LU	139.0	160%	0%	0%	0%	-16%	-5%	111.0	119%	0%	0%	0%	-9%	0%	84.8	80%	0%	0%	0%	0%	5%	69.1	53%	0%	0%	0%	0%	8%	8%	
NL	114.7	140%	0%	0%	0%	-4%	-21%	97.0	104%	0%	0%	0%	-1%	-7%	80.0	70%	0%	0%	0%	6%	4%	65.0	47%	0%	0%	0%	0%	16%	3%	
AT	100.8	81%	0%	0%	0%	2%	18%	84.6	60%	0%	0%	0%	6%	18%	70.1	40%	0%	0%	0%	12%	18%	61.3	27%	0%	0%	0%	0%	16%	18%	
PT	143.6	130%	0%	0%	0%	3%	11%	112.8	97%	0%	0%	0%	5%	11%	83.2	65%	0%	0%	0%	7%	11%	63.7	43%	0%	0%	0%	0%	9%	11%	
FI	98.5	98%	0%	0%	0%	-4%	5%	83.5	73%	0%	0%	0%	5%	5%	70.7	49%	0%	0%	0%	16%	6%	63.8	33%	0%	0%	0%	0%	25%	6%	
SE	133.5	153%	0%	0%	0%	-16%	-4%	108.9	114%	0%	0%	0%	-4%	-1%	84.9	76%	0%	0%	0%	7%	2%	72.0	51%	0%	0%	0%	0%	18%	3%	
UK	43.4	29%	0%	0%	0%	9%	5%	40.5	22%	0%	0%	0%	12%	6%	37.7	15%	0%	0%	0%	16%	8%	35.8	10%	0%	0%	0%	0%	18%	8%	
CZ	99.9	77%	0%	0%	0%	11%	13%	81.0	57%	0%	0%	0%	11%	13%	63.3	38%	0%	0%	0%	12%	13%	52.2	26%	0%	0%	0%	0%	14%	13%	
HU	84.2	83%	0%	0%	0%	-4%	6%	73.1	62%	0%	0%	0%	4%	8%	62.3	41%	0%	0%	0%	12%	9%	60.2	28%	0%	0%	0%	0%	22%	10%	
PL	76.6	55%	0%	0%	0%	-4%	25%	65.9	41%	0%	0%	0%	0%	25%	55.4	28%	0%	0%	0%	3%	25%	48.3	18%	0%	0%	0%	0%	5%	25%	
SK	118.2	100%	0%	0%	0%	5%	13%	94.1	75%	0%	0%	0%	7%	13%	70.7	50%	0%	0%	0%	8%	13%	56.4	33%	0%	0%	0%	0%	10%	13%	
NO	117.2	125%	0%	0%	0%	-6%	-2%	95.3	93%	0%	0%	0%	2%	1%	75.6	62%	0%	0%	0%	10%	3%	66.5	42%	0%	0%	0%	0%	20%	5%	
SZ	133.7	140%	0%	0%	0%	-11%	4%	106.8	104%	0%	0%	0%	-4%	6%	81.0	70%	0%	0%	0%	3%	8%	64.8	47%	0%	0%	0%	0%	9%	9%	
US	107.6	100%	0%	0%	0%	0%	8%	87.8	75%	0%	0%	0%	6%	8%	68.5	50%	0%	0%	0%	11%	8%	55.5	33%	0%	0%	0%	0%	15%	8%	
JP	116.9	101%	0%	0%	0%	6%	10%	91.6	75%	0%	0%	0%	6%	10%	67.5	51%	0%	0%	0%	7%	10%	52.2	34%	0%	0%	0%	0%	8%	10%	

A3.6 Two-earner couple with 2 children. Principal earner with 67% of APW. Secondary earner earnings from 0 to 200% of APW.

% of APW	50							67							100							150							
	Components	METR _{ut} = UB +	SA +	HB +	FB +	IT +	SSC	METR _{ut} = UB +	SA +	HB +	FB +	IT +	SSC	METR _{ut} = UB +	SA +	HB +	FB +	IT +	SSC	METR _{ut} = UB +	SA +	HB +	FB +	IT +	SSC				
BE	99.0	67%	0%	0%	0%	19%	13%	88.8	50%	0%	0%	0%	24%	15%	77.8	34%	0%	0%	0%	30%	15%	70.4	0.2	0.0	0.0	0.0	0.3	0.1	
DK	106.8	104%	0%	0%	0%	-4%	7%	91.2	78%	0%	0%	0%	6%	7%	77.8	52%	0%	0%	0%	18%	8%	72.8	35%	0%	0%	0%	0%	30%	8%
DE	138.2	94%	0%	0%	0%	23%	21%	116.1	70%	0%	0%	0%	25%	21%	94.9	47%	0%	0%	0%	27%	21%	80.1	31%	0%	0%	0%	7%	23%	19%
GR	125.7	88%	0%	22%	0%	0%	16%	97.9	66%	0%	16%	0%	0%	16%	70.8	44%	0%	11%	0%	0%	16%	57.1	29%	0%	7%	0%	5%	16%	6%
ES	140.4	140%	0%	0%	0%	-6%	6%	110.7	104%	0%	0%	0%	0%	6%	83.9	70%	0%	0%	0%	8%	6%	65.9	47%	0%	0%	0%	0%	13%	6%
FR	121.5	115%	0%	0%	0%	-4%	11%	99.9	86%	0%	0%	0%	3%	12%	76.5	57%	0%	0%	0%	7%	12%	60.5	38%	0%	0%	0%	0%	10%	12%
IE	71.9	62%	0%	0%	0%	10%	0%	61.1	46%	0%	0%	0%	12%	2%	50.8	31%	0%	0%	0%	15%	5%	43.0	21%	0%	0%	0%	0%	17%	5%
IT	95.4	80%	0%	0%	3%	3%	9%	81.2	60%	0%	0%	5%	8%	9%	69.5	40%	0%	0%	5%	15%	9%	59.8	27%	0%	0%	3%	21%	9%	
LU	154.9	170%	0%	0%	0%	-9%	-6%	119.1	127%	0%	0%	0%	-7%	-1%	88.2	85%	0%	0%	0%	-1%	4%	71.3	57%	0%	0%	0%	0%	7%	7%
NL	114.5	140%	0%	0%	0%	-4%	-22%	97.0	104%	0%	0%	0%	-1%	-7%	80.0	70%	0%	0%	0%	6%	4%	65.0	47%	0%	0%	0%	0%	16%	3%
AT	106.8	87%	0%	0%	0%	2%	18%	89.1	65%	0%	0%	0%	6%	18%	73.1	43%	0%	0%	0%	12%	18%	63.3	29%	0%	0%	0%	0%	16%	18%
PT	141.0	130%	0%	0%	0%	0%	11%	108.0	97%	0%	0%	0%	0%	11%	79.8	65%	0%	0%	0%	4%	11%	61.5	43%	0%	0%	0%	0%	7%	11%
FI	106.3	110%	0%	0%	0%	-8%	5%	89.3	82%	0%	0%	0%	2%	5%	74.6	55%	0%	0%	0%	14%	6%	66.4	37%	0%	0%	0%	0%	24%	6%
SE	133.5	153%	0%	0%	0%	-16%	-4%	108.9	114%	0%	0%	0%	-4%	-1%	84.9	76%	0%	0%	0%	7%	2%	72.0	51%	0%	0%	0%	0%	18%	3%
UK	54.3	29%	0%	0%	16%	4%	5%	48.6	22%	0%	0%	12%	8%	6%	43.2	15%	0%	0%	8%	13%	8%	39.4	10%	0%	0%	5%	16%	8%	
CZ	97.4	81%	0%	1%	0%	3%	13%	80.2	60%	0%	1%	0%	6%	13%	65.3	41%	0%	1%	3%	8%	13%	53.1	27%	0%	1%	2%	11%	13%	
HU	84.2	83%	0%	0%	0%	-4%	6%	73.1	62%	0%	0%	0%	4%	8%	62.3	41%	0%	0%	0%	12%	9%	60.2	28%	0%	0%	0%	0%	22%	10%
PL	76.6	55%	0%	0%	0%	-4%	25%	65.9	41%	0%	0%	0%	0%	25%	55.4	28%	0%	0%	0%	3%	25%	50.8	18%	0%	0%	2%	5%	25%	
SK	118.2	100%	0%	0%	0%	5%	13%	94.1	75%	0%	0%	0%	7%	13%	74.9	50%	0%	0%	4%	8%	13%	59.2	33%	0%	0%	3%	10%	13%	
NO	121.7	131%	0%	0%	0%	-7%	-2%	98.6	98%	0%	0%	0%	1%	0%	77.9	66%	0%	0%	0%	10%	3%	68.0	44%	0%	0%	0%	0%	20%	4%
SZ	150.0	160%	0%	0%	0%	-13%	3%	118.3	119%	0%	0%	0%	-7%	6%	88.6	80%	0%	0%	0%	1%	8%	69.5	53%	0%	0%	0%	0%	7%	9%
US	107.6	100%	0%	0%	0%	0%	8%	86.9	75%	0%	0%	0%	5%	8%	67.9	50%	0%	0%	0%	10%	8%	55.1	33%	0%	0%	0%	0%	14%	8%
JP	112.8	101%	0%	0%	0%	2%	10%	87.4	75%	0%	0%	0%	2%	10%	67.3	51%	0%	0%	3%	4%	10%	51.7	34%	0%	0%	2%	6%	10%	

Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Table A4 - Inactivity trap indicator for jobless persons 2001

Moving from social assistance to work, at a wage level equivalent to:

A4.1 Single person

% of APW Components	33						50						67						100						150					
	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC
BE	85.4	67%	0%	0%	6%	13%	70.7	44%	0%	0%	16%	11%	66.9	33%	0%	0%	21%	13%	63.7	22%	0%	0%	28%	14%	61.1	15%	0%	0%	32%	14%
DK	96.2	40%	22%	0%	17%	18%	96.1	43%	23%	0%	16%	13%	83.1	32%	17%	0%	21%	12%	72.4	22%	12%	0%	28%	11%	69.2	14%	8%	0%	37%	10%
DE	84.2	22%	41%	0%	0%	21%	89.6	21%	40%	0%	8%	21%	80.1	16%	30%	0%	14%	21%	71.3	11%	20%	0%	20%	21%	66.6	7%	13%	0%	27%	19%
GR	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	17.7	0%	0%	0%	2%	16%	21.7	0%	0%	0%	6%	16%
ES	68.9	63%	0%	0%	0%	6%	50.1	41%	0%	0%	2%	6%	43.9	31%	0%	0%	7%	6%	39.6	21%	0%	0%	13%	6%	36.7	14%	0%	0%	17%	6%
FR	81.2	42%	22%	0%	4%	13%	82.9	39%	26%	0%	4%	14%	71.5	29%	19%	0%	9%	13%	60.0	20%	13%	0%	14%	14%	52.3	13%	9%	0%	18%	13%
IE	100.0	100%	0%	0%	0%	0%	87.3	83%	0%	0%	4%	0%	72.6	62%	0%	0%	8%	2%	58.5	42%	0%	0%	12%	5%	54.0	28%	0%	0%	21%	5%
IT	10.0	0%	0%	0%	1%	9%	16.1	0%	0%	0%	7%	9%	20.0	0%	0%	0%	11%	9%	26.6	0%	0%	0%	17%	9%	31.1	0%	0%	0%	22%	9%
LU	89.0	78%	0%	0%	-1%	11%	92.2	71%	10%	0%	0%	11%	76.3	53%	7%	0%	4%	12%	63.2	36%	5%	0%	10%	13%	57.9	24%	3%	0%	18%	13%
NL	96.6	83%	-3%	0%	1%	16%	92.2	60%	11%	0%	2%	19%	84.4	45%	13%	0%	3%	23%	71.5	30%	8%	0%	9%	24%	59.4	20%	6%	0%	18%	16%
AT	100.0	49%	34%	0%	-1%	18%	87.7	42%	29%	0%	-1%	18%	74.8	31%	21%	0%	4%	18%	63.6	21%	14%	0%	10%	18%	57.0	14%	10%	0%	15%	18%
PT	55.5	44%	0%	0%	0%	11%	50.4	39%	0%	0%	0%	11%	42.1	29%	0%	0%	2%	11%	36.1	20%	0%	0%	5%	11%	35.0	13%	0%	0%	11%	11%
FI	100.0	70%	13%	0%	12%	6%	86.2	46%	18%	0%	15%	6%	78.0	34%	17%	0%	20%	6%	67.1	23%	12%	0%	26%	7%	61.3	15%	8%	0%	32%	7%
SE	100.0	32%	41%	0%	20%	7%	98.1	31%	40%	0%	20%	7%	82.5	23%	30%	0%	22%	7%	67.2	16%	20%	0%	25%	7%	60.2	10%	13%	0%	30%	6%
UK	79.7	44%	30%	0%	3%	3%	78.4	29%	35%	0%	9%	5%	70.4	22%	30%	0%	12%	6%	57.7	15%	20%	0%	16%	8%	49.1	10%	13%	0%	18%	8%
CZ	83.2	65%	2%	0%	4%	13%	70.5	43%	8%	0%	7%	13%	59.4	32%	6%	0%	9%	13%	48.8	21%	4%	0%	11%	13%	42.5	14%	3%	0%	13%	13%
HU	69.2	49%	0%	0%	8%	12%	55.1	32%	0%	0%	10%	13%	53.3	24%	2%	0%	15%	13%	49.1	16%	1%	0%	19%	13%	51.4	11%	1%	0%	27%	13%
PL	92.4	44%	23%	0%	0%	25%	72.4	29%	15%	0%	3%	25%	62.7	22%	12%	0%	4%	25%	53.3	15%	8%	0%	6%	25%	46.9	10%	5%	0%	7%	25%
SK	99.1	61%	25%	0%	0%	13%	80.5	40%	24%	0%	3%	13%	71.6	30%	24%	0%	5%	13%	55.7	20%	16%	0%	7%	13%	46.4	13%	11%	0%	10%	13%
NO	82.8	59%	6%	0%	10%	8%	84.9	39%	22%	0%	16%	8%	71.2	29%	17%	0%	18%	8%	59.5	20%	11%	0%	21%	8%	55.8	13%	7%	0%	28%	8%
SZ	100.0	44%	40%	0%	4%	12%	100.0	43%	40%	0%	5%	12%	80.7	32%	30%	0%	7%	12%	63.1	22%	20%	0%	10%	12%	53.0	14%	13%	0%	14%	12%
US	20.8	5%	0%	0%	8%	8%	29.4	10%	0%	0%	12%	8%	29.4	7%	0%	0%	14%	8%	29.4	5%	0%	0%	17%	8%	32.7	3%	0%	0%	22%	8%
JP	79.4	67%	0%	0%	3%	10%	68.6	54%	0%	0%	4%	10%	55.6	40%	0%	0%	5%	10%	43.3	27%	0%	0%	6%	10%	36.5	18%	0%	0%	8%	10%

A4.2 Single parent with 2 children

% of APW Components	33						50						67						100						150					
	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC
BE	96.9	84%	0%	0%	0%	13%	76.6	59%	0%	0%	7%	11%	71.4	44%	0%	0%	15%	13%	66.6	29%	0%	0%	23%	14%	63.1	20%	0%	0%	30%	14%
DK	84.5	41%	10%	0%	16%	18%	91.6	54%	11%	0%	12%	15%	87.2	44%	14%	0%	17%	12%	76.3	30%	11%	0%	25%	11%	71.8	20%	7%	0%	34%	10%
DE	84.2	37%	27%	0%	0%	21%	89.6	38%	28%	0%	3%	21%	85.3	32%	23%	0%	9%	21%	74.1	21%	16%	0%	17%	21%	66.5	14%	10%	7%	16%	19%
GR	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	20.5	0%	0%	0%	5%	16%
ES	100.2	94%	0%	0%	0%	6%	68.3	62%	0%	0%	0%	6%	58.1	46%	0%	6%	0%	6%	46.3	31%	0%	4%	5%	6%	40.5	21%	0%	2%	11%	6%
FR	68.9	42%	11%	0%	3%	13%	75.4	42%	17%	0%	3%	14%	81.2	41%	20%	0%	7%	13%	69.1	28%	21%	0%	7%	14%	54.9	18%	14%	0%	10%	13%
IE	50.9	51%	0%	0%	0%	0%	50.5	34%	0%	15%	2%	0%	54.3	25%	0%	22%	4%	2%	60.0	17%	0%	32%	6%	5%	52.5	11%	0%	21%	15%	5%
IT	-0.7	0%	0%	-11%	1%	9%	-0.6	0%	0%	-11%	1%	9%	-2.1	0%	0%	-16%	5%	9%	16.9	0%	0%	-6%	14%	9%	27.2	0%	0%	-1%	19%	9%
LU	85.8	75%	0%	0%	0%	11%	94.2	83%	0%	0%	0%	11%	81.7	63%	7%	0%	0%	12%	59.3	42%	5%	0%	0%	12%	53.5	28%	3%	0%	9%	13%
NL	93.3	97%	-7%	0%	0%	3%	82.2	78%	0%	0%	0%	5%	80.2	58%	8%	0%	2%	12%	70.2	39%	8%	0%	8%	16%	58.5	26%	5%	0%	17%	10%
AT	100.0	60%	28%	0%	-6%	18%	99.5	58%	27%	0%	-4%	18%	83.6	44%	20%	0%	2%	18%	69.5	29%	13%	0%	9%	18%	60.9	19%	9%	0%	14%	18%
PT	55.5	44%	0%	0%	0%	11%	55.5	44%	0%	0%	0%	11%	55.5	44%	0%	0%	0%	11%	51.9	39%	0%	2%	0%	11%	44.7	26%	0%	1%	6%	11%
FI	70.3	49%	3%	0%	12%	6%	64.7	32%	10%	0%	15%	6%	65.5	24%	15%	0%	20%	6%	64.6	16%	16%	0%	26%	7%	59.7	11%	11%	0%	32%	7%
SE	81.9	34%	21%	0%	20%	7%	63.3	22%	14%	0%	20%	7%	61.4	17%	15%	0%	22%	7%	61.7	11%	17%	0%	25%	7%	56.1	7%	12%	0%	30%	6%
UK	80.6	78%	0%	0%	0%	3%	45.0	57%	18%	-39%	4%	5%	56.2	43%	18%	-19%	8%	6%	65.3	29%	20%	-4%	13%	8%	56.7	19%	13%	0%	16%	8%
CZ	100.0	88%	0%	0%	0%	13%	94.4	82%	0%	0%	0%	13%	79.5	61%	3%	0%	3%	13%	67.5	41%	7%	1%	6%	13%	56.7	27%	4%	3%	10%	13%
HU	61.2	49%	0%	0%	0%	12%	44.7	32%	0%	0%	0%	13%	38.4	24%	2%	0%	0%	13%	39.0	16%	1%	0%	9%	13%	44.7	11%	1%	0%	21%	13%
PL	100.0	75%	0%	0%	0%	25%	86.1	58%	0%	0%	3%	25%	84.4	43%	12%	0%	4%	25%	67.8	29%	8%	0%	6%	25%	56.6	19%	5%	0%	7%	25%
SK	100.0	62%	25%	0%	0%	13%	100.0	62%	25%	0%	0%	13%	91.5	52%	25%	0%	2%	13%	71.9	35%	20%	0%	5%	13%	59.1	23%	13%	3%	7%	13%
NO	78.3	0%	33%	29%	7%	10%	73.2	0%	22%	33%	10%	9%	69.4	0%	16%	34%	11%	8%	67.9	0%	11%	34%	15%	8%	59.6	0%	7%	23%	22%	8%
SZ	100.0	76%	37%	-25%	0%	12%	100.0	69%	34%	-16%	1%	12%	92.4	60%	30%	-12%	3%	12%	69.3	40%	20%	-8%	6%	12%	55.6	27%	13%	-5%	9%	12%
US	30.0	6%	0%	53%	-37%	8%	32.5	11%	0%	35%	-22%	8%	43.5	19%	0%	26%	-10%	8%	45.1	13%	0%	18%	7%	8%	40.3	9%	0%	12%	12%	8%
JP	107.6	69%	0%	28%	0%	10%	102.7	74%	0%	19%	0%	10%	95.3	69%	0%	14%	2%	10%	69.8	46%	0%	9%	4%	10%	55.2	31%	0%	8%	6%	10%

A4.3 One-earner couple, without children

% of APW Components	33						50						67						100						150					
	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC
BE	97.5	82%	0%	0%	2%	13%	77.6	59%	0%	0%	8%	11%	69.0	44%	0%	0%	12%	13%	63.1	29%	0%	0%	20%	14%	60.5	20%	0%	0%	27%	14%
DK	34.3	-3%	-15%	0%	33%	18%	59.4	24%	-4%	0%	24%	15%	73.0	38%	2%	0%	19%	13%	70.4	36%	3%	0%	21%	11%	66.7	24%	2%	0%	30%	10%
DE	84.2	31%	33%	0%	0%	21%	89.6	34%	35%	0%	0%	21%	80.5	29%	30%	0%	2%	21%	68.7	19%	20%	0%	9%	21%	61.5	13%	13%	0%	16%	19%
GR	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	17.7	0%	0%	0%	2%	16%	21.7	0%	0%	0%	6%	16%
ES	87.7	81%	0%	0%	0%	6%	60.0	54%	0%	0%	0%	6%	47.4	40%	0%	0%	1%	6%	40.7	27%	0%	0%	8%	6%	36.8	18%	0%	0%	13%	6%
FR	75.6	42%	17%	0%	3%	13%	82.6	42%	24%	0%	3%	14%	85.7	42%	23%	0%	7%	13%	65.4	28%	16%	0%	8%	14%	53.8	19%	10%	0%	12%	13%
IE	100.0	100%	0%	0%	0%	0%	100.0	100%	0%	0%	0%	0%	86.9	85%	0%	0%	0%	2%	67.7	57%	0%	0%	6%	5%	53.8	38%	0%	0%	11%	5%
IT	7.3	0%	0%	-3%	1%	9%	8.2	0%	0%	-3%	2%	9%	13.0	0%	0%	-3%	7%	9%	24.3	0%	0%	0%	15%	9%	29.5	0%	0%	0%	20%	9%
LU	79.2	68%	0%	0%	0%	12%	89.8	79%	0%	0%	0%	11%	97.9	79%	7%	0%	0%	11%	72.7	53%	5%	0%	3%	12%	59.0	36%	3%	0%	8%	13%
NL	95.7	95%	-4%	0%	0%	5%	96.4	86%	-1%	0%	1%	10%	91.9	64%	8%	0%	3%	17%	77.7	43%	6%	0%	8%	20%	63.2	29%	4%	0%	17%	13%
AT	100.0	56%	27%	0%	-1%	18%	100.0	56%	27%	0%	-1%	18%	85.5	44%	21%	0%	2%	18%	70.8	30%	14%	0%	9%	18%	61.7	20%	10%	0%	14%	18%
PT	55.5	44%	0%	0%	0%	11%	55.5	44%	0%	0%	0%	11%	55.5	44%	0%	0%	0%	11%	53.8	39%	0%	0%	3%	11%	43.7	26%	0%	0%	7%	11%
FI	100.0	73%	9%	0%	12%	6%	97.4	60%	16%	0%	15%	6%	91.0	45%	20%	0%	20%	6%	78.3	30%	16%	0%	26%	7%	68.8	20%	11%	0%	32%	7%
SE	100.0	37%	36%	0%	20%	7%	100.0	35%	38%	0%	20%	7%	98.4	34%	35%	0%	22%	7%	77.9	23%	23%	0%	25%	7%	67.3	15%	15%	0%	30%	6%
UK	88.5	69%	14%	0%	3%	3%	84.2	46%	24%	0%	9%	5%	82.2	34%	29%	0%	12%	6%	60.0	23%	20%	0%	16%	8%	54.7	15%	13%	0%	18%	8%
CZ	100.0	88%	0%	0%	0%	13%	92.4	76%	0%	0%	4%	13%	78.9	57%	3%	0%	6%	13%	64.5	38%	5%	0%	8%	13%	53.0	25%	4%	0%	11%	13%
HU	69.2	49%	0%	0%	8%	12%	55.1	32%	0%	0%	10%	13%	53.3	24%	2%	0%	15%	13%	49.1	16%	1%	0%	19%	13%	51.4	11%	1%	0%	27%	13%
PL	100.0	75%	0%	0%	0%	25%	93.8	53%	15%	0%	0%	25%	77.7	40%	12%	0%	1%	25%	63.4	27%	8%	0%	4%	25%	53.6	18%	5%	0%	6%	25%
SK	100.0	62%	25%	0%	0%	13%	100.0	61%	25%	0%	1%	13%	100.0	60%	24%	0%	3%	13%	79.8	41%	20%	0%	6%	13%	62.0	28%	13%	0%	8%	13%
NO	92.6	78%	6%	0%	1%	8%	91.4	51%	22%	0%	10%	8%	76.1	38%	17%	0%	13%	8%	62.8	26%	11%	0%	18%	8%	56.2	17%	7%	0%	24%	8%
SZ	100.0	54%	33%	0%	1%	12%	100.0	54%	32%	0%	3%	12%	95.1	50%	30%	0%	4%	12%	71.4	33%	20%	0%	7%	12%	56.9	22%	13%	0%	10%	12%
US	17.6	6%	0%	0%	4%	8%	25.1	10%	0%	0%	7%	8%	32.1	14%	0%	0%	11%	8%	31.2	9%	0%	0%	14%	8%	30.6	6%	0%	0%	17%	8%
JP	79.4	69%	0%	0%	0%	10%	84.1	74%	0%	0%	0%	10%	71.3	59%	0%	0%	2%	10%	53.7	40%	0%	0%	4%	10%	42.6	26%	0%	0%	6%	10%

A4.4 One-earner couple, with 2 children

% of APW Components	33						50						67						100						150					
	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC
BE	96.9	84%	0%	0%	0%	13%	72.2	59%	0%	0%	2%	11%	65.0	44%	0%	0%	8%	13%	60.4	29%	0%	0%	17%	14%	58.7	20%	0%	0%	25%	14%
DK	36.7	-23%	0%	0%	41%	18%	58.2	16%	0%	0%	27%	15%	74.2	35%	5%	0%	20%	13%	73.6	36%	6%	0%	21%	11%	68.8	24%	4%	0%	30%	10%
DE	84.2	38%	25%	0%	0%	21%	89.6	42%	27%	0%	0%	21%	76.8	36%	18%	0%	2%	21%	69.3	24%	16%	0%	9%	21%	62.0	16%	11%	0%	16%	19%
GR	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	20.5	0%	0%	0%	5%	16%
ES	106.3	100%	0%	0%	0%	6%	76.6	70%	0%	0%	0%	6%	64.3	52%	0%	6%	0%	6%	48.8	35%	0%	4%	4%	6%	42.0	23%	0%	2%	10%	6%
FR	68.2	42%	11%	0%	2%	13%	74.9	42%	17%	0%	3%	14%	81.6	42%	20%	0%	6%	13%	74.3	33%	21%	0%	7%	14%	57.7	22%	14%	0%	9%	13%
IE	100.0	100%	0%	0%	0%	0%	95.3	128%	0%	-33%	0%	0%	87.3	96%	0%	-11%	0%	2%	71.8	64%	0%	0%	3%	5%	56.5	43%	0%	0%	9%	5%
IT	-4.5	0%	0%	-15%	1%	9%	-4.4	0%	0%	-14%	1%	9%	-7.1	0%	0%	-19%	3%	9%	12.3	0%	0%	-9%	12%	9%	26.1	0%	0%	-1%	18%	9%
LU	75.5	64%	0%	0%	0%	12%	87.3	76%	0%	0%	0%	11%	93.2	82%	0%	0%	0%	11%	76.4	60%	5%	0%	0%	12%	59.2	40%	3%	0%	4%	13%
NL	95.7	95%	-4%	0%	0%	5%	93.9	86%	-1%	0%	1%	8%	90.0	64%	8%	0%	3%	15%	78.0	43%	7%	0%	8%	19%	63.4	29%	5%	0%	17%	12%
AT	100.0	61%	22%	0%	-1%	18%	100.0	61%	22%	0%	-1%	18%	96.6	55%	20%	0%	4%	18%	78.2	37%	13%	0%	10%	18%	66.7	24%	9%	0%	15%	18%
PT	55.5	44%	0%	0%	0%	11%	55.5	44%	0%	0%	0%	11%	55.5	44%	0%	0%	0%	11%	57.2	44%	0%	2%	0%	11%	55.7	39%	0%	1%	4%	11%
FI	100.0	82%	0%	0%	12%	6%	100.0	71%	7%	0%	15%	6%	98.8	60%	12%	0%	20%	6%	88.8	40%	16%	0%	26%	7%	75.9	27%	11%	0%	32%	7%
SE	100.0	46%	27%	0%	20%	7%	100.0	43%	30%	0%	20%	7%	100.0	39%	31%	0%	22%	7%	83.8	28%	24%	0%	25%	7%	71.2	19%	16%	0%	30%	6%
UK	93.1	90%	0%	0%	0%	3%	65.8	74%	22%	-39%	4%	5%	71.8	55%	21%	-19%	8%	6%	73.6	37%	20%	-4%	13%	8%	62.3	25%	13%	0%	16%	8%
CZ	100.0	88%	0%	0%	0%	13%	100.0	88%	0%	0%	0%	13%	95.9	83%	0%	0%	1%	13%	76.8	55%	3%	1%	5%	13%	62.8	37%	4%	1%	8%	13%
HU	61.2	49%	0%	0%	0%	12%	44.7	32%	0%	0%	0%	13%	38.4	24%	2%	0%	0%	13%	39.0	16%	1%	0%	9%	13%	44.7	11%	1%	0%	21%	13%
PL	100.0	75%	0%	0%	0%	25%	100.0	75%	0%	0%	0%	25%	91.0	65%	0%	0%	1%	25%	80.0	43%	8%	0%	4%	25%	64.7	29%	5%	0%	6%	25%
SK	100.0	62%	25%	0%	0%	13%	100.0	62%	25%	0%	0%	13%	100.0	62%	25%	0%	0%	13%	96.1	56%	23%	0%	3%	13%	71.8	38%	16%	0%	6%	13%
NO	100.0	92%	0%	0%	0%	8%	99.4	76%	12%	0%	4%	8%	91.6	57%	19%	0%	9%	8%	73.2	38%	12%	0%	15%	8%	63.2	25%	8%	0%	22%	8%
SZ	100.0	79%	34%	-25%	0%	12%	100.0	72%	31%	-16%	1%	12%	100.0	69%	30%	-12%	3%	12%	74.8	46%	20%	-8%	5%	12%	58.7	31%	13%	-5%	8%	12%
US	29.9	6%	0%	54%	-38%	8%	37.4	9%	0%	43%	-23%	8%	45.6	18%	0%	32%	-12%	8%	48.8	15%	0%	22%	4%	8%	42.8	10%	0%	14%	11%	8%
JP	79.4	69%	0%	0%	0%	10%	84.1	74%	0%	0%	0%	10%	86.4	76%	0%	0%	0%	10%	71.0	59%	0%	0%	2%	10%	55.6	39%	0%	2%	4%	10%

A4.5 Two-earner couple without children. Principal earner with 67% of APW. Secondary earner earnings from 0 to 200% of APW.

% of APW	33						50						67						100						150					
	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC
BE	45.8	0%	0%	0%	30%	16%	45.1	0%	0%	0%	32%	13%	48.6	0%	0%	0%	34%	15%	50.9	0%	0%	0%	36%	15%	52.4	0%	0%	0%	38%	14%
DK	55.6	12%	0%	0%	27%	16%	52.1	8%	0%	0%	30%	14%	50.4	6%	0%	0%	32%	12%	50.4	4%	0%	0%	35%	11%	54.5	3%	0%	0%	41%	11%
DE	41.9	0%	0%	0%	21%	21%	45.5	0%	0%	0%	25%	21%	46.6	0%	0%	0%	26%	21%	48.3	0%	0%	0%	28%	21%	49.5	0%	0%	0%	30%	19%
GR	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	17.7	0%	0%	0%	2%	16%	21.7	0%	0%	0%	6%	16%
ES	18.1	0%	0%	0%	12%	6%	16.5	0%	0%	0%	10%	6%	18.9	0%	0%	0%	13%	6%	22.8	0%	0%	0%	16%	6%	25.5	0%	0%	0%	19%	6%
FR	21.4	0%	0%	0%	8%	14%	22.5	0%	0%	0%	9%	14%	27.4	0%	0%	0%	14%	14%	29.7	0%	0%	0%	16%	13%	30.7	0%	0%	0%	18%	13%
IE	12.0	0%	0%	0%	12%	0%	14.7	0%	0%	0%	15%	0%	18.4	0%	0%	0%	16%	2%	22.3	0%	0%	0%	17%	5%	24.0	0%	0%	0%	19%	5%
IT	28.4	0%	0%	6%	13%	9%	32.6	0%	0%	4%	19%	9%	32.3	0%	0%	3%	20%	9%	34.9	0%	0%	2%	24%	9%	36.6	0%	0%	1%	26%	9%
LU	13.6	0%	0%	0%	0%	14%	16.7	0%	0%	0%	3%	14%	19.7	0%	0%	0%	6%	14%	23.7	0%	0%	0%	10%	14%	28.3	0%	0%	0%	14%	14%
NL	35.1	0%	4%	0%	3%	29%	32.7	0%	2%	0%	3%	27%	35.8	0%	2%	0%	4%	30%	39.0	0%	1%	0%	9%	28%	37.7	0%	1%	0%	18%	19%
AT	21.4	0%	0%	0%	3%	18%	20.2	0%	0%	0%	2%	18%	24.5	0%	0%	0%	6%	18%	29.8	0%	0%	0%	12%	18%	34.5	0%	0%	0%	16%	18%
PT	42.0	29%	0%	0%	2%	11%	32.7	19%	0%	0%	3%	11%	30.0	14%	0%	0%	5%	11%	27.7	10%	0%	0%	7%	11%	26.7	6%	0%	0%	9%	11%
FI	25.4	0%	8%	0%	12%	6%	26.8	0%	5%	0%	15%	6%	30.0	0%	4%	0%	20%	6%	34.9	0%	3%	0%	26%	7%	39.9	0%	2%	0%	32%	7%
SE	26.7	0%	0%	0%	20%	7%	26.9	0%	0%	0%	20%	7%	29.4	0%	0%	0%	22%	7%	31.7	0%	0%	0%	25%	7%	36.5	0%	0%	0%	30%	6%
UK	6.7	0%	1%	0%	3%	3%	15.1	0%	1%	0%	9%	5%	19.4	0%	1%	0%	12%	6%	23.5	0%	0%	0%	16%	8%	26.4	0%	0%	0%	18%	8%
CZ	31.3	0%	10%	0%	9%	13%	29.4	0%	6%	0%	11%	13%	28.4	0%	5%	0%	11%	13%	28.0	0%	3%	0%	12%	13%	28.7	0%	2%	0%	14%	13%
HU	20.5	0%	0%	0%	8%	12%	23.0	0%	0%	0%	10%	13%	27.4	0%	0%	0%	15%	12%	31.7	0%	0%	0%	19%	12%	39.8	0%	0%	0%	27%	13%
PL	30.8	0%	0%	0%	6%	25%	32.0	0%	0%	0%	7%	25%	32.5	0%	0%	0%	8%	25%	33.1	0%	0%	0%	8%	25%	33.4	0%	0%	0%	8%	25%
SK	31.9	5%	11%	0%	3%	13%	28.5	3%	7%	0%	5%	13%	27.1	2%	5%	0%	7%	13%	25.9	2%	4%	0%	8%	13%	26.5	1%	2%	0%	10%	13%
NO	26.1	0%	0%	0%	18%	8%	29.4	0%	0%	0%	22%	8%	29.7	0%	0%	0%	22%	8%	31.7	0%	0%	0%	24%	8%	37.2	0%	0%	0%	29%	8%
SZ	19.6	0%	0%	0%	8%	12%	21.3	0%	0%	0%	10%	12%	22.9	0%	0%	0%	11%	12%	24.8	0%	0%	0%	13%	12%	27.3	0%	0%	0%	16%	12%
US	27.1	0%	0%	0%	19%	8%	27.9	0%	0%	0%	20%	8%	28.3	0%	0%	0%	21%	8%	28.7	0%	0%	0%	21%	8%	28.9	0%	0%	0%	21%	8%
JP	15.3	0%	0%	0%	5%	10%	15.8	0%	0%	0%	6%	10%	16.2	0%	0%	0%	6%	10%	16.9	0%	0%	0%	7%	10%	18.4	0%	0%	0%	8%	10%

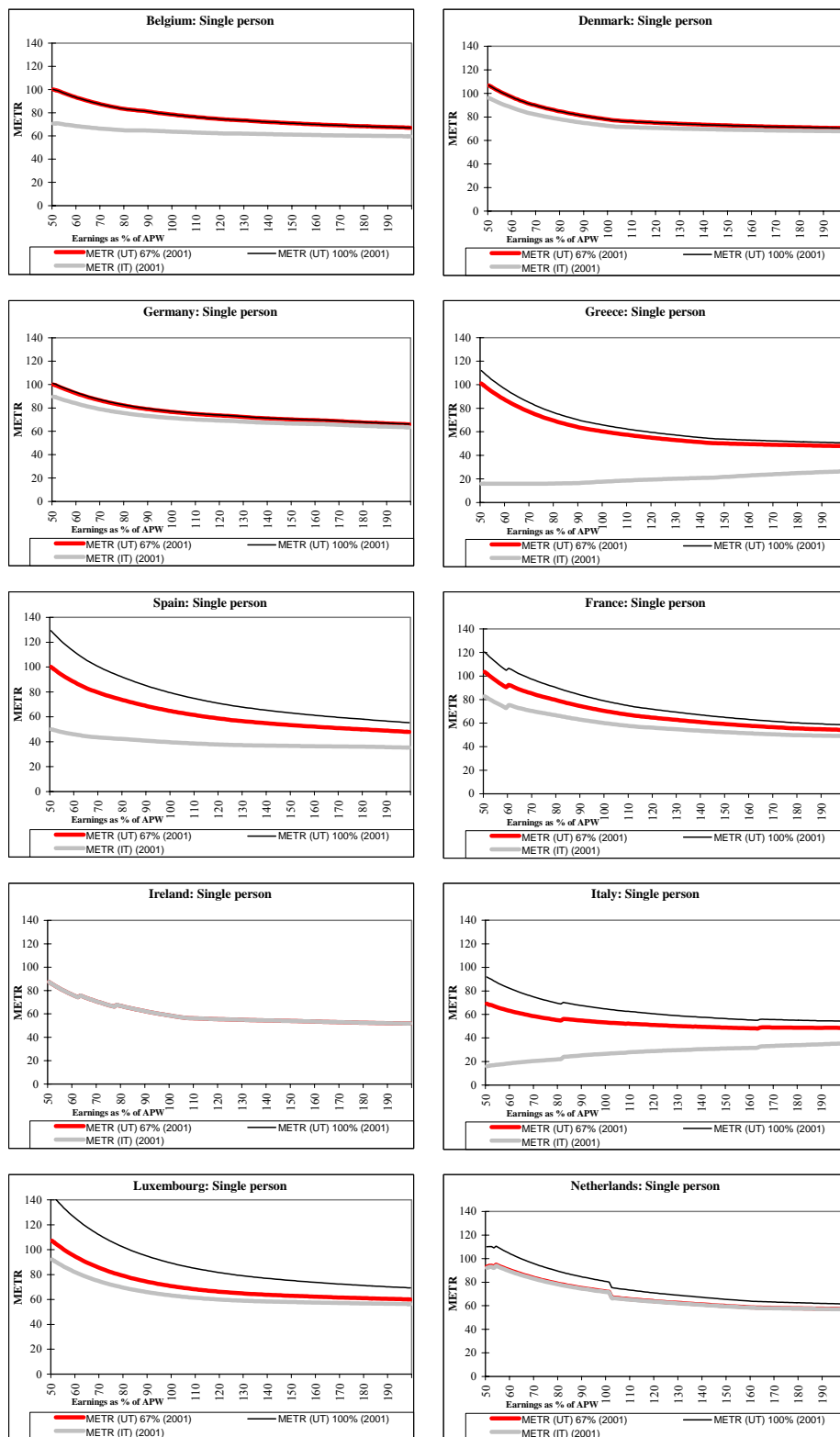
A4.6 Two-earner couple with 2 children. Principal earner with 67% of APW. Secondary earner earnings from 0 to 200% of APW.

% of APW	33						50						67						100						150					
	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC	METR _{it}	SA +	HB +	FB +	IT +	SSC
BE	45.7	0%	0%	0%	30%	16%	45.0	0%	0%	0%	32%	13%	48.5	0%	0%	0%	34%	15%	50.8	0%	0%	0%	36%	15%	52.4	0%	0%	0%	38%	14%
DK	82.7	44%	8%	0%	15%	15%	70.0	29%	6%	0%	22%	13%	63.7	22%	4%	0%	26%	12%	59.4	14%	3%	0%	31%	11%	60.5	10%	2%	0%	38%	11%
DE	51.7	0%	11%	0%	20%	21%	51.3	0%	7%	0%	23%	21%	51.3	0%	5%	0%	25%	21%	51.4	0%	4%	0%	27%	21%	51.2	0%	2%	7%	23%	19%
GR	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	15.9	0%	0%	0%	0%	16%	20.5	0%	0%	0%	5%	16%
ES	15.1	0%	0%	0%	9%	6%	12.2	0%	0%	0%	6%	6%	15.0	0%	0%	0%	9%	6%	19.8	0%	0%	0%	13%	6%	23.2	0%	0%	0%	17%	6%
FR	56.4	15%	23%	0%	5%	14%	43.2	10%	15%	0%	5%	14%	41.5	7%	11%	0%	9%	14%	37.3	5%	8%	0%	11%	13%	34.4	3%	5%	0%	13%	13%
IE	33.5	0%	0%	21%	12%	0%	28.9	0%	0%	14%	15%	0%	29.0	0%	0%	11%	16%	2%	29.3	0%	0%	7%	17%	5%	28.7	0%	0%	5%	19%	5%
IT	36.8	0%	0%	11%	17%	9%	44.4	0%	0%	16%	19%	9%	43.2	0%	0%	14%	20%	9%	44.0	0%	0%	11%	24%	9%	42.8	0%	0%	8%	26%	9%
LU	13.6	0%	0%	0%	0%	14%	13.7	0%	0%	0%	0%	14%	13.8	0%	0%	0%	0%	14%	17.6	0%	0%	0%	4%	14%	24.3	0%	0%	0%	10%	14%
NL	38.4	0%	6%	0%	3%	29%	34.9	0%	4%	0%	3%	28%	37.6	0%	3%	0%	4%	30%	40.2	0%	2%	0%	9%	29%	38.5	0%	1%	0%	18%	19%
AT	21.4	0%	0%	0%	3%	18%	20.2	0%	0%	0%	2%	18%	24.5	0%	0%	0%	6%	18%	29.8	0%	0%	0%	12%	18%	34.5	0%	0%	0%	16%	18%
PT	87.0	71%	0%	5%	0%	11%	72.6	58%	0%	3%	0%	11%	57.0	44%	0%	2%	0%	11%	45.6	29%	0%	2%	4%	11%	38.7	19%	0%	1%	7%	11%
FI	41.6	0%	24%	0%	12%	6%	37.5	0%	16%	0%	15%	6%	38.0	0%	12%	0%	20%	6%	40.3	0%	8%	0%	26%	7%	43.5	0%	5%	0%	32%	7%
SE	37.4	4%	7%	0%	20%	7%	36.6	3%	7%	0%	20%	7%	36.6	2%	5%	0%	22%	7%	36.5	1%	3%	0%	25%	7%	39.7	1%	2%	0%	30%	6%
UK	62.9	0%	11%	49%	0%	3%	48.5	0%	7%	32%	4%	5%	44.3	0%	5%	24%	8%	6%	40.3	0%	4%	16%	13%	8%	37.5	0%	2%	11%	16%	8%
CZ	31.3	0%	11%	3%	5%	13%	29.7	0%	12%	2%	3%	13%	29.6	0%	10%	1%	6%	13%	31.5	0%	7%	4%	8%	13%	30.5	0%	4%	3%	11%	13%
HU	20.5	0%	0%	0%	8%	12%	23.0	0%	0%	0%	10%	13%	27.4	0%	0%	0%	15%	12%	31.7	0%	0%	0%	19%	12%	39.8	0%	0%	0%	27%	13%
PL	54.3	0%	23%	0%	6%	25%	47.4	0%	15%	0%	7%	25%	44.1	0%	12%	0%	8%	25%	40.8	0%	8%	0%	8%	25%	41.0	0%	5%	2%	8%	25%
SK	81.0	45%	20%	0%	3%	13%	60.9	30%	13%	0%	5%	13%	51.4	22%	10%	0%	7%	13%	46.3	15%	7%	4%	8%	13%	40.1	10%	4%	3%	10%	13%
NO	26.1	0%	0%	0%	18%	8%	29.4	0%	0%	0%	22%	8%	29.7	0%	0%	0%	22%	8%	31.7	0%	0%	0%	24%	8%	37.2	0%	0%	0%	29%	8%
SZ	20.2	2%	1%	0%	6%	12%	21.1	1%	0%	0%	8%	12%	22.1	1%	0%	0%	10%	12%	24.2	0%	0%	0%	12%	12%	26.5	0%	0%	0%	14%	12%
US	26.8	10%	0%	0%	9%	8%	20.4	6%	0%	0%	6%	8%	21.8	5%	0%	0%	9%	8%	24.3	3%	0%	0%	13%	8%	26.0	2%	0%	0%	16%	8%
JP	36.2	24%	0%	0%	2%	10%	27.6	16%	0%	0%	2%	10%	23.8	12%	0%	0%	2%	10%	24.7	8%	0%	3%	4%	10%	23.3	5%	0%	2%	6%	10%

Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Figure A1 - Unemployment and inactivity trap indicators - 2001

METRs for transitions from unemployment or inactivity to work, at different wage levels*

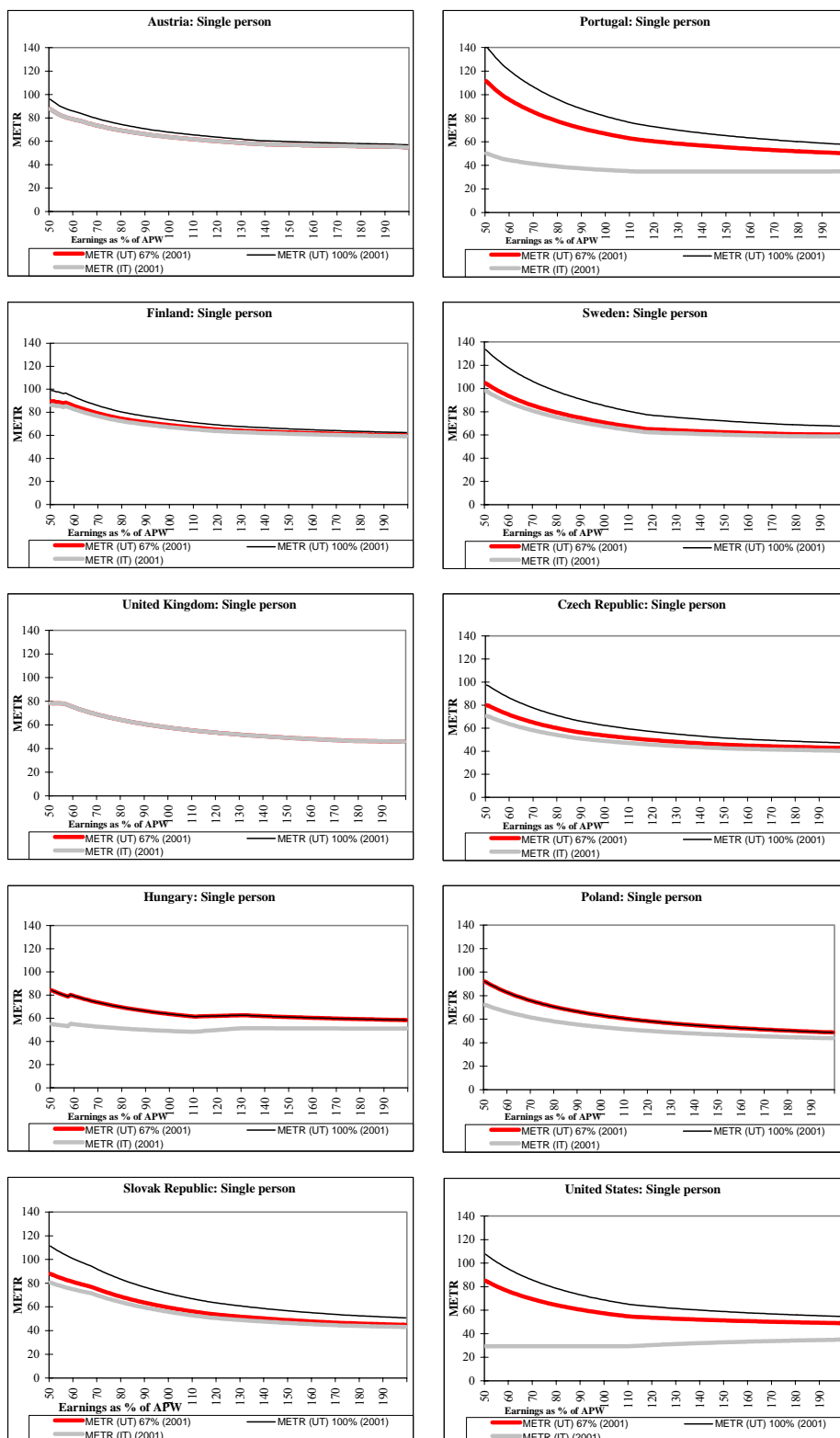


*The curves are calculated for three different points of departure:

Metr(UT)100= for an unemployed person (with UB based on previous work=100% of APW)

Metr(UT)67= for an unemployed person (with UB based on previous work= 67% of APW)

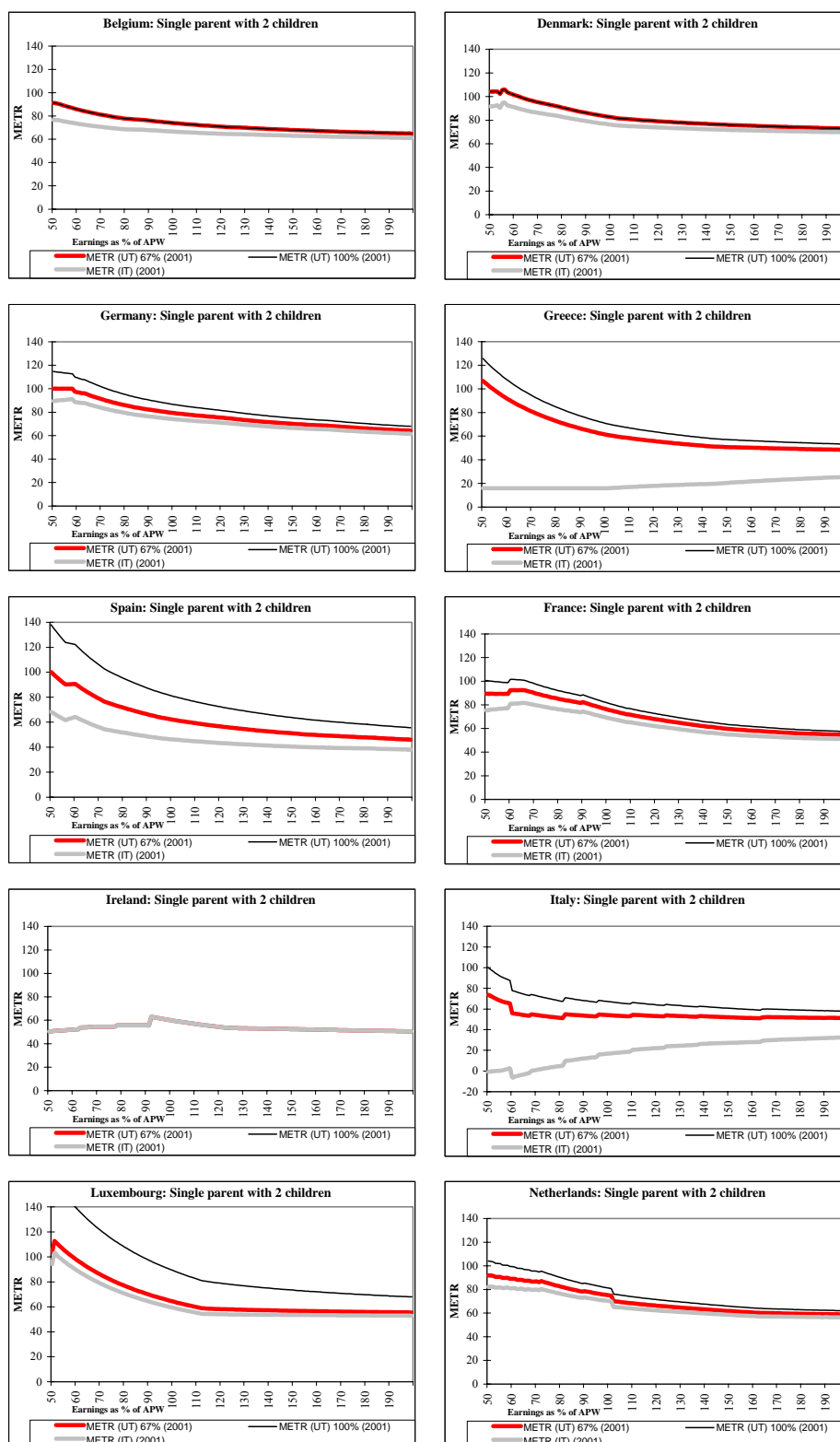
Metr(IT)= for an inactive person moving from social assistance to work



Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Figure A2 - Unemployment and inactivity trap indicators - 2001

METRs for transitions from unemployment or inactivity to work, at different wage levels*

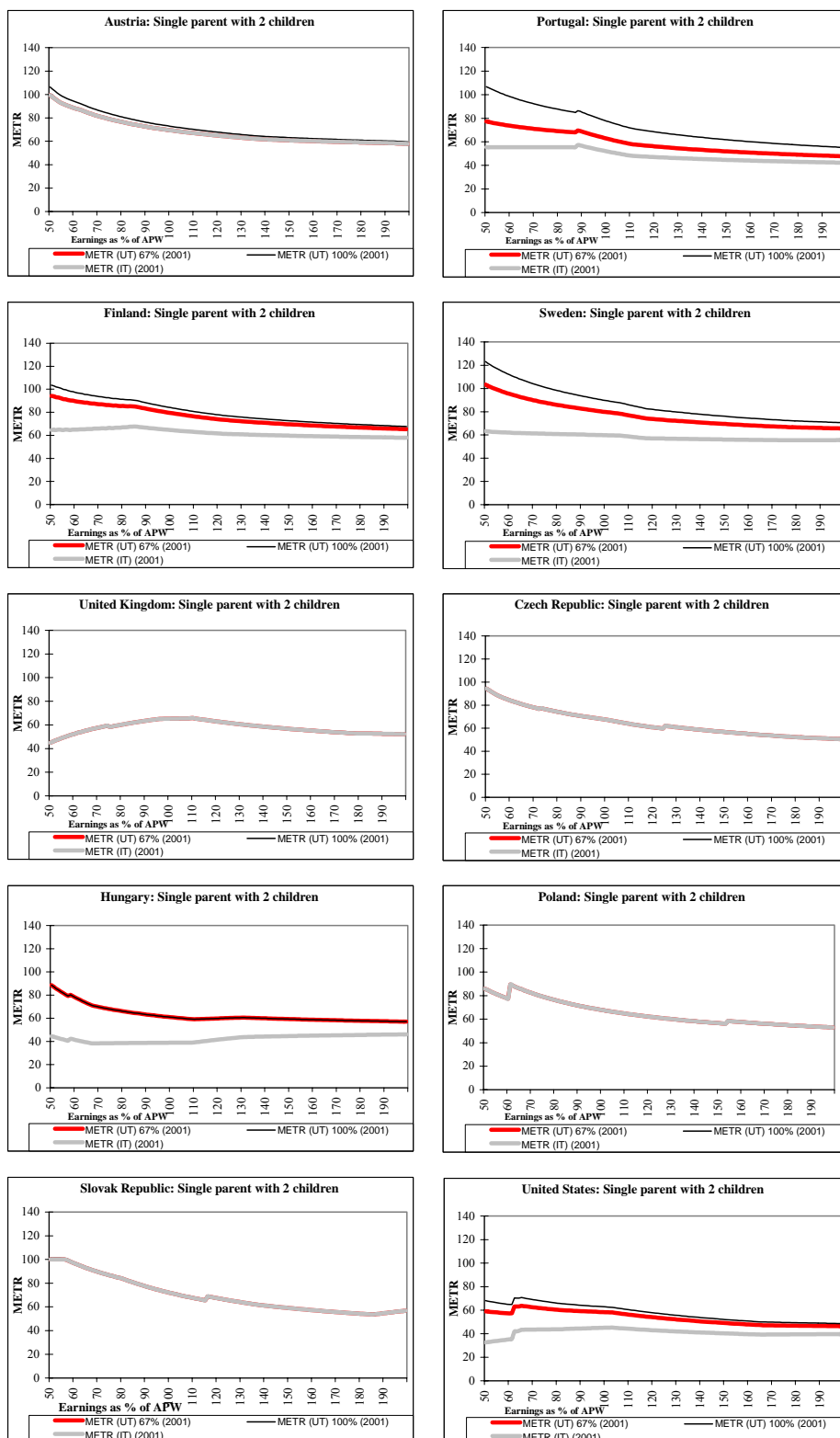


*The curves are calculated for three different points of departure:

Metr(UT)100= for an unemployed person (with UB based on previous work=100% of APW)

Metr(UT)67= for an unemployed person (with UB based on previous work= 67% of APW)

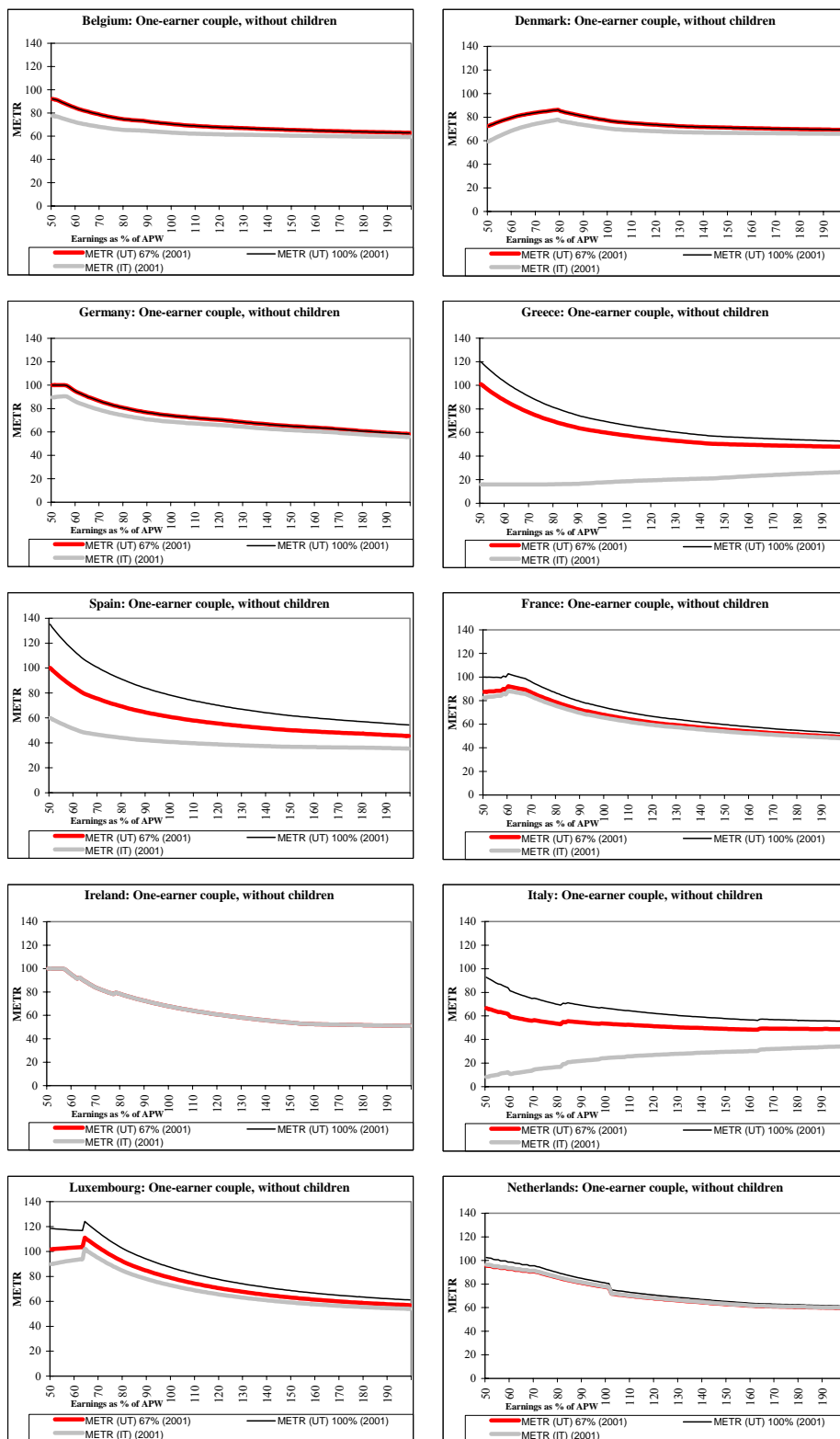
Metr(IT)= for an inactive person moving from social assistance to work



Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Figure A3 - Unemployment and inactivity trap indicators - 2001

METRs for transitions from unemployment or inactivity to work, at different wage levels*

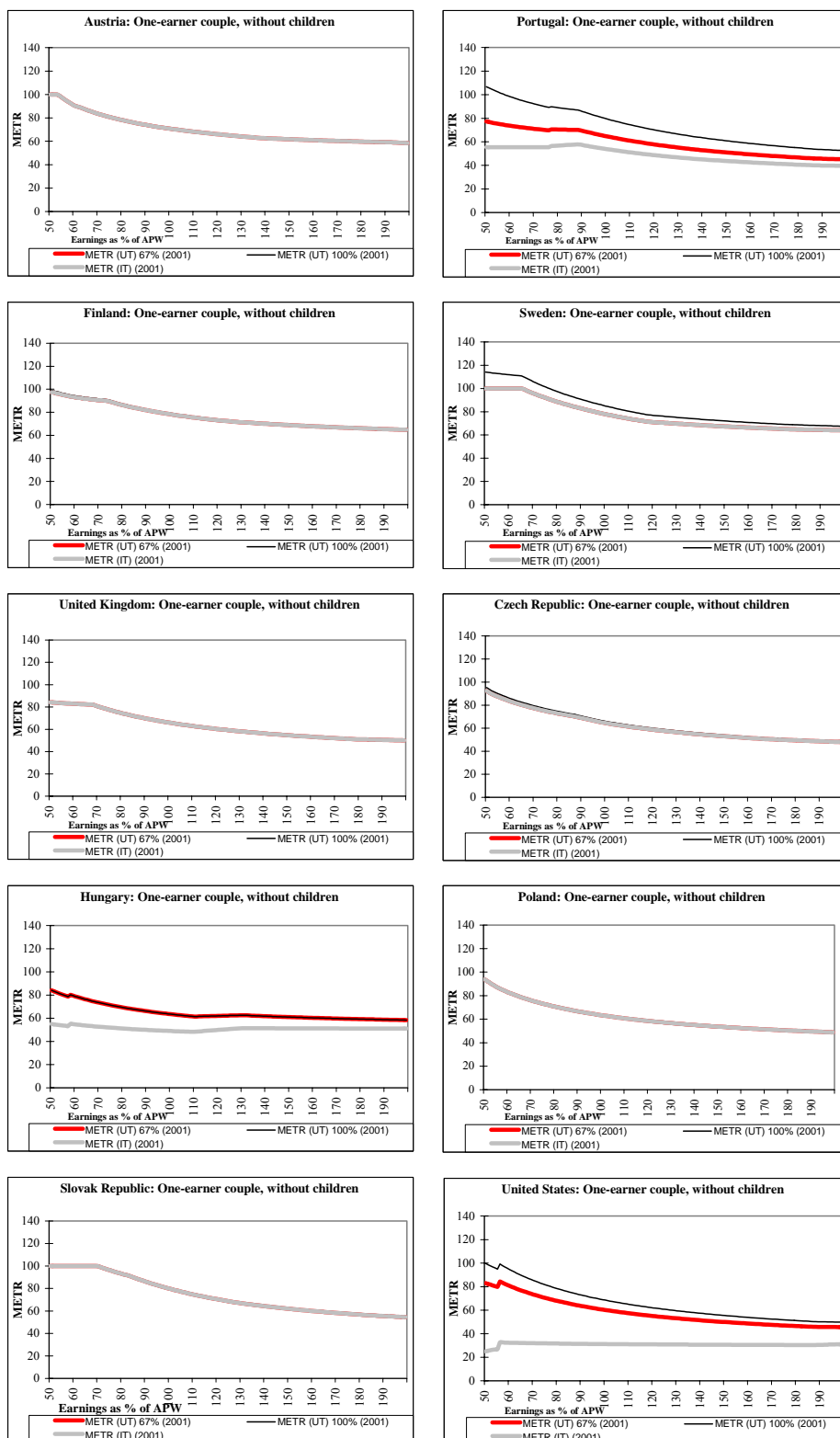


*The curves are calculated for three different points of departure:

Metr(UT)100= for an unemployed person (with UB based on previous work=100% of APW)

Metr(UT)67= for an unemployed person (with UB based on previous work= 67% of APW)

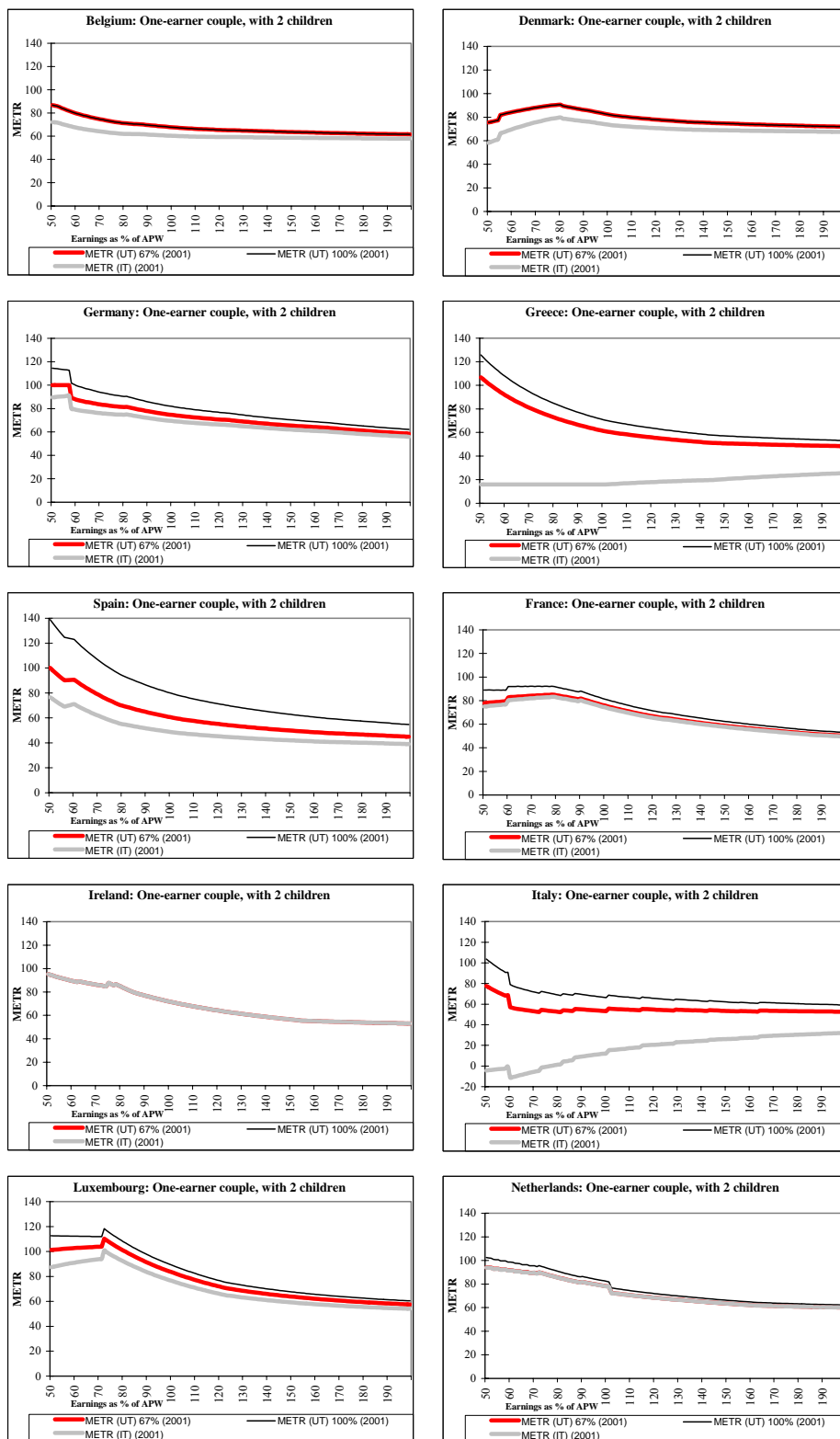
Metr(IT)= for an inactive person moving from social assistance to work



Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Figure A4 - Unemployment and inactivity trap indicators - 2001

METRs for transitions from unemployment or inactivity to work, at different wage levels*

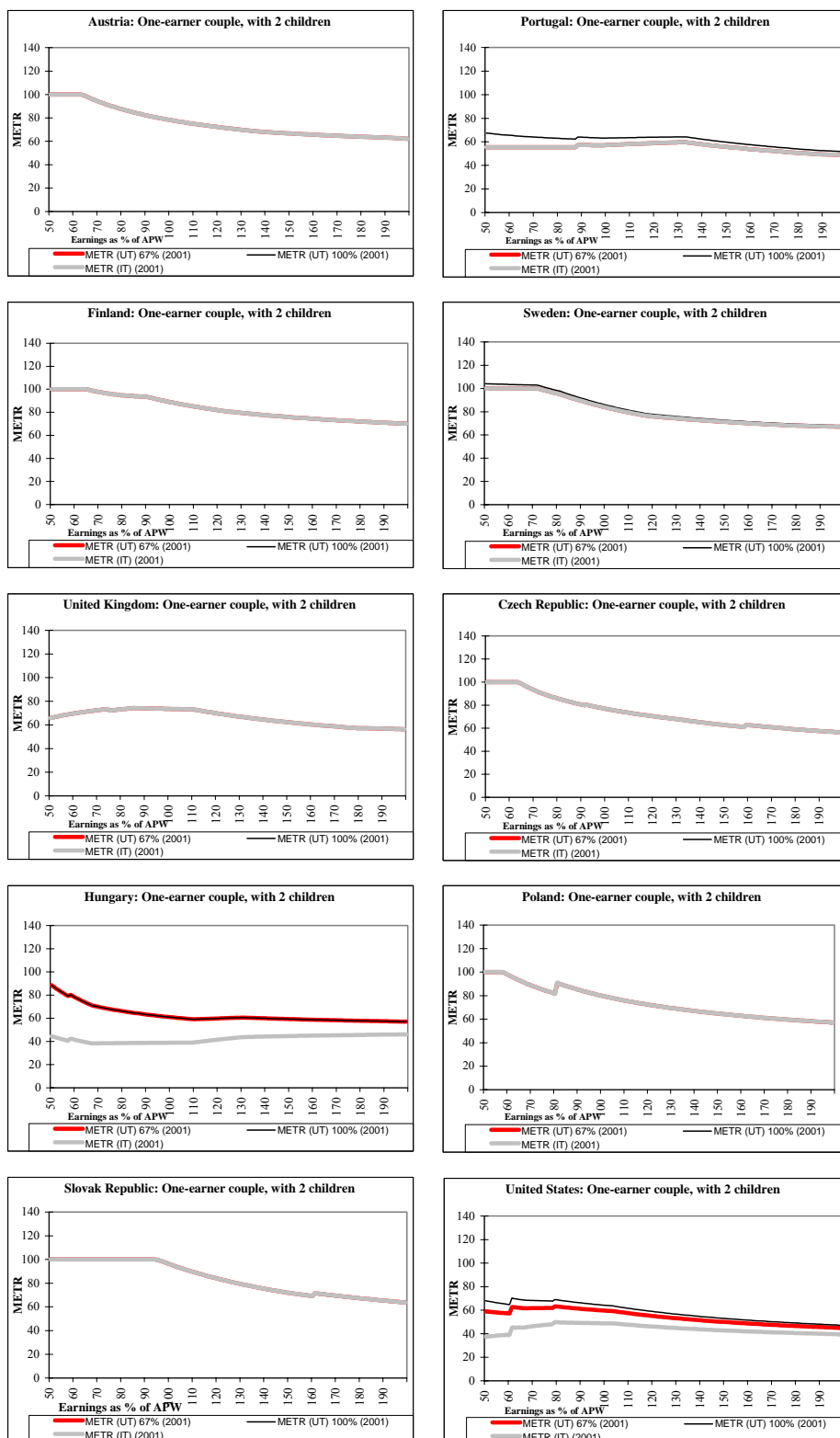


*The curves are calculated for three different points of departure:

Metr(UT)100= for an unemployed person (with UB based on previous work=100% of APW)

Metr(UT)67= for an unemployed person (with UB based on previous work= 67% of APW)

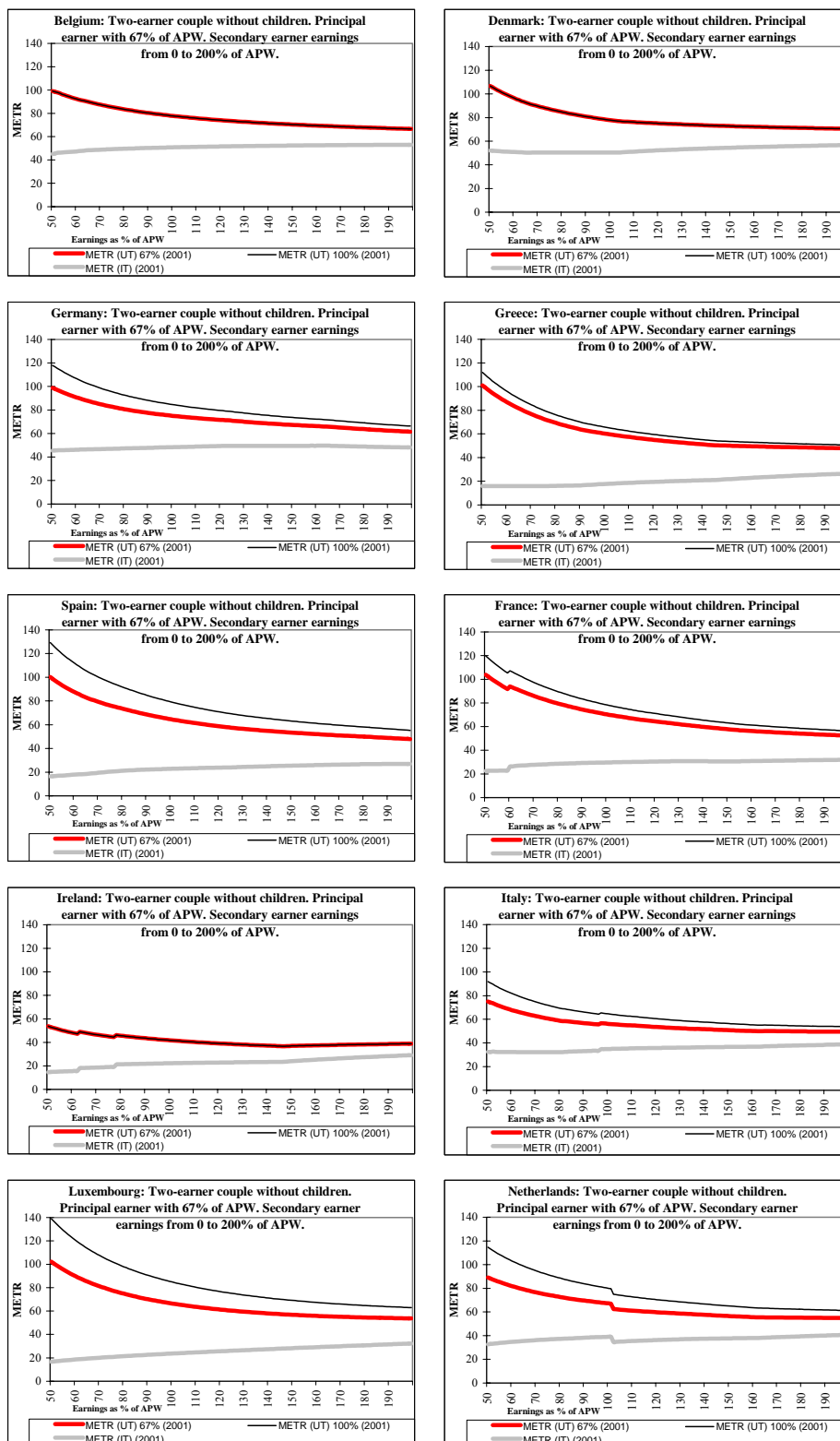
Metr(IT)= for an inactive person moving from social assistance to work



Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Figure A5 - Unemployment and inactivity trap indicators - 2001

METRs for transitions from unemployment or inactivity to work, at different wage levels*

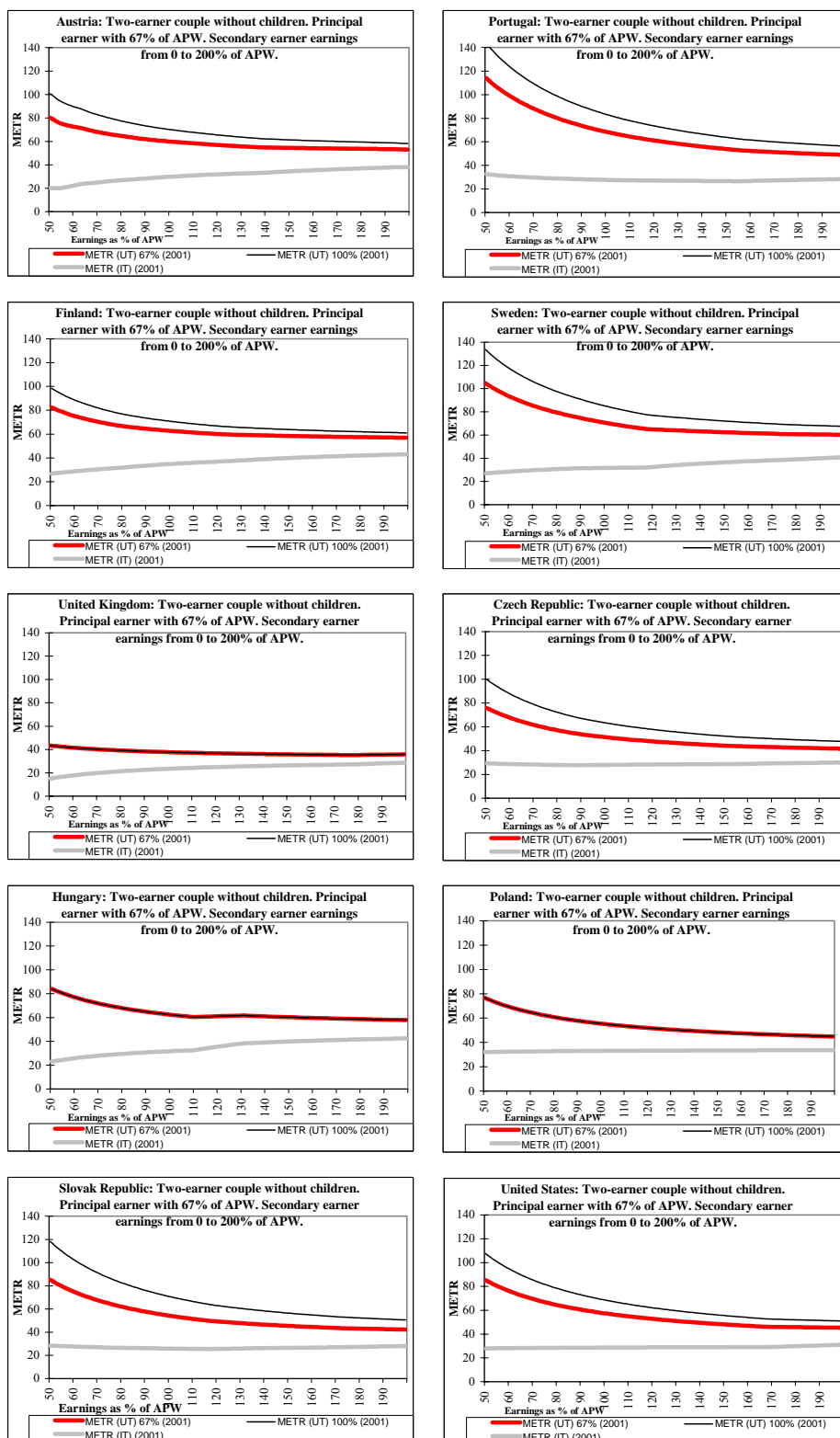


*The curves are calculated for three different points of departure:

Metr(UT)100= for an unemployed person (with UB based on previous work=100% of APW)

Metr(UT)67= for an unemployed person (with UB based on previous work= 67% of APW)

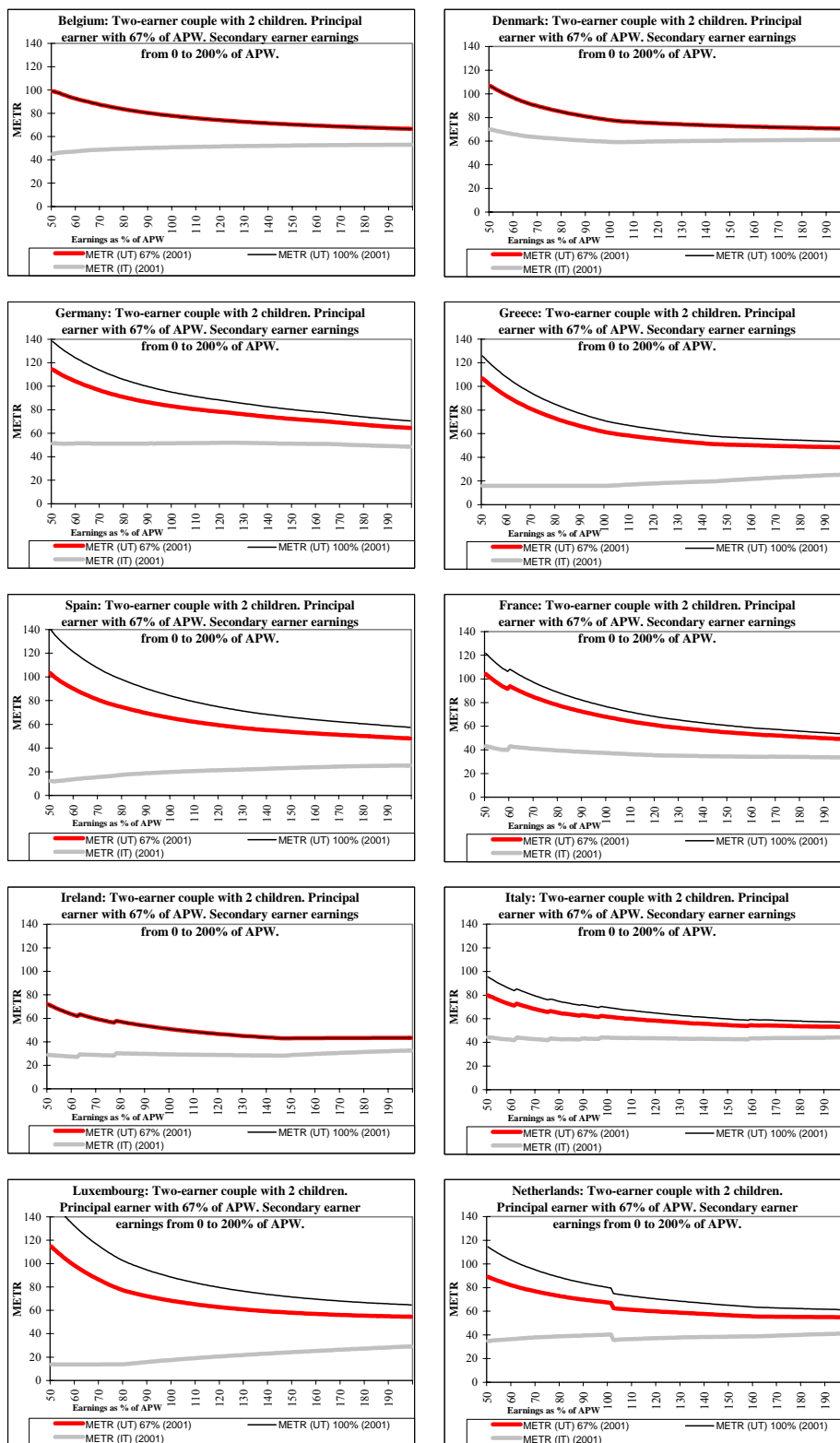
Metr(IT)= for an inactive person moving from social assistance to work



Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Figure A6 - Unemployment and inactivity trap indicators - 2001

METRs for transitions from unemployment or inactivity to work, at different wage levels*

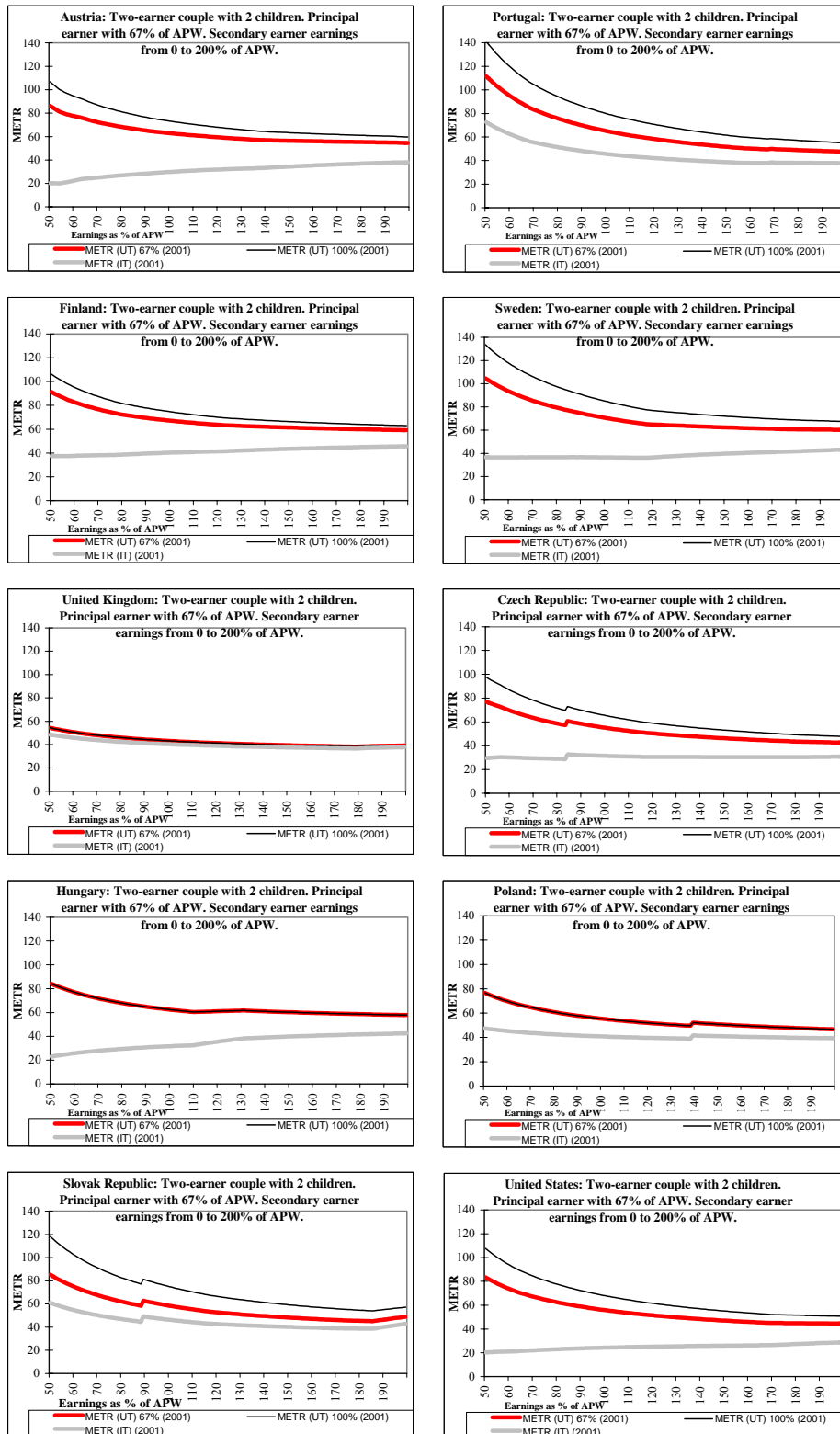


*The curves are calculated for three different points of departure:

Metr(UT)100= for an unemployed person (with UB based on previous work=100% of APW)

Metr(UT)67= for an unemployed person (with UB based on previous work= 67% of APW)

Metr(IT)= for an inactive person moving from social assistance to work



Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

ANNEX B

METRs calculated on gross wage and on labour cost (A comparison)

Table B1 - Employers ' Social security contributions
(2001)

% of APW	as % of Gross wage				as % of Labour cost *			
	50%	67%	100%	150%	50%	67%	100%	150%
BE	49%	30%	31%	32%	33%	23%	24%	24%
DK	1%	1%	1%	0%	1%	1%	1%	0%
DE	21%	21%	21%	19%	17%	17%	17%	16%
GR	28%	28%	28%	28%	22%	22%	22%	22%
ES	31%	31%	31%	31%	23%	23%	23%	23%
FR	23%	29%	41%	41%	19%	22%	29%	29%
IE	9%	8%	12%	12%	8%	8%	11%	11%
IT	34%	34%	34%	34%	25%	25%	25%	25%
LU	14%	14%	14%	14%	12%	12%	12%	12%
NL	15%	16%	16%	10%	13%	14%	14%	9%
AT	22%	22%	22%	22%	18%	18%	18%	18%
PT	24%	24%	24%	24%	19%	19%	19%	19%
FI	25%	25%	25%	25%	20%	20%	20%	20%
SE	33%	33%	33%	33%	25%	25%	25%	25%
UK	6%	8%	9%	10%	6%	7%	8%	9%
CZ	35%	35%	35%	35%	26%	26%	26%	26%
HU	34%	34%	34%	34%	25%	25%	25%	25%
PL	20%	20%	20%	20%	17%	17%	17%	17%
SK	38%	38%	38%	38%	28%	28%	28%	28%
NO	13%	13%	13%	13%	11%	11%	11%	11%
SZ	12%	12%	12%	12%	10%	10%	10%	10%
US	8%	8%	8%	8%	7%	7%	7%	7%
JP	11%	11%	11%	11%	10%	10%	10%	10%

* Labour cost= Gross wage + Employers Social Security Contributions

Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Table B2 Low-wage trap indicator

Marginal effective tax rates calculated on gross wage (GW) and labour cost (LC)

METR_{lw}
Single person (2001)

% of APW	33		50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC	GW	LC
BE	-20.0	-20.0	71.6	83.5	53.7	65.6	55.1	66.7	55.5	67.0
DK	108.7	108.7	44.9	44.9	56.0	56.0	50.4	50.4	63.5	63.5
DE	100.0	100.0	70.3	75.3	51.2	59.5	57.5	64.8	59.4	64.0
GR	15.9	34.3	15.9	34.3	15.9	34.3	28.5	44.1	41.1	54.0
ES	6.4	28.3	23.2	41.2	33.1	48.8	28.8	45.5	32.9	48.6
FR	88.9	90.9	17.5	33.0	41.2	70.9	33.9	53.2	36.5	53.9
IE	100.0	100.0	20.0	26.3	24.0	30.0	26.0	33.9	47.9	53.4
IT	10.0	32.8	26.4	45.0	31.8	49.1	39.1	54.5	39.1	54.5
LU	109.2	108.1	27.7	36.5	30.7	39.1	41.6	48.7	52.7	58.4
NL	100.0	100.0	120.0	117.8	44.9	53.5	45.0	51.0	42.0	42.0
AT	100.0	100.0	18.1	32.7	36.9	48.1	42.7	52.9	49.9	58.8
PT	55.5	64.0	11.0	28.1	23.0	37.8	25.0	39.4	35.0	47.5
FI	54.4	63.5	82.7	86.2	41.1	52.9	46.8	57.4	52.5	62.0
SE	100.0	100.0	37.3	52.8	37.2	52.7	35.2	51.2	51.6	63.5
UK	72.6	75.5	76.2	78.7	32.0	39.2	32.0	39.2	32.0	39.2
CZ	45.8	59.9	45.8	59.9	25.6	44.9	30.0	48.1	30.0	48.1
HU	20.5	40.7	38.6	54.2	40.5	55.6	40.5	55.6	50.5	63.1
PL	25.0	37.7	34.2	45.3	34.2	45.3	34.2	45.3	34.2	45.3

Marginal effective tax rates calculated on gross wage (GW) and labour cost (LC)

METR_{lw}
Single parent with 2 children (2001)

% of APW	33		50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC	GW	LC
BE	-20.0	-20.0	71.6	83.5	53.7	65.6	55.1	66.7	55.5	67.0
DK	105.2	105.2	105.2	105.2	66.8	66.8	50.4	50.4	63.5	63.5
DE	100.0	100.0	100.0	100.0	47.9	56.8	55.4	63.0	51.8	57.2
GR	15.9	34.3	15.9	34.3	15.9	34.3	19.3	36.9	41.1	54.0
ES	6.4	28.3	6.4	28.3	6.4	28.3	28.8	45.5	28.8	45.5
FR	83.7	86.8	83.7	86.8	46.3	73.4	21.1	44.2	40.0	56.5
IE	0.0	7.8	60.0	63.1	62.4	65.3	26.0	33.9	47.9	53.4
IT	10.0	32.8	10.0	32.8	120.0	120.0	39.1	54.5	39.1	54.5
LU	110.3	109.1	120.0	120.0	14.0	24.4	14.0	24.4	49.2	55.3
NL	100.0	100.0	88.6	90.4	40.6	49.8	45.0	51.0	42.0	42.0
AT	100.0	100.0	18.1	32.7	36.9	48.1	42.7	52.9	49.9	58.8
PT	55.5	64.0	55.5	64.0	55.5	64.0	11.0	28.1	35.0	47.5
FI	45.5	56.4	74.3	79.5	87.7	90.1	46.8	57.4	52.5	62.0
SE	25.5	43.9	44.9	58.6	57.2	67.8	55.2	66.3	51.6	63.5
UK	88.2	89.5	89.3	90.4	89.3	90.4	69.4	72.7	32.0	39.2
CZ	100.0	100.0	17.3	38.7	40.9	56.2	36.0	52.6	30.0	48.1
HU	12.5	34.7	12.5	34.7	34.5	51.1	40.5	55.6	50.5	63.1
PL	100.0	100.0	34.2	45.3	34.2	45.3	34.2	45.3	34.2	45.3

Marginal effective tax rates calculated on gross wage (GW) and labour cost (LC)

METR_{lw}
One-earner couple, without children (2001)

% of APW	33		50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC	GW	LC
BE	-15.9	13.8	62.3	78.2	45.1	59.2	51.0	63.6	55.5	67.0
DK	104.1	104.1	115.6	115.6	110.4	110.4	44.9	44.9	63.5	63.5
DE	100.0	100.0	100.0	100.0	38.9	49.3	47.5	56.5	45.4	51.6
GR	15.9	34.3	15.9	34.3	15.9	34.3	28.5	44.1	41.1	54.0
ES	6.4	28.3	6.4	28.3	26.4	43.7	28.8	45.5	32.9	48.6
FR	90.8	92.5	90.8	92.5	29.7	65.2	28.4	49.3	30.4	49.4
IE	100.0	100.0	100.0	100.0	4.0	11.5	26.0	33.9	25.9	33.8
IT	10.0	32.8	26.4	45.0	31.8	49.1	39.1	54.5	39.1	54.5
LU	110.4	109.1	110.4	109.1	14.0	24.4	28.7	37.4	36.1	43.8
NL	100.0	100.0	92.9	94.0	44.9	53.5	45.0	51.0	42.0	42.0
AT	100.0	100.0	100.0	100.0	36.9	48.1	42.7	52.9	49.9	58.8
PT	55.5	64.0	55.5	64.0	55.5	64.0	23.0	37.8	25.0	39.4
FI	100.0	100.0	83.3	86.6	95.4	96.4	46.8	57.4	52.5	62.0
SE	100.0	100.0	100.0	100.0	37.2	52.7	35.2	51.2	51.6	63.5
UK	72.6	75.5	76.2	78.7	69.9	73.1	32.0	39.2	32.0	39.2
CZ	100.0	100.0	25.6	44.9	41.1	56.4	27.6	46.3	30.0	48.1
HU	20.5	40.7	38.6	54.2	40.5	55.6	40.5	55.6	50.5	63.1
PL	100.0	100.0	25.0	37.7	34.2	45.3	34.2	45.3	34.2	45.3

Marginal effective tax rates calculated on gross wage (GW) and labour cost (LC)

One-earner couple, with 2 children (2001)

METR _{lw}		One-earner couple, with 2 children (2001)									
		33		50		67		100		150	
% of APW		GW	LC	GW	LC	GW	LC	GW	LC	GW	LC
BE	-20.0	-20.0	62.3	78.2	45.1	59.2	51.0	63.6	55.5	67.0	
DK	99.7	99.7	99.7	99.7	116.1	116.1	44.9	44.9	63.5	63.5	
DE	100.0	100.0	100.0	100.0	60.4	67.2	46.1	55.3	45.3	51.5	
GR	15.9	34.3	15.9	34.3	15.9	34.3	19.3	36.9	41.1	54.0	
ES	106.4	104.9	6.4	28.3	6.4	28.3	23.2	41.2	28.8	45.5	
FR	83.7	86.8	83.7	86.8	88.2	94.2	21.1	44.2	24.6	45.2	
IE	100.0	100.0	60.0	63.1	61.6	64.6	26.0	33.9	25.9	33.8	
IT	10.0	32.8	10.0	32.8	31.8	49.1	120.0	120.0	39.1	54.5	
LU	110.4	109.1	110.4	109.1	110.3	109.1	14.0	24.4	36.1	43.8	
NL	100.0	100.0	92.9	94.0	44.9	53.5	45.0	51.0	42.0	42.0	
AT	100.0	100.0	100.0	100.0	36.9	48.1	42.7	52.9	49.9	58.8	
PT	55.5	64.0	55.5	64.0	55.5	64.0	67.5	73.7	25.0	39.4	
FI	100.0	100.0	100.0	100.0	85.3	88.2	46.8	57.4	52.5	62.0	
SE	100.0	100.0	100.0	100.0	100.0	100.0	35.2	51.2	51.6	63.5	
UK	88.2	89.5	89.3	90.4	89.3	90.4	69.4	72.7	32.0	39.2	
CZ	100.0	100.0	100.0	100.0	25.6	44.9	37.7	53.8	30.0	48.1	
HU	12.5	34.7	12.5	34.7	34.5	51.1	40.5	55.6	50.5	63.1	
PL	100.0	100.0	100.0	100.0	34.2	45.3	34.2	45.3	34.2	45.3	

Marginal effective tax rates calculated on gross wage (GW) and labour cost (LC)

Two-earner couple without children. Principal earner with 67% of APW. Secondary earner earnings from 0 to 200% of APW. (2001)

METR _{lw}		Two-earner couple without children. Principal earner with 67% of APW. Secondary earner earnings from 0 to 200% of APW. (2001)									
		33		50		67		100		150	
% of APW		GW	LC	GW	LC	GW	LC	GW	LC	GW	LC
BE	-20.0	-20.0	72.3	84.0	55.5	67.0	55.5	67.0	55.5	67.0	
DK	44.9	44.9	44.9	44.9	56.0	56.0	50.4	50.4	63.5	63.5	
DE	55.5	63.0	54.2	62.0	51.2	59.5	54.2	62.0	45.1	51.3	
GR	15.9	34.3	15.9	34.3	15.9	34.3	28.5	44.1	41.1	54.0	
ES	6.3	28.3	23.2	41.2	33.1	48.8	28.8	45.5	32.9	48.6	
FR	24.8	38.9	24.8	38.9	34.8	67.7	33.9	53.2	30.4	49.4	
IE	20.0	26.3	20.0	26.3	24.0	30.0	26.0	33.9	47.9	53.4	
IT	51.1	63.4	26.4	45.0	31.8	49.1	39.1	54.5	39.1	54.5	
LU	14.0	24.4	26.9	35.7	30.6	39.0	34.2	42.2	41.6	48.7	
NL	24.6	34.4	44.9	53.5	44.9	53.5	45.0	51.0	42.0	42.0	
AT	18.1	32.7	18.1	32.7	36.9	48.1	42.7	52.9	49.9	58.8	
PT	14.6	31.0	14.6	31.0	23.0	37.8	23.0	37.8	25.0	39.4	
FI	27.0	41.6	37.3	49.9	41.1	52.9	46.8	57.4	52.5	62.0	
SE	25.5	43.9	37.3	52.8	37.2	52.7	35.2	51.2	51.6	63.5	
UK	21.8	30.1	32.0	39.2	32.0	39.2	32.0	39.2	32.0	39.2	
CZ	25.6	44.9	25.6	44.9	25.6	44.9	30.0	48.1	30.0	48.1	
HU	20.5	40.7	38.6	54.2	40.5	55.6	40.5	55.6	50.5	63.1	
PL	34.2	45.3	34.2	45.3	34.2	45.3	34.2	45.3	34.2	45.3	

Marginal effective tax rates calculated on gross wage (GW) and labour cost (LC)

Two-earner couple with 2 children. Principal earner with 67% of APW. Secondary earner earnings from 0 to 200% of APW. (2001)

METR _{lw}		Two-earner couple with 2 children. Principal earner with 67% of APW. Secondary earner earnings from 0 to 200% of APW. (2001)									
		33		50		67		100		150	
% of APW		GW	LC	GW	LC	GW	LC	GW	LC	GW	LC
BE	-20.0	-20.0	72.3	84.0	55.5	67.0	55.5	67.0	55.5	67.0	
DK	44.9	44.9	44.9	44.9	56.0	56.0	50.4	50.4	63.5	63.5	
DE	50.2	58.7	52.4	60.5	51.0	59.4	54.0	61.9	42.4	49.0	
GR	15.9	34.3	15.9	34.3	15.9	34.3	19.3	36.9	41.1	54.0	
ES	6.3	28.3	6.3	28.3	26.4	43.7	28.8	45.5	32.9	48.6	
FR	17.5	33.0	17.5	33.0	29.3	65.0	28.4	49.3	30.4	49.4	
IE	20.0	26.3	20.0	26.3	24.0	30.0	26.0	33.9	47.9	53.4	
IT	120.0	120.0	26.4	45.0	31.8	49.1	39.1	54.5	39.1	54.5	
LU	14.0	24.4	13.9	24.4	13.9	24.4	34.2	42.2	41.6	48.7	
NL	24.6	34.4	44.9	53.5	44.9	53.5	45.0	51.0	42.0	42.0	
AT	18.1	32.7	18.1	32.7	36.9	48.1	42.7	52.9	49.9	58.8	
PT	82.2	85.6	11.0	28.1	11.0	28.1	23.0	37.8	25.0	39.4	
FI	27.0	41.6	37.3	49.9	41.1	52.9	46.8	57.4	52.5	62.0	
SE	45.5	58.9	37.3	52.8	37.2	52.7	35.2	51.2	51.6	63.5	
UK	10.0	19.6	32.0	39.2	32.0	39.2	32.0	39.2	32.0	39.2	
CZ	26.7	45.7	30.7	48.7	25.6	44.9	25.6	44.9	30.0	48.1	
HU	20.5	40.7	38.6	54.2	40.5	55.6	40.5	55.6	50.5	63.1	
PL	34.2	45.3	34.2	45.3	34.2	45.3	34.2	45.3	34.2	45.3	

Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Table B3

Unemployment trap indicator

Unemployment trap indicators calculated on gross wage (GW) and labour cost (LC)

METR _{ut}		Single person (2001) (Previous work 67%)							
		50		67		100		150	
% of APW		GW	LC	GW	LC	GW	LC	GW	LC
BE		100	100	89	91	78	84	71	78
DK		107	107	91	91	78	78	73	73
DE		100	100	88	90	77	81	70	75
GR		101	101	79	84	60	69	50	61
ES		100	100	81	86	65	73	53	64
FR		103	103	87	90	70	79	59	71
IE		87	88	73	75	59	63	54	59
IT		69	77	60	70	53	65	49	62
LU		107	106	88	89	71	74	63	67
NL		93	94	85	87	72	76	60	63
AT		88	90	75	79	64	70	57	65
PT		111	109	88	90	67	73	55	64
FI		90	92	81	84	69	75	63	70
SE		105	103	87	90	70	78	62	72
UK		78	80	70	72	58	61	49	54
CZ		80	85	67	75	54	66	46	60
HU		84	88	75	81	64	73	61	71
PL		92	93	77	81	63	69	53	61

Unemployment trap indicators calculated on gross wage (GW) and labour cost (LC)

METR _{ut}		Single parent with 2 children (2001) (Previous work 67%)							
		50		67		100		150	
% of APW		GW	LC	GW	LC	GW	LC	GW	LC
BE		91	93	82	86	74	80	68	76
DK		104	104	97	97	83	83	76	76
DE		100	100	93	94	79	83	70	75
GR		107	105	84	87	61	70	51	62
ES		100	100	82	86	62	71	51	63
FR		89	91	92	94	76	83	60	71
IE		50	54	54	58	60	64	53	58
IT		74	80	53	65	54	66	52	64
LU		104	104	89	90	64	69	57	62
NL		92	93	87	89	75	79	62	65
AT		99	100	84	87	69	75	61	68
PT		77	82	72	77	63	70	52	61
FI		94	95	88	90	79	84	70	76
SE		103	103	91	93	80	85	69	77
UK		45	48	56	59	65	68	57	61
CZ		94	96	80	85	67	76	57	68
HU		89	91	71	78	61	71	59	70
PL		86	88	84	87	68	73	57	64

Unemployment trap indicators calculated on gross wage (GW) and labour cost (LC)

METR _{ut}		One-earner couple, without children (2001) (Previous work 67%)							
		50		67		100		150	
% of APW		GW	LC	GW	LC	GW	LC	GW	LC
BE		92	93	80	85	70	78	65	74
DK		73	73	83	83	77	77	71	71
DE		100	100	88	90	74	78	65	71
GR		101	101	79	84	60	69	50	61
ES		100	100	77	83	61	70	50	62
FR		87	90	89	92	68	77	55	68
IE		100	100	87	88	68	71	54	59
IT		67	75	57	68	53	65	49	62
LU		102	102	107	106	79	81	63	67
NL		96	96	91	92	77	80	63	66
AT		100	100	86	88	71	76	62	69
PT		77	82	72	77	65	71	51	60
FI		97	98	91	93	78	83	69	75
SE		100	100	98	99	78	83	67	75
UK		84	85	82	83	66	69	55	59
CZ		92	94	79	84	64	74	53	65
HU		84	88	75	81	64	73	61	71
PL		94	95	78	82	63	70	54	61

Unemployment trap indicators calculated on gross wage (GW) and labour cost (LC)

One-earner couple, with 2 children (2001)
(Previous work 67%)

METR_{ut}

% of APW	50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC
BE	87	89	76	81	68	75	64	73
DK	76	76	87	87	82	82	75	75
DE	100	100	85	87	75	79	65	71
GR	107	105	84	87	61	70	51	62
ES	100	100	82	86	61	70	50	62
FR	78	82	84	87	76	83	59	71
IE	95	96	87	88	72	75	57	61
IT	78	83	54	66	53	65	53	65
LU	101	101	104	103	83	85	64	68
NL	94	95	90	92	78	81	63	67
AT	100	100	97	97	78	82	67	73
PT	55	64	55	64	57	65	56	64
FI	100	100	99	99	89	91	76	81
SE	100	100	100	100	84	88	71	78
UK	66	68	72	74	74	76	62	66
CZ	100	100	96	97	77	83	63	72
HU	89	91	71	78	61	71	59	70
PL	100	100	91	93	80	83	65	71

Unemployment trap indicators calculated on gross wage (GW) and labour cost (LC)

Two-earner couple without children. Principal earner with 67% of APW.
Secondary earner earnings from 0 to 200% of APW. (2001)
(Previous work 67%)

METR_{ut}

% of APW	50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC
BE	99	54	89	57	78	59	70	61
DK	107	46	91	46	78	47	73	51
DE	99	52	86	53	75	54	67	55
GR	101	56	79	53	60	50	50	49
ES	100	56	81	55	65	53	53	52
FR	104	56	88	57	70	58	58	56
IE	54	29	48	30	42	32	37	33
IT	75	49	64	49	56	50	51	52
LU	102	51	83	49	66	47	57	47
NL	89	46	78	47	67	49	57	45
AT	80	46	69	46	60	47	54	49
PT	114	59	91	56	68	52	54	49
FI	82	48	71	49	63	50	58	52
SE	105	58	87	58	70	56	62	57
UK	43	24	41	26	38	29	36	31
CZ	76	50	63	49	51	49	44	49
HU	84	52	73	53	62	53	60	56
PL	77	44	66	44	55	45	48	45

Unemployment trap indicators calculated on gross wage (GW) and labour cost (LC)

Two-earner couple with 2 children. Principal earner with 67% of APW.
Secondary earner earnings from 0 to 200% of APW. (2001)
(Previous work 67%)

METR_{ut}

% of APW	50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC
BE	99	54	89	57	78	59	70	61
DK	107	46	91	46	78	47	73	51
DE	114	58	98	58	83	58	72	58
GR	107	58	84	55	61	51	51	49
ES	103	57	83	55	65	53	54	52
FR	104	56	87	56	68	56	55	55
IE	72	36	61	36	51	37	43	37
IT	80	51	70	51	62	53	55	53
LU	115	55	89	51	68	48	58	47
NL	89	46	78	47	67	49	57	46
AT	86	48	74	48	63	49	56	50
PT	111	58	86	54	65	51	52	48
FI	91	51	78	51	67	52	61	54
SE	105	58	87	58	70	56	62	57
UK	54	28	49	30	43	32	39	33
CZ	77	50	65	50	55	50	46	50
HU	84	52	73	53	62	53	60	56
PL	77	44	66	44	55	45	51	46

Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Table B4

Unemployment trap indicator

Unemployment trap indicators calculated on gross wage (GW) and labour cost (LC)

METR _{ut}		Single person (2001) (Previous work 100%)							
		50		67		100		150	
% of APW		GW	LC	GW	LC	GW	LC	GW	LC
BE		100.0	100.0	88.8	91.4	78.4	83.5	70.9	78.0
DK		106.8	106.7	91.1	91.2	77.7	77.9	72.7	72.9
DE		100.8	100.7	88.4	90.4	76.9	80.8	70.4	75.1
GR		112.0	109.4	87.6	90.3	65.7	73.2	53.7	63.8
ES		129.3	122.4	103.1	102.4	79.2	84.1	63.1	71.7
FR		120.5	116.6	99.5	99.6	78.8	85.0	64.8	75.0
IE		87.3	88.3	72.6	74.7	58.5	63.0	54.0	58.9
IT		91.9	94.0	76.6	82.5	64.6	73.5	56.4	67.4
LU		144.0	138.7	115.0	113.2	89.1	90.4	75.2	78.2
NL		110.1	108.8	97.8	98.1	80.5	83.2	65.4	68.5
AT		96.0	96.7	81.0	84.4	67.7	73.5	59.7	66.9
PT		141.0	133.1	109.8	107.9	81.4	85.0	65.2	71.9
FI		98.9	99.2	87.5	90.0	73.4	78.7	65.6	72.5
SE		133.5	125.2	108.9	106.7	84.9	88.7	72.0	78.9
UK		78.4	79.7	70.4	72.5	57.7	61.2	49.1	53.8
CZ		97.4	98.1	79.6	84.9	62.3	72.1	51.5	64.1
HU		84.2	88.2	74.9	81.3	63.6	72.8	61.1	71.0
PL		92.1	93.5	77.4	81.2	63.1	69.4	53.5	61.4

Unemployment trap indicators calculated on gross wage (GW) and labour cost (LC)

METR _{ut}		Single parent with 2 children (2001) (Previous work 100%)							
		50		67		100		150	
% of APW		GW	LC	GW	LC	GW	LC	GW	LC
BE		91.3	92.7	82.3	86.4	74.0	80.2	68.0	75.8
DK		104.1	104.1	96.5	96.6	82.5	82.6	75.9	76.0
DE		114.7	112.2	104.1	103.4	86.7	88.9	74.9	78.9
GR		125.7	120.1	97.9	98.3	70.8	77.2	57.1	66.5
ES		137.9	129.1	110.1	107.7	81.1	85.5	63.7	72.2
FR		100.6	100.5	100.0	100.0	81.7	87.0	63.3	73.9
IE		50.5	54.4	54.3	57.9	60.0	64.3	52.5	57.6
IT		99.9	99.9	73.0	79.8	67.1	75.4	60.7	70.7
LU		153.7	147.2	126.1	122.9	89.1	90.4	73.4	76.6
NL		104.1	103.6	96.6	97.0	81.2	83.8	65.8	68.9
AT		106.3	105.2	88.7	90.7	72.9	77.7	63.1	69.7
PT		106.8	105.5	93.8	95.0	77.6	81.9	61.8	69.1
FI		103.5	102.8	94.5	95.6	84.0	87.2	72.7	78.1
SE		123.1	117.4	106.1	104.6	89.6	92.2	76.0	81.9
UK		45.0	48.2	56.2	59.3	65.3	68.2	56.7	60.7
CZ		94.4	95.9	79.5	84.8	67.5	75.9	56.7	67.9
HU		88.6	91.5	71.2	78.5	61.0	70.9	59.3	69.7
PL		86.1	88.4	84.4	87.1	67.8	73.3	56.6	64.0

Unemployment trap indicators calculated on gross wage (GW) and labour cost (LC)

METR _{ut}		One-earner couple, without children (2001) (Previous work 100%)							
		50		67		100		150	
% of APW		GW	LC	GW	LC	GW	LC	GW	LC
BE		92.2	93.5	80.0	84.6	70.5	77.5	65.4	73.9
DK		72.6	72.9	82.9	83.0	77.1	77.2	71.1	71.2
DE		100.0	100.0	88.3	90.3	73.9	78.3	65.0	70.6
GR		120.0	115.6	93.6	95.0	69.7	76.3	56.4	65.9
ES		135.1	126.8	103.4	102.6	78.2	83.3	61.8	70.8
FR		100.0	100.0	98.6	98.9	74.1	81.7	59.6	71.3
IE		100.0	100.0	86.9	88.0	67.7	71.1	53.8	58.7
IT		92.8	94.6	76.1	82.2	66.6	75.0	57.7	68.4
LU		118.4	116.2	119.2	116.9	87.0	88.6	68.6	72.4
NL		102.4	102.1	96.4	96.9	80.7	83.4	65.2	68.3
AT		100.0	100.0	85.5	88.1	70.8	76.0	61.7	68.6
PT		106.8	105.5	93.8	95.0	79.5	83.4	60.8	68.4
FI		98.9	99.2	92.2	93.7	79.1	83.2	69.3	75.5
SE		114.1	110.6	108.9	106.7	84.9	88.7	72.0	78.9
UK		84.2	85.1	82.2	83.5	66.0	68.8	54.7	58.8
CZ		95.3	96.5	81.1	86.0	65.9	74.8	53.9	65.9
HU		84.2	88.2	74.9	81.3	63.6	72.8	61.1	71.0
PL		93.8	94.8	77.7	81.5	63.4	69.6	53.6	61.5

Unemployment trap indicators calculated on gross wage (GW) and labour cost (LC)

One-earner couple, with 2 children (2001)
(Previous work 100%)

METR_{ut}

% of APW	50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC
BE	86.8	89.0	75.9	81.5	67.7	75.4	63.6	72.5
DK	75.5	75.8	87.1	87.2	82.3	82.4	74.6	74.7
DE	114.6	112.1	95.5	96.2	81.8	84.9	70.3	75.1
GR	125.7	120.1	97.9	98.3	70.8	77.2	57.1	66.5
ES	138.9	129.8	110.8	108.3	80.0	84.7	62.8	71.5
FR	89.0	91.0	92.1	93.9	81.3	86.8	62.3	73.2
IE	95.3	95.7	87.3	88.3	71.8	74.8	56.5	61.2
IT	103.7	102.7	73.5	80.2	66.3	74.8	62.1	71.7
LU	112.6	111.1	112.1	110.6	89.1	90.4	67.6	71.5
NL	102.4	102.1	96.4	96.9	82.3	84.8	66.2	69.3
AT	100.0	100.0	96.6	97.2	78.2	82.1	66.7	72.6
PT	67.4	73.7	64.4	71.2	63.2	70.3	59.7	67.4
FI	100.0	100.0	98.8	99.0	88.8	91.1	75.9	80.7
SE	104.1	103.1	103.1	102.3	85.9	89.4	72.6	79.4
UK	65.8	67.8	71.8	73.8	73.6	75.8	62.3	65.7
CZ	100.0	100.0	95.9	97.0	76.8	82.8	62.8	72.4
HU	88.6	91.5	71.2	78.5	61.0	70.9	59.3	69.7
PL	100.0	100.0	91.0	92.5	80.0	83.4	64.7	70.7

Unemployment trap indicators calculated on gross wage (GW) and labour cost (LC)

Two-earner couple without children. Principal earner with 67% of APW.
Secondary earner earnings from 0 to 200% of APW. (2001)
(Previous work 100%)

METR_{ut}

% of APW	50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC
BE	99.0	53.9	88.8	57.1	77.8	59.1	70.4	61.0
DK	106.8	46.2	91.2	46.1	77.8	47.0	72.8	50.6
DE	118.0	58.9	100.7	58.8	84.6	59.1	73.7	59.0
GR	112.0	59.2	87.6	56.1	65.7	52.6	53.7	50.9
ES	129.3	65.7	103.1	62.9	79.2	59.8	63.1	56.8
FR	119.8	61.4	100.0	61.2	78.3	61.1	63.1	58.9
IE	53.7	29.0	47.5	29.7	41.8	32.2	37.0	32.9
IT	91.9	54.6	76.6	53.9	64.6	54.2	56.4	54.4
LU	139.0	64.3	111.0	60.9	84.8	56.8	69.1	54.1
NL	114.7	55.9	97.0	55.6	80.0	55.1	65.0	50.7
AT	100.8	53.2	84.6	52.6	70.1	52.4	61.3	52.7
PT	143.6	68.8	112.8	64.8	83.2	59.4	63.7	54.8
FI	98.5	53.7	83.5	53.4	70.7	53.9	63.8	55.3
SE	133.5	67.7	108.9	65.7	84.9	63.0	72.0	62.2
UK	43.4	23.9	40.5	25.9	37.7	28.6	35.8	31.1
CZ	99.9	57.5	81.0	55.9	63.3	54.0	52.2	52.7
HU	84.2	52.2	73.1	52.6	62.3	53.2	60.2	56.4
PL	76.6	44.2	65.9	44.3	55.4	44.5	48.3	44.7

Unemployment trap indicators calculated on gross wage (GW) and labour cost (LC)

Two-earner couple with 2 children. Principal earner with 67% of APW.
Secondary earner earnings from 0 to 200% of APW. (2001)
(Previous work 100%)

METR_{ut}

% of APW	50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC
BE	99.0	53.9	88.8	57.1	77.8	59.1	70.4	61.0
DK	106.8	46.2	91.2	46.1	77.8	47.0	72.8	50.6
DE	138.2	66.0	116.1	65.2	94.9	64.2	80.1	62.7
GR	125.7	63.8	97.9	60.1	70.8	55.0	57.1	52.7
ES	140.4	69.4	110.7	65.8	83.9	61.9	65.9	58.3
FR	121.5	62.0	99.9	61.2	76.5	60.2	60.5	57.6
IE	71.9	36.1	61.1	36.0	50.8	37.1	43.0	36.7
IT	95.4	55.7	81.2	55.6	69.5	56.4	59.8	56.2
LU	154.9	70.3	119.1	64.5	88.2	58.6	71.3	55.5
NL	114.5	55.8	97.0	55.6	80.0	55.1	65.0	50.7
AT	106.8	55.3	89.1	54.4	73.1	53.8	63.3	53.8
PT	141.0	67.9	108.0	62.8	79.8	57.8	61.5	53.5
FI	106.3	56.3	89.3	55.7	74.6	55.7	66.4	56.7
SE	133.5	67.7	108.9	65.7	84.9	63.0	72.0	62.2
UK	54.3	28.3	48.6	29.7	43.2	31.6	39.4	33.4
CZ	97.4	56.8	80.2	55.6	65.3	54.9	53.1	53.1
HU	84.2	52.2	73.1	52.6	62.3	53.2	60.2	56.4
PL	76.6	44.2	65.9	44.3	55.4	44.5	50.8	46.1

Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Table B5 Inactivity trap indicator for jobless persons

Inactivity trap indicator for jobless persons calculated on gross wage (GW) and labour cost (LC)

Single person (2001)

METR_{it} when moving from social assistance to work, at a wage level equivalent to:

% of APW	33		50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC	GW	LC
BE	85.4	88.3	70.7	75.4	66.9	74.5	63.7	72.4	61.1	70.7
DK	96.2	96.3	96.1	96.1	83.1	83.3	72.4	72.6	69.2	69.3
DE	84.2	86.9	89.6	91.4	80.1	83.5	71.3	76.2	66.6	72.0
GR	15.9	34.3	15.9	34.3	15.9	34.3	17.7	35.7	21.7	38.8
ES	68.9	76.2	50.1	61.8	43.9	57.1	39.6	53.7	36.7	51.5
FR	81.2	84.7	82.9	86.1	71.5	77.9	60.0	71.7	52.3	66.1
IE	100.0	100.0	87.3	88.3	72.6	74.7	58.5	63.0	54.0	58.9
IT	10.0	32.8	16.1	37.3	20.0	40.2	26.6	45.2	31.1	48.5
LU	89.0	90.3	92.2	93.2	76.3	79.2	63.2	67.6	57.9	63.0
NL	96.6	97.1	92.2	93.2	84.4	86.6	71.5	75.5	59.4	63.1
AT	100.0	100.0	87.7	89.9	74.8	79.3	63.6	70.1	57.0	64.6
PT	55.5	64.0	50.4	59.9	42.1	53.2	36.1	48.4	35.0	47.4
FI	100.0	100.0	86.2	88.9	78.0	82.4	67.1	73.6	61.3	69.1
SE	100.0	100.0	98.1	98.6	82.5	86.8	67.2	75.3	60.2	70.0
UK	79.7	80.3	78.4	79.7	70.4	72.5	57.7	61.2	49.1	53.8
CZ	83.2	87.5	70.5	78.1	59.4	69.9	48.8	62.1	42.5	57.4
HU	69.2	77.0	55.1	66.5	53.3	65.1	49.1	62.0	51.4	63.7
PL	92.4	93.7	72.4	77.0	62.7	69.0	53.3	61.2	46.9	55.9

Inactivity trap indicator for jobless persons calculated on gross wage (GW) and labour cost (LC)

Single parent with 2 children (2001)

METR_{it} when moving from social assistance to work, at a wage level equivalent to:

% of APW	33		50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC	GW	LC
BE	96.9	97.5	76.6	80.4	71.4	77.9	66.6	74.6	63.1	72.1
DK	84.5	84.8	91.6	91.7	87.2	87.3	76.3	76.4	71.8	71.9
DE	84.2	86.9	89.6	91.4	85.3	87.8	74.1	78.5	66.5	71.9
GR	15.9	34.3	15.9	34.3	15.9	34.3	15.9	34.3	20.5	37.8
ES	100.2	100.2	68.3	75.7	58.1	67.9	46.3	58.9	40.5	54.4
FR	68.9	74.7	75.4	80.0	81.2	85.4	69.1	78.1	54.9	68.0
IE	50.9	54.8	50.5	54.4	54.3	57.9	60.0	64.3	52.5	57.6
IT	-0.7	24.8	-0.6	24.9	-2.1	23.8	16.9	37.9	27.2	45.6
LU	85.8	87.5	94.2	94.9	81.7	83.9	59.3	64.3	53.5	59.1
NL	93.3	94.2	82.2	84.6	80.2	82.9	70.2	74.4	58.5	62.3
AT	100.0	100.0	99.5	99.5	83.6	86.5	69.5	74.9	60.9	67.8
PT	55.5	64.0	55.5	64.0	55.5	64.0	51.9	61.2	44.7	55.3
FI	70.3	76.2	64.7	71.7	65.5	72.4	64.6	71.7	59.7	67.8
SE	81.9	86.4	63.3	72.4	61.4	71.0	59.7	69.7	56.1	66.9
UK	80.6	81.2	45.0	48.2	56.2	59.3	65.3	68.2	56.7	60.7
CZ	100.0	100.0	94.4	95.9	79.5	84.8	67.5	75.9	56.7	67.9
HU	61.2	71.1	44.7	58.7	38.4	54.0	39.0	54.5	44.7	58.7
PL	100.0	100.0	86.1	88.4	84.4	87.1	67.8	73.3	56.6	64.0

Inactivity trap indicator for jobless persons calculated on gross wage (GW) and labour cost (LC)

One-earner couple, without children (2001)

METR_{it} when moving from social assistance to work, at a wage level equivalent to:

% of APW	33		50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC	GW	LC
BE	97.5	98.0	77.6	81.2	69.0	76.1	63.1	71.9	60.5	70.2
DK	34.3	35.5	59.4	59.9	73.0	73.2	70.4	70.6	66.7	66.8
DE	84.2	86.9	89.6	91.4	80.5	83.9	68.7	74.0	61.5	67.7
GR	15.9	34.3	15.9	34.3	15.9	34.3	17.7	35.7	21.7	38.8
ES	87.7	90.6	60.0	69.4	47.4	59.7	40.7	54.6	36.8	51.6
FR	75.6	80.1	82.6	85.9	85.7	88.9	65.4	75.5	53.8	67.2
IE	100.0	100.0	100.0	100.0	86.9	88.0	67.7	71.1	53.8	58.7
IT	7.3	30.8	8.2	31.4	13.0	35.0	24.3	43.4	29.5	47.4
LU	79.2	81.8	89.8	91.0	97.9	98.2	72.7	76.0	59.0	64.0
NL	95.7	96.2	96.4	96.8	91.9	93.0	77.7	80.8	63.2	66.5
AT	100.0	100.0	100.0	100.0	85.5	88.1	70.8	76.0	61.7	68.6
PT	55.5	64.0	55.5	64.0	55.5	64.0	53.8	62.7	43.7	54.5
FI	100.0	100.0	97.4	97.9	91.0	92.8	78.3	82.6	68.8	75.1
SE	100.0	100.0	100.0	100.0	98.4	98.8	77.9	83.3	67.3	75.4
UK	88.5	88.8	84.2	85.1	82.2	83.5	66.0	68.8	54.7	58.8
CZ	100.0	100.0	92.4	94.4	78.9	84.4	64.5	73.7	53.0	65.1
HU	69.2	77.0	55.1	66.5	53.3	65.1	49.1	62.0	51.4	63.7
PL	100.0	100.0	93.8	94.8	77.7	81.5	63.4	69.6	53.6	61.5

Inactivity trap indicator for jobless persons calculated on gross wage (GW) and labour cost (LC)

One-earner couple, with 2 children (2001)

METR_{it} when moving from social assistance to work, at a wage level equivalent to:

% of APW	33		50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC	GW	LC
BE	96.9	97.5	72.2	76.6	65.0	73.0	60.4	69.8	58.7	68.8
DK	36.7	37.8	58.2	58.7	74.2	74.4	73.6	73.8	68.8	68.9
DE	84.2	86.9	89.6	91.4	76.8	80.8	69.3	74.6	62.0	68.1
GR	15.9	34.3	15.9	34.3	15.9	34.3	15.9	34.3	20.5	37.8
ES	106.3	104.9	76.6	82.1	64.3	72.6	48.8	60.8	42.0	55.6
FR	68.2	74.2	74.9	79.6	81.6	85.7	74.3	81.8	57.7	69.9
IE	100.0	100.0	95.3	95.7	87.3	88.3	71.8	74.8	56.5	61.2
IT	-4.5	21.9	-4.4	22.0	-7.1	20.0	12.3	34.5	26.1	44.8
LU	75.5	78.4	87.3	88.9	93.2	94.0	76.4	79.3	59.2	64.1
NL	95.7	96.2	93.9	94.7	90.0	91.4	78.0	81.1	63.4	66.7
AT	100.0	100.0	100.0	100.0	96.6	97.2	78.2	82.1	66.7	72.6
PT	55.5	64.0	55.5	64.0	55.5	64.0	57.2	65.4	55.7	64.2
FI	100.0	100.0	100.0	100.0	98.8	99.0	88.8	91.1	75.9	80.7
SE	100.0	100.0	100.0	100.0	100.0	100.0	83.8	87.8	71.2	78.3
UK	93.1	93.3	65.8	67.8	71.8	73.8	73.6	75.8	62.3	65.7
CZ	100.0	100.0	100.0	100.0	95.9	97.0	76.8	82.8	62.8	72.4
HU	61.2	71.1	44.7	58.7	38.4	54.0	39.0	54.5	44.7	58.7
PL	100.0	100.0	100.0	100.0	91.0	92.5	80.0	83.4	64.7	70.7

Inactivity trap indicator for jobless persons calculated on gross wage (GW) and labour cost (LC)

Two-earner couple without children. Principal earner with 67% of APW.

Secondary earner earnings from 0 to 200% of APW. (2001)

METR_{it} when moving from social assistance to work, at a wage level equivalent to:

% of APW	33		50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC	GW	LC
BE	45.8	33.7	45.1	35.5	48.6	41.6	50.9	46.8	52.4	51.5
DK	55.6	19.3	52.1	23.1	50.4	25.9	50.4	30.7	54.5	38.0
DE	41.9	28.5	45.5	33.2	46.6	36.4	48.3	41.0	49.5	45.0
GR	15.9	26.0	15.9	27.2	15.9	28.1	17.7	30.1	21.7	33.6
ES	18.1	28.0	16.5	28.8	18.9	30.7	22.8	33.9	25.5	36.9
FR	21.4	26.8	22.5	28.5	27.4	33.1	29.7	39.7	30.7	42.5
IE	12.0	11.5	14.7	13.6	18.4	16.3	22.3	21.6	24.0	24.8
IT	28.4	32.3	32.6	35.7	32.3	37.4	34.9	40.9	36.6	44.2
LU	13.6	16.1	16.7	18.4	19.7	20.8	23.7	24.6	28.3	29.3
NL	35.1	23.5	32.7	25.6	35.8	29.2	39.0	34.0	37.7	33.8
AT	21.4	23.6	20.2	25.0	24.5	27.9	29.8	32.5	34.5	37.4
PT	42.0	30.4	32.7	30.5	30.0	31.3	27.7	32.6	26.7	34.1
FI	25.4	26.7	26.8	29.2	30.0	32.0	34.9	36.7	39.9	42.1
SE	26.7	31.4	26.9	33.4	29.4	35.8	31.7	39.0	36.5	43.7
UK	6.7	7.9	15.1	12.6	19.4	16.1	23.5	20.8	26.4	25.2
CZ	31.3	33.6	29.4	35.2	28.4	36.4	28.0	38.4	28.7	40.6
HU	20.5	30.4	23.0	32.7	27.4	35.6	31.7	39.5	39.8	45.9
PL	30.8	25.4	32.0	28.3	32.5	30.5	33.1	33.4	33.4	36.2

Inactivity trap indicator for jobless persons calculated on gross wage (GW) and labour cost (LC)

Two-earner couple with 2 children. Principal earner with 67% of APW.

Secondary earner earnings from 0 to 200% of APW. (2001)

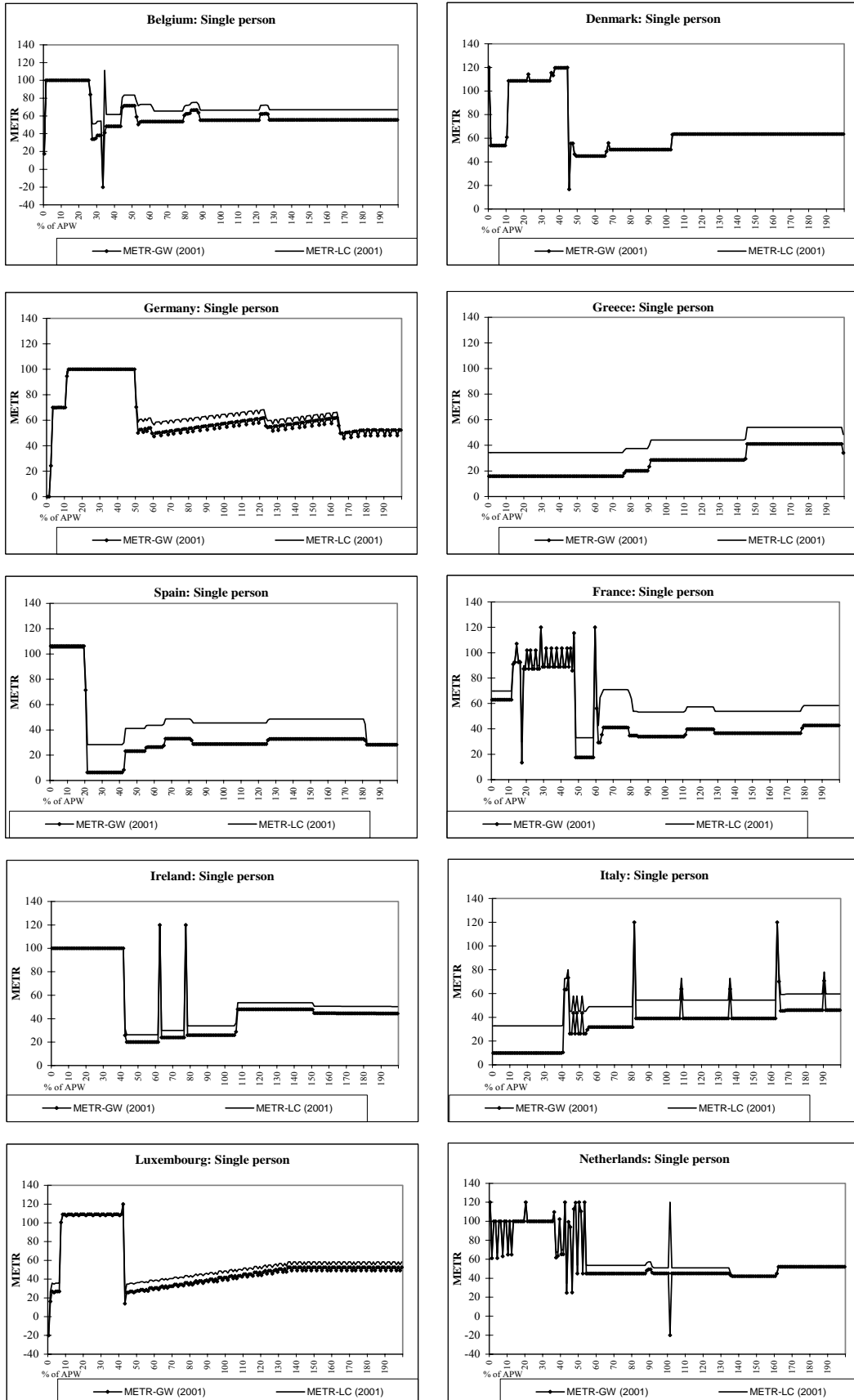
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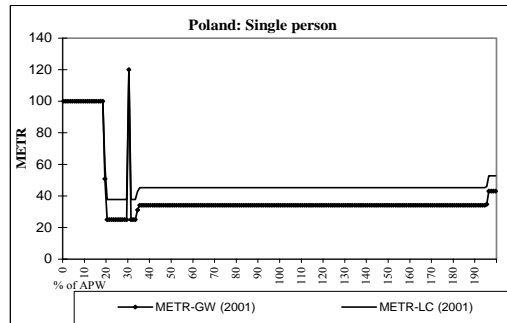
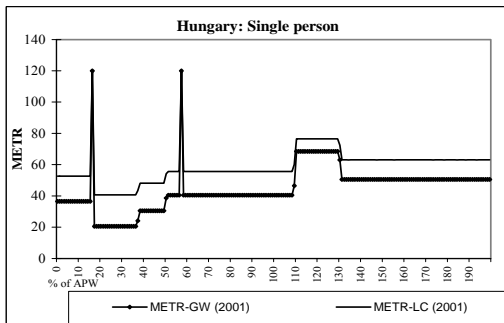
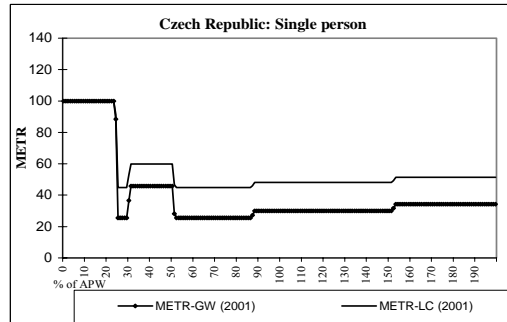
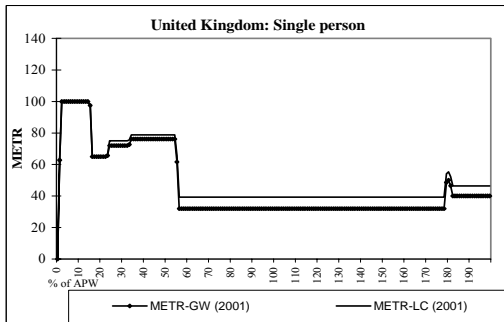
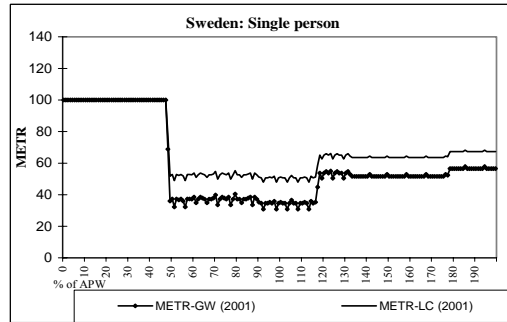
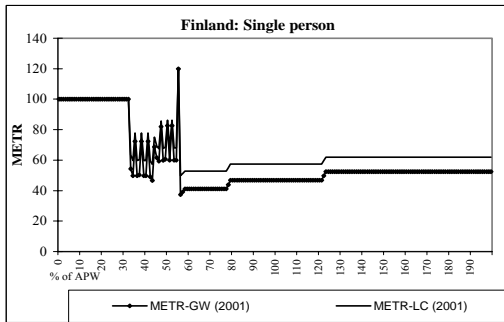
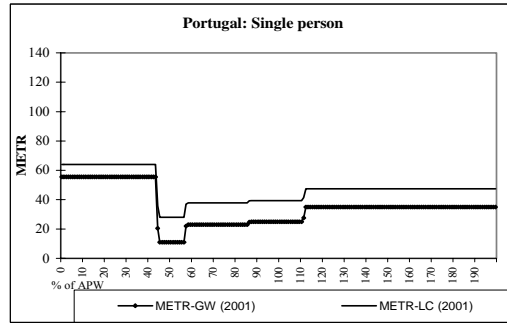
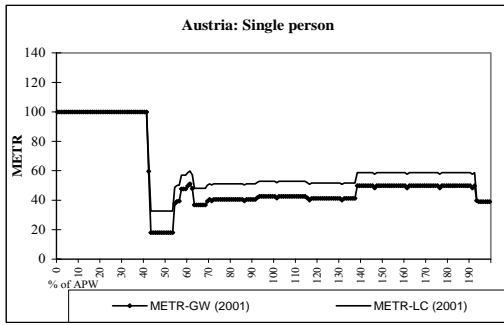
% of APW	33		50		67		100		150	
	GW	LC	GW	LC	GW	LC	GW	LC	GW	LC
BE	45.7	33.7	45.0	35.5	48.5	41.6	50.8	46.7	52.4	51.5
DK	82.7	28.2	70.0	30.6	63.7	32.5	59.4	36.0	60.5	42.1
DE	51.7	31.2	51.3	35.2	51.3	38.3	51.4	42.6	51.2	46.0
GR	15.9	26.0	15.9	27.2	15.9	28.1	15.9	29.3	20.5	32.9
ES	15.1	27.3	12.2	27.4	15.0	29.2	19.8	32.5	23.2	35.7
FR	56.4	35.9	43.2	35.5	41.5	38.5	37.3	43.0	34.4	44.4
IE	33.5	18.0	28.9	19.2	29.0	21.2	29.3	25.5	28.7	27.7
IT	36.8	34.4	44.4	39.5	43.2	41.4	44.0	45.0	42.8	47.4
LU	13.6	16.1	13.7	17.3	13.8	18.2	17.6	21.4	24.3	26.9
NL	38.4	24.4	34.9	26.4	37.6	30.0	40.2	34.6	38.5	34.3
AT	21.4	23.6	20.2	25.0	24.5	27.9	29.8	32.5	34.5	37.4
PT	87.0	42.4	72.6	44.3	57.0	42.2	45.6	41.3	38.7	40.8
FI	41.6	31.0	37.5	32.8	38.0	35.2	40.3	39.3	43.5	44.0
SE	37.4	34.0	36.6	36.5	36.6	38.5	36.5	41.2	39.7	45.4
UK	62.9	25.4	48.5	26.0	44.3	27.7	40.3	30.1	37.5	32.2
CZ	31.3	33.6	29.7	35.3	29.6	36.9	31.5	39.9	30.5	41.5
HU	20.5	30.4	23.0	32.7	27.4	35.6	31.7	39.5	39.8	45.9
PL	54.3	31.8	47.4	33.8	44.1	35.3	40.8	37.2	41.0	40.5

Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Figure B1

Comparing METR_{lw} on Gross Wage (GW) and Labour Cost (LC) (2001)

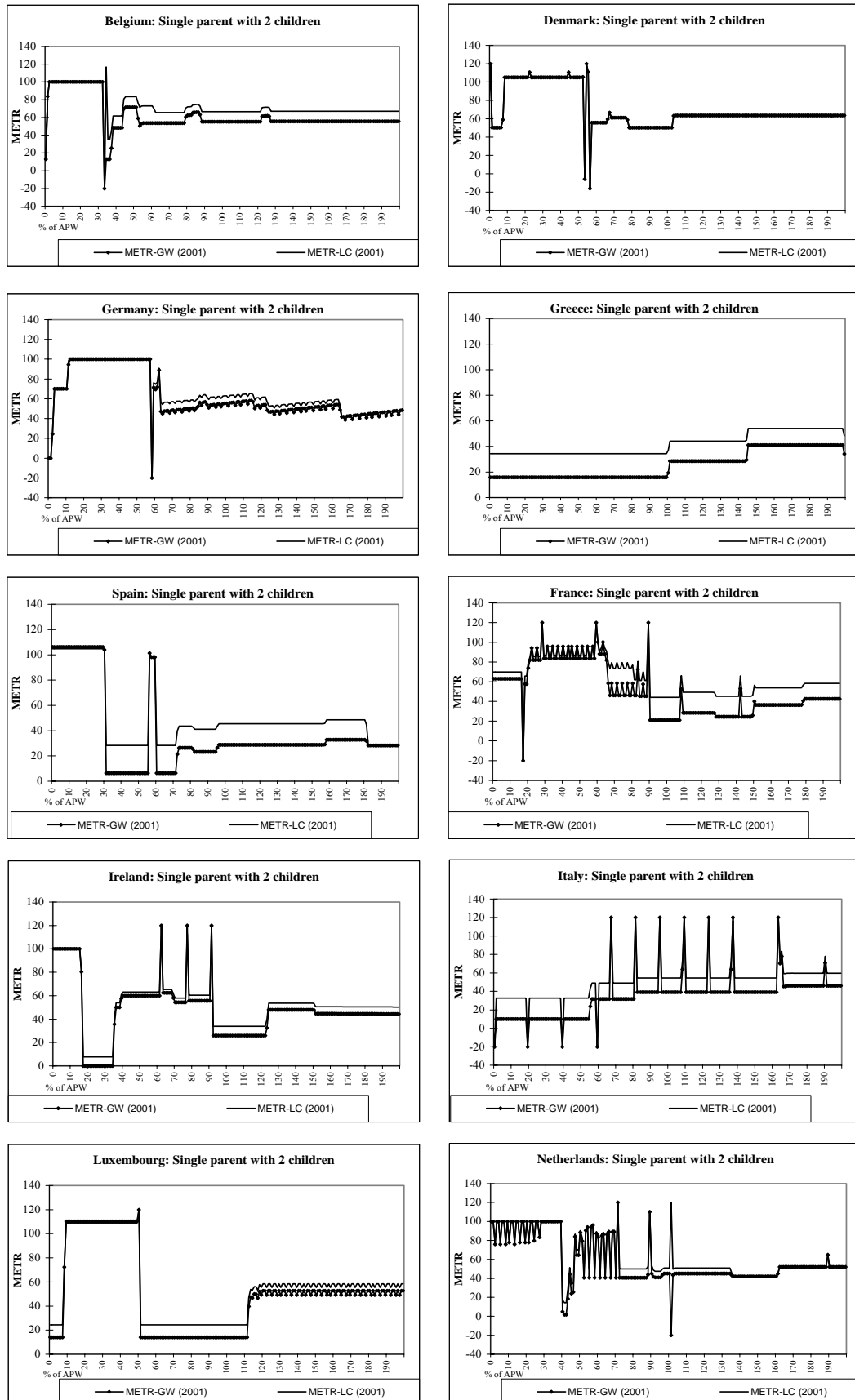


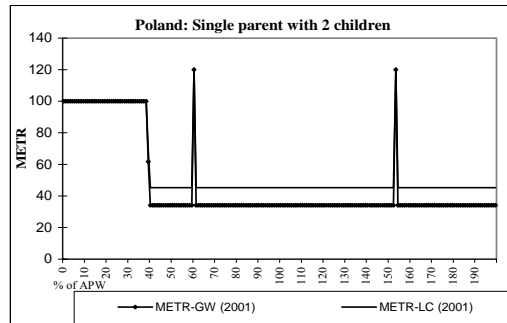
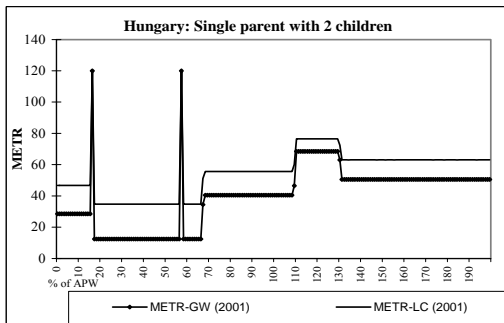
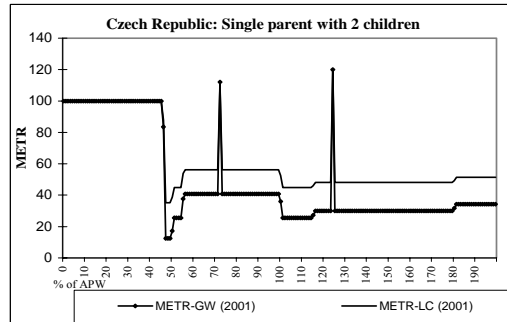
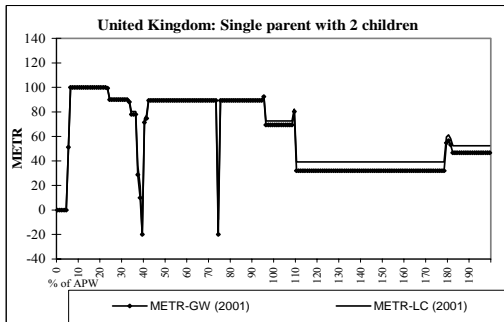
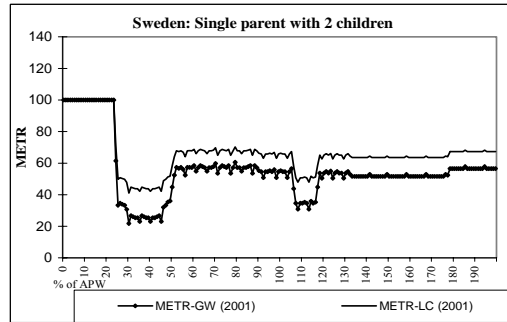
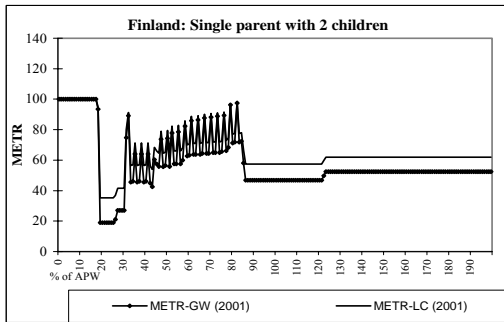
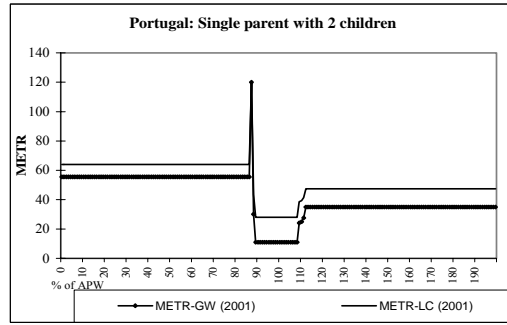
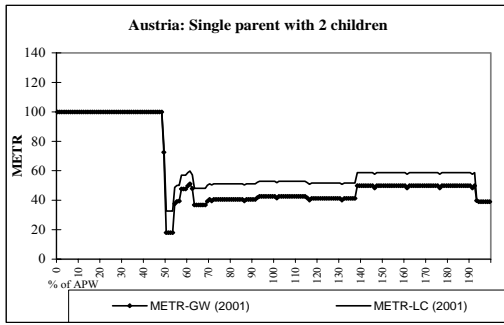


Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Figure B2

Comparing METR_{lw} on Gross Wage (GW) and Labour Cost (LC) (2001)

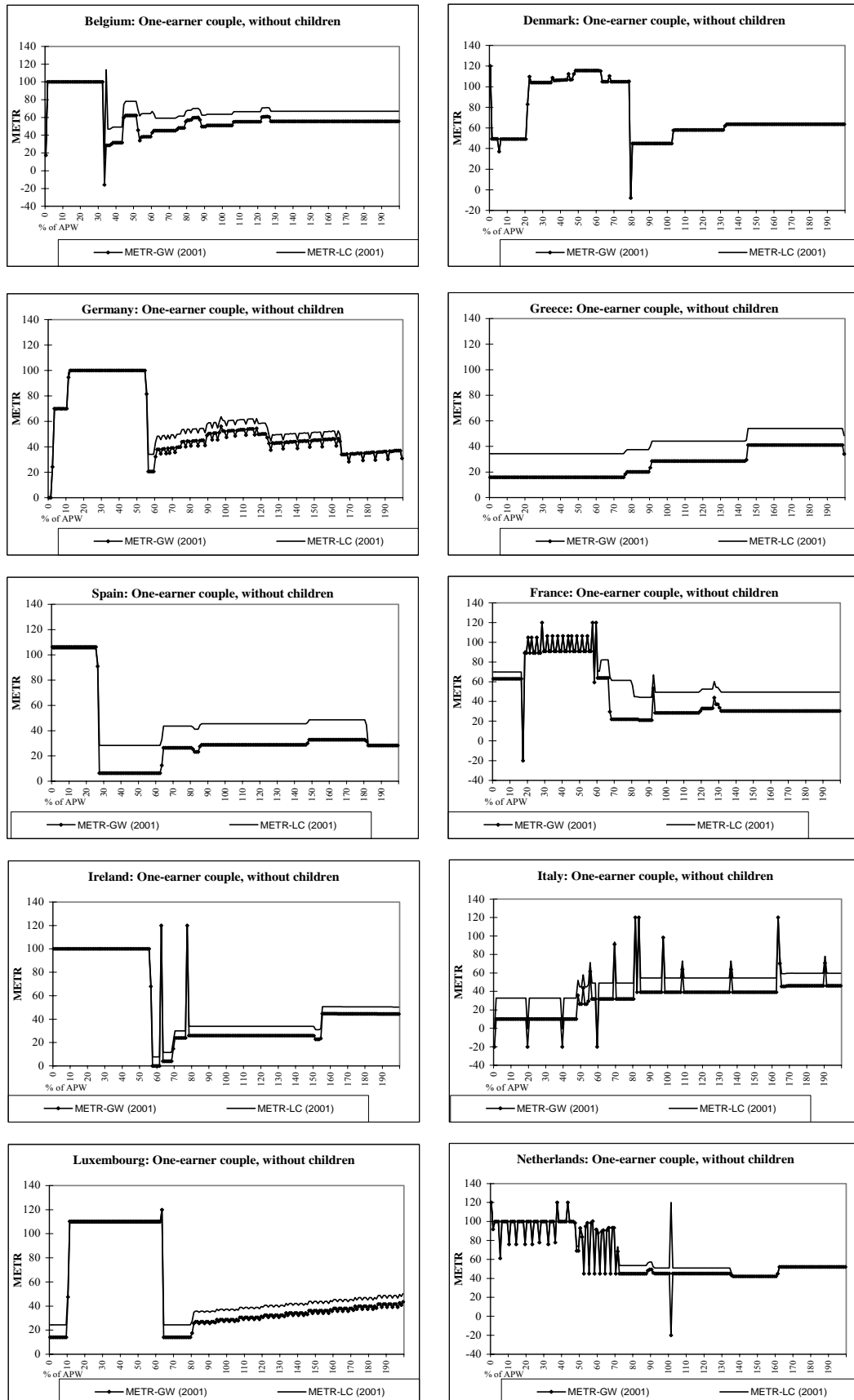


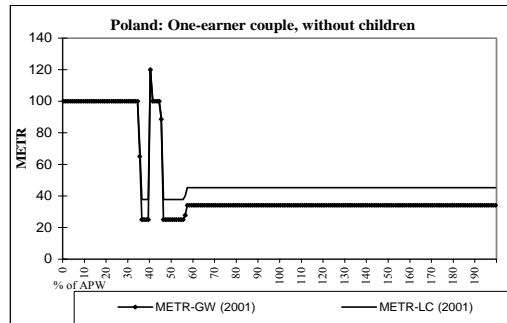
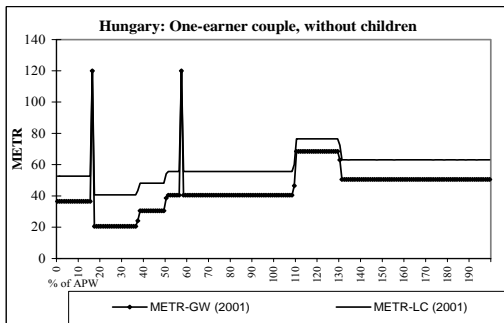
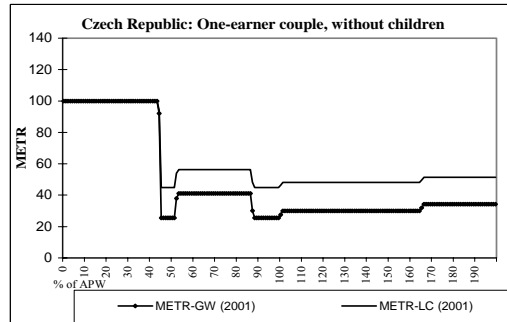
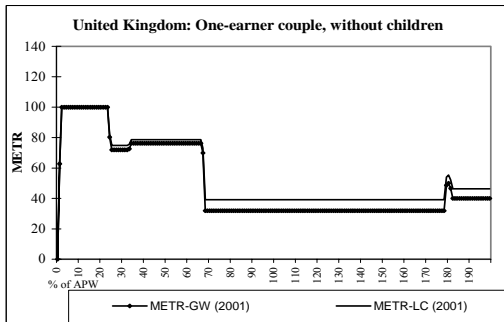
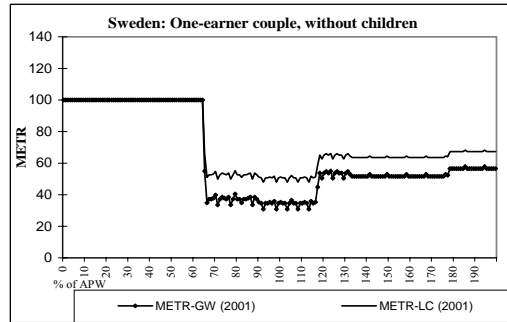
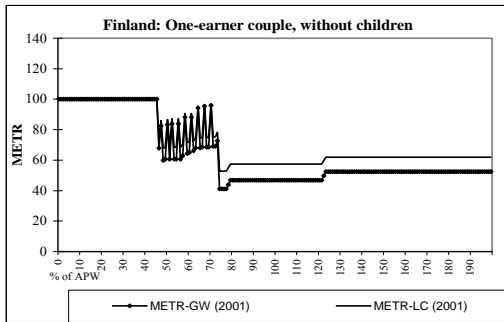
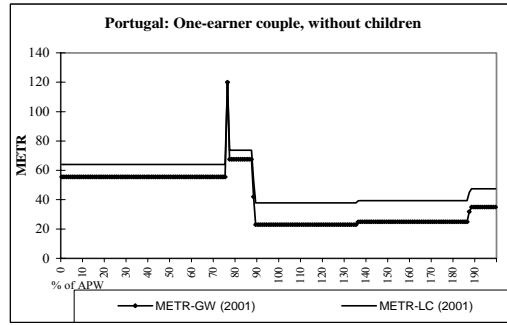
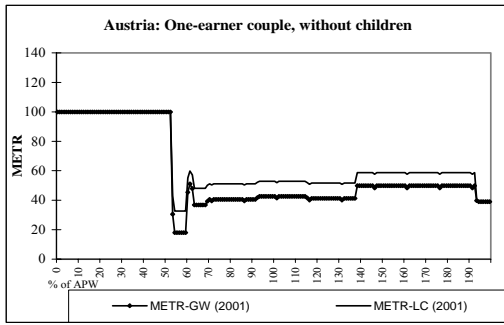


Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Figure B3

Comparing METR_{lw} on Gross Wage (GW) and Labour Cost (LC) (2001)

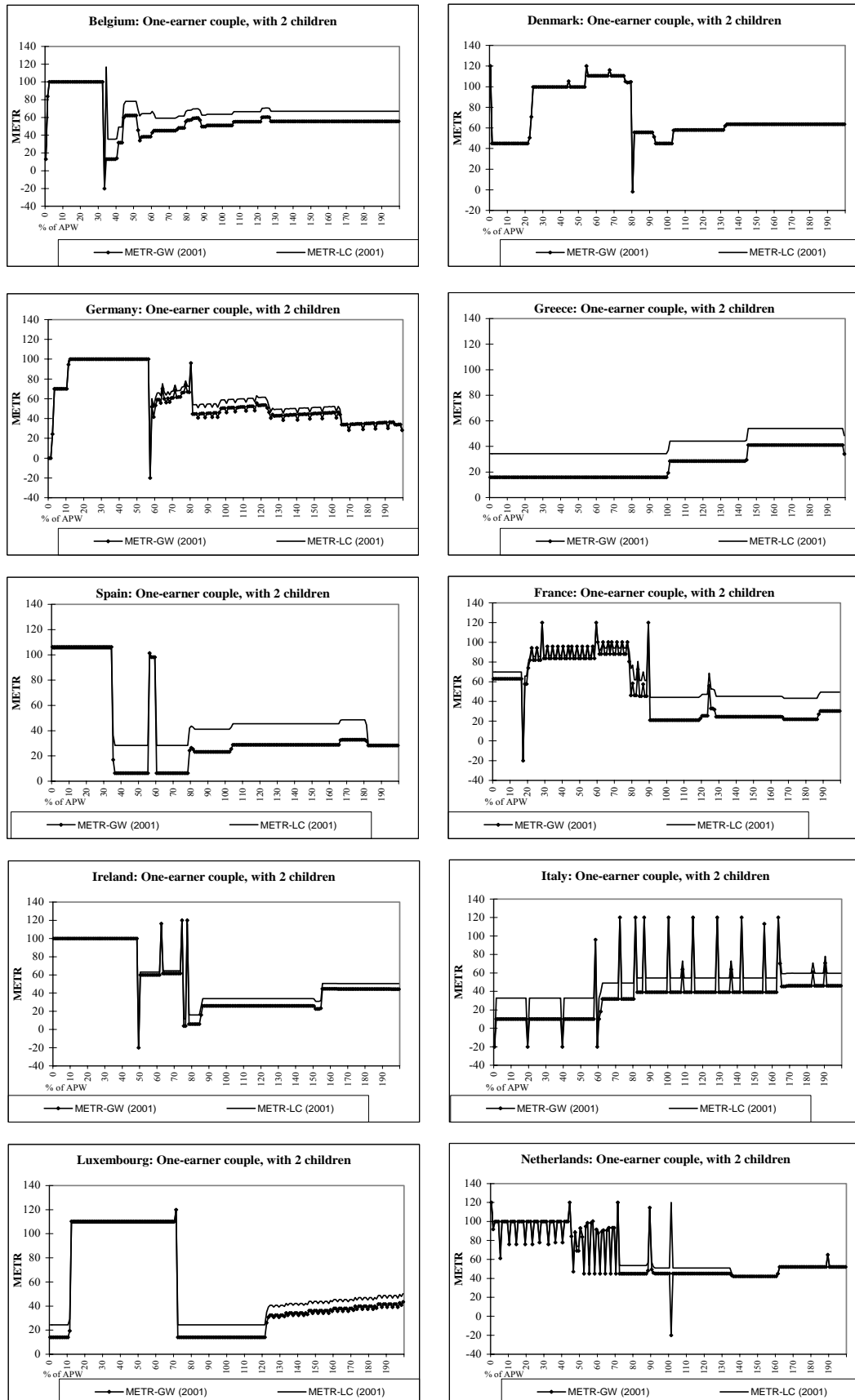


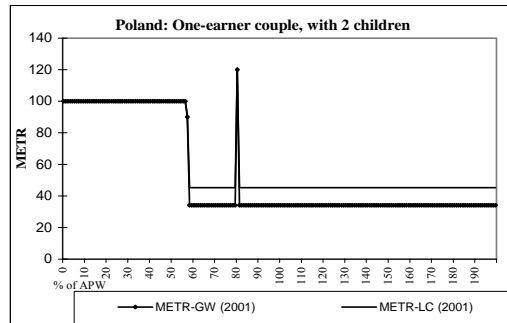
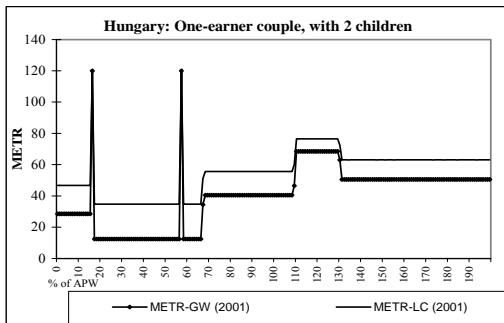
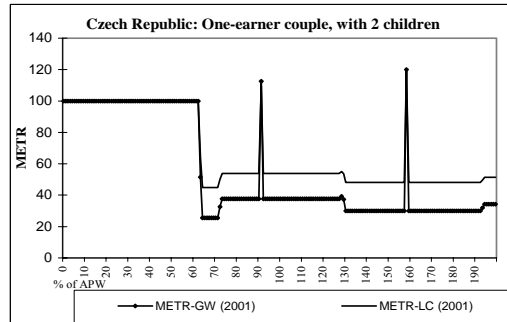
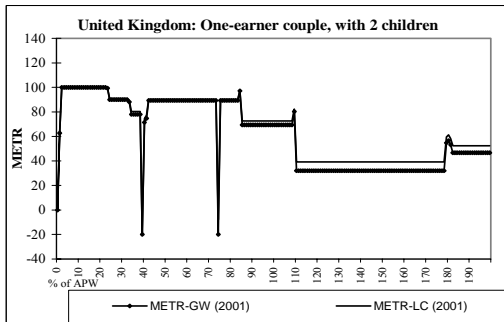
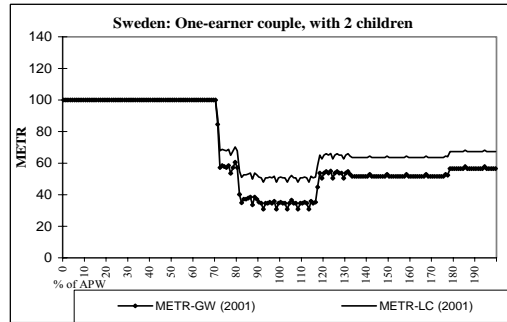
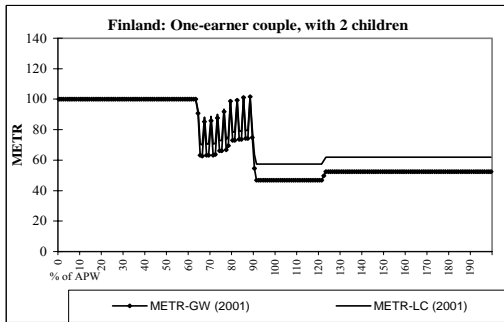
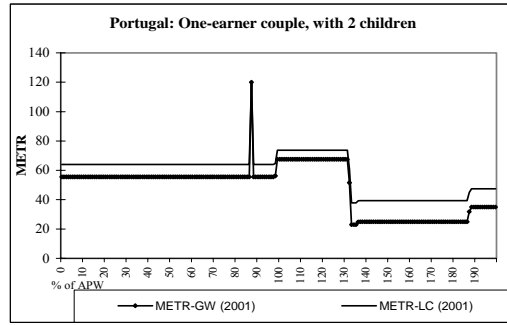
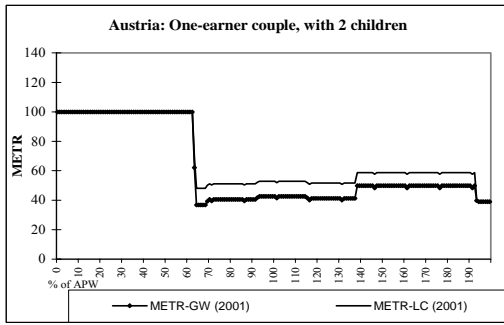


Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Figure B4

Comparing METR_{lw} on Gross Wage (GW) and Labour Cost (LC) (2001)

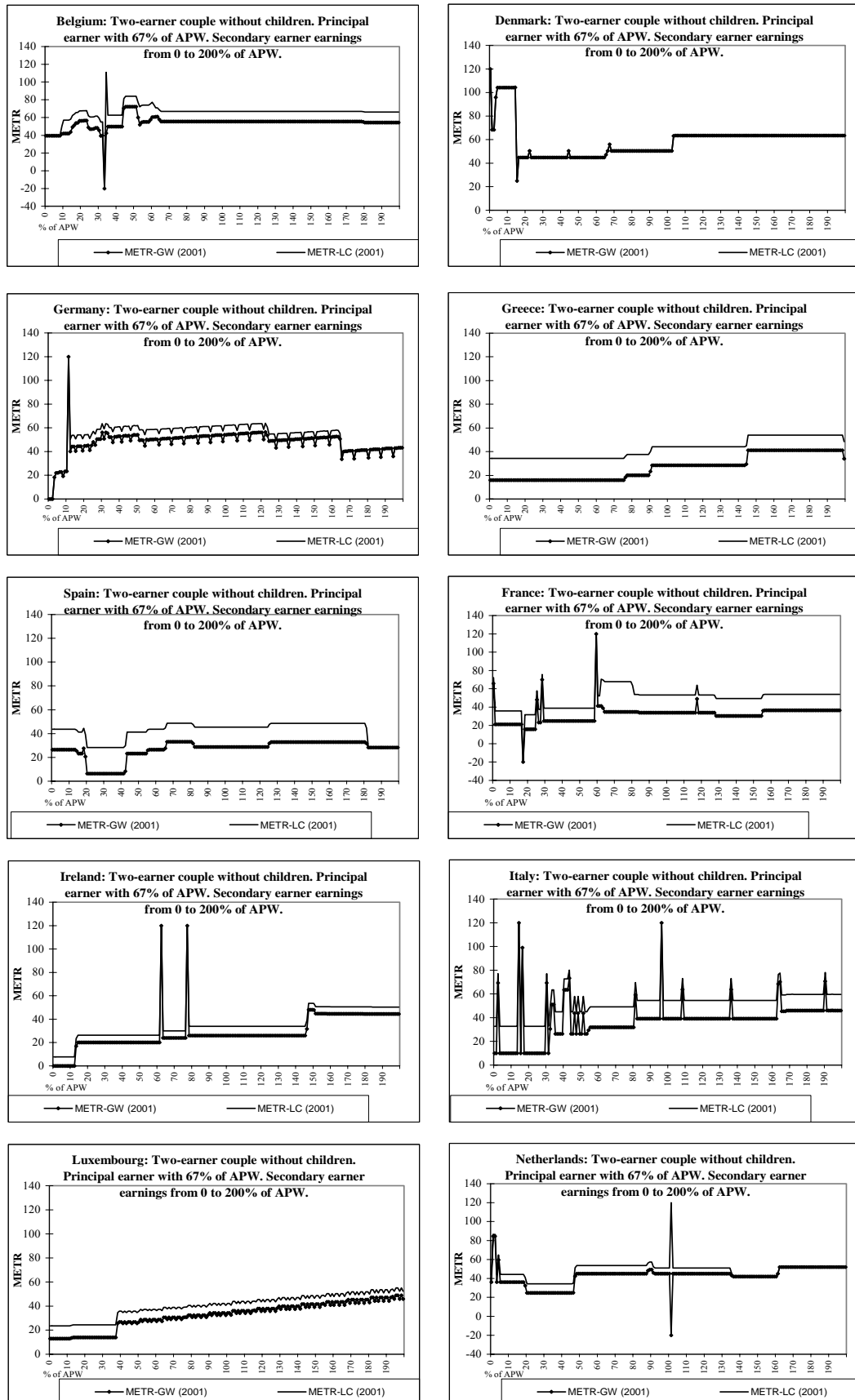


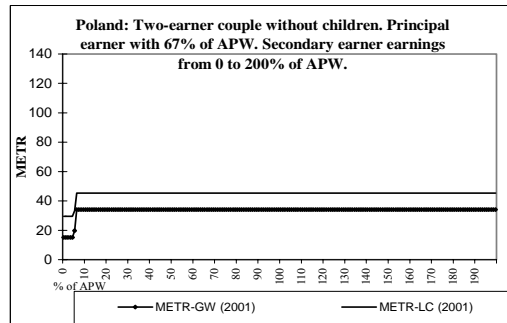
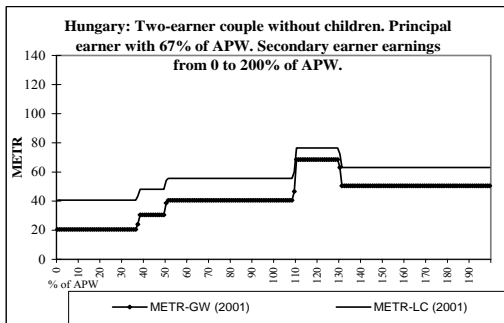
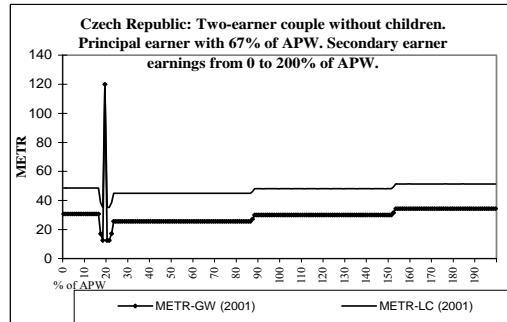
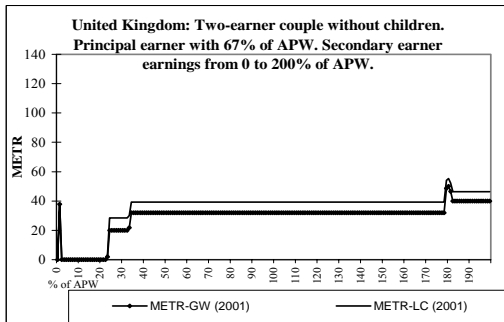
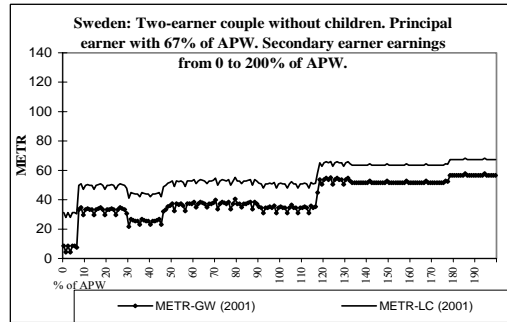
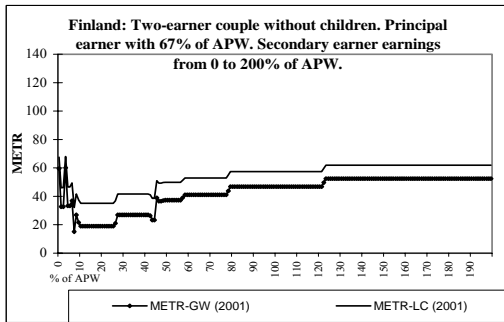
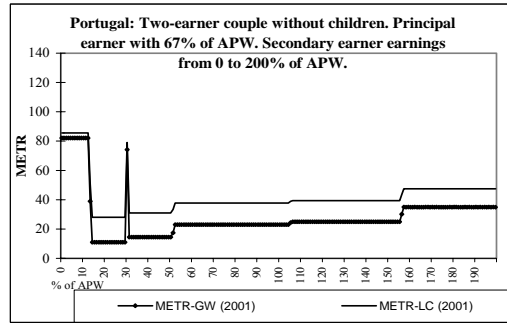
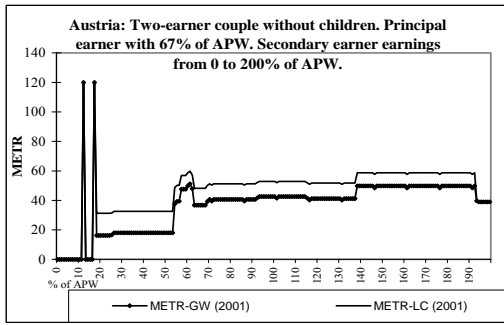


Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Figure B5

Comparing METR_{lw} on Gross Wage (GW) and Labour Cost (LC) (2001)

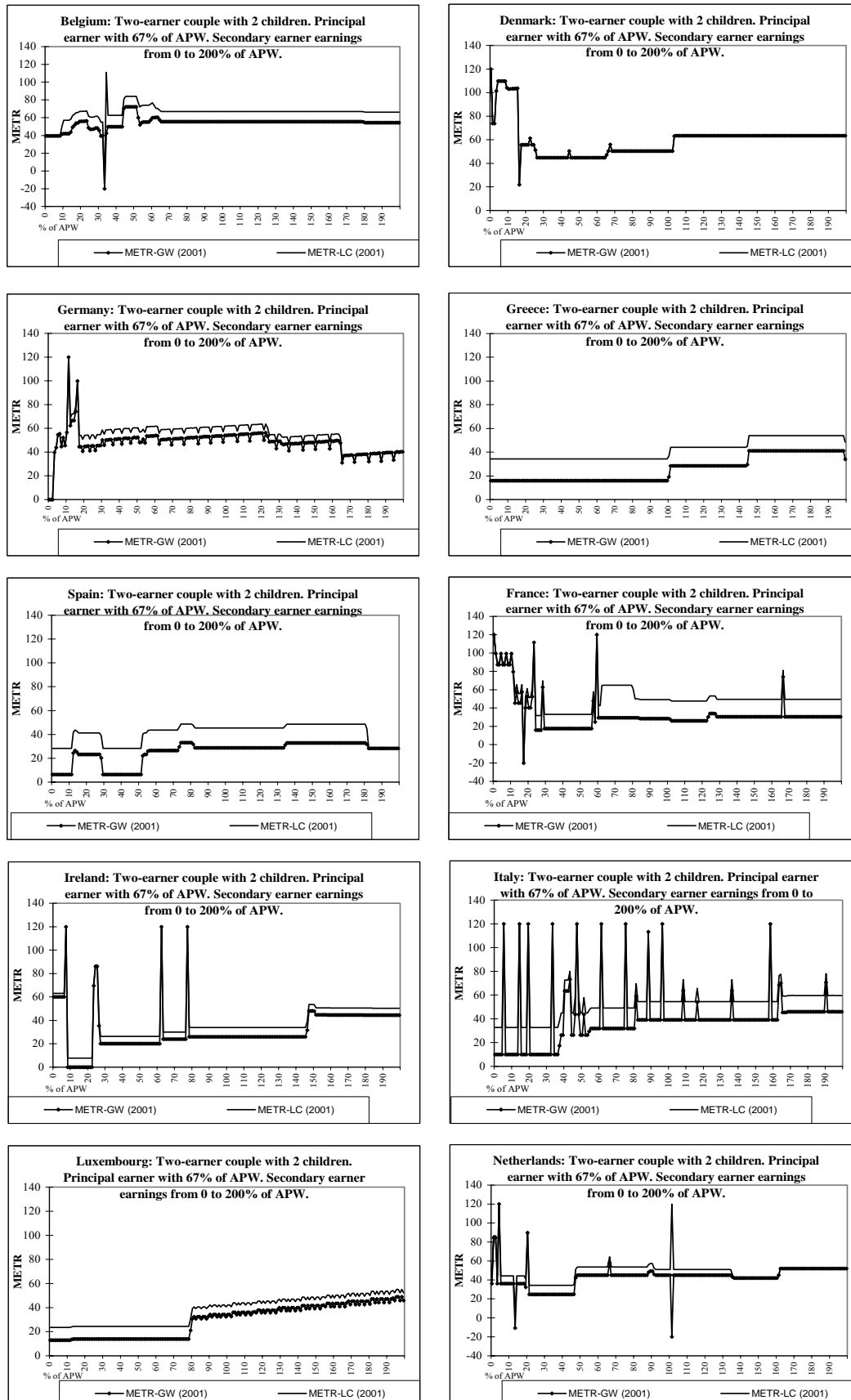


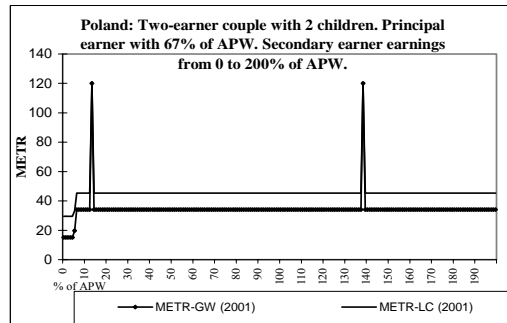
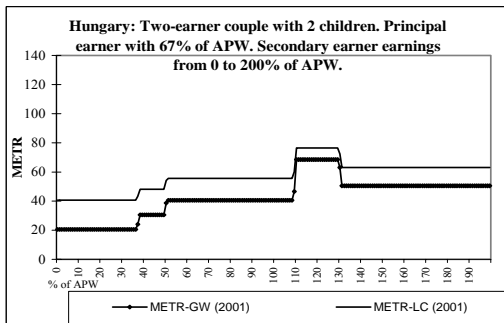
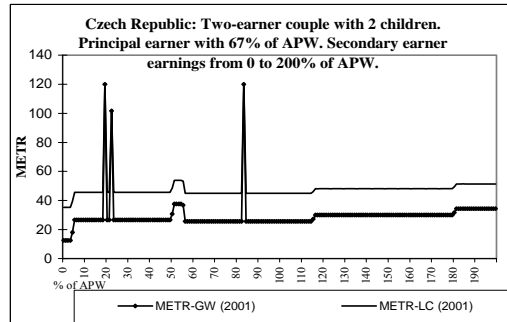
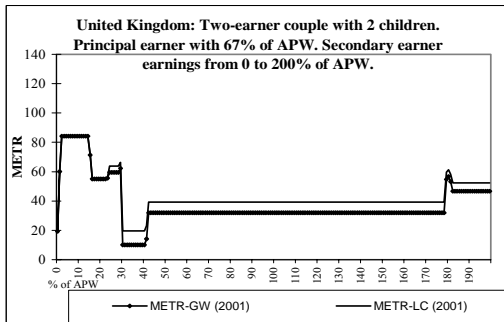
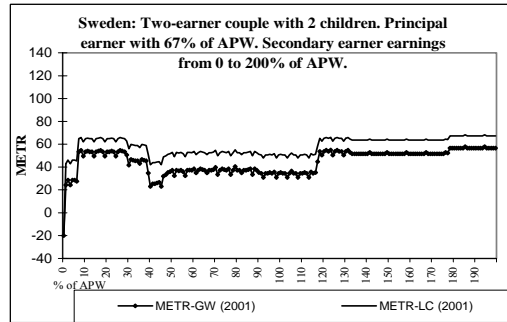
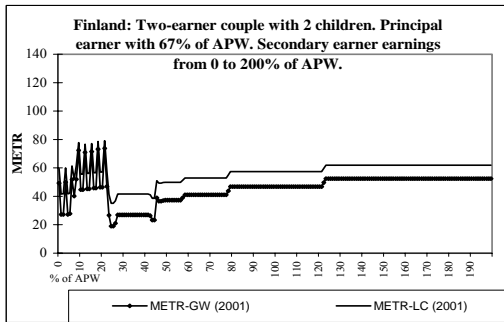
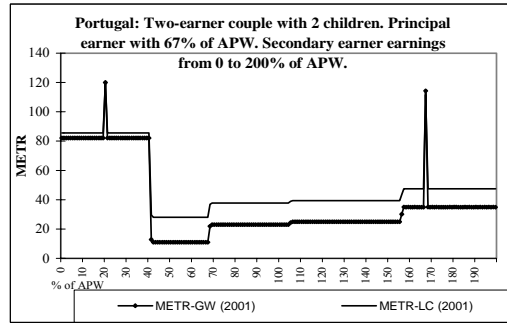
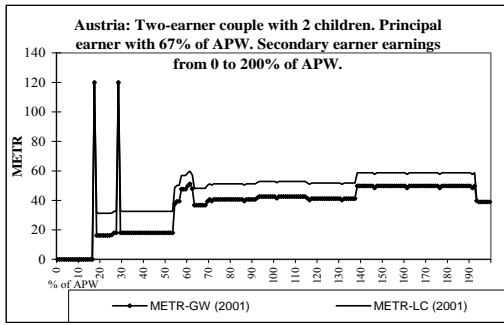


Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.

Figure B6

Comparing METR_{lw} on Gross Wage (GW) and Labour Cost (LC) (2001)





Source: Joint European Commission-OECD project, using OECD Tax-Benefit models.