



A fact finding analysis on the impact on the Member States' social security systems of the entitlements of non-active intra-EU migrants to special non-contributory cash benefits and healthcare granted on the basis of residence

DG Employment, Social Affairs and Inclusion via DG Justice Framework Contract

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The contents of this publication do not necessarily reflect the opinion of the European Commission.

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Prepared by	Carmen Juravle, Tina Weber, Emanuela Canetta, Elena Fries Tersch, Martina Kadunc Case studies: Dolores Carrascosa (ES), Ines Maillart (FR), Gijs Nolet and Linda de Keyser (NL), Josephine Armstrong (UK), Elena Fries-Tersch (AT)
Checked by	Tina Weber
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Executive Summary – 10 core findings

1. **Non-active EU migrants represent a very small share of the total population in each Member State. They account for between 0.7% and 1.0% of the overall EU population.** A few notable exceptions are Belgium (3%), Cyprus (4.1%), Ireland (3%) and Luxembourg (13.9%). The vast majority of non-active intra-EU migrants reside in EU-15¹ countries (approx. 98%). This reflects the overall pattern of intra-EU migration.
2. **Overall intra-EU migration has increased over the past decade;** according to EU-LFS estimates, the total number of intra-EU migrants aged 15 and above has increased **from 1.3% to 2.6% of total EU-27² population between 2003 and 2012. The number of intra-EU migrants being non-active has also risen** (both in absolute terms and in proportion of the total of EU-27 population) **but to a lesser extent** (from 0.7% in 2003 to 1.0% in 2012).
3. **On average EU migrants are more likely to be in employment than nationals living in the same country** (despite the fact that unemployment rates tend to be relatively higher amongst EU migrants). This gap can be partly explained by differences in the age composition between EU migrants and nationals, with more migrants than nationals falling in the 15-64 age bracket. **The overall rate of inactivity among EU migrants has declined between 2005 and 2012** – from 47% to 33%. This happened despite an increase in the rate of unemployment among intra-EU migrants during the economic crisis.
4. **Pensioners, students and jobseekers accounted for more than two-thirds of the non-active EU migrant population (71%) in 2012** – although significant differences can be found between countries. Other non-active intra-EU migrants e.g., homemakers fulfilling domestic tasks and other non-active family members of EU nationality account for 25% of the entire non-active EU migrant population. Persons who cannot work due to permanent disabilities represent a relatively small group of migrants (3%). **The vast majority of non-active EU migrants (79%) live in economically active households,** with only a minority of them living with other household members out of work.
5. **The majority of currently non-active migrants have worked before in the current country of residence (64%).** Non-active intra-EU migrants do not form a static group. A third of EU migrant jobseekers (32%) were employed one year before.
6. **Evidence shows that the vast majority of migrants move to find (or take up) employment.** Income differentials are also an important driver for migration, with individuals seeking to improve their financial position and standard of living. The importance of available employment opportunities motivating migration is demonstrated by recent shifts in migration patterns resulting from the impact of the crisis. Data show a trend shift away from East-West to more South-North intra-EU migration, albeit East-West migration remains most significant in volume terms. Countries such as Spain and Ireland have seen a decline in intra-EU inward migration, whereas flows to countries such as Austria, Denmark and Germany have increased.
7. **This study found little evidence in the literature and stakeholder consultations to suggest that the main motivation of EU citizens to migrate and reside in a different Member State is benefit-related as opposed to work or family-related.** This is underpinned by data which show that in most countries, **immigrants are not more intensive users of welfare than nationals.** Where they are more intensive users, they tend to use intensely only specific types of benefits linked to their socio-economic circumstances as migrants. Our analysis of EU data shows that migrants are less likely

¹ Throughout the report, the terms EU-15, EU-10, EU-2 and EU-12 are used to denote respectively the 'old' Member States (AT, BE, DE, DK, EL, ES, FI, FR, IT, IE, LU, NL, PT, SE and the UK); the 10 'new' Member States in central and eastern Europe (BG, CZ, EE, HU, LT, LV, PL, RO, SI, SK), the 10 'new' Member States in southern Europe (CY and MT) and the EU-10 and EU-2 countries together.

² This study began prior to the accession of Croatia to the EU.

to receive disability and unemployment benefits in most countries studied. Where some studies found evidence supporting the 'welfare magnet effect' hypothesis, the overall estimated effects are typically small or not statistically significant.

8. **In relation to special non-contributory cash benefits (SNCBs), the study shows that EU migrants account for a very small share of SNCBs beneficiaries.** They represent less than 1% of all SNCB beneficiaries (of EU nationality) in six countries (AT, BG, EE, EL, MT and PT); between 1% and 5% in five other countries (DE, FI, FR, NL and SE), and above 5% in BE and IE (although the figures for Ireland are estimates based on claimant data rather than benefits paid). There is limited trend data on the use of SNCBs by EU migrants to draw any robust conclusions. In the 8 countries for which trend data is available, there has been an overall increase in the number of EU migrants in receipt of SNCBs – albeit in absolute numbers, figures remain small in most countries.
9. The extent to which non-active intra-EU migrants are eligible to access healthcare depends on the nature of the organisation of the health care system (residence based or insurance based). Our estimations indicate that on average, **the expenditures associated with healthcare provided to non-active EU migrants are very small relative to the size of total health spending in or the size of the economy of the host countries.** Estimated median values are 0.2 % of the total health spending and 0.01% of GDP.
10. Overall, it can be concluded that the share of non-active intra-EU migrants is very small, they account for a similarly limited share of SNCB recipients and the budgetary impact of such claims on national welfare budgets is very low. The same is true for costs associated with the take-up of healthcare by this group. Employment remains the key driver for intra-EU migration and activity rates among such migrants have indeed increased over the last 7 years.

1 Introduction

1.1 Overview

This final report has been prepared by ICF GHK Consulting Ltd in association with Milieu to provide DG Employment, Social Affairs and Inclusion the findings of a study on the access of non-active intra-EU migrants to special non-contributory cash benefits (SNCBs hereafter) and health care (VC/2012/1148 via the DG Justice Framework Contract).

This report constitutes the third of the three key deliverables associated with this study. The aim of this report is to present the following:

- findings from the literature review at the national and EU level;
- results of the primary research and case studies undertaken in the EU-27 Member States;
- results of the statistical analysis of Eurostat's migration statistics and microdata from EU-LFS and EU-SILC.

1.2 Brief legal and policy context of the study

The right for Union citizens to move and reside freely within the territory of the Member States is enshrined in Articles 21 and 45 of the Treaty on the Functioning of the European Union (TFEU) and in Article 45 of the Charter of Fundamental Rights of the European Union. This right, which includes equal treatment in the country of residence, is irrespective of the exercise by EU citizens of an economic activity and is regulated by secondary EU laws. The right to access social security for residents is set out in Article 48 TFEU and Article 34 of the Charter which also refers to the rules set up by EU and national law to regulate entitlement to benefits.

The right to free movement and residence

European Parliament and Council Directive 2004/38/EC of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory regulates the conditions according to which they can exercise their right to move and reside freely within the Member States; the right of permanent residence as well as restrictions on the aforementioned rights on grounds of public policy, public security or public health. Directive 2004/38 defines the conditions for the right of residence in another Member State for more than three months and it regulates equal treatment for access to social assistance. As laid down in this Directive, the right of residence for non-active EU citizens other than job-seekers for more than three months but less than five years is subject to the conditions of having sufficient resources and comprehensive sickness insurance cover.

EU coordination of social security systems and access to social benefits

Member States are free to regulate their own social security systems; however, for the past 50 years these systems have been subject to EU level coordination to ensure that people have social security coverage and do not lose rights when exercising their right to free movement in the EU. Regulation 883/2004, as amended by Regulation 465/2012, sought to modernise and simplify the rules on the coordination of social security systems at the EU level. It applies to certain branches of social security³ but not to social assistance⁴. A definition of the terms "social security" and "social assistance" is not to be found in the Regulation but is interpreted in case law. The extensive jurisprudence of the Court of Justice of the European Union highlights that the distinction between benefits excluded from the scope of Regulation (EC) No 883/2004 and benefits which come within its scope is based essentially on the constituent elements of each benefit, in particular its purpose and the conditions for granting it, and not on whether it is classified as a social security or social assistance benefit by national legislation. The coordination system also applies specific rules to the

³ See Article 3(1) of Regulation (EC) No 883/2004

⁴ See Article 3(5)(a) of Regulation (EC) No 883/2004

so called “special non-contributory cash benefits” as defined in Article 70 and listed in Annex X of the Regulation. These benefits are a hybrid in between social security benefits and social assistance and were further clarified through EU-level case law.

1.3 Objective and aims of the study

For a number of years, various Member States have raised concerns about the consequences of the interface between Regulation 883/2004 on the coordination of Member States’ social security systems and the free movement Directive 2004/38. More specifically, it is feared that the entitlement which EU law gives to non-active EU migrants to claim access to healthcare and special non-contributory benefits in cash can lead to ‘welfare tourism’ and threaten the sustainability of European welfare states. While the topic has already received attention in existing studies, these have mostly focused on legal considerations. A separate ad-hoc group on the habitual residence test has been set up by the Administrative Commission for the Coordination of Social Security Systems to consider how Regulation 883/2004 applies to non-active EU migrants, with a particular focus on the way Member States define ‘habitual residence’. In order to avoid duplication, the current study concentrates on collecting quantitative and qualitative evidence to establish whether there is a problem in this area and, if so, to assess its nature and scale. Given that this is a fact-finding study, the final report will not need to address the issues of legal interpretation handled by the Ad-hoc Group.

This fact-finding study aims to provide the Commission with evidence concerning non-active intra-EU migrants, the drivers of intra-EU mobility of non-active intra-EU citizens, and the budgetary impacts of their entitlements to SNCBs and healthcare granted on the basis of their residence in the host Member State.

The research is carried out in the context of rising concerns about immigration, welfare tourism and national social security spending which have featured prominently in public discussion about intra-EU mobility. Previous research in this area (although limited) has noted concerns about an alleged increase in welfare claims from non-active EU migrants and a degree of legal uncertainty surrounding the entitlement of non-active persons to SNCBs and healthcare under Regulation 883/2004 and Directive 2004/38 (trESS, 2011).

In this context, the study aims to achieve the following:

- To estimate for each Member State the number of non-active intra-EU migrants as well as any patterns and trends in intra-EU mobility; and - in addition – to gather data on active EU migrants to gain a better understanding of the ratios between active and non-active persons in the EU migrant population as compared to national populations;
- To review the past and current drivers of the intra-EU mobility of non-active EU citizens;
- To discuss emerging/future drivers and possible trends in intra-EU mobility;
- To estimate the number/proportion of non-active intra-EU migrants claiming and being granted SNCBs in another Member State;
- To estimate the number/proportion of non-active intra-EU migrants granted healthcare (health insurance or health service) on the basis of residence in another Member State;
- To provide quantitative or monetary estimates of the impact of the above on the social security systems of the host Member States (i.e., to estimate the total expenditure on healthcare and SNCBs granted to non-active EU citizens).

The study’s territorial coverage encompasses the EU-27 countries (Croatia was not an EU Member State at the commencement of the study).

The period of interest is between 2002 and 2012.

1.4 Scope of the study and conceptual clarifications

To better delineate the scope of this study, each of the key concepts used throughout the report are defined further below:

Intra-EU migrants

The concept of 'intra-EU migrants' refers to all EU citizens who are currently residing in another Member State than the Member State of citizenship. It excludes third-country nationals. For the purposes of this study, it also excludes temporary visitors to other Member States.

Non-active persons

'Non-active persons' should be understood as individuals 'not in employment', of primary interest for this study being pensioners, disabled persons, students (not in any form of employment), job-seekers, non-active single parents and other non-active groups such as family members of non-active persons who are themselves not in employment. The study makes use of the term 'non-active' as opposed to 'inactive' persons given that job-seekers are included within its scope. Persons who are employed or self-employed fall outside the scope of this study. In addition, (non-active) person who are family members of economically active persons residing in another Member State are also excluded from the scope of the study – apart from those cases where the family members have individual entitlements to in-kind or cash benefits in their own right. A relevant example would be the access of (non-active) family members to universal healthcare services in Portugal or the UK. Persons under the age of 15 are also not covered by the study.

From a legal perspective, the trESS study in 2011 defined 'non-active persons' as 'persons who are not economically active in their host Member State and who have neither coordination rights under Regulation 883/2004 as an employed or self-employed person nor as a family member of an economically active person in that Member State' (trESS, 2011, p.29). This source makes a distinction between, on the one hand, those '(currently) economically inactive persons, who have previously been engaged in an economic activity and therefore continue to be covered by the coordination rules of Regulation 883/2004 as employed or self-employed persons', and on the other hand, those who have never worked in the host country or do not have sufficient resources for themselves and/or do not have comprehensive sickness insurance. This study acknowledges that the term 'non-active persons' has different meanings across Member States.

Residence

Only those non-active EU nationals who have changed their residence from one Member State to another are included in the scope of the study. For the purposes of this study, residence is understood as the place where a person habitually resides (Article 1(j) of Regulation (EC) No 883/2004) which is where the habitual centre of his/her interests is to be found (see, for instance, Case C-90/97 Swaddling [1999] ECR, I-1075, para. 29). It is acknowledged that Member States may, as a matter of fact, apply differing notions of 'residence' laid down in national law for other relevant domestic purposes. Therefore, as far as possible, when data collected refers to residence in a specific country, the researchers checked the national definition that is given to that term and reported this information in the findings to facilitate the comparable analysis of such data. Where relevant, the report also acknowledges where such differences in definition limit the comparability of the figures provided. The data on the length of residence as provided by EU-LFS has also been analysed to differentiate between groups of non-active EU citizens by length of residence, as well as those who worked in the country of residence prior to becoming non-active and those who migrated as non-active EU citizens.

SNCBs granted on the basis of residence

The study focuses on the SNCBs that are listed, by Member State, in Annex X of the Regulation (EC) No 883/2004 as amended by Regulation (EU) No 465/2012 (see Annex 1 of this report).

SNCBs are considered special benefits in the sense they cross-cut traditional social security and social assistance branches, falling simultaneously within both categories (Article 70 of Regulation

(EC) No 883/2004). While it is clear that they fall in the scope of Regulation (EC) No 883/2004, that regulation lays down specific rules for them. SNCBs are granted exclusively in the country in which the beneficiary in question resides; it is therefore not possible to "export" these cash benefits when moving to another country in the Europe Union.

SNCBs are intended to provide either i) 'supplementary, substitute or ancillary cover against the risks covered by the branches of social security referred to in Article 3(1), and which guarantee the persons concerned a minimum subsistence income having regard to the economic and social situation in the Member State concerned; or (ii) solely specific protection for the disabled, closely linked to the said person's social environment in the Member State concerned' (Regulation 883/2004, Article 70(2)).

The benefits are generally paid to persons who are in need of assistance or whose income is below a certain legally prescribed level. Benefits are paid even if the person has never paid social security contributions in the country of residence.

The list of SNCBs included in Annex X of in Regulation 883/2004 has remained relatively unchanged during the period being studied (2002-2012), with some documented exceptions in the Netherlands, Finland, Slovenia and the UK. In the Netherlands, the previous Wajong Act has been superseded as of 1 January 2010 by the Work and Employment Support (Young Disabled Persons) Act (also known as the 'new' Wajong). The new Act is primarily concerned with young people with disabilities and comprises three elements (minimum income for disabled young people who are unfit for work; minimum income for disabled young people who are in school education or start a programme of study after age 18 years; supplement to the income of disabled young people that can work if their income is below 75% of statutory minimum wage as well as all necessary support to prepare for and find labour). In Slovenia, the listed special non-contributory benefits have been removed by the New Pension and Invalidity Insurance Act which entered into force on 1 January 2013. These revisions are likely to be included in Annex X through the next "Miscellaneous amendments" of the coordination Regulations in the second half of 2013. The previous special non-contributory cash benefits have been mostly transferred to the new "Income Support" benefit, which is exclusively a social assistance benefit, being paid by the Social Work Centres (CSD) directly from the State Budget. According to the information provided by the Ministry of Labour, Family, Social Affairs and Equal Opportunities of Slovenia, very few EU citizens would qualify for the new income benefit which has a maximum threshold set at EUR 450/month. However, one of the conditions to consider a benefit as a SNCB under EU law is the listing under Annex X of Regulation 883/2004. This study therefore focuses only on the SNCBs listed in the Annex up to July 2013.

Under the UK's welfare reforms, the income-based Jobseeker's Allowance and income-related employment and support allowance will be also be removed over the next four years.⁵ There will be a new, single, means-tested welfare support (Universal Credit) which will be available both in- and out-of-work persons. Disability Living Allowance (Mobility component) will also be replaced over broadly the same period by a new Personal Independence Payment (Mobility).

In addition to the above, some further changes have been confirmed by national authorities. In Finland, the 'Special assistance for immigrants (Act on Special Assistance for Immigrants, 1192/2002)' was replaced with the guarantee pension in 2011. This is a pension based on residence, is means tested, and can be used to top up low-level pensions.

As mentioned above, SNCBs generally fall within three broad categories: old-age or survivors benefits; unemployment benefits and disability or invalidity benefits. Given the heterogeneity of the SNCBs provided across EU countries, the table below provides an overview of these non-contributory cash benefits as defined in the scope of Regulation 883/2004 and organised by type of benefit and Member State. It should be noted that for this table the type of benefit is judged according to the target social group or the main social risk it is intended to mitigate.

⁵ Welfare Reform Act 2012 : <http://www.legislation.gov.uk/ukpga/2012/5/contents/enacted>

Table 1.1 Overview of SNCBs by type of benefit and Member State

Country	Type of SNCB			
	Old-age/survivors	Unemployment	Disability and invalidity benefits	
AT	Compensatory pension allowance	x		x
BE	Guaranteed income for elderly persons	x		x
BG	Social pension	x		x
CZ	x	x	Social allowance	
CY	Social pension	x	Disability Allowance; Grants to blind persons	
DE	Basic subsistence income for the elderly	Basic subsistence costs jobseekers	Basic subsistence income	
DK	Accommodation expenses for pensioners	x		x
EE	x	State unemployment allowance	Disabled adult allowance	
EL	Special benefits for the elderly	x		x
ES	Cash benefits for the elderly	x	Cash benefits for the invalids, invalidity pension, supplementary payments ⁶	
FI	Housing Benefit for pensioners; Special assistance for immigrants (replaced by Guarantee pension since 2011)	Labour market support	Housing benefit for pensioners	
FR	Old age solidarity Fund; allowance	x	Special Invalidity Fund; Disabled Adult Allowance	
HU	Non-contributory old age allowance	x	Invalidity annuity; transport allowance	
IE	State pension; Supplementary welfare allowance, Widow(er)s pension	Jobseeker's allowance	Blind Pension; Disability/Mobility Allowance	
IT	Social pensions	x	Pensions and allowances for disabled; Supplements to disability allowances	
LV	x	x	Allowance for disabled	
LU	x	x	Income for seriously disabled	
LT	Social assistance pension		Mobility allowance	
MT	Old age pension		Supplementary allowance	
NL	x	x	Support for Disabled Young	

⁶ Benefits supplementing the above pensions, as provided for in the legislation of the 'Comunidades Autónomas', where such supplements guarantee a minimum subsistence income taking into account the economic situation of the 'Comunidades Autónomas' concerned.

Country	Type of SNCB		
	Old-age/survivors	Unemployment	Disability and invalidity benefits
			Persons; supplemented by Supplementary Benefits of 6 Nov 1986(TW benefits) ⁷
PL	Social pension	x	x
PT	State old age and widowhood Solidarity support for elderly	x	Non-contributory invalidity pension
RO	x	x	x
SE	Financial support for the elderly, housing Allowance	x	x
SI	(Abolished as of Jan 2013)	x	(Abolished as of Jan 2013)
SK	Social pension	x	Social pension
UK	State pension credit (to be amended)	Income based jobseekers' Allowance (to be amended)	Income support, disability allowance (to be amended)

Source: ICF GHK on the basis of Annex X of Regulation (EC) No 883/2004

Healthcare granted on the basis of residence

The present study also looks at access of non-active intra-EU migrants to health care systems based on residence. Situations where the costs of the health care granted in the host Member State are reimbursed by the competent Member State fall outside the scope of this study. For example, cases where migrants (whether economically active or not) are only temporarily staying in the host Member State while continuing to be covered by the health insurance of their home country (and who are in the possession of a European Health Insurance Card - EHIC) are not covered by this report.

Particular attention is given to cases of health care insurance granted on the basis of residence and based on insurance with a universal character. The analysis is not limited to those Member States with a national health service where the entitlement to full healthcare coverage is based on residence (e.g., DK, SE and the UK) but it also takes into account special healthcare insurance schemes for certain groups of persons (e.g. jobseekers, low-income single parents, young students) in countries which otherwise have a health care system based on insurance (such as CMU in France).

The research team has undertaken a short exercise to map out briefly the national health care systems in the EU the results of the mapping exercise are summarised in Annex 2). For the purposes of this study, healthcare systems are classified on the basis of their coverage as opposed to other criteria such as funding and institutional mechanisms. Countries can be grouped into the following categories:

- Healthcare systems based on residence only (i.e., CY, DK, FI, IE, IT, MT, PT, SE, SK and UK) where all residents should be eligible for the full range of healthcare services, irrespective of their nationality or the payment of national insurance contributions or taxes. In these countries, all non-active intra-EU migrants should be in principle entitled to health insurance or services

⁷ The Supplementary Benefits Act provides for supplements to top up other benefits considering minimum income standards.

(although there might be some conditions imposed as regards the length of residence in the country or on the legal status of the beneficiary⁸).

- Healthcare systems based on insurance only (i.e., BE, DE, EL, LT, LU, NL, PL, RO, SI). In such countries, healthcare is provided to insured persons and their dependants residing legally in the country (and who have paid minimum contributions during a given period of time).
- Mixed healthcare systems which combine a primarily insurance-based system with specific insurance schemes with a universal scope (i.e., are granted to those who are uninsured, do not pay contributions and/or simply fall below minimum income). For example in Austria, persons with low incomes (under €376 per month in 2012) are excluded from the compulsory insurance system but can subscribe to voluntary insurance. Persons who do not meet the requirements for voluntary insurance can either acquire private insurance, or receive health care under the social assistance schemes, if they cannot afford private insurance.

Most EU Member States provide additional services in cases of emergency or of public health interest (e.g., contagious illnesses). These services generally fall outside the scope of our analysis given that they are provided on an ad-hoc basis. According to our limited mapping exercise, countries which provide such services to migrants free-of-charge include, inter alia, CZ, EE, FR, LV⁹, PL and ES.

Summary of key points

- In recent years, there has been a growing public concern about welfare receipt by immigrants. At policy level, various Member States have raised concerns about the potential consequences of the coordination of social security systems in the wider context of the right to free movement of persons in the EU. It has been argued that the entitlement which EU law gives to non-active EU migrants to claim access to healthcare and special non-contributory benefits in cash can lead to 'welfare tourism' and threaten the sustainability of European welfare states.
- The present study is a fact-finding study, with limited space dedicated to legal considerations. It aims to provide the Commission with evidence concerning non-active intra-EU migrants residing within EU-27¹⁰ territory, the drivers of intra-EU mobility of non-active intra-EU citizens, and the budgetary impacts of their entitlements to special non-contributory cash benefits (SNCB hereafter) and healthcare granted on the basis of their residence in the host Member States.
- Non-active 'intra-EU migrants' refers to all EU citizens who are currently residing in another EU-26 Member State and who are not in employment. This category includes economically inactive migrants (e.g., pensioners, inactive migrants fulfilling domestic activities) and jobseekers.
- The study focuses on the SNCB that are listed, by Member State, in Annex X of the Regulation (EC) No 883/2004 as amended by Regulation (EU) No 465/2012. Most SNCBs fall within three broad categories: old-age, unemployment and disability benefits.
- The study also examines the access of non-active-EU migrants to health care provided

⁸ In Malta, it is understood that non-active intra EU migrants are entitled to healthcare services through their economically active spouses.

⁹ Latvia is generally recognised as a residence based healthcare system. However, according to the information provided by the National Health Authority, the following groups of persons have the right to state funded healthcare services: 1) Latvian citizens; 2) EEA/EU/CH citizens who reside in Latvia as employed/self-employed persons or as family members of economically active persons; 3) EU nationals and third-country nationals who have a permanent residence permit in Latvia; 4) refugees and persons who have been granted alternative status; and 5) persons detained, arrested and sentenced with deprivation of liberty; 6) and the children of all the above mentioned persons. From the above, it is understood that non-active intra-EU migrants (who are not related to economically active persons in Latvia and are not insured in other EU country through e.g., pension or do not have permanent residence) have to acquire insurance in order to access healthcare in Latvia. Therefore, only non-active EU migrants who have resided for more than 5 years in Latvia will be taken into consideration in the healthcare expenditure estimates presented in section 6.

¹⁰ This study commenced prior to the accession of Croatia to the EU.

on the basis of residence. Such health care is usually provided in a general national healthcare system (as it is the case in Cyprus, Denmark, Sweden or U.K.) or through an insurance scheme targeted at those who fall under certain income thresholds and/or are not covered by the compulsory insurance scheme (insurance with universal character, e.g. CMU in France).

1.5 Structure of this report

The remainder of this report is structured as follows:

- Section 2 provides an overview of the methodology;
 - Section 3 presents an analysis of the size and composition of the population of (non-active) EU migrants in the Member States;
 - Section 4 discusses the main drivers of non-active intra-EU mobility;
 - Section 5 presents the findings on the access of non-active intra-EU migrants to SNCBs;
 - Section 6 presents our approach to estimating expenditure on healthcare granted to by non-active intra-EU migrants and results;
 - Section 7 presents the case study on CMU in France;
 - Section 8 presents the case study on the access to healthcare in Spain;
 - Section 9 presents the case study on the access to Ausgleichszulage (supplementary benefit for low income pensioners) in Austria;
 - Section 10 presents case study on the access to jobseekers' allowance in the UK;
 - Section 11 presents the case study on New Wajong in the Netherlands;
 - Section 12 discusses the conclusions of this study;
- And
- Annex 1 List of SNCBs;
 - Annex 2 Mapping of national healthcare systems;
 - Annex 3 List of references;
 - Annex 4 Shares of EU migrants, non-active EU migrants and non-active EU migrants without economically active household members in total population by country, 2002-2012;
 - Annex 5 Numbers of non-active intra-EU migrants aged 15 and above by MS, 2002-2012 (based on EU-LFS);
 - Annex 6 Numbers of non-active intra-EU migrants aged 65+, total numbers, 2002-2012;
 - Annex 7 List of stakeholders consulted; *not published*
 - Annex 8 – Annexes to case study 1- France;
 - Annex 9- Annexes to case study 2- Spain;
 - Annex 10- Annexes to case study 3- Austria;
 - Annex 11 – Annexes to case study 4 – U.K.;
 - Annex 12 – Annexes to case study 5 – the Netherlands.

2 Overview of methodology

This section presents the methodological approach of the study.

2.1 Overview of analytical approach for this study

The approach to this assignment has been to gather, analyse, and triangulate the evidence on the access of non-active intra-EU migrants to SNCBs and healthcare on the basis of residence through a combination of desk based research (policy reports, secondary databases, academic articles, thought papers at the international, EU and national level), in-depth interviews with national competent authorities, statistical analysis of Eurostat's microdata and case studies in a sample of countries. The research team has opted for the use of a mix of tools, methods and sources to ensure that the research is as detailed as possible, gathering both qualitative and quantitative information.

Annex 13 presents a summary of the methodological approach adopted. The approach divides the study into six tasks:

- Task 1: Inception phase;
- Task 2: Analysis of the population of non-active intra-EU migrants;
- Task 3: Identification of past and future drivers of mobility of non-active EU citizens; and
- Task 4: Access of non-active intra-EU migrants to SNCBs and healthcare;
- Task 5: In-depth analysis of specific cases (case studies);
- Task 6: Reporting.

2.2 Details of the research methods used

This section provides a description of the main research and evidence-gathering tasks undertaken in producing this report.

2.2.1 Desk-based national data gathering

The research team has reviewed a list of sources identified at the international, EU and national level (written in English or national languages). The findings are integrated with the interview findings and reported thematically in the present report. The review of literature sought to find evidence of:

- Size and composition of the population of EU migrants who are not in employment and reside in a Member State other than their EU country of citizenship; analysis by citizenship, sex, age, inactivity status (i.e., pensioners, non-active students, non-active single parents; jobseekers; non-active disabled persons; other categories of non-active individuals), years of residence (short-medium-long-term, excluding tourists and other temporary visitors);
- Net migration/mobility of non-active EU citizens by country of residence and origin (newcomers and leavers per given unit of time, where data was made available);
- Transitions between labour market statuses e.g., from economic inactivity to economic activity; from employment to unemployment etc.;
- Trends and patterns for the period 2002-2012;
- Past/current 'pull and push factors' of non-active EU mobility e.g. macro-economic determinants (income differentials, EU enlargement, welfare generosity, etc. in host country), individual and household factors (labour market status, age, marital status), demographic factors (e.g., demographic ageing, associated trends in illness and disability etc.; social and cultural factors (social ties, language etc.); educational opportunities (e.g. Erasmus programme) etc.;

- New/emerging 'pull and push factors' e.g. lifting of transitional arrangements, ageing population, possible or planned changes in the eligibility criteria to access social benefits (e.g. UK's welfare reform), continuation of the economic recession;
- Previous research on the use of cash benefits (contributory versus non-contributory) amongst nationals and migrants (of EU nationality);
- Healthcare consumption by nationals and (EU migrants); drivers of healthcare consumption (particularly age and gender) Monetary/quantitative estimates of the expenditure on residence-based SNCBs and healthcare granted to non-active intra-EU migrants, and where possible by category of migrant.

A full list of publications and data sources that have been reviewed for this report is provided Annex 3.

2.2.2 Stakeholder interviews at national level

Semi-structured interviews were completed with 61 national authorities. An additional 15 stakeholder institutions replied but did not provide any further information (or declined to participate due to lack of data). Furthermore, 10 stakeholder institutions did not reply to our invitation.

The stakeholders consulted included the following categories of stakeholders:

- Social security authorities;
- National health authorities;
- National authorities responsible for immigration (e.g., Home office, Ministry of Interior, etc.) or statistical offices;
- National statistical offices or national research centres.

To inform the case studies, an additional 37 stakeholders have been consulted in 5 countries - in Austria, France, the Netherlands, Spain and the UK. They include a different range of stakeholders such as regional/local authorities, advice centres for migrants, disability forums, policy research institutes and academic experts¹¹.

2.2.3 Statistical analysis

Following discussions with the Steering Group and the Employment and Social Analysis Units in the European Commission (DG EMPL), a formal request was submitted to Eurostat in order to acquire two microdata sets: European Union Statistics on Income and Living Conditions (EU-SILC) – cross-sectional files only; and EU Labour Force Survey (EU LFS). In addition, ICF GHK has requested cross-tables based on EU-LFS in the year 2012 (which is currently not available in the microdata base). The results of the analyses are integrated in this report.

To supplement and validate the analysis of EU-LFS and EU-SILC surveys, additional datasets were downloaded from the publicly available Eurostat database on migration statistics and corroborated with data provided by national competent authorities. The advantage of using migration or residence data for triangulation stems from the fact that administrative data is better suited to capture the number of migrants, being based on national registries covering the entire population. EU-LFS and EU-SILC surveys tend to under-estimate the number of EU migrants, although the extent of the underestimation varies across countries, age groups and employment status (see for example Table 3.1).

¹¹ For the Final Report, a review of the literature, statistical analysis and interviews with a number of national competent authorities (i.e., immigration authorities, health ministries and welfare ministries) were carried out by ICF-GHK. The case study phase of the project lasted from 15 May 2013 to 19 July 2013. Within the limits of the project time frame, Milieu Ltd supplemented that information with desk research in the national language (see Annex 8-12) and further statistical analysis (see below). Moreover, an additional list of stakeholders approved by the Commission was consulted focusing on the specific benefit covered in each case study (see Annex II). 37 interviews have been carried out although not all stakeholders consulted were able to provide a reply, some due to the short timeframe.

Statistical procedure

The EU-LFS datasets were converted into Stata¹² datafiles and processed into a convenient format for subsequent analysis. For LFS data, this involved merging of individual country files into yearly datasets and changing the data format (i.e. converting string to numeric variables). For the purpose of the analysis some variables were re-coded in order to aggregate groups of interest (e.g. nationality - combining third country nationals and other), labour status (combining persons fulfilling domestic tasks and other inactive persons), years of residence (creating five categories) or in order to account for missing values.

The country coverage of the two datasets is given in the table below:

Table 1.1 Coverage of the databases (2000-2012)

Year	LFS	EU-SILC
2000	All 27 MSs excl. DE, MT + CH, IS, NO	-
2001	All 27 MSs excl. DE, MT + CH, IS, NO	-
2002	All 27 MSs excl. MT + CH, IS, NO	-
2003	All 27 MSs excl. MT + CH, IS, NO	-
2004	All 27 MSs excl. MT + CH, IS, NO	AT, BE, DK, EE, EL, ES, FI, FR, IE, IT, LU, PT, SE + IS, NO
2005	All 27 MSs excl. MT + CH, IS, NO	All 27 MSs excl. BG, MT, RO + IS, NO
2006	All 27 MSs excl. MT + CH, IS, NO	All 27 MSs excl. BG, MT, RO + IS, NO
2007	All 27 MSs excl. MT + CH, IS, NO	All 27 MSs excl. MT + IS, NO
2008	All 27 MSs excl. MT + CH, IS, NO	All 27 MSs excl. MT + IS, NO
2009	All 27 MSs + CH, IS, NO	All 27 MSs + IS, NO
2010	All 27 MSs + CH, IS, NO	All 27 MSs excl. IE, CY + IS, NO
2011	All 27 MSs + CH, IS, NO	All 27 MSs excl. IE, CY + IS, NO
2012	Readily available cross-tables from Eurostat	-

2.2.4 Case studies

In the first phase of this study, a review of the literature at EU level, statistical analysis and interviews with key competent authorities in each MS (i.e. immigration authorities, health ministries and welfare ministries) were carried out.

The case studies allowed for the collection of supplementary evidence from additional stakeholders and literature sources (where available) both in English and in the native language in five selected Member States.

The list of the case studies were selected considering a mix of countries (with different set of SNCBs and healthcare systems based on residence or insurance with universal scope) and target groups (e.g., jobseekers, pensioners, persons with disabilities, etc.) to be able to provide an indicative example of the current situation. The list was finalised in discussion with our internal experts and in discussions with the Steering Group.

Case study 1: Access by non-active intra-EU migrants to (*Couverture Maladie Universelle*) CMU in France

¹² Stata is an integrated statistics package.

Case study 2: Access by EU pensioners to healthcare system in Spain

Case study 3: Access by pensioners to the compensatory supplement of Act 9 September 1955 in Austria

Case study 4: Access by jobseekers to the income-based allowances of Jobseekers Act 1995 in the UK

Case study 5: Access by non-active intra-EU migrants with disabilities to the Wajong benefit (Work and Employment Support for Disabled Young Persons Act of 24 April 1997) in the Netherlands

The case studies have the following specific aims:

- provide more in-depth information about the access to certain types of SNCBs and healthcare by certain categories of non-active intra-EU migrants in a sample of five countries;
- supplementing the evidence collected from national competent authorities with the views of other stakeholders, such as in migrant representative groups, groups representing the target group relevant for each case study (persons with disabilities, pensioners, jobseekers, etc.), EURES representatives, (academic) research centres and migration observatories;
- investigate any emerging trends identified during the first part of the study e.g., increase mobility of pensioners or jobseekers;
- provide more in-depth information on the drivers/factors of mobility of certain categories of non-active EU citizens, focusing in particular on the quality/quantity and accessibility of certain types of SNCBs and healthcare;
- Ultimately, verify the “social security magnet” and “social security overuse” hypotheses.

The findings of the case studies are integrated in the present report. They are also presented as stand-alone sections of the report (see sections 7-11).

3 Analysis of the population of non-active intra-EU migrants

This section draws upon information collected through a mix of research methods: in-house statistical analysis of EU-LFS and EU-SILC microdata, stakeholder interviews and desk research.

3.1 Overall stocks of non-active intra-EU migrants resident in the EU Member States

Intra-EU mobility in general is considered difficult to measure (EC, 2011). Whilst some estimates for the overall mobility of EU citizens are readily available (based on migration and population statistics, and supplemented by the EU LFS), there are no official statistics on the stocks or flows of non-active intra-EU migrants; in this specific area, migration statistics are generally less useful given that data on foreign residents are rarely recorded by employment status. Data on residence permits available in Eurostat only focus on third-country nationals, although some national governments record data on documents issued to EU nationals by reason of stay (e.g. family, education, employment, other) where applicable.

Nevertheless, some approximations of the number of non-active EU nationals residing in another Member State can be made on the basis of existing survey data triangulated with administrative data at national level. Table 3.1 provides an overview of the shares of (non-active) EU migrants aged 15 and above based on EU-LFS, EU-SILC and comparable EU-wide migration statistics supplemented with national data (where needed).

The figures capture the share of EU migrants and non-active intra-EU migrants out of the total population aged 15 and above residing in each Member State. For comparability purposes, the table presents 2011 figures (as EU-SILC and Eurostat's migration statistics do not provide data on EU migrants aged 15 and above for latest year 2012). See Annex 4 for 2012 figures based on EU-LFS only.

The shares of those migrants who live in economically non-active households are also provided in Annex 4. The number of non-active intra-EU migrants who live in households where all members are non-active is used as a proxy for those non-active EU migrants who are not related to economically active persons.

EU migrants represent between 2% and 2.7% of the overall EU population. Non-active intra-EU migrants form a smaller group accounting for between 0.7%¹³ and 1%¹⁴ of the overall EU population; there are some conspicuous exceptions where non-active EU migrants can be found in greater proportion (of a country's total population). This is the case of Belgium (3%), Cyprus (4.1%), Ireland (3%) and Luxembourg (13.9%)¹⁵, countries that have in general a high share of EU migrants in their total population. It should be noted that estimates for certain countries such as in Estonia, Finland, Latvia and Portugal are subject to uncertainty in some of the surveys due to the limited sample sizes, and should therefore be treated with caution.

In terms of geographical distribution of the total EU migrant population, the overwhelming majority of intra-EU non-active migrants reside in EU-15 countries (98%). This is not surprising given that it reflects the overall pattern of intra-EU mobility documented in the literature. According to Eurostat's migration statistics, 96% of all EU migrants (active and non-active) aged 15 and above resided in the EU-15 in 2011.

¹³ Figure based on EU-SILC. 2011.

¹⁴ Figure based on EU-LFS 2011. The figure stayed the same in 2012.

¹⁵ These percentages are based on the EU-LFS. If EU-SILC data is used instead, the respective proportions are 2.8% for both Belgium and Cyprus and 13.3% for Luxembourg. Data for Ireland are not available in EU-SILC.

Table 3.1 Estimated shares of EU migrants*, non-active intra-EU migrants in total population*** by country and data source (2011)**

Country /Source	Total number of EU migrants aged 15 and above	Shares of EU migrants of total population aged 15 and above			Shares of non-active intra-EU migrants of total population aged 15 and above		
	Migration statistics	EU-LFS	EU-SILC	Migration stats	EU-LFS	EU-SILC	Migration stats
AT	304,958	4.4%	4.1%	4.3%	1.5%	1.6%	n/a
BE	651,687	6.3%	6.0%	7.1%	3.0%	2.8%	n/a
BG	7,905	:	:	0.1%	:	:	0.1% ¹⁶
CY	91,067	11.6%	8.0%	13.0%	4.1%	2.8%	n/a
CZ	128,243	0.6%	0.6%	1.4%	0.2%	(0.2%)	n/a
DE	2,435,509	3.2%	n/a	3.4%	1.1%	n/a	n/a
DK	113,005	2.3%	1.6%	2.5%	0.7%	0.7%	n/a
EE	11,700	0.4%	n/a	1.0%	(0.2%)	n/a	n/a
EL	147,537	1.3%	1.0%	1.5%	0.5%	0.3%	n/a
ES	2,037,760	4.2%	2.3%	5.2%	2.2%	1.06%	n/a
FI	53,963	0.8%	(0.8%)	1.2%	0.2%	(0.2%)	n/a
FR	1,190,122	2.4%	2.0%	2.2%	1.1%	0.86%	n/a

¹⁶ According to the Bulgarian national census data (provided by the National Statistical Office), there were 4,941 non-active EU citizens residing in Bulgaria as of 01 February 2011. This includes unemployed (4%), students (13%), pensioners (50%), persons engaged in family and other domestic responsibilities (17%) and other non-active persons (16%) of EU nationality. According to Eurostat's migration statistics, there were 6,450,231 residents in Bulgaria in 2010. The reported number of non-active EU migrants represents therefore approx. 0.1% of total resident population in Bulgaria.

Country /Source	Total number of EU migrants aged 15 and above	Shares of EU migrants of total population aged 15 and above			Shares of non-active intra-EU migrants of total population aged 15 and above		
	Migration statistics	EU-LFS	EU-SILC	Migration stats	EU-LFS	EU-SILC	Migration stats
HU	119,193	0.5%	(0.2%)	1.4%	0.2%	:	n/a
IE	260,089	7.6% ¹⁷	n/a	7.4%	3.0%	n/a	n/a
IT	1,148,958	2.2%	2.0%	2.2%	0.8%	0.62%	n/a
LT	1,710	:	:	0.1%	:	:	n/a
LU	190,568 ¹⁸	38.3%	36.3%	45.2% ¹⁹	13.9%	13.3%	n/a
LV	9,020'	0.1%	n/a	0.5%'	(0.1%)	n/a	n/a
MT	9,234	1.3%	n/a	2.6%	(0.8%)	n/a	n/a
NL	302,408	1.6%	1.2%	2.2%	0.5%	0.4%	n/a
PL	15,039'	0.0%	:	0.0%'	(0.0%)	:	n/a
PT	94,054	0.5%	0.5%	1.0%	0.2%	(0.2%)	n/a
RO	40,862 ²⁰	:	:	0.2 %	:	:	0.1 % ²¹

¹⁷ The shares in this table are based on ICF GHK's analysis of EU-LFS microdata. It should be noted that the equivalent figures for shares of EU migrants and shares of non-active EU migrants in the Irish population on the Eurostat EU-LFS database are 9.5% and 3.9% respectively. Such discrepancies do not arise for any other EU Member State.

¹⁸ Please note that the total figure for EU migrants in Luxembourg includes those under the age of 15, which is not available separately in Eurostat.

¹⁹ Percentage figures for EU-LFS and migration statistics are not comparable given that EU-LFS figures excludes children under the age of 15 whilst migration statistics includes this group.

²⁰ According to the statistics of the Romanian Immigration Office, there were 40,862 EU/EEA residents in Romania in 2011 (Oficiul Roman pentru Imigrari, February 2012). This represents 0.6% of the total resident population aged 15 and above in Romania in same year (i.e., 18,174,982, as reported in Eurostat's migration statistics).

Country /Source	Total number of EU migrants aged 15 and above	Shares of EU migrants of total population aged 15 and above			Shares of non-active intra-EU migrants of total population aged 15 and above		
	Migration statistics	EU-LFS	EU-SILC	Migration stats	EU-LFS	EU-SILC	Migration stats
SE	236,943	2.6%	1.9%	3.0%	0.9%	0.8%	n/a
SI	5,070	(0.1%)	n/a	0.3%	(0.0%)	n/a	n/a
SK	40,195	0.1%	(0.2%)	0.9%	:	:	0.2% ²²
UK	1,770,382'	3.9%	3%	3.4%'	1.2%	1.01%	n/a
EU-27	11,376,319^	2.5%^	2%^	2.7%^	1.0%^	0.7%^	n/a
EU-15	10,937,943^	3.1%^	:	3.3%^	1.2%^	:	n/a
EU-10	418,771^	0.3%^	:	0.7%^	0.1%^	:	n/a
EU-2	48,767	:	:	0.2%	:	:	0.1% ²³

Sources: ICF GHK own calculations based on EU-LFS, EU-SILC micro data and Migration statistics (migr_pop1ctz) downloaded from EUROSTAT.

flag a, below publishing limit, figures in brackets are of limited reliability;

' flag p, provisional; n/a Data not available

^ ICF GHK aggregates

n/a Data not available

* EU migrants defined as persons living in a Member State with the nationality of another EU-26 country.

²¹ According to the data residence permits provided by the Romanian Immigration Office (1.04.2013), 16,718 residence permits have been issued to EU citizens for non-employment related reasons (study and self-funded residence) in 2011. This provides a reasonable order of magnitude estimate of the non-active EU migrants aged 15 and above residing in Romania in 2011.

²² According to the Ministry of Labour Social Affairs and Family of the Slovak Republic, there is no official data on the number of non-active EU migrants residing in Slovakia. However it was suggested that approx. 20-30% of EU migrants are likely to be non-active and have never paid social contributions in the country. These rough estimates were applied to the total number of EU migrants reported in 2011 Migration statistics (migr_pop1ctz) downloaded from EUROSTAT. Given that there were 40,195 EU migrants aged 15 and above in Slovakia in 2011, the number of non-active EU migrants in the same age group is estimated at around 10,049. This represents 0.2% of the total population resident in Slovakia.

²³ Figure based on data provided by the national competent authorities in Bulgaria and Romania.

*** Non active defined as people not in employment including jobseekers based on LFS ILOSTAT, and EU-SILC PLO31.*

**** Non-active EU migrants, family members of non-active defined based on ILOSTAT*

Total population excluding children under the age of 15. Spouses of nationals and relatives of economically active EU citizens are included.

Statistics Finland pointed out that the Finnish SILC data on migrants is not well representative of the migrant population in Finland. The achieved sample involves only migrants who can be interviewed in Finnish or Swedish - in other words, observations about migrant diversity may be biased in the data.

These results seem to converge with previous findings from the Special Eurobarometer survey on intra-EU geographical and labour mobility which show that around 1% of EU citizens were living in another EU country without working in 2009.²⁴ According to the same source, 2% of EU citizens reported that they were both living and working in another EU Member State in 2009.

Table 3.2 illustrates the proportion of non-active persons (which includes economically inactive and jobseekers) in the total population, EU migrants and nationals living in a certain Member State. Data refer to the age group 15 and above and are based on our analysis of EU-LFS microdata.

In 2012, the average gap in 'non-activity' rates between EU migrants and nationals across the EU-27 was approx. 9 percentage points, meaning that on average EU migrants are less likely to be economically non-active than nationals living in the same country. In 19 out of 24 EU countries for which 2012 data are available for both indicators, the non-activity rates are lower amongst EU migrants than amongst nationals. One of the factors explaining the overall higher employment rates in the EU migrant population compared to the rest of population is the age composition. More specifically, the share of the working-age persons is higher among migrants than in the total population (aged 15+). For example, 78% of migrants and 67% of the total population were aged between 15 and 64 in 2011.²⁵ EU-LFS data also show that even amongst non-active intra-EU migrants, the persons of working age account for 75% of the total (in a sample of 16 countries).²⁶

The difference in the non-activity rate between nationals and intra-EU migrants was largest in Italy (22pp), Luxembourg (16pp) and the Czech Republic (15pp). In 5 EU countries (Bulgaria, Estonia, France, Malta and Sweden), nationals are more likely to be in employment compared to EU migrants, though the difference between the two groups tends to be modest in countries with large immigrant populations such as Sweden and France and is subject to a margin of uncertainty in Estonia).

Table 3.2 Proportion of non-active persons in the total population, EU migrant population and national population aged 15 and above, by MS (2012)

	% of non-actives in total population (nationals, EU migrants, and other residents)	% of non-actives in EU migrant population	% of non-actives in national population
AT	41%	33%	41%
BE	51%	48%	50%
BG	53%	63% ²⁷	53%
CY	44%	38%	46%
CZ	45%	30%	46%

²⁴ Special Eurobarometer 337 (2010). Geographical and labour mobility. Results based on data collected between November and December 2009. Available at: http://ec.europa.eu/public_opinion/archives/ebs/ebs_337_en.pdf

²⁵ Figures are based on Eurostat's Migration statistics (migr_pop1ctz) downloaded on 2 June 2013. The figures reflect EU-27 countries, excluding Luxembourg and Romania for which data is missing.

²⁶ The 16 countries include: AT, BE, CY, CZ, DE, DK, EL, ES, FR, IE, IT, LU, NL, PT, SE, and the UK (year 2011). Figures for DK, EL and PT are of limited reliability. There are nevertheless differences in the age composition of the non-active intra-EU migrants population between EU countries. For example in France, 45% of all non-active intra-EU migrants were aged 65 and above in 2011 (see annex 6).

²⁷ Number of non-active EU migrants has been provided by the national competent authorities (4,941 persons, as of February 2011). According to Eurostat's migration statistics, there were 7,905 residents of EU nationality in Bulgaria in same year.

	% of non-actives in total population (nationals, EU migrants, and other residents)	% of non-actives in EU migrant population	% of non-actives in national population
DE	43%	35%	43%
DK	42%	32%	41%
EE	45%	(51%)	43%
EL	60%	49%	60%
ES	56%	52%	56%
FI	45%	33%	45%
FR	49%	50%	48%
HU	54%	43%	54%
IE	49%	40%	50%
IT	56%	36%	57%
LT	50%	:	50%
LU	44%	35%	51%
LV	49%	:	47%
MT	52%	61%	52%
NL	38%	30%	38%
PL	50%	(37%)	50%
PT	49%	43%	49%
RO	49%	41% ²⁸	49%
SE	35%	36%	34%
SI	48%	(25%)	48%
SK	49%	:	49%
UK	42%	30%	43%
EU-27	48%	39%	48%
EU-15	48%	39%	48%
EU-10	49%	38%	49%
EU-2	50%	44% ²⁹	50%

²⁸ According to the statistics of the Romanian Immigration Office, there were 40,862 EU/EEA residents in Romania in 2011 (Oficiul Roman pentru Imigrari, February 2012). This represents 0.6% of the total resident population aged 15 and above in Romania in same year (i.e., 18,174,982, as reported in Eurostat's migration statistics).

According to the data residence permits provided by the Romanian Immigration Office (1.04.2013), 16,718 residence permits have been issued to EU citizens for non-employment related reasons (study and self-funded residence) in 2011. This provides a reasonable order of magnitude estimate of the non-active intra-EU migrants aged 15 and above residing in Romania in 2011.

²⁹ Estimates based on numbers of non-active migrants provided by competent authorities and number of EU migrants informed by Eurostat's migration statistics in year 2011.

Sources: ICF GHK own calculations based on EU-LFS micro data, 2012.

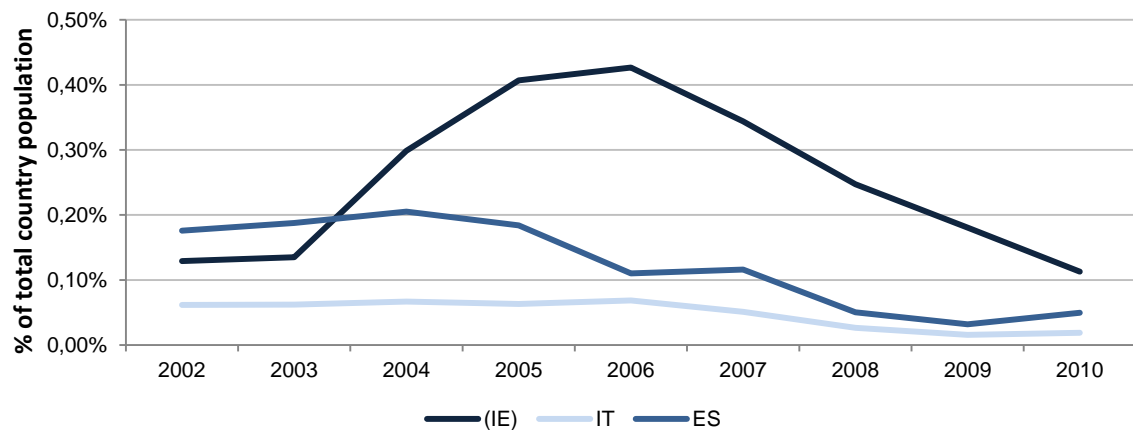
Figures for BG, LT, LV, RO, SK and EU-2 are below publishing limit in the EU-LFS microdata. For BG and RO, alternative estimates based on figures provided by national authorities are instead provided. Figures in brackets for EE, PL and SI are of limited reliability. Data excludes children aged below 15. EU migrants defined as persons living in an EU Member State with the nationality of another EU-26 Member State. Non active persons are defined as persons not in employment including jobseekers based on ILOSTAT.

Overall intra-EU migration has increased over the past decade; according to our EU-LFS estimates, the share of intra-EU migrants aged 15 and above has increased from 1.3% to 2.6% of total EU-27 population between 2003 and 2012. Within the EU-15, the share of the EU migrant population has increased even further from 1.6% to 3.2% of total EU-15 population. Non-active intra EU migration has also risen both in total numbers and percentage-wise but to a lesser extent than overall migration. Data show that the share of non-active EU migrants residing in the EU-15 has risen continuously (though marginally per annum) from 0.7% in 2003 to 1.3% in 2012. A recent increase in the share of non-active intra-EU migrants in the EU-15 can be noted in the period starting from 2010 onwards, determined by an increase in the number of job losses (and therefore by a rise in the 'unemployed' component of the non-active EU migrants population). In the EU-10, the trend in the overall and non-active intra-EU migration has remained fairly flat.

Figure 3.1 below illustrates the dynamics of intra EU-15 mobility of non-active migrants. It shows that annual inflows into EU-15 have been relatively modest, reaching at the most 0.4% of the total population of the country of residence in the case of Ireland. The trends also vary according to the economic development of a given country - since 2006/2007 the EU Member States that have been hit hard by the crisis (Ireland, Italy, Spain) faced a consistent decline in immigration of non-active EU migrants. Conversely, the immigration inflows in the larger and more stable European economies such as the UK and Germany have increased between 2003 and 2010. The inflows of non-active EU migrants more than tripled in the UK and almost doubled in Germany during the reference period, though a very low level in relative terms.

Figure 3.1 Estimated immigration flows of non-active EU migrants as a percentage of total population (+15) in a selection of destination countries between 2002 and 2010





Sources: LFS micro data, ICF GHK own calculations.

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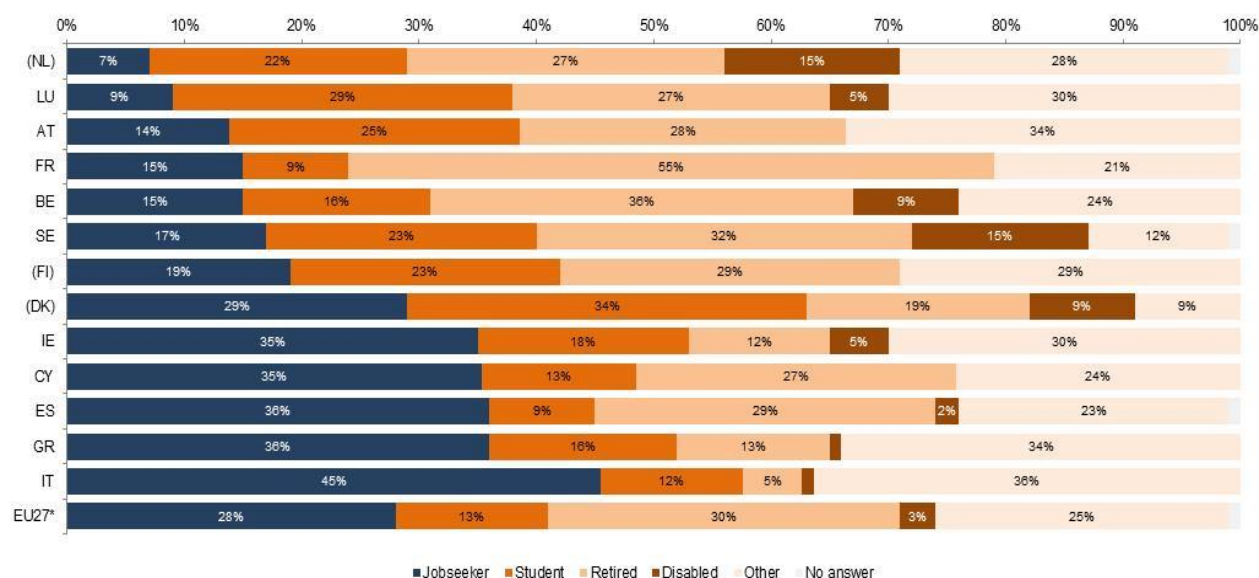
Immigration flows are estimated based on the number of years of residence in the country (measured by variable YEARSID) reported in years 2011, 2010 and 2009 (three year sample). Estimates capture migrants that have immigrated to the country in a given year and decided to stay in the country - long term immigration flows. Data excludes children aged below 15. EU migrants are defined as people living in the country with the citizenship of other EU-27 member state. Migrants born in the country are included. Non active persons are defined as persons not in employment including jobseekers based on ILOSTAT.

Our analysis of EU-LFS microdata also reveals that the share of non-active intra-EU migrants living with other non-active household members has increased but only marginally from 0.3% to 0.5% of total EU-27 population during 2003 and 2012. In 2012, this group accounted for 0.7% of the total EU-15 population and 0.1% of the total EU-10 population.

Non-active intra-EU migrants form a heterogeneous group comprising pensioners, students (who are not involved in any forms of employment), homemakers and single parents who do not work because of child or adult care responsibilities, persons with disabilities unfit for work etc. Our study also includes jobseekers in the category of economically non-active persons. Figure 3.2 shows that overall pensioners, students and jobseekers accounted for more than two-thirds of the non-active EU migrants (71%) in 2012. 'Other' non-active intra-EU migrants e.g. homemakers fulfilling domestic tasks account for 25% of the entire non-active EU migrant population. Persons who cannot work due to permanent disabilities represent a relatively small group of migrants (3%).

However, the composition of the non-active EU migrant population varies between the EU countries. For example whilst more than half of the non-active EU migrants in France comprises pensioners, in Ireland this group account for only 12% of all non-active EU migrants residing in the country. Similarly whilst 36% of non-active EU migrants are unemployed in Spain, less than 10% of EU migrants find themselves in the same situation in Luxembourg or the Netherlands. Persons with disabilities form a small group across all countries, with some exceptions such as Sweden which has a relatively higher share of EU migrants in this category (15%).

Figure 3.2 Non-active intra-EU migrants by category (2012)



Sources: LFS micro data (MAINSTAT variable), ICF GHK own calculations.

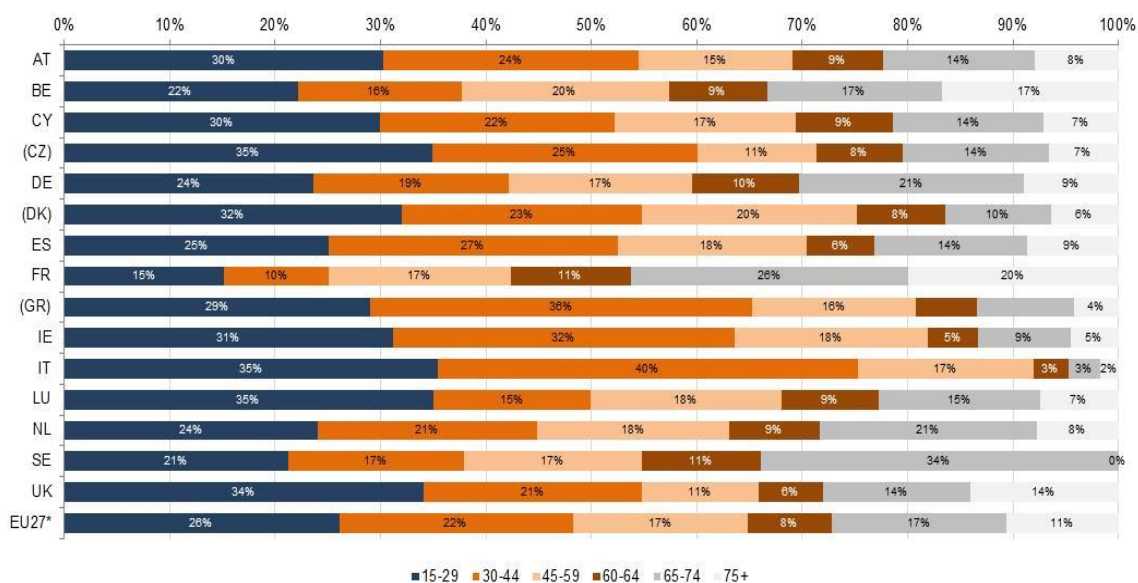
Figures for BG, EE, LT, LV, MT, PL, RO, SI, SK are flagged and are below publishing limit. DE and UK do not provide breakdowns by MAINSTAT variable.

Category 'other' in AT, CY, FI includes those not working due to disability.

() Figures in brackets are of limited reliability.

^ ICF GHK aggregates, excluding BG, DE and UK.

An analysis of the age structure of the non-active intra-EU migrant population can shed some light on the potential sources of variance in the composition of the non-active EU migrant population across different countries (see Figure 3.3). This is because the shares of the different categories of non-active migrants depend to a large extent on the age of the migrant – with pensioners, students or jobseekers being relevant examples. For example, the fact that 73% of this population falls in the working age bracket explains the relatively high shares of jobseekers and students in the non-active migrant population (41%). The age composition of the migrant population confirms the different patterns observed in terms of the share of pensioners in the total non-active EU migrant population across the countries. In France where more than half of the non-active EU migrants comprise pensioners, 46% of them are aged 65 and above. Similarly in Sweden where a third of non-active EU migrants are retired, an equal share of this population falls in the age bracket 65+. At individual country level, countries with higher proportions of students and jobseekers (EL, ES, IT, IE, DK) tend to have younger non-active migrants compared to the EU average age of same group, although there are exceptions to this rule (SE, PT).

Figure 3.3 Non-active EU migrants broken down by age groups, 2012


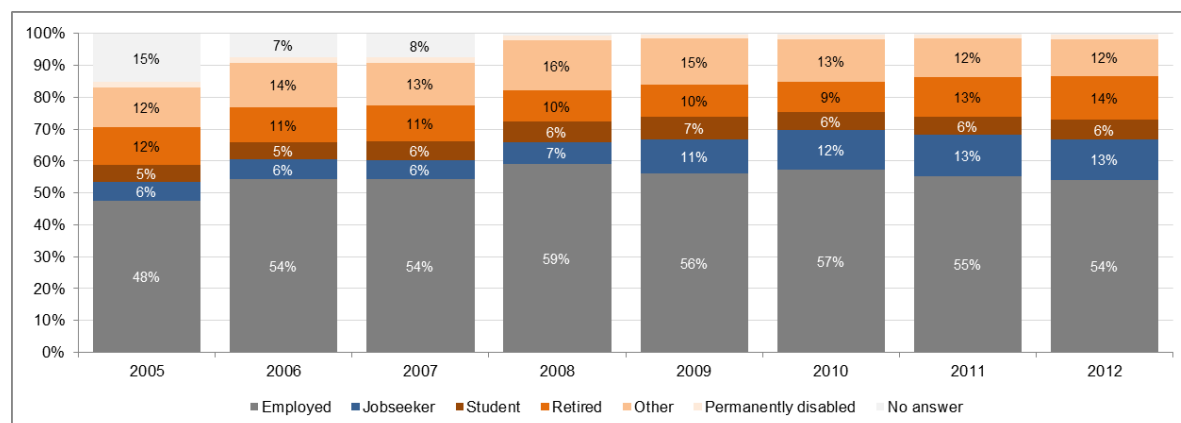
Sources: EU-LFS micro data, ICF GHK own calculations.

Figures for BG, EE, FI, HU, LT, LV, MT, PL, PT, RO, SI, SK are below publishing limit. Figures in brackets are of limited reliability. ^ ICF GHK aggregates. Non active persons are defined as persons not in employment including jobseekers based on ILOSTAT.

It is important to understand not only how the composition of the non-active EU migrant population has changed over the years but also the trends in the overall economic (non)activity rates. Figure 3.4 reveals that the overall share of EU migrants in employment (out of the total EU migrant population aged 15 and over) has increased from 48% to 54% between 2005 and 2012 (with a decrease noted during economically difficult years 2009-2012). This is largely due to the strong increase in intra-EU mobility from the EU-12 countries following enlargement. Most of these mobile individuals are economically active (as indicated, mobile individuals from the EU-12 are more likely to be economically active than individuals from the EU-15). During the same period, the proportion of jobseekers also increased from 6% to 13% in the total EU mobile population.³⁰ This suggests that the proportion of those EU migrants with no attachment to the labour market (i.e. pensioners, persons unfit for work, homemakers etc.) has decreased significantly from 47% to 33% during the same period.

³⁰ Figures exclude DE and the UK for which relevant breakdowns are not available.

Figure 3.4 Intra-EU migrants by main category (+15), EU-27 (excluding UK and DE) aggregates (2005-2012)



Sources: EU-LFS micro data, ICF GHK own calculations.

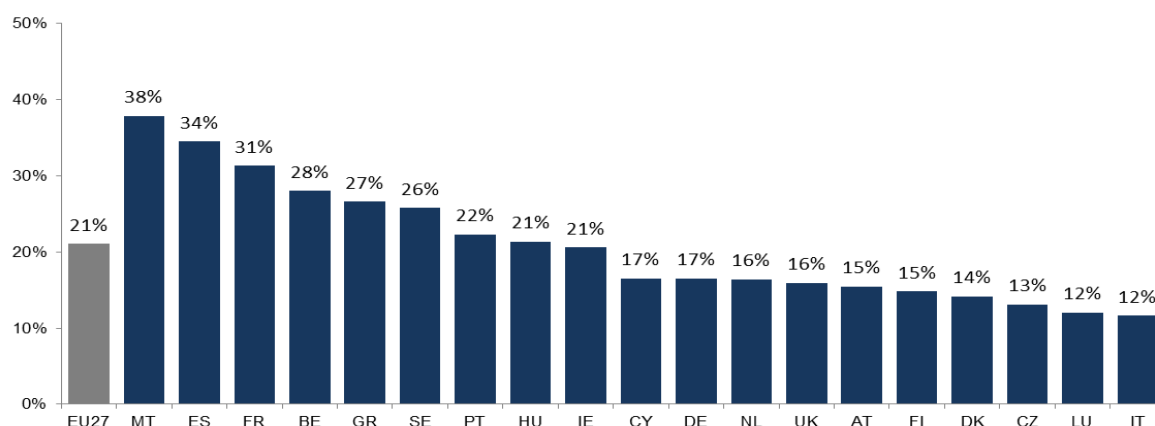
Figures are ICF GHK aggregates, excluding DE and UK.

Data excludes children aged below 15. EU migrants defined as persons living in an EU Member State with the nationality of another EU-26 Member State. Migrants born in the country are included. The breakdown is based on variable MAINSTAT.

Note: Figures of non-active intra-EU migrants based on variable MAINSTAT cannot be directly compared with figures based on variable ILOSTAT, because of conceptual differences. On average, the share of jobseekers calculated on the basis of the variable ILOSTAT is 1-2 pp in each country.

Given that relatives of economically active EU citizens have a different legal status under EU law – particularly in relation to access to healthcare insurance, the proportion of this group among total non-active intra-EU migrants has been estimated in the 16 EU countries which have reliable data. It is worth mentioning that the EU-LFS provides data on the employment status of relatives who are living in the same household; relatives who live outside the household are not captured in the sample. Bearing in mind these caveats, Figure 3.5 shows that the vast majority of non-active EU migrants live in economically active households, with only a minority of them living with other household members out of work. In 2012, more than two-thirds (79%) of the non-active intra-EU migrants were living in a household with at least one member in employment.

Figure 3.5 Estimated share of EU non-active migrants who are not relatives of an economically active EU citizen (+15), by country (2012)



Source: EU-LFS micro data, ICF GHK own calculations.

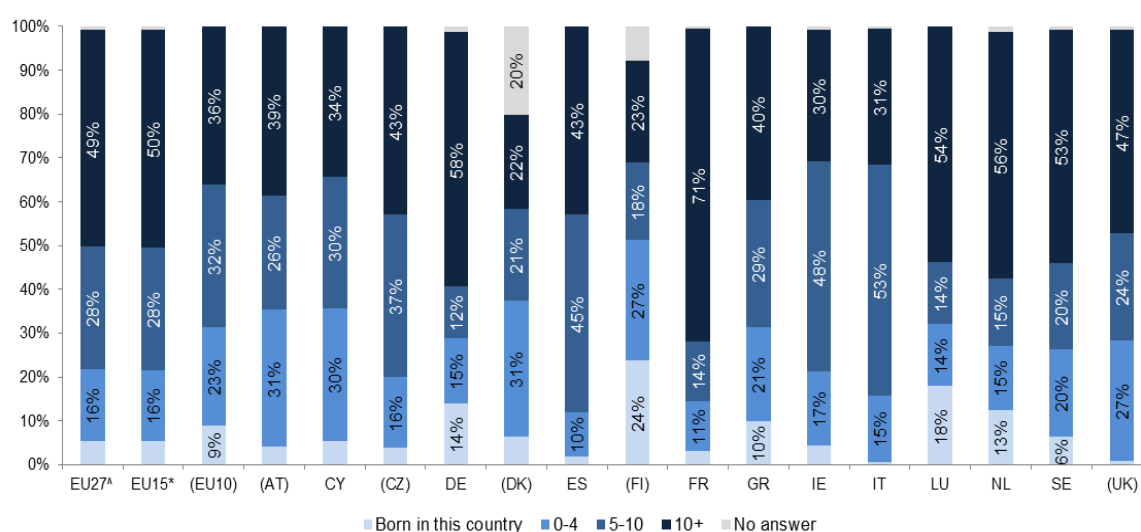
DK, FI, SE do not include any persons with the relevant characteristics in their sample. Figures for SK, SI, RO, PL, LV, LT, EE, BG are below publishing limit.

Data excludes children aged below 15. EU migrants defined as persons living in an EU Member State with the nationality of another EU-26 Member State. Non active persons are defined as persons not in

employment including jobseekers based on ILOSTAT. Those who are not relatives of economically active EU citizen are proxied using the number of EU migrants living in a household where all members are out of work.

The majority of non-active intra-EU migrants in EU-27 reside in the host country for more than 5 years, with a significant proportion (49%) having lived there longer than 10 years. The highest proportion of long-term residents (>5 years of residence) can be found in France (85%), Italy (84%) and Spain (88%) where more than 80% of all non-active intra-EU migrants fall in this category. However, such results should be treated with caution given that EU-LFS survey by definition is less able to capture EU migrants (the risk is likely to be higher amongst shorter-term residents).

Figure 3.6 Estimated number of years spent in the host country by EU non-active migrants, 2012



Sources: EU-LFS micro data, ICF GHK own calculations.

Figures for BG, EE, FI, LT, LV, MT, PL, RO, SI, SK are below publishing limit.

Figures in brackets are of limited reliability.

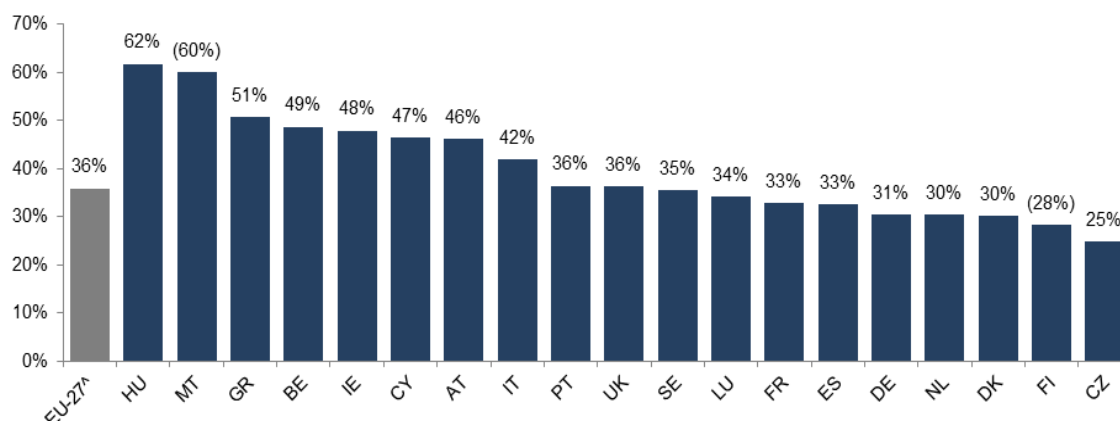
^a ICF GHK aggregates.

It is important to distinguish between those who have worked in the host country prior to becoming economically non-active and those with no previous work experience in the host country.

There is extensive debate as to whether (non-active) migrants contribute to the economies of their countries of residence. There are two issues here worth considering. First, as shown in Figure 3.7, the majority of currently non-active migrants have worked in the country of residence (64%)³¹. However, there are significant differences in the shares of those with previous work experience varying between 70% in CZ, FI, DK, NL and DE to around 40-50% in Belgium, Greece and Malta. A second issue worth considering is the transition rates between the non-activity and activity status. As discussed in the following section, there is evidence to suggest that non-activity is often a transitory state with good transition rates from unemployment to employment (although there are fewer transitions from economic inactivity e.g. pensioners, those permanently disabled into employment.)

³¹ These figures are affected by the make-up of the migrant group (e.g. age, reason for migration etc).

Figure 3.7 Percentage of non-active EU migrants that have never worked in their country of residence, by country (2011)



Sources: LFS micro data, ICF GHK own calculations.

Figures for BG, EE, LT, LV, PL, RO, SI, SK are flagged and are below publishing limit. Data for RO is not available.

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^ ICF GHK aggregates

Data excludes children aged below 15. EU migrants are defined as people living in the country with the citizenship of other EU-27 member state. Migrants born in the country are included. Jobseekers are defined based on variable ILOSTAT. Non-active EU migrants that have never worked in the country are defined based on variables YEARESID and LEAVTIME.

Note: Figures of non-active EU migrants based on variable MAINSTAT cannot be directly compared with figures based on variable ILOSTAT, because of conceptual differences.

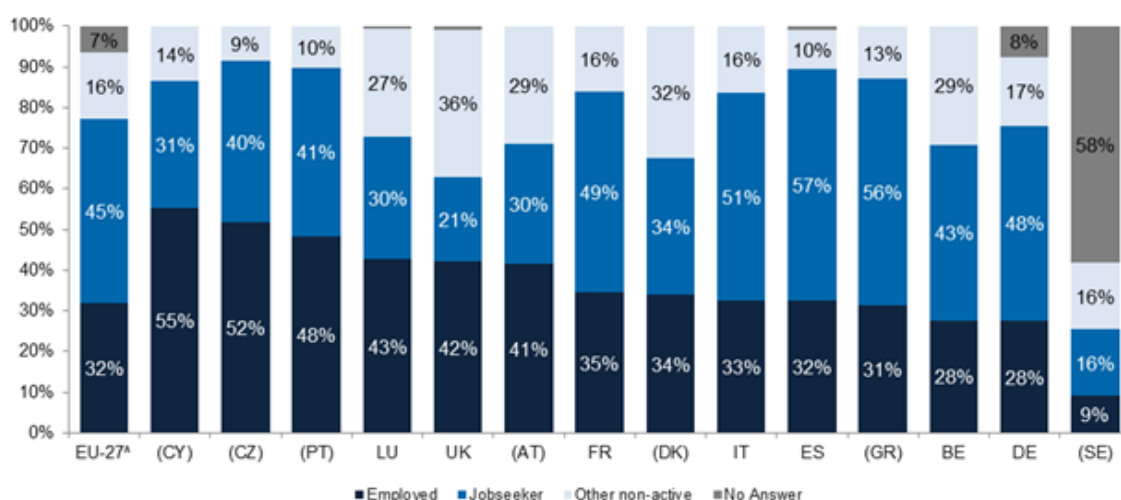
3.2 Labour market transitions between non-activity and employment

The overall stocks of non-active intra-EU migrants resident in other EU Member States are only able to provide a static picture. In reality, the labour market status of migrant and local populations can change from one time period to the next.

Previous research in this area carried out at the EU level found that the EU is characterised by relatively large annual transition rates of non-active people, with many finding a job in the following year (EC, 2009). For example the *Employment in Europe* report (2009) shows that over a one-year period, it is estimated that almost half of EU jobseekers (45.8%) had either found employment or stopped seeking it. There is considerable heterogeneity across countries where transitions from unemployment to employment vary between above 40% and below 20%. Though fewer transitions from inactivity to employment are observed, 10.5% of inactive workers moved into employment. Of the EU migrants who were captured as non-active in the EU-LFS 2011, 17% actively sought a job, 14% were in employment and 13% were students in previous year. Thus over 40% of currently inactive migrants were participating, trying to participate or preparing to enter the labour market in 2010. Only 28% (26% retired and 2% of disabled) were unlikely to enter the labour market again.

EU-LFS data from 2011 show that almost a third of EU migrant jobseekers (32%) were employed one year before. Whilst this finding highlights the transitory nature of job seeking, it is also evidence of stickiness – almost half of current jobseekers (45%) were unemployed in previous year.

Figure 3.8 EU migrants – jobseekers by employment status one year prior to 2011, by country



Sources: LFS micro data, ICF GHK own calculations.

Figures for BG, EE, FI, HU, IE, LT, LV, MT, NL, PL, RO, SI and SK are flagged and are below publishing limit. Data for RO is not available.

() flag b, unreliable

^A ICF GHK aggregates

Data excludes children aged below 15. EU migrants are defined as people living in the country with the citizenship of other EU-27 member state. Migrants born in the country are included. Jobseekers are defined based on variable ILOSTAT. Employment status one year before 2011 is based on variable WSTAT1Y.

Note: Figures of jobseekers based on variable MAINSTAT cannot be directly compared with figures based on variable ILOSTAT, because of conceptual differences. On average, share of jobseekers based on variable ILOSTAT is lower for one or two percentage points per country.

Literature shows that there is a lot of diversity across countries, and by gender and age. Transition rates from non-activity to employment tend to be higher for men than for women. However, the extent of the gender gap varies substantially across countries. Older workers (55–64) tend to have considerably lower transition rates than young workers (15–24) and prime-age workers (25–54). Older workers tend to be more likely to be inactive long-term, which can be attributed to early retirement and long-term disability or illness.

The non-active status of intra-EU migrants is often likely to be a transitory state for those of working age. Based on analysis conducted by Hansen et al. (2009 and 2011) in the case of Sweden, the rates of flow into and out of employment among immigrants (this research is not limited to intra-EU migrants) are, however, lower than for the native population suggesting that immigrants are more likely to remain inactive in any year, given participation in the previous year. The persistence of inactivity is however found to be less strong among non-refugees, while migrants from other Nordic countries display similar rates of labour market transition to the native population.

3.3 Jobseekers

Jobseekers represent, on average, a significant share of the non-active intra-EU migrants as shown in Figure 3.2.

However, their proportion in the total EU migrant population varies considerably across the Member States from roughly 45% in Italy, 36% in Spain and Greece, 35% in Ireland and Cyprus to 9% in Luxembourg and 6% in Netherlands. It can be challenging to explain the differences

between countries given that there is no information on the previous employment status of the migrant (upon arrival in the current country of residence). Data presented in Figure 3.2 shows nevertheless that the share of jobseekers in the total EU migrant population tends to be larger in countries with relatively higher overall unemployment rates (as it is in the case of Ireland, Portugal³² and Spain). To explore this matter in greater detail, it is useful to compare the unemployment rates of EU migrants and nationals residing in the same country (see Table 3.3).

EU migrants are on average more likely than nationals to be unemployed (and actively seeking for a job). The largest gap can be found in both countries with relatively high unemployment (e.g., Cyprus, Spain) and relatively low unemployment rates (e.g., Denmark and Belgium). The Czech Republic and the UK are the only countries where EU migrants are at a slight advantage.

Table 3.3 Unemployment rate in the national, EU migrant and total population, 2012

Citizenship	EU27-migrants	Nationals	Total
GEO/TIME	2011	2011	2011
European Union (27 countries)	12.6	10.0	10.6
Austria	6.5	3.8	4.4
Belgium	11.2	6.5	7.6
Bulgaria	:	12.4	12.4
Cyprus	16.3	11.7	12.1
Czech Republic	(6.5)	(6.8)	(6.7)
Denmark	12.6	7.0	7.7
Germany	7.2	5.0	5.6
Estonia	:	8.8	10.4
Ireland	17.7	14.5	15.0
Greece	24.2.7	23.6.4	24.5
Spain	30.9	23.3	25.2
France	10.4	9.3	9.9
Italy	13.3	10.5	10.8
Latvia	:	13.8	15.2
Lithuania	:	13.5	13.5
Luxembourg	6.2	3.3	5.2
Hungary	:	11.0	11.0
Malta	:	6.3	6.5
Netherlands	5.6	5.0	5.3
Poland	:	(10.2)	(10.2)

³² Figure for Portugal is based on a different variable ILOSTAT (Eurostat: Unemployment /Inactive population by sex, age and nationality (1 000) [lfsa_ugan] and lfsa_igan]. According to this source, unemployed migrant form approx. 32% of all non-active EU migrants residing in Portugal 2012.

Citizenship	EU27-migrants	Nationals	Total
GEO/TIME	2011	2011	2011
Portugal	16.7	16.1	16.4
Romania	:	7.3	7.3
Slovenia	:	8.8	9.0
Slovakia	:	14.0	14.0
Finland	(9.9)	7.6	7.8
Sweden	9.7	7.3	8.1
United Kingdom	7.5	7.9	8.0

Source: Source: Eurostat (lfsa_urgan) - unemployment rates, by citizenship, age 15-74, accessed in May 2012. Cells marked with (:) cannot be published. Figures in brackets are of limited reliability.

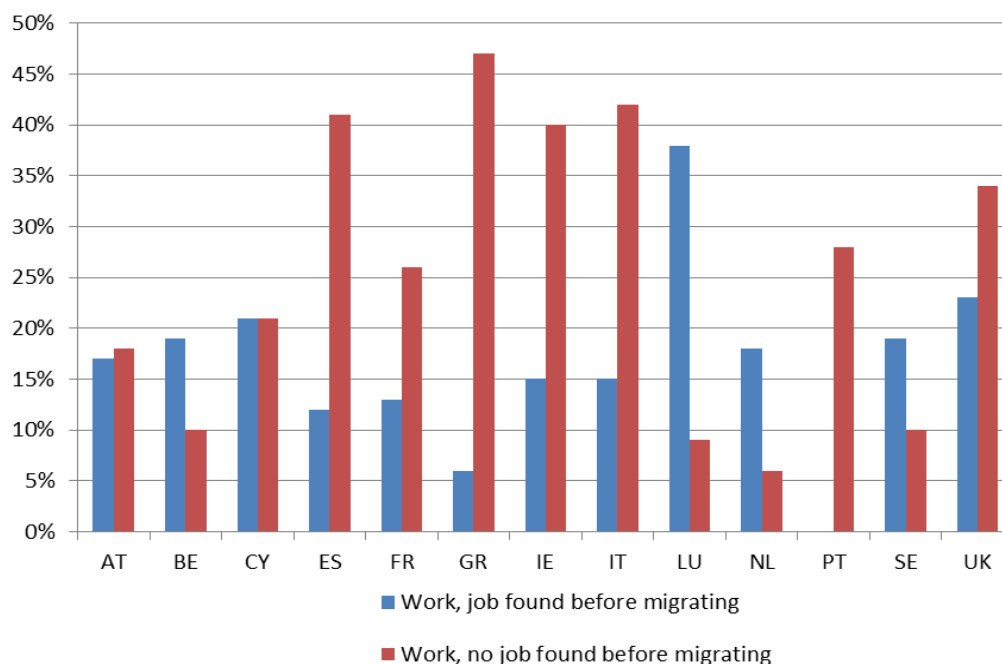
In 2012, the unemployment rate of EU migrants residing in the EU-27 was 12.6% in 2012. The numbers of unemployed in this category increased from 533,600 in 2008 to 938,700 in 2012. There has been an overall rising trend in unemployment which affected both EU migrants and nationals from 2008 onwards.³³

The prevalence of jobseekers in the population of intra-EU migrants is not surprising for two main reasons. First, as previously mentioned, a higher share of working-age people can be found among migrants than in the total population. In addition, a high proportion of mobile EU citizens cite work as the primary reason for moving to another EU country. According to EU-LFS data from a 2008 ad-hoc module, the proportion of EU citizens who moved to another EU country for work without having secured a job prior to moving abroad ranged from 9% in Luxembourg and 46% in Greece.³⁴ Similar to our earlier findings, Figure 3.9 shows that EU migrants living in countries with relatively high levels of unemployment (e.g., Greece, Italy, Spain, and Ireland) were most likely to have moved without planned employment, compared to EU migrants in Belgium, Luxembourg, and the Netherlands which were likely to have found employment prior to moving abroad.

³³ According to Eurostat (lfsa_urgan - unemployment rates, by citizenship, age 15-74, the unemployment rate amongst EU migrants has increase from 8.5% to 12.5% between 2008 and 2012. During the same period, the unemployment rate amongst nationals has increased from 6.6% to 9.8%.

³⁴ Figures are based on 2008 EU-LFS ad-hoc module on 'Labour market situation of migrants'. More information at: http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/EU_labour_force_survey_-_ad_hoc_modules

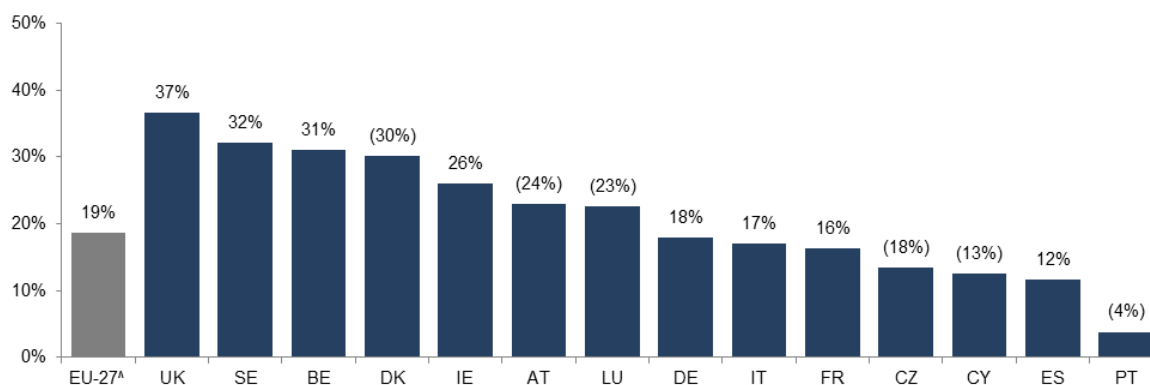
Figure 3.9 Share of Mobile EU Citizens of Working Age Who Cited Work as Main Reason for Moving, by country of birth, 2008



Source: Eurostat, based on EU-LFS 2008 'Percentage distribution of main reason for migration, by country of birth, sex and age,' http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfs0_08cobr&lang=en (accessed in April 2011). Note: Data are available only for selected countries. Data is not available for The Czech Republic, Denmark, Estonia, Lithuania Hungary, Malta, Poland, Slovenia, Slovakia, Finland, Romania and Bulgaria.

Figure 3.10 shows that the proportion of EU migrant job-seekers who have never worked in their country of residence is relatively low – in the EU this is less than one in five jobseekers. However, it must be noted that the number varies country by country with the UK and Sweden reporting a relatively high share (approximately every third jobseeker has never previously worked in these countries) and Portugal and Spain with a relatively low share among the limited number of countries for which statistically reliable data available. These figures are affected by the make-up of the migrant population entering different Member States.

Figure 3.10 Percentage of EU migrant jobseekers that have never worked in their country of residence, by country (2011)



Sources: LFS micro data, ICF GHK own calculations.

Figures for SI, SK, PL, NL, MT, LV, LT, HU, EL, FI, EE and BG are flagged a and are below publishing limit. Data for RO is not available.

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^ ICF GHK aggregates

Data excludes children aged below 15. EU migrants defined as persons living in an EU Member State with the nationality of another EU-26 Member State. Jobseekers are defined based on variable ILOSTAT. Jobseekers that have never worked in the country are defined based on variables YEARESID and LEAVTIME.

Note: Figures of jobseekers based on variable MAINSTAT cannot be directly compared with figures based on variable ILOSTAT, because of conceptual differences.

From the perspective of the sending country, it is worth noting that 75% of the 1,049,950 jobseekers registered in the EURES database as of June 2013 come from EU countries with high unemployment rates (i.e., Greece, Italy, Portugal and Spain). The table below provides a snapshot of the countries where the highest number of EURES registered jobseekers currently reside. The data also show that the number of EU jobseekers who posted a CV on-line on the EURES website (signalling a strong intention to move abroad for work) has increased sharply between 2010 and 2013 (particularly in countries affected by recession and rising unemployment).

Table 3.4 Number of EURES jobseekers, 2010-2013

Countries of residence	current June 2013	June 2010	Change 2010-2013 (%)
Spain	296,219	81,300	264
Italy	156,606	63,400	147
Romania	77,376	n/a	n/a
Portugal	79,412	n/a	n/a
Poland	58,997	30,500	93
Germany	43,443	n/a	n/a
France	38,440	n/a	n/a
Greece	39,263	8,700	351

Source: European Commission, 2012 (p.33) based on data from EURES portal website <http://ec.europa.eu/eures>

Data based on the EU-LFS show an upward trend in the number and share of jobseekers residing in an EU country other than the Member State of origin. Between 2005 and 2012, there has been a 111% increase in the number of migrant jobseekers (from 445,800 in 2005 to 940,000 in 2012).³⁵ However the sharpest increase occurred between 2008 and 2009, when the number of unemployed intra-EU migrants increased by 42% from 534,300 to 763,500 in a single year. Although the number of jobseekers has shown an upward trend since 2005 (when data is first available), the crisis and subsequent recession has no doubt accelerated the growth in the total number and share of this particular group of non-active EU migrants. It is reasonable to assume the number of migrant jobseekers will decline as economies in different Member States recover from the recession. Overall, in the context of rising mobility rates migration trends are set to increase, although its annual growth rate is likely to stabilise once national economies fully recover from the crisis. The rate of change in the number of EU jobseekers may also slow down in the context of rising income levels and population ageing in the New Member States (see for example the labour mobility forecasts by the European Integration Consortium, 2009). In addition,

³⁵ Estimates based on aggregate data from Eurostat - Unemployment by sex, age and nationality (1 000) [lfsa_ugan]

the pattern of mobility among EU jobseekers may also change with the flows from South to North Europe expected to rise (see section 4 for a discussion).

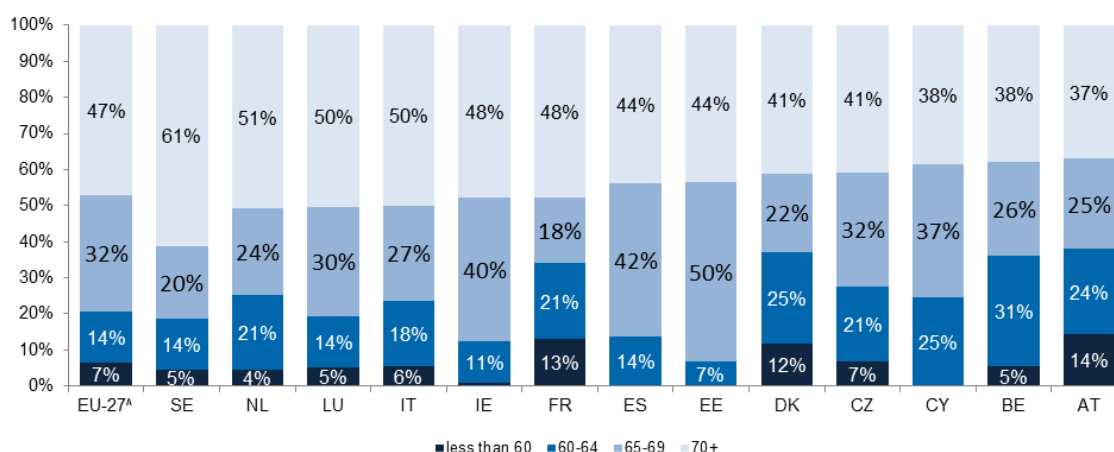
3.4 Pensioners

The intra-EU mobility of pensioners is generally difficult to estimate due to a number of factors, including seasonality of movements (e.g., some pensioners can move back and forth between the country of origin and the country of destination, and not register in the latter), shortcomings in data collection (e.g., data do not distinguish between those aged 65+ who move into a new country as retirees and those who retire afterwards) (Benton and Petrovic, 2013).

Literature shows that the mobility of those aged 65 and above is often motivated by lifestyle reasons (e.g., pursuit of better quality of life), social ties and lower cost of living (ibid.). The share of pensioners in the total non-active EU migrant population is highest in France (55%), Belgium (36%), Sweden (32%), Spain and Finland (29%) and Austria (28%).³⁶ In these countries, non-active EU migrants are more likely to be aged 60 and above. According to EU-LFS data, 58% of all non-active EU migrants residing in France and almost half of them in Belgium (43%) and Sweden (45%) fall into this age category (see Figure 3.3).

Data from 2011 presented in graph below shows that those aged 75 or above clearly form the largest group of pensioners (47%). This proportion also tends to be relatively stable across individual countries – 75+ individuals form roughly between a third and a half of total pensioner population in all countries besides Sweden (with its exceptionally high share of 61%). Other age groups of migrant pensioners are smaller and more variable. Those between 65 and 69 form 32% of total EU inactive pensioner population, but their proportion varies from less than one fifth (France) to a half of the population (Estonia) across countries. People younger than 65 generally account for even less (21%), and their proportion varies from 7% to 38% across EU member states.

Figure 3.11 EU migrant pensioners by age group, by country (2011)



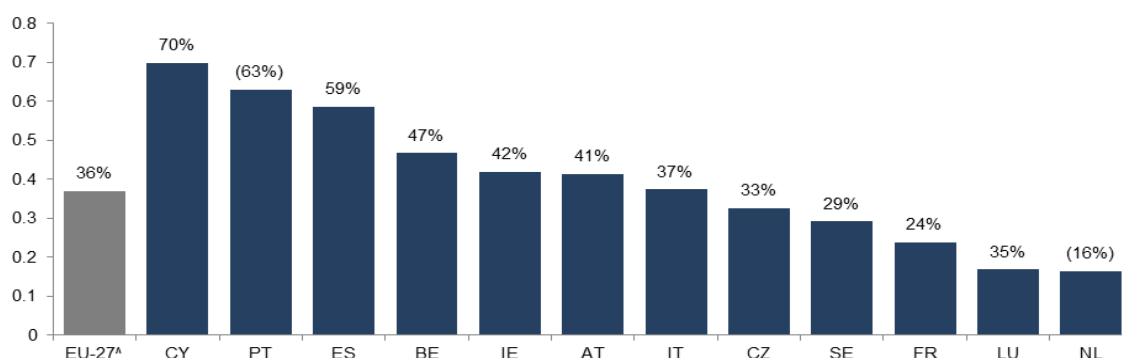
Source: LFS micro data, ICF GHK own calculations.

In terms of pensioners' previous contributions, the majority of EU migrant pensioners have previously worked in their current country of residence (Figure 3.12). However, the share of those

³⁶ Figures based on the analysis of MAINSTAT variable in EU-LFS 2012. It is worth highlighting that according to our data analysis there has been a sharp increase in the number of EU pensioners in Spain and (to a lesser extent) in France from 2010 to 2011. The sharp increase can neither be explained by the inflow of new pensioners in the country nor by a change in the retirement rate among the EU migrants already residing in the countries. Most plausible explanation is the number of pensioners of EU nationality in the two countries is likely to be under-estimated in EU-LFS for years prior to 2011.

who worked in the country of residence varies between 84% in the Netherlands and 30% in Cyprus. This suggests that pensioners may chose certain countries to retire (e.g. Cyprus, Portugal and Spain), after having finished their active work life elsewhere.

Figure 3.12 Percentage of EU pensioners that have never worked in their country of residence, by country (2011)



Sources: LFS micro data, ICF GHK own calculations.

Figures for BG, DE, DK, EE, EL, FI, HU, LT, LV, MT, PL, RO, SE, SI, UK are flagged a and are below publishing limit. Data for RO is not available.

() flag b, unreliable

^a ICF GHK aggregates

Data excludes children aged below 15. EU migrants are defined as people living in the country with the citizenship of other EU-27 member state. Migrants born in the country are included. Jobseekers are defined based on variable ILOSTAT. Pensioners that have never worked in the country are defined based on variables YEARESID and LEAVTIME.

Note: Figures of pensioners based on variable MAINSTAT cannot be directly compared with figures based on variable ILOSTAT, because of conceptual differences.

The historical data on elderly migrants (aged 65 and over) included in Eurostat's migration statistics (see Annex 6) show an upward trend in the mobility of elderly migrants in the vast majority of EU countries³⁷. Demographic indicators would suggest that the trend is set to continue in the context of demographic ageing, improvements in accessibility and overall higher mobility rates. Exceptions to this rising trend are Ireland, Greece, Poland and the UK where the stock of migrants aged 65 and above has decreased over the past years. In relation to the latter, the greatest decrease can be noted in Ireland and Greece where the stock of elderly migrants has shrunk by more than two-thirds since the onset of the recession (although due to sample size the figures for these countries need to be regarded with some caution). This is likely to have been influenced by the overall deterioration of the living standards in these countries.

3.5 Students

The World Economic Forum recently underlined the importance of student mobility to acquire an international exposure and create highly skilled workers (World Economic Forum, 2010). It improves employability for VET learners and learners in higher education and helps reduce unemployment (see for example WSF, 2007; CHEPS, INCHER-Kassel and ECOTEC, 2008).

³⁷ It is worth noting that the figures are based on migration statistics (Eurostat) and are higher than our estimates of pensioners based on EU-LFS; this is likely to be determined by the fact that EU-LFS arguably tends to under-estimate the number of foreigners (due to non-response rates and non-inclusion of recent migrants and collective households).

Positive developments in terms of personal, language and professional skills and attitudes are also noted among internationally mobile VET learners and adults (WSF, 2007).

According to our estimates based on EU-LFS (Figure 3.2), about 13% of all non-active EU migrants are students residing in another Member State.³⁸ Relatively high shares of students in the total number of non-active EU migrants are found in Denmark (34%), Luxembourg (29%), Austria (25%), Finland (23%), and the Netherlands (22%). In some of these countries, there is a strong international community and classes are often taught in English which may appeal to foreign students.

There are important issues in how mobility is measured – some datasets (e.g., UOE) use the foreign nationality of students as a measure of mobility – even if they have always studied or resided in the specific country. Only a few sources capture mobile students per se i.e. students who move abroad for the purpose of studying (Teichler, Ferencz and Wächter, 2011). A relevant data source here is the 2008 ad-hoc LFS module which investigates the main reasons for migration into a certain country. Data is available for 9 countries only.³⁹ Results show that migration for study purposes represents a relatively significant group, especially in Austria (16%), the Netherlands (8%) and the UK (18%).

Most mobile students are to be found at education levels 5-6. There is no EU level data set on mobility at other levels of education – except for data on the EU programmes which generally capture (temporary) student exchanges. Young, well-educated Europeans take advantage of opportunities to work, study and live abroad. They usually move for short periods of time but are much more numerous than long-term migrants; they go largely unnoticed by official statistics, which tend to focus on longer term migration.⁴⁰

Using the indirect measure of student mobility, Eurostat/UOE data shows that there were 571,163 foreign students of EU nationality enrolled in tertiary education (ISCED 5-6) in 2010.⁴¹ The proportion of foreign students has increased by 68% since 2002 when 339,181 students of EU nationality were studying abroad. However, two-thirds of the total EU mobile students are concentrated in 5 EU countries only: The UK (31% of total), Germany (14%), France (8%), Austria and the Netherlands (6%). Mobility levels into other EU-27 countries are considerably lower.

The inflow of ISCED 5-6 students from EU27/EEA as a share of all students in a country has also increased from 2.4% in 2002 to 3.3% in 2010. However the EU-27 average hides significant differences between countries. In line with the results presented above, Austria, Belgium, UK and Denmark receive relatively high inflows of EU students (between 7% and 15% of all students) whilst Romania, Poland, Lithuania and Malta report less than 0.5% inflows.

The 'outgoing mobility' – measured as the proportion of students studying abroad of total students of the same nationality (including national students) – has also increased from 2.1% to 3.1% between 2002 and 2010. There are large differences between countries: whilst in Luxembourg and Cyprus, the majority of students (75% and 55%, respectively) study abroad, in the UK, this is a rare phenomenon (less than one percent of British students study abroad).

Attempting to explain these country differences, Teichler, Ferencz and Wächter (2011) identified several types of obstacles to student mobility in the EU as follows (p.8):

- lack of information about mobility opportunities;
- little interest in studying abroad;
- financial barriers to studying abroad (direct costs e.g., travel expenses; indirect costs e.g., losses of certain benefits or subsidies offered in the home country etc.);
- lack of foreign language skills;

³⁸ Figures exclude DE and UK which are popular destinations for mobile students.

³⁹ The indicator measures the reason for the last migration. Source: Eurostat - Percentage distribution of main reason for migration, by country of birth, sex and age (% of total migrants) [lfso_08cobr], accessed on 30-05-2013.

⁴⁰ EC (2011), *Demography report 2010: Older, more numerous and diverse Europeans*, DG Employment, Social Affairs and Inclusion, p. 77

⁴¹ Figures based on Eurostat/UOE data on 'Foreign students in tertiary education (ISCED 5-6) by country of citizenship' [educ_enrl8], accessed on 30-05-2013.

- insufficient time or inability to integrate international studies in the overall curriculum or programme of study;
- concerns about the quality of mobility experiences in terms of e.g., quality of the academic offer abroad; quality of university services; support during studies etc.;
- legal barriers (relating, inter alia, to visa and immigration regime, work permits in case of part-time work etc.); and
- problems in gaining recognition for the academic credentials acquired abroad;

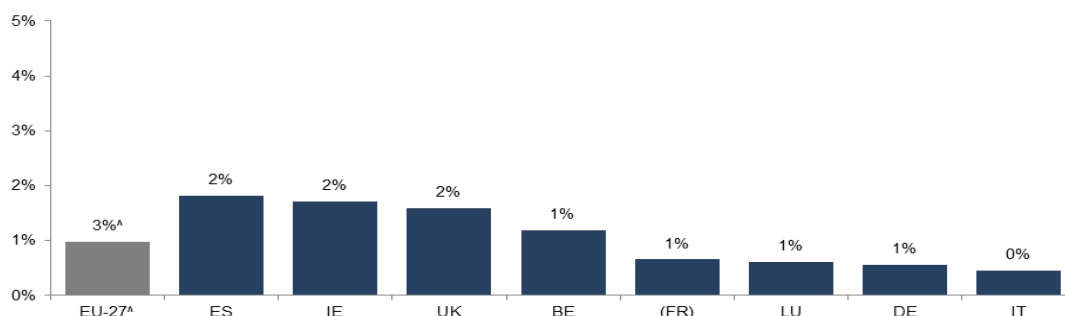
The same authors have also identified three main types of incentives for student mobility in the forms of:

- financial support for individual students and mobility programmes;
- content-related or technical support e.g., Diploma Supplement and ECTS and innovative programming (for example, “mobility windows”); and
- personal support through e.g., information, guidance and counselling prior and during studies.

3.6 Single parents not in employment

Our analysis of EU-LFS micro-data reveals that non-active single parents represent only a small proportion of non-active EU migrants (approx. 3% of all non-active intra-EU migrants). Although the figures are subject to a margin of uncertainty due to LFS small size samples, they nevertheless give an order of magnitude estimates of the proportion of non-active single parents who are not in employment and reside in another EU country. The variance between countries (which have data for this specific indicator) is low.

Figure 3.13 Estimated proportion of single parents among EU non-active migrants, by country, 2011



Sources: LFS micro data, ICF GHK own calculations.

Figures for AT, CY, CZ, EE, EL, HU, LT, MT, NL, PT, PL, RO are flagged a and are below publishing limit. BG, DK, FI, LV, SI, SK and SE have not sampled any person with these characteristics.

() flag b, unreliable

[^] ICF GHK aggregate

Data excludes children aged below 15. EU migrants are defined as people living in the country with the citizenship of other EU-27 member state. Migrants born in the country are included. Non active persons are defined as persons not in employment including jobseekers based on ILOSTAT. Single parents are defined based on variable HHCOMP.

3.7 Disabled persons not in employment

The number of disabled individuals among intra-EU migrants is low as this is a group which (for various reasons) is less likely to be mobile. As a result, data on this group is more limited and less reliable. Even where recorded, such individuals are likely to be captured in migration statistics as ‘workers’, ‘jobseekers’ or ‘dependent’ family members under the free movement provisions.

Disabled persons are relatively less likely to be mobile given the numerous hurdles to their mobility. This is illustrated in Figure 3.2 which shows that those out of work with permanent

disability account for a relatively small proportion of non-active EU migrants (2% in the EU-27) – although this tends to differ across Member States⁴². In Sweden for example, non-active disabled persons accounted for approx. 15% of all non-active EU migrants aged 15+ in the country in 2011. In contrast, in Italy and Spain, they represent between 1 and 2% of all non-active EU migrants. Although data cannot be further disaggregated to exclude those relatives of EU workers, it is reasonable to assume that a proportion of these permanently disabled EU migrants are in fact dependent family members of mobile EU workers.

The small proportion of non-active EU migrants suffering from a permanent disability is not surprising given the barriers to their mobility. Such hurdles include physical barriers (e.g., access to public transport and housing), varying standards in disability related support available in different Member States, work prospects, legal challenges (e.g., the interpretation of 'work' and 'dependent family members' under the free movement provisions) and potential loss of existing disability benefits in the sending state (Morgan and Stalford, 2005). The onset of a chronic illness or disability may also affect EU citizens already residing in another Member State; such an event is likely to influence their decision to stay longer in the host country given that disability may increase their dependence on family members, friends and the local community.

Summary of key points

- Despite the debate about immigration and welfare receipt, there are no official statistics on the stocks or flows of intra-EU migrants who are not in employment. There are various reasons for this lack of data, chief among them being the fact that non-active EU migrants are less likely to be mobile (i.e. form a relatively small group of intra-EU migrants). In addition, migration data is rarely recorded by employment status (upon arrival or during stay) or by EU nationality. Equally important, data on welfare receipt can rarely be broken down by (EU) nationality or employment status.
- Nevertheless robust estimations can be made on the basis of comparable survey data supplemented with national administrative records. Data available suggests that the overall group of non-active EU migrants represents a very small share of the population of each Member State. They account for between 0.7% and 1% of the overall EU population. In 17 EU countries, non-active EU migrants account for less than 1% of the total population (with the New Member States having the lowest shares); in seven other countries, they account for between 1% and 5%, Luxembourg has by far the highest share of non-active EU migrants, representing 14% of total national population.
- On average EU migrants are more likely to be in employment than nationals living in the same country (despite the fact that unemployment rates tend to be relatively higher amongst migrants). In 18 out of 25 EU countries for which 2012 data are available, the non-activity rates are lower amongst EU migrants than amongst nationals. In addition, the overall rate of 'economic non-activity' among EU migrants has declined from 47% to 33% between 2005 and 2012 (despite the steady increase in the share of jobseekers from 2008 onwards – from 6% to 13%).
- This gap in activity rates can be partly explained by differences in the age composition between the migrant and national population, with more migrants than nationals falling in the 15-64 age bracket.
- The vast majority of non-active intra-EU migrants reside in EU-15 countries (approx. 98%). This reflects the overall pattern of intra-EU migration.
- Overall intra-EU migration has increased over the past decade; the total number of intra-EU migrants aged 15 and above has increased from 1.3% to 2.6% of total EU-27

⁴² The overall 2% figure is based on EU-27 countries, excluding DE and the UK.

population between 2003 and 2012.

- Non-active intra EU migration has also risen (both in absolute numbers and as a share of EU-27 population) but to at a lower rate than the overall migration (from 0.7% in 2003 to 1.3% in 2012). There has been a notable increase in the share of non-active intra-EU migrants in EU-15 from 2010 onwards, possibly determined by an increase in the number of job losses.
- Pensioners, students and jobseekers account for more than two-thirds of the non-active EU migrant population. 'Other' non-active EU migrants e.g., homemakers fulfilling domestic or care activities, non-active family members of EU nationality account for 25% of the same migrant population. Persons who cannot work due to permanent disability represent a relatively small group of migrants in the EU migrant population (3%).
- The majority of currently non-active migrants have worked in the country of residence (64%), although differences between countries must be noted.
- Non-active intra-EU migrants do not form a static group. There is evidence suggesting that the labour market status of intra-EU migrants and local populations can change from one time period to the next. A third of EU migrant jobseekers (32%) were employed one year ago.

4 Identification of past and future drivers of mobility of non-active EU citizens

The present study also investigates the drivers/factors of mobility of non-active EU citizens. The information in this section is primarily based on a thorough review of the literature in English and national languages and supplemented with the case studies.

4.1 Introduction

According to a Gallop World Poll⁴³ approximately every fifth EU citizen expressed an interest in moving permanently to another country. This figure remained more or less unchanged between 2008 and 2012, although the share of those seeing another EU country as their preferred destination declined slightly in the period 2010-2012 (from 47% to 44%). At the same time, the share of those with a firm intention to migrate (share of those planning to move in the next 12 months) more than doubled from 0.5 % to 1.2%. The largest increases in relation to the latter were measured in Latvia, Greece, Estonia, Lithuania, Bulgaria and Spain (by order of magnitude). Low actual rates of worker mobility in Europe are often contrasted to the more dynamic and mobile workforce found across the Atlantic in the USA. The OECD Economic Survey of the European Union (2012) shows annual intra-EU cross border mobility at 0.35% of the total population, whereas intra-state mobility in the US stood at 2.4% on an annual basis (2010 data).

There is a wealth of information about the drivers of intra-EU mobility, although studies rarely distinguish between the mobility of active and non-active EU citizens.

The migration literature makes a distinction between “pull factors” (reasons why EU citizens move to a country) and “push factors” (reasons why EU citizens leave a country). The range of push and pull factors of (non-active) EU migration can include: macro-economic factors (income differentials, welfare generosity in the country of destination); individual socio-economic factors (e.g. labour market status, individual costs and benefits of mobility); demographic factors (ethnicity, household composition, education, age etc.); and socio-cultural factors (social ties, language etc.).

The report of the European Commission (EC, 2001) on the drivers of intra-EU mobility separates “macro-level” drivers from “micro-level” or individual drivers – a distinction that will be also used in our discussion in the present section. It is also worth highlighting that non-active EU citizens include those migrating for the purposes of family reunification or finding a job, as well as students, pensioners and other distinct groups. It follows that the drivers as well as the impacts of these different types of intra-EU mobility are different, and their respective trends can be expected to differ as well.

It is also worth noting that the impacts of the drivers can occur within different time horizons. Whilst changes in transitional arrangements and the business cycle will affect trends in the mobility of jobseekers in the short term, the ageing population and its associated trends in long-term illness and disability will have significant impacts in the medium term as the ‘baby boomers’ begin to retire as they enter their mid-60s (2015-2025).⁴⁴ In the longer term, global ‘megatrends’ such as the changing climate or greater ease of virtual and online connectivity may influence individual decisions on where to work, study, raise children or retire.

Table 4.1 Main drivers of migration of non-active population

Past and current drivers/deterrents	Examples
Macro-economic	▪ Income differentials (wages, GDP per capita)

⁴³ Reported in EU Employment and Social Situation Quarterly Review, June 2013, pp.38 – 39.

⁴⁴ EC (2011), *Demography report 2010: Older, more numerous and diverse Europeans*, DG Employment, Social Affairs and Inclusion

Past and current drivers/deterrents	Examples
	<ul style="list-style-type: none"> ▪ Unemployment rate (particularly relevant for jobseekers) ▪ Business cycle (recession versus economic upswings - more relevant for jobseekers) ▪ Job and wage prospects (particularly relevant for jobseekers, possibly students) ▪ Levels of welfare generosity (relevant to all categories of non-actives, although likely to weigh more for pensioners, single parents and disabled migrants) ▪ Taxation (relevant for jobseekers, pensioners)
Socio-demographic	<ul style="list-style-type: none"> ▪ Demographic ageing and associated trends in illness and disability (relevant to pensioners and disabled persons) ▪ Changes in family composition and size (relevant for single parents, pensioners and disabled) ▪ Ethnicity ▪ Changes in income expectations (primarily relevant to jobseekers, possibly students) ▪ Gender ▪ Education level
Socio-cultural	<ul style="list-style-type: none"> ▪ Social ties (relevant to all groups of non-active migrants) ▪ Language and culture (relevant to all groups of non-active migrants)
Individual	<ul style="list-style-type: none"> ▪ Recognition of transferability of skills and qualifications in the host country (relevant to jobseekers, possibly students) ▪ Labour market status (e.g. becoming a student, retiring) ▪ Marital/family status (e.g. marriage, divorce, widowing, becoming a parent) ▪ Friends/family abroad ▪ Health (e.g. long term illness, disability, etc.)
Future drivers	Examples
Macro-economic	<ul style="list-style-type: none"> ▪ Longer-term effects of the crisis and subsequent recession ▪ Lifting of transitional arrangements currently in place
Demographic	<ul style="list-style-type: none"> ▪ Ageing population ▪ Associated trends in disability/long-term illnesses
Global trends	<ul style="list-style-type: none"> ▪ Climate change and displacement from extreme weather events ▪ Virtual/social media and increased connectivity

This section is divided in two parts. The first part focuses on the different push and pull factors of migration; and the second part discusses the evidence on welfare tourism and dependency collected so far.

4.2 Macro-economic factors

The economic literature on intra-EU mobility, and migration at large, focuses on the factors that determine individual decisions to migrate. Such individual decisions, it is emphasised, are seen to underlie the observed aggregate flows. Put simply, individuals will compare the socio-economic benefits of relocating with its costs. The flows of migration will thereby tend to be higher where it is expected that their standards of living, income or the returns on their labour (or the net present value of their lifetime earnings) will be higher i.e. where overall income and employment prospects are higher.

Income levels

Income differentials (alongside employment opportunities) are the most documented drivers of intra-EU mobility. Supporting evidence shows that the largest outflow of migrants has come from relatively poorer countries from EU-12 into richer EU-15 countries (EC, 2011).

This driver is particularly relevant to the case of jobseekers. The possibility of finding a job and thus improving one's financial position is currently the main reason EU jobseekers consider when moving to certain country(ies) (43%) (Eurobarometer no.337, 2010). Given that in any given 1 year period, 1 in 10 inactive persons also enters employment (see Employment in Europe report, 2009), it follows that the decision to migrate for other non-active groups may also be influenced by income differentials. Seeking higher wages and, by extension, higher standards of living is therefore, likely to be a driver for many migrants.

Cyclical changes in economic growth can also impact on the patterns and scale of intra-EU migration. The June 2013 Quarterly Report on the Employment and Social Situation prepared by DG EMPL provides recent evidence on migration trends which demonstrate that while there has been a shift in patterns of intra-EU migration flows, which were previously dominated by an East to West pattern, towards flows from South to North, in volume terms, the most significant movements continue to be from East to West. There have been significant flows from crisis-hit countries in southern and eastern Europe to countries like Germany and the UK, but emigration of nationals has by no means become a significant feature in all countries particularly affected by the economic and debt crises. Although emigration by national has increased in these countries, in some of the affected Member States, including Spain, it is mainly other EU nationals (and non-EU nationals) who have elected to leave these countries to find employment elsewhere in the European Union. While there was an overall drop in intra-EU mobility among economically active individuals at the onset of the crisis (-41% between 2008 and 2010), this has rebounded in more recent years (+22% between 2010 and 2012). Other research from Holland et al. (2011) has found that net inflows to the EU-15 from the EU-8 are 67 % lower than they might have otherwise been without the onset of global recession.

From the perspective of the country of origin, Eurostat (2011) data show that the European countries most affected by the crisis (Ireland, Greece, and Spain) all experienced an increase in emigration between 2008 and 2011 (Benton and Petrovic, 2013). Table 4.2 below shows the rising numbers of recently arrived citizens from these countries to other Member States.⁴⁵ The data also show that during the same period, the number of newly arrived Romanian and Polish mobile EU citizens decreased, although their overall number remained significantly higher.

Table 4.2 Recent arrivals of (economic active) EU citizens into other EU countries (thousands), by nationality, 2008-2011

Nationality	2008	2011	Change (%)
Greek	13.1	17.0	30.5
Irish	20.9	24.2	15.7
Spanish	24.6	25.4	3.5
Italian	57.2	55.1	-3.7
Portuguese	47.7	31.8	-33.4
Romanian	259.1	159.4	-38.4
Polish	436.1	159.6	-63.4

⁴⁵ Portuguese citizens are the only exception to this trend; the number of arrivals into other EU countries has in fact declined between 2008 and 2011. There is some evidence to suggest that many Portuguese have relocated to non-EU countries with faster growing economies and similar language such as Brazil. See for example: <http://www.guardian.co.uk/world/2011/dec/22/portuguese-migrants-brazil-economic-boom>

Source: 'EU Employment and Social Situation Quarterly Review', 2013 (correction)

Echoing the above results, Bertoli, Brücker and Fernández-Huertas Moraga (2013) also found that deteriorating economic conditions in Southern European countries and elsewhere can account for 78% of the increase in migration to Germany during 2006 and 2012. The data for Germany show a boost in workers from the crisis hit Southern states, with an increase of 52%, between 2010 and 2011, in immigration from Spain (a rise of around 7,000 migrants) and an increase of 90 % in migrants from Greece (around 11,250) for the same period (Statistisches Bundesamt, Bevölkerung und Erwerbstätigkeit: Vorläufige Wanderungsergebnisse 2011, in Benton and Petrovic, 2013). Through the allocation of National Insurance (NI) numbers, the UK Office for National Statistics has also recorded (although of a smaller number) a sharper rise of NI numbers issued to EU-15 migrants, compared to those from EU-12 Member States between 2009 and 2011. Other destination countries are beginning to record similar trends. In the Netherlands for example, migrant flows from Spain increased from 1,509 in 2007 to 3,205 in 2011 (Benton and Petrovic, 2013).

Employment opportunities are clearly linked with the possibility to increase earnings potential. However, when it comes to studies specifically investigating the link between wages and net migration, there is also some suggestion that this relationship may be non-linear. Fidrmuc (2003) identifies such a non-linear relationship between wages and migration, revealing a hump-shaped effect of wages on net immigration in the Czech Republic, Hungary, Poland and Slovakia. This implies that regions with very high wage rates actually have relatively low levels of inward migration, whilst very low wages are associated with low levels of outward migration. The former may result from the higher costs of living in high wage areas that may push firms or the retired population to lower cost areas, while the latter can be explained by the inability of those on low wages to finance the upfront costs of migration and move to higher income areas.

Overall, the evidence presented above suggests that the economic crisis had an impact on the patterns and flows of intra-EU migration, acting as a push factor for migrants in recession-stricken countries.

Employment levels and skills shortages

Employment differentials between countries can be an important determinant of migration flows. Higher employment rates (or lower unemployment rates) are seen to reflect the probability of a migrant realising a return on their labour. EU countries with high employment rates, such as Austria and the United Kingdom, have experienced high inflows of migrants whilst countries with low employment rates, such as Bulgaria and Romania, have experienced relatively high outflows of citizens (EC, 2011).

Evidence is less strong in relation to the effect of unemployment rates on intra-EU mobility. For example, EU-12 countries with low unemployment rates such as Romania or Lithuania experienced significantly higher outflows of jobseekers than countries with relatively higher unemployment rates (e.g., Poland or Slovakia) (EC, 2011). Income differentials are likely to influence the extent to which employment and unemployment impact on intra-EU mobility. However, relative to other factors, unemployment level may still play a considerable role in the mobility of jobseekers. For example, a recent econometric analysis undertaken by Holland et al. (2011) suggests that (lower) unemployment explains the distribution of the inflow of EU-8 workers across EU-15 countries to a greater extent than other factors such as transitional arrangements. High levels of unemployment in Europe, as is currently the case, may however coexist with persistent job vacancies (or skills shortages) in specific occupations. This suggests a problem of structural mismatch in European labour markets relating to a malfunctioning of the job matching process. Mismatches may exist between the ability and willingness of national jobseekers to take up vacant positions in specific occupations or geographic locations. The presence of such gaps

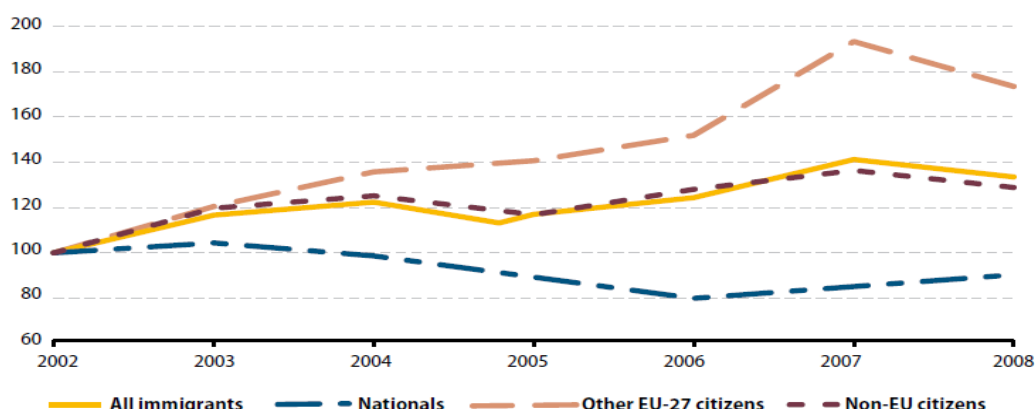
can create labour demand for non-nationals who may possess different skills, experience or motivation to the local labour force (Cedefop, 2011).

Intra-EU migration in this sense can be seen as filling the gaps that locals are unable or unwilling to fill. As with cross-border migration, regional wage differentials are seen as a key driver for within-country mobility. Vamvakidis (2009) argues that where rates of regional wage dispersion within a country are low, due for example to high levels of wage centralisation, there will be less incentive for nationals to relocate to fill these vacancies.

Influence of enlargement and transitional arrangements

Differentials between levels of income, employment and unemployment are by no means the only explanatory factors. Access to labour markets can also be an important factor determining mobility patterns and the scale of cross-border migrant flows. Regulations governing the access to labour markets for EU migrants from enlargement states are an important driver. As shown in Figure 4.1, the contribution of migration from other EU member states has risen from 2003 onwards, peaking in 2007; overall, it outgrew migration from any other citizenship group. It is estimated that 75% of the population outflows from the EU-8 (occurred since 2004), and the 50% of the outflows from the EU-2 (since 2007) can be attributed to accession of these countries to the EU (EC, 2011, p. 253, based on studies estimating the counterfactual such as Holland (2011).

Figure 4.1 Relative change in migration flows to EU Member States by citizenship group, EU27, 2002-2007 (2002=100)



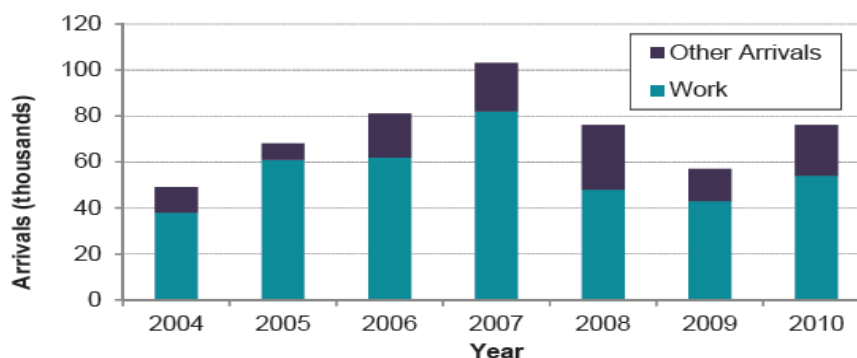
Source: Eurostat (2011), *Migrants in Europe, A statistical portrait of the first and second generation*, Eurostat Books, doi:10.2785/5318

Furthermore, there is some evidence to suggest that the temporary restrictions to the free movement of EU workers have impacted on the *patterns* of intra-EU mobility. Some of the EU-15 countries that opened labour markets to EU-8 workers upon accession (Ireland and the UK⁴⁶) received highest inflows of EU workers compared to the countries that retained transition arrangements for longer (Benton and Petrovic, 2013, Watt et al., 2011), although Holland (2011) reports that the increasing flow towards the UK already started in 2004, attributing this to a favourable economic situation rather than lack of restrictions for workers from accession countries.. It is also suggested that the restrictions may have equally tempered the overall scale of inflows from EU-10 to EU-15 countries (Brücker et al., 2009).

In the context of non-active migration, the issue of transitional arrangements is mostly significant for jobseekers. There is persuasive evidence to suggest that enlargement has led to intra-EU mobility predominantly for the purposes of work.

Figure 4.2 presents data on the inflows from EU-12 into the United Kingdom suggesting that a significantly higher proportion of migrants have exercised their mobility rights for the purpose of work as opposed to other grounds.

Figure 4.2 Inflows of EU-12 Nationals to the United Kingdom (thousands), 2004-10



Source: Benton and Petrovic (2013) based on data from UK Office for National Statistics, 'UK International Passenger Survey,' www.ons.gov.uk/ons/datasets-and-tables/index.html.

There is insufficient evidence to assess the impact of enlargement for other non-active groups. It is reasonable to assume that enlargement has enabled pensioners to pursue their retirement in EU-12 or EU-2 countries by simplifying processes such as buying properties and setting up bank accounts in other countries. Similarly, enlargement may have promoted intra-EU student mobility by enlarging the Erasmus network and by reducing the barriers faced by students from EU-12/EU-2 countries in accessing higher education courses. For example, the number of students from Cyprus attending higher education courses in the UK every year rose from between 2,500-3,000 in the years prior to accession to nearly 5,000 in 2005/06 after the accession (the number in 2010/11 was 8,420) as Cypriot students no longer were charged high "overseas" fee rates (Source: Cyprus Statistical Authority).

Future EU enlargement and associated transitions arrangements regulating access to labour markets will be significant determinants of future intra-EU flows. The accession of Croatia on July 1st 2013 may have a small effect on intra-EU migration flows. The scale of this effect will be significantly smaller than for previous enlargements due to Croatia's relatively small population size and (in the short term) due to the high levels of unemployment in EU countries affected by the recession which make the prospect of resettlement less attractive (UK Home Office, 2012). Regarding immigration into Croatia, there may also be an effect on the flow of retirees from the EU27 settling in Croatia – although, similarly the effect post-enlargement is not expected to be large. Future rounds of enlargement of the candidate countries (e.g. FYROM, Montenegro, Serbia and Turkey) are expected to have greater effects if the acceding process to the EU will be completed. This is particularly so in the case of Turkey due to population size and the interplay with sociocultural factors (large Turkish immigrant populations already exist in several EU27 countries). However, forecasts of the size of the migration flows from Turkey are hard to make. Glazar et al.(2010) estimates that post-accession, migration flows from Turkey to the EU15 may be as high as 40,000 people in the long run but that Turks with the strongest incentives to migrate are likely to have already settled in the EU. Factors influencing the size of migration flows include the timing of accession, scope and nature of transitional arrangements, differential economic growth between Turkey and the EU15 and network (diaspora) effects (ibid).

Other relevant factors

Additional factors may include tax arrangements – although there is no supporting evidence in literature. This could be because the taxation environment is particularly complex. National

legislation and bilateral agreements regulate the payment of taxes for people moving across Europe in a variety of way and some gaps in regulation exists (for instance for inheritance taxes).

4.3 The role of welfare generosity: The “social security magnet” and “social security overuse” hypotheses

There are different forms of welfare that could be of relevance to a person wishing to reside in a different country. It is important to distinguish between SNCBs (which are of key concern for this study) and other welfare benefits which EU migrants can access in a country of residence. The trESS (2011) report found that SNCBs form a relatively small part of a country’s wider welfare system, lying at the intersection between social security and social assistance benefits,

SNCBs aim to provide either i) ‘supplementary, substitute or ancillary cover against the risks covered by other social security benefits and which guarantee the persons concerned a minimum subsistence income having regard to the economic and social situation in the Member State concerned; or (ii) solely specific protection for the disabled, closely linked to the said person’s social environment in the Member State concerned. They do not depend on the social security contributions made by the person concerned and are often means-tested (see further discussion e.g., Sibley et al., 2013).

Given the particularities of SNCBs, it is useful to discuss first the existing evidence on the link between intra-EU migration and receipt of welfare benefits– understood here in their broadest scope. The specific matter of SCNBs is discussed in greater detail in the following section 5.

Recent studies have found that concerns about the fiscal impact of immigration are by and large the main driver of the negative perceptions of migration, followed by concerns over poverty among natives and crime (Boeri, 2010).⁴⁷ Boeri also finds an increasing concern in Europe that migrants abuse the welfare state - such perceptions being stronger in countries with more generous social security systems.

There are several hypotheses in which the access of non-active EU citizens to SNCBs and healthcare could potentially lead to problematic situations (whether unintended or intended):

- Hypothesis 1: Non-active migrants move to a country to benefit from its generous social security system⁴⁸, which they would not otherwise have moved to (i.e., the “social security magnet” effect); this might lead to higher financial burdens in the EU countries with more generous benefits. These countries may report a much higher proportion of non-active persons in their EU migrant population than it would be normally found in the population of their nationals.
- Hypothesis 2: Non-active migrants are/become more intensive users of certain social security benefits compared to the natives with similar socio-demographic characteristics (e.g., of same age, health status), even if they did not initially arrive in the country in order to do so (i.e., the “social security overuse” hypothesis)

It should be noted that the situations described above do not include cases where people obtain certain benefits based on fraudulent claims (i.e. illegal access to benefits) – an issue which is not directly relevant for the present study because EU law cannot be relied on for the purposes of abuse or fraud (see Case C-206/94 *Paletta II* [1996] ECR I-2357, paragraph 24).

Our review of the literature shows little evidence to support these hypotheses – although one must note that most migration studies cover third-country nationals and EU nationals together, as well as active and inactive population. In addition, such studies rarely draw a distinction between social assistance and social security.

⁴⁷ Boeri, T. (2009). Immigration to the Land of Redistribution. *Economica*, vol. 77, 651-687.

⁴⁸ Generosity of welfare benefits can be seen in terms of the level and duration of the benefits. The latter is often conditional on the welfare recipient fulfilling certain requirements .

The migration flows have generally followed the pattern of migration from less generous welfare states to more generous welfare regimes. However, countries with more generous welfare regimes also tend to have better employment prospects and wage levels – which equally influence migration flows, leading to confounding factors in any potential causal analysis. For illustration purposes only, figure below shows the differences in social protection expenditure (broken down by old-age, unemployment and disability-related expenditure) expressed as purchasing power standard per inhabitant. This is presented alongside the proportion of non-active EU migrants in the country's total population (organised from lowest share to highest share). Figures vary from low end (marked in nuances of red) to high end (marked in green nuances). The figure suggests that there is no strong or consistent relationship between different types of social expenditure and the share of non-active EU migrants. There are several countries like Malta and Cyprus which have low social expenditure per capita but relatively high shares of non-active EU migrants. At the other end of spectrum, Portugal and the Nordic countries have a fairly low proportion of non-active intra-EU migrants (comparable to the shares found in the New Member States) although its social expenditure per inhabitant is significantly higher.

This apparent lack of a relationship between expenditure on old-age, unemployment and disability related benefits and migration trends (among non-active migrants) is consistent with the findings reached by Zimmermann et al (2011⁴⁹) which showed that when migrant-native differences in characteristics such as age, education and family composition are taken into account, a pattern of lower rates of benefit receipt among migrants emerges when compared with natives. Zimmermann et al also emphasise that they found no link between the generosity of the unemployment benefit system and migration flows.

Table 4.3 Social Protection Expenditure (old-age, unemployment and disability related benefits) and share of non-active EU migrants in total population, by country, 2010

	Disability related expenditure	Old age related expenditure	Unemployment-related expenditure	Share of non-active migrants
PL	210	1,424	64	0.0%
SI	367	1,991	139	0.0%
LV	169	1,146	165	0.1%
BG	150	876	64	0.1%
RO	181	914	64	0.1%
EE	306	1,224	119	0.2%
PT	410	2,214	282	0.2%
CZ	297	1,655	160	0.2%
HU	301	1,442	143	0.2%
FI	1,003	2,988	683	0.2%
NL	801	3,439	509	0.5%
EL	282	2,548	366	0.5%
DK	1,489	3,778	751	0.7%
IT	417	3,609	206	0.8%

⁴⁹ Zimmermann, K, Barrett, A., Kahanec, M., Guilietti, K., Guzi, M. Maitre, B, (2011); Study on Active Inclusion of Migrants: Final Report; IZA/ESRI

	Disability related expenditure	Old age related expenditure	Unemployment-related expenditure	Share of non-active migrants
MT	175	1,828	111	0.8%
SE	1,288	3,663	412	0.9%
FR	517	3,285	578	1.1%
DE	698	2,821	492	1.1%
UK	763	3,116	199	1.2%
AT	693	3,903	516	1.5%
ES	436	2,058	867	2.2%
BE	619	2,660	1,102	3.0%
IE	415	1,728	1,095	3.0%
CY	175	2,000	250	4.1%
LU	1,667	4,013	820	13.9%

Source: Eurostat based on ESPROSS, 2013; ICF-GHK own calculations based on EU-LFS

*Red figures highlight relatively low numbers; green figures represent relatively high numbers.

Alongside the level of benefits, welfare generosity is also characterised by another dimension: the duration over which the benefits can be received or rather, the conditions attached for the continued receipt of the welfare support. It is common for those in receipt of unemployment benefits to comply with certain job-search or training activities, or risk losing a part or all of their entitlement to the benefits. Such a 'mutual obligation' is increasingly attached also to the receipt of incapacity or disability benefits to actively support the re-integration of the sick or disabled into employment.⁵⁰

Welfare generosity does not however equate with ease of initial access to these benefits – this also varies considerably by welfare regime within and across Member States. Another key aspect to be considered is the quality of services – an aspect that consulted stakeholders scarcely commented on. The availability and access to cheap or free childcare, higher education, or other services are likely to influence the [declared] labour market status of the EU-migrant population. In the same way, access to part-time employment opportunities or informal employment is also likely to shape the observed labour market status of different groups across Member States.

4.3.2 Findings from previous empirical studies

One method for testing the validity of the two hypotheses is by first identifying the main motivation of intra-EU migrants. Available reports and surveys seem to suggest that the main motivation of EU citizens to migrate and reside in a different Member State is work-related as opposed to benefit-related (Bonin et al., 2008). Nevertheless, it should be noted that evidence from surveys where self-declaration is required (such as the Eurobarometer) are unlikely to reveal true intentions of those who migrated for the purpose of claiming SNCBs.

The table below illustrates the main reasons behind the past moves of the intra-EU migrants and the factors that could encourage a future move within the EU as informed by the respondents to the 2007 Eurobarometer survey (see Bonin et al., 2008, p.71). It is possible that factors relating to

⁵⁰ OECD (2010), *Sickness, Disability and Work: Breaking the Barriers*, Organisation for Economic Cooperation and Development

income such as “to have a higher household income” could encompass considerations of access to SNCBs which would contribute to total household income – however, the data is not disaggregated in this way in the Eurobarometer dataset. Furthermore, it is possible that these aggregated results hide significant differences between migrant groups. For example, as shown above, different groups of non-active migrants (in particular pensioners, students and disabled persons) have different reasons for migration than job-seekers. Notably, vulnerable groups of migrants such as single parents, the disabled, and elderly may be ‘discouraged’ from looking for work if they perceive (rightly or wrongly) that no work is available or suitable to their personal situation.

Table 4.4 Main reasons to move to another Member State (% of Eurobarometer respondents)

Reason related to...	EU-15	New Member States	EU-27
Reasons for past move			
Job	40.5	58.6	42.3
Education	14.7	12.2	14.5
Family	32.2	16.6	30.6
Other	12.6	12.6	12.6
Factors encouraging a future move			
Work and income	47.9	84.7	58.7
Social network	52.8	37.3	48.3
Housing and local environment	71.2	57.0	67.1
Public facilities	17.2	18.2	17.5

Source: Estimates made by Bonin et al., 2008 based on Eurobarometer data, wave 67.1 (Bonin et al., 2008, p.71) * Note: Regarding the reasons of the last move, job-related reasons comprise “found a new job”, “did not have a job but looked for a new one”, “were transferred by employer”; education-related reasons comprise “went to study, train, or learn a new language abroad”; family related reasons comprise “accompanying partner or family”, “went to be with family already living in new country” and “change in relation-ship/marital status.” Regarding factors encouraging future mobility, work and income related factors comprise “to have a higher household income”, “to have better working conditions”, “to have shorter commuting time”; social network related factors comprise “to be closer to family and friends”, “to meet new people” and “receive better support from family and friends”; environment related factors comprise “better local environment and amenities”, “better housing conditions”, “discover a new environment” and “better weather”; public facilities related factors comprise “better health care”, “access to better schools”, “better public transport”.

A study on the post-enlargement migration case for the UK, by Blanchflower and Lawton (2009, in Giulietti, C., and Wahba, J., 2012), concluded that upon entrance into the EU, EU-10 migrants have entered to the UK to work, rather than claim benefits. This is also borne out by evidence gathered for the UK case study prepared for this report. Work was by and large the main reason for EU nationals to move to the UK between 2002 and 2011. Figures from the Office of National Statistics (2011) show that 53% of migrants coming from other EU countries⁵¹ stated that they came to the UK for work related reasons. In the Netherlands, family was found to be the main reason for migration among 25 to 74-year-old EU migrants⁵² and education was found to be the main reason for migration among 15 to 24-year-old EU migrants (EU-LFS 2008). In France, work

⁵¹ Note that this data refers to migrants whose previous country of residence was one of the EU Member States, and can therefore include third country and UK nationals.

⁵² Due to the definition in the EU-LFS, “migrant” here is based on country of birth and not on citizenship.

also proved to be a slightly less important motivator than family reasons among EU migrants⁵³ of working age (EU-LFS 2008).

A study by De Giorgi and Pellizzari's (2009), which combined data from the European Community Household Panel (ECHP) with OECD information from the Unemployment Benefit entitlements and Replacement Rates, found that welfare generosity does have an influence on immigration in the EU-15 – although this effect is considerably smaller than the effect of wage levels on migrants' choices of a destination country. Barrett and Maitre's study (2011) has shown that welfare receipts for EU-born migrants are equal or less to those for natives – controlling for certain characteristics of migrants (i.e., education level, age and number of children). These cases, amongst others lend to the argument that the generosity of welfare systems plays a small part in the decisions of intra-EU migrants (Constant, 2011). Where some studies found evidence supporting the 'welfare magnet effect' hypothesis, the overall estimated effects are typically small or not statistically significant (Barrett, 2012; IZA&ESRI, 2011).

Although the aggregate effects may be small, it is worth noting that certain sub-groups of migrants may still have a relatively higher propensity to use benefits than the other groups of migrants (e.g., non-active single parents with young children, older people in need of longer-term care). However nationals who fall into the same categories would most certainly display a similarly high propensity to use benefits, simply related to need and not necessarily motivation to migrate. Our case studies which looked at SNCB and healthcare provided to pensioners (e.g. in Austria and Spain) found no evidence to support the argument that benefits play a role in decisions to migrate. In Spain, climate, lower costs of living and established social networks were found to be the main motivating factors. In Austria, family reunification played the most important role.

Furthermore, other information collected through interviews with national authorities for the purpose of this study provided no evidence to suggest that SNCBs act as a pull factor for non-active EU migrants. Where authorities had information or expressed their views on this matter, it was suggested that SNCBs have a minor (if any) impact on migration decisions because these benefits are meant to provide minimum protection only or have restrictive eligibility criteria (e.g., Greece, Slovakia, Portugal, Poland). One national representative from Portugal hypothesised that SNCBs might exert some influence only on the decisions of migrants coming from countries with relatively lower levels of income such as Romania or Bulgaria - although no further empirical evidence has been provided to support this hypothesis. In the Netherlands, although it is recognised that the use of SNCBs by EU/EU-10 migrants is still modest, there is a concern that in the longer run the use of SNCBs might increase and lead to welfare dependency (particularly in the current debate about the legal uncertainty around the eligibility criteria for accessing SNCBs). Other countries such as Finland, Sweden, Germany or the UK did not comment on this matter due to lack of evidence.

In Ireland, a recent piece of research confirmed that welfare benefits (therefore not only SNCBs but all social security benefits and social assistance) do not influence the initial migration decision (Trinity College Dublin, 2011). Other factors seem to matter more: employment opportunities, higher wages, and the opportunity to learn the English language (and, to a lesser extent, a desire to experience travelling and adventure outside the home country). The study nevertheless argues that in the context of the present recession and rising unemployment, welfare benefits may gain in importance, determining migrants to stay on in Ireland despite the tough economic climate.

In considering the social security overuse hypothesis, evidence from the EU Survey of Income and Living Conditions (SILC), shows that unskilled migrants are more likely to receive non-contributory benefits (SNCB and social assistance) in countries with generous welfare systems. Kahanec et al. (2009), summarising the findings of studies that examined the welfare access in Ireland and Sweden during the post-enlargement period of the European Union, found that in Ireland there was no excessive use of welfare by EU-migrants; and, that in Sweden, although EU-

⁵³ Due to the definition in the EU-LFS, "migrant" here is based on country of birth and not on citizenship.

migrants were more likely to receive social assistance, they were less likely to participate in other social security programmes (unemployment/sickness benefits) (Kahanec et al., 2009, in Giuliatti, C., and Wahba, J., 2012).

Boeri (2010) attempted to explore the relation between migration (mostly non-EU) and the receipt of non-contributory benefits (such as social assistance and housing benefits) and social security benefits (pensions, sickness or unemployment benefits). Results show that migrants are more likely to be in receipt of non-contributory benefits. However, once individual factors (e.g., education, sex) are controlled for, evidence of 'non-contributory benefit dependency' could only be found in 5 countries - Belgium, Finland, France, Germany, Luxembourg and The Netherlands (out of the 15 covered in the study). It is fair to say that the countries where welfare dependency has been identified all have generous welfare systems (both social assistance and social security ones). Low take-up of this type of benefits has been noted in Greece, Portugal, Spain and the UK.

The immigration literature has also investigated whether immigrants are more intensive users of welfare than nationals, and where this is the case (and it varies by Member State) whether it is because of the socio-economic circumstances of the immigrants or because of what they call an "immigration effect" (i.e., reasons connected to their immigrant status, like discrimination or network effects). A recent review of the literature on (international) migration undertaken by Barrett (2012) finds that: a) in most countries, immigrants are not more intensive users of welfare than nationals; b) where they are more intensive users, they tend to use intensely only specific types of benefits; c) where they are more intensive users, it is because of their socio-economic circumstances as migrants.

Brücker et al (2002) identified a number of factors determining migrants to become dependent on social security:

- Migration-specific effects: Language problems or psychological trauma could lead immigrants to be more reliant on welfare.
- Discrimination: Discriminatory practices by employers could see immigrants facing difficulties in securing employment.
- Network effects: Networks can assist immigrants in obtaining jobs but they can also exclude them from mainstream society. However, in our view, the latter may equally lead to migrants being less reliant on benefits
- Non-portability of entitlements: Immigrants may be excluded from the welfare system in their host countries through legislation.
- Reduced wages: Any factors which tend to reduce the wages of immigrants, such as exclusion from public sector jobs, will tend to reduce their employment rate and hence will increase their likelihood of being on welfare.

4.3.3 Analysis of EU-SILC data

EU-SILC captures receipt of several social transfers, of potential interest being the old-age benefits, disability and unemployment benefits⁵⁴. It is important to note that EU-SILC data does not distinguish between contributory and non-contributory benefits (hence, it does not capture use of SNCBs per se). This section presents the results of our analysis of the receipt of disability, old-age and unemployment benefits.

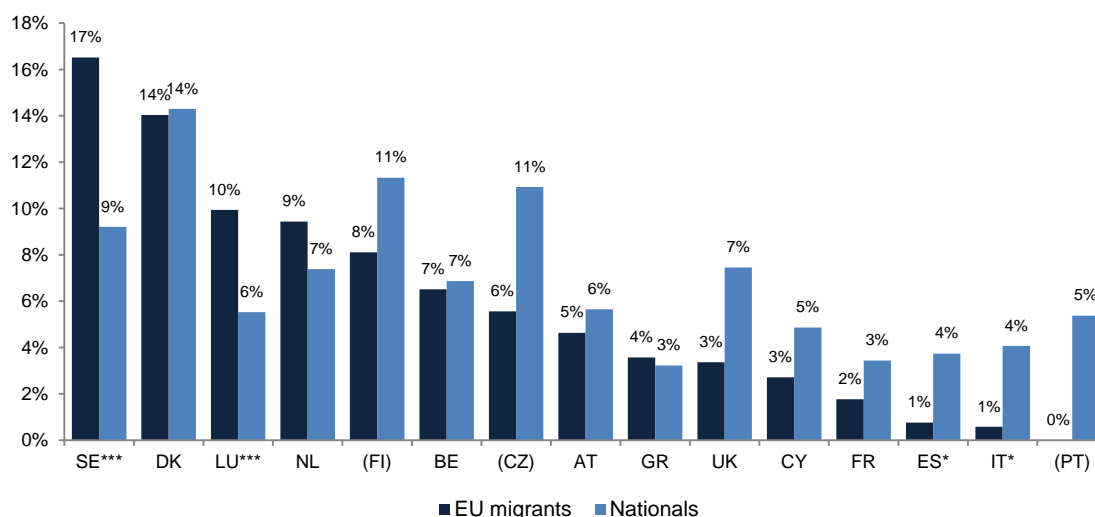
- Disability benefits refer to benefits which provide an income to persons below standard retirement age whose ability to work and earn is impaired below the legal minimum standard by a physical or mental disability.
- Old-age benefits refer to the provision of social protection against the risks associated with old-age e.g., loss of or inadequate income, lack of independence in carrying out daily tasks etc.

⁵⁴ Based on Description of Target Variables: Cross-sectional and Longitudinal (Version May 2011) for EU-SILC.

- Unemployment benefits which replace in whole or in part income lost by a worker due to the loss of gainful employment; provide a subsistence (or better) income to persons entering or re-entering the labour market; or provide other unemployment related support.

Figure 4.3 indicates that the share of non-active EU migrants receiving disability benefits is lower than the share of non-active nationals receiving the same benefits, albeit there is some variability between countries. In 9 out of 16 countries in our sample, the share of non-active EU migrants receiving disability benefits is smaller than the corresponding share of non-active nationals. On the other hand, in 4 countries this share is higher for migrants than nationals, sometimes to a considerable degree as in case of Sweden (8pp) and Luxembourg (4pp). The shares of migrants receiving benefits reflect the composition of the non-active EU migrant population – higher shares of disabled people among non-active EU migrants are associated with higher share of migrants receiving disability benefits (as it is in the case of Sweden for example)⁵⁵.

Figure 4.3 Differences in shares of disability benefits recipients between EU non-active migrants and non-active nationals (2011)



Source: EU-SILC micro data, ICF GHK own calculations.

Notes:

*** Statistically significant at $\alpha=0.001$

** Statistically significant at $\alpha=0.01$

* Statistically significant at $\alpha=0.05$

: flag a, below publishing limit, sample sizes <20 for BG, LT, PL, RO, HU, SK

() flag b, unreliable, sample size between $20 < x < 50$

n/a the breakdown by EU citizens not available for DE, EE, LV, SI and MT

EU migrants defined as people living in the country with the citizenship of other EU-27 member state.

Non active defined as people not in employment including jobseekers based on EU-SILC PLO31. Total population excluding children under the age of 15.

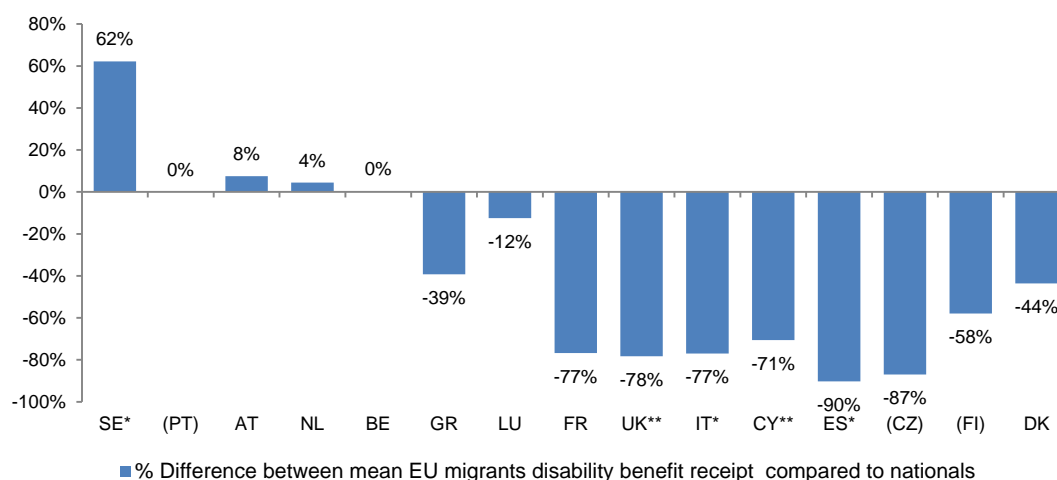
"Statistics Finland pointed out that the Finnish SILC data on migrants is not well representative of the migrant population in Finland. The achieved sample involves only migrants who can be interviewed in Finnish or Swedish - in other words, observations about migrant diversity may be biased in the data."

The evidence from EU-SILC also shows that in 10 out of 15 countries, the average (gross) disability benefits received per month is lower for EU migrants than for nationals (in 4 of countries, the difference is statistically significant). This is likely to be influenced by the fact that severely disabled people (who require more intensive welfare support) are unlikely to migrate due to the

⁵⁵ Data based on EU-SILC.

difficulties they would encounter as a result of this decision. Sweden is the only exception where non-active EU migrants receive significantly higher average transfers.

Figure 4.4 Difference between the mean gross disability benefits received by EU non-active migrants and non-active nationals (2011)⁵⁶



Source: EU-SILC micro data, ICF GHK own calculations.

Notes:

*** Statistically significant at $\alpha=0.001$

** Statistically significant at $\alpha=0.01$

* Statistically significant at $\alpha=0.05$

: flag a, below publishing limit, sample sizes <20 for BG, LT, PL, RO, HU, SK

() flag b, unreliable, sample size between $20 < x < 50$

n/a the breakdown by EU citizens not available for DE, EE, LV, SI and MT

EU migrants defined as people living in the country with the citizenship of other EU-27 member state.

Non active defined as people not in employment including jobseekers based on EU-SILC PLO31. Total population excludes children under the age of 15.

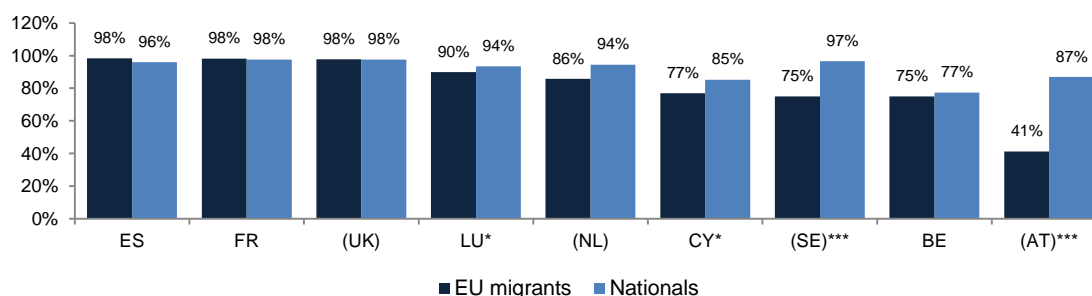
"Statistics Finland pointed out that the Finnish SILC data on migrants is not well representative of the migrant population in Finland. The achieved sample involves only migrants who can be interviewed in Finnish or Swedish - in other words, observations about migrant diversity may be biased in the data."

In the same vein, results from 9 countries (see Figure 4.5) show an overall lower rate of old-age benefits receipt amongst EU pensioners compared to national pensioners. The benefit receipt has been related to the population of pensioners to control for the fact that there is a higher proportion of pensioners in the non-active national population than in the non-active migrant population residing in same country. In 6 countries (AT, BE, SE, CY, NL, LU), EU pensioners receive old-age benefits to lesser extent than national pensioners; in two additional country, EU pensioners and pensioners who are nationals of the country of residence receive old-age benefits to the same extent. The only exception is Spain, where EU pensioners are slightly more likely to receive such benefits – though the difference is not statistically significant.

When looking at the position of pensioners, it is important to bear in mind that many of them (depending on how long they have been resident in the host Member States and whether they were previously economically active there) will receive a pension from their country of origin.

⁵⁶ The percentage figures were calculated as the difference between the mean amount of benefit received by migrant and the mean amount of benefits received by nationals divided by the mean amount of benefits received by nationals.

Figure 4.5 Differences in shares of old-age benefit recipients between EU pensioners and national pensioners (2011)



Source: EU-SILC micro data, ICF GHK own calculations.

flagged a: sample sizes <20 for BG, LT, PL, RO, HU, SK, EL, IT, FI, CZ, PT; n/a breakdown by EU citizens not available for DE, EE, LV, SI and MT, breakdown by employment not available for DK;

() AT, UK, NL, SE flagged b sample size between 20 < x <50

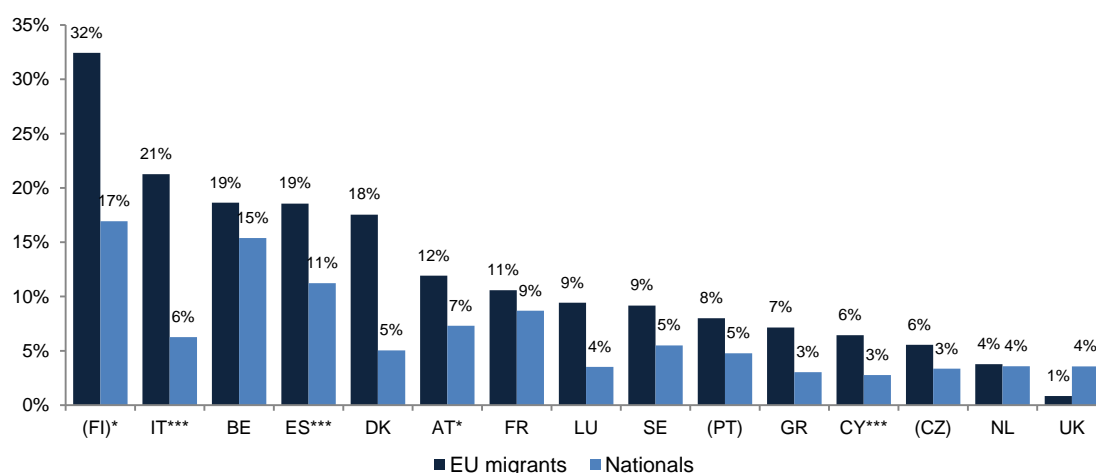
*** Statistically significant at $\alpha=0.001$

** Statistically significant at $\alpha=0.01$

* Statistically significant at $\alpha=0.05$

In contrast with the findings on the receipt of disability and old-age benefits, Figure 4.6 shows that a higher proportion of non-active EU migrants receive unemployment benefits compared to non-active nationals (the difference is statistically significant in 5 cases). The only exception in this case is the UK, where only 1% of non-active EU migrants receive unemployment benefits. These results are in line with the higher average unemployment rate amongst EU migrants compared to nationals (see for example Table 3.3). Previous studies also noted that higher rates of unemployment benefits can be explained by the fact that migrants tend to be younger and have fewer years of work experience (e.g., IZA and ESRI, 2013).

Figure 4.6 Differences in shares of unemployment benefits recipients between EU non-active migrants and non-active nationals (2011)



Source: EU-SILC micro data, ICF GHK own calculations.

Notes:

*** Statistically significant at $\alpha=0.001$

** Statistically significant at $\alpha=0.01$

* Statistically significant at $\alpha=0.05$

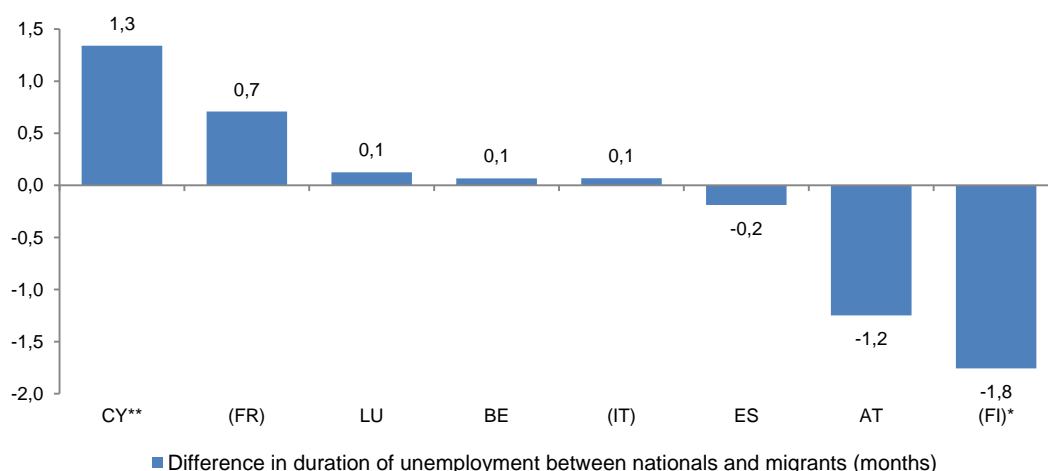
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() flag b, unreliable, sample size between $20 < x < 50$

n/a the breakdown by EU citizens not available for DE, EE, LV, SI and MT

In terms of the mean amount received in unemployment benefits per month, non-active EU migrants receive higher transfers than their national counterparts in three countries where such data are available, albeit this difference is statistically significant only in France (Figure 4.8). Such differences may suggest that it takes longer for migrants to find a job in these countries (i.e., receive more unemployment support in a given year). Figure 4.7 shows that non-active EU migrants in Cyprus and France have on average longer duration of unemployment if compared to nationals. This difference is however statistically significant only in Cyprus.

Figure 4.7 Differences in means of unemployment duration of EU migrants and nationals receiving unemployment benefits (2011)



Source: EU-SILC micro data, ICF GHK own calculations.

Notes:

*** Statistically significant at $\alpha=0.001$

** Statistically significant at $\alpha=0.01$

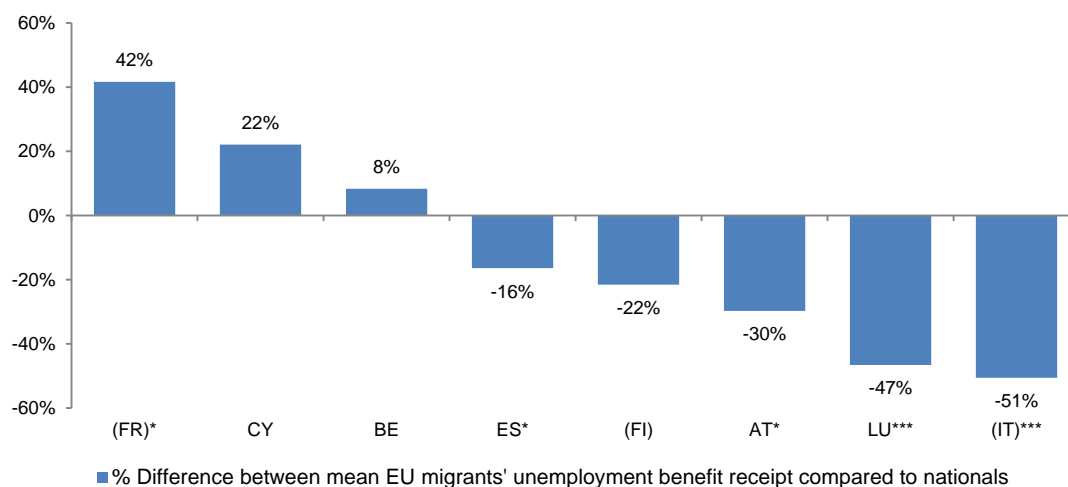
* Statistically significant at $\alpha=0.05$

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n/a the breakdown by EU citizens not available for DE, EE, LV, SI and MT

Figure 4.8 Difference between mean gross unemployment benefits received by EU non-active migrants and non-active nationals (2011)⁵⁷



Source: EU-SILC micro data, ICF GHK own calculations.

Notes:

*** Statistically significant at $\alpha=0.001$

** Statistically significant at $\alpha=0.01$

* Statistically significant at $\alpha=0.05$

: flag a, below publishing limit, sample sizes <20 for BG, LT, PL, RO, HU, SK, EL, IT, CZ, PT, DK, NL, SE

() flag b, unreliable, sample size between $20 < x < 50$

n/a the breakdown by EU citizens not available for DE, EE, LV, SI and MT

⁵⁷ The percentage figures were calculated as the difference between the mean amount of benefit received by migrant and the mean amount of benefits received by nationals divided by the mean amount of benefits received by nationals.

4.4 Demographic factors

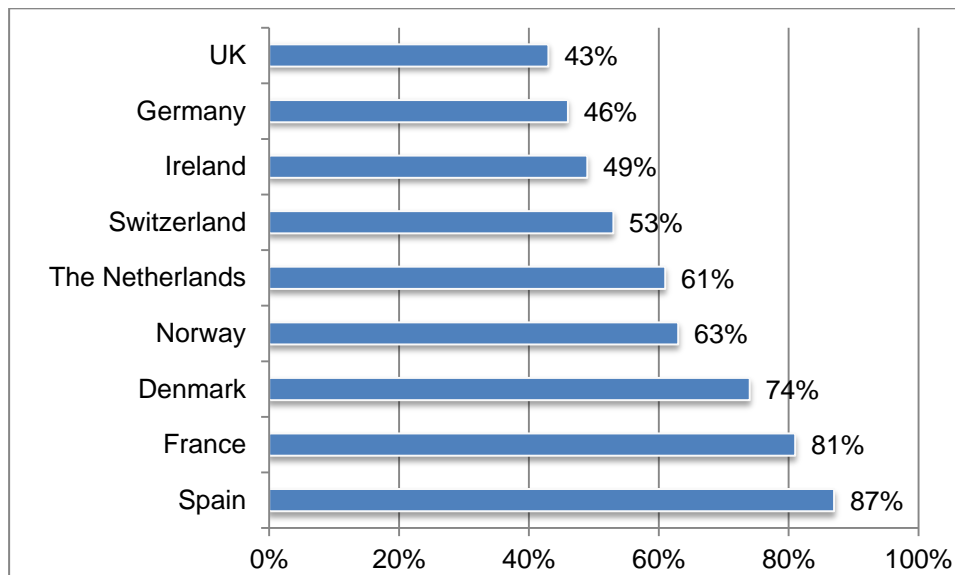
The population of the EU27 is ageing, with the share of people aged 65 years or over projected to increase from 17.4 % in 2010 to 30.0 % in 2060 (Eurostat, 2011). This is likely to have two effects on intra-EU mobility for non-active groups:

- The flows of mobile jobseekers are likely to decrease because the share of people aged 15-34 is shrinking, and this age group is the most mobile and most likely to be seeking employment; and
- The share of pensioner migrants is likely to grow, because their number will increase and they are likely to live active lives for longer.

International rates of retirement are on the rise, and increasing instances of early-retirement are particularly driven by changes in the income and wealth of elderly persons in the EU as well as changes in their life and travel preferences (see for example Legido-Quigley and Daniel La Parra, 2007).⁵⁸ There are various pull factors that encourage people to decide to retire abroad in another Member State. Some reasons commonly expressed are seeking better weather (move from North to South) and a cheaper standard of living where their pension income and savings can go further. Other legal arrangements such as around property laws can weigh significantly on individuals' decisions. Various studies identified climate, property prices, familiarity with the region and good or peaceful social environment as main important factors for retirees in countries like Croatia, Spain or Italy (ibid.)

There are considerable differences between countries in relation to the mobility of pensioners or their propensity to retire abroad. A survey of 7,500 workers in 10 countries found that less than half of workers in the UK, Germany and Ireland were happy at the prospect of retiring at home while the number was much higher in Spain and France (Aon Consulting, 2010). The latter two countries were also the most popular choices of retirement destination for those outside these countries: one in eight workers outside Spain said that they wish to retire there. One in ten workers outside France said they wished to retire in France – this was highest among Belgian workers.

Figure 4.9 Percentage of workers wishing to retire in their home country (Survey of 7,500 workers in 10 European countries)



Source: Aon European Employee Benefits Benchmark (EEBB) Survey, Spring 2010 in Aon Consulting (2010), *Expectations vs Reality: Meeting Europe's Retirement Challenge*

⁵⁸ Medical advances and changes in the nuclear family have made elderly people more independent and more willing to travel and live abroad.

The share of very old people (over 80) is also expected to increase from 5% in 2010 to 12% in 2060 in the EU27. This is significant for this study as this group constitutes intense consumers of health and long-term care (see section 6 of present report). It is expected that with the increasing mobility of pensioners, there will be an increase in demand for healthcare. As more elderly persons retire in other EU countries, a proportion of these migrants will grow old in their new country and require health and care there.

Considering demographic ageing, another possible implication is that the number of migrant disabled people may rise – although this rise is not expected to be large and will be against a very small base. This effect may be driven by improvements in accessibility which may mean that migration becomes a feasible option for some people. However, the rise is more likely to be explained by the aforementioned rise in the share of older people and the (expected) greater prevalence of age-related disability among this population. It should be noted, nonetheless, that evidence base on the link between ageing and disability among elderly people is far from conclusive, showing declining disability/illness prevalence rates in countries like Denmark, Finland, Italy, the Netherlands and the USA, but increasing rates of disability in Belgium and Sweden (Crimmins, 2004; Lafortune et al., 2007). In other EU countries like France and the UK, the available evidence is mixed and does not allow for any firm conclusion on disability trends (European Commission and Economic Policy Committee, 2009).⁵⁹

Finally, the interplay between the demographic factors, namely the ageing of the European population and the associated increase in demand for care (whether informal/familiar or formal) has wider effects on migratory flows. Anecdotal evidence suggests that working age migrants are encouraging their elderly parents to also migrate as the children cannot provide or arrange care for them in their countries of origin. Furthermore, the growth of the elderly care industry in Europe has created several low-skilled jobs – there is evidence that specifically in countries with a Mediterranean welfare regime (ES, PT, IT, EL, CY) these are taken up to a high degree by migrant workers⁶⁰, either from the EU-10 or EU-2 or third-countries. This demand is predicted to rise further – thus encouraging further migration for income or employment purposes (as described previously).

4.5 Educational opportunities

Quality of the education offer, availability of funding and teaching in English have been identified as the main pull factors of student mobility (Thissen and Ederveen, 2006). Research opportunities are especially important for PhD students (Van Bouwel, 2012). Socio-cultural factors, such as the existence of a diaspora or family members in other EU member states may also influence individuals' decisions relating to migration for educational purposes.

Table 4.5 illustrates that the UK and Germany are the most common destinations for EU-27 students (at 5 and 6 ISCED levels) – higher education systems in these countries have a high international reputation for quality and have low barriers for students (in terms of teaching in English in the UK and availability of funding/no or low fees in Germany).

⁵⁹ Some explanations for these conflicting results refer to factors like reduction in smoking, which may have contributed to the decline in disability rates among elderly people, whereas other factors like the rising prevalence of obesity among adults may have had the opposite impact (Sturm et al., 2004).

⁶⁰ Evidence summarised in European Commission (2009), Employment in Europe 2009, "Box 4: Special focus on jobs long term care", p142, <http://ec.europa.eu/social/BlobServlet?docId=4196&langId=en>

Table 4.5 International students by top destinations and country of origin, 2009

Country of origin	Main countries of destination						
	EU-27	AT	BE	DE	FR	NL	UK
EU-27	522,714	39,386	30,530	79,492	41,826	30,176	166,158
AT	11,224	:	64	7,450	433	258	1,918
BE	9,491	115	:	1,032	2,974	2,164	2,123
BG	21,680	1,216	266	9,593	2,188	1,029	3,356
CZ	10,766	668	68	1,886	751	135	2,215
DK	4,492	93	42	480	178	149	2,465
DE	79,289	20,704	948	:	6,774	19,177	18,912
EE	3,567	59	24	637	101	65	1,210
IE	23,812	69	67	394	389	149	22,152
EL	32,190	316	487	5,771	1,868	744	13,949
ES	22,123	520	935	4,929	3,908	843	8,400
FR	47,298	522	16,471	6,406	:	867	16,817
IT	40,977	6,811	1,893	8,110	5,348	702	10,450
CY	25,966	34	25	219	252	58	9,876
LV	4,103	66	34	781	164	134	1,967
LT	8,547	119	58	1,463	227	174	4,124
LU	7,060	591	1,661	2,726	1,471	72	415
HU	8,098	1,534	120	2,222	570	287	2,122
MT	1,186	6	6	26	16	9	1,003
NL	14,307	227	4,877	1,593	673	:	5,577
PL	42,640	1,640	644	13,214	3,008	848	17,630
PT	16,311	132	782	1,693	2,781	322	6,081
RO	25,077	1,079	600	3,733	3,950	488	3,266
SI	2,447	756	26	551	83	89	360
SK	29,342	1,468	76	1,300	424	133	2,514
FI	7,954	193	39	784	270	224	2,404
SE	11,349	190	63	609	445	231	4,852
UK	11,417	258	254	1,889	2,580	825	:

Source: Eurostat data 'Foreign students by level of education and country of origin', most recent year 2009. Accessed in April 2013.

One out of seven of young people aged 15 to 35 across 31 European countries reported having stayed abroad or were staying abroad at the time of the survey for education and training purposes (Flash Eurobarometer 319b, 2011). Young people with high levels of educational attainment were most likely to have stayed abroad and were also most likely to have stayed abroad for longer periods of time (more than three months). Of those who had stayed abroad for longer periods (more than three months), 65% stated that they financed their stay through private funds/savings, 19% were partly financed by an employer, 18% from national or regional study loans and/or grants and 15% from EU funded mobility programmes such as LLP, Youth in Action, Erasmus Mundus (ibid).

In the future, the number and availability of educational opportunities in other countries is expected to rise through programmes such as the Erasmus for All as well as through increase provision of language courses and multi-university study programmes. As a result the number of mobile students (particularly Higher Education students) is expected to rise— albeit at a slow rate (similar to past trends in this area).

Wider factors may also influence the contribution of educational opportunities as a driver of intra-EU mobility. The effect and duration of the current economic recession and the levels of youth unemployment has meant that some young people are staying in education and training longer – there is some anecdotal evidence that some are also seeking educational opportunities in member states least affected by the recession as means of gaining access to the labour market. The recession may also lead to constraints on private (family) savings and funds which are important in financing study abroad and may potentially limit the numbers seeking education and training in other European countries.

In a longer timeframe, the success of the EU initiative (through the OMC) to support teaching of two foreign languages in schools across the EU may also encourage greater student mobility. Structural changes to higher education systems - such as changes to admissions, fees and funding arrangements which are currently discussed in some EU member states – may also drive some students to seek higher education opportunities abroad.

4.6 Socio-cultural factors

Several studies support that an existing network (or diaspora) is an important pull factor for migration (e.g., Delbecq and Waldorf, 2010; Pedersen et al. 2008). This factor can counterbalance other macro-economic factors: even during the recent recession, countries like Italy and Spain have attracted a significantly higher inflow of Romanian migrants than other countries less affected by the recession and with equally open labour markets (e.g., Sweden). Existing diaspora and language affinities are some of the pull factors of immigration in these countries. Europeans with experience of a friend or relative living abroad and previous personal experience of living or studying abroad strongly encouraged are considerably more likely to consider moving abroad in the future (Eurostat, 2010).

4.7 Individual and household-related factors

Empirical evidence suggests that some people are more likely to be geographically mobile than others. Age, gender, household structure, education, employment situation, and past mobility experiences are key microeconomic determinants. Bonin et al. (2008) described the profile of the mobile EU citizen as follows: “young people are more mobile than older people, men are more mobile than women, unmarried people without children are more mobile than families, high-skilled people are more mobile than the low-skilled, the unemployed are more mobile than the employed, and, finally, people who have moved in the past tend to be more mobile than others” (Bonin et al., 2008).

Results of empirical studies may also be determined by unobserved individual heterogeneity: factors such as psychological personality traits, intergenerational links, family or personal expectations, motivations, or (non)cognitive skills play an important role in determining individual outcomes.

However, there is a certain degree of diversity in the EU migrant population. EU-LFS data from 2011 show that migrants from EU-15 and EU-12 differ in their reasons for migration (Figure 4.9). While non-active migrants from EU-15 usually seek a more suitable place to retire, the ones from EU-12 migrate because they want to find a new job. This is clearly reflected in the age profile of the non-active migrants – people above 75 form the largest age group of EU-15 migrants (25%), whereas for EU-12 countries individuals are in the vast majority of them below the age of 44 (80%).

Table 4.6 Characteristics of non-active EU migrants (+15) by country of origin in EU-27 (2011)

	EU-27 [^]	
	Country of origin	
	EU-15	EU-12
Gender		
Male	45%	33%
Female	55%	67%
Occupation		
Jobseeker	15%	49%
Student	12%	14%
Retired	45%	3%
Disabled	4%	2%
Other	23%	32%
Age group		
15-29	18%	42%
30-44	13%	38%
45-59	18%	14%
60-64	13%	2%
65-74	13%	2%
75+	25%	3%

Sources: LFS micro data, ICF GHK own calculations.

Figures for BG, MT, PL and SI are not available for EU-15/EU-12 country of origin split. Occupation based on variable MAINSTAT, excluding DE and UK.

() flag b, unreliable

[^] ICF GHK aggregates

Data excludes children aged below 15. EU migrants are defined as people living in the country with the citizenship of other EU-27 member state. Migrants born in the country are included. Non active persons are defined as persons not in employment including jobseekers based on ILOSTAT.

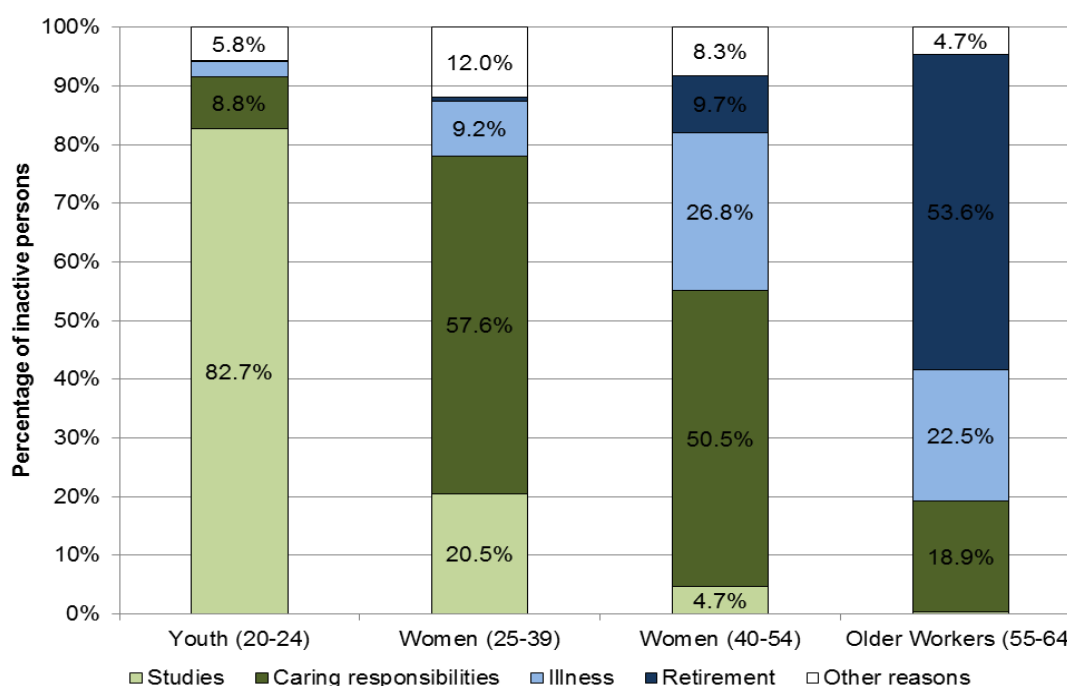
Family whether in the form of accompanying family, family reunification or family formation is an important driver of intra-EU mobility. In 2008, the proportion of EU migrants (aged 15-74) who identified family as their main reason for living in another EU country ranged from 18% in the UK

to 51% in the Netherlands.⁶¹ Women are significantly more likely to move for family reasons. More specifically, more than half of female EU nationals living in Belgium, France, Luxembourg, the Netherlands, Portugal and Sweden reported family as their primary reason for moving.

Eurobarometer data on geographical mobility (2005) also seem to suggest that single people – and to a lesser extent single parents - are the most inclined to be mobile, followed by divorced or separated people (Eurofound, 2006). This may be the case given that lone parents are likely to have pressing financial needs and are generally more willing to move abroad in order to find better paid jobs (Cantillon et al, 2004). It is however not clear from Eurobarometer's cross-sectional data whether the readiness to migrate amongst lone parents is due to their age, (un)employment or financial status or other characteristics.

Demographic characteristics not only influence one's decision to migrate but also their employment status during this transition. Related to the core of this study, the reasons for economic inactivity vary across different age and gender groups. Most young people are inactive because of their educational obligations, but this tendency predictably declines with age (Figure 4.10). Instead, older people (aged 55-64) face personal constraints due to their advanced age – a higher proportion of inactivity is explained by retirement and illness (76.1%). Besides reasons associated with aging, there are also common reasons for inactivity among women. While the influences of study, illness and retirement change predictably as women grow older, both women of age 25-39 and 40-54 share an important reason that does not vary much with age. Over half of economically inactive women do not participate in labour market due to their caring responsibilities (for children or adults). Furthermore, studies have found that such inactivity depends on cost⁶² and availability⁶³ of childcare.

Figure 4.10 Heterogenous causes of inactivity by age and gender



⁶¹ Figures based on Eurostat data 'Percentage distribution of main reason for migration, by country of birth, sex and age', available at <http://epp.eurostat.ec.europa.eu/portal/page/portal/population/data/database> (accessed in April 2011).

⁶² Chone, P., D. le Blanc and I. Robert-Bobée (2003), Female Labour Supply and Child Care in France, *CESifo Working Paper No. 1059*, Munich

⁶³ Del Boca, D. And D. Vuri (2007), The Mismatch Between Employment and Child Care in Italy: The Impact of Rationing, *Journal of Population Economics*, Vol.20, No.4, pp 805-832

Sources: EU-SILC, cross-sectional files 2005-07 cited in Saint-Martin, A. and Venn, D. (2010)⁶⁴
 Note: Data covers 21 EU Member States⁶⁵ over years 2005-7

Summary of key points

(a) The role of welfare generosity affecting intra-EU migration of non-active EU citizens

- This section investigated the role of welfare benefits as a whole (as opposed to SCNBs only which are discussed in the following section) in the intra-EU. Available evidence suggests that the main motivation of EU citizens to migrate and reside in a different Member State is work-related as opposed to benefit-related. In addition, a higher proportion of EU-12 migrants have exercised their mobility rights for the purpose of work as opposed to other grounds. There is little evidence in the literature and stakeholder consultations to suggest otherwise.
- It appears that welfare receipts for EU-born migrants are equal or less to those for natives – controlling for certain characteristics of migrants (i.e., education level, age and number of children), which lends to the argument that the generosity of welfare systems plays a small part in the decisions of intra-EU migrants.
- EU-SILC data analysis reveals a mixed picture with migrants less likely to receive disability benefits in most countries studied, but more likely to receive unemployment benefits – albeit these differences are statistically significant in only a third of the countries covered.
- Where studies have found evidence supporting the ‘welfare magnet effect’ hypothesis, the overall estimated effects are typically small or not statistically significant.
- A number of studies have argued that in the context of the present recession and rising unemployment, welfare benefits may gain in importance, determining migrants to stay on in the host country despite the tough economic climate. Thus far, there is limited evidence in the migration data to support this argument.

(b) The role of income differentials, employment and education opportunities

Income differentials (alongside employment opportunities) are the most documented drivers, with the largest outflow of migrants having come from relatively poorer countries from EU-12 into richer EU-15 countries. However, the most recent economic crisis appears to have led to a shift in intra-EU migration from originally East to West to currently South to North, suggesting that the economic crisis has impacted on the patterns and flows of intra-EU migration. The following can be noted with respect to the impact of income differentials and employment opportunities in general:

- EU countries with high employment rates, such as Austria and the United Kingdom, have experienced high inflows of migrants in comparison to countries with lower levels of employment.
- Income differentials are likely to have influenced the extent to which employment /unemployment impacts on intra-EU mobility: low unemployment rates such as Romania or Lithuania have experienced significantly higher outflows of jobseekers than countries with relatively higher unemployment rates (e.g., Poland or Slovakia)
- In addition, mismatches between the ability and willingness of national jobseekers to take up vacant positions in specific occupations or geographic locations can create labour demand for non-nationals who may possess different skills, experience or motivation to the local labour force
- Quality of the education offer, availability of funding and teaching in English has been identified as the main pull factors for student mobility.

⁶⁴ Saint-Martin, A. and Venn, D. (2010), OECD Employment Outlook 2010 – Moving beyond the Job Crisis, *Organisation for Economic Cooperation and Development (OECD)*, Chapter 4, pp. 236-242

⁶⁵ Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Slovenia, the Slovak Republic, Spain, Sweden and the United Kingdom.

(c) Role of regulations and temporary restrictions

- Regulations governing the access to labour markets for EU migrants from enlargement states have contributed to migration from other EU member states, which has risen from 2003 onwards, peaking in 2007, and has eventually outgrown migration from any other citizenship group. Moreover, the temporary restrictions to the free movement of EU workers have impacted on the patterns of intra-EU mobility: EU-15 countries that opened labour markets to EU-8 workers upon accession (Ireland and the UK) received highest inflows of EU workers compared to the countries that retained transition arrangements for longer, although there is also research which indicates that the availability of employment opportunities is more relevant than legal or policy regimes restricting labour market access for certain migrants.
- As such, in addition to migrant worker mobility, enlargement is also likely to have enabled pensioners to consider retiring in EU-12 or EU-2 countries by making processes such as buying properties and setting up bank accounts in other countries easier. Similarly, enlargement may have promoted intra-EU student mobility by enlarging the Erasmus network and by reducing the barriers faced by students from EU-12/EU-2 countries in accessing higher education courses.

(d) Socio-cultural, individual and household related factors

- Existing network (or diaspora) and language affinities have been identified as an important pull factor for migration and can counterbalance other macro-economic factors. For example, during the recent recession countries like Italy and Spain attracted a significantly higher inflow of Romanian migrants than other countries less affected by the recession and with equally open labour markets (e.g., Sweden). In addition, family reunification and family formation are considered important drivers of intra-EU mobility, likewise, the person's age, gender, household structure, education, employment situation, and past mobility experiences⁶⁶.

(e) Drivers of longer-term trends

- In the longer term, global 'megatrends' such as the changing climate or greater ease of virtual and online connectivity may influence individual decisions on where to work, study, raise children or retire.
- International rates of retirement are set to rise, driven by ageing population, changes in the income and wealth of elderly persons in the EU as well as changes in their life and travel preferences.
- In a longer timeframe, the success of the EU initiative (through the OMC) to support teaching of two foreign languages in schools across the EU may also encourage greater student mobility. Structural changes to higher education systems - such as changes to admissions, fees and funding arrangements which are currently discussed in some EU member states – may also drive some students to seek higher education opportunities abroad.

⁶⁶ Bonin et al. (2008) described the profile of the mobile EU citizen as follows: "young people are more mobile than older people, men are more mobile than women, unmarried people without children are more mobile than families, high-skilled people are more mobile than the low-skilled, the unemployed are more mobile than the employed, and, finally, people who have moved in the past tend to be more mobile than others"

5 Access of non-active intra-EU migrants to SNCBs and budgetary impacts

There have been repeated calls for clarification of the equal treatment principle applied in the context of the social security coordination (Regulation 883/2004) and the free movement of EU citizens (Directive 2004/38) as well as other relevant EU instruments.⁶⁷ Concerns have been raised particularly in relation to the fact that the EU rules on equal treatment and coordination of social security benefits could be exploited by inactive/non-active EU migrants who, under EU law, can access certain residence based healthcare and special non-contributory benefits. This, it is claimed, may overburden the social security systems in the Member States issuing the benefits as the non-active EU citizens who move there do not contribute directly to these systems.

In analysing the fiscal net impact of migration, a recent report by the OECD (2013) argues that although estimates of the fiscal impact of immigration vary depending on the assumptions made and methodology used, in most countries this tends to be small in terms of GDP and is around zero on average across OECD countries. The OECD study takes account of the totality of migration, benefit use and the fiscal contribution of migrants and does not focus solely on the EU.

The present section therefore assesses the usage of SNCBs (and healthcare in the next section) by non-active EU migrants residing in another Member State and the associated budgetary impacts.

5.1 Access to SNCBs

As previously discussed in section 1.4, the SNCBs listed in Regulation (EC) 883/2004 (as amended by EC Regulation No 465/2012) are conceived as minimum protection benefits to help residents in a Member State to cope with certain precarious socio-economic situations marked by old-age, invalidity or unemployment. Table 1.1 included in the section 1.4 shows that the majority of SNCBs provided by the EU Member States are related to old-age/death or disability. A smaller number of countries - Estonia, Germany, Finland, Ireland and the UK - provide non-contributory cash benefits to jobseekers. In these countries, non-contributory cash benefits would normally be granted to residents who are actively looking for paid work (or show availability for work) and are registered with the employment services (trESS, 2011).

UK: Income based Jobseeker's Allowance

Jobseeker's Allowance is a benefit for people who are unemployed but capable of work. There are two types of Jobseeker's Allowance: a) contribution-based (non-means-tested) Jobseeker's Allowance; and b) income-based (means-tested) Jobseeker's Allowance. The present case study focusses on the latter. To avoid the perceived risk of welfare tourism, since 2004, UK requires EU jobseekers to pass a 'right to reside' test as part of the 'habitual residence' test in order to access income-based JSA. The European Commission has decided to refer the UK to the Court of Justice for these requirements. The UK also operates a Worker Registration Scheme (WRS). Until April 2011, workers from the A8 countries which acceded the EU in 2004 (CZ, EE, HU, LT, LV, PL, SI, SK) were not eligible for income-related benefits, such as JSA, if they did not complete 12 months of continuous employment prior to becoming unemployed and subsequently claiming JSA. This requirement no longer applies to them since May 2011. However, they still have to pass the right to reside as part of the habitual residence test. For A2 workers (from the EU countries that joined the EU in 2007 - BG and RO) similar rules apply until the end of 2013 (12 months of continuous employment and the right to reside as part of the habitual residence test). Finally, it should be noted that a new, single, means-tested welfare support (Universal Credit) shall gradually be rolled out as from April 2013 and shall eventually replace income-based JSA.

⁶⁷ See EPSCO Council Conclusions of 17 June 2011

The number of non-active EU migrants in the UK has increased by 42% since 2006. During the same period, the number of EU migrants aged 15 and above also increased by 70% (based on EU-LFS data). A particularly high increase can be noticed between 2009 and 2011 (23% increase in EU migrants and 17% increase in non-active EU migrants). Both the groups of non-active EU-15 and EU-12 nationals expanded during this period. However, the number of job seeking EU migrants increased by 73% between 2008 and 2011, while the total EU migrant population (active and non-active) increased by only 28% in that period. Therefore, the number of job seeking EU expanded more rapidly than the overall number of migrants. This is reflected in the unemployment rate among EU migrants which rose from 5.0% in 2008 to 7.4% in 2012. It is worth noting that although the number of jobseekers from EU-12 has increased to a greater extent than the number of those coming from EU-15 between 2008 and 2012, the rate of unemployment among EU-12 nationals was lower until 2011 and similar to that of EU-15 nationals in 2012.

Of the 1.44 million people claiming (both contribution-based and income-based) JSA in 2011, approximately 2.6% were from EU countries and approximately 0.9% were A8 nationals. Due to data protection rules, the DWP does not generally record the nationality of those to whom benefits are paid. Therefore, it was not possible to estimate the budgetary impact and future trends in expenditure for EU jobseekers accessing JSA.

It is worth noting that a study by University College London highlighted that in the fiscal year 2008/09, A8 nationals were found to have paid 37% more in direct or indirect taxes than was spent on public goods and services which they received.

More detail on this case study can be found in section 10.

Because of the specific nature of these benefits, the trESS report in 2011 argues that SNCB beneficiaries represent a fairly small group of migrants. This section provides national level data which seems to support this argument. The information collected from national authorities on the scale of the use of SNCBs is summarised in Table 5.1. The table includes information for 15 countries of the total of 25 EU countries providing SNCBs (Romania has no SNCBs; Slovenia has recently removed SNCBs as of January 2013).⁶⁸ In Slovakia, according to the information from the national competent authority, it is believed that very few (if any) non-active EU migrants access SNCBs in this country. This is because the social pension and the adjustment to pension benefits were abolished as of January 2004, just before the country's accession to the EU. This means that the SNCBs are currently being paid only to those who retired prior to this date and who met the eligibility criteria (e.g., being invalid and at the age of 65). Similar comment about the potentially very low use of SNCBs by EU migrants has been made in Poland.

It is also important to note that in the case of certain disability related benefits (as well as old-age benefits), some beneficiaries may be engaged in some form of employment (e.g., part-time employment). For example, in the Netherlands, the second monitoring report on the new Wajong suggested that roughly 25% of Wajong beneficiaries were working at the end of December 2010 (Berendsen et al., 2011). In addition, some of the beneficiaries who are currently non-active may have worked previously in the country of residence where they receive the cash benefits. Our analysis of EU-LFS data suggests that over 60% of currently non-active intra-EU migrants have worked in the country of residence, though this share varies across the countries of residence.

⁶⁸ For certain countries or benefits, data is only available for the total number of beneficiaries (aggregating EU migrants with other groups of claimants). Where the national competent authorities could not provide estimates of the share of the EU migrants in the total number of SNCB beneficiaries, such aggregate data has not been included in the report (e.g., PL).

The Netherlands: Wajong benefit

Since 2010, the new Wajong Act provides financial support to people with disabilities from 18 to 65 years old and established three schemes within the previously existing Wajong system:

- The study support scheme provides for benefits to young people with disabilities who study or are still in school. The benefit under this scheme consists of 25% of the statutory minimum wage as a supplement to the study allowance.
- The benefit scheme provides for benefits to young people who, as the result of disabilities, are fully disabled and have no prospect of entering the labour market. For this group, the benefit guarantees a minimum income. The benefit at full disablement is 75% of the statutory minimum wage. In case the person needs special care (as determined by the doctor of the Institute for Employee Benefit Schemes – UWV), the benefit could be increased up to 100% of the statutory minimum wage
- The work support scheme provides for benefits to young people with disabilities who work but, due to their disability, their income is below the statutory minimum wage. In this case, the benefit supplements that income.

The benefit is available for people residing in the Netherlands according to Directive 2004/38/EC and is not exportable, unless withdrawing the benefit would lead to an 'unacceptable degree of unfairness'.

In 2012, EU migrants formed 1.7% of the total population residing in the Netherlands. Non-active EU migrants represented just 0.5% of same resident population – a figure which has remained stable since 2002. . In 2012, the proportion of non-actives in the EU migrant population was 30%, compared to a share of 38% of non-actives among the national population. The number of non-actives among the EU migrant population in the Netherlands has increased by 16% from 2005 to 2012. Of these, around 15% were people out of employment due to disability in 2012 (although this EU-LFS based estimate is of limited reliability). This share has grown (although not in a linear way) compared to 2002, the lowest share being 7.1% in 2007. The Netherlands has a comparatively high share of disabled persons among its population of non-active EU migrants.

The number of Wajong beneficiaries (all nationalities) has grown by 24% between 2008 and 2012. One of the possible reasons for this increase is the legislative change introduced in 2004 (Act on Work and Welfare) by which the local communities have to pay directly for other welfare benefits but not for Wajong. This may have resulted in a transfer of welfare recipients to the Wajong scheme. Among those, in 2012 only 0.4% were EU nationals. The number of EU migrants that receive disability benefits including Wajong has actually decreased over the last five years.

The total expenditure on Wajong benefits in 2011 was €2.8 billion. The expenditure for non-active EU migrants was around 0.8% of that amount (i.e., EUR22.25 mil). Consulted interviewees expressed the view that the share of EU migrants from all Wajong beneficiaries is unlikely to change and will probably stay at around 1% of the total expenditure on Wajong benefits. Therefore, it seems that given the low number of EU beneficiaries, the budgetary cost of providing Wajong benefits to them is not significant and alone would not present any serious concern to the Dutch Welfare State.

More detail on this this case study can be found in section 11.

Table 5.1 shows that non-active EU migrants account for a very small share of SNCBs beneficiaries. They represent less than 1% of all SNCB beneficiaries (of EU nationality⁶⁹) in six countries (AT⁷⁰, BG, EE, EL, MT and PT); between 1% and 5% in five other countries (DE, FI, FR, NL and SE), and above 5% in BE and IE.

⁶⁹ Host country citizens and other EU citizens.

⁷⁰ Data on SNCBs from Austria only captures the number of foreign nationals who receive a pension from another EU Member State topped up by the Ausgleichszulage benefit. This proxy, however, does not capture the Ausgleichszulage beneficiaries who are non-active EU migrants receiving an Austrian pension (having worked in Austria previously). This figure may also include non-EU citizens receiving a pension from an EU country (other than Austria), although their number is likely to be very small. Similar caveats apply to the total number of Ausgleichszulage beneficiaries provided by

It should be noted that the data for Ireland refers to the number of claimants (as opposed to beneficiaries). Therefore, the figures may include cases which are ultimately refused. The statistics contained in the response to a Parliamentary Question in Ireland shows that approx. 79% of the 2,222 refusals of JA claims made in 2011 on the basis of the Habitual Residence Test were related to EU nationals (i.e., 1,761). Similarly 78% of the 402 refusals of disability allowance claims registered in 2011 were related to EU nationals.⁷¹ In addition, the data on jobseeker allowance (JA) claimants is not broken down by nationality, hence the figure on EU migrants claiming JA is an estimation based on the share of EU nationals (in the total of number of claimants recorded on Ireland's Live Register as of March 2013) and the overall number of JA claimants registered in the same database.⁷²

In Poland and Slovakia, there are no data on the number of non-active EU migrants receiving SNCBs, but their number is believed to be very low.⁷³

The proportions of EU migrants receiving benefits differ not only by Member State but also by the type of benefit in question. The lowest proportions of intra-EU migrants obtaining SNCB benefits are generally found among the old-age benefit group (e.g. from 0.2% in Malta to 5.6% in Belgium and 6.9% in Ireland). In relation to invalidity benefits, the proportion of EU migrants receiving such benefits varies from only 0.2% (Wajong benefit in NL in 2012), to 5.7% in Ireland and 11.2% in Germany. The proportion of EU migrants among unemployment benefit recipients ranges from 2.5% in Germany, to 16% in Malta and 20.5% in Ireland. Regarding Ireland, as of March 2012, there were 62,652 EU nationals in receipt of jobseeker allowance. It is important to note that this figure based on the Irish Live Register (Central Statistics Office) should be treated with caution in this study given that it may aggregate recipients of both non-contributory and contributory jobseeker allowance (Saoirse, 2012)⁷⁴. Data on jobseeker allowance only cannot be disaggregated by nationality in the Live Register. From the total beneficiaries of jobseeker allowance (and benefit) mentioned above, 26% of them were UK nationals; 67% from EU-12 and the remaining from EU-15.⁷⁵

the national authorities which may include third country nationals receiving a pension from an EU Member State. In light of these limitations, the figures for Austria should be treated with caution.

⁷¹ For more information, see:

<http://oireachtasdebates.oireachtas.ie/debates%20authoring/debateswebpack.nsf/takes/dail2012013100246?opendocument>.

⁷² The Live Register of the Central Statistics Office in Ireland records the numbers of people (with some exceptions) registering for Unemployment Assistance/Benefit or, in a limited number of cases, for other statutory entitlements at local offices of the Department of Social and Family Affairs (more details at: <http://www.cso.ie/en/statistics/labourmarket/>). The total number of persons registered in this database can be broken down by nationality groups. More specifically, in March 2013, there were 425,088 registered benefit claimants. Out of these, 82% were Irish nationals (349,242) and 15% EU nationals (62,652, excluding Irish), the rest comprising non-EU nationals. The 62,652 EU nationals may include claimants of both non-contributory JA and contributory jobseeker benefit (JB). With regards to the JA, as of March 2013, there were 306,361 jobseeker allowance claimants – including EU, national and non-EU claimants. Given that the data on JA claimants is not broken down by nationality, an estimation was made by applying the percentage of EU migrants (i.e., 15%) to the total number of jobseeker allowance claimants registered in March 2013.

⁷³ Information provided by national competent authorities.

⁷⁴ Presentation made at the EU Law on Social Welfare Benefits. Presentation available at <http://www.airecentre.org/news.php/87/eu-law-on-social-welfare-benefits-conference-update-materials#sthash.3U9QtaD9.dpuf>

⁷⁵ Statistics provided by the Ministry of Welfare, 2013.

Table 5.1 EU migrants receiving SNCBs: total numbers and share of total beneficiaries, by MS, 2002-2012

Country	(Non-active) EU migrants receiving SNCBs (% of total SNCBs beneficiaries) ⁷⁶											Average annual growth rate (%) ⁷⁷
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
AT												
Compensatory pension supplement	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	526	653 ⁷⁸ (0.3%)	-
BE												
Subsistence benefit for persons 65+ ⁷⁹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4,710 (5.8%)	5,097 (6.0%)	5,354 (6.1%)	6.6% (4.2%)
Allowance for people with disabilities ⁸⁰	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
BG												
Social pension ⁸¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10 (0.3%)	-
CY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-

⁷⁶ The total number of SNCB beneficiaries includes nationals and migrants of another EU26 nationality. Finland is the only exception where data cannot be broken down by nationality. Third country nationals are excluded from calculations. Austria is an exception, (see further explanations below)

⁷⁷ The compound average percentage change was calculated as follows.: ((Last year value /First year value)^{1 / no.years})-1. Two values are provided: the dark figure refers to the average annual percentage change in the number of non-active EU migrants receiving benefits; the figure in blue (placed in brackets) refers to annual changes in the number of other beneficiaries (excluding EU migrants). Other beneficiaries may include nationals and third country nationals. In most countries data does not allow for the exclusion of non-EU/EEA citizens. Where the data for the two groups of beneficiaries (EU migrants versus other beneficiaries) is not comparable (e.g., not available for the same years etc.), no figures in blue are included.

⁷⁸ It refers to the number of all foreign nationals (non-Austrian) who are 'Ausgleichszulage' beneficiaries whilst receiving pension from another EU Member State (topped up by the 'Ausgleichszulage' benefit). Numbers are from the 4th quarter of year 2011. The 4th quarter figures have been used given that this is the only available figure in previous year reported.. In the absence of data on 'Ausgleichszulage' beneficiaries broken down by nationality, this is used as a proxy for the number of non-active EU migrants receiving 'this benefit. The vast majority of these individuals are likely to be EU nationals given that the pension was paid by: Germany (214=32%), followed by Romania (200=30%), Bulgaria (92= 14%), Poland (62=9%), Hungary (33=5%), the Slovak Republic (19=3%) and the UK (15=2%). This proxy nevertheless would not capture the non-active EU migrants who may receive Austrian pension topped up by Ausgleichszulage. In addition, it may include residents of non-EU nationality who receive a pension from an EU Member State (other than Austria. It should be noted that the figure is the average of the quarterly figures provided from December 2011 until December 2012

⁷⁹ GRAPA (Subsistence benefit for persons aged above 65 not disposing of sufficient revenues)

⁸⁰ APA (Subsistence allowance for people with disabilities)

⁸¹ Social Pension for old age (Article 89 of the Social Insurance Code)

Country	(Non-active) EU migrants receiving SNCBs (% of total SNCBs beneficiaries) ⁷⁶											Average annual growth rate (%) ^{*77}
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
CZ	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
DE												
<i>Subsistence income for elderly/reduced cap.⁸²</i>	n/a	6,982 (1.6%)	8,620 (1.6%)	11,129 (1.8%)	12,436 (1.85%)	13,842 (1.89%)	14,406 (1.88%)	14,931 (2%)	15,746 (2%)	17,091 (2%)	n/a	11.8% (8.5%)
<i>Benefits for jobseekers⁸³</i>	n/a	n/a	n/a	n/a	n/a	224,513	214,382	228,285	228,775	234,342 (3.8%)	254,011 (4.2%)	2.5%
DK	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
EE												
<i>Unemployment allowance⁸⁴</i>	n/a	n/a	53 (0.5%)	72 (0.5%)	44 (0.5%)	60 (0.5%)	99 (0.5%)	166 (0.5%)	147 (0.5%)	123 (0.5%)	93 (0.5%)	7.3% (7.3%)
<i>Disability allowance</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
EL												
<i>Special benefits for the elderly⁸⁵</i>	n/a	28 (0.1%)	35 (0.1%)	49 (0.1%)	57 (0.1%)	63 (0.1%)	65 (0.1%)	79 (0.1%)	88 (0.2%)	99 (0.2%)	93 (0.2%)	14.3% (2.8%)
ES												
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
FI												
<i>Housing allowance for pensioners</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
<i>Labour market support</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-

⁸² Basic subsistence income for the elderly and for persons with reduced earning capacity

⁸³ Benefits to cover subsistence costs under the basic provision for jobseekers. Data on the total number of beneficiaries is only available for years 2011 and 2012.

⁸⁴ Of all the unemployment allowance new recipients the EU citizens account for approximately 0.5%. There is no information about the employment status of these EU citizens, but it is assumed that they are unemployed (i.e. they are non-active)

⁸⁵ Special benefits for the elderly (Law 1296/82).

Country	(Non-active) EU migrants receiving SNCBs (% of total SNCBs beneficiaries) ⁷⁶											Average annual growth rate (%) ⁷⁷
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
<i>Special assistance for immigrant (guarantee pension from 2011)s⁸⁶</i>	n/a	628 (22.1%)	766 (21.2%)	812 (19.8%)	825 (18.2%)	831 (16.9%)	857 (16.5%)	872 (15.7%)	898 (15.5%)	1,289 (1.2%)	1,329	8.7% (61.6%) ⁸⁷
FR												
<i>Old age solidary fund⁸⁸</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	784 (1,1%)	804 (1,1%)	811 (1,1%)	n/a	1.7% (0.4%)
<i>Disabled adult allowance</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	14,419 ⁸⁹ (1.5%)	-
<i>Special invalidity fund</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
HU	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
IE⁹⁰												
<i>Disability allowance⁹¹</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,660 (7.4%)	-
<i>Non-contributory state pension⁹²</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,673 (6.9%)	-
<i>Jobseeker allowance⁹³</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	45,153 (15.2%)(e) ⁹⁴	-

⁸⁶ Special assistance for immigrants (replaced by guarantee pensions since 2011)

⁸⁷ Average annual percentage change for all beneficiaries (excluding EU migrants) was calculated over the period 2003 and 2011. Their number has increased sharply from 5,790 in 2010 to 104,649 in 2011. The special assistance for immigrants was replaced by the guarantee pension in 2011; all Finnish residents whose total pension before taxes is less than EUR 738.82 per month are eligible for this new benefit. The qualifying period for guarantee pension is three years of residence in Finland while the qualifying period for the special assistance for immigrants was five years. This change of the eligibility criteria might be one of explanations for the significant increase in the number of recipients between 2010 and 2011.

⁸⁸ SASPA - Old Age Solidarity Fund, delivering minimum old-age benefits

⁸⁹ The figure refers to both active and non-active EU migrants entitled to the benefit

⁹⁰ As previously explained, data for Ireland refers to the number of claimants (as opposed to beneficiaries). It may include cases of refusals.

⁹¹ Disability allowance

⁹² State Pension (Non Contributory)

⁹³ Jobseeker allowance

Country	(Non-active) EU migrants receiving SNCBs (% of total SNCBs beneficiaries) ⁷⁶											Average annual growth rate (%) ⁷⁷
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
IT⁹⁵												
<i>Social pension⁹⁶</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	657	-
<i>Pensions and allowances for disabled⁹⁷</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	25,748	-
<i>Pensions and allowances for the deaf and dumb</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,334	-
<i>Pensions and allowances for the blind</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,655	-
<i>Benefits supplementing the minimum pension⁹⁸</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	22,324	-
<i>Benefits supplementing disability allowances⁹⁹</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	955	-

⁹⁴ The figure is an estimation of the EU migrants claiming jobseeker allowance (JA) in Ireland. The figure is an estimation of the number of EU migrants claiming JA – made on the basis of the share of EU nationals in the total of number of persons recorded on Ireland's Live Register (as of March 2013) and the total number of JA claimants. The Live Register of the Central Statistics Office in Ireland records the numbers of people (with some exceptions) registering for Unemployment Assistance/Benefit or, in a limited number of cases, for other statutory entitlements at local offices of the Department of Social and Family Affairs (more details at: <http://www.cso.ie/en/statistics/labourmarket/>). The total number of persons registered in this database can be broken down by nationality groups. More specifically, in March 2013, there were 425,088 registered benefit claimants. Out of these, 82% were Irish nationals (349,242) and 15% EU nationals (62,652, excluding Irish), the rest comprising non-EU nationals. The 62,652 EU nationals may include claimants of both non-contributory JA and contributory jobseeker benefit (JB). With regards to the JA, as of March 2013, there were 306,361 jobseeker allowance claimants – including EU, national and non-EU claimants. Given that the data on JA claimants is not broken down by nationality, an estimation was made by applying the percentage of EU migrants (i.e., 15%) to the total number of jobseeker allowance claimants registered in March 2013.

⁹⁵ Data collected on 1/1/2013

⁹⁶ Social pension for persons without means

⁹⁷ Pensions and allowances for the civilian disabled or invalids

⁹⁸ Benefits supplementing the minimum pensions

Country	(Non-active) EU migrants receiving SNCBs (% of total SNCBs beneficiaries) ⁷⁶											Average annual growth rate (%) ⁷⁷
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
<i>Social allowance</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	6,188	-
<i>Social increase</i> ¹⁰⁰	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	6,831	-
LT	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
LU	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
MT ¹⁰¹												
<i>Supplementary allowance</i>	5 (0.02%)	7 (0.02%)	10 (0.03%)	12 (0.04%)	10 (0.03%)	10 (0.03%)	8 (0.03%)	9 (0.03%)	13 (0.05%)	16 (0.06%)	22 (0.1%)	16% (-0.9%)
<i>Age pension</i> ¹⁰²	2 (0.05%)	2 (0.05%)	3 (0.07%)	4 (0.09%)	5 (0.1%)	4 (0.08%)	3 (0.06%)	3 (0.06%)	5 (0.01%)	7 (0.01%)	10 (0.2%)	17.5% (1.7%)
NL												
<i>New Wajong benefit</i> ¹⁰³	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	870 (0.4%)	900 (0.4%)	-
<i>TW benefit</i> ¹⁰⁴	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,380 (2%)	n/a	-
PL ¹⁰⁵	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
PT												
<i>Non-contributory invalidity pension</i> ¹⁰⁶	31 (0.081%)	31 (0.08%)	31 (0.08%)	30 (0.07%)	31 (0.07%)	30 (0.07%)	33 (0.08%)	38 (0.09%)	46 (0.11%)	51 (0.12%)	68 (0.15%)	8.2% (1.5%)
<i>Non-contributory old-</i>	50	48	30	26	25	27	33	39	42	47	56 (0.21%)	1.1%

⁹⁹ Benefits supplementing disability allowances

¹⁰⁰ Social increase (Article 1(1) and (12) of Law No 544 of 29 December 1988 and successive amendments)

¹⁰¹ Data provided by competent authorities refers on all EU migrants (i.e. no distinction between active and non-active).

¹⁰² Age pension (Social Security Act (Cap. 318) 1987)

¹⁰³ WAJONG benefit

¹⁰⁴ TW benefit

¹⁰⁵ There is no data on the number of non-active EU migrants receiving the social pension in Poland; however the national competent authority asserted that the number of persons falling in this category is likely to be very low level.

¹⁰⁶ Non-contributory invalidity pension

Country	(Non-active) EU migrants receiving SNCBs (% of total SNCBs beneficiaries) ⁷⁶											Average annual growth rate (%) ^{*77}
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
<i>age pension</i> ¹⁰⁷	(0.13%)	(0.13%)	(0.09%)	(0.08%)	(0.08%)	(0.09%)	(0.11%)	(0.14%)	(0.15%)	(0.17%)		(-3.6%)
<i>Non-contributory widowhood pension</i> ¹⁰⁸	1 (0.1%)	1 (0.1%)	1 (0.1%)	1 (0.1%)	1 (0.1%)	1 (0.1%)	1 (0.1%)	1 (0.1%)	1 (0.1%)	1 (0.1%)	0 (0%)	- (5.4%)
<i>Solidarity supplement for the elderly</i> ¹⁰⁹	n/a	n/a	n/a	n/a	13 (0.07%)	53 (0.09%)	105 (0.06%)	129 (0.06%)	141 (0.06%)	147 (0.06%)	165 (0.07%)	52.7% (53.8%)
RO	No SNCB provided											
SE												
<i>Housing supplements and elderly support</i> ¹¹⁰	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4,113 (1.5%)	-
SI (see note) ¹¹¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
SK (see note) ¹¹²	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-

¹⁰⁷ Non-contributory old-age pension

¹⁰⁸ Non-contributory widowhood pension

¹⁰⁹ Solidarity supplement for the elderly

¹¹⁰ There is no breakdown between the two benefits provided in Sweden. The reason for this is, *inter alia*, that people apply for both benefits simultaneously. Data refers to EU nationals without disaggregating between those who are economically active and non-active. However, according to Ministry of Health and Social Affairs the recipients of these benefits are likely to be out of work.

¹¹¹ According to the information provided by the Ministry of Labour, Family, Social Affairs and Equal Opportunities of Slovenia, the listed special non-contributory benefits have been removed by the New Pension and Invalidity Insurance Act which entered into force on 1 January 2013. These revisions are likely to be included in the forthcoming "Miscellaneous amendments" of the coordination Regulations in the second half of 2013. The previous special non-contributory cash benefits have been mostly transferred to the new "Income support" benefit, which is exclusively a social assistance benefit, being paid out by the Social Work Centres (CSD) directly from the State Budget. Very few EU citizens qualify to this benefit and the expenditure associated with this group is negligible. Only 3 EU citizens - in addition to 29 Croatian citizens - were receiving the income support benefits as of 22 April 2013. The vast majority of the other beneficiaries are third country nationals.

¹¹² At the moment, the SNCBs which are listed in Regulation 883/2004 (i.e., social pension and adjustment to pensions) are being paid only to those who were subject to the previous Act No 100/1988 Coll. of 16 June 1988 on social security which was repealed on 1 Jan 2004. The new law in the field of social security (Act No 461/2003 Coll. of 30 October 2003 on social insurance with subsequent amendments) entered into force on 1.1.2004. The total number of SNCB beneficiaries is small, and expected to decrease further. According to the information provided by the Ministry of Labour Social Affairs and Family of the Slovak Republic (Department of migration and integration), it is unlikely that non-active EU citizens have accessed the two SNCBs for the following reasons: the two SNCBs were removed just before to accession in 2004; in addition, the eligibility conditions were very tight (e.g., to access the social pension, one would need to be invalid and aged 65). It is understood that a very small number of non-active EU migrants would have come to Slovakia prior to 2004, and those must have had their own funds/pensions.

Country	(Non-active) EU migrants receiving SNCBs (% of total SNCBs beneficiaries) ⁷⁶											Average annual growth rate (%) ^{*77}
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
UK ¹¹³	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-

¹¹³ Only claimant (not beneficiary) data available.

Table 5.1 also provides an understanding of the trends in the use of SNCBs across the EU Member States. In the 8 countries for which trend data are available, there has been an overall increase in the number of EU migrants in receipt of SNCBs – albeit in absolute numbers, figures remain small in most countries. The annual growth rate has also varied significantly by type of benefit and country, revealing a mixed picture. The highest annual percentage increase is reported in Portugal where the number of elderly EU migrants receiving solidarity allowance has increased on average by 52.7% - equivalent of 30 new beneficiaries per annum - between 2006 and 2012; it is important to note that during the same period, the number of nationals receiving the benefit has also increased at a similar rate (i.e., 53.8%).

Germany, Greece and Malta have also experienced a rise in the number of EU migrants receiving old-age related SNCBs between 2002/2003 and 2012. In Greece, the number of EU migrants receiving old-age benefits increased from 28 to 93 between 2003 and 2012. During the same period, Malta saw an increase from 2 to 10 beneficiaries. In Germany, the number of EU migrants receiving old-age benefits increased from 6,982 to 17,091 during the same reference period (at 11.8% average annual rate).

In contrast with the case of Portugal, in these three countries, the number of EU migrants receiving old-age SNCBs has increased as a higher average annual rate than the national beneficiaries but the figures in absolute numbers remain very small in Greece and Malta, and modest (compared to nationals) in Germany. The upward trend in Greece has been resilient since 2003, despite a significant increase in the proportion of unsuccessful claims during the same period. According to the data from the Ministry of Labour and Social Security, the rate of unsuccessful claims (filed by all potential claimants) has increased from 9% in 2003 to 33% in 2012. The most plausible explanation for the rise in the number of beneficiaries accessing special benefits for elderly is the fact that the overall number of migrant pensioners has also increased in Greece over the same period. On the basis of EU-LFS data, it is estimated that the number of non-active EU pensioners in Greece increased by 34% during 2005 and 2011.¹¹⁴

However the overall number of benefit recipients may disguise significant differences between the Member States. More specifically, despite the fact that the overall number of SNCBs recipients (and their share in total SNCBs beneficiaries) tends to be small, there is still an argument that certain Member States would attract a disproportionately higher number of non-active EU migrants wishing to claim such benefits (given the varying income levels across the EU). This hypothesis could be tested by looking at whether the proportion of EU migrants in receipt of support is statistically higher than the corresponding proportion of natives. Such test would require a larger dataset than the SNCB data currently available at the national level. As discussed in section 4, recent studies used EU-wide comparable data such as EU-SILC to investigate whether migrants are more likely to be in receipt of certain types of benefits such as unemployment, family or disability benefits (e.g., IZA and ESRI, 2011). However, these results can only be partially extrapolated to our study given the list of SNCBs differ from the benefits list used in EU-SILC survey.

Table 5.2 presents the share of non-active nationals and non-active EU migrants in receipt of SNCBs in a sample of 11 countries for which data are available (figures are highlighted in blue).¹¹⁵ Data is organised by type of benefit to underline the differences between the three main

¹¹⁴ The corresponding figure for year 2012 seems to be an outlier (i.e., approx three times higher than 2011 figure). Although this figure is not flagged up in the database, the scale of increase between 2011 and 2012 suggests that 2012 might be of limited reliability.

¹¹⁵ Austria was not included in the table given that both the number of non-active EU migrants and the number of nationals receiving *Ausgleichszulage* is subject to a level of uncertainty. Data on *Ausgleichszulage* beneficiaries cannot be broken down by nationality although some information about the nationality of beneficiaries (EU versus national) can be inferred from the country providing one's pension which is topped up with the *Ausgleichszulage* benefit. It is known that only 0.3% of *Ausgleichszulage* beneficiaries were foreigners (i.e., non-Austrian) and were receiving a pension from another EU Member State. It is uncertain as to whether the total number of *Ausgleichszulage* beneficiaries include non-EU nationals.

categories of recipients (i.e. elderly, disabled and unemployed). Given that the results are influenced, among others, by the age composition (and health status) of the EU migrant and national population, relevant figures capturing these characteristics are also reported in separate columns alongside the figures on benefit receipt.

Overall, non-active EU migrants are associated with lower rates of benefit receipt –albeit the scale and size of the gap tends to vary by country and type of benefit. Results show that non-active EU migrants tend to receive old-age and disability-related benefits to a lesser extent than non-active nationals. In 6 out of 9 countries providing old-age benefits, migrants are less likely to access old-age benefits.¹¹⁶ In most of these countries, a significantly higher proportion of non-active nationals than migrants are aged 65 and above. However, there are exceptions like Ireland, where (non-active) EU migrants receive non-contributory state pension to a greater extent than nationals although they tend to have a lower share of 65+.

In all five countries offering disability related benefits, migrants display a lower rate of benefit receipt. Results may be explained by the fact that on average EU migrants tend to be younger and, according to some EU-SILC data, healthier. Data from EU-SILC (2011) shows that in 10 out of 11 countries for which health-related data is reliable (AT, CY, BE, CZ, CY, IT, ES, LU, CZ, UK)¹¹⁷, migrants are less likely to report long-standing chronic health problems than nationals. This applies to both total and non-active migrants/nationals. The only exception is France (which features in the table below) where EU migrants are more likely to report long standing health problems compared to nationals.

In contrast with the figures on old-age and disability-related benefits, migrants tend to receive unemployment benefits to a greater extent than nationals in 2 out of the 3 countries for which data is available (DE, EE and IE). The largest gaps are found in Germany (where 21% of non-active nationals and 28% of non-active EU migrants are claiming jobseeker benefits) and Ireland (where 18% of non-active nationals and 30% of non-active EU migrants *claim* jobseeker allowance – although note that, amongst other caveats previously discussed, the Irish figures are estimates only based on claimants data).¹¹⁸ In Germany and Ireland, the unemployed account for a significant proportion of the economically non-active EU migrants. This is not surprising given that in these countries, around three quarters of the non-active EU migrants fall in the 15-64 age bracket (70% and 87%, respectively) and that these are countries with a relatively high share of unemployed among EU migrants. A significantly lower share of 15-64 year-olds is found in the corresponding national population in Germany (45%) and Ireland (69%). Previous research in this area also shown that migrants tend to be younger and have fewer years of experience which may increase the likelihood of unemployment (IZA and ESRI, 2013). This can also be impacted by other factors such as lower skill levels, a lack of recognition of qualifications obtained in another country, language difficulties or indeed discrimination.

¹¹⁶ Portugal provides migrants and nationals with three types of old-age benefits. Overall migrants are less likely to access these benefits, although, this does not apply to the old-age pension which migrants receive to a slight greater extent than nationals.

¹¹⁷ Data is based on EUSILC' variable ph020- PH020 which measures self-reported chronic (long-standing) illness or condition (answer options: yes, no). Figures based on this variable can only be used a proxy for the health status of migrants and nationals residing in a certain EU Member State. It should be noted that figures for CZ and PT are of limited reliability

¹¹⁸ See also Saoirse (2013) for a discussion of the data.

Table 5.2 Shares of non-active nationals and EU migrants in receipt of SNCBs, by country and type of benefit, 2012

Country/benefit						
	Old-age benefits					
	Share of non-active nationals receiving old-age benefits (%)	Shares of non-active EU migrants receiving old age benefits (%)	Difference share of nationals and migrants receiving old-age benefits	Share of 65 and above year olds among non-active nationals (%)	Share of 65 and above year olds among non-active EU migrants (%)	Difference in share of 65 and above year olds between nationals and migrants
BE (<i>elderly income</i>)	2.1	2.0	0.1	43	33	10
BG (<i>social pension</i>)	0.1	3.2	-3.1	40	:	:
DE (<i>income for elderly</i>)*	2.9	2.1	0.8	55	30	25
EL (<i>elderly benefits</i>)	1.1	0.2	0.9	39	13	26
FR (<i>old age benefit</i>)*	0.3	0.1	0.2	43	46	-3
IE (<i>state pension</i>)	0.2	2.4	-2.2	31	13	18
MT (<i>old age pension</i>)	0.1	0.3	-0.2	32	:	:
PT (<i>old age pension</i>)	0.2	0.3	-0.1	39	28	11
PT (<i>widowhood pension</i>)	0.0	0.0	0.0	39	28	11
PT (<i>solidarity supplement for elderly</i>)	2.7	0.8	1.9	39	28	11
SE (<i>old-age financing and housing support</i>)	11.3	5.7	5.6	53	34	19
Disability-related benefits						
	Share of non-active nationals receiving disability benefits (%)	Shares of non-active EU migrants receiving disability benefits (%)	Difference share of nationals and migrants receiving disability benefits	Share of those with self-reported health problems among nationals (%)**	Share of those with self-reported health problems among migrants (%)**	Difference in share of those with self-reported health problems between nationals and migrants
FR (<i>disability benefit</i>)	4.1	2.4	1.7	36	41	-5
IE (<i>disability allowance</i>)	4.6	3.8	0.8	:	:	:

Country/benefit						
MT (<i>disability supplementary income</i>)	14.8	0.8	14.0	:	:	:
NL (<i>New Wajong</i>)	4.3	1.3 ¹¹⁹	3.0	:	:	:
PT (<i>invalidity benefits</i>)	0.9	0.3	0.6	(39)	(25)	(14)
Unemployment-related benefits						
	Share of non-active nationals receiving unemployment benefits (%)	Shares of non-active EU migrants receiving unemployment benefits (%)	Difference share of nationals and migrants receiving unemployment benefits	Share of unemployed among non-active nationals (%)	Share of unemployed rate among non-active migrants (%)	Difference in shares of unemployed between nationals and migrants
DE (<i>jobseeker benefits</i>)	21.0	28.8	-7.8	15	20	-5
EE (<i>unemployment ben.</i>)	4.5	4.4	0.1	20	:	:
IE (<i>jobseeker allowance</i>)	18%	30%	-12	24	37	-13
Other benefits						
NL (<i>TW benefits</i>) ¹²⁰	1.1	4.8	-3.8	:	:	:

Source: ICF GHK 2013 based on data provided by national authorities. Figures represent beneficiaries who are nationals and EU migrants of total non-active national population and non-active EU migrants population residing in a certain EU Member State.

* Figure highlighted refer to year 2011.

: Data not available

() Figures in brackets are of limited reliability.

**Figures based on EU-SILC 2011 (variable ph020- PH020 Suffer from any chronic (long-standing) illness or condition - yes, no). Data for MT, IE and NL is missing or of limited reliability. Data for PT is of limited reliability (flagged b).

¹¹⁹ The share of non-active EU migrants accessing Wajong in the Netherlands is a conservative estimate, given that a proportion of these beneficiaries are likely to be economically active (as previously discussed, around 25% of all Wajong beneficiaries are involved in some form of employment). Assuming that an equal share of EU migrants receiving Wajong (25%) are in employment, then the share of non-active EU migrants receiving this benefit would be slightly lower, approx.1%.

¹²⁰ TW benefits can be used to top up the income of various categories of persons such as unemployed or disabled persons receiving benefits when their income falls below the minimum guaranteed in the law.

5.2 Budgetary impacts of SNCBs use by non-active intra-EU migrants

Table 5.3 provides information on the total value of claims granted to non-active intra-EU migrants in a sample of countries which have provided the relevant data. Data have been provided for nine Member States; in addition, the national competent authorities in Poland, Slovenia and Slovakia believe that the expenditure on SNCBs for non-active EU migrants (if any) is negligible. Where information is available, the data shows that the expenditure on SNCBs granted to non-active intra-EU migrants is relatively low as a proportion of total SNCB expenditure. In three countries (AT, EL and MT) SNCB expenditure for pension benefits is below 1% of total SNCB expenditure on pension benefits. In Finland (in 2011), Germany and Ireland, the proportion of SNCB expenditure on pension payments is slightly higher, representing 1% of the total budget in Finland, around 2% of budget in Germany and around 7% in Ireland. Non-active intra-EU migrants can also access a disability allowance in Ireland, and payments to non-active EU migrants represent approx.7% of the total budget for disability allowance in Ireland.

Austria: *Ausgleichszulage* (supplementary benefit for low income pensioners)

Ausgleichszulage is a compensatory supplement for pensioners whose pension and other net income are below a standard rate. Pensioners receiving *Ausgleichszulage* are allowed to work within certain limits as long as their income plus their pension does not exceed the standard rate. Since 1 January 2011, both habitual residence and lawful residence proofs are required for EU pensioners to access the compensatory supplement in Austria.

The number of EU nationals in Austria has doubled between 2002 and 2012 and it is now 4.8% of the total population. Germans are the largest group of all migrants (16% in 2012). The number of incoming other EU-15 nationals has actually decreased while the number of incoming EU-10 and EU-2 nationals has increased.

In 2012, 33% of EU migrants and 41% of Austrian were non-active. Between 2005 and 2012, the number of non-active EU migrants aged 15 and above in Austria increased by 38%. In comparison, the number of EU migrants aged 15 and above has increased by 52% in the same time span.¹²¹ The total number of EU nationals of 65 years and above has increased steadily from 2003 to 2011. In 2011, they made up 6.6% of the total EU migrant population.

Approximately, 90% of the elderly EU migrants resident in Austria in 2011 were not newcomers. Information gathered from stakeholders and from a SHARE report shows that most elderly migrants have come to Austria to work many years ago and many of those are third-country nationals.

In 2012, 0.3% of beneficiaries of *Ausgleichszulage* were foreignnationals receiving a pension from another Member State (*Hauptverband der Sozialversicherungsträger* - principal association of pension insurers). In the absence of data on 'Ausgleichszulage' beneficiaries broken down by nationality, this is used as a proxy for the number of non-active EU migrants receiving this benefit.

Between the 4th quarter of 2011 and the first quarter of 2013, the number of migrants receiving only a pension from another Member State benefitting from *Ausgleichszulage* has increased by 27.3% (*Hauptverband der Sozialversicherungsträger*). The pension was paid by: Germany (214=32%), followed by Romania (200=30%), Bulgaria (92= 14%), Poland (62=9%), Hungary (33=5%), the Slovak Republic (19=3%) and the UK (15=2%).

When applying for *Ausgleichszulage*, EU pensioners have to provide the so-called *Anmeldebescheinigung*, which can only be received if an EU migrant proves to have sufficient resources (which would make it unnecessary for him to receive *Ausgleichszulage*). It can happen that the EU migrant loses his right of residence due to lack of sufficient resources. Furthermore, since 2011, EU migrants have to provide a deregistration document from their former place of

¹²¹ Migration statistics for year 2012 cannot be broken down by age in order to exclude those migrants aged under 15. It is known however that between 2005 and 2011, the number of migrants aged 15 and above has increased by 52%.

residence. Migrants hesitate to do so because they then lose the identity card of their home country. For these reasons, stakeholders confirmed that, although numbers are rising, it is difficult for EU pensioners to get *Ausgleichszulage*.

According to a report from 2011, Austria had the third highest pension expenditures across the EU. The overall *Ausgleichszulage* expenditures made up only 3% of the whole pension expenditures and the *Ausgleichszulage* expenditures to EU migrants made up only 0.01% of the pension expenditures in 2012.

More detail on this case study can be found in section 9.

In the country where the share of total SNCB expenditure for non-active EU migrants for (non-contributory) unemployment benefits is available (MT), the share of expenditure for non-active EU migrants is low, below 1% of total SNCB expenditure on unemployment in both countries. In Estonia, the share of is believed to be similarly low. Although there is no expenditure data for Ireland's jobseeker allowance, it is reasonable to assume that expenditure on non-active EU migrants would account for a larger proportion of total expenditure given that approx. 20.5% of all jobseeker allowance recipients are EU migrants.

The percentage of expenditure for non-active intra-EU migrants is similar to the percentage of beneficiaries that are non-active EU migrants for all the benefits where data is available (see Table 5.1 and Table 5.2). This suggests that non-active EU migrants do not receive higher payments than other SNCB beneficiaries.

There is some trend information available for the expenditure on SNCBs for non-active EU migrants in six Member States (DE, EE, EL, FI, MT and PT). In all countries where trend data are available, the expenditure for SNCBs granted to non-active EU migrants has increased over the past decade (although it remains modest as a share of total expenditure). During the same period, the value of claims on the same cash benefits granted to national beneficiaries in Germany, Greece and Malta has increased as well – though not to the same extent as expenditure on claims for EU migrants. In contrast, in Finland, the expenditure on the other beneficiaries (primarily nationals) has increased sharply from approx. EUR 20m in 2010 to EUR 341m in 2011 with the introduction of the new guarantee pension (during the same period the value of claims granted to EU migrants only increased by 14% from EUR 3.6m to EUR 4.1m). At the other end of spectrum is Malta where the expenditure on claims to other beneficiaries (excluding EU migrants) has decreased between 2002 and 2012 whilst the opposite holds true for expenditure associated with non-active intra-EU migrants.

With regards to non-active intra-EU migrants only, data suggest that expenditure on pension payments for non-active intra-EU migrants has increased significantly. In Germany and Greece, the expenditure on SNCBs for non-active elderly EU migrants has increased by an average annual rate of 17.9% and 17.6% respectively between 2003 and 2010 (2012 for Germany). In Malta, the expenditure on age pension average annual increase in expenditure on pensions for EU migrants was 36.8% between 2002, and in Portugal the average annual increase was even higher at 73.7% since 2006.

There is trend information available for three countries for expenditure on non-active intra-EU migrants for unemployment assistance (DE, EE, MT). Again, there has been an increase in all countries. In Germany, the average annual increase in expenditure has been 2.1% since 2003, whereas in Malta and Estonia the average annual increase has been higher, at 17.5% in Malta since 2002 and 20.7% in Estonia since 2004.

The trend of increasing expenditure on SNCBs for non-active intra-EU migrants reflects the annual growth rate in the number of non-active intra-EU migrants accessing SNCBs over the past decade (see Table 5.1). However, the average annual increase in expenditure is higher than the average increase in non-active intra-EU migrants claiming the benefits. For example, in Malta the

number of non-active intra-EU migrants accessing the pension payments has increased by 17.5%, but the expenditure for pension payments to non-active intra-EU migrants has increased by 36.8%. This pattern of a larger average annual increase in expenditure than in number of non-active intra-EU migrants claiming benefits is followed in nearly all countries for all benefits where trend data are available. There could be various explanations for this difference e.g. the average value of certain benefit claims has gone up during the reference period.

There are two exceptions to this pattern: jobseekers benefits in Germany and special assistance for immigrants in Finland. In Germany, the number of non-active intra-EU migrants accessing benefits increased by an average annual rate of 2.5%, whereas the expenditure on this increased by an average annual rate of 2.1%. In Finland, the number of non-active intra-EU migrants accessing the special assistance for immigrants benefit increased on average by 8.7%, whereas expenditure increased by only 4.7%. Despite these two cases, in general the increase in the number of non-active intra-EU migrants claiming a benefit has been outstripped by the expenditure for non-active intra-EU migrants on that benefit. However, as the percentage of expenditure spent on non-active intra-EU migrants is the same as the percentage of total beneficiaries that are non-active intra-EU migrants, the expenditure for other beneficiaries will also have outstripped the growth in the number of beneficiaries.

The expenditure on SNCBs for non-active intra-EU migrants has increased, as has the number of non-active intra-EU migrants claiming benefits. However, the overall number of non-active intra-EU migrants and their share in the total population has also increased – though to varying extents (see Annex 5 and Annex 6¹²²) which helps to explain some of the increase in expenditure on SNCBs for non-active intra-EU migrants and the increase in the number of non-active intra-EU migrants receiving benefits. However certain groups within the non-active EU migrant population who are eligible for SNCBs e.g., pensioners might have followed a different trend – aspect that is difficult to validate given the limitations of the EU-LFS data.

¹²² With regards to these annexes, figures were produced on the basis of the analysis of EU-LFS micro-data. Given that EU-LFS results tend to under-estimate the number of EU migrants, in particular non-active EU migrants, it is suggested that figures in Annex to be treated as order of magnitude estimates only.

Table 5.3 Expenditure on SNCBs granted to non-active intra-EU migrants by MS, 2002-2012

Country	Expenditure on SNCBs granted to non-active intra-EU migrants (total in thousands EUR; and % of total SNCBs expenditure) ¹²³											Average growth (%) ^{*124}	annual rate
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
AT													
<i>Compensatory pension supplement</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,667 (0.36%)	-	
DE													
<i>Subsistence income for elderly /reduced cap.¹²⁵</i>	n/a	23,962 (1.53%)	30,515 (1.54%)	49,279 (1.71%)	55,962 (1.81%)	63,119 (1.86%)	68,630 (1.86%)	75,431 (1.94%)	80,305 (2.03%)	n/a	n/a	17.9% (13.7%)	
<i>Benefits for jobseekers¹²⁶</i>	n/a	n/a	n/a	n/a	n/a	1,568,828	1,539,933	1,704,613	1,673,673	1,617,600	1,737,404	2.1%	
EE													
<i>Unemployment allowance¹²⁷</i>	n/a	n/a	12	17	10	35	58	97	86	72	54	20.7%	
<i>Disability allowance</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
EL													
<i>Special benefits for the elderly</i>	n/a	107 (0.08%)	133 (0.09%)	193 (0.11%)	207 (0.11%)	269 (0.12%)	315 (0.12%)	520 (0.16%)	512 (0.17%)	542 (0.19%)	459 (0.16%)	17.6% (8.0%)	
FI													

¹²³ Total expenditure may include expenditure on SNCBs granted to both nationals and non-EU migrants.

¹²⁴ The compound average percentage change was calculated as follows.: ((Last year value /First year value)^(1 / no.years))-1. Two values are provided: the dark figure refers to the average annual percentage change in the expenditure on SNCBs granted to non-active EU migrants; the figures in blue (placed in brackets) refers to annual average changes in the expenditure on SNCBs received by other beneficiaries (excluding EU migrants). Other beneficiaries may include nationals and third country nationals. In most countries data does not allow for the exclusion of non-EU/EEA citizens. Where the data for the two groups of beneficiaries (EU migrants versus other beneficiaries) is not comparable (e.g., not available for the same years etc.), no figures in blue are included.

¹²⁵ Basic subsistence income for the elderly and for persons with reduced earning capacity

¹²⁶ Benefits to cover subsistence costs under the basic provision for jobseekers. Data on the total number of beneficiaries is only available for years 2011 and 2012.

¹²⁷ Of all the unemployment allowance new recipients the EU citizens account for approximately 0.5%. There is no information about the employment status of these EU citizens, but it is assumed that they are unemployed (i.e. they are non-active)

Country	Expenditure on SNCBs granted to non-active intra-EU migrants (total in thousands EUR; and % of total SNCBs expenditure) ¹²³											Average growth (%) ^{*124}	annual rate
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
<i>Housing allowance for pensioners</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
<i>Labour market support</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
<i>Special assistance for immigrant (guarantee pension from 2011)s¹²⁸</i>	n/a	2831.28 (22.1%)	3271.43 (21.2%)	3442.56 (19.8%)	3439.26 (18.2%)	3400.45 (16.9%)	3654.93 (16.5%)	3821.45 (15.7%)	3621.81 (15.5%)	4138.31 (1.2%)	4297.83	4.7% (74.7%)	
FR													
<i>Old age solidary fund¹²⁹</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a				n/a		
<i>Disabled adult allowance</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		-	
<i>Special invalidity fund</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
HU	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
IE													
<i>Disability allowance</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	59,555 (7.4%)	-	
<i>Non-contributory state pension</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	40,598 (6.9%)	-	
<i>Jobseeker allowance</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		-	
MT¹³⁰													

¹²⁸ Special assistance for immigrants (replaced by guarantee pensions since 2011). Annual expenditure data has been estimated on the basis of the number of non-active EU migrants in receipt of the benefit and the average monthly value of claims. The latter has been calculated using the total expenditure in EU (provided by the national competent authority) and the total number of beneficiaries (nationals and migrants).

¹²⁹ SASPA - Old Age Solidarity Fund, delivering minimum old-age benefits

¹³⁰ Data provided by competent authorities refers on all EU migrants (i.e. no distinction between active and non-active).

Country	Expenditure on SNCBs granted to non-active intra-EU migrants (total in thousands EUR; and % of total SNCBs expenditure) ¹²³											Average growth (%) ^{*124}	annual rate
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
<i>Supplementary allowance</i>	1 (0.02%)	2 (0.04%)	2 (0.03%)	3 (0.05%)	2 (0.03%)	3 (0.05%)	2 (0.03%)	2 (0.03%)	3 (0.05%)	5 (0.07%)	5 (0.08%)	17.5% (4%)	
<i>Age pension</i> ¹³¹	1 (0.01%)	2 (0.02%)	3 (0.02%)	8 (0.05%)	11 (0.07%)	9 (0.05%)	8 (0.05%)	9 (0.05%)	13 (0.07%)	23 (0.12%)	23 (0.12%)	36.8% (5%)	
NL													
<i>New Wajong benefit</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	22,250 ¹³² (0.8%)	n/a	-	
<i>TW benefit</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7,580	n/a	-	
PL ¹³³	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
PT													
<i>Non-contributory invalidity pension</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
<i>Non-contributory old-age pension</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
<i>Non-contributory widowhood pension</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
<i>Solidarity supplement for the elderly</i>	n/a	n/a	n/a	n/a	10	43	96	185	220	223	275	73.7%	

¹³¹ Age pension (Social Security Act (Cap. 318) 1987)

¹³² This number possibly includes expenditure on economically active EU migrants as well.

¹³³ There is no data on the number of non-active EU migrants receiving the social pension in Poland; however the national competent authority asserted that the number of persons falling in this category is likely to be very low level.

Summary of key points

- The SNCBs listed in Regulation (EC) 883/2004 (as amended by EC Regulation No 465/2012) are conceived as minimum protection benefits.
- The majority of SNCBs provided by the EU Member States are related to old-age/death or disability. A smaller number of countries - Estonia, Germany, Finland, Ireland and the UK - provide non-contributory cash benefits to jobseekers of other EU nationality. In these countries, non-contributory cash benefits would normally be granted to residents who are actively looking for paid work (or show availability for work) and are registered with the employment services.
- Evidence suggests that in certain cases, beneficiaries of national schemes which include SNCBs benefits may be engaged in some form of employment (e.g., Wajong beneficiaries in the Netherlands). Moreover, our EU-LFS estimates indicate that a good proportion of SNCB beneficiaries (over 60%) may have previously worked in the country of residence (though this share varies across different EU Member States).
- EU migrants account for a very small share of SNCBs beneficiaries (which is in line with the overall size of non-active EU migrant population residing within the EU-27). They represent less than 1% of all SNCB beneficiaries (of EU nationality) in six countries (AT, BG, EE, EL, MT and PT); between 1% and 5% in five other countries (DE, FI, FR, NL and SE), and above 5% in BE and IE (although figures for Ireland are estimates based on claimants data). In Poland and Slovakia, there is no data on the number of non-active EU migrants receiving SNCBs, but their number is believed to be very low.
- Overall, non-active EU migrants are associated with lower rates of benefit receipt – albeit the scale and size of the gap tends to vary by country and type of benefit. Non-active EU migrants tend to receive old-age and disability-related benefits to a lesser extent than non-active nationals but they are more likely to receive unemployment benefits in the countries which provide such benefits. This is not surprising given that a relatively larger proportion of EU migrants than nationals (including those economically non-active) tend to fall in the 15-64 age bracket.
- There is limited trend data on the use of SNCBs by EU migrants to draw any robust conclusions. In the 8 countries for which trend data is available, there has been an overall increase in the number of EU migrants in receipt of SNCBs – albeit in absolute numbers, figures remain small in most countries.
- The annual growth rate has also varied significantly by type of benefit and country, revealing a mixed picture.
- The trend of increasing expenditure on SNCBs for non-active intra-EU migrants reflects the annual growth rate in the number of non-active intra-EU migrants accessing SNCBs over the past decade. In relative terms, the value of SNCB claims granted to non-active EU migrants still accounts for a very small proportion of the overall SNCB expenditure (usually under 1%).

6 Access of non-active intra-EU migrants to healthcare and budgetary impacts

6.1 Overview

This section provides estimates of the healthcare utilisation and expenditure associated with non-active intra-EU migrants, using the available information on the following three key aspects:

- characteristics of the national healthcare systems (i.e., whether they are based on residence, insurance, or a combination of both) partially determining the healthcare cost to the state;
- characteristics of the population of non-active intra-EU migrants (in particular age and gender composition) affecting the likely demand for healthcare services; and
- average healthcare costs incurred in relation to groups sharing distinct demographic characteristics (e.g., age, gender) comprising treatment, drugs and after care costs which may be incurred.

The methodological approach is outlined further below with a presentation of the assumptions used. This approach had to be developed because of the lack of comprehensive data available on access by intra-EU migrants to healthcare services.

6.2 Demand for healthcare services

The aggregate demand for healthcare services depends on the total size of the eligible population and its health status or needs. The latter has a number of determinants, chiefly age and gender which have been evidenced in the literature (e.g. European Policy Committee's Working Group on Ageing Populations and Sustainability, 2012). Certain information on the age and gender composition of the non-active EU migrant population can be obtained from the analysis of EU-LFS data. While the strong link between age (and gender) and health spending is commonly acknowledged in the literature, there is no comparable data on health expenditure per person broken down by these two key variables.¹³⁴ The only relevant EU-wide source that has been identified refers to the estimates of the European Policy Committee's Working Group on Ageing Populations and Sustainability (AWG).¹³⁵ Figure 6.1 reproduces the estimates used in the 2012 Ageing Report which illustrates the close link between health spending and age and gender among EU countries.

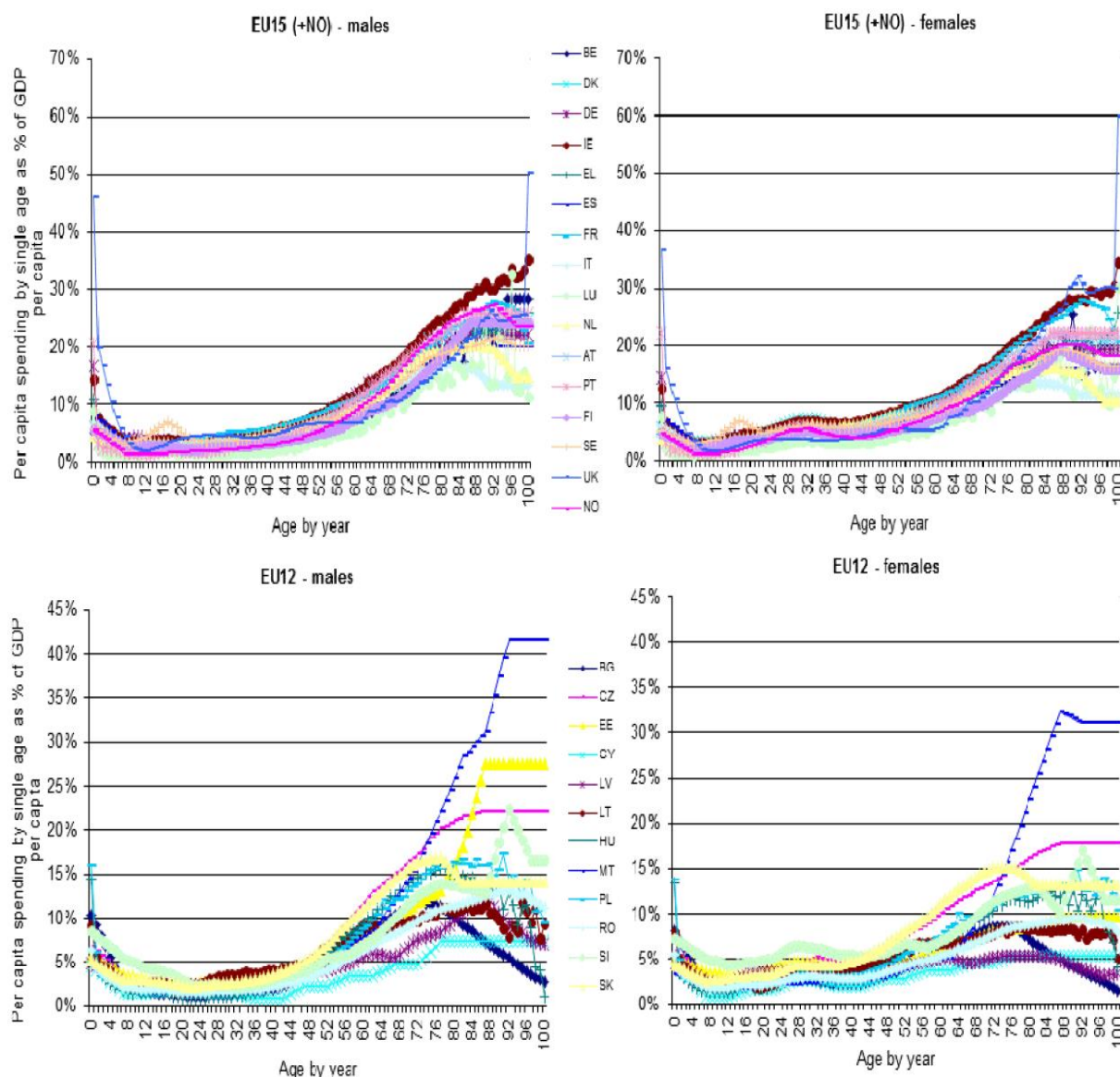
The relationship between healthcare expenditure and age is J-curved with higher spending among infants and very small children, relatively lower expenditure levels for older children and adults until the age of 55-60 and significantly higher expenditures amongst elderly aged 60 and above. The reproduced graphs also suggest that healthcare spending stabilises or possibly declines among those aged 85 and over. For females, there is also an increase in health spending in the age brackets corresponding to typical reproductive age (between 25 and 40). The expenditure profiles are relatively similar across countries, especially for prime age groups, while there is more cross-country heterogeneity for older cohorts.¹³⁶

¹³⁴ Similar efforts have been recently made by OECD to outline a robust methodology and standards for data compilation on these issues as part of the project on Estimating Expenditure by Disease, Age and Gender under the System of Health Accounts (SHA). This project was completed in 2008; a follow-up project was started in 2012. The final report of the project is due to be completed sometime towards the end of 2013; the report is expected to include an expanded OECD database on expenditure by disease, age and gender according to a revised set of guidelines.

¹³⁵ DG ECFIN and AWG, The 2012 Ageing Report: Economic and budgetary projections for the EU27 Member States (2010-2060), European Economy 2/2012, http://europa.eu/epc/working_groups/ageing_en.htm Accessed on 9 June 2013.

¹³⁶ The expenditure patterns presented are similar to those found in some earlier studies, e.g. as part of FP5-funded AGIR project: Westerhout, E. and F. Pellikaan (2005), "Can We Afford to Live Longer in Better Health?", Netherlands Bureau for Economic Policy Analysis, Document No. 85, June.

Figure 6.1 Age-related profiles of health care expenditures in the EU (spending per capita as per cent of GDP per capita)



Source: Extracted from DG ECFIN and AWG, *The 2012 Ageing Report: Economic and budgetary projections for the EU27 Member States (2010-2060)*, European Economy 2/2012, Page 160.

http://europa.eu/epc/working_groups/ageing_en.htm Accessed on 9 June 2013

6.3 Proposed methodological approach

Using EU-LFS data on the demographic characteristics of non-active intra-EU migrants in different Member States and the different health expenditure profiles by age and gender presented above, monetary estimates were produced for the total expenditure on healthcare received by non-active intra-EU migrants in each the EU Member State falling under the scope of this exercise. Countries that are not included in the scope of this exercise because they provide healthcare only based on insurance include Belgium, Germany, Greece, Luxembourg, the Netherlands, Romania, Poland, and Slovenia (see Annex 2 for further details about eligibility criteria). Austria is also excluded given that only insured persons and their dependants are primarily entitled to healthcare. According to information from consulted stakeholders, the groups of persons who are not covered by the compulsory health care insurance in Austria (e.g., persons with income of €386.80 per month; students who are not subscribed to voluntary insurance or inactive persons, who have lost

their family member status because of a divorce) form a very small share of the population in Austria (around 1%). Persons in this small category could still sign up to voluntary insurance or remain covered as co-insured family members. The same applies to students. Those who cannot afford any type of insurance would receive social assistance – issue which nevertheless falls under the competence of the 9 Austrian Regions and it is outside the scope of Reg. 883/2004¹³⁷.

Estimates have been made according to the following steps:

■ Step 1: Definition of the size of the eligible population

In countries with healthcare systems based on residence (CY, DK, FI, PT, SK, IE, IT, LV, MT, SE and UK), all non-active intra-EU migrants are in principle eligible for healthcare (irrespective of their employment status or previous social contributions). Estimates for the proportion of non-active intra-EU migrants in the total migrant population have been produced on the basis of EU-LFS micro data (see section 3 of the present report). In countries such as Latvia or Malta where the EU-LFS estimates are of limited reliability, alternative estimates were produced by applying the share of non-active EU migrants (%) informed by EU-LFS to the total number of EU migrants in the respective country, as reported in Eurostat's migration statistics.

Nevertheless, even in residence-based systems, non-active EU migrants can access healthcare through other means. For example, data from Spain, which is a mixed healthcare system (based on insurance and/or insurance with universal character), show that almost half of EU pensioners residing in this country access healthcare through the S1/E121 route (see Audit Court Report, 2012). In addition, students in most countries would be expected to use the EHIC during the period of study (e.g., DK¹³⁸, SE¹³⁹, UK¹⁴⁰), provided that they are covered by a statutory health insurance service in another EU country. For the above reasons, this section provides a sensitivity analysis of the expenditure estimates for all relevant countries by excluding half of EU pensioners and all students from the total eligible population.

In countries with a healthcare systems based on insurance and/or insurance with universal character, a scaling coefficient is applied to reflect the share of non-active EU migrants who are eligible. The scaling is constructed on a case-by-case basis by analysing the eligibility criteria for accessing healthcare (e.g. being unemployed, student or in receipt of welfare benefits etc.). In only a handful of countries, national competent authorities were able to provide some estimates of the number of healthcare recipients (e.g., France, Spain). In the remaining countries with 'hybrid' healthcare system, an estimate of the number of non-active migrants eligible for healthcare was produced on the basis of EU-LFS microdata. Where EU-LFS figures are missing or unreliable, alternative sources have been used such as national administrative data (Bulgaria and Slovakia).

Table A.2.2 in Annex 2 presents the estimated number of non-active intra-EU migrants eligible for healthcare services per country (in thousands, 2011).

France: CMU

CMU provides healthcare to people not covered by any social security scheme. If a person's annual income is less than or equal to €9,356, access to CMU will be free. If a person's income is more than €9,356, the annual fee to benefit from CMU is 8% of the person's annual income which exceed the threshold. EU citizens can access CMU after three months in France. However, to stay in France for more than three months, EU citizens need a health insurance and sufficient resources. If they do not have the former, they can access CMU only if a previous health care coverage was lost involuntarily. The three-months requirement of Article 380-1 applies when the person wishing to benefit from CMU applies for the first time. Once the person has been entitled to CMU, the regional authority in charge of CMU (*Caisse Primaire*

¹³⁷ Information provided by the Federal Ministry for Labour, Social Affairs and Consumer Protection in Austria.

¹³⁸ <http://studyindenmark.dk/live-in-denmark/health-safety/healthcare>

¹³⁹ <http://www.studyinsweden.se/Living-in-Sweden/Medical-insurance/>

¹⁴⁰ See for information on the UK Border Agency website, <http://www.ukba.homeoffice.gov.uk/eucitizens/rightsandresponsibilities/healthcare/>

d'Assurance Maladie – CPAM) will regularly check that the beneficiary still complies with the residence requirement.

The share of EU migrants from the total population in France (French nationals, EU nationals and third-country nationals) stayed more or less constant (between 2.2% and 2.4%) between 2008 and 2012. Non-active EU migrants make a very small share of the total population in France (1.2% in 2011). France has the largest share of non-active EU migrants over 60 years among all EU-27 countries. A large share of non-active migrants residing in France are migrants who have been working in France before and now retired there.

The number of CMU beneficiaries (all nationalities) has risen from 2007 to 2011. This is also due to changes in legislation leaving people without social security coverage and accessing CMU as a safety net (Ministry Health and Social Affairs).

However, no data on the age, active status and nationality of CMU beneficiaries could be found. Estimates of the number of EU migrants accessing CMU could be deduced on the basis of the data on the Old Age Solidarity Benefit (ASPA) beneficiaries which can be broken down by nationality. EU elderly migrants are believed to form a very small share of ASPA beneficiaries (1.1% that is 811 EU beneficiaries in 2011). It is possible that some of them are not affiliated to any other social security system and are therefore covered by CMU. From this assumption, one could conclude that an extremely small number of elderly EU citizens benefit from CMU. Stakeholders consulted agree with this conclusion.

Very little information is available on the budgetary impact of the cost of CMU for EU nationals at the expense of the French budget. Given that only a small number of non-active EU migrants appear to be accessing CMU they do not have an important impact on the budget.

More detail on this case study can be found in section 7.

Table 6.1 Estimated number of non-active intra-EU migrants eligible for healthcare services (thousand, 2011)

Country	No. of non-active intra-EU migrants eligible for healthcare	No. of non-active intra-EU migrants eligible for healthcare (excluding S1/E121 pensioners and students-where applicable) ¹⁴¹
BG	4.9	3.7
CY	26.6	19.5
CZ	3.5	3.5
DK	34.3	16.1
EE	0.5	0.0
ES	75.7	75.7
FI	13.3	8.2
FR	(0.8) ¹⁴²	0.8
HU	4.6	1.7
IE	106.4	82.5

¹⁴¹ S1/E121 pensioners and students are excluded in countries where they are part of the eligible non-active EU migrant population eligible for healthcare (e.g., all residence based systems as well as few countries offering certain insurance schemes e.g., Hungary etc.). In other countries however the population eligible for healthcare is formed on the basis of other requirements such as e.g., income threshold or needs-based (e.g., ES, FR). The latter may include students and pensioners who meet other eligibility criteria (related to income, pension, disability etc.)

¹⁴² As previously mentioned, figure for France is an estimate based on ASPA beneficiaries some of who might access CMU scheme as well. CMU could be accessed also by other types of beneficiaries who do not receive ASPA. Therefore, the number is subject to a considerable level of uncertainty. See further in the French case study.

Country	No. of non-active intra-EU migrants eligible for healthcare	No. of non-active intra-EU migrants eligible for healthcare (excluding S1/E121 pensioners and students-where applicable) ¹⁴¹
IT	393.2	326.4
LT	0.7	0.5
LV	0.7	0.7
MT	5.5	4.0
PT	15.5	12.0
SE	66	38.3
SK	10.0	7.4
UK	592.4	379.1

Source: ICF GHK, 2013 based on eligibility criteria for accessing healthcare and EU-LFS corresponding figures on categories of non-active EU migrants (see methodology described above)

■ Step 2: Demographic profiling of the non-active EU migrant populations

This step involves estimating the age and gender composition of the non-active EU migrant population in each MS.¹⁴³ Efforts have been made to decompose the non-active EU migrant population in each MS by six age groups for males and females separately using the EU-LFS micro-data (year 2011). Due to the size of samples, in countries with small migrant populations, the data was disaggregated only into two age groups (i.e., 15-59; 60 and above).

Table 6.2 Demographic profiling of the entire non-active EU migrant population in BG, CY, CZ, DK, EE, ES, ES, FI, FR, HU

	BG	CY	CZ	DK	EE	ES	FI	FR	HU
No. of non-active intra-EU migrants aged 15+ (thousand, 2011)	5	27	16	34	2	848	13	571	16
...of which males aged 15-59 (thousand)	0	7	3	9	1	250	3	85	3
.... of which males aged 60+ (thousand)	0	4	2	7	0	110	1	185	1
...of which females aged 15-59 (thousand)	0	10	9	15	0	380	5	146	9
.... of which females aged 60+ (thousand)	0	5	2	3	0	107	2	156	3

Table 6.3 Demographic profiling of the entire non-active EU migrant population in IE, IT, LT, MT, PT, SE, SK and the UK

	IE	IT	LT	MT	LV	PT	SE	SK	UK
No. of non-active intra-EU migrants (thousand, 2011)	106	393	3	5	1	16	66	10	592

¹⁴³ This refers to the entire population of non-active EU migrants residing in a certain country which includes those eligible for healthcare and those who are not eligible for healthcare.

	IE	IT	LT	MT	LV	PT	SE	SK	UK
...of which males aged 15-59 (thousand)	38	105	1	0	0	4	15	0	137
.... of which males aged 60+ (thousand)	8	14	1	1	0	2	13	0	85
...of which females aged 15-59 (thousand)	50	256	1	1	0	6	21	1	238
.... of which females aged 60+ (thousand)	10	17	1	1	1	3	17	1	131

■ Step 3: Determining per capita healthcare expenditure for each relevant population group

This step involves estimating per capita health expenditures (expressed in EUR) for each relevant age-gender group. Table 6.4 (that is based on Figure 6.1) provides an indicative distribution of the health spending per capita across different age/gender groups. Given that the raw expenditure data feeding into Figure 6.1 (above) is not publicly available, it is assumed in the present study that per capita expenditure index for each age /gender group stays the same across all EU countries (e.g., in every Member State, the healthcare expenditure for males aged 65-74 is 4.5 times higher than for males aged 15-29).

Table 6.4 Indicative age and gender-related index of health care spending per capita (index, per capita expenditures for males aged 15-29 = 1)

	0-14*	15-29	30-44	45-59	60-64	65-74	75+	15-59	60+
Males	1.5	1	1.5	2	3.3	4.5	5.5	1.5	4.8
Females	1.5	1.25	1.5	2	2.25	3	4.5	1.6	3.6

**Note: Whilst the health care provided to children under the age of 15 falls outside the scope of the present study, data on the costs associated with their healthcare consumption must be taken into account to allow for the construction of the index.*

Source: ICF GHK estimates based on Figure 6.1.

The expenditure per capita index for each age/gender group can then be estimated in monetary terms using a) the readily available data on health spending per capita across EU countries provided by the World Health Organisation¹⁴⁴, and b) on the age and gender distribution of non-active EU migrants in each EU country (based on EU-LFS microdata), and the age/gender indicative differentials in health spending (Table 6.4).

■ Step 4: Estimating the total healthcare expenditure associated with non-active intra-EU migrants in each MS

Finally, the total expenditure on healthcare received by non-active intra-EU migrants in a given Member State can be estimated on the basis of the number of (eligible) non-active intra-EU migrants of a certain age and sex and the average healthcare expenditure for that group of people.

■ Step 5: Putting figures into context and discussing possible trends

¹⁴⁴ Eurostat data series (hlth_sha1h) does not provide data for all MS and most recent data is available for year 2010 or earlier year in some cases. However there is high consistency between the WHO data (World Health Organization National Health Account database (<http://apps.who.int/nha/database>)) and Eurostat data for countries and years where both source provide data (the difference is typically below 1%). Therefore, for completeness, WHO data from year 2011 (which was converted into EUR) were used. In the case of Malta where data is not available for year 2011, the figure for the missing year has been estimated based on the average growth rate from the past to the 2010 figure.

The estimated healthcare expenditure associated with non-active intra-EU migrants are presented both in total numbers (EUR) and as a share of GDP. In addition, to provide a reference point, the expenditure figures are also presented as a share (%) of total health expenditure in the country. Possible trends in the healthcare utilisation of migrants are also discussed taking account of the trends in the non-active migrant population (e.g., total size, age composition, ageing population etc.)

6.4 Strengths and limitations of our approach to estimating healthcare expenditure associated with non-active EU migrants

The above-described methodology for estimating the costs of healthcare granted to non-active intra-EU migrants follows a similar logic to the one applied in a number of exercises forecasting healthcare expenditures, notably the European Commission (DG ECFIN) and the Ageing Working Group (AWG) of the Economic Policy Committee (e.g., European Policy Committee's Working Group on Ageing Populations and Sustainability, 2012). Similar to their approach, our expenditure projections were produced taking into account the different demand for healthcare by gender and age.

One important assumption underlying the proposed approach is that there is no difference in the demand for healthcare services between the non-active EU migrant population and the national population of the host country in same age and gender bracket. There may be reasons why one or the other group may have a higher demand for healthcare. For instance, economic inactivity may be caused by certain health problems (which may lead to a higher demand for healthcare services amongst certain groups of migrants). On the other hand, mobile EU citizens are likelier to be in better health, suggesting that certain groups of migrants may be inclined to use healthcare to a lesser extent than nationals of same age or sex.¹⁴⁵ It is also important to note that while age and gender are strong predictors of average healthcare utilisation, one would expect heterogeneity within groups of people with same age and gender. For example, the probability of occurrence of death and other circumstances leading to very expensive medical treatments may differ between the (non-active) migrant population and the general population of host country of similar age and gender. Some of these issues have been explored in the empirical literature, but studies rarely distinguish migrants by nationality (EU versus non-EU migrants) or employment status (active versus inactive). Results differ between studies, with some papers reporting similar use of health services among migrant and non-migrant populations¹⁴⁶, other reporting lower health utilisation by migrants¹⁴⁷. Given the lack of consensus on this matter in the literature, the index of per capita expenditure for each age/gender group was assumed to be the same in the migrant and national population (as well as across EU countries).

One of the key drivers of healthcare expenditure is age. For older cohorts, the healthcare costs are much higher, sharply increasing towards the end of one's life.¹⁴⁸ Having said that, an important question arises in relation to the behaviour of migrants close to the end of their lives, especially in cases where their health is severely deteriorated. In such circumstances, some of them may choose to return to their home countries, a situation that is referred to as the 'salmon effect' in the mortality literature.¹⁴⁹ Although studies in this area tend to employ different methodologies and

¹⁴⁵ This is often referred to as the 'healthy migrant' hypothesis in the literature. See e.g. Alexander Domnich, Donatella Panatto, Roberto Gasparini, Daniela Amicizia (2012) The "healthy immigrant" effect: does it exist in Europe today? Italian Journal of Public Health Vol 9 No. 3.

¹⁴⁶ Aïda Solé-Auró & Eileen M. Crimmins(2008), Health of Immigrants in European countries, Research Institute of Applied Economics Working Papers; La Parra D, Mateo A. Health status and access to health care of British nationals living on the Costa Blanca, Spain. Ageing and Society 2008;28:85–102.; Manneschi G, Crocetti E, Puliti D, et al. Cancer incidence in Italian natives and in first-generation immigrants to Italy. Epidemiol Prev. 2011; 35(5-6): 292-6

¹⁴⁷ Adam Steventon, Martin Bardsley, Use of secondary care in England by international immigrants J Health Serv Res Policy (2011) 16 (2): 90-94

¹⁴⁸ One study on Netherlands estimated that expenditures in the last year of life are 13.5 higher than the average for other years of life (Polder JJ, Barendregt JJ, van Oers H. Health care costs in the last year of life--the Dutch experience. Soc Sci Med. 2006 Oct;63(7):1720-31).

¹⁴⁹ See e.g. Razum O. Commentary: Of salmon and time travellers—musing on the mystery of migrant mortality. Int. J. Epidemiol. (August 2006) 35 (4): 919-921. doi: 10.1093/ije/dyl143. The early work on the topic is Abraido-Lanza AF,

data sources, there is some support for the ‘salmon effect’ in the literature¹⁵⁰. This – if confidently taken into account – would decrease the scale of healthcare costs incurred by the country of residence.

An important caveat refers to the size of the eligible population – particularly in countries with hybrid healthcare systems where there is limited data at national level. Apart from France and Spain for which beneficiary data is available, the size of the eligible population has been defined on the basis of the national legislation and corresponding numbers of eligible non-active migrant groups from EU-LFS. A sensitivity analysis has been carried out to discount the impact of the S1/E121 pensioners and students (whose healthcare expenses are covered by other Member States) in the overall healthcare expenditure associated with non-active EU migrants. Due to lack of data, no account has been taken of the (non-active) migrants who are family members of economically active persons and who may be entitled to healthcare as family members (and not in their own right) or of EU migrants who could be covered by a private insurance.

In light of these caveats, our expenditure figures should be treated as order of magnitude estimates. They should be treated and used with due caution outside the context of the present study.

6.5 Results

Results are summarised in Table 6.5 and Table 6.6 which show the results of the analysis in the 18 EU countries which fall under the scope of this exercise (i.e., provide some form of healthcare based on residence). The other EU countries fall outside the scope of this exercise.

The estimates should be treated as indicative providing an order of magnitude of the healthcare costs. The results can be summarised as follows:

- On average, the expenditures associated with healthcare provided to non-active EU migrants are very small relative to the size of total health spending or the size of the economy in the host countries. Median values are 0.2 % of the total health spending and 0.01% of GDP.
- If the assumed share of S1/E121 pensioners and students (whose healthcare expenses are covered by other Member States) are excluded from calculations (where applicable), median values of expenditure are around 0.1% of total health spending and 0.01% of GDP.
- Cyprus (with a universal residence-based healthcare system) is a clear outlier with costs on the high end of the spectrum (close to 4 % of total national health spending and 0.28% of GDP, respectively), followed by Ireland (with a universal residence-based healthcare system as well) where respective figures are 2.3 % and 0.21 %. In these two countries, the exclusion of the estimated share of S1/E121 pensioners and students leads to a decrease in the overall healthcare expenditure by 27% (CY) and 23% (IE), respectively.
- In only two other Member States (Malta and the UK – both universal healthcare systems) the estimated share equals 1% (Malta) or exceeds 1 % of total health spending (UK) (although in both countries, expenditure remains small relative to GDP at only 0.1%).
- In four other countries (Denmark, Italy and Sweden) expenditures are estimated to fall in the range 0.5 -0.8 % of total health spending and 0.05-0.08 % of GDP. All three countries have universal healthcare systems in place.

In the remaining 10 countries (BG, CZ, EE, FI, FR, HU, LT, LV, PT and SK), the estimated expenditures are negligible, ranging between 0.2% and close to zero per cent of total health spending and up to 0.02 % of GDP.

Dohrenwend BP, Ng-Mak DS, Turner JB. The Latino mortality paradox: a test of the “salmon bias” and healthy migrant hypotheses. *Am J Public Health* 1999;89:1543–48.

¹⁵⁰ See e.g. Drefahl S and Andersson G. Long-distance Migration and Mortality in Sweden: Testing the Salmon Bias and Healthy Migrant Hypothesis, mimeo available at epc2012.princeton.edu/papers/120854 testing salmon effects and other effects in the case of internal migration between Swedish regions.

Table 6.5 Estimates of expenditure on healthcare provided to non-active intra-EU migrants (PART I)

	BG	CY	CZ	DK	EE	ES	FI	FR	HU
HIGHER ESTIMATE									
Total health expenditure per capita in 2011 (EUR)	375	1525	1083	4776	709	2174	3107	3557	779
Estimated health expenditure: non-active intra-EU migrants (EUR million)	0.1	50	4	183	0.3	170	21	4	4
Estimated health expenditure: non-active intra-EU migrants (per cent of total health expenditure)	0.0%	3.9%	0.0%	0.7%	0.0%	0.2%	0.1%	0.0%	0.1%
Estimated health expenditure: non-active intra-EU migrants (per cent of GDP)	0.00%	0.28%	0.00%	0.08%	0.00%	0.02%	0.01%	0.00%	0.00%
An alternative estimate of health expenditure – non-active intra-EU migrants – ignoring gender/age structure (EUR million) ¹⁵¹	2	41	4	164	0.3	518	41	4	4
LOWER ESTIMATE (excluding S1/E121 pensioners and students, where applicable)¹⁵²									
	BG	CY	CZ	DK	EE	ES	FI	FR	HU
Estimated health expenditure: non-active intra-EU migrants (EUR million)	0.1	37	4	86	0	170	13	4	1
Estimated health expenditure: non-active intra-EU migrants (per cent of total health expenditure)	0.0%	2.9%	0.0%	0.3%	0.0%	0.2%	0.1%	0.0%	0.0%
Estimated health expenditure: non-active intra-EU migrants (per cent of GDP)	0.00%	0.20%	0.00%	0.04%	0.00%	0.02%	0.01%	0.00%	0.00%

Source: ICF GHK 2013, own calculations

Notes: Calculations apply finer disaggregation of age groups, while the table only shows two age groups to bolster readability.

¹⁵¹ The row titled 'An alternative estimate of health expenditure...' reports the results of an exercise which assumes that the age and gender structure of the migrant population is similar to rest of population. In this approach, we multiplied the number of eligible non-active intra-EU migrants (including S1/E121 pensioners and students) and the average per capita health cost in a given country. These numbers are provided as a robustness check (the order of magnitude of the two estimates should be similar unless there was a major difference between the demand for healthcare between non-active intra-EU migrants and the remaining population of the host country). Results also illustrate the role played by demographic factors in explaining the costs of healthcare provided to migrants.

¹⁵² S1/E121 pensioners and students are excluded in countries where they are part of the eligible non-active EU migrant population eligible for healthcare (e.g., all residence based systems, Hungary etc.). In other countries however the population eligible for healthcare is formed on the basis of other requirements such as e.g., income threshold or needs-based (e.g., ES, FR). The latter may include students and pensioners who meet other eligibility criteria (related to income, pension, disability etc.)

Table 6.6 Estimates of healthcare expenditures for non-active intra-EU migrants (PART II)

	IE	IT	LT	LV	MT	PT	SE	SK	UK
HIGHER ESTIMATE									
Total health expenditure per capita in 2011 (EUR)	3263	2468	629	604	1400	1660	3830	1102	2592
Estimated health expenditure: non-active intra-EU migrants (EUR million)	345	731	3	1	6	29	306	3	1806
Estimated health expenditure: non-active intra-EU migrants (per cent of total health expenditure)	2.3%	0.5%	0.1%	0.05%	1.0%	0.2%	0.8%	0.1%	1.1%
Estimated health expenditure: non-active intra-EU migrants (per cent of GDP)	0.21%	0.05%	0.01%	0.00%	0.09%	0.02%	0.08%	0.00%	0.10%
An alternative estimate of health expenditure – non-active intra-EU migrants – ignoring gender/age structure (EUR million) ¹⁵³	347	971	2	0.4	8	26	253	11	1536
LOWER ESTIMATE (excluding S1/E121 pensioners and students, where applicable)									
	IE	IT	LT	LV	MT	PT	SE	SK	UK
Estimated health expenditure: non-active intra-EU migrants (EUR million)	268	607	2	0	4	22	117	2	1156
Estimated health expenditure: non-active intra-EU migrants (per cent of total health expenditure)	1.8%	0.4%	0.1%	0.0%	0.8%	0.1%	0.5%	0.0%	0.7%
Estimated health expenditure: non-active intra-EU migrants (per cent of GDP)	0.17%	0.04%	0.01%	0.00%	0.07%	0.01%	0.05%	0.00%	0.07%

Notes: Calculations apply finer disaggregation of age groups, while the table only shows two age groups to bolster readability.

Source: ICF GHK 2013, own calculations.

¹⁵³ The row titled 'An alternative estimate of health expenditure...' reports the results of an exercise which assumes that the age and gender structure of the migrant population is similar to rest of population. In this approach, we multiplied the number of eligible non-active intra-EU migrants (including S1/E121 pensioners and students) and the average per capita health cost in a given country. These numbers are provided as a robustness check (the order of magnitude of the two estimates should be similar unless there was a major difference between the demand for healthcare between non-active intra-EU migrants and the remaining population of the host country).

Summary of key points

- The healthcare utilisation and expenditure associated with non-active intra-EU migrants can be estimated using the available information on: a) the characteristics of the national healthcare systems and eligibility criteria; b) size and demographic composition of the population of non-active intra-EU migrants eligible for healthcare; and c) average healthcare costs (broken down by certain key demographic characteristics).
- In the EU Member States with healthcare systems based on residence (CY, DK, FI, PT, SK, IE, IT, LV, MT, SE and UK), all non-active intra-EU migrants are in principle eligible for healthcare (irrespective of their employment status or previous social contributions).
- In the EU Member States with hybrid healthcare systems (which provide certain insurance schemes with universal character)), only a certain proportion of the non-active EU migrants access healthcare according to the eligibility criteria (e.g. being unemployed, student or in receipt of welfare benefits etc.).
- The aggregate demand for health care services within the non-active EU migrant population depends on the total size of the eligible population and its health status or needs. Age and gender are documented as chief drivers of health care needs – although other determinants are acknowledged. Average healthcare costs also vary by age and group.
- The results of our estimations show that, on average, the expenditures associated with healthcare provided to non-active EU migrants are very small relative to the size of total health spending or the size of the economy in the host countries. Median values are 0.2 % of the total health spending and 0.01% of GDP.
- Excluding the estimated share of S1/E121 pensioners and students (whose healthcare expenses are covered by other Member States) decreases the median value of expenditure to 0.1% of total health spending (although, it remains the same relative to GDP i.e., 0.01%).
- Cyprus (with a universal healthcare system) is a clear outlier with costs on the high end of the spectrum (close to 4% of total national health spending and 0.28% of GDP, respectively), followed by Ireland where respective figures are 2.3% and 0.21%. In these two countries, the exclusion of S1/E121 pensioners and students (whose healthcare expenses are covered by other Member States) decreases the overall annual healthcare expenditure associated with non-active EU migrants by about a quarter.
- In only two other Member States (Malta and the UK – both universal healthcare systems), the estimated share equals 1% (Malta) or exceeds 1% of total health spending (UK) (although in both countries, expenditure remains small relative to GDP at only 0.1%).
- In three other countries (Denmark, Italy, Spain) expenditures are estimated to fall in the range 0.5-0.8 % of total health spending and 0.05-0.08 % of GDP. Denmark and Italy have residence-based healthcare systems and Spain has also an insurance scheme with universal character. .
- In the remaining 10 countries the estimated expenditures are negligible, ranging between 0.2% and close to zero per cent of total health spending and up to 0.02 % of GDP.
- Although the above estimations have been produced following a similar logic to the

one applied in a number of exercises forecasting healthcare expenditures, these figures should still be treated as order of magnitude estimates given the overall limitations of data on non-active EU migrants (e.g., particularly related to their health consumption).

7 Case Study 1 ‘Access by non-active EU migrants to (Couverture Maladie Universelle) CMU in France’

Abbreviations

AME	State Medical Aid (<i>Aide Médicale d’Etat</i>)
ASPA	Solidarity Benefit for Elderly People (<i>Allocation de Solidarité aux Personnes Agées</i>)
CMU	Universal Health Cover (<i>Couverture Maladie Universelle</i>)
CMUc	Universal Health Cover (<i>Couverture Maladie Universelle Complémentaire</i>)
CPAM	Local Healthcare Insurance Fund (<i>Caisse Primaire d’Assurance Maladie</i>)
CNAMTS	National Health Insurance Fund for Employed Persons (<i>Caisse d’Assurance Maladie des Travailleurs Salariés</i>)
EEA	European Economic Area
PACS	Civil Pact of Solidarity (<i>Pacte Civil de Solidarité</i>)
RSA	Active Solidarity Income (<i>Revenu de Solidarité Active</i>)

7.1 Introduction

This case study focuses on the access to the universal type of healthcare provided in France known as *couverture maladie universelle* (hereafter CMU).

The case study starts with a brief description of the national applicable rules and the legislative changes which occurred in the last 10 years. It then provides information about the non-active EU migrants in France. It analyses their use of CMU and the budgetary impacts for France. It also explores the main reasons of EU nationals for migrating to France and the role the access to CMU plays in that decision.

7.2 Legal background

7.2.1 Legal references of the regulating acts, description of the benefit and target group

Law n° 99-641 of 27 July 1999 creating the Universal Health Cover in France (*Loi n° 99-641 du 27 juillet 1999 portant création d'une couverture maladie universelle - CMU*) came into force on 1 January 2000. CMU enables people who live in France and who are not already covered by a compulsory healthcare scheme (*régime obligatoire d'assurance maladie*) to have access to healthcare. CMU constitutes a safety net when a person is not linked (anymore) to a social security scheme. Thus, it is independent of a person's income. As will be explained below, EU students and jobseekers are not covered by CMU. Only pensioners not covered by healthcare by the Member State paying their pension and other inactive EU citizens are the target group of this study.

CMU provides healthcare to (EU) people not covered by any social security scheme.

Law n° 99-641 of 27 July 1999 creating the CMU in France added several Articles to the Social Security Code (*Code de la Sécurité Sociale*), including Articles L380-1 to L380-4.

[Article L380-1 of the Social Security Code](#) states that 'any person residing in France or in an overseas department stably and regularly can benefit from the general system [CMU] when he/she is not entitled to any other benefits in kind, such as sickness and maternity insurance schemes'.

As mentioned further in Article L380-1, a decree issued upon consultation with the Council of State (*décret en Conseil d'Etat*) should specify the residence condition. This Decree was adopted on 1 December 1999 (Decree n° 99-1005) and it is now codified under [Article R380-1 of the Social Security Code](#). Article 380 – 1 specifies that the persons referred to in Article L.380-1 must justify that they have been residing in France (*France métropolitaine*) or in a French overseas department (*départements français d'outre-mer*) for an uninterrupted period of **more than three months**. Persons of foreign nationality (*personnes de nationalité étrangère*) must also prove that they are in full compliance with the France's immigration requirements at the time of affiliation.

Article 380 – 1 also states that the three months residence requirement does not apply to the following categories of people including students:

- Persons enrolled in an educational institution, as well as those coming to France to complete an internship placement as part of agreements on cultural, scientific and technical cooperation;
- The recipients of the following services: certain types of family-benefits¹⁵⁴ and employment subsidies for child care¹⁵⁵, allowances for seniors¹⁵⁶, housing allowance¹⁵⁷

¹⁵⁴ Provided in [Article L. 511-1 of the Social Security Code](#) and [Chapter V of Title V of Book VII of the Social Security Code](#).

¹⁵⁵ Provided in Title IV of Book VIII.

and individual housing¹⁵⁸, benefits introduced in Book II of the Code of Social Action and Families with the exception of those referred to in Title V such as home-help to take care of children (*aide à domicile*)¹⁵⁹.

- Recognised refugees who have been admitted on the French territory under the status of asylum seekers or who have applied for refugee status.

The three-months requirement of Article 380-1 applies to persons wishing to access CMU for the first time. Once the person is granted access to CMU, the regional authority in charge of CMU (*Caisse Primaire d'Assurance Maladie – CPAM*) will check on a regular and on-going basis that the beneficiary still complies with the residence requirement according to the following rules¹⁶⁰.

[Article R115-6 of the Social Security Code](#) provides further details about the residence requirement mentioned in Article L380-1. These indications regard the checks that CPAM has to carry out after one year of entitlement of CMU¹⁶¹. It specifies that people who have their permanent home (*foyer*) or their main place of residence in France or in a French overseas department are considered residents in France and can access CMU. Furthermore, it states that **permanent home (*foyer*)** is understood as the place where people usually live, that is to say, the place of their habitual residence if their residence in France or in a French overseas department has a permanent character. The condition on **main place of residence (*condition de séjour principal*)** is satisfied when the beneficiaries are personally and effectively present in France or in a French overseas department. According to Article R. 115-6, people who stay in France for more than six months during the calendar year during which benefits are paid have their main place of residence there. Residence in France can be proved by any means. An order from the Minister of Social Security sets the list of data or documents relating to the residence condition.

[Circular DSS/2A/2B/3A n° 2008-245 of 22 July 2008 on control modalities for checking the residence for the benefit of certain social benefits](#)¹⁶² was adopted to clarify the residence condition mentioned in [Article R115-6 of the Social Security Code](#) in the context of the yearly examination of the CPAM. Section 5(1) of this Circular provides details on the proof of residence¹⁶³.

[Article L380-2 of the Social Security Code](#) states that persons insured under the CMU scheme are liable to pay a fee when their income exceeds a ceiling¹⁶⁴, revised annually to reflect changes in prices. For the period from

People whose annual income is above EUR 9,356 (calculated per household), have to pay a fee to access CMU.

¹⁵⁶ Provided in Title I of Book VIII.

¹⁵⁷ Provided in Article L. 831-1.

¹⁵⁸ Provided in Article L. 351-1 of the Code of Construction and Housing.

¹⁵⁹ [Code of Social Action and Families, Articles L222-1 to L222-7.](#)

¹⁶⁰ Section 1 of [Circular DSS/2A/2B/3A n° 2008-245](#) also mentions that an authority can entitle a person to benefits or keep on entitling a person to benefits only if the condition to reside in France within the meaning of Article R115-6 of the Code of Social Security remains fulfilled.

¹⁶¹ The introductory paragraph of [Circular DSS/2A/2B/3A n° 2008-245](#) states that 'this control operated at least once a year when the benefit is attributed, must lead the competent authority to check the effective and stable presence of the beneficiary'.

¹⁶² *Circulaire DSS/2A/2B/3A no 2008-245 du 22 juillet 2008 relative aux modalités de contrôle de la condition de résidence pour le bénéfice de certaines prestations sociales.*

¹⁶³ The competent authority is required to check the residence criterion with discernment (*discernement*), meaning that they must systematically take into account the individual situation of each person. For a permanent home (*foyer*) in France or in a French overseas department for French nationals, one should consider if the person works exclusively in France, pays income-taxes in France, the persons' children go to school in France on a regular basis, or the person is engaged in activities of an association of any kind. The notion of main place of residence is understood as actual presence over six months namely 180 days. [Circular DSS/2A/2B/3A n° 2008-245](#), Section 5(1).

¹⁶⁴ [Article D380-4 of the Social Security Code.](#)

1 October 2012 to 30 September 2013, the annual income limit is set at EUR 9,356 per household¹⁶⁵.

The persons affiliated to CMU will be reimbursed in case of sickness under the same conditions and same reimbursement rates as any other person insured under the compulsory healthcare scheme. CMU therefore reimburses between 60% and 100% of the costs for procedures and services and between 15% and 100% of medicine costs¹⁶⁶. As other people insured under any compulsory health scheme, those benefiting from CMU may have to pay cost in advance¹⁶⁷.

[Article L380-3 of the Social Security Code](#) excludes certain categories of persons from the coverage under the CMU scheme:

- Members of the diplomatic and consular personnel serving in France, officials of a foreign state or persons performing similar functions and members of their families accompanying them;
- People who came to France to seek a medical treatment or a cure;
- Retired employees of an international organisation, who do not also hold a French pension, and members of their family, in as much as they are covered in similar terms as the French general insurance sickness and maternity scheme by the specific regime of the organisation they belonged to when they were in tenure;
- Workers temporarily seconded to France to carry out an occupational activity and exempted from affiliation to the French social security system under an international social security agreement or a Community regulation, as well as those belonging to the categories mentioned in Articles L. 161-14 and L. 313-3;
- Nationals of European Community Member States and other States Parties to the Agreement on the European Economic Area, came to France to find employment and there remaining on such basis.

According to [Article L380-4 of the Social Security Code](#) wards of court (*pupilles de l'Etat*) are insured under the CMU scheme.

Further, several circulars (*circulaires*) have been released to provide additional guidance as to the eligibility criteria to benefit from CMU. [Circular N° DSS/DACI/2010/461 of 27 December 2010 on the entry into force of the new Regulation \(EC\) No 883/2004 and 987/2009 for the Coordination of Social Security Systems](#)¹⁶⁸ states that only residence periods where the person was in compliance with the law can be taken into account. In other words only the residence periods where the person had healthcare insurance and sufficient resources can be taken into account (see next Circular).

[Circular DSS/DACI n° 2011-225 of 9 June 2011 concerning comprehensive sickness insurance cover conditions that inactive EU citizens, students and jobseekers must prove after three months of residence in France](#)¹⁶⁹ specifies the conditions upon which inactive EU citizens, students and jobseekers can be insured under the CMU scheme after three

¹⁶⁵ [Order of 1 October 2012 setting the income limit applicable to social security contributions due for universal health coverage \(CMU\) under Section D. 380-4 of the Code of Social Security.](#)

¹⁶⁶ Note that all beneficiaries of CMU and all insured in general have to pay a flat rate of one euro on each medical service. This is true also for people who are reimbursed at 100% so it does not depend on the income level of the beneficiary. For more information, see: <http://vosdroits.service-public.fr/particuliers/F165.xhtml>

¹⁶⁷ Official website of the National Health Insurance Fund for Employees (*Caisse nationale d'assurance maladie des travailleurs salariés*). Available at: <http://www.ameli.fr/assures/soins-et-remboursements/cmu-et-complementaires-sante/cmu-de-base-une-assurance-maladie-pour-tous/cotisation-et-prise-en-charge-de-vos-soins.php>.

¹⁶⁸ *Circulaire n°DSS/DACI/2010/461 du 27 décembre 2010 relative à l'entrée en application des nouveaux règlements (CE) n°883/2004 et 987/2009 de coordination des systèmes de sécurité sociale.*

¹⁶⁹ *Circulaire DSS/DACI n° 2011-225 du 9 juin 2011 relative à la condition d'assurance maladie complète dont doivent justifier les ressortissants européens inactifs, les étudiants et les personnes à la recherche d'un emploi, au-delà de trois mois de résidence en France.*

months of residence in France. This circular replaced an earlier one from 2007¹⁷⁰. The new Circular widened the scope of application of CMU to more situations concerning non-active EU migrants (see section 7.2.2 for a more detailed analysis).

Concerning **students** coming from another EU Member State, Annex 1 of [Circular DSS/DACI N° 2011-225](#) mentions that they are considered as non-active. It also mentions that they are deemed to stay temporarily in the Member State where they study (France in our case). As a result, they are deemed to be affiliated to their parents' healthcare insurance. If not, they must contract a private health insurance. Furthermore, when students are less than 28 years old, they can benefit from the French social security for students¹⁷¹ which should take precedence over CMU. Concerning **jobseekers** from another EU Member State, Annex 1 of [Circular DSS/DACI N° 2011-225](#) mentions that they cannot benefit from CMU and must have their own healthcare insurance for as long as they stay in France¹⁷².

EU students and EU jobseekers are not covered by CMU.

For the other categories of non-active EU citizens, the following conditions apply according to Circular DSS/DACI N° 2011-225.

Section I of the circular highlights that according to Article 7 of [Directive 2004/38](#) and [Article R121-4 of the Code of Entry and Residence of Foreigners and Asylum Right](#), EU citizens staying more than three months in France must have sufficient resources and full healthcare insurance.

Furthermore, non-active EU migrants can be entitled to CMU if they were already entitled to it before 23 November 2007. Circular DSS/DACI N° 2011-225 has maintained the related rules¹⁷³ included in the repealed [Circular n° DSS/DACI/2007/418 of 23 November 2007 concerning the coverage of the universal health insurance \(CMU\) and the complementary universal health insurance \(CMUc\) for European Union, European Economic Area and Switzerland nationals residing or wishing to reside in France as non-active persons, students or job seekers](#). Some non-active EU migrants entitled to CMU according to [Circular DSS/2A/DAS/DPM 2000-239 of 3 May 2000](#)¹⁷⁴ could keep their entitlement after 23

EU citizens who were entitled to CMU prior to 2007 can still access the CMU scheme even if they do not fulfil all the residence requirements introduced since then.

¹⁷⁰ This Circular replaced an earlier one: [Circular n° DSS/DACI/2007/418 of 23 November 2007 concerning the coverage of the universal health insurance \(CMU\) and the complementary universal health insurance \(CMUc\) for European Union, European Economic Area and Switzerland nationals residing or wishing to reside in France as non-active persons, students or job seekers](#) (Circulaire n°DSS/DACI/2007/418 du 23 novembre 2007 relative au bénéfice de la couverture maladie universelle de base (CMU) et de la couverture maladie universelle complémentaire (CMUc) des ressortissants de l'Union Européenne, de l'Espace économique européen et de la Suisse résidant ou souhaitant résider en France en tant qu'inactifs, étudiants ou demandeurs d'emploi).

¹⁷¹ Official Website of French Administration, Social Security for Students, Available at: <http://vosdroits.service-public.fr/F675.xhtml>. For more information, also see: <http://www.ameli.fr/assures/droits-et-demarches/par-situation-professionnelle/vous-faites-des-etudes/vous-etes-etudiant/votre-protection-sociale.php>.

¹⁷² When jobseekers from another EU Member State receive an employment benefit from their own Member State, they have the right to get healthcare expenses paid by their Member State. This can last for a period of maximum three months or for a maximum period of six months according to the Member State.

¹⁷³ [Circular DSS/DACI N° 2011-225](#), Section I.1.

¹⁷⁴ [Circular DSS/2A/DAS/DPM 2000-239 of 3 May 2000 on the residence condition in France for the entitlement of universal health insurance \(insurance and complementary protection\)](#) ((Circulaire DSS/2A/DAS/DPM 2000-239 du 3 mai 2000 relative à la condition de résidence en France prévue pour le bénéfice de la couverture maladie universelle (assurance maladie et protection complémentaire)). Section II stated that 'persons of foreign nationality (nationalité étrangère) must prove that they comply with legislation on residence of foreigners in France at the time of their affiliation to a social security scheme. However, this residence condition does not apply to EU citizens, citizens of the European economic area (EEA) and their dependent relatives regardless

November 2007 although they did not fulfil the new criteria to access CMU introduced then by the 2007 Circular¹⁷⁵. Nonetheless, the CPAM will examine if these persons could be affiliated to another compulsory healthcare insurance scheme (such as the old-age pension in their Member State or in France if they worked in France). If they cannot, they will still be entitled to CMU provided that their situation does not change (for instance if they become entitled to an old-age pension).

Finally, the last situation where non-active EU migrants do not have to justify that they fulfil the conditions required in Circular DSS/DACI N° 2011-225 is when they have been living in France for more than five years. Indeed, after five years of residence in France, they automatically benefit from a permanent right to stay and thus can benefit from CMU without complying with the sufficient resources and full healthcare insurance conditions¹⁷⁶.

However, if non-active EU migrants do not fall in the previous categories and thus do not have a right to reside in France because they do not fulfil the condition of full healthcare insurance, the CPAM has to examine their personal situation on a case-by-case basis. Thus, when a non-active EU migrant applies to CMU for the first time, the CPAM needs to check that non-active EU migrants comply with the three-month residence requirement and the requirement of having sufficient resources. Once, it has been established that the non-active EU migrant met the three-month residence requirement and had sufficient resources, the CPAM will examine the personal situation of the non-active EU migrant. If the non-active EU migrant could benefit from the compulsory healthcare scheme in France on behalf of another EU scheme, she/he could not access CMU. If the CPAM finds out that a previous healthcare insurance was lost involuntarily, the non-active EU migrant may be entitled to benefit from CMU, otherwise not¹⁷⁷. Section II.2. of [Circular DSS/DACI N° 2011-225](#) provides a list of situations where non-active EU migrants are deemed to have lost their previous healthcare insurance involuntarily. For instance, when they experienced an unpredictable decrease of their income which makes impossible to pay for private healthcare insurance or when the loss of healthcare insurance is linked to the loss of their husband/wife's job.

EU citizens can access CMU after three months of residence in France. However, to stay in France for more than three months, EU citizens need to have health insurance and sufficient resources. If they do not have a health insurance, they can access CMU only if the previous health care coverage was lost involuntarily.

Section III of [Circular DSS/DACI N° 2011-225](#) specifically refers to the yearly examination of the rights to CMU by the CPAMs. This examination applies to all beneficiaries of CMU (and benefits in general). It details the residence and sufficient resources conditions that the CPAMs apply to check that non-active EU migrants are still considered as residing on the French territory and have sufficient resources. If not, the CPAM will stop the affiliation of the non-active EU migrant to CMU.

During this yearly check, the CPAM will check that the requirements are in line with [Circular DSS/2A/2B/3A n° 2008-245](#) mentioned above (the non-active EU migrant resides stably and has his/her permanent home in France). When the non-active EU migrant has been away from France for more than two consecutive years or when the person has been subject to an expulsion measure (from the French territory)¹⁷⁸, he/she will have to prove that he/she complies with the residence requirements and the legal right to stay to benefit from CMU.

their nationality for their affiliation to a social security system, including affiliation to the general regime upon residence requirement (including CMU)'.

¹⁷⁵ [Circular n° DSS/DACI/2007/418](#), Section 2.2 mentions that this entitlement to CMU cannot now be challenged now, as it would result in challenging their right of residence which has been recognised *de facto*

¹⁷⁶ [Circular DSS/DACI N° 2011-225](#), Section I.1.

¹⁷⁷ [Circular DSS/DACI N° 2011-225](#), Section II.2.

Concerning the requirement of having sufficient resources, the Circular refers to Article R.121-4 according to which non-active EU migrants need to have income equivalent to the Active Solidarity Income (*Revenu de Solidarité Active - RSA*) or Solidarity Benefit for Elderly People (*Allocation de Solidarité aux Personnes Agées - ASPA*). The examination of the resources of the non-active EU migrant will also determine if he/she needs to pay the 8% contribution fee to benefit from CMU.

In addition, [Article R115-7 of the Social Security Code](#) requires any person to declare to the competent authority ensuring the entitlement to benefits, any change in his/her familial situation or any change on his/her place of residence especially in the case of transfer of residence outside of the metropolitan France or any French overseas department and which would question the right to benefits. This article applies to all CMU beneficiaries including non-active EU migrants¹⁷⁹.

7.2.2 Recent legal changes in the regulation of this type of healthcare insurance (2002-2012)

[Circular DSS/2A/DAS/DPM 2000-239 of 3 May 2000](#) was the first Circular regulating the residence condition to access CMU in France and mentioning the situation of EU migrants in general. This Circular made it clear that the residence condition was not applicable to EU citizens and citizens from the EEA regardless their activity status. At that time, EU migrants and non-active EU migrants were on an equal footing with French citizens both legally and practically, as CMU refusals to non-active EU migrants were rare or almost non-existent¹⁸⁰.

[Circular n° DSS/DACI/2007/418 of 23 November 2007](#) toughened the conditions of access to CMU for non-active EU migrants. First, non-active EU migrants had to comply with the three-month residence condition and the sufficient resources requirement when applying for CMU for the first time. Secondly, the Circular stated that inaccessibility to CMU for non-active EU migrants was the principle¹⁸¹. The only exception enabling non-active EU migrants to be entitled to CMU was the 'theory of life accident' (*théorie de l'accident de la vie*)¹⁸². The Circular considered that the situation of a non-active EU migrants fell into the scope of the theory of life accident only if he/she used to have sufficient resources to ensure his/her material autonomy and if he/she used to have healthcare insurance covering all risks in the past. Only an involuntary life accident such as job loss, separation or death of a spouse, end of marital life, denial of insurance in case of serious and unpredictable disease when moving to France, etc., could lead non-active EU migrants to benefit from CMU¹⁸³.

In the same year, other changes restricted access to compulsory healthcare scheme (*régime obligatoire d'assurance maladie*) and other benefits with the results that more people were left without social security coverage and were subsequently covered by CMU¹⁸⁴. Article 9 of [Decree n°2007-199 of 14 February 2007 on the health card and amending the Social Security Code](#)¹⁸⁵ has modified [Article R.313-2](#) of the Social Security Code. This modification resulted in a decrease of the duration of entitlement to healthcare insurance from two years to one year. [Decree n°2007-354 of 14 March 2007 laying down detailed rules for the application of the residence requirement for certain benefits and amending the Social Security](#)¹⁸⁶ has increased the duration of the maintenance of the

¹⁷⁹ Conclusion based on stakeholder consultation (Research institute).

¹⁸⁰ Conclusion based on stakeholder consultation (Ministry).

¹⁸¹ [Circular n° DSS/DACI/2007/418](#), Section 2.1.

¹⁸² [Circular n° DSS/DACI/2007/418](#), Section 2.2.1.

¹⁸³ [Circular n° DSS/DACI/2007/418](#), Section 2.2.1.

¹⁸⁴ Evaluation de la loi CMU, Rapport n°V, November 2011, p.74. Available here : http://www.cmu.fr/fichier-utilisateur/fichiers/RAPPORT_EVALUATION%20_2011.pdf. Conclusion also based on stakeholder consultation (Ministry).

¹⁸⁵ *Décret n° 2007-199 du 14 février 2007 relatif à la carte d'assurance maladie et modifiant le code de la sécurité sociale.*

¹⁸⁶ *Décret n° 2007-354 du 14 mars 2007 relatif aux modalités d'application de la condition de résidence pour le bénéfice de certaines prestations et modifiant le code de la sécurité sociale.*

entitlement to healthcare insurance concerning benefits in kind from four years to one year¹⁸⁷.

Following implementation of Directive 2004/38/EC (which required non-active EU migrants to have sufficient resources and comprehensive sickness insurance cover to have the right of residence for more than three months in France), the National Health Insurance Fund for Employed Persons (*Caisse d'assurance maladie des travailleurs salariés - CNAMTS*) reconsidered the situation of non-active EU migrants who were already in France and who were already entitled to CMU¹⁸⁸. Concerns were raised by British citizens who came to France for their early retirement and who were entitled to CMU. The Ambassador of the United Kingdom pointed out this situation to the French government. On 23 January 2008, the French Ministry of Health, Youth and Sports (*Ministère de la Santé, de la Jeunesse et des Sports*) replied to the Ambassador of the United Kingdom and clarified the situation of non-active EU migrants who came to France¹⁸⁹. As a result, (as explained above) an exception was enshrined in Circular n° DSS/DACI/2007/418 enabling non-active EU migrants who already benefit from CMU and who came to France before 2007 continue benefiting from CMU¹⁹⁰.

[Circular DSS/DACI n° 2011-225 of 9 June 2011](#) replaced [Circular n°SS/DACI/2007/418 of 23 November 2007](#) extending the scope of application of CMU for non-active EU citizens. The Circular provided a list of examples where non-active EU citizens could access CMU if other conditions are fulfilled (such as residences ones discussed above): for instance, if a non-active EU migrant's income has been dramatically decreased which makes it impossible to pay for a private healthcare.

Moreover, [Article L380-2 of the Social Security Code](#) has been modified several times with the aim to combat fraud. For example, the Article was modified in 2005¹⁹¹ to allow suspension of the payment of benefits in case of fraud or false declaration.

Finally, it should be pointed out that, the Commission is currently in discussion with France about the compatibility of the conditions for entitlement to CMU with the EU social security instruments.

7.3 Access of non-active EU migrants to CMU

Between 2008 and 2012, the total number of migrants (both EU and third country nationals) in France has increased by 5% to around 3.8 million migrants in 2012. Equally, the number of EU nationals has grown by 5% in this period. Therefore, the share of EU nationals from all migrants has constantly remained around 35%. In 2012, there were around 1.4 million EU-26 nationals residing in France (Eurostat's Migration Statistics, 2013)¹⁹².

Furthermore, the share of EU migrants from the total population in France (French nationals, EU nationals and third-country nationals) stayed more or less constant (between 2.2% and 2.4%) between 2008 and 2012¹⁹³.

In 2012, non-active EU migrants accounted for an estimated 1.2% of the total population in France.

¹⁸⁷ *Ibid.*

¹⁸⁸ Letter from Mrs. Roselyne Bachelot-Narquin, French Ministry of Health, Youth and Sports (*Ministère de la Santé, de la Jeunesse et des Sports*) to Mr. Peter Westmacott, Ambassador of the United Kingdom in France, 23 January 2008, Available at: http://www.ambafrance-uk.org/IMG/pdf_Lettre_Bachelot_couverture_inactifs_Brits.pdf. Conclusion also based on stakeholder consultation (NGO).

¹⁸⁹ *Ibid.*

¹⁹⁰ *Ibid.*

¹⁹¹ [Law n° 2005-1579 of 19 December 2005 financing social security for 2006](#) (*Loi n° 2005-1579 du 19 décembre 2005 de financement de la sécurité sociale pour 2006*).

¹⁹² Note that the number of migrants includes those aged under 15.

In terms of overall non-activity rates, in 2012, around half (50%) of the population of EU migrants of 15 years and above were non-active. This was a similar share than among the national population, where also 48% were non-active¹⁹⁴.

Therefore, non-active EU migrants make a very small share of the total population in France (1.2% in 2012). The variation of this share since 2002 has not exceeded 0.2 percentage points¹⁹⁵. Furthermore, from the non-active EU migrants, only one third (31%) were not relatives of an economically active EU citizen in 2012 (Figure 3.5 above).

Figures from national employment surveys allow comparing the activity rates¹⁹⁶ among nationals, EEA migrants and migrants from third countries between 2004 and 2010: the activity rate of EEA immigrants has almost been the same as the one of non-immigrants up to 2009 – around 70%¹⁹⁷. It then even rose above the one of non-immigrants in 2010 to 74%.

Furthermore, the activity rate of immigrants from third countries has always been lower than the other two, even if in 2008 it almost reached the height of the EEA activity rate (the year in which the EEA activity rate decreased slightly).

Spanish and Italian migrants aged between 25 and 64 years show an activity rate lower than the average of EU-born migrants (residing in France), 66% and 61% respectively compared to 74% of EU-born migrants. On the contrary, the activity rate of Portuguese migrants (80%) was higher than the EU average¹⁹⁸.

Elderly and 'other' non-active EU migrants constitute the target group of this case-study, as students and jobseekers are not eligible to CMU.

Elderly and 'other' non-active EU migrants are the target group of this case-study, as students and jobseekers are not eligible to access CMU.

Looking at the age structure, France has the largest share of non-active EU migrants over 60 years among all EU-27 countries¹⁹⁹. In 2011, almost 60% of non-active EU migrants were over 60 years old. The share of the 15 to 59-year-olds was around 40% (Annex 8, fig. A 8.5). This corresponds to the breakdown of data of non-active intra-EU migrants by categories (Figure 7.1) that shows that in 2011, 56% of the non-active intra-EU migrants were retired. Considering that almost half of the EU migrants in France were non-active in 2011 (EU-LFS 2011), this means that around one quarter of EU migrants were retired. Between 2005 and 2011, the share of retired people from all EU migrants has varied around 25% with a minimum of 21% in 2005 and a maximum of 28% in 2009. However, in 2012 the share of retired from all EU migrants dropped to 15.5%, while the share of non-actives from the EU migrant population has stayed almost the same (50%)²⁰⁰.

¹⁹³ Source: LFS micro data, ICF GHK own calculations

¹⁹⁴ *Ibid.*

¹⁹⁵ *Ibid.*

¹⁹⁶ Note that the above mentioned activity rate (based on the ILO definition) includes unemployed and refers only to people aged 25-64 years. Therefore, it is higher than the share of "active" migrants in fig. 2 which was calculated according to the concept used in this study which regards unemployed as "non-active" and refers to the population of EU migrants aged 15 and above. It can be assumed that among the 15-25-year olds there are less active people than in the population of 25-64-year-olds which furthermore explains the numerical differences.

¹⁹⁷ Jolly et al. (2012), p. 43, *Primary data source: INSEE, Enquêtes Emploi 2004-2010*

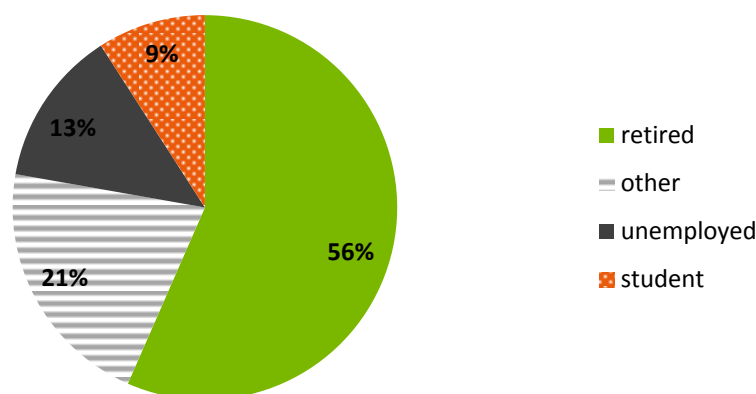
¹⁹⁸ Source: Insee, enquêtes emploi 2010. Note that this data refers to immigrants by their country of birth and therefore may also include naturalized immigrants.

¹⁹⁹ Source: EU-LFS micro data, ICF GHK own calculations.

²⁰⁰ Figures based on EU-LFS ICF GHK own calculations, MAINSTAT variable.

Figure 7.1 Intra-EU migrants aged 15 and above by category 2011

non-active EU migrants by category, 2011



Source: EU-LFS, ICF GHK own calculations

According to numbers from the 2009 national population census²⁰¹, it is possible to analyse the shares of elderly people among migrants by nationality. These shares have been calculated for the most important migrant groups, namely migrants from Portugal, Italy, the UK, Spain, Germany, Belgium, Poland, Romania, the Netherlands and Bulgaria. Specifically, Italian migrants had the largest share of people aged 60 years and above (50%), closely followed by the Spanish (46%) and UK (30%) migrants. Bulgarians and Romanians have the lowest shares of elderly immigrants (4% and 3%, respectively) (Annex 8, fig. A 8.6). In total, there were 368,034 EU migrants aged 60 and above resident in France in 2009, which made around one third (28%) of the total EU migrant population of 1,323,279.

In 2011, over 50% of the non-active EU-migrants in France were retired.

Trend analysis shows that the share of retired people from the total population of non-active EU migrants above 15 has increased from 15% in 2003 to 56% in 2011, but then dropped again to around 31% in 2012²⁰² (Annex 8, fig. A 8.7).

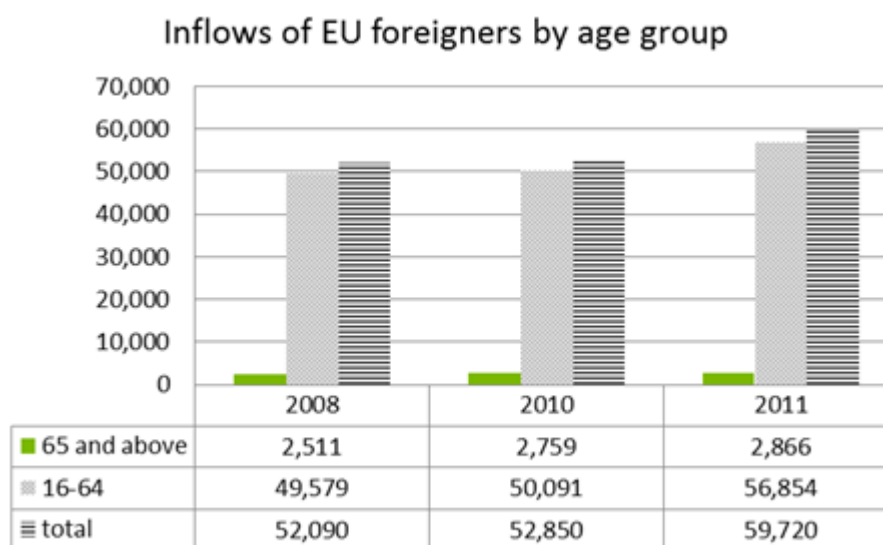
Looking at inflow data of EU-migrants per age group, it seems that this trend is not directly linked to the number of incoming elderly migrants. For example, in 2008 and 2010 the number of retired people decreased, while the net flows were positive. In 2009, the number of retired EU migrants increased by 33,632 people while the inflows are unlikely to have exceeded 3,000 people (considering the trend 2008-2011 of inflow data)²⁰³. The figure below shows inflow data per age group in 2008, 2010 and 2011 and for EU-27 (except France). On average, 5% of EU foreigners who came to France in these years were older than 64 years.

²⁰¹ Insee, Census 2010, principal exploitation. Available at: http://www.insee.fr/fr/themes/tableau.asp?reg_id=0&ref_id=etrangersnat

²⁰² Source: EU-LFS micro data, ICF-GHK own calculations based on variable MAINSTAT. Numbers from 2003 to 2005 are highly unreliable due a high non-response rate.

²⁰³ Total numbers of retired migrants are to be interpreted with caution, due to high non-response rates. However, the years 2009 and 2010 show low non-response rates. Furthermore, these numbers only serve to illustrate the difference in scale between variation of stock data and inflow numbers.

Figure 7.2 Immigration inflows of EU-27 nationals except French by age group, 2008, 2010 and 2011*



Source: Eurostat, data set "immigration by sex, age group and citizenship" (migr_imm1ctz), 2002-2011, downloaded on: 09 July 2013

*data for France only available for 2008, 2010 and 2011

A comparison of the EU Member States concerning the length of residence in the host country shows that France had the largest share of non-active EU migrants who have lived in the country for over 10 years (71% in 2012, Figure 3.5)²⁰⁴. Furthermore, compared to other EU countries, a relatively low share (33%) of non-active EU migrants has had no previous working experience in the country in 2011 (Figure 3.7)²⁰⁵.

This data supports the assumption that a large share of non-active migrants aged 60 and above living in France are migrants who have been residing - and possibly working - in France before and now retired there. Therefore, the share of retired EU-migrants coming to France without having previously worked in the country is likely to be relatively small compared to those EU immigrant pensioners who have worked in France before.

A large share of non-active migrants residing in France are migrants who worked in France before and are now retired in this country.

As regards non-active migrants who cannot be defined as unemployed, retired, students or people with disabilities, according to the EU-LFS, their share among all non-actives has increased from 22% in 2003 to 32% in 2012. Depending on their individual situation, they could possibly be eligible to CMU as well.

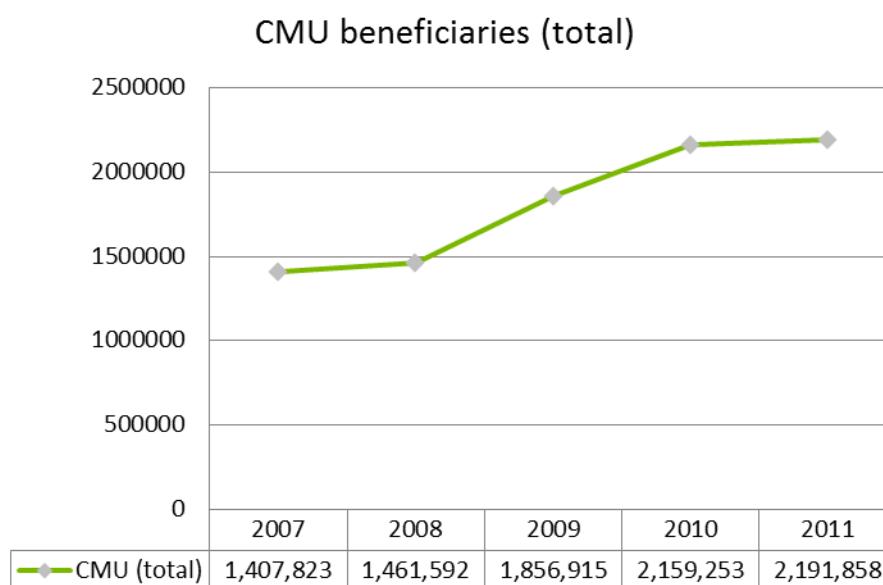
7.3.1 Overall trends in CMU beneficiaries 2002-2012

French authorities were not able to provide specific data on CMU (e.g. the age of beneficiaries, their activities or their nationality). Therefore, this section provides an overall picture of all beneficiaries (EU nationals, third-country nationals and French nationals) between 2007 and 2011 on the base of information publicly available.

²⁰⁴ Source: EU-LFS micro data, ICF-GHK own calculations

²⁰⁵ Source: EU-LFS micro data, ICF GHK own calculations

Figure 7.3 Total numbers of CMU beneficiaries (EU nationals, third-country nationals and French nationals), 2007-2011



Source: Ministry of Health

The number of CMU beneficiaries has constantly been rising from 1,407,823 in 2007 to 2,191,858 in 2011. It also shows two breaks in the trend. The greatest change occurred between 2008 and 2010 where the proportion of CMU beneficiaries increased by 48%. This is mainly due to the change in legislation which modified the entitlement to the compulsory healthcare scheme (*régime obligatoire d'assurance maladie*) (section 7.2.2)²⁰⁶. As a result, many beneficiaries previously covered by this scheme entered the CMU²⁰⁷.

The number of CMU beneficiaries (of all nationalities) has risen between 2007 to 2011. This is due to, amongst others, changes in legislation which have left people without social security coverage and hence, likely to access CMU as a safety net.

Data on share of EU-migrants for the Old Age Solidarity Benefit (*Allocation de Solidarité aux Personnes Agées*, ASPA) is available only from 2009 to 2011. ASPA is a benefit aimed at elderly people with no or low income, both French citizens and EU migrants, over the age of 65, can benefit from ASPA if they reside in France²⁰⁸. The same residence requirements apply as for CMU: beneficiaries need to have been living stably and regularly on the French territory for at least three months.

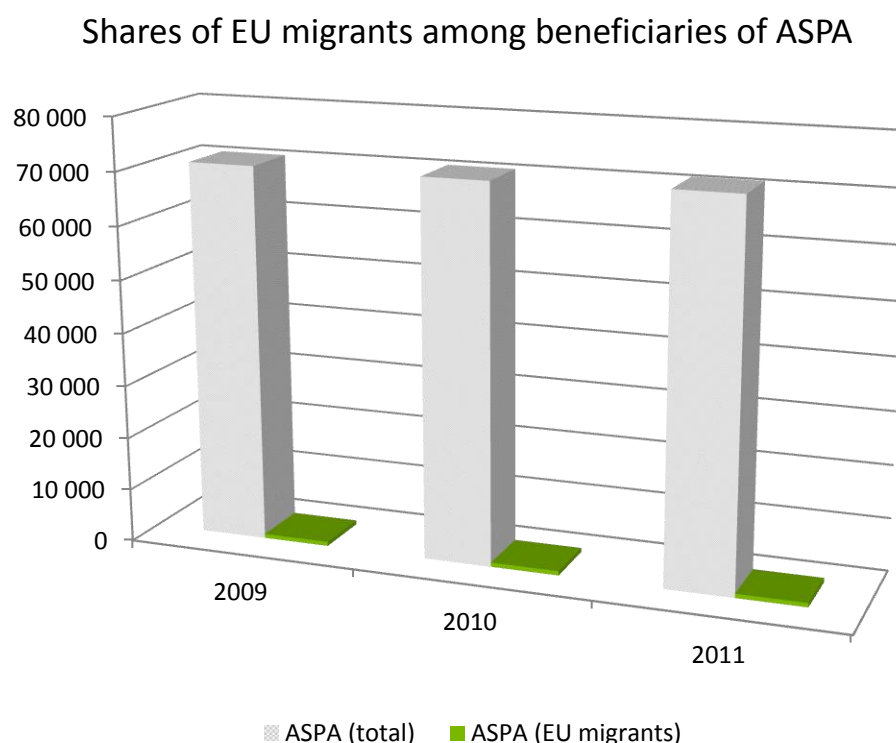
The share of EU migrants amongst the ASPA could provide a plausible proxy for EU migrants benefiting from CMU. A reasonable assumption is that a certain share of EU migrants benefiting from ASPA is not affiliated to any social security scheme covering their healthcare as they have no or low income (and therefore possibly no pension paid by another Member State also responsible for their health coverage) and would fall into the scope of CMU. However, further data are required to validate this assumption.

²⁰⁶ Evaluation de la loi CMU, Rapport n°V, Novembre 2011, p.74. Available here: http://www.cmu.fr/fichier-utilisateur/fichiers/RAPPORT_EVALUATION%20_2011.pdf.

²⁰⁷ Conclusion based on stakeholder consultation (Ministry).

²⁰⁸ [Article L815-1 of the Social Security Code.](#)

Figure 7.4 ASPA beneficiaries, total (nationals and migrants) and EU migrants only, 2009-2010



Source: Ministry of Health

In 2009, ASPA beneficiaries were just above 70,000, with a slight increase of 0.9% in the following two years. Of these, 784 in 2009 and 804 in 2010 were EU migrants. In 2011, EU migrants accounted for 1.1% (811) of ASPA beneficiaries. Compared to the general trend of all beneficiaries, EU migrants experienced a greater increase than average (+3.4% between 2009 and 2011). Concerning all different types of old-age benefits, among non-active EU migrants, a slightly smaller share received an old age benefit than among nationals (0.1% compared to 0.3%, respectively, (Table 5.2).

In 2011, EU elderly migrants account for 1.1% of ASPA beneficiaries. It is likely that some of these beneficiaries are not affiliated to any other social security system and are therefore covered by CMU.

It is likely that some of the EU migrants who are ASPA beneficiaries are not affiliated to any other social security system and are therefore covered by CMU. However, this number would be less than 811. Other pensioners who would be covered by CMU but not by ASPA are likely to have an income exceeding the threshold over which they are obliged to contribute to CMU. The amount of EU pensioners who possibly receive CMU without paying any contribution is therefore quite small (below 811). Furthermore, the increase in EU migrants among ASPA beneficiaries does not necessarily mean that the share of ASPA EU beneficiaries who also receive CMU has increased, too. While the number of CMU beneficiaries has risen by 16.3% between 2009 and 2010, the number of ASPA beneficiaries has almost remained stable²⁰⁹. This phenomenon is most likely related to the

²⁰⁹ Official website of French Administration: Conditions of attribution of ASPA. Available here: <http://vosdroits.service-public.fr/F16871.xhtml#Ref>.

impact of the economic crisis. Between 2009 and 2010, increasing numbers of workers entered unemployment; consequently, they lost their healthcare coverage and accessed the CMU scheme. Instead, elderly people were less affected by the labour market conditions with no impact on ASPA beneficiaries.

Finally, some stakeholders²¹⁰ suggest that the number of non-active EU migrants accessing CMU is relatively low. Indeed, this can be explained by the fact that CMU only acts as a safety net for non-active people who do not have rights to access any other compulsory social security scheme. This could only be a certain amount of retired, disabled or any other kind of non-active migrants. As a result, the scope of application of CMU to non-active EU migrants is quite limited.

7.3.2 How easy is it for non-active EU migrants to access CMU (e.g., administrative burden, rate of refusal when requesting access)?

According to some stakeholders²¹¹ and available literature²¹², it appears that accessing CMU could be harder for non-active EU migrants. Indeed, the Circulars from 2007 and 2011 toughened the conditions a non-active EU migrant had to fulfil to be entitled to CMU²¹³.

Stakeholders and numerous studies agree on the fact that accessing CMU is harder for non-active EU migrants.

An NGO consulted for this case-study²¹⁴ noted that some CPAMs ask non-active EU migrants to provide a certificate of social security registration (certification de l'immatriculation)²¹⁵. However, the social security registration requires a social security permanent number, and non-active EU migrants have to start lengthy procedures to obtain it. The NGO also reported immediate refusals pronounced against non-active EU migrants who met the three-month residence requirements and had sufficient resources²¹⁶. According to the interviewee, non-active EU migrants were also subject to longer waiting time from the CPAM²¹⁷.

As CMU refusals are very common, even when non-active EU migrants fulfil all the conditions to access CMU, the NGO suggests them to apply for the State's Medical Aid (*Aide Médicale d'Etat - AME*) rather than CMU. The AME is a healthcare scheme enabling irregular migrants in France to access healthcare and medical treatment²¹⁸. In principle,

²¹⁰ Conclusion based on stakeholder consultation (NGO and researcher in economic and social studies).

²¹¹ Conclusion based on stakeholder consultation (NGO and researcher in economic and social studies).

²¹² Antoine Math, Droit à la santé des ressortissants communautaires vivant en France: les difficultés d'accès à la protection maladie et aux soins, Hommes et migrations 1282 (2009). Available at: <http://hommesmigrations.revues.org/461>.

Groupe de d'Information et de Soutien aux Immigrés (GISTI), Le droit à la protection sociale des ressortissants communautaires, Les notes pratiques, Octobre 2008. Available at: http://www.gisti.org/publication_pres.php?id_article=1271.

²¹³ As seen in elsewhere in this case study, non-active EU migrants need to have lost their healthcare insurance involuntarily to be able to benefit from CMU. This feature can be difficult to prove.

²¹⁴ Cases on Spanish, Bulgarian, German and Romanian non-active migrants were mentioned during the interview.

²¹⁵ Official website of French administration, Registration. Available at: <http://vosdroits.service-public.fr/F16467.xhtml>.

²¹⁶ Conclusion based on stakeholder consultation (NGO).

²¹⁷ The NGO provided another anecdotal example of practical difficulties: in June 2011, the CPAM refused the sworn translation (*traduction assermentée*) of the birth certificate of a non-active Bulgarian migrant. The sworn translation was provided by a Bulgarian firm but the CPAM refused it as it was not been made by a French firm whereas no rule in French law requires sworn translations to be conducted by French enterprises. After an appeal brought by a NGO, the CPAM accepted the Bulgarian translation.

²¹⁸ [Article L251-1 of the Code of social action and families.](#)

non-active EU migrants fulfilling the conditions to access CMU should not benefit from AME but in practice this seems to happen²¹⁹.

7.3.3 Any emerging trends in the use of healthcare services under CMU amongst different groups of non-active EU migrants with different healthcare needs (e.g., pensioners, persons with disabilities, jobseekers, others)?

No particular trends have been identified amongst non-active EU migrants in the use of health care services under CMU.

7.4 Drivers of non-active EU migration in France and the role of CMU

7.4.1 Drivers of non-active EU migration in France 2002-2012

The LFS ad-hoc module 2008 includes a specific question on reasons for migrating to another country. Table 7.1 shows the three most cited reasons for migrating to France and differences between elderly migrants (55-74 years old) and working age migrants (25-54 years old).

Table 7.1 Main reason for migration among EU migrants* in France, shares of all EU migrants by age group,

FRANCE	family reasons	work, no job found before migrating	work, job found before migrating
55-74 years	38%	31%	10% (low reliability)
25-54 years	43%	22%	16% (low reliability)

SOURCE: LFS ad-hoc module 2008, data downloaded from EUROSTAT on 10 July 2013

*this data refers to immigrants whose country of birth was one of the EU-27 countries (except France). Thus, it also includes immigrants who have been naturalised since their immigration to France.

Family was the main reason for migrating to France in both groups. However, elderly migrants were more likely to state they moved to the country for work-related reasons, 41% compared to 38% of younger migrants. Contrary, a slightly greater proportion of people aged 24-54 (43%) compared to elderly migrants (38%) moved to France for family reasons.

A possible explanation for this is that part of the group aged between 55-74 migrated to France in the past for working reasons, while a large part of younger migrants is likely to be the 'second generation of immigrants' who moved to the country with the family.

A larger proportion of young migrants stated they had found a job before moving to France (16% compared to 10%). According to a report by Boeri (2010), France belongs to the countries where a 'non-contributory benefit dependency' among migrants could be found²²⁰.

7.4.2 The role played by CMU in migration decision process

- Accessibility of CMU: How much CMU accessibility (compared to the healthcare coverage in the country of origin) matters in their migration decisions?

²¹⁹ Conclusion based on stakeholder consultation (NGO).

²²⁰ Boeri, T. (2010) Immigration to the Land of Redistribution. *Economica*, vol. 77, 651-687

According to stakeholders, it seems that in most cases, accessibility of CMU does not matter in their migration decision. However, stakeholders agree that non-active EU migrants who receive medical treatment under CMU are happy to be treated and that good quality of treatment in France can play a role to decide to stay in France²²¹. In the past, some stakeholders believed that the healthcare system in France (including CMU) might be a driver to some extent for British non-active migrants²²².

CMU does not matter in migration decision but can play a role in the decision to stay in France.

7.5 Budgetary impacts

■ Expenditure associated with the access of non-active EU migrants to CMU 2002-2012

According to a report of the Directorate of research, studies, evaluation and statistics (*Direction de la recherche, des études, de l'évaluation et des statistiques - DRESS*) of the Ministry Health and Social Affairs, in 2006, the health expenditure provided under the CMU fund amounted to approximately 2 billion Euros²²³. During the period 2006-2011, the expenditure increased by less than 25% (Annex 8, Figure A8.3). This information needs to be considered carefully as it may include expenditures linked to complementary CMU (CMUc).

There is no data on the share of CMU expenditure associated with non-active EU migrants. Nevertheless, some estimates could be deduced using the number of ASPA beneficiaries (it is possible that some of them are not affiliated to any social security system and access CMU) and average healthcare costs (broken down by age and gender) (see section 6 for further details). Results of the approach outlined in section 6 show that expenditure granted to non-active EU migrants under the CMU scheme is relatively small, in the region of 4 million per year which is equivalent of 0.2% of the CMU expenditure expressed in 2013 prices.²²⁴ This should be treated as an order of magnitude estimate given that the approach is based on an assumption that there is no difference in the demand for healthcare services between the non-active EU migrant population and the national population of the host country in same age and gender bracket. However, there is some evidence to suggest that the expenses for CMU patients (whether nationals or migrants) tend to be on average higher than for patients outside CMU.

A study from 2003²²⁵ (the latest available) concludes that expenses for patients benefiting from CMU were on average higher than for patients not benefiting from CMU (30%). One explanation might be that CMU beneficiaries are in poorer health compared to other healthcare recipients.

In 2003, expenses for patients benefiting from CMU were on average higher than for patients not benefiting from CMU (30%).

According to stakeholders, non-active EU migrants tend to access healthcare services under CMU only when they need it²²⁶.

²²¹ Conclusion based on stakeholder consultation (Researcher in economic and social studies).

²²² J.-L.L., 'Ces Anglais soignés aux frais de la princesse, La Dépêche, 18/10/2005. Conclusion also based on stakeholder consultation (Professor of European Social law and CMU Authority).

²²³ Direction de la Recherche, des Etudes et des Statistiques (DRESS), La protection sociale en France, Série statistiques n°181, June 2013. Available here: <http://www.drees.sante.gouv.fr/2MG/pdf/seriestat181.pdf>

²²⁴ The total expenditure of EUR 2bn reported in 2006 has been inflated to 2013 prices (using the index of consumer price for France 2005=100 reported in Eurostat [prc_hicp_aind]). Estimated expenditure in 2012 is EUR 2.23bn.

²²⁵ Direction de la Recherche, des Etudes et des Statistiques (DRESS), Etudes et Résultats : l'impact de la CMU sur la consommation individuelle de soins, n°229, Mars 2003. Available here : <http://www.drees.sante.gouv.fr/IMG/pdf/er229.pdf>

²²⁶ Conclusion based on stakeholder consultation (NGO).

Concerning general expenditures (not only CMU) for EU non-active migrants, estimates have shown that these expenditures are negligible as they range between 0.2% and 0% of total health spending and up to 0.02% of GDP.

- Current perceptions about budgetary impacts; is it perceived as a significant financial burden?

In some cases, public opinion referred to British who come to France and then abuse the French social security system²²⁷. The typical situation referred to more often is the one of a wealthy British citizen who came to France for early retirement, who then falls within the category of beneficiaries of CMU and thus does not pay for his/her medical care. However, it is worth noting that these concerns might not be supported by the evidence. In case of EU pensioners coming to France, the social security system paying their pension is responsible for covering their access to health care and they would not benefit from the scheme²²⁸; additionally, CMU is considered an advantage only for more expensive treatments as persons with incomes over EUR 9,356 per annum have to pay 8% in order to access CMU. It is worth noting that the 8% fee only applies to income and does not take into account one's assets/wealth.

The EU enlargement process in 2004 and 2007 raised concerns among public opinion about possible waves of Roma people migrating to France and accessing benefits including CMU²²⁹. However, nowadays, as there is no evidence that the proportion of non-active EU migrants accessing CMU is high, these concerns seem to have diminished²³⁰.

- Estimates of the future trends in expenditure due to use of healthcare by EU migrants

No estimates of future trends have been found. However, stakeholders considered that as it seems that only a small amount of non-active EU migrants is accessing CMU, changes in the numbers should not have a serious impact on the budget²³¹.

7.6 Concluding remarks

Rules regarding access to CMU

CMU provides healthcare to people not covered by any social security scheme. If a person's income is less than or equal to EUR 9,356, access to CMU will be free. If a person's income is more than EUR 9,356, the annual fee to benefit from CMU is 8% of the person's annual income which exceed the threshold.

EU citizens can access CMU after three months in France. However, to stay in France for more than three months, EU citizens need a health insurance and sufficient resources. If they do not have the former, they can access CMU only if a previous health care coverage was lost involuntarily.

The three-months requirement of Article 380-1 applies when the person wishing to benefit from CMU applies for the first time. Once the person has been entitled to CMU, the regional authority in charge of CMU (*Caisse Primaire d'Assurance Maladie* – CPAM) will regularly check that the beneficiary still complies with the residence requirement. People who have their permanent home (*foyer*) or their main place of residence in France or in a French overseas department are considered residents in France and can access CMU.

²²⁷ For more information see also: <http://vosdroits.service-public.fr/F13192.xhtml>

²²⁸ This statement refers to EU migrants receiving a State pension from another EU country. So called 'pre-retired' EU migrants who receive an occupational pension but not yet a State one are not covered by their Member State of origin.

²²⁹ Antoine Math, *Droit à la santé des ressortissants communautaires vivant en France: les difficultés d'accès à la protection maladie et aux soins*, Hommes et migrations 1282 (2009).

²³⁰ Conclusion based on stakeholder consultation (Professor of European Social law).

²³¹ Conclusion based on stakeholder consultation (Researcher in economic and social studies).

EU students and EU jobseekers are not covered by CMU. As students and jobseekers are not eligible to CMU, elderly and 'other' non-active EU migrants are the target group of this case-study.

At the occasion of the transposition of Directive 2004/38/EC, conditions to access CMU were made stricter by a Circular in 2007 (Circular n° DSS/DACI/2007/418) but, as access to other benefits has also been restricted, some people were left without social security coverage and therefore were accessing CMU on that basis (Ministry of Health and Social Affairs). EU citizens entitled to CMU before 2007 can still access it even if now they might not fulfil all the residence requirements introduced since then.

Non-active EU migrants in France

The share of EU migrants from the total population in France (French nationals, EU nationals and third-country nationals) stayed more or less constant (between 2.2% and 2.4%) between 2008 and 2012 (EU-LFS micro data, ICF GHK own calculations). Non-active EU migrants make a very small share of the total population in France (1.2% in 2012) (LFS micro data, ICF GHK own calculations).

The number of non-active EU migrants in France has increased more or less steadily by 25.8% from 2005 to 2011 (EU-LFS, ICF-GHK own calculations). In 2010, almost half of the EU-migrants in France were non-active (EU-LFS, ICF-GHK own calculations).

France has the largest share of non-active EU migrants over 60 years among all EU-27 countries (EU-LFS micro data, ICF GHK own calculations). A large share of non-active migrants residing in France are migrants who have been working in France before and now retired there (EU-LFS micro data, ICF GHK own calculations).

Access of non-active EU migrants to CMU

The number of CMU beneficiaries (all nationalities) has risen from 2007 to 2011. This is also due to changes in legislation leaving people without social security coverage and accessing CMU as a safety net (Ministry Health and Social Affairs).

However, no data on the age, active status and nationality of CMU beneficiaries could be found. Data on nationality is available for the Old Age Solidarity Benefit (ASPA). EU elderly migrants only make a very small share of ASPA beneficiaries (1.1% that is 811 EU beneficiaries in 2011) (Ministry Health and Social Affairs). It is possible that some of them are not affiliated to any other social security system and are therefore covered by CMU. From this assumption, one could conclude that an extremely small number of elderly EU citizens benefit from CMU. Stakeholders consulted agree with this conclusion.

Stakeholders and numerous studies agree on the fact that accessing CMU is harder for non-active EU migrants.

Drivers of migration to France

41% of elderly EU migrants and 38% of the younger generation came to France because of work (LFS).

According to the stakeholders consulted, access to CMU does not matter in migration decision but can play a role in the decision to stay in France. According to literature and stakeholders, the situation of British non-active migrants could be different although information on their drivers mostly regards their past situation.

Budgetary impact

Very little information is available on the budgetary impact of the cost of CMU for EU nationals at the expense of the French budget. According to our calculations, expenditure for granting access to non-active EU migrants under the CMU scheme is about 0.2% of the CMU expenditure expressed in 2013 prices. In 2003, expenses for patients benefiting from CMU were in average higher than for patients not benefiting from CMU (30%) (Ministry of Health and Social Affairs).

- The findings of this study show that public opinion often sees British people coming to France as willing to abuse the French social security system²³². Concerns were also raised in 2004 with the enlargement of the EU and even more in 2007 with the entry of Bulgaria and Romania in the EU, focusing on Roma.
- However, stakeholders affirmed that, nowadays, as there is no evidence that the proportion of non-active EU migrants accessing CMU is high, these concerns seem to have diminished. They also considered that, as it seems that only a small amount of non-active EU migrants is accessing CMU, changes in the numbers should not have a serious impact on the French budget.

²³² For more information see also: <http://vosdroits.service-public.fr/F13192.xhtml>

8 Case study 2 ‘Access by EU pensioners to healthcare in Spain’

Abbreviations

BOE	Central Government Official Journal (<i>Boletín Oficial del Estado</i>)
CAISS	Spanish Social Security Service and Information Centre (<i>Centro de Atención e Información de la Agencia de la Seguridad Social</i>)
CRFN	Central Register of Foreign Nationals (<i>Registro Central de Extranjeros</i>)
EEA	European Economic Area
EHIC	European Health Insurance Card
EU-LFS	EU-Labour Force Survey
INE	National Institute of Statistics (<i>Instituto Nacional de Estadística</i>)
INGESA	Public Health Service (<i>Instituto Nacional de Gestión Sanitaria</i>)
INSS	National Social Security Institute (<i>Instituto Nacional de la Seguridad Social</i>)
LFS	Spanish Labour Force Survey (<i>Encuesta de Población Activa</i>)
MEYSS	Ministry of Employment and Social Security (<i>Ministerio de Empleo y Seguridad Social</i>)
RD	Royal Decree (<i>Real Decreto</i>)
RDL	Royal Decree Law (<i>Real Decreto-Ley</i>)
SAAD	System for Autonomy and Care for Dependency (Sistema para la Autonomía y Atención a la Dependencia),
SNS	National Health System (<i>Sistema Nacional de Salud</i>)
SIP	Population Information System of the Health Department in Valencia Region (<i>Sistema de Información Poblacional de la Conselleria de Sanitat de la Comunidad Valenciana</i>)
TGSS	Social Security Fund (<i>Tesorería General de la Seguridad Social</i>)

8.1 Introduction

This case study focuses on the access of EU pensioners residing in Spain to healthcare. It begins with a short introduction to the national applicable rules and the legislative changes that have occurred in this area in Spain over the past 10 years. It then provides information about the number of non-active EU migrants residing in Spain, particularly pensioners. It analyses their access to healthcare and the associated budgetary impacts for Spain. It also explores the reasons for migrating to Spain, with a particular focus on the importance of quality and accessibility of healthcare in influencing people's decision to move there.

8.2 Legal background

8.2.1 Legal references of the regulating acts

- Spanish Constitution of 1978 (*Constitución Española*)²³³. Article 43 recognizes the right to health protection.
- Law 14/1986: Health Act (*General de Sanidad*)²³⁴. Article 1(2) establishes that all Spanish citizens, as well as foreign citizens residing in the country, have the right to health and to healthcare. The Fifth Transitory Provision clarifies that universal health coverage has to be achieved progressively.
- Law 16/2003: Act on the cohesion and quality of the National Health Service (*Ley de cohesión y calidad del Sistema Nacional de Salud*)²³⁵. It establishes the principles for coordination and cooperation between all Spanish administrations providing health services.
- Law 29/2006: Act on guarantees and rational use of medications and healthcare products (*Ley de garantías y uso racional de los medicamentos y productos sanitarios*)²³⁶.
- Royal Decree Law (RDL) 16/2012 on urgent measures to ensure the sustainability of the national health care system and improve the quality of its services (*Real Decreto-Ley de medidas urgentes para garantizar la sostenibilidad del Sistema Nacional de Salud y mejorar la calidad y seguridad de sus prestaciones*)²³⁷.
- Royal Decree (RD) 1030/2006 which establishes the common services portfolio of the National Health System and the procedure for its updating (*Real Decreto por el que se establece la cartera de servicios comunes del Sistema Nacional de Salud y el procedimiento para su actualización*)²³⁸. This Royal Decree establishes the basic portfolio of healthcare services to be provided by all health services in Spain.
- Royal Decree (RD) 240/2007 on entry, freedom of movement and residence in Spain of citizens from EU Member States and other states part of the Agreement on EEA (*Real Decreto sobre entrada, libre circulación y residencia en España de ciudadanos de los Estados miembros de la Unión Europea y de otros Estados parte en el Acuerdo sobre el Espacio Económico Europeo*)²³⁹.

²³³ BOE-A-1978-31229.

²³⁴ BOE-A-1986-10499.

²³⁵ BOE-A-2003-10715. Modified by Articles 1, 2 and 9 of the Royal Decree Law 16/2012 and by the 28th final disposition of the Budget Act 2012 (*Ley 2/2012, de 29 de junio, de Presupuestos generales del Estado*).

²³⁶ Modified by Articles 4(12) to 14 of the Royal Decree Law 16/2012. BOE-A-2006-13554.

²³⁷ BOE-A-2012-5403.

²³⁸ Modified by 2nd transitory provision of the Royal Decree Law 16/2012.

²³⁹ BOE-A-2007-4184. Modified by Article 8 and 5th final disposition of the Royal Decree Law 16/2012 and by 2nd final disposition of the Royal Decree 1192/2012.

- Presidential Order 1490/2012 implementing Article 7 of Royal Decree 240/2007 (*Orden de Presidencia por la que se dictan normas para la aplicación del artículo 7 del Real Decreto 240/2007*)²⁴⁰.
- Royal Decree (RD) 1192/2012 regulating the status of insured persons and beneficiaries of public funded health care in Spain through the national health system (*Real Decreto por el que se regula la condición de asegurado y de beneficiario a efectos de la asistencia sanitaria en España, con cargo a fondos públicos, a través del Sistema Nacional de Salud*)²⁴¹.

Eligibility conditions and target group

EU pensioners residing in Spain can access healthcare services in three different ways (depending on their circumstances): a) private health insurance scheme; b) S1 or E-121 route whereby the Member State paying the pension is also responsible for reimbursing the health care costs;²⁴² or c) healthcare services are provided at the expense of Spain.

Although EU pensioners in Spain might have private health insurance or access healthcare through the Member State paying their pension, they might also be entitled to access the Spanish healthcare system at the expense of the Spanish budget.

Since 24 April 2012, according to Article 3 of Law 16/2003, the following groups have been entitled to health care in Spain that is funded by the Spanish government:

- **Insured persons:** registered workers (employees and self-employed workers) affiliated to social security actively or in an equivalent position; pensioners of the social security system; people receiving periodical social security benefits (including unemployment benefits); and unemployed persons who are no longer entitled to social security benefits.
- **Beneficiaries:** family members of an insured person residing in Spain. Family members are defined as follows: spouse; unmarried partner with a relationship analogous to a conjugal one and included in a public register; ex-spouse economically dependent on the insured person; and descendants and assimilated descendants economically dependent on the insured person younger than 26 or with a certified disability equal to or greater than 65%. **Legal residents** who, according to RD 240/2007,²⁴³ do not fulfil the requirements to be considered insured persons or beneficiaries and whose income/resources do not exceed a certain amount (currently annual incomes of 100,000 euros)²⁴⁴.

The Spanish budget covers the expenses associated with the healthcare provided to EU migrants and their family members legally residing in Spain and who are without any healthcare coverage and whose income is lower than 100,000 euros.

The present case study will consider the third way to access healthcare, covered by the Spanish budget and, in particular, the latter category of legal residents.

²⁴⁰ BOE-A-2012-9218.

²⁴¹ BOE-A-2012-10477.

²⁴² EU pensioners and their family members registered as residents in the Central Register of Foreign Nationals - CRFN can apply for access to healthcare in any of the Spanish Social Security Service and Information Centres (CAISS) of the National Social Security Institute (INSS) presenting the S1 or E-121 document issued by the social security system of the Member State that pays their pension. These documents establish that this other system is responsible for refunding healthcare costs to Spain through "fixed amounts" (Regulation EC/987/2009, Article 63). This case is out of the scope of the study.

²⁴³ RD 240/2007 on entry, freedom of movement and residence in Spain of citizens from EU Member States and other states part of the Agreement on EEA transposes Directive 2004/38.

²⁴⁴ As established in Article 2.1.b of the RD 1192/2012.

RD 240/2007, which deals with the entry, freedom of movement and residence of citizens in Spain from EU Member States and other states part of the Agreement on EEA, was modified by RDL 16/2012 to ensure the sustainability of the national health care system and improve the quality of its services, as well as by RD 1192/2012, which regulates the status of insured parties and beneficiaries of the public funded health care in Spain. As a result of these changes, EU pensioners and their family members with residence certificate could, in principle, be eligible to access healthcare in Spain at the expenses of the Spanish budget if not insured in another Member State (therefore, falling in the last category under the scope of Article 3 of Law 16/2003). However, EU nationals (including pensioners) have to prove that they have enough resources and comprehensive healthcare coverage in order to obtain a certificate of legal residence in the first place.

However, it should be noted that prior to the introduction of RDL 16/2012 (which came into force on 24 April 2012), a number of EU nationals were granted a Spanish healthcare card by the regional health authorities where they resided, irrespective of whether they possessed a residence certificate or not.²⁴⁵ In this case, access to healthcare was means-tested or granted on the basis of registration in municipalities as third-country nationals²⁴⁶. Some of the people in this category are still benefitting from Spanish healthcare at the expenses of the Spanish budget although they might not fulfil now the new requirements set since 2012²⁴⁷. However, progressively, EU pensioners residing in Spain are required to show relevant documentation issued by the EU Member State that pays their pension. This document must certify that they are not entitled to any healthcare and that is not the result of a voluntary decision (i.e. that they have not declined an entitlement to public health insurance).²⁴⁸

Description of benefit

The National Social Security Institute (*Instituto Nacional de la Seguridad Social - INSS*)²⁴⁹ has the responsibility to assign an insurance number to the (EU) pensioners and the members of their family. Once this right is validated, EU pensioners and their family members can get their Spanish Healthcare Card. This entitles them to healthcare treatment similar to that provided to Spanish beneficiaries. The Regional Health Services in the Region where pensioners are residing are in charge of issuing this card and providing healthcare and pharmaceutical services. The basic portfolio of healthcare services that must be provided by Regional Health Services (*Cartera de servicios nacional*) is specified in the national law (RD 1030/2006); regional authorities may provide discretionary additional services.

Healthcare services listed in the Carteras including the additional services are financed completely by taxes and are provided for free. Therefore, in practice healthcare is provided free of charge by the 17 different Regional Health Services and not by the National Health System (*Sistema Nacional de Salud - SNS*). The State itself only provides healthcare in the

²⁴⁵ Conclusion based on stakeholder consultation (Ministry of Employment and Social Security).

²⁴⁶ According to Basic Law 4/2000 on foreigners (Article 12) before the amendments of RDL 16/2012, third-country nationals even in illegal situation had right to access Spanish healthcare if they applied for it once registered in a municipality. This Law covers third-country nationals but Article 1.3 stated that was applicable for EU nationals when its rules were more favourable to them than the applicable EU law.

²⁴⁷ Conclusion based on stakeholder consultation (Ministry of Employment and Social Security).

²⁴⁸ Conclusion based on stakeholder consultation (INSS civil servants). Since February 2011, the INSS is asking these kind of certificates to the family members of EU nationals residing in Spain according to the "*Informe de fiscalización de la gestión de las prestaciones de asistencia sanitaria derivada de la aplicación de los Reglamentos Comunitarios y convenios internacionales de la Seguridad Social*", N° 937, March 2012 (page 60, footnote 13) by the Spanish Court of Auditors (*Tribunal de Cuentas*). According to Chauvin, P. et alii. "2008 Survey Report: Access to healthcare for undocumented migrants in 11 European countries" Medecins du Monde and Observatory on Access to Healthcare, September 2009, page 22, Valencia and Castilla la Mancha Regional health services were also demanding these kind of certificates since 2008.

²⁴⁹ This Institute is part of Ministry of Employment and Social Security.

cities of Ceuta and Melilla through the Public Health Service (*Instituto Nacional de Gestión Sanitaria* - INGESA). In practice, most Regions provide similar services²⁵⁰.

Pharmaceutical services, on the contrary, are not free. They are provided on the basis of a contribution or co-payment. Contributions apply only in the case of medicines prescribed by doctors of a Public Health Service and are set according to one's income (including pension). There is a monthly ceiling for pensioners: EUR 8 (for incomes under EUR 18,000); EUR 18 (for incomes between EUR 18,000 and EUR 100,000) and EUR 60 (for incomes over EUR 100,000)²⁵¹.

8.2.2 Recent legal changes in the regulation of this benefit (2002-2012)

There have been several relevant legal amendments to the Spanish healthcare legislation during the last years, but the most relevant for this case study are the ones introduced with RDL 16/2012 since 24 April 2012.

New rules regarding the status of insured person

As mentioned above, before the 24 April 2012 amendments, Article 3(1) (b) of Law 16/2003 stipulated that EU nationals had the right to healthcare according to EU law and applicable international conventions. In practice, this meant that some Regional Healthcare Services were treating EU nationals as Spanish nationals covered in Article 3(1) (a) of Law 16/2003²⁵². In this latter case, being registered as resident in a municipality was sufficient to obtain the status of insured person. Anyone could register as resident in a municipality without any compulsory requirements regarding sufficient income or healthcare coverage: even third-country national irregular residents could register to receive a Spanish Healthcare Card.

Prior to 24 April 2012, EU pensioners often only needed to be registered as residents in a municipality in order to access the Spanish healthcare system, without fulfilling any other condition.

Since then, EU pensioners need to register in the Central Register of Foreign Nationals (CRFN) complying with the rules transposing Directive 2004/38 (related to minimum resources and healthcare insurance).

Since the reform introduced by Royal Decree 240/2007 and RDL 16/2012, EU and third-country nationals have to be registered on the Central Register of Foreign Nationals (CRFN) to be eligible for the status of legal residents to access healthcare. To register as residents, they must prove that they have sufficient resources and comprehensive healthcare coverage (public or private). However, it is possible that people who already had access to healthcare before 2012, keep that right without necessarily fulfilling the new requirements²⁵³.

The procedure ensures no double registrations within Spain. The Spanish register and registers from other EU Member States are not connected, so EU migrants can be registered both in Spain and abroad. Unsubscribing when leaving Spain is not enforced, so is therefore rare. While active EU migrants are usually registered, many non-active EU migrants do not fulfil this requirement due to lack of interest, misinformation, reluctance, mistrust or communication problems. On the other hand the main reasons to register are to

²⁵⁰ See http://digitum.um.es/xmlui/bitstream/10201/12642/1/Esyec%20investigacion%202010_03.pdf

²⁵¹ Articles 94, 94 bis y 94 ter of Law 29/2006; Annex V of RD 1030/2006; and Resolution from General Directorate in charge of National Basic Portfolio 21-1-2013. BOE-A-2013-967.

²⁵² A significant number of intra EU migrants obtained the right to Spanish healthcare on the basis of the lack of resources before 2012. For getting this mean tested right, EU nationals -not paying taxes in Spain- simply had to present a statement signed by the applicant, see Report of the Court of Auditors, Tribunal de Cuentas (2012), "Informe de fiscalización de la Gestión de las Prestaciones de Asistencia Sanitaria derivadas de la aplicación de los Reglamentos Comunitarios y Convenios Internacionales de la Seguridad Social", p. 60.

²⁵³ Conclusion based on stakeholder consultation (Ministry of Employment and Social Security). Indeed, after the legal changes, not all regional healthcare authorities have managed to review the entitlement to healthcare by EU nationals.

be acknowledged as resident in their municipality and to be entitled to Spanish healthcare and social security²⁵⁴.

8.3 Access of EU pensioners to healthcare in Spain

According to Eurostat's migration statistics, over the last four years, the total number of migrants (including EU and third-country nationals) in Spain has decreased by 2% to around 5.6 million people in 2012. During the same period 2009-2012, there was an increase of approximately 80,343 EU migrants residing in Spain (4% increase). The share of EU nationals in the total number of migrants has also increased from 40% in 2009 to 42% in 2012. In 2012, the population of EU migrants residing in Spain made up approximately 2,354,501. Relative to the entire population of Spain, EU migrants still account for a modest share (4.2% in 2011²⁵⁵ and 4.1% in 2012²⁵⁶).

The share of non-actives from EU migrants was 52% in 2012, compared to a share of 56% in the national population²⁵⁷. From these, only around one third (34%) were not relatives of an economically active EU citizen in 2012²⁵⁸. However, compared to the other EU Member States, this share is quite high (Figure 3.5).

8.3.1 Overall trends in non-active EU migration in Spain 2002-2012

There are several sources of data on the number of non-active EU migrants residing in Spain. The database of the Spanish National Institute of Statistics (*Instituto Nacional de Estadística*, INE)²⁵⁹ provides breakdowns of migrant stock data by either age group or nationality as well as migrant inflow data.

Another source is the Central Register of Foreign Nationals - CRFN, a database from the Permanent Immigration Observatory of the Ministry of Labour and Social Affairs (*Observatorio Permanente de la Inmigración del Ministerio de Empleo y Seguridad Social*)²⁶⁰. It provides breakdowns of migrant stock data by both age group and nationality. Break downs by activity rate are only available from April 2012 onwards. Therefore, the LFS activity rate for EU 27 has been used to estimate numbers of non-active EU migrants for the previous years^{261 262}. For details on the labour activity rate which served as a basis for the calculation of non-active migrants.

The 2012 average activity rate of EU citizens registered after April 2012 was approximately 67%, a very similar number as the one provided by the Labour Force Survey. Therefore, the

²⁵⁴ Rodríguez, V. Lardiés R. & Rodríguez, P. (2010), "Migration and the Registration of European Pensioners in Spain", Real Instituto Elcano ARI 20/2010.

²⁵⁵ The shares vary between 2.3% (EU-SILC), 4.2% (EU-LFS) and 5.2% (migration statistics) according to the source.

²⁵⁶ Source: EU-LFS (this is likely to be an underestimate as in 2011 the EU-LFS share underestimated by 1 pp compared to migration statistics).

²⁵⁷ Source: ICF GHK own calculations based on EU-LFS micro data, 2012. Differences to the shares of non-actives based on the national statistics (described below) are explained by the different concept of non-activity that was used. This share mainly serves to compare the shares of non-actives to other Member States (table 3.2 final report).

²⁵⁸ Source: EU-LFS micro data, ICF GHK own calculations.

²⁵⁹ <http://www.ine.es/>

²⁶⁰ <http://extranjeros.empleo.gob.es/es/Estadisticas/operaciones/con-certificado/>

²⁶¹ As mentioned in the previous section, since April 2012 non-permanent EU citizens have to register either as employees, self-employed persons, non-active, students or family members. This will probably be a more reliable source of information in the future and a more complete one as well, as it is disaggregated by citizenship.

²⁶² Migrants have to register either as employees, self-employed persons, non-active, students or family members. According to the CRFN, in March 2013, only 3.7% of registered EEA citizens had provided information regarding their economic activity. It also must be highlighted that 74.2% were registered before April 2012 and 22.1% were permanent residents.

activity rate obtained from the Labour Force Survey has been used to break the numbers down by year as it provides data for the complete 2002-2012 series²⁶³.

According to these two sources, there were between 726,493 (CRFN) and 1,048,772 (INE) non-active EU migrants aged 16 and above residing in Spain (table 1) in 2012. These numbers exclude jobseekers. Of these non-active intra-EU migrants, 726,493 were over the age of 15. This group made up approximately 41.9% of all EU migrants residing in Spain in 2012. 89% of these non-actives were citizens of one of the 8 countries shown in fig. 8.1 and 11% come from the “rest of the EU”. Third-country family members of EU migrants or Spanish citizens are not included in these figures: they make up for additional 174,057 migrants.

In 2012, non-active intra-EU migrants above represented 41.9% of the total number of intra-EU migrants residing in Spain. The largest group originated from Romania.

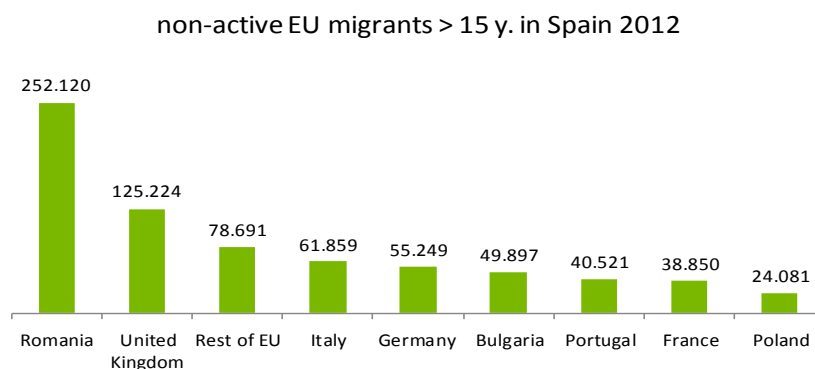
Overall, the population of non-active EU migrants (including children) in Spain increased over the last ten years. This population expanded from 220,827 people in 2003 to 925,183 people in 2012, meaning it has become over four times as large as ten years ago. This growth has taken place among all the large national EU migrant groups in Spain. Among UK, Italian, Portuguese and Polish nationals, the growth has declined since 2008 compared to the years before the crisis. This was, however, not the case for nationals from France and Germany, whose populations of non-actives have grown to a larger extent from 2008 onwards than in the period before. However, among all nationals groups, growth has declined directly after the beginning of the crisis (2009) and then started to recover again²⁶⁴. A particularly strong decline in growth which has not recovered very well, can be seen among Polish and Portuguese nationals.

Up to 2006, UK nationals made the largest share of non-active EU migrants (around 1/3), followed by Italians and Germans (each around 15%). Since 2007, however, Romanians have by far been the largest group of non-actives and made around 40% each year. In 2012, they accounted for 38% of non-active EU migrants in Spain, while UK nationals accounted for 15% and other national groups each made up less than 10%.

The trends and distributions presented above concern non-active EU migrants of all ages. However, the shares of each of the main national immigrant groups were more or less the same as when including children.

²⁶³ The LFS activity rate is only available as averages for groups of nationalities. The activity rate used here is an average rate for EU-27 nationals (except Spain).

²⁶⁴ The “negative growth” among UK, Italian, German and French nationals in 2007 is due to an a measurement effect: all Romanian and Bulgarian citizens that could not officially be active before 2007 could report their activity or job seeking from 2007 onwards when they became EU nationals. As there is no activity rate per citizenship, the change in the average EU 27 activity rate produces a false decline in the number of EU nationals from the rest of EU Member States.

Figure 8.1 Non-active EU migrants in Spain in 2012 by main nationalities

Source: CRFN, Milieu own calculations according to LFS activity rate; numbers exclude jobseekers and include spouses of economically active persons.

Table 8.1 Non-active migrants²⁶⁵ registered in Spanish municipalities according to INE in comparison with those registered under EU rules in the CRFN as of 2012

		16-49	50-64 ²⁶⁶	> 64	Total
Romania	CRFN	245,751		6,370	252,120
	INE	130,994	34,977	7,889	313,103
United Kingdom	CRFN	47,847		77,377	125,224
	INE	26,809	66,843	119,943	246,359
Italy	CRFN	50,324		11,535	61,859
	INE	22,275	13,618	14,654	71,059
Bulgaria	CRFN	47,176		2,721	49,897
	INE	23,794	11,949	2,982	62,086
Germany	CRFN	29,712		25,537	55,249
	INE	14,656	23,523	60,436	111,312
Portugal	CRFN	35,746		4,775	40,521
	INE	16,681	10,554	6,864	48,173
France	CRFN	26,413		12,437	38,850
	INE	12,703	10,317	17,507	53,377
Poland	CRFN	23,271		810	24,081

²⁶⁵ As the LFS activity rate shows the percentage of employed and unemployed persons of the same age population, these numbers of non-active migrants exclude jobseekers.

²⁶⁶ Non-active residents aged 16 to 64 registered under EU rules according to the activity rate as of 2012.

		16-49	50-64 ²⁶⁶	> 64	Total
	INE	10,611	4,437	985	27,496
Rest of EU	CRFN	50,197		28,494	78,691
	INE	22,656	24,369	47,358	115,807
Total EU	CRFN	556,437		170,056	726,493
	INE	281,179	200,587	278,618	1,048,772

Source: INE and CRFN, 2012 Milieu own calculations according to LFS activity rate; numbers exclude jobseekers and include spouses of economically active persons.

The table above shows data broken down by different age groups, as we took the numbers of over 64-year-olds as an approximation of the number of pensioners. Below, we furthermore analyse data for the age group of over 50-year-olds (see explanation below).

CRFN data (Table 8.1) show a high level of under-reporting of EU migrants and their family members aged over 64 in CRFN database compared to INE database (under-reporting is particularly high amongst German and UK nationals).

These figures also suggest that many intra-EU migrant pensioners from northern EU Member States do not register in the CRFN (which has been necessary in order to obtain a Spanish health care card since April 2012) but register with municipalities (which was sufficient in some cases to obtain a Spanish health care card before April 2012).

The level of under-reporting in the CRFN database suggests that the unregistered EU pensioners either use a Spanish health care card issued under the previous rules or they use a European Health Insurance Card.

The under-registration may suggest that the EU pensioners who are not registered either hold a Spanish health care card issued under the previous rules or that they use an EHIC (European Health Insurance Card). As mentioned above, the Ministry of Employment and Social Security suggests that the former might be possible²⁶⁷.

However, under-registration is an issue also for the register of the municipalities. The MIREs 3i survey sets a percentage of under-registering in the municipal registers among EU retirees over 50 years of age around 13% between 2009 and 2011²⁶⁸. That rate shows the percentage of residents that are not registered but it does not take into account the low rate of unsubscribing when leaving Spain²⁶⁹.

This is also reflected in the inflow numbers from 2008 onwards of non-active EU migrants shown in the table below²⁷⁰.

²⁶⁷ Conclusion based on stakeholder consultation (Ministry of Employment and Social Security).

²⁶⁸ The MIREs 3i project included an inquiry among 720 pensioners from EU-15 Member States, Norway and Switzerland over the age of 50 that were residing in the main Spanish retirement regions (Andalusia, Catalonia, Balearic and Canary Islands, Murcia and Valencia). It has been the first national inquiry among this target group. Durán Muñoz, R. (2012), "Atractivo de España para los jubilados europeos: del turismo a la gerontoinmigración", Panorama Social, Funcas. Nº 16.

²⁶⁹ Report of the Court of Auditors, Tribunal de Cuentas (2012), "Informe de fiscalización de la Gestión de las Prestaciones de Asistencia Sanitaria derivadas de la aplicación de los Reglamentos Comunitarios y Convenios Internacionales de la Seguridad Social".

²⁷⁰ Except for the decline of the growth rate, which is not reflected in the inflows.

Table 8.2 Annual inflows of non-active intra EU migrants over 15 years of age

	2008	2009	2010	2011	2012
Romania	12,649	9,693	12,158	11,831	7,138
United Kingdom	10,274	7,621	7,349	6,771	7,308
Italy	3,620	2,727	2,753	2,906	
Bulgaria	2,284	1,742	1,923	2,310	1,652
Germany	4,097	3,524	3,317	3,157	3,304
Portugal	2,871	1,686	1,335	1,378	1,302
France	2,421	2,185	2,329	2,391	2,534
Poland	1,357	746	736	742	
Netherlands	1,250	1,085	1,076	1,141	
Rest of EU	3,553	3,247	3,719	3,830	9,457
Total	44,376	34,256	36,695	36,457	32,695

Source: INE²⁷¹

According to Table 8.2, non-active EU migration inflows in Spain generally declined in 2009 but, since then, inflows of non-actives from countries such as Germany, France, Italy or the Netherlands have been relatively constant. Flows of non-active migrants from the UK, affected by the depreciation of the sterling pound²⁷², are recovering in 2012. This supports the assumption that the economic crisis had a downsizing effect on immigration of non-active EU foreigners into Spain.

The fact that the inflow of non-active migrants has sharply decreased in 2009 and remained below the 2008 level suggests that the level of unemployment (and non-activity at large) must have increased amongst EU migrants residing in Spain. In addition, there is evidence suggesting that during the economically difficult times in Spain, those EU migrants who were active before the onset of the crisis tend to return to their home countries or relocate to another EU Member State²⁷³.

8.3.2 Overall trends in EU pensioners' migration in Spain 2002-2012

The EU-LFS allows one to draw out the overall trend relating to the share of retired people from non-active EU migrants in Spain for the period 2005-2012²⁷⁴. Accordingly, this share has on average been 21% (average of the years in the time span), with 9% as the lowest share in 2005 and 30% as the highest share in 2007. Since 2007, the share has decreased, however, not in a linear way, as there was an increase again between 2010 and 2011. However, this data cannot be broken down by detailed citizenship due to small sample

²⁷¹ There are available data from 2008 to 2012. In 2012, there are only partial data.

²⁷² <http://www.thisismoney.co.uk/money/pensions/article-1709174/Weak-pound-drives-pensioners-back-to-UK.html>

²⁷³ Chacón, L (2012), "La inmigración de mañana en la España de la Gran Recesión y después". Panorama social núm 16, pp 71-83. Funcas

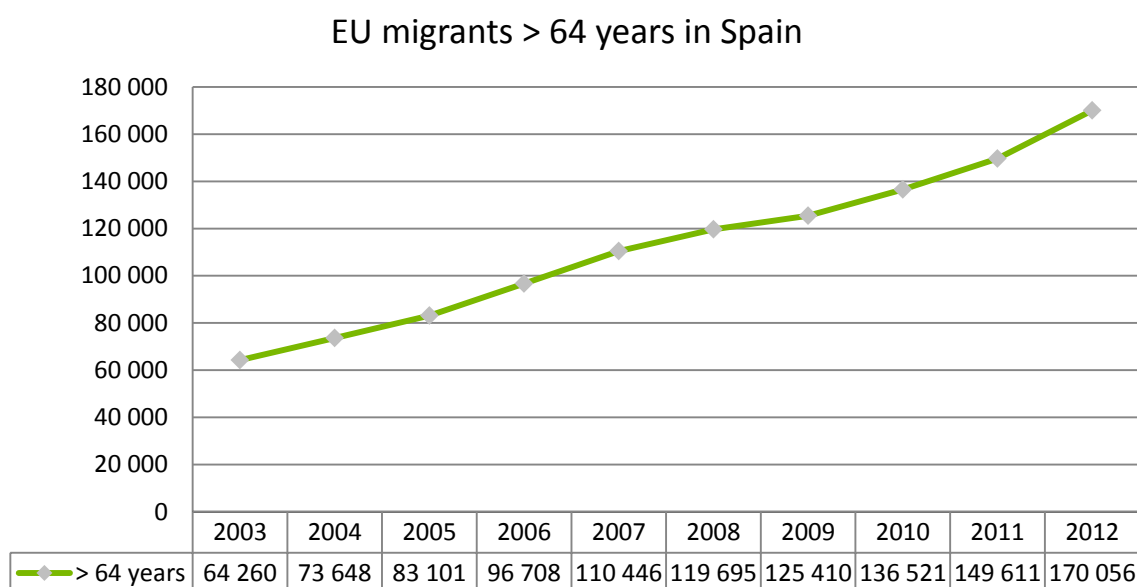
²⁷⁴ This data derives from the variable MAINSTAT which measures the self-reported main labour status in the categories "employed", "unemployed", "retired", "permanently disabled", "students" and "other"; "retired" defined as "in retirement or early retirement or has given up business"

sizes. This is why data from national sources that uses age as an approximation for retirement has been used for further analysis, as explained below.

A further source providing information on the number of EU pensioners in Spain in 2010 is the Report of the Court of Auditors from 2012²⁷⁵. Accordingly, in January 2010, there were 231,364 pensioners from the EEA in the country, of which 218,536 were EU citizens. This number is significantly higher than the number presented below which comes from the CRFN, reflecting the under-registration in the CRFN. However, this number provided by the Court of Auditors corresponds more or less to the number of over 64-year-olds provided by the INE for 2012 (Table 8.1).

The following paragraph is based on the data extracted from CRFN, considering all migrants above 64 years of age as pensioners. Furthermore, data allows one to identify non-active EU migrants who are 50 years and older, so the analysis will also cover this age group further below²⁷⁶.

Figure 8.2 Trend of EU migrants of over 64 years in Spain, 2003 to 2012



Source: CRFN, population of EU-27 (except Spain) citizens of over 64 years

Firstly, overall trends show that the population of over 64-year old EU migrants has grown from 64,260 in 2003 to 170,056 in 2012. Between 2005 and 2012 it has grown by 105%. This means that the elderly EU migrant population has grown less than the overall non-active EU migrant population, which grew by 138% in this period. The EU migrant population of over 64

The population of non-active EU migrants aged 64 and above in Spain has grown to a lesser extent than the overall non-active EU migrant population between 2005 and 2012. However, the annual growth rate of the migration of elderly EU migrants has recently increased reaching its level prior to the economic crisis.

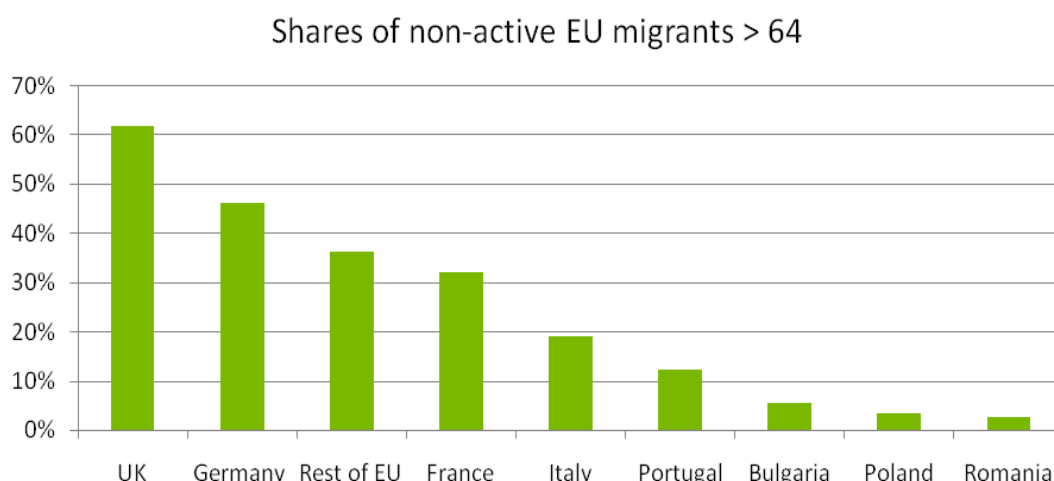
²⁷⁵ Report of the Court of Auditors, Tribunal de Cuentas (2012), "Informe de fiscalización de la Gestión de las Prestaciones de Asistencia Sanitaria derivadas de la aplicación de los Reglamentos Comunitarios y Convenios Internacionales de la Seguridad Social", p. 28 and 136

²⁷⁶ A breakdown of EE migrant pensioners by age group from EU-LFS data shows that in Spain, no pensioners are aged below 60. However, 14% of the EU pensioners are aged 60 to 64. Furthermore, EU-LFS is very likely not to capture all migrant pensioners due to access problems of surveys for elderly migrants (language problems, availability etc...). Therefore, there may be EU pensioners aged below 60 in the population which is why data for EU migrants aged 50 and above have been analysed as a comparison

year-olds grew over 13% annually before the economic crisis and has grown at a slower pace (around 8%) between 2008 and 2010. However, in 2012, it reached again a growth rate of 14%. This suggests that the economic conditions influence the immigration of elderly persons into Spain.

On balance, it is reasonable to assume that the number of EU migrants aged 65 and above is likely to increase, continuing the upward trend. The EU migrant population of over 64-year olds is likely to continue growing in the following years.

Figure 8.3 Shares of > 64 years olds from all non-active EU migrants above 15, by main nationalities in 2012



Source: CRFN

Furthermore, as shown above, non-active migrants from Romania, Bulgaria, Portugal and Poland have a low share of over 64-year-olds (between 2.5% and 12.3%). For Romanian migrants, it is important to notice that while they constitute the largest group of non-active migrants in Spain, they have one of the lowest shares of elderly migrants.

A large share of non-active migrants of British and German nationality residing in Spain are aged 65 and above (62% and 46%, respectively)

In contrast, non-active migrants from the UK, Germany, France and other countries listed as “rest of EU” have a relatively high share of over 64-year-olds (31.9% from France and 61.7% from the UK). Thus, trends in non-active migration of nationals from this group of countries are especially significant. Moreover, [Figure 8.3](#) above shows that around 46% of EU nationals over the age of 64 registered in Spain came from the UK in 2012²⁷⁷.

To identify the size of a possible target group of this case study (EU pensioners accessing healthcare in Spain), inflows are more significant than stock data of migrant populations. Stock data (as provided by the CRFN) does not distinguish elderly migrants who have lived (and possibly worked) in Spain for some time already. Although no specific evidence could be identified, it is possible that a part of non-active EU migrants aged over 64 years are former migrant workers in Spain. On the contrary, inflow data only counts EU migrants which enter the country in the respective year. Whilst it is possible that EU migrants have resided in Spain before, left the country and then migrated there again, inflow data does not allow one to distinguish between these migrants and those who have never worked in Spain.

²⁷⁷ For a detailed overview of stocks of over 64-year-olds by nationality from 2003-2012 see Annex 3.8.

According to EU-LFS data, the percentage of EU pensioners that have never worked in their country of residence was quite high in 2011 (59%), compared to EU pensioners in other Member States (Percentage). However, these data are not available broken down by citizenship of pensioners.

Table 8.3 Inflow trends of EU migrants aged > 64, by main immigrant nationalities, 2008-2012

	2008	2009	2010	2011	2012
United Kingdom	3,146	2,563	2,643	2,462	2,864
Germany	1,584	1,500	1,375	1,238	1,412
France	551	636	639	721	775
Italy	531	566	575	614	
Netherlands	320	352	344	367	
Romania	532	550	723	713	405
Belgium	240	256	267	299	
Sweden	203	191	260	241	
Portugal	240	247	206	238	194
Rest of EU	611	639	737	851	2,756
Total	7,958	7,500	7,769	7,744	8,406

Source: INE, 2012

Inflow data is only available for the period 2008 and 2012 (not capturing the trends prior to the crisis). The available data shows that the recent crisis and subsequent recession has slightly decreased the inflow of EU migrants aged 65 and above, although inflows from certain countries such as France, Germany, UK have recently picked up. This applies even to elderly UK nationals who in 2009 started to move back to the UK to take advantage of the depreciation of the sterling pound²⁷⁸. In 2012, especially inflows of UK and German pensioners have increased a lot.

As mentioned above, the criteria of above 64 years is likely not to capture all EU pensioners, as some of them would probably retire earlier. However, comparing the data in the table above with information presented in the Annex to the Spanish case study shows that more or less the same national immigrant groups that have high shares of over 64-year-olds have high shares of over 50-year-olds (namely, migrants from the UK, Germany and France). The majority of migrants from the UK, Germany and France are over 50 years old (82% in the UK, 57% in France, 72% in Germany).

Although the available data does not clearly state whether these migrants have already retired or not, the activity rate gives the impression that these migrants over 50 years are neither in employment nor seeking a job. Furthermore, according to the Report of the Court of Auditors²⁷⁹, 30% of the reimbursement requests issued by Spain to other Member States (that cover the expenses for access to healthcare in Spain by citizens receiving a pension

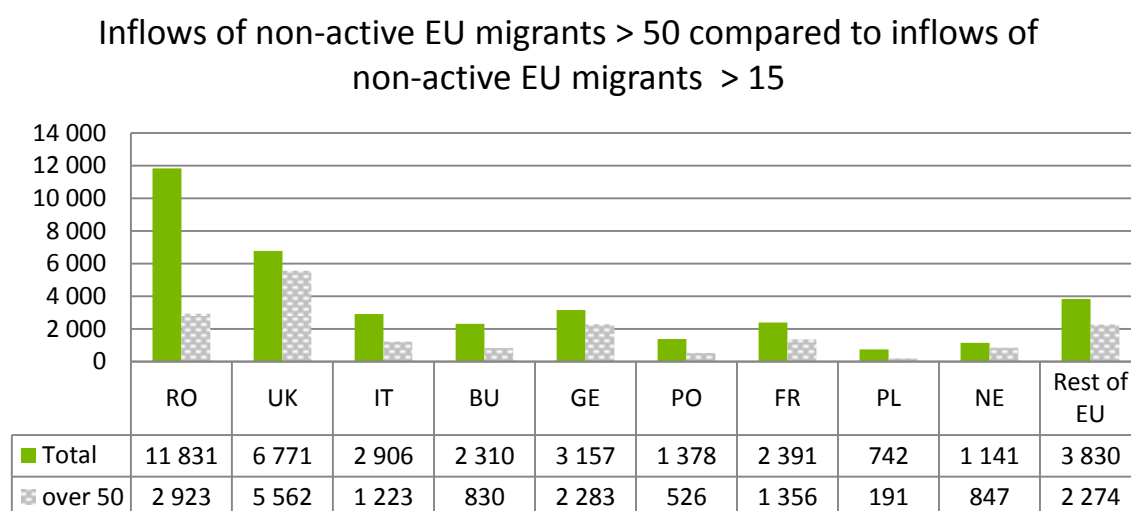
²⁷⁸ <http://www.thisismoney.co.uk/money/pensions/article-1709174/Weak-pound-drives-pensioners-back-to-UK.html>

²⁷⁹ According to the Report of the Court of Auditors, in 2007, Spain issued 146.635 pensioners' fixed amounts reimbursement forms to EU Member States, 103.672 of them – 70.7% – for pensioners over the age of 65 and 42.963 – 29.3% – for pensioners under the age of 65. Report of the Court of Auditors, Tribunal de Cuentas (2012), "Informe de fiscalización de la Gestión de las Prestaciones de Asistencia Sanitaria derivadas de la aplicación de los Reglamentos Comunitarios y Convenios Internacionales de la Seguridad Social".

from them) correspond to costs incurred in relation to the access to healthcare by EU pensioners residing in Spain between 50 and 65 years of age.

When inflow data is broken down by age, results show that Romanian citizens account for the largest share of immigrants aged above 50. This is despite the fact that a relatively small share of the Romanian migrant population in Spain as a whole is aged over 50. It is possible that these represent older family members joining Romanian workers already residing in Spain.

Figure 8.4 Inflows of non-active EU migrants over 50 years compared to inflows of non-active EU migrants over 15 years in 2011



Source: INE

It can be concluded, firstly, that the population of over 64-year old migrants in Spain will probably continue rising as it has risen in the past ten years and annual growth rates are almost the same as before the economic crisis, at 14%. Furthermore, inflow numbers have been constant since 2008 across most common nationalities (and since 2009 for the UK). The total inflow number for EU-27 migrants over 64 years has varied around 8,000 per year since 2008. The growth of the elderly migrant population may increase further than 14% if the Spanish economy recovers and if the sterling pound to euro exchange rate increases²⁸⁰, taking into account that one out of three migrating EU pensioners in Spain comes from the United Kingdom²⁸¹.

The trend in the migration of non-active EU nationals from countries with a high share of elderly migrants, such as United Kingdom and Germany, is expected to continue during the next years.

However, it has to be pointed out that overall the share of retired people out of the total EU migrants residing in Spain has been fairly modest varying between 3% and 12% in the

²⁸⁰ Several articles mentioned that the weak sterling pound was driving UK pensioners back to UK, so a strong pound would probably have the opposite effect. See, for instance, <http://www.thisismoney.co.uk/money/pensions/article-1709174/Weak-pound-drives-pensioners-back-to-UK.html>.

²⁸¹ The use of Spanish healthcare by UK pensioners has increased in the last years, as confirmed in interviews with stakeholders for this case study. However, it is impossible to distinguish between healthcare covered by the Spanish budget or the UK budget in this case. Conclusion based on stakeholder consultation (British migration associations Survey).

period 2005-2010). This is due to the fact that the largest immigrant group, Romanians, has a very low share of people over 50, and also among other nationalities, the inflow of over-50-year-olds is slightly lower than the inflow of all migrants.

8.3.3 Overall trends in EU pensioners beneficiaries of healthcare in Spain 2002-2012

There is limited data on the number of (non-active) EU pensioners accessing healthcare in Spain. The databases at national and regional level are generally not in the public domain and where available, they do not record the employment or nationality details of the persons issued with a health card (e.g., the Social Security Fund General Affiliation File²⁸²; regional healthcare databases connected with the INSS database)²⁸³.

On 8 May 2013, according to the INSS, the total amount of nationals from the EU, EEA and Switzerland that are beneficiaries of Spanish healthcare due to lack of sufficient resources is 75,734 beneficiaries²⁸⁴. However, INSS states that they are unable to provide information about how many of those have accessed regional healthcare since before 24 April 2012 and how many still fulfil the requirements. The EU nationals holding these cards, receiving healthcare at the expense of Spanish social security, have not had their entitlement reviewed or their healthcare cards withdrawn. After the legal changes some regional healthcare authorities, such as that of Aragón, have reviewed the entitlement to healthcare and have withhold healthcare cards consequently²⁸⁵, but many regional services have not carried out the said review²⁸⁶. Moreover, this figure does not concern only pensioners but other EU non-actives too.

The Court of Auditors provides the figure for the same group for 2010 (238,692)²⁸⁷. It should also be noted that the report stated that a non-systematic quick review showed that 284 of them were also holders of an EHIC issued in another Member State²⁸⁸. The INSS is working to review and optimise this figure²⁸⁹. The Report of the Court of Auditors²⁹⁰ also states that at least 59,088 Spanish healthcare cardholders born in an EEA country or Switzerland were not entitled to Spanish healthcare according to the Social Security Fund General Affiliation File. As an example, in Valencia in 2010 the comprehensive figures were the following²⁹¹.

The INSS objective for 2013 is a unified healthcare card for every regional service that will help filling the gaps in information²⁹². A new database of beneficiaries of healthcare in Spain

²⁸² The only information broke down by nationality is the one included in the Report of the Court of Auditors. Access to the data base has been denied by INSS representatives.

²⁸³ Conclusion based on stakeholder consultation (*Servicio Murciano de Salud and in Consejería de Salud de Islas Baleares*).

²⁸⁴ Conclusion based on stakeholders' consultation (INSS representatives). Please note that the only information available to the public is the one included in the Report of the Court of Auditors and in the INSS annual reports.

²⁸⁵ The Aragón authority had by April 2013 withheld 13.124 EU nationals' healthcare cards. http://www.heraldo.es/noticias/aragon/zaragoza_provincia/2013/04/20/mas_000_extranjeros_pierden_tarjeta_sanitaria_ano_231186_1101025.html

²⁸⁶ Conclusion based on stakeholder consultation (Balears and Murcia regional healthcare authorities).

²⁸⁷ Tribunal de Cuentas (2012), "*Informe de fiscalización de la Gestión de las Prestaciones de Asistencia Sanitaria derivadas de la aplicación de los Reglamentos Comunitarios y Convenios Internacionales de la Seguridad Social*", p. 159.

²⁸⁸ Tribunal de Cuentas (2012), "*Informe de fiscalización de la Gestión de las Prestaciones de Asistencia Sanitaria derivadas de la aplicación de los Reglamentos Comunitarios y Convenios Internacionales de la Seguridad Social*", p. 61.

²⁸⁹ Conclusion based on stakeholders' consultation (INSS representatives).

²⁹⁰ Tribunal de Cuentas (2012), "*Informe de fiscalización de la Gestión de las Prestaciones de Asistencia Sanitaria derivadas de la aplicación de los Reglamentos Comunitarios y Convenios Internacionales de la Seguridad Social*", p. 62-72.

²⁹¹ "*Estudio de personas extranjeras en SIP año 2010-2011*". Servicio de Aseguramiento Sanitario de la Generalitat Valenciana, p. 76-122.

²⁹² <http://www.msssi.gob.es/en/gabinete/notasPrensa.do?id=2353>

should be ready around September 2013²⁹³ and the number of EU beneficiaries that obtained their healthcare card before April 2012 by being registered in a municipality is unknown but it is expected to decline as the INSS improves and completes its database²⁹⁴.

Comparing the figures of INSS and the Court of Auditors, the number of EU beneficiaries due to lack of sufficient resources/funds has been drastically cut down from 238,692 in June 2010 to around one-third in 2013 (75,734 including rest of EEA and Swiss nationals). The figures of the Court of Auditors are in fact based on the INSS database: the difference in the data could be explained by different years and different target groups but it is also possible that in the last three years some beneficiaries might have returned to their country of origin due to the crisis. In 2010, the vast majority of EU beneficiaries due to lack of sufficient resources/funds were nationals from Romania and Bulgaria, therefore one can reasonably assume that the reduction in the beneficiary numbers by 2013 mainly affected nationals from those countries. This difference could also be explained in light of the legal changes described above which tightened the conditions for EU nationals to access healthcare.

Moreover, on 6 June 2010, as mentioned above, 218,536 pensioners of EU nationality aged 65 and above were residing in Spain²⁹⁵. During 2009, Spain issued reimbursement claims to other Member States in relation to 101,073 EU pensioners aged 65 and above who benefitted from healthcare in Spain. This means that approx. 117,463 (the difference between 218,536 and 101,073) of EU pensioners aged 65 and above could be accessing healthcare (in 2009) at the expense of the Spanish state (54%). However, the Report of the Court of Auditors explains that it is possible that part of the 117,463 pensioners could be covered for healthcare by another Member State, but that the Spanish administrative system has not yet been able to check their entitlement and therefore Spain was not able to issue possible reimbursement requests²⁹⁶. Moreover, there is no information about how many of these pensioners have a private insurance covering their healthcare costs.

8.3.4 How frequently do EU pensioners access healthcare in a year?

The MIREs 3i Survey established that 79.4% of the interviewed pensioners had used the Spanish healthcare system since they resided in Spain and 67.1% had used it during the previous year. Of the total users, 90% were treated by means of an appointment and only 10% were treated by the emergency services²⁹⁷.

8.3.5 How easy is it for EU pensioners to access this type of healthcare? Are EU pensioners more likely NOT to be granted access to Spanish healthcare?

According to stakeholders²⁹⁸, obtaining the Spanish healthcare card is considered to be between very easy and moderately easy. The main difficulties pointed out were language issues²⁹⁹ and being capable of holding the

A significant number of EU nationals have a Spanish healthcare card without having proven that they fulfil the requested requirements.

²⁹³ Conclusion based on stakeholder consultation (Ministry of Employment and Social Security).

²⁹⁴ <http://www.msssi.gob.es/en/gabinete/notasPrensa.do?id=2353>.

²⁹⁵ Tribunal de Cuentas (2012), "Informe de fiscalización de la Gestión de las Prestaciones de Asistencia Sanitaria derivadas de la aplicación de los Reglamentos Comunitarios y Convenios Internacionales de la Seguridad Social", p. 28 and p.136.

²⁹⁶ Tribunal de Cuentas (2012), "Informe de fiscalización de la Gestión de las Prestaciones de Asistencia Sanitaria derivadas de la aplicación de los Reglamentos Comunitarios y Convenios Internacionales de la Seguridad Social", p. 28 and p.136.

²⁹⁷ Álvarez, E. M. and Echezarreta, M. (2011), "Actualidad de la asistencia sanitaria en el marco de la gerontoinmigración". Observatorio Europeo de Gerontomigración, Boletín nº 2.

²⁹⁸ Conclusion based on stakeholders consultation (British migration associations).

²⁹⁹ M Casado-Díaz, M. A.; Kaiser, C. and Warnes, A. M. (2004) "Northern European retired residents in nine southern European areas: characteristics, motivations and adjustment". Ageing & Society 24, Cambridge University Press; Rodríguez, V.; Casado Díaz, M. A. and Huber, A. (2005), "La migración de europeos retirados en España". CSIC Press; C. González Enríquez (2008), "The Other Immigrants:..." op. cit.

requested documents³⁰⁰. The new rules on contribution to the cost of medicines are another major difficulty in accessing Spanish healthcare but it affects both EU and Spanish pensioners.

According to the Spanish Accounting Authority³⁰¹, a significant amount of EU nationals have a Spanish healthcare card without having proven that they fulfil the requested requirements. According to INSS sources, although EU pensioners who are not registered in the CRFN (potentially around two thirds of EU-12 pensioners residing in Spain) cannot obtain a Spanish healthcare card, in practice many EU pensioners that obtained the card before the 2012 legislative changes could still hold it as checks have been carried out only partially³⁰².

The EU pensioners' Spanish healthcare cards are indistinguishable from those of Spanish pensioners and, as confirmed by stakeholders³⁰³, EU pensioners are treated the same as Spanish pensioners by the Spanish healthcare system.

8.3.6 Emerging trends in the use of Spanish healthcare amongst EU pensioners

Although the elderly migrant population has not been growing as much as in 2010, it has still expanded by around 5% to 11% per year in 2011 and 2012. Therefore, it can be expected that the number of elderly EU migrants (over 54 years) in Spain will continue to increase. However, the share of the age group of over 79-year olds has only increased a little bit (less than 1 percentage point) since 2009. Therefore, the average age of elderly EU migrants is only increasing slowly and it is likely that the group of 54 to 69 year-olds will continue to be by far the largest group of elderly EU migrants for several years.

Table 8.4 Ageing of EU pensioners residing in Spain, amounts and annual increase (percentage)

	Over 54 years	Over 69 years	Over 79 years
2012	537,714	183,097	48,159
	5.71%	9.86%	10.59%
2011	508,662	166,664	43,549
	5.39%	9.52%	9.61%
2010	482,637	152,181	39,732
	7.19%	11.97%	12.38%
2009	450,273	135,915	35,354

Source: INE, 2013

³⁰⁰ Conclusion based on stakeholder consultation (Offices responsible of recognizing the right to Spanish healthcare in Alicante, Benidorm or Seville (Social Security Service and Information Centres - CAISS)).

³⁰¹ Report of the Court of Auditors. Tribunal de Cuentas (2012), "*Informe de fiscalización de la Gestión de las Prestaciones de Asistencia Sanitaria derivadas de la aplicación de los Reglamentos Comunitarios y Convenios Internacionales de la Seguridad Social*".

³⁰² Conclusion based on stakeholder consultation (Ministry of Employment and Social Security).

³⁰³ Conclusion based on stakeholders consultation (Offices responsible of recognizing the right to Spanish healthcare in Benidorm, Alicante; Servicio Murciano de Salud and Consejería de Salud de Islas Baleares; British migration associations Survey).

Considering the rising number of EU pensioners in Spain and that their average age is increasing (even if at a very slow pace), it could be deduced that use of Spanish healthcare amongst EU pensioners will increase in future³⁰⁴. This statement only concerns access to healthcare and does not necessarily imply higher costs on the Spanish budget (as EU pensioners are usually covered for healthcare by the Member State which pays their pension). Budgetary implications are dealt with in the next section.

As the number of EU pensioners and their average age is increasing, it is possible that EU pensioners residing in Spain will use healthcare to a greater extent in the future. However, the budgetary implications are likely to remain relatively limited.

8.4 Drivers of EU pensioners in Spain 2002-2012

Numerous studies have been carried out during the last 15 years to identify the main drivers behind European pensioners' migration towards south Europe and especially towards Spain. The following table summarises the results of six surveys carried out between 1996 and 2003 in nine Spanish regions and three other regions of southern Europe "with a focus on the socio-economic backgrounds, motivations and behaviour of the various migrant groups and their relationship with the host and home countries"³⁰⁵.

³⁰⁴ According to a source, UK pensioners use healthcare with the same frequency regardless where they live (in England or in Spain) and, in general, they use healthcare more often than Spanish pensioners. La Parra, D. & Mateo, M. A. (2008), "Health status and access to health care of UK nationals living on the Coast Blanca, Spain". Ageing and Society Volume 28, Issue 01, January 2008 p. 85-102

³⁰⁵ Casado-Díaz, M. A.; Kaiser, C. and Warnes, A. M. (2004), "Northern European retired residents in nine southern European areas: characteristics, motivations and adjustment". Ageing & Society 24, Cambridge University Press, p. 365.

Table 8.5 Most common drivers for moving to Spain (Costa del Sol, Torrevieja, Mallorca, Costa Blanca and Canary Isles) in comparison with other European destinations (Tuscany in Italy, Malta and Algarve in Portugal)

	A Tuscany	A Malta	A Costa del Sol	A Algarve	A Total	B Costa del Sol	C Torrevieja	D Mallorca	E Costa Blanca	F Canary Isles
<i>Percentages¹</i>										
Reasons for moving to area										
Climate	25.5	62.3	72.8	72.2	64.3	91.3	93.9	79.4	70.2	92.4
Financial reasons	5.1	37.4	31.0	42.4	32.6	31.5	37.4	9.4	45.7	30.3
Mediterranean way of life	41.8 ²	19.1	30.3	31.2	28.5	60.1	38.0	41.7	10.1	n.c.
Health reasons	9.2	12.8	23.2	19.0	17.7	23.0	54.6	25.8	29.9	62.1
Social life	5.1	27.6	8.4	10.7	14.2	11.3	n.c.	n.c.	n.c.	n.c.
Work-related	25.5	6.2	4.6	8.8	8.4	0.0	0.6	6.4	1.9	5.3
Leisure activities	1.0	5.1	5.3	7.8	5.3	9.3	n.c.	9.2	n.c.	26.5
Environmental	15.3	2.7	3.7	5.4	5.1	0.8	n.c.	21.7	n.c.	n.c.
Advantages of living in area										
Climate	42.9	75.9	80.2	83.9	75.7	42.3		80.8	96.0	95.6 ³
Social life	41.8	42.2	39.9	37.6	40.0	n.c.		2.7	n.c.	37.3
Mediterranean way of life	62.2 ²	26.5	36.5	47.8	39.1	64.9		40.0	49.7	48.0
Financial	6.1	38.5	29.4	31.7	30.0	n.c.		7.5	79.4	59.8
For health	11.2	10.9	18.6	15.6	14.8	41.5		16.1	57.1	n.c. ³
Environmental	36.7	2.7	8.0	11.2	10.4	58.9		21.7	72.2	n.c.
Leisure activities	3.1	4.7	11.1	15.6	9.4	n.c.		15.8	38.9	95.5
Personal	12.2	5.1	1.5	1.0	3.6	n.c.		0.0	n.c.	n.c.
Easy access	0.0	1.6	5.3	4.4	3.4	n.c.		3.6	37.1	67.0
Avoiding home country	5.1	0.4	1.5	2.4	1.8	2.4		3.3	22.4	48.0
Work-related	2.0	0.0	0.6	1.5	0.8	n.c.		1.4	7.6	n.c.

Notes: The origin surveys are described in Table 1. n.c. not collected.

1. The data are the percentage of references to the named factors among three 'main reasons' or 'main advantages'.
2. Many respondents in Tuscany expressed 'admiration of the country'.
3. Climate and for health combined.

Climate appears to be the main factor followed by reasons that are economic (lower prices) and social and ethnological (social life and local life style)³⁰⁶.

In addition, several studies report that an existing social network in the country of destination is an important pull factor for migration³⁰⁷. This might explain the fact that, even during the economic crisis, Spain has kept attracting a significant inflow of pensioners from the UK or Germany. This is also consistent with the fact that EU pensioners are concentrated in some specific Spanish geographic areas: e.g., the UK Consul reported the highest density of UK pensioners in the specific area of Alicante (Spain).

Climate seems to be a main driver for EU pensioners coming into Spain; followed by other economic factors (lower prices) and social reasons (social life and local life style).

An existing social network in Spain is also an important pull factor.

8.4.1 Role of healthcare

From the information mentioned in the previous section, the main drivers of EU pensioners' migration towards Spain are climate, cost of living and life style.

³⁰⁶ Casado-Diaz, M.A. (2012), "Exploring the geographies of lifestyle mobility: current and future fields of enquiry". In/ Wilson, J. (2012), "The Routledge Handbook of Tourism Geographies". Routledge, p. 120-125.

³⁰⁷ e.g., Delbecq and Waldorf, 2010; Pedersen et al. 2008

However, some studies point out that healing (cure of health problems) is a migration driver³⁰⁸ of EU pensioners moving to Spain, as shown in the next table³⁰⁹. Health reasons or specifically healing health problems has been mentioned as a driver by around 22% to 62% of EU pensioners, depending on studies and destinations. This driver was more important for EU pensioners coming to Spain as it was for migrants heading to other EU countries in South Europe as shown in the table below, where a larger share of migrants to Spain mentioned health reason as a migration driver compared to migrants to Algarve, Tuscany or Malta.

Table 8.6 Most common drivers/reasons for coming to Spain (in 5th place: to cure of health problems)

OPINIONS	Percentage of responses over cases (*)
REASONS FOR COMING TO SPAIN	
Mediterranean climate	91.6
Informal Spanish lifestyle	48.8
Spain's lower cost of living	29.4
To have enjoyed holidays in Spain	27.4
To cure of health problems	21.7
To own a house in Spain	15.1
Geographical closeness to home country	13.4
Interest in Latin and Mediterranean cultures	12.4
Community of foreign residents	11.4
Availability of leisure and recreational facilities	10.0
Had received information from friends or neighbors	7.4
Other	3.7
Had worked in Spain	2.3
Had relatives living in Spain	1.7
Spanish landscape	0.7
n	299

Although this information links weather conditions and healthcare, it could be assumed that people that consider weather in Spain good for their health have health issues and will use healthcare. Furthermore, access to health care in the proximity ranked third in the list of pull factors when relocating mentioned by EU pensioners residing in Alicante, right behind and very close to natural amenities and house prices.

Therefore, access to healthcare is not the main migration driver of EU pensioners but it does seem to play a role in their decision to move to Spain or to stay there³¹⁰.

Access to healthcare is not the main driver of migration for EU pensioners but it plays a role in their decision to move to Spain or to stay there.

³⁰⁸ Durán Muñoz, R. (2012), "Atractivo de España para los..." op.cit. p. 151-165. This study mentions public healthcare and quality medical services as a secondary or additional driver at the same level of the low cost of living, together with the Spanish favourable conditions for restoring or preventing health disorders (p. 159).

³⁰⁹ Rodríguez, V.; Fernández-Mayoralas, G. & Rojo, F. (2004), "International Retirement..." op. cit.

³¹⁰ La Parra, D. & Mateo, M. A., (2008), "Health status and access to health care of UK nationals living on the Coast Blanca, Spain". Ageing and Society Volume 28, Issue 01, January 2008 p. 85-102; Huete, R. and Mantecón, A (2013), "La migración residencial de noreuropeos en España". Convergencia. Revista de Ciencias Sociales, vol. 20, núm. 61, p. 219-245; Hurtado, I. (2005), "De inmigrantes y extranjeros, de dianas y márgenes. Contextualizando procesos migratorios para el análisis de los dispositivos asistenciales". Actas del X congreso de antropología. Universidad de Sevilla. Fundación El Monte. Marín, J. M.; Gómez, R.; López, J. A. and Álvarez, B. (2005), "Apuntes geriátricos sobre la gerontoinmigración", /in/ Echezarreta M. et al., "El lugar Europeo de retiro. Indicadores de excelencia para administrar la gerontoinmigración de ciudadanos de la Unión Europea en municipios españoles". Granada, Comares, p. 95-114.

Stakeholders³¹¹ confirmed that, in many cases, UK pensioners' decision of coming to live in Spain is not one considered at length. UK pensioners often come to Spain as tourists and, due to the proximity of the United Kingdom, feel they could easily stay there and go back to home often. Once in Spain, European pensioners use and appreciate the Spanish healthcare system. Some studies also show that, although in some cases pensioners have private health insurance, they still use the public healthcare system very often, especially for primary and hospital assistance³¹². Stakeholders interviewed for this case study³¹³ confirmed this finding.

Evidence collected suggests that EU pensioners tend to use healthcare in Spain relatively often because they believe the quality of healthcare has improved, they are satisfied with the service and they feel they are treated the same as Spanish pensioners.

In a study focused on EU pensioners living in San Miguel de Salinas - Alicante³¹⁴, 57.1% of the interviewed pensioners were very satisfied and 30.8% were satisfied with the Spanish healthcare and all pensioners that were interviewed apart from one preferred to be treated for a serious illness in Spain instead of returning to their home country. Moreover, access to quality healthcare was mentioned among other advantages (economic, geographical and related with weather, life style and availability of services) as a perk of living in Torrevieja³¹⁵. However, stakeholders underlined the lack of home care and complementary care for EU pensioners³¹⁶.

8.4.2 If the demand for Spanish healthcare has increased/decreased amongst EU pensioners, what has driven this change?

As mentioned above, the use of Spanish healthcare by EU pensioners has increased in the last years.

The main reasons for this trend are the increase of quality of Spanish healthcare (as mentioned before, EU pensioners are satisfied with the Spanish healthcare) and the increasing proportion of English speakers among the staff of hospitals and primary care centres.³¹⁷ Stakeholders affirmed that the "increase in the age [of] UK pensioners here in Spain inevitably increases the dependency and use of the healthcare services"³¹⁸.

8.5 Budgetary impacts

8.5.1 Expenditure associated with the access by EU pensioners to Spanish healthcare 2002-2012 and perceptions about current budgetary impacts

According to the INSS³¹⁹, there is no comprehensive information regarding the expenditure associated with the access by EU pensioners to Spanish healthcare³²⁰. The regional

³¹¹ Conclusion based on stakeholder consultation (British migration association and British Embassy Consul).

³¹² Solé, C. (2006), "Inmigración Comunitaria ¿Discriminación inversa?". Anthropos Editorial. Rodríguez, V.; Casado Díaz, M.A. and Huber, A. (2005), "La migración de europeos..." op. cit.

³¹³ Conclusion based on stakeholder consultation (British migration association).

³¹⁴ Reduced Survey among 266 EU residents, mainly pensioners, in a small village in Alicante where EU migrants accounted 60,3% of the population. Huete, R. and Mantecón, A (2013), "La migración residencial de noreuropeos op. cit., p. 219-245.

³¹⁵ Rodríguez, V.; Casado Díaz, M.A. and Huber, A. (2005), "La migración de europeos..." op. cit.

³¹⁶ Conclusion based on stakeholder consultation (British migration association).

³¹⁷ Conclusion based on stakeholder consultation (British migration association). See also R. Huete and A. Mantecón (2013), "La migración residencial de noreuropeos..." op. cit. p. 219-245.

³¹⁸ Conclusion based on stakeholder consultation (British migration association).

³¹⁹ Conclusion based on stakeholders' consultation (INSS and regional healthcare authorities).

healthcare services do not have information regarding how many healthcare cards belong to EU nationals³²¹ and they cannot estimate the cost associated³²². In addition, information suggests that the number of healthcare beneficiaries may include those who have access to healthcare through other means e.g., EHIC, S1/E121 etc.

The Spanish budget is covering the cost of healthcare of at least 75,734 EEA migrants residing in Spain.

Using the latest figure for beneficiaries provided by INSS (i.e., 75,734 EEA and Switzerland nationals), healthcare expenditure associated with non-active EU migrants has been estimated using the same approach outlined in section 6. Results of this exercise places the expenditure on healthcare granted to the 75,734 beneficiaries in the region of EUR 170mil which represent 0.2% of the total estimated health spending and less than 0.02% of GDP (for year 2011).

The analysis in section 6 assumes that the number of beneficiaries – 75,734 – fall in different categories of age (similar to the age/gender composition of the population of non-active EU migrants residing in Spain). However, healthcare costs could be higher should we assume that all non-active migrants using the healthcare scheme are pensioners only. A conservative estimate could therefore be produced on the basis of 75,734 pensioners and average healthcare cost per capita laid per annum set in the EU legislation for year 2011 (i.e., 3,955). The higher estimate would be in the region of 300 million. This expenditure would represent around 0.3% of the total estimated health spending and around 0.03% of GDP.

8.5.2 Estimates of the future trends in expenditure due to use of healthcare by EU pensioners

The INSS is working on limiting the amount of EU beneficiaries of Spanish healthcare at the expense of the Spanish Social Security (due to lack of sufficient resources/funds or by registering in a Municipality before April 2012) when they are already beneficiaries in another EU Member State. This is currently done by asking the EU beneficiaries accessing healthcare in Spain for a certificate issued by the EU Member that pays their pension and certifying that they are not entitled to healthcare insurance and that this circumstance is not a voluntary decision. In this process, according to the INSS, more cooperation between EU national social security systems is essential. Sometimes it is hard to access information such as: which EU nationals keep the right to healthcare in the EU country of origin, how many EU pensioners are exporting their pensions to Spain or how many months they have resided for in Spain³²³.

If the current review of the access of EU migrants to healthcare in Spain continues, the expenses on the Spanish budget associated with them might decline.

If this review continues efficiently, the number of EU beneficiaries at the expense of the Spanish Social Security is expected to decline, and so would the expenditure due to the use of healthcare by EU pensioners.

³²⁰ Tribunal de Cuentas (2012), “Informe de fiscalización de la Gestión de las Prestaciones de Asistencia Sanitaria derivadas de la aplicación de los Reglamentos Comunitarios y Convenios Internacionales de la Seguridad Social”.

³²¹ Conclusion based on stakeholder consultation (Murcia’s Regional Healthcare Authority).

³²² The INSS has asked the Valencia regional healthcare service, which is considered an efficient and representative service³²², to provide information regarding the expenditure associated with the access by EU migrants to Spanish healthcare but it has received no feedback yet. Conclusion based on stakeholder consultation (INSS).

³²³ Conclusion based on stakeholder consultation (INSS).

8.6 Conclusions

The Spanish applicable rules

Although EU pensioners in Spain might have a private health insurance or access to healthcare might be covered by the Member State paying their pensions, they might also be entitled to access the Spanish healthcare system at the expense of the Spanish budget.

Before 24 April 2012, in practice, EU pensioners often needed only to be registered as residents in a municipality to access the Spanish healthcare system, without fulfilling any condition.

Since then, they need to register in the Central Register of Foreign Nationals (CRFN) complying with the rules transposing Directive 2004/38: to reside in Spain for longer than three months they must prove minimum resources and healthcare insurance.

EU pensioners accessing healthcare in Spain before April 2012 owing to a lack of resources (at the expense of the Spanish budget) might still maintain the right to make use of it if they lack insured healthcare elsewhere and when their income is lower than 100,000€. In this instance, Spanish authorities ask for a certificate confirming this by the Member State paying their pension.

Non-active EU migrants and pensioners in Spain

Although evidence shows under-registration by EU nationals in the CFRN, according to this database, 41.9% of EU migrants were non-active in 2012 (excluding children). Until 2006 included, around 30% of the non-active EU migrants were from the UK. The number of non-active EU migrants (including children) in Spain has increased by 208% between 2005 and 2012 (CRFN). This could be explained also by rising unemployment among former active EU migrants due to the economic crisis.

Data is also available for elderly migrants, who are considered as pensioners for the purposes of this case study. The population of non-active EU migrants of 64 years and older in Spain has not grown as much as the total non-active EU migrant population between 2005 and 2012. However, the annual growth rate of elderly EU migrants has again reached its pre-crisis level (CRFN). Contrary to the inflow of non-active EU migrants older than 15 years (which has declined compared to 2008), the inflow of EU migrants older than 64 years has remained more or less constant between 2008 and 2012 (National Institute of Statistics - INE). In 2012, most EU migrants older than 64 years present in Spain came from the UK and Germany (CRFN). However, according to the figures of the Court of Auditors, in 2007 one-third of EU pensioners in Spain were younger than 65 years. UK and German nationals have again the highest shares of over 50 – year olds. However, the second largest group of EU migrants over 50 years (after UK citizens) were Romanian citizens.

Finally, the population of non-active migrants from countries with a high share of elderly migrants (such as the UK, Germany and France), is expected to continue growing during the next years (CRFN).

It should be noted that it has not been possible to establish how many EU pensioners have previously worked in Spain. Inflow numbers of EU migrants older than 64 provide only a first approximation. Furthermore, not all EU elderly/pensioners in Spain are insured for healthcare in Spain and therefore other Member States might bear their healthcare costs by providing reimbursements to Spain under EU law on coordination of social security schemes.

EU pensioners' access to healthcare

According to the National Social Security Institute - INSS, on 8 May 2013, there were 75.734 EU/EEA citizens benefiting from healthcare at the expense of the Spanish budget. In 2010 a non-systematic monitoring by the Spanish Court of Auditors showed that some of them

could be insured for healthcare elsewhere (as far as they hold a European Health Insurance Card - EHIC). Also, INSS does not know how many people among the 75,734, who had access to health care at the expense of the Spanish budget before April 2012, still do as their situation is not systematically checked in light of the new rules. A new database with more comprehensive information should be created in September 2013. According to the Court of Auditors, on 6 June 2010, there were 238,301 EU nationals benefiting from healthcare at the expense of the Spanish budget. 73% of them were Romanians.

Moreover, on 6 June 2010, as mentioned above, 218,536 pensioners of EU nationality aged 65 and above were residing in Spain³²⁴. Of these, approx. 117,463 (the difference between 218,536 and 101,073) of EU pensioners aged 65 and above could be accessing healthcare (in 2009) at the expense of the Spanish state (54%). However, as for the INSS data, it is possible that part of the 117,463 pensioners could be covered for healthcare by another Member State and there is no information about how many of these pensioners have a private insurance covering their healthcare costs.

As the number of EU pensioners in Spain and their average age is increasing, it could be deduced that use of Spanish healthcare amongst EU pensioners will be even more intense in the future. This statement only concerns access to healthcare and does not necessarily imply higher costs on the Spanish budget (see below).

Drivers of migration to Spain

Climate appears as the main driver for EU pensioners in Spain followed by other economic (lower prices) and social and ethnological reasons (social life and local life style). An existing social network in Spain is also an important pull factor. Access to healthcare is not the main migration driver of EU pensioners but it seems to play a role in their decision to move to Spain or to stay there.

Greater satisfaction with the Spanish healthcare system, in part linked to a perceived improvement in quality, seems to have contributed to higher numbers of EU pensioners making use of it.

Budgetary impact

Using the latest figure for beneficiaries provided by INSS (i.e., 75,734 EEA and Switzerland nationals in 2013) and using the pensioners' average cost per capita per annum from 2011, the absolute maximum Spain would possibly spend for EU pensioners' access to its healthcare system in 2013 would be EUR299.5 million (if the average per capita cost for pensioners has not risen since 2011). This expenditure would amount to around 0.4% of the total estimated health spending and around 0.2% of GDP.

Therefore, it does not seem very likely that the Spanish expenditure for healthcare of EU pensioners covered only by their system could in itself pose a risk to the Spanish welfare system. If the validity of the healthcare entitlement of EU migrants continues to be reviewed in light of the new database, the cost to the Spanish budget might even decline.

³²⁴ Tribunal de Cuentas (2012), "*Informe de fiscalización de la Gestión de las Prestaciones de Asistencia Sanitaria derivadas de la aplicación de los Reglamentos Comunitarios y Convenios Internacionales de la Seguridad Social*", p. 28 and p.136.

9 Case study 3 ‘Access by EU pensioners to the compensatory supplement Ausgleichszulage of Act 9 September 1955 in Austria’

Abbreviations

ASVG	General Social Security Act (<i>Allgemeines Sozialversicherungsgesetz</i>)
BSVG	Social Security Act for Farmers (<i>Bauern-Sozialversicherungsgesetz</i>)
GSVG	Social Security Act for Independent Workers in the Business Economy (<i>Gewerbliches Sozialversicherungsgesetz</i>)
NAG	Settlement and Residence Act (<i>Niederlassungs-und Aufenthaltsgesetz</i>)
EU	European Union
EU-LFS	European Labour Force Survey
PVA	Pension Insurance Authority (<i>Pensionsversicherungsanstalt</i>)
BMASK	Federal Ministry of Labour, Social Affairs and Consumer Protection (<i>Bundesministerium für Arbeit, Soziales und Konsumentenschutz</i>)
SNCB	Special Non-Contributory Benefits
SHARE	Survey of Health, Ageing and Retirement in Europe

9.1 Introduction

This case study focuses on access by EU pensioners to the compensatory supplement ‘*Ausgleichszulage*’ of Act 9 September 1955 in Austria. The benefit is considered a special non-contributory cash benefit (SNCB) and is listed under Annex X of Regulation 883/2004³²⁵.

The case study explains the national applicable rules and the legislative changes in the last 10 years. It provides information about non-active EU migrants in Austria and EU pensioners in particular. It analyses their access to the compensatory supplement and the budgetary impact for the Austrian budget. It also explores the reasons for migrating to Austria and whether access to the ‘*Ausgleichszulage*’ plays any role in that decision.

9.2 Legal background

9.2.1 Legal references of the regulating Acts

The General Social Security Act of 9 September 1955 (*Allgemeines Sozialversicherungsgesetz – ASVG*)³²⁶ regulates the social insurance of persons working (as employed and self-employed) in Austria. This includes health and accident insurance and pensions. The Social Security Act for Independent Workers in the Business Economy of 11 October 1979 (*Gewerbliches Sozialversicherungsgesetz – GSVG*)³²⁷ regulates the pension and health insurance of independent workers. The Social Security Act for Farmers of 11 October 1978 (*Bauern-Sozialversicherungsgesetz – BSVG*)³²⁸ regulates the pension, health and accident insurance of independent workers and their supporting family members in agriculture and forestry. It also regulates health insurance for individuals entitled to a pension according to this Act.

Ausgleichszulage is a compensatory supplement for pensioners whose pension and other net income are below a standard rate. Ausgleichszulage is a special non-contributory cash benefit under EU law.

ASVG (paragraphs 292-299) provides for the compensatory supplement ‘*Ausgleichszulage*’. GSVG (paragraphs 149-156) and BSVG (paragraphs 140-147) also provide for this benefit including similar rules. For the purpose of this case study, we will use as reference the ASVG rules.

9.2.2 The Ausgleichszulage benefit

Section V paragraphs 292-299 of the ASVG regulates the entitlement, the amount and the distribution of *Ausgleichszulage*. This is a compensatory supplement for pensioners whose pension and other net income are below a ‘standard rate’. This rate is considered at the level sufficient to ensure an appropriate way of life. The amount of this compensatory

³²⁵ Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems.

³²⁶ General Social Security Act (*Allgemeines Sozialversicherungsgesetz ASVG*), version 21 June 2013, available at: <http://www.ris.bka.gv.at/GeltendeFassung/Bundesnormen/10008147/ASVG%2c%20Fassung%20vom%2021.06.2013.pdf>

³²⁷ Social Security Act for Independent Workers in the Business Economy (*Gewerbliches Sozialversicherungsgesetz GSVG*), version 21 June 2013, available at: <http://www.ris.bka.gv.at/GeltendeFassung/Bundesnormen/10008422/GSVG%2c%20Fassung%20vom%2005.06.2013.pdf>

³²⁸ Social Security Act for Farmers (*Bauern-Sozialversicherungsgesetz BSVG*), version from 13/06/201, available at: <http://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10008431&ShowPrintPreview=True>

supplement is the difference between the ‘standard rate’ and the total net personal income³²⁹. The rate varies according to different types of beneficiaries (single pensioners, pensioners living with a spouse in the same household, orphans) between EUR 308.09 and EUR 1,255.89. The rate rises for each child entitled to children’s supplement³³⁰.

This benefit has been classified by the Court of Justice of the European Union as a special non-contributory benefit (SNCB) under Regulation 1407/91 (case C-160/2, *Skalka*). This compensatory pension supplement is today a special non-contributory cash benefit within the meaning of Article 70(2)(a)(i) of Regulation 883/04 and is listed in Annex X to the Regulation.

EU pensioners and their family members need to prove habitual residence in Austria to be granted this benefit (this is the same for all beneficiaries).

9.2.3 Target Group

The target group of *Ausgleichszulage* are individuals who are entitled to receive a statutory pension (these can be single pensioners, pensioners living with a spouse in the same household and orphans)³³¹.

Pensioners receiving Ausgleichszulage are allowed to work as long as their pension and any other income do not exceed a certain threshold.

Family members of (active or non-active) EU migrants that have a legal residence in Austria are eligible to *Ausgleichszulage* if they fulfil the above mentioned conditions and can prove legal residence in Austria (see below).

Furthermore, pensioners receiving *Ausgleichszulage* may also be in small-scale employment, in which case their income plus their pension is deducted³³². Therefore, the target group are not only non-active migrants as defined in this study.

9.2.4 Residence conditions

In the original version of ASVG dating back to 1955, the condition of residence is not mentioned³³³.

In 1960, however, the notion of “habitual residence within the national territory” was included to paragraph 292 of ASVG, making it a condition for obtaining *Ausgleichszulage*³³⁴. ‘Habitual residence’ is defined in the Court Jurisdiction Act from 1 August 1895 (*Jurisdiktionsnorm* – JN)³³⁵. According to JN paragraph 66(2), the residence of a person is only based on factual

³²⁹ According to the General Social Security Act, 9 September 1955, §292, a pensioner’s total *net income* includes any monetary net incomes. However, the following do not count as net income: housing benefits, family and student benefits, children’s supplements and extra pension payments, care allowances, income from maintenance claims and income from social assistance, agricultural holdings. Income of spouses and registered partners are taken into account. Furthermore, if a pensioner receives income from maintenance claims, these are added to the net income according to specific rules laid out in paragraph 294 of the Act. If a person is entitled to more than one pension, the Act specifies that the pension to consider is the highest one or the one to which the individual was entitled first. However, the Act does not explicitly refer to pensions from other Member States. Non-monetary income is valued according to specific rates.

³³⁰ Austrian Social Insurance, “Wann gebuehrt eine Ausgleichszulage?”
http://www.sozialversicherung.at/portal27/portal/esvportal/channel_content/cmsWindow?action=2&p_menuid=74269&p_tabid=4

³³¹ Act on General Social Insurance, 21 June 2013, paragraph 292.

³³² Conclusion based on stakeholder interview academic expert

³³³ General Social Security Act, 9 September 1955, §1
http://www.ris.bka.gv.at/Dokumente/BgblPdf/1955_189_0/1955_189_0.pdf

³³⁴ Paragraph 292 ASVG version from 01 January 1960
<http://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10008147&FassungVom=1960-01-01>

³³⁵ Court Jurisdiction Act (*Jurisdiktionsnorm* JN), version from 21 June 2013, available at:
<http://www.ris.bka.gv.at/GeltendeFassung/Bundesnormen/10001697/JN%2c%20Fassung%20vom%2021.06.2013.pdf>

conditions; it does not depend on the permissibility and voluntariness of the residence. The duration, the permanence and other personal or professional conditions which show a permanent relationship between a person and his or her residence are to be taken into account when assessing if residence is habitual³³⁶.

The 4th Social Law Amendment Act from 30 December 2009³³⁷, which entered into force on 1 January 2010, added indent 14 to paragraph 292 of ASVG to reinforce controls for habitual residence within the national territory of migrants receiving *Ausgleichszulage*³³⁸. According to this amendment, the proof of habitual residence has now to be provided by the migrant, while before it had to be provided by the public authorities³³⁹ (reversed burden of proof). Through this Act, paragraph 459f was also added to the ASVG obliging the immigration police and the residence and settlement authorities to provide the pension authorities with information on the lawfulness of a pensioner's residence. Moreover, if there are substantiated doubts about the habitual residence of the beneficiary, the responsible authorities need to check every year the net income and the other conditions to receive *Ausgleichszulage* (ASVG paragraph 298(2)). Under the previous rules, checks were carried out every three years. Finally, the amendments introduced a procedure for the confiscation of *Ausgleichszulage* that can be initiated if the beneficiary is not habitually resident.

Further important changes were made in 2011.

According to a decision by the Supreme Court in 2011, there is no habitual residence and the entitlement to *Ausgleichszulage* is denied when a pensioner lives abroad for more than half of the year³⁴⁰.

The Budgetary Act 2011 (*Budgetbegleitgesetz 2011*, entered into force on 1 January 2011) introduced important amendments both to the General Social Security Act and to the Settlement and Residence Act (*Niederlassungs-und Aufenthaltsgesetz – NAG*)³⁴¹.

³³⁶ See also: *Oberster Gerichtshof* (Supreme Court) Decision on case 10ObS172-10g, 21 July 2011, section B.1., which uses the definition of "gewöhnlicher Aufenthalt" of JN par 66 and also directly refers to JN par 66, available at:

http://www.ris.bka.gv.at/Dokument.wxe?Abfrage=Justiz&Dokumentnummer=JJT_20110721_OGH0002_010OBS_00172_10G0000_000

³³⁷ *Sozialrechtsänderungsgesetz – 4. SRÄG 2009*.

³³⁸ 4th Social Law Amendment Act from 30 December 2009, available at:

http://www.ris.bka.gv.at/Dokumente/BgblAuth/BGBLA_2009_I_147/BGBLA_2009_I_147.pdf

³³⁹ Portal of the Federal Chancellery: <https://www.help.gv.at/Portal.Node/hlpd/public/content/171/Seite.1710029.html> and *Oberster Gerichtshof* (Supreme Court) Decision on case 10ObS172-10g, 21 July 2011, section B.1.

³⁴⁰ GZ 10 ObS 34/11i from 03/05/2011, available at Jusguide (independent provider of legal content): http://www.jusguide.at/index.php?id=88&tx_ttnews%5Btt_news%5D=9939

³⁴¹ According to NAG §2, 'settlement' is the actual or intended residence in the national territory for the purpose of a) creating a domicile for more than 6 months per year, (b) creating a centre of interests or (c) uptaking a permanent gainful activity. *Aufenthalts-und Niederlassungsgesetz NAG*, version from 21 June 2013, available at: <http://www.ris.bka.gv.at/Dokumente/Bundesnormen/NOR40128743/NOR40128743.pdf>

The amendment to the General Social Security Act made 'lawful' residence (in addition to 'habitual residence') a prerequisite for obtaining *Ausgleichszulage*³⁴². Paragraph 53 of NAG lists the documents that have to be provided by EEA citizens for the receipt of a registration certificate (*Anmeldebescheinigung*) which they need to prove their lawful residence. The *Anmeldebescheinigung* has to be provided when applying for *Ausgleichszulage*³⁴³.

Since 1 January 2011, both habitual residence and lawful residence are requirements for EU pensioners wishing to access the compensatory supplement in Austria.

The new rules are the subject of a preliminary ruling pending at the Court of Justice of the EU.

'Lawful residence' for EEA citizens and their relatives is defined in paragraphs 51 and 52 of NAG according to Directive 2004/38. The change to paragraph 51(1) of NAG provides that, since 1 January 2011, EU citizens are entitled to a residence of more than 3 months, if they have sufficient resources and a health insurance, so that they do not need to take on social assistance benefits or *Ausgleichszulage*³⁴⁴. The reference to *Ausgleichszulage* is the new addition. To identify cases in which an EU citizen does not impose financial burden on regional or local authority, the Budgetary Act also added the following sentence in paragraph 11(5) of NAG: "social benefits to which the applicant would be entitled only through receiving a residence permit, especially social assistance benefits and *Ausgleichszulage* are to not be taken into account [to verify sufficient resources]"³⁴⁵.

These provisions are currently the object of a preliminary ruling case pending at the Court of Justice (case C-140/12, *Brey*).

Family members of EU migrants already legally resident in Austria can obtain the residence right even if they do not have sufficient resources. In that case, their family member has to sign a declaration of liability (*Haftungserklärung*) as defined in NAG paragraph 2(1). According to the above mentioned case decision from July 2011³⁴⁶, the declaration of liability is not suitable to weaken the entitlement to *Ausgleichszulage*. However, the in 2011 amended paragraph 51 (1) of NAG was not yet applicable for this case.

9.3 Access by pensioners to the compensatory supplement of Act 9 September 1955 in Austria

Since 2002, the total migrant population in Austria (EU and third-country nationals)³⁴⁷ has increased by 27% to a total of approximately 970,541 migrants in 2012³⁴⁸ including children). In comparison, the number of EU migrants aged 15 and above has increased by

³⁴² Government bill (*Budgetbegleitgesetz*), paragraph 115 (54) „Änderung des Allgemeinen Sozialversicherungsgesetz“, Punkt 54: „in §292 (1), the expression ‚habitual residence‘ is replaced by the expression ‚lawful, habitual residence“.

http://www.ris.bka.gv.at/Dokumente/BgblAuth/BGBLA_2010_I_111/BGBLA_2010_I_111.html

³⁴³ Conclusion based on stakeholder consultation (NGO)

³⁴⁴ Government bill (*Budgetbegleitgesetz 2011*), Artikel 90 „Änderung des Niederlassungs-und Aufenthaltsgesetzes“, Punkt 1.

http://www.ris.bka.gv.at/Dokumente/RegV/REGV_COO_2026_100_2_628531/REGV_COO_2026_100_2_628531.pdf and NAG § 51 (1), 13.06.2013

³⁴⁵ Government bill, Budgetausgleichsgesetz, Artikel 90 „Änderung des Niederlassungs-und Aufenthaltsgesetzes“, Punkt 1.

http://www.ris.bka.gv.at/Dokumente/RegV/REGV_COO_2026_100_2_628531/REGV_COO_2026_100_2_628531.pdf

³⁴⁶ *Oberster Gerichtshof* (Supreme Court) Decision on case 10ObS172-10g, 21 July 2011, section B.1.

³⁴⁷ Unless stated otherwise, the term "migrant" in this study means persons who have their regular residence in Austria, but are not Austrian citizens. The term "EU-26 nationals" refers to citizens from EU Member States except Austria.

³⁴⁸ Source: Statistik Austria, "Statistik des Bevölkerungsstandes. Bevölkerung zu Jahresbeginn seit 2002 nach zusammengefasster Staatsangehörigkeit", available at: www.statistik.at

52% in the same time span. The total number of EU nationals of 65 years and above has increased steadily from 2003 to 2011.

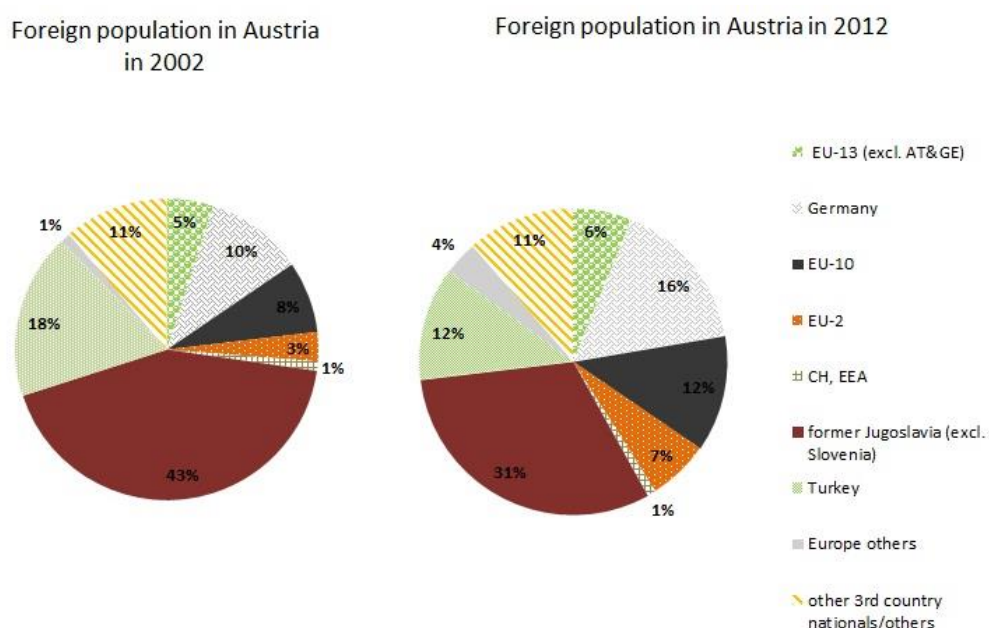
As can be seen in fig. 9.1, in 2002, the population from the EU-26³⁴⁹ made up approximately one quarter (26%) of all migrants in Austria, while in 2012 they made up almost half (41%). This was mainly due to the fact that the population from Turkey and former Yugoslavia in Austria has not grown since 2002 and their shares consequently decreased. The share of other third-country nationals stayed more or less the same.

When those under 15 are excluded, data shows that the shares of EU migrants have also risen from 1.4% of the total population residing in Austria in 2002 to 4.4% in 2011³⁵⁰. In 2012, according to EU-LFS data, the share of EU migrants aged 15 and above has risen to 4.8%.

As the trends for the separate EU-26 groups show, the numbers of nationals from Germany, the EU-10 and the EU-2 have increased more or less at the same rate. For EU-10 and EU-2 nationals, there was a sharper increase after their respective accession year. The number of migrants from the other EU-15 countries (except Germany), however, has increased only around half as much as the other nationalities. Furthermore, among citizens from other EU-15 countries, Germans represent a very important group (16% of all migrants in 2012), which is almost three times as large as all the other EU nationals (taken together).

The number of EU nationals in Austria has doubled between 2002 and 2012 and it is now 4.8% of the total population. Germans are the largest group of all migrants (16% in 2012).

Figure 9.1 Foreign population resident in Austria per groups of citizenship, comparison of 2002 and 2012



Source: Statistik Austria, Statistik des Bevölkerungsstandes, extracted in June 2013, Milieu own calculations

³⁴⁹ EU-26 nationals refers to nationals from the EU-26 as of today and therefore includes numbers of EU-12 nationals already for 2002. They were included to provide a more adequate comparison.

³⁵⁰ The shares in 2011 varied according to the source between 4.1% (EU-SILC), 4.3% (Migration statistics) and 4.4% (EU-LFS).

While the stock shares of EU-15 and EU-12 nationals were almost the same in 2012, the net inflow of EU-10 nationals was higher (11,437) than of EU-14 nationals (9,514). Compared to 2008, the number of incoming nationals other EU-15 countries has actually decreased while the number of incoming EU-10 and EU-2 nationals has increased (Annex 10, [Figure A10.2](#)).

9.3.1 Overall trends in non-active EU migration into Austria 2002-2012

In 2012, 33% of EU migrants in Austria were non-active, whereas 41% of the Austrian national population and 41% of the total population resident in Austria were non-active. The share of non-active EU migrants of the total population in Austria has risen from 0.6% in 2002 to 1.6% in 2012. This reflects the increasing share of EU migrants among the population in Austria during the last 10 years (from 1.4% in 2002 to 4.8% in 2012)³⁵¹. However, in 2012, only 15% of non-active EU migrants were not relatives of an economically active EU citizen (see [Figure 3.5](#), figures based on EU-LFS micro data).

In 2012, 33% of EU migrants and 41% of Austrian were non-active.

Between 2005 and 2011, non-active EU migrants in Austria increased by 30%.

In total numbers, EU-LFS survey data (which tends to under-estimate migration figures) captured 81,301 non-active EU migrants in Austria in 2005 and 111,800 in 2012³⁵². This is an increase of 38%. In comparison, the number of all EU migrants has increased by 68% in the same time span.

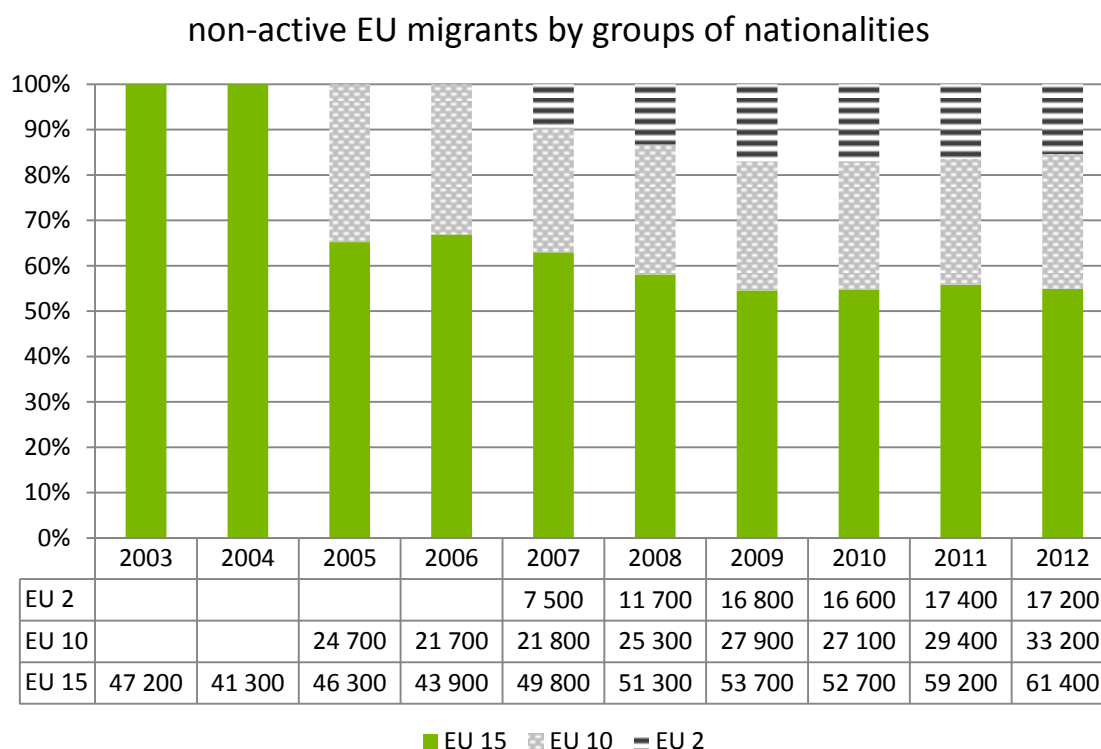
Between 2005 and 2012, non-active EU migrants in Austria increased by 38%. In comparison, the number of all EU migrants has increased by 68%.

Although the number of non-active EU migrants as shown in the figure above shows some fluctuations, an overall upwards trend can be seen which is why the number of non-active EU migrants is likely to continue rising.

³⁵¹ Source for all numbers in this paragraph: EU-LFS micro data ICF GHK own calculations. Total population excludes children under the age of 15. People born in the country are included. Spouses of nationals and relatives of economically active EU citizens are included.

³⁵² This total number is based on data from the LFS on total EU migrant population, which is why it does not totally correspond to data from migration statistics. However, if calculated with data from migration statistics, the number of non-actives is almost the same: $0.34 \times 352,187 = 119,000$ (for 2011).

Figure 9.2 Shares of non-active EU migrants in Austria by main groups of nationalities, 2003-2012



Source: EU-LFS, data extracted from Eurostat, GHK and Milieu own calculations

As shown in the graph above, for all three groups of nationalities, the number of non-actives has risen since 2007. However, the shares of nationals of other EU-15 countries from all non-active EU migrants have decreased due to the accession of EU-10 and EU-2 countries. In 2012, approximately 53% of non-active EU migrants were nationals from other EU-15 countries, 28% were EU-10 nationals and 15% were EU-2 nationals. However, within each of the groups of migrants, there was the same share of non-actives in 2012 (each around 28%).

9.3.2 Overall trends in EU pensioners migration into Austria 2002-2012

The number of EU pensioners reported in this section is measured in two ways: first, by taking age as an approximation and second, by self-reported retirement as the main labour status. The age group taken as an approximation was 60 years and above, because this provides the closest approximation (see below). It has to be pointed out that this does not include the whole target group of *Ausgleichszulage*, as this benefit is also awarded to orphans, widows/widowers and people receiving invalidity pension.

While the latter two groups might report themselves as “retired” and are more likely to be elderly, orphans are very unlikely to do so and furthermore are unlikely to be elderly. In 2012, 7% of *Ausgleichszulage* beneficiaries were orphans, 29% were widows/widowers and 21% were people receiving invalidity pension. Only 44% were people receiving an old-age pension³⁵³. Furthermore, EU pensioners who work part-time while receiving a pension could be eligible to *Ausgleichszulage*, but do not fall within the realm of this study. The available data does not allow us to distinguish this group either. Therefore, the following data has to be treated with caution and can only be taken as a rough estimate of the possible target group for *Ausgleichszulage*.

The total number (stock) of EU nationals of 60 years and above has increased steadily from 22,012 in 2003 to 36,135 in 2011, which corresponds to around 6.6% of the total EU migrant population in this year. This increase of 64% is slightly smaller than the increase of EU nationals aged 15 to 64, which was 77% in that period.

The total number of EU nationals of 60 years and above has increased steadily from 2003 to 2011. In 2011, they are 10% of the total EU migrant population.

The EU-LFS estimates the numbers of retired EU migrants³⁵⁴ which could be used as a comparison to the EUROSTAT data. For 2011, the number of retired EU migrants was 32,355, while the number of over 65-year-old EU migrants was only 23,667 and the number of 60 to 64 year-olds was 12,486³⁵⁵. This suggests that around one third of EU pensioners retire early. This corresponds more or less to the age breakdown of retired EU-migrants from EU-LFS (2011), according to which 38% of retired EU migrants were younger than 65 years. This is the highest share of young EU migrant pensioners of all EU Member States. Only Belgium, Denmark and France have an almost equally high (but still lower) share of young EU pensioners. This also shows that the age group of 60 years and above is a good approximation for the number of EU pensioners.

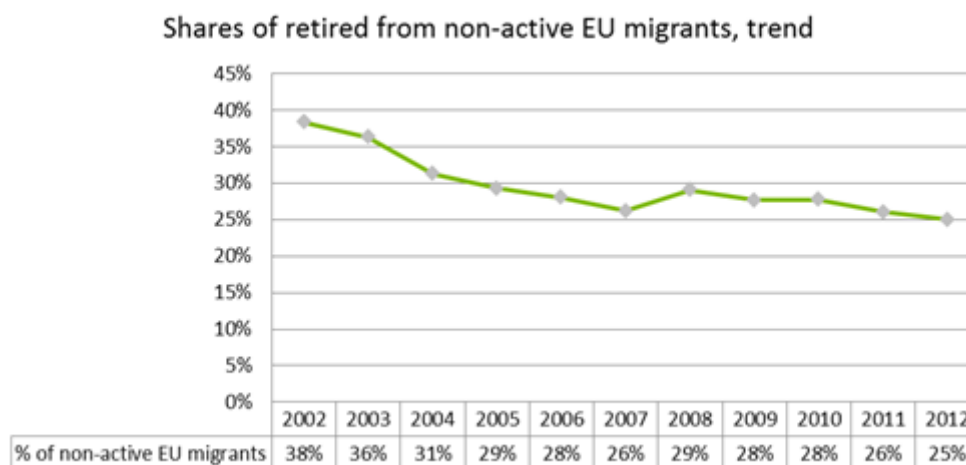
As can be seen in fig. 9.3, the share of retired migrants from non-active EU migrants over the age of 15 has decreased between 2002 and 2012 (from 38% to 25%). Furthermore, neither the total number nor the share of retired EU migrants in Austria has increased drastically since the beginning of the economic crisis. The share has increased slightly in 2008, but then decreased again.

³⁵³ Source: Hauptverband der Sozialversicherungsträger 2012

³⁵⁴ Data is based on the variable MAINSTAT from the EU Labour Force Survey, which captures the self-reported main labour status of respondents. As the LFS is based on a sample and tends to underestimate the number of migrants, total numbers are to be interpreted with caution.

³⁵⁵ Eurostat migration statistics ‘Population by sex, age group and citizenship [migr_pop1ctz]’, extracted in July 2013

Figure 9.3 Shares of retired from non-actives from all EU migrants, aged 15 and above, trend 2002-2012



Source: EU-LFS, based on variable MAINSTAT, downloaded from Eurostat in June 2013, GHK and Milieu own calculations

When looking at the two large groups of nationalities of EU pensioners, data from the EU-LFS shows that, since 2006, the group of pensioners from the other EU-15 countries has remained much larger than the group of pensioners from the EU-10 or EU-12 countries³⁵⁶. Especially between 2007 and 2008, the overall number has risen sharply (by 34%), which is however not only due to the accession of Romania and Bulgaria, as the population of pensioners from the EU-15 has also risen in this period. Furthermore, while the number of pensioners from the other EU-15 countries decreased between 2009 and 2010, the number of pensioners from EU-12 has continued rising in this period. In 2012, there were approximately 7,500 pensioners with one of the EU-12 nationalities and 24,900 pensioners with one of the other EU-15 nationalities in Austria.

Intra-EU migrants tend to be older than migrants from third countries. However, it has to be born in mind that a large part of the elderly migrants from the EU, especially those coming from Poland, Hungary and former Czechoslovakia, are likely to have already lived in Austria for some decades. Furthermore, it is possible that elderly people are less mobile than younger individuals and therefore less likely to migrate over long distances. This may explain the age gap between the two groups³⁵⁷.

In order to identify the possible target group for this study, numbers of inflows of migrants are therefore more relevant, as they represent migrants that come to Austria and are more likely to not have worked in Austria before³⁵⁸.

Inflow numbers for pensioners separately are not available which is why age is used as an approximation. The legal pension age in Austria is 65 years for men and 60 years for women. However, according to figures from the *Arbeiterkammer* (Chamber of Labour), the average retirement age has been 58 from 2008 to 2011³⁵⁹. According to results from SHARE, a study based on results from the Survey of Health, Ageing and Retirement in

³⁵⁶ Source: Austrian LFS, data extracted from publications « Arbeitskräfteerhebung » 2004-2011, published on www.statistik.at

³⁵⁷ Austrian migration report 2012, p. 28.

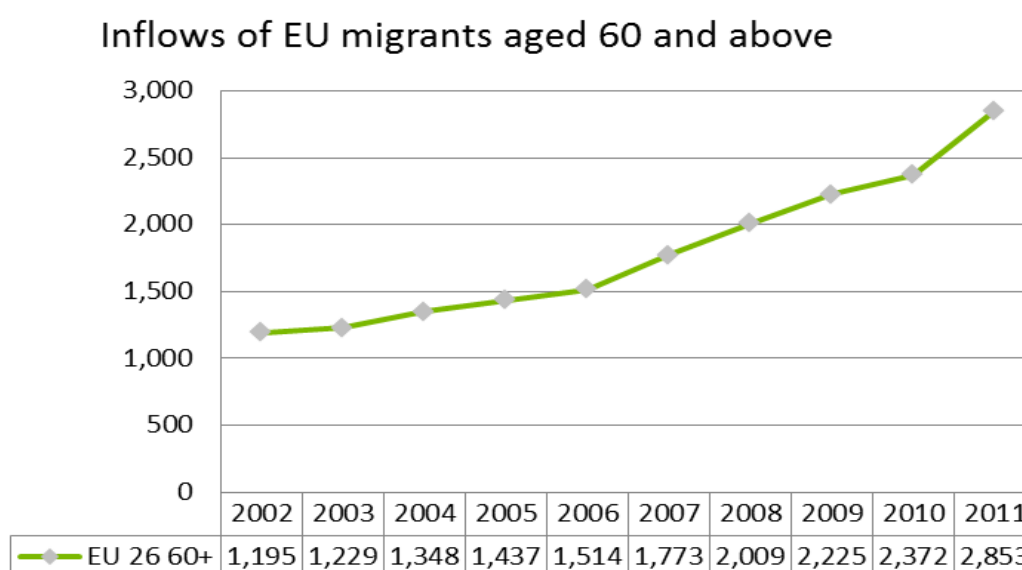
³⁵⁸ It is also possible that an EU pensioner has worked in Austria before, then left the country and is immigrating again for his or her pension. However, inflow numbers do not capture these situations.

³⁵⁹ http://statistik.arbeiterkammer.at/tbi2012/durchschnittliches_penionszugangsalter-_-gesamte_pv.html

Europe³⁶⁰, people born abroad (migrant background) tend to retire later than people born in Austria. However, approximately 25% of those migrants aged 50 to 64 have retired³⁶¹. Data on self-reported retirement from the EU-LFS shows that the statistics using the approximation of 64 years and above underestimates the number of pensioners among EU migrants. Since the age categories used by Eurostat do not allow a more precise breakdown, the age group 60 and above has been chosen as an approximation.

Numbers of migrants aged 60 and above are available broken down by citizenship. The breakdowns published by Eurostat are, however, not available for all of the years 2002-2012.

Figure 9.4 Trend of inflow numbers of migrants aged 60 and above from the EU-27 (except Austria)



Source: Eurostat migration statistics and Milieu calculations, tables « immigration by sex, age group and citizenship », downloaded from Eurostat on 15 July 2013

According to the figure above, more and more elderly EU citizens have been moving to Austria during the last 10 years. The number of incoming migrants aged 60 and above from the EU-27 has more than doubled between 2002 and 2011 (increase of 139%). This corresponds to the increasing number of the overall inflows of EU migrants.

The number of incoming migrants aged 60 and above from the EU-27 increased by 139% between 2002 and 2011

Data which allows a comparison of the inflows of EU migrants aged 60 and above distinguishing EU-2, EU-10 and EU-15 nationals are available for 2009, 2010 and 2011³⁶². This data shows that the share of incoming EU-2 elderly migrants has more than doubled between 2009 and 2010, and in parallel, the share of incoming EU-15 nationals has decreased. The share of EU-2 has, however, slightly decreased again in 2011. This is because the share of EU-10 elderly migrants has constantly been increasing since 2009.

³⁶⁰ <http://www.share-project.org/>

³⁶¹ Halmdienst, N. et al. (2013), p. 47.

³⁶² Eurostat migration statistics and Milieu calculations, tables « immigration by sex, age group and citizenship », downloaded from Eurostat on 15 July 2013

However, also the total numbers of EU-2 migrants have decreased slightly in 2011. Considering that it has become much harder for elderly immigrants with a low pension to receive *Ausgleichszulage* in Austria in 2011, this legal change might partly explain the decrease of the incoming elderly Romanian and Bulgarian migrants. However, this is only a possible explanation and no evidence to support this conclusion could be found.

Between 2002 and 2008, Germans and Romanians were the largest groups of elderly EU migrants coming to Austria.

Inflow data broken down by detailed citizenship is only available for 2002-2008. Germans have by far been the biggest group of elderly immigrants between 2002 and 2008. Since 2002, Romanians have been the second largest group of elderly immigrants. However, in 2008, inflow numbers were higher than before for all nationalities except for Italians.

9.3.3 Have these EU pensioners worked in Austria before retiring?

As stated above, the inflow numbers provide a first approximation to the number of EU pensioners who have not worked in Austria before retiring. The comparison between inflow and stock data shows that a large part (roughly 90%) of the elderly EU migrants resident in Austria in 2011 were not newcomers and thus have resided in Austria before³⁶³. However, the number of incoming migrants aged 60 and above between 2008 and 2011 amounts to around 26% of the total stock of EU migrants of the same age group in 2011. This means that almost one third of elderly EU migrants resident in Austria in 2011 have only arrived in Austria less than 5 years ago (this estimation does not count for the outflows). Furthermore, results from SHARE show that the majority of migrants above 50 who were born in Germany and other Western and Northern European countries were between 20 and 40 years old when they immigrated and migrants born in Southern Europe were even younger³⁶⁴. Concerning migrants from Eastern Europe, many of those who have now reached a higher age had come to Austria during the decades following the Second World War - as refugees or as *migrant workers* - and after the fall of the Iron Curtain³⁶⁵.

Information from stakeholders and quantitative data shows that most elderly migrants come to Austria to work many years ago and many of those are third-country nationals.

Both large organisations for advice on pension benefits to migrants which were interviewed for this study stated that their clients were mainly Turkish and Ex-Yugoslavian nationals who had come to Austria as migrant workers and have resided and worked in Austria for decades. One interviewee who has been working in this area for 9 years reported that there had been cases in which migrants (third-country nationals) had only worked a few years in Austria before applying to *Ausgleichszulage*. As family reunification was an important pull factor, elderly migrants would often come for this reason. However, according to the interviewee, they would come to seek work in Austria even at a high age, an intention which is very unlikely to be successful. She added that quite a few of her clients have partly spent their lives in Austria, going back and forth between Austria and their country of origin and working and living in legal "grey zones"³⁶⁶. Furthermore, according to another stakeholder, Romanian and Bulgarian immigrants do sometimes come to Austria after retiring or at the end of their working period³⁶⁷.

³⁶³ Sources: Eurostat population and migration statistics

³⁶⁴ Halmdienst, N. Et al. (2013), p.23

³⁶⁵ Halmdienst, N. Et al. (2013), p. 21

³⁶⁶ Conclusion based on stakeholder consultation (NGO).

³⁶⁷ Conclusion based on stakeholder consultation (NGO).

As finding work in Austria at a high age is especially difficult for immigrants³⁶⁸, it is more likely that elderly EU migrants come to live with their (active) family members.

Even though a large share of EU pensioners can be expected to have resided in Austria for quite some years, EU-LFS data show that in 2011, 41% of EU pensioners have never worked in Austria before³⁶⁹ (Figure 3.12). To a certain extent, these are likely to be widows or widowers of formerly active people (nationals or migrants) who were themselves non-active, but receive an (Austrian or foreign) widow's pension. Furthermore, these can be EU migrants who have only worked abroad and therefore receive a foreign pension.

9.3.4 Overall trends in the number of beneficiaries 2002-2012

Data on beneficiaries of *Ausgleichszulage* is available from the principal association of pension insurers (*Hauptverband der Sozialversicherungsträger*) for the period 2007 to 2013. The table below shows:

- trends of total beneficiaries (national, EU citizens and third-country nationals),
- trends of beneficiaries who only receive a pension from another EU Member State (they might include Austrian, EU and third-country nationals),
- and trends of beneficiaries who only receive a pension from another EU Member State and are non-Austrian citizens³⁷⁰.

Since 2009, the number of beneficiaries of *Ausgleichszulage* who only receive a pension from another EU Member State ("EU only *Ausgleichszulage* beneficiaries") has been recorded separately, broken down by the individual countries pensioners receive their pension from. However, these numbers also include Austrian citizens who receive only a foreign pension. The citizenship of beneficiaries of foreign pensions receiving *Ausgleichszulage* has only been recorded since December 2011.

Table 9.1 Trends of beneficiaries of *Ausgleichszulage* (total, with EU pension, with EU pension and foreign citizenship) Decembers 2007-2012

	2007	2008	2009	2010	2011	2012
Total	239,515	243,460	241,619	238,242	234,671	229,186
Foreign EU pension	n/a	n/a	539	707	858	1012
% of total	n/a	n/a	0.2%	0.3%	0.4%	0.4%
Foreign EU pension+ foreign citizen	n/a	n/a	n/a	n/a	526	653
% of total	n/a	n/a	n/a	n/a	0.2%	0.3%

Sources: Hauptverband der Sozialversicherungsträger 2012, "Statistisches Handbuch der österreichischen Sozialversicherung 2012" available at: http://www.hauptverband.at/mediaDB/912068_Statistisches_Handbuch_der_oesterreichischen_Sozialversicherung.pdf and information received by BMASK through stakeholder interview

³⁶⁸ Conclusion based on stakeholder consultation (NGO).

³⁶⁹ LFS micro data, ICF GHK own calculations.

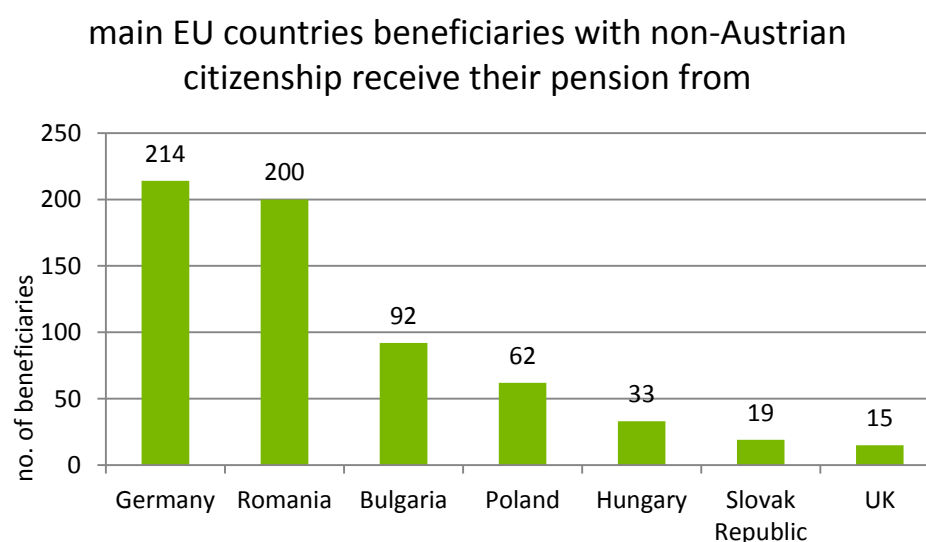
³⁷⁰ Note that data on detailed citizenship of non-Austrian beneficiaries is not available, so these numbers could include third country nationals receiving a pension from another EU Member State.

As can be seen in table 9.1, the total number of beneficiaries has been rising slightly between 2007 and 2009, and then decreasing up to 2012. The total number of beneficiaries (including third-country nationals, EEA migrants and nationals) of *Ausgleichszulage* in 2012 was 229,186. 0.3% (in total numbers, 615³⁷¹ persons) of them received a pension from another EU State (and not one from Austria) and were non-Austrian citizens.

*In 2012, 0.3% of beneficiaries of *Ausgleichszulage* were non-Austrian nationals receiving a pension from another EU Member State.*

The number of “*Ausgleichszulage* beneficiaries receiving only a pension from another EU Member State”, which might include Austrian nationals, has more than doubled since the first quarter of 2009: it has continuously risen from 484 beneficiaries in the 1st quarter of 2009 to 1035 in the 1st quarter of 2013. Accordingly, the number of migrants among them has also risen since the 4th quarter of 2011: from 526 initially to 673 in the first quarter of 2013 (27.3%). Furthermore, the share of “*Ausgleichszulage* beneficiaries receiving only a pension from another Member State” and migrants among them from the total number of beneficiaries has risen as well (by 0.1 percentage point per year).

Figure 9.5 Non-Austrian *Ausgleichszulage* beneficiaries with foreign EU pension only, by country providing the pension, 3/2013



Source: PVA, 2013

The largest shares of non-Austrian beneficiaries receive their pension from Germany (214=32%), followed by Romania (200=30%), Bulgaria (92=14%), Poland (62=9%), Hungary (33=5%), the Slovak Republic (19=3%) and the UK (15=2%). Together, these beneficiaries make up 94% of the 673 EU migrants that receive *Ausgleichszulage* from another EU Member State only in 2013. A comparison of the numbers broken down by Member State since the 4th quarter of 2011 shows that the shares have stayed more or less the same since then.

The number of foreign citizens receiving only a pension from another EU Member State can be used as an approximation for the number of non-active EU migrants receiving *Ausgleichszulage*. Using this approximation, the share of non-active EU migrants receiving *Ausgleichszulage* was around 0.6% (653 out of 111,800) in 2012.

³⁷¹ This number is the average of the four quarterly numbers of 2012 and therefore differs slightly from the number presented in the table which is the number of the last quarter only.

9.3.5 How easy is it for EU pensioners to access this benefit?

There are several legal and administrative burdens that make it very difficult for EU pensioners to receive *Ausgleichszulage*. Before the legal changes in 2011, it is said to have been easier to receive *Ausgleichszulage* for EU pensioners immigrating into Austria³⁷², because *Ausgleichszulage* was not excluded from the “sufficient resources” which entitle an EU citizen to legal residence. Two stakeholders³⁷³ confirmed that (at least since the legal changes in 2011³⁷⁴), it is practically impossible for an EU pensioner to receive *Ausgleichszulage*, unless he or she has worked in Austria before or has resided in Austria for a minimum of five years. When applying for *Ausgleichszulage*, EU pensioners have to provide the so-called *Anmeldebescheinigung*, a document which proves the legal residence of an EU migrant in Austria. However, an *Anmeldebescheinigung* can only be received if an EU migrant proves to have sufficient resources (which would make it unnecessary for him to receive *Ausgleichszulage*).

*Stakeholders confirmed that it is difficult for EU pensioners to get *Ausgleichszulage*. They could lose their right of residence due to lack of resources when applying for this benefit.*

There were cases in which EU pensioners who had an *Anmeldebescheinigung* applied to the *Ausgleichszulage*, claiming that their income was no longer up to the threshold. In this case, it can happen (and, according to one stakeholder, has happened) that the pension insurance authority (*Pensionsversicherungsanstalt – PVA*) transfers the file to the immigration police and the EU migrant loses his right of residence due to lack of sufficient resources³⁷⁵. The stakeholder confirmed that this was the reason why she did not advise immigrants to apply for *Ausgleichszulage* when they do not have sufficient resources anymore.

Furthermore, since 2011, EU migrants have to provide a deregistration document from their former place of residence. Migrants from Romania and Bulgaria hesitate to do so because they then lose the identity card of their home country.

Information on the rate of refusal could only be found for 2011: in this year, the PVA registered 635 applications to *Ausgleichszulage* by “foreign EU pensions only” cases. Furthermore, there were 229 awards and 599 refusals in this year (awards and refusals refer to applications made in a previous year)³⁷⁶. However, the reasons for refusal are not known.

9.4 Drivers of EU pensioners’ migration in Austria and the role of the compensatory supplement of Act 9 September 1955

³⁷² Conclusion based on stakeholder consultation (NGO)

³⁷³ Conclusion based on stakeholder consultations (NGOs)

³⁷⁴ Before, *Ausgleichszulage* was not mentioned in the NAG, and was not excluded as a resource which could enable a migrant to receive the right of residence.

³⁷⁵ Conclusion based on stakeholder consultation (NGOs).

³⁷⁶ Response to the parliamentary enquiry, no.11632/AB XXIV.GP from 2 August 2012 by BMASK to MP Dr. Strutz, available at: http://www.parlament.gv.at/PAKT/VHG/XXIV/AB/AB_11632/imfname_264062.pdf

The reasons for immigration into Austria have been investigated in the LFS ad-hoc module in 2008 and published in a report by Statistik Austria.³⁷⁷ However, the report does not distinguish between active and non-active migrants, and only sometimes analyses EU migrants separately (see below). The most frequent reason for immigration for all migrants was “immigration as a child” together with or following parents (23.9%). The second frequent reason is “family reunification”³⁷⁸ (19.9%), to a large extent cited by women. On the other hand, men frequently cited “searching for work” as an immigration motive (18.5% of all respondents cited this as a reason).

According to data from the EU-LFS (2008), the main reason for immigration for migrants born in another EU country in the age group 55 to 74 years was by far family related (47%).

According to the report, immigrants from the EU-15 mentioned “family reunification” very seldom. In comparison to all migrants, EU-15 immigrants state “assignment to another post or take-up of a formerly found job” especially often (17.4% vs. an average of 7.2%). Many EU-15 citizens also come to Austria for reasons of marriage or partnership (18.4%). This differentiates them especially from Turkish immigrants who rather come for reasons of “family reunification”, i.e. the family was already founded in the country of origin. Furthermore, many migrants from the EU-15 currently reside in Austria for studies (12.1%).

Over the time, the share of migrants (EU nationals and third-country nationals) who immigrated for reasons of “family reunification” has steadily increased.³⁷⁹ Many low qualified migrants and especially many women have immigrated to Austria for this reason. On the contrary, the “search for work” has become a less important reason for immigration since the 90s. This might correspond to the immigration policies which became more restrictive. Especially the gender diversion suggests that a large part of the migrants coming for “family reunification” reasons are family members of (former) working migrants.

Further data from the EU-LFS ad-hoc survey of 2008 is available on Eurostat. Accordingly, a large proportion (47%) of 55 to 74-year-old EU-migrants³⁸⁰ cited *family* as their main reason for migration. 12% of this group came to work in Austria, without having found a job before immigration and 9% came for work with a job before immigration. Although the survey was conducted in 2008, it is possible that the respondents have already immigrated into Austria in previous years.

Therefore, it cannot be said if the group of 55 to 74-year-olds are “new” or “old” immigrants and if the share that came for working reasons has already worked in Austria before³⁸¹. However, there is a difference between the age groups regarding reasons for migration, which allows concluding that family is a more important reason to older people, and work and education a more important reason for younger people to migrate. This leads to the assumption that elderly EU migrants may have accompanied their active family members who migrated in the course of the opening of the Austrian labour market to EU citizens.

³⁷⁷ Statistik Austria (2009): „Arbeits- und Lebenssituation von Migrantinnen und Migranten in Oesterreich 2008“, p. 32.

³⁷⁸ “Family reunification” in study means that the family has already existed before migration. One family member has followed one or more family members after their migration to Austria. Ibid., p. 32

³⁷⁹ Ibid., p. 34.

³⁸⁰ The term EU migrant here refers to people whose country of origin is an EU Member State different than Austria.

³⁸¹ Although only 8% (this number is subject to low reliability) stated they had come for international protection, it is possible that a part of these elderly migrants came as refugees from former Soviet Union countries between 1950 and 1990.

9.4.1 Impact of the access to this benefit on EU pensioners' decision to move into Austria

Benefits such as invalidity pension or emergency healthcare could be an important pull factor for migrants from Romania and Bulgaria³⁸². However, migrants often do not know about these benefits. One interviewee explained that the increased demand of *Ausgleichszulage* by Romanians between 2007 and 2009 was due to information spread among them. Bulgarians did not show the same behaviour, as they did not know about it. When they came to know about it, the law had already changed and access had become more difficult³⁸³.

Therefore, access to benefits as a driver is closely linked to the driver "social networks", which enable information to pass on among foreigners.

9.4.2 Impact of the level of generosity of this benefit (compared to pension levels in the country of origin) on EU pensioners' decision to move to Austria

No detailed evidence concerning the level of generosity of *Ausgleichszulage* as a driver could be found.

However, according to one stakeholder, the relation between living costs and the level of benefits is better in Austria than in Bulgaria and Romania³⁸⁴. The stakeholder explained that the average pension in Bulgaria is around €75. Therefore, Austrian pensions are on average much more generous. Expenditures for pensions are by far the largest part of the national social expenditures³⁸⁵.

Access to benefits could be a driver of migration to Austria considering also the higher level of pensions, although no specific evidence could be found to support this conclusion.

As shown above, the number of EU migrants who only receive a foreign EU pension and who receive *Ausgleichszulage* has risen since the end of 2011 by 27.3%.

This rise was subject to an enquiry to the Ministry of Labour, Social Affairs and Consumer Protection (*Bundesministerium für Arbeit, Soziales und Konsumentenschutz – BMASK*) posed by an Austrian Parliamentarian in summer 2012³⁸⁶: how is this rise possible in the light of the amendments of the *Budgetbegleitgesetz 2011*, which should hinder EU immigrants from requesting *Ausgleichszulage* if they could not prove sufficient resources?

According to the BMASK, the number of beneficiaries was still rising, because these were immigrants who had been residing in Austria for more than 5 years previous to their request for *Ausgleichszulage*³⁸⁷. Furthermore, a large part of the additional cases receiving *Ausgleichszulage* was due to judicial procedures that were still pending at that time and which were decided upon on the basis of the former legal situation.

9.4.3 Estimates of the future trends on demands for accessing it by EU pensioners

No official estimate on the future trend on demands for accessing *Ausgleichszulage* by EU pensioners was made by stakeholders interviewed. Given that the number of incoming migrants of 60 years and above has been rising over the last 10 years, it can be expected that this upwards trend will continue and elderly EU migrants will continue coming to Austria.

³⁸² Conclusion based on stakeholder consultations (academic expert and NGO).

³⁸³ Conclusion based on stakeholder consultation (NGO).

³⁸⁴ *Ibid.*

³⁸⁵ Conclusion based on stakeholder consultation (academic expert).

³⁸⁶ Response to the parliamentary enquiry, no.11632/AB XXIV.GP from 2 August 2012 by BMASK to MP Dr. Strutz, available at: http://www.parlament.gv.at/PAKT/VHG/XXIV/AB/AB_11632/imfname_264062.pdf

³⁸⁷ This because after 5 years EU migrants become long-term residents and fulfil more easily all residency conditions.

Furthermore, the accession of Croatia to the EU will make it easier for Croatian citizens to access *Ausgleichszulage* which is why an increasing demand among Croatian migrants is possible³⁸⁸.

However, legislation has made it almost impossible for EU pensioners to access *Ausgleichszulage* if they are not long-term residents or have worked in Austria. It is therefore very hard to estimate how the number of EU migrant beneficiaries of *Ausgleichszulage* will evolve.

As more elderly migrants will have resided in Austria for more than 5 years (becoming long-term residents and fulfilling any residence requirements more easily), it is possible that the demand for Ausgleichszulage will rise.

What could possibly boost the demand is the fact that more and more elderly migrants will have resided in Austria for more than 5 years (becoming long-term residents and fulfilling more easily any residence requirement), as the accession of EU-12 countries will lie further and further back.

Finally, the outcome of the *Brey* case which is currently pending before the CJEU might also have an impact on the future trend in accessing *Ausgleichszulage*.

9.5 Budgetary impacts

9.5.1 Expenditure on such benefit granted to EU pensioners 2002-2012

Numbers on expenditures for *Ausgleichszulage* are available from 2007 to 2012³⁸⁹.

Table 9.2 Trends of expenditure for *Ausgleichszulage*, 2007-2012

	2007	2008	2009	2010	2011	2012
Beneficiaries*	239,515	243,460	241,619	238,242	234,671	229,186
Average amount/ per allowance ³⁹⁰	€ 263	€ 277	€ 275	€ 278	€ 281	€ 287
AZ per 1,000 pensions	113	113	110	107	104	101
Annual expenditure	€930,578,230	€969,000,000	€982,000,000	€981,000,000	€976,000,000	€973,000,000 ³⁹¹

Source: Hauptverband der Sozialversicherungsträger, 2012. Numbers represent expenditures of all pension insurance institutions.

*the numbers of beneficiaries refer to the last quarter of each year

Data on the expenditure on *Ausgleichszulage* granted to pensioners receiving a foreign EU pension was provided by BMASK for the period October - December 2012 (see Table 9.3).

³⁸⁸ Conclusion based on stakeholder consultation (NGO).

³⁸⁹ Source: Hauptverband der Sozialversicherungsträger, 2012. „Statistisches Handbuch der österreichischen Sozialversicherung“, available at: http://www.hauptverband.at/mediaDB/912068_Statistisches_Handbuch_der_oesterreichischen_Sozialversicherung.pdf

³⁹⁰ The allowance is paid 14 times during a given year.

³⁹¹ Preliminary figures provided by the national authorities as of June 2013.

Based on this data, it is estimated that an average amount of €415 is spent per pensioner receiving a foreign pension EU pension in a given month³⁹².

Table 9.3 Estimates of monthly and annual expenditures for non-Austrian citizens who only receive a pension from another EU Member State

	2009	2010	2011	2012
Beneficiaries	n/a	n/a	526	597
Estimated average amount per allowance for "beneficiaries EU pensions only"	n/a	n/a	€ 407	€ 415
Annual expenditure ³⁹³	n/a	n/a	€ 3,168,414	€ 3,666,774
% of total annual expenditure	n/a	n/a	0.3%	0.4%

Source: Hauptverband der Sozialversicherungsträger, 2012, Milieu own calculations

*Numbers of beneficiaries were calculated as the average of quarterly figures on beneficiaries.

A comparison of the trends of annual expenditures presented in the two tables above shows that while the overall annual expenditure for *Ausgleichszulage* has been decreasing slightly since 2009 (by 0.1 to 0.5% annually), the annual expenditure for beneficiaries with EU pensions only has increased since 2009 (by 25% to 26% annually). The annual expenditure for beneficiaries with EU foreign pensions only and non-Austrian citizenship has also been rising between 2011 and 2012 by 16%. This corresponds to the trends of beneficiaries which show that the overall number of *Ausgleichszulage* beneficiaries has been decreasing since 2009, while the numbers of beneficiaries with EU pensions only and the number of EU migrants with EU pensions only has risen since 2009 and 2011, respectively.

The annual expenditure for foreigners receiving EU foreign pensions only has been rising between 2011 and 2012 by 16% but it was only 0.01% of the pension expenditures in 2012.

However, it has to be pointed out that the *Ausgleichszulage* expenditures for beneficiaries with "foreign EU pensions only" and non-Austrian citizenship made up only 0.3% in 2011 and 0.4% in 2012 of the overall *Ausgleichszulage* expenditures.

Furthermore, the overall *Ausgleichszulage* expenditures made up only 3% of the whole pension expenditures and the *Ausgleichszulage* expenditures to EEA migrants made up only 0.01% of the pension expenditures in 2012³⁹⁴.

³⁹² Note that the average expenditure per person receiving a pension from another EU country is significantly higher (45%) than the average expenditure for all *Ausgleichszulage* beneficiaries (including those receiving pension from Austria).

³⁹³ Allowances are paid 14 times during a given year.

³⁹⁴ Milieu own calculations based on figures provided by BMASK which are presented above.

9.5.2 Current perceptions about budgetary impacts; is it perceived as a significant financial burden?

The pension expenditures in Austria as a whole are perceived as a financial burden and the press has covered this issue for years³⁹⁵. Compared to other EU Member States, pensions are perceived as very generous. According to a report from 2011, Austria had the third highest pension expenditures across the EU³⁹⁶. Furthermore, Austrians are perceived to retire at a very early age (which does, however, not apply to migrants)³⁹⁷.

The concern that Austria “paid the Romanians’ pension” with *Ausgleichszulage* was also specifically raised in the press³⁹⁸. However, the 2009 number for beneficiaries of EEA pensions only (approximately 550) was presented as the number of “foreign” beneficiaries without considering that Austrians too might get a pension from another Member State.

*The pension expenditures in Austria as a whole are perceived as a financial burden. However, according to the press, the deputy director of the regional PVA office in Styria denied a threat to the Austrian social system due to entitlement to *Ausgleichszulage* by EU pensioners*

Moreover, in January 2010, another newspaper stated that around 30 Romanian and Bulgarian pensioners were receiving *Ausgleichszulage* then: the deputy director of the regional PVA office in Styria denied a threat to the Austrian social system due to entitlement to *Ausgleichszulage* by EU pensioners³⁹⁹.

Another article⁴⁰⁰ also agreed that an abuse of the social system through EU pensioners receiving *Ausgleichszulage* could have happened if stricter controls had not been introduced. However, it was pointed out that the new legal amendments which were to be introduced in 2011 (Budgetary Act 2011) would not bring along major budgetary savings⁴⁰¹.

9.5.3 Expected future trends in expenditure on such benefit claims granted to EU pensioners residing in Austria

No estimations on future trends in expenditure on benefits were made by the stakeholders interviewed. As pointed out above, it is hard to estimate the development of the number of EU migrant beneficiaries. However, even if the expenditures for EU migrants continue rising at a rate of 26% and the overall expenditures continue decreasing at a rate of 0.3%, in 2015

³⁹⁵ E.g.,: Profil, “Die Absurditäten des Sozialsystems“, 09 November 2011, available at: <http://www.profil.at/articles/1123/560/298965/umverteilung-die-absurditaeten-sozialsystems>; Format, „Budget 2013: Wo gespart werden muss“, 16 October 2012, available at: <http://www.format.at/articles/1242/930/344316/budget-2013-wo>; Die Presse, “Pensionen und Zinsen fressen ein Drittel des Budgets“, 19 September 2012, available at: <http://diepresse.com/home/politik/innenpolitik/1292024/Pensionen-und-Zinsen-fressen-ein-Drittel-des-Budgets>

³⁹⁶ Press Release from Austrian Press Agency APA, „Allianz Studie: Österreich mit dritthöchsten Pensionsausgaben in Europa“, 7 November 2011, available at: http://www.ots.at/presseaussendung/OTS_20111107_OTS0063/allianz-studie-oesterreich-mit-dritthoechsten-pensionsausgaben-in-europa

³⁹⁷ Conclusions based on stakeholder consultation (academic expert).

³⁹⁸ E.g., Heute, (which has the second highest coverage among Austrian newspapers) „Danke, EU: Wir zahlen den Rumänen die Pension“, 1 February 2010, available at: <http://www.heute.at/news/politik/Danke-EU-Wir-zahlen-Rumaenen-die-Pension;art422,211283>

³⁹⁹ Kleine Zeitung, „Pensionen: Schwindel bei der Ausgleichszulage?“, 07 January 2010, available at: <http://www.kleinezeitung.at/allgemein/ombudsmann/2260035/pensionen-schwindel-bei-ausgleichszulage.story>

⁴⁰⁰ Die Presse (Austrian conservative newspaper), „Mindestpension: Schranken gegen den Sozialtourismus“, 15 February 2011, available at: http://diepresse.com/home/politik/innenpolitik/634383/Mindestpension_Schranken-gegen-Sozialtourismus

⁴⁰¹ Der Standard (Austrian social-democrat newspaper), « Pensionshürde für Ausländer », 04 November 2010, available at: <http://derstandard.at/1288659567549/Pensionshuerde-fuer-Auslaender>

the expenditures for EU migrants would still only make up 0.9% of the overall *Ausgleichszulage* expenditures⁴⁰².

According to the press, the legal amendment from 2011 would bring along savings of €5.7 million in 2011 and €10 million in 2014⁴⁰³, but it is unknown on which basis this estimates were calculated.

If the expenditures for EU migrants continue rising at a rate of 26% and the overall expenditures continue decreasing at a rate of 0.3%, in 2015 the expenditures for EU migrants would make up 0.9% of the overall Ausgleichszulage expenditures

9.6 Conclusions

The Austrian applicable rules

Ausgleichszulage is a compensatory supplement for pensioners whose pension and other net income are below a standard rate. Pensioners receiving *Ausgleichszulage* are allowed to work within certain limits as long as their income plus their pension does not exceed the threshold.

This benefit is regulated by General Social Security Act from 9 September 1955 (*Allgemeines Sozialversicherungsgesetz – ASVG*)⁴⁰⁴ as amended and is qualified as a special non-contributory benefit under EU law.

Since 1 January 2011⁴⁰⁵, both habitual residence and lawful residence are required for EU pensioners to access the compensatory supplement in Austria. Lawful residence is defined according to Directive 2004/38: EU citizens can reside in Austria for more than 3 months, if they have sufficient resources and a health insurance, so that they do not need to take on 'social assistance benefits or *Ausgleichszulage*'. The reference to *Ausgleichszulage* is the new addition (Article 51(1) of the Settlement and Residence Act – NAG). To identify sufficient resources "social benefits to which the applicant would be entitled only through receiving a residence permit, especially social assistance benefits and *Ausgleichszulage* are to not be taken into account" (Article 11(5) NAG).

The new rules are the object of a preliminary ruling pending at the Court of Justice of the EU case (C-140/12, *Brey*).

Non-active EU migrants including pensioners in Austria

The number of EU nationals in Austria has doubled between 2002 and 2012 and it is now 4.8% of the total population (EU-LFS data). Germans are the largest group of all migrants (16% in 2012) (*Statistik Austria* – national statistical office). However, the number of incoming nationals from the other EU-15 countries has actually decreased while the number of incoming EU-10 and EU-2 nationals has increased (*Statistik Austria*, 2013).

In 2012, 33% of EU migrants and 41% of Austrian were non-active. Between 2005 and 2011, non-active EU migrants in Austria increased by 38%. In comparison, the number of all EU migrants has increased by 68% in the same time span (EU-LFS, ICF-GHK own calculation).

The total number of EU nationals of 65 years and above has increased steadily from 2003 to 2011. In 2011, they are 10% of the total EU migrant population.

⁴⁰² Milieu own calculations based on figures presented in tables 2 and 3.

⁴⁰³ Der Standard, « Pensionshürde für Ausländer », 04 November 2010, available at: <http://derstandard.at/1288659567549/Pensionshuerde-fuer-Auslaender>

⁴⁰⁴ General Social Security Act (*Allgemeines Sozialversicherungsgesetz ASVG*), version 21 June 2013, available at: <http://www.ris.bka.gv.at/GeltendeFassung/Bundesnormen/10008147/ASVG%2c%20Fassung%20vom%2021.06.2013.pdf>

⁴⁰⁵ Government bill (*Budgetbegleitgesetz*), paragraph 115 (54) „Änderung des Allgemeinen Sozialversicherungsgesetz“, Punkt 54: „in §292 (1), the expression ‚habitual residence‘ is replaced by the expression ‚lawful, habitual residence“.

http://www.ris.bka.gv.at/Dokumente/BgblAuth/BGBLA_2010_I_111/BGBLA_2010_I_111.html

The number of incoming migrants aged 60 and above from the EU-27 increased by 139% between 2002 and 2011 (Eurostat and Milieu own calculation). However, both the share and the total numbers of EU-2 immigrants have decreased between 2010 and 2011 decreased. Between 2002 and 2008, Germans and Romanians were the largest group of elderly EU migrants in Austria (Eurostat).

90% of the elderly EU migrants resident in Austria in 2011 were not newcomers (source). Information gathered from stakeholders and from a SHARE report⁴⁰⁶ shows that most elderly migrants come to Austria to work many years ago and many of those are third-country nationals.

EU pensioners in Austria and access to the compensatory supplement *Ausgleichszulage* of Act 9 September 1955

In 2012, 0.3% of beneficiaries of *Ausgleichszulage* were EU nationals receiving a pension from another Member State (*Hauptverband der Sozialversicherungsträger* - principal association of pension insurers).

Between the 4th quarter of 2011 and the first quarter of 2013, the number of EU migrants receiving only a pension from another Member State benefitting from *Ausgleichszulage* has increased by 27.3% (*Hauptverband der Sozialversicherungsträger*). The pension was paid by: Germany (214=32%), followed by Romania (200=30%), Bulgaria (92= 14%), Poland (62=9%), Hungary (33=5%), the Slovak Republic (19=3%) and the UK (15=2%) (Pension Insurance Authority – PVA).

When applying for *Ausgleichszulage*, EU pensioners have to provide the so-called *Anmeldebescheinigung*, which can only be received if an EU migrant proves to have sufficient resources (which would make it unnecessary for him to receive *Ausgleichszulage*). It can happen that the EU migrant loses his right of residence due to lack of sufficient resources. Furthermore, since 2011, EU migrants have to provide a deregistration document from their former place of residence. Migrants hesitate to do so because they then lose the identity card of their home country. For these reasons, stakeholders confirmed that, although numbers are rising, it is difficult for EU pensioners to get *Ausgleichszulage*.

Drivers of migration to Austria

No scientific evidence on drivers specifically for the target group of this study could be found. Studies specifically on elderly migrants in Austria focus on migrants from Turkey and former Yugoslavia (former *Gastarbeiter* – migrant workers), as these are, according to literature, the largest groups of elderly immigrants in Austria⁴⁰⁷. However, according to data from the EU-LFS from 2008, the main reason for immigration for migrants born in another EU country in the age group 55 to 74 years was by far family related (47%). Only 19% of this group had come to Austria for work-related reasons. Even though only 8% (this number is subject to low reliability) said they had come for reasons of international protection, it is unknown if these elderly EU migrants have already come to Austria decades ago or only recently.

Access to benefits could be a driver of migration to Austria considering also the higher level of pensions, although no specific evidence could be found to support this conclusion.

It is difficult to predict the future trends in the demand of *Ausgleichszulage* as the situation changed recently in 2011 with new tightened rules to access this benefit. However, as more and more elderly migrants will have resided in Austria for more than 5 years (becoming long-term residents and fulfilling more easily any residence requirement), it is possible that the demand will rise.

⁴⁰⁶ Halmdienst, N. Et al. (2013). SHARE is a study based on results from the Survey of Health, Ageing and Retirement in Europe <http://www.share-project.org/>

⁴⁰⁷ For example: Reinprecht, C. (2006).

Budgetary impact

According to a report from 2011, Austria had the third highest pension expenditures across the EU⁴⁰⁸. The overall *Ausgleichszulage* expenditures made up only 3% of the whole pension expenditures and the *Ausgleichszulage* expenditures to EU migrants made up only 0.01% of the pension expenditures in 2012 (BMASK figures and Milieu own calculation).

The annual expenditure for EU migrants with EU foreign pensions only has also been rising between 2011 and 2012 by 16% (*Hauptverband der Sozialversicherungsträger*).

The pension expenditures in Austria as a whole are perceived as a financial burden and the press has covered this issue for years. However, according to the press, the deputy director of the regional PVA office in Styria denied a threat to the Austrian social system due to entitlement to *Ausgleichszulage* by EU pensioners.

It is hard to estimate the development of the number of EU migrant beneficiaries, as the situation changed recently in 2011 with new tighten rules to access this benefit. However, even if the expenditures for EU migrants continue rising at a rate of 16% and the overall expenditures continue decreasing at a rate of 0.3%, in 2015 the expenditures for EU migrants would make up only 0.9% of the overall *Ausgleichszulage* expenditures (*Hauptverband der Sozialversicherungsträger* and Milieu own calculation).

⁴⁰⁸ Press Release from Austrian Press Agency APA, „Allianz Studie: Österreich mit dritthöchsten Pensionsausgaben in Europa“, 7 November 2011, available at: http://www.ots.at/presseaussendung/OTS_20111107_OTS0063/allianz-studie-oesterreich-mit-dritthoechsten-pensionsausgaben-in-europa

10 Case study 4 ‘Access by jobseekers to the income-based allowances for jobseekers of Jobseekers Act 1995 in the UK’

Abbreviations

AIRE	Advice on Individual Rights in Europe
Ch.	Chapter
DWP	Department of Work and Pensions
EEA	European Economic Area
EU	European Union
EU-LFS	European Union Labour Force Survey
JSA	Jobseeker Allowance
LTIM	Long-Term International Migration
NI	Northern Ireland
NINo	National Insurance Number
ONS	Office of National Statistics
S.I	Statutory Instrument
S.R	Statutory Regulation
SNCB	Special Non-Contributory Benefit
UK	United Kingdom
WRS	Worker Registration Scheme

10.1 Introduction

This case study focuses on the access of EU jobseekers residing in the UK to the income-based jobseeker allowance (Jobseekers Act 1995 - JSA) provided in this country. The case study examines the use of this special non-contributory cash benefit by non-active intra-EU migrants, its budgetary impacts as well as the wider issue of welfare tourism.

The case study starts with a brief description of the national applicable rules and the legislative changes occurred in the last 10 years. It then provides information about the non-active EU migrants in the UK and jobseekers, in particular. It analyses their use of JSA and the budgetary impacts for the UK. It also explores the main reasons of EU nationals for migrating to the UK and the role the access to welfare benefits and JSA plays in that decision.

10.2 Legal background

10.2.1 Legal references of the regulating acts

The Jobseekers Act 1995 (Ch. 18), enacted on 28 June 1995, makes provision for jobseeker's allowance, setting out the legal framework whilst providing that Regulations may prescribe further circumstances and conditions in relation to jobseekers' allowance.

The Jobseeker's Allowance Regulations 1996 (S.I. 1996 No. 207) were introduced on 1 February 1996 and entered into force on 7 October 1996.

The equivalent legislation in Northern Ireland is the Jobseekers (Northern Ireland) Order 1995 (S.R. 1995 No. 2705 (N.I. 15)).

The Welfare Reform Act 2012 (Ch.5), makes provision for the introduction of Universal Credit, which will gradually replace the income-based jobseeker's allowance as from April 2013 (section 33(1)(a)).

10.2.2 Target group

Income-based jobseeker's Allowance (JSA) is available to those who are out of work and seeking employment. The detailed eligibility criteria are set out further below.

Inactive family members cannot claim this benefit where they are a member of a family one of whose members is entitled to income support or to income-based jobseeker's allowance. In addition, a claimant will not be entitled to income-based jobseekers allowance where they are a member of a married or unmarried couple the other member of which is entitled to state pension credit, or is engaged in remunerative work. An individual can therefore only claim jobseekers allowances in such circumstances if living separately from their partner. However, specific provision is made for couples to make a joint claim.⁴⁰⁹

10.2.3 Description of benefit

Jobseeker's Allowance is a form of unemployment benefit, paid to those who are out of work and seeking employment, from the ages of 18 to retirement age. The benefit is paid by the Department of Work and Pensions (DWP) in England, Wales and Scotland, and by the Social Security Agency (part of the Department for Social Development) in Northern Ireland. There are two types of jobseekers allowance – a contribution-based jobseekers allowance, and an income-based jobseekers allowance.

Contribution-based jobseeker's allowance is funded by national insurance contributions and therefore entitlement is based on Class 1 National Insurance contributions made by or

⁴⁰⁹ Section 3 of the Jobseekers Act 1995 regulates the situation of family members. See 'eligibility criteria' section.

credited to the claimant over the last two complete tax years⁴¹⁰ before the benefit year in which the claim is made. The current rates for contribution-based JSA are a weekly rate of £56.80 for those under the age of 25 and a weekly rate of £71.70 for those aged 25 or over⁴¹¹. Contribution-based JSA is paid for up to 6 months.

Income-based jobseeker's allowance (JSA) is a special non-contributory benefit providing financial support to jobseekers on low incomes

Income-based jobseeker's allowance on the other hand is means tested and therefore is a special non-contributory benefit (SNCB) as provides cash support to individuals on low incomes⁴¹². There is no time limit on the payment of income-based JSA and the paid amount is not related to previous earnings. Currently, the weekly amount for income-based JSA is £56.80 for those under the age of 25 and £71.70 for those aged 25 or over⁴¹³. As the two benefits are paid at the same rate, a claimant is not penalised in any way for not previously having paid tax or national insurance. The same rates apply for lone parents, though the cut-off age between the higher and the lower payment is 18 rather than 25. Finally, the weekly amount for couples is £112.55.

10.2.4 Eligibility criteria

Section 1(2) of the Jobseekers Act 1995 lists the general conditions for entitlement to jobseeker's allowance⁴¹⁴:

Additional conditions apply depending on the type of jobseeker's allowance being claimed. As stated above, there are two types of jobseekers allowance – a contribution-based jobseeker's allowance, where entitlement is based on the claimant satisfying the conditions set out in section 2 of the Act, and an income-based jobseekers allowance, where entitlement is based on the claimant satisfying the conditions set out in section 3 of the Act. As this case study is concerned only with the income-based allowances for jobseekers, the contribution-based conditions under section 2 of the Act are not considered further.

The conditions for income-based JSA (section 3) are that the claimant:

- a. has an income which does not exceed the applicable amount (determined in accordance with Regulations) or has no income (income includes money from savings, pensions and earnings)⁴¹⁵;
- b. is not entitled to income –related employment and support allowance
- c. is not a member of a family where one member is entitled to income support;
- d. is not a member of a family where one member is entitled to an income-based jobseeker's allowance;
- e. or where the other member is entitled to income-related and support allowance;
- f. is not a member of a married or unmarried couple where the other member is engaged in remunerative work; and

⁴¹⁰ The contribution-based conditions are set out in section 2 of the Jobseekers Act 1995.

⁴¹¹ Jobseekers Allowance Regulations 2013, Regulation 49.

⁴¹² The income-based conditions are set out in section 3 of the Jobseekers Act 1995.

⁴¹³ Jobseekers Allowance Regulations 2013, Regulation 49.

⁴¹⁴ Such as being capable of work, actively seeking employment, be in Great Britain.

⁴¹⁵ The rules about income and capital for Jobseeker's Allowance are the same as for Income Support. If you have more than £16,000 in capital you cannot claim the benefit, though things such as your house and personal possessions are not taken into account. Where you have less than £16,000, but more than £6,000 this will affect the amount of JSA you can receive, as a claimant is considered to receive £1 a week in income for every £250 above the £6,000 limit that they have.

- g. is a person who has reached the age of 18 [there are certain circumstances when the payments can also be made to 16 and 17 years olds.

Section 6 provides that a person is available for employment if he is willing and able to take up immediately any remunerative employment, while section 7 provides that “a person is actively seeking employment in any week if he takes in that week such steps as he can reasonably be expected to have to take in order to have the best prospects of securing employment”. In each case, Regulations may make further provision in respect of availability for employment and actively seeking employment, as well as in regard to attendance, information and evidence (section 8).

Income-based JSA claimants must prove that they are actively seeking work by filling in a Jobseeker's Agreement form and attending a New Jobseeker Interview. They must also present themselves at the local Jobcentre in regular intervals thereafter to “sign on”. Section 9 makes provision for the jobseeker's agreement, which is to be entered into by the claimant and the employment office, which can be varied by agreement between the claimant and any employment officer (section 10)⁴¹⁶.

10.2.5 Residence criteria

The Habitual Residence Test was introduced in 1994 in response to concerns about “benefit tourism”. It applies to all people who claim certain means-tested benefits, including returning UK nationals. While the term “habitually resident” is not defined in the legislation the main factors to be taken into consideration when deciding whether someone is habitually resident or not, have been set out in the national case law over the years. Factors such as length and continuity of residence, and where a person's centre of interest lies, will be taken into account, amongst others in deciding whether they have a ‘settled intention’ to reside and have been resident in the UK for an ‘appreciable period of time’⁴¹⁷. Decisions on habitual residence therefore depend very much on the individual circumstances of the case.⁴¹⁸

The legislation governing the entitlement to certain social security benefits, including income-based Jobseeker's Allowance was amended in May 2004 by the Social Security (Habitual Residence) Amendment Regulations 2004 which requires a person to meet **the ‘right to reside’ test** in order to be considered ‘habitually resident’ in the UK⁴¹⁹. The declared aim of the right to reside test was to protect the UK's social system from ‘benefit tourism’⁴²⁰. Anyone without a right to reside cannot qualify for the income-related benefits.

Income-based jobseeker's allowance is therefore only available to persons with a ‘right to reside’ in the UK. Since 2004, nationals of all EU Member States therefore need to satisfy the test⁴²¹.

A person has a ‘right to reside’ if they:

- are a British Citizen with a right of abode in the UK; or
- are not subject to Immigration control and have a form of leave to remain that gives access to public funds; or

⁴¹⁶ The terms of the agreement will include: How many companies they will telephone or visit in person each week; The maximum journey time to a potential employer for work; How many things they will do to get work a week; How many times they should search online each week and whether they will use any magazines/newspapers to find vacancies; That they will not work for more than 16 hours a week. Educational courses are sometimes counted for this time limit. The reason for this limit is that the government believes that doing more than 16 hours affects the Jobseeker's ability to find employment.

⁴¹⁷ See the leading case of *Nessa v The Chief Adjudication Officer and Another* [1000] UKHL 41.

⁴¹⁸ ‘The Habitual Residence Test’, SN/SP/416, available at <http://www.parliament.uk/briefing-papers/SN00416> (last accessed 15 July 2013).

⁴¹⁹ The habitual residence test was introduced into income-related benefit regulations by the Income-related Benefits Schemes (Miscellaneous Amendments) (No.3) Regulations 1994.

⁴²⁰ See Explanatory Memorandum to the Social Security (Persons from Abroad) Amendment Regulations 2006.

⁴²¹ This did not however affect entitlement to contribution-based Jobseeker's Allowance.

- have a right to reside under EU law⁴²².

An EU national has a right to reside in the UK under EU law according to Directive 2004/38/EC⁴²³ on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States. Directive 2004/38/EC provides that after an initial 3-months period⁴²⁴, EU inactive citizens who have sufficient resources and have comprehensive sickness insurance cover have the right of residence⁴²⁵. However, EEA nationals may also have a right to reside if they can show that they are looking for work and have a 'genuine chance of being engaged'⁴²⁶.

It is important to note also that those with a 'right to reside' as a jobseeker are not exempt from the main Habitual Residence Test and will also need to satisfy this requirement in order to claim income-based JSA⁴²⁷. Therefore, following the introduction of the 'right to reside' test in 2004, there are now two stages to the Habitual Residence Test as a claimant must first meet the 'right to reside' test before considering whether they are habitually resident. Any person who does not have a 'right to reside' therefore automatically fails the Habitual Residence Test. Those who fail the Habitual Residence Test are treated as a 'person from abroad' and are ineligible for benefit.

There is a large body of case law on both the 'habitual residence' and the 'right to reside' test in order to clarify situations when someone from an EEA country may be able to claim benefits in the UK. The most important case to date regarding the 'right to reside' test is the Supreme Court's judgement in March 2011 in the *Patmalniec* case⁴²⁸. In the judgement of 16 March 2011, the UK Supreme Court found that the Habitual Residence test did not unlawfully discriminate on the grounds of nationality and that its use was justified because it protected the public finances of the UK, as it prevents claims to benefit by economically inactive people who are not socially or economically integrated in the UK.

To avoid welfare tourism, UK has required EU jobseekers to pass both the 'right to reside' and the 'habitual residence' test to get JSA since 2006.

The European Commission has referred the UK to the Court of Justice for these requirements.

However, the 'right to reside' test has been challenged by the European Commission which first issued a Letter of Formal Notice in 2010 and thereafter issued a Reasoned Opinion to the UK on 29 September 2011 stating that the right to reside test is discriminatory on the basis of nationality and contrary to EU law⁴²⁹. The European Commission decided on 30 May 2013 that it was taking the UK to Court on its use of the Habitual Residence Test. However, it still has to make a formal referral of the UK to the Court taking into account also the ruling of the Court in the case C-140/12, Brey.. In this judgment of 19 September 2013, the Court held that EU law must be interpreted as precluding national legislation which

⁴²² 'EEA nationals: the 'right to reside' requirements for benefits, SN/SP/5972, at page 3, available at www.parliament.uk/briefing-papers/sn05972.pdf (last accessed 5 July 2013).

⁴²³ Directive 2004/38/EC was transposed in the UK by the Immigration (European Economic Area) Regulations 2006. S.I 2006/1003.

⁴²⁴ The UK introduced the Social Security (Persons from Abroad) Amendment Regulations 2006 (S.I 2006/1026) which amended the rules on access to benefits to ensure that people who have a right to reside under EU law during the initial 3 months will not satisfy the requirements to access these benefits. Article 24(2) of Directive 2004/38/EC permits Member States not to confer entitlement to social assistance on EU national during the first 3 months of residence unless they are workers, self-employed persons, persons who retain such status and their family members.

⁴²⁵ Directive 2004/38/EC, Article 7(1)(a) and (b).

⁴²⁶ Directive 2004/38/EC, Article 14(4)(a).

⁴²⁷ 'EEA nationals: the 'right to reside' requirements for benefits, SN/SP/5972, available at www.parliament.uk/briefing-papers/sn05972.pdf (last accessed 5 July 2013).

⁴²⁸ *Patmalniec (FC) (Appellant) v Secretary of State for Work and Pensions (Respondent)* [2011] UKSC 11.

⁴²⁹ European Commission press release IP/11/1118, 29 September 2011, available at http://europa.eu/rapid/press-release_IP-11-1118_en.htm (last accessed 5 July 2013).

automatically – whatever the circumstances – bars the grant of social assistance benefit to a national of another Member State who is not economically active, on the grounds that he does not meet the necessary requirements for obtaining the legal right to reside, since obtaining such a right of residence is conditional upon that national having sufficient resources not to apply for the benefit. The Court insisted that it has to be assessed in each individual case in the light of the principle of proportionality, whether a claim is likely to place an unreasonable burden within the meaning of Directive 2004/38/EC on the national social assistance system of the host State or not.

10.2.6 Recent legal changes in the regulation of this benefit (2002-2012)

Until May 2011, there was a distinction between EU nationals from the EU15 and the A8 countries as while A15 nationals had immediate access to the UK labour market, the UK operated a Worker Registration Scheme (WRS) under the United Kingdom's Accession (Immigration and Worker Registration) Regulations 2004 for A8 nationals. At the same time as amending the legislation to include the 'right to reside' test legislation was also introduced to limit the access of A8 nationals to the UK social security system.

Under the WRS, A8 nationals were not eligible for income-related benefits such as jobseeker's allowance until they had completed 12 months of continuous employment. Therefore, those in search of work had to be self-sufficient and could be denied access to jobseekers allowance if they did not have a right of residence (which depends on having enough resources to support themselves).

The WRS Scheme ended in April 2011⁴³⁰. Since May 2011, EU migrants from the A8 can therefore access jobseekers allowance without having worked for 12 months on a continuous basis. However, they will still have to prove that they are habitually resident in the UK⁴³¹.

The main change was to A8 nationals who had not previously worked in the UK, who were then able to register with the Jobcentre on arrival as a job seeker and, provided they meet the same requirements imposed on UK nationals, should be able to claim income-based Jobseeker's Allowance.

This received extensive press coverage due to concerns over the increase in numbers of EEA nationals that could have full access to the UK-benefit system⁴³². A House of Lords report following the entry into force of the Regulations also raised concerns about the potential costs of the removal of the WRS although these could not be estimated⁴³³.

10.2.7 A2 nationals (BG and RO)

The UK has also imposed restrictions on the access of A2 citizens to labour market. Bulgarian and Romanian citizens must, unless they are exempt from the requirement, obtain a 'worker authorisation document' before they can start work. Once they have been working legally as an employee in the UK for 12 months without a break, they are exempt from the worker authorisation and will have the same rights and access to social benefits as other EEA nationals. These restrictions will end on 31 December 2013. From 2014 on they will be able to claim UK income-related benefits on the same terms as any other EEA national. . Until then, however, those in search of work have to be self-sufficient and could be refused jobseeker's allowance for not having a right of residence (i.e. not enough resources to support themselves). A2 nationals subject to worker authorisation cannot have a right to

⁴³⁰ Accession (Immigration and Worker Registration) (Revocation, Savings and Consequential Provisions) Regulations 2011. S.I. 2011/544.

⁴³¹ As the study is only concerned with those who have never worked, for A8 migrants, the only relevant data will be for 2011-12 following the end of the WRS as prior to this they could not access JSA without having completed 12 months employment in the UK.

⁴³² See for example 'Migrants free to claim full benefits', *The Times*, 3 March 2011, available at <http://www.thetimes.co.uk/tto/news/politics/article2932098.ece> (last accessed 5 July 2013).

⁴³³ HL 122 2010-11, available at <http://www.publications.parliament.uk/pa/ld201011/ldselect/ldmerit/122/122.pdf>.

reside as a jobseeker. The rules therefore closely follow those previously imposed on A8 nationals.

10.2.8 Universal Credit

Regarding future changes to the legislation, following the introduction of the Welfare Reform Act 2012, income-based jobseeker's allowance will be gradually phased out. Universal Credit will be available both to those in work and those out of work. In general, the rules for obtaining unemployment benefits are set to become stricter, and it was recently announced that EU

A new, single, means-tested welfare support (Universal Credit) to be introduced as of October 2013 will eventually replace income-based JSA.

migrants would in future have to show that they had a "realistic prospect" of getting a job, and meet certain criteria, including sufficient knowledge of the English language⁴³⁴.

10.3 Access by EU jobseekers to the income-based allowances for jobseekers of Jobseekers Act 1995 in the UK

Since 2006, the number of EU migrants aged 15 and above has increased by 70% (based on EU-LFS data). A particularly high increase can be noticed between 2009 and 2011 (23% increase in EU migrants and 17% increase in non-active EU migrants). From the total population aged 15 and above residing in the UK (including UK nationals, EU nationals and third-country nationals), EU migrants represented only 4% in 2012. The share of non-active EU migrants from the total population in the UK was 1.2% in 2011 and stayed the same in 2012; this is an increase from 0.8% estimated for year 2002 based on EU-LFS data. The group of non-active migrants who are members of non-active households was even smaller, making only 0.6% of the total population in the UK in 2012.

In terms of migration flows, EU migrants accounted for 27% of total UK net immigration in 2010 – a majority of which came from the new Eastern European states which joined the EU in 2004 (OpenEurope, 2012)⁴³⁵. The same report suggests that the UK government had underestimated the potential impact of the 2004 EU enlargement on UK's net immigration flows. The UK Government identified that net immigration of Eastern European migrants would range between only 5,000 and 13,000 a year when in fact "the average annual net A8 migration between 2004 and 2010 was 42,000"⁴³⁶.

Furthermore, the June 2013 Quarterly Report on the Employment and Social Situation prepared by DG EMPL found that there have been significant flows from crisis-hit countries in southern and eastern Europe to, among other, the UK (4.2). However, Holland (2011) attributed the increased flows towards the UK since 2004 to a favourable economic situation rather than lack of restrictions for workers from accession countries.

The results from the 2011 census⁴³⁷ show that 2.4 million residents of England and Wales were born in other EU countries. Furthermore, the 2011 census provides data on passports held: in 2011 the number of residents of England and Wales holding a non-UK EU passport was 2.3 million.

According to the Immigration Fact Sheet produced by Migration Watch⁴³⁸ setting out the latest immigration statistics for the year ending June 2012⁴³⁹, of a total inflow of 515,000

⁴³⁴ <http://www.bbc.co.uk/news/uk-politics-21921089>.

⁴³⁵ <http://www.openeurope.org.uk/Content/Documents/Pdfs/EUimmigration2012.pdf>

⁴³⁶ Booth et al.(2012), p.17

⁴³⁷ <http://www.ons.gov.uk/ons/rel/census/2011-census/key-statistics-for-local-authorities-in-england-and-wales/rpt-international-migrants.html#tab=Passports-held--to-determine-nationality->

⁴³⁸ Migration Watch, Immigration Fact Sheet (April 2013), available at <http://www.migrationwatchuk.org/briefingPaper/document/250> (last accessed 2 July 2013). The work of Migration Watch has met with some criticisms which pointed out a flawed methodology for its analysis (see, for instance,

migrants, 82,000 were from the EU-15, while 62,000 were from the A8 countries. In the year ending June 2012, net migration from the EU was 72,000 or 30% of total non-British net migration. The figures also show that there are currently 1.4 million EU workers in Britain, 707,000 of whom come from the A8 countries.

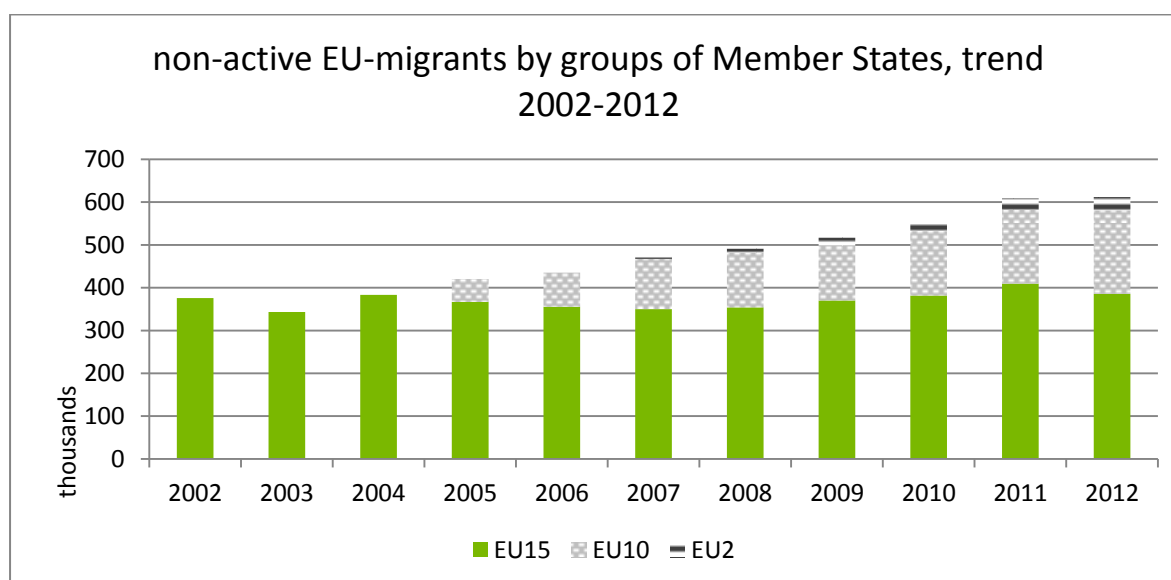
10.3.1 Overall trends in non-active EU migration in the UK 2002-2012

ICF-GHK estimates based on EU-LFS micro data suggest that while there was a slight decrease in 2006, between 2006 and 2012 there has been a steady increase of 42% in the number of non-active EU migrants in the UK. During the same period, the number of non-active EU migrants resident in EU-15 zone has increased by more than 50% (see [Table A5.1](#)). These figures include family members (who are themselves EU citizens) of economically active persons, but exclude children.

However, compared to the national population, the EU migrant population resident in the UK had a lower share of economically non-active (43% compared to 30%, respectively) in 2012.

The number of non-active EU migrants in the UK has increased by 42% between 2006 and 2012.

Figure 10.1 Non-active intra-EU migrants by groups of Member States, 2002-2012



Source: EU-LFS, data downloaded from Eurostat on 04 July 2013

As can be seen from the figure above, the number of non-active migrants with nationality of one of the EU-15 countries (except UK) has almost stayed the same over the last ten years. On the other hand, the numbers of non-active EU-10 and EU-2 nationals have steadily increased since 2005 and 2008, respectively. This upward trend reflects an increase in the overall immigration of EU-10 and EU-2 nationals in the UK in the past 5 years⁴⁴⁰. Data also shows that the proportion of non-active persons does not differ amongst the EU-15, EU-10 and EU-2 migrant groups. This will be explored further in the following chapter.

<http://www.newstatesman.com/blogs/the-staggers/2010/08/immigration-migrationwatch>). For the purposes of this case study, only the figures based on the UK Office for National Statistics (ONS) are considered.

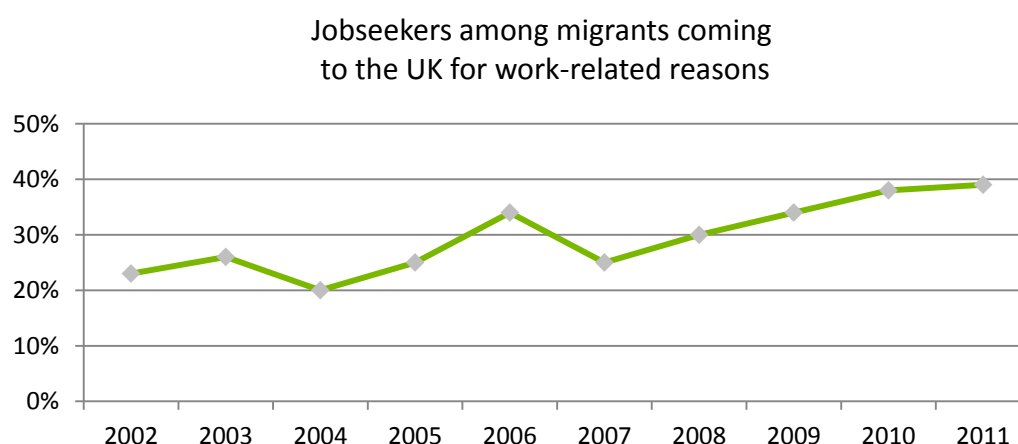
⁴³⁹ These were based on the ONS Long Term International Migration figures, available at: <http://www.ons.gov.uk/ons/rel/migration1/long-term-international-migration/2011/2-01a-ltim-citizenship--1991-2011.xls>.

⁴⁴⁰ It must be taken into account that a certain amount of citizens from the EU-12 were most likely already residing in the UK before the accession of their country of origin, but have then been counted as third country nationals and do therefore not show up in the chart above.

10.3.2 Overall trends in EU jobseekers' migration in the UK 2002-2012

The Long-Term International Migration (LTIM) estimates of the UK Office for National Statistics (ONS) provides data on immigration, emigration and net-migration of migrants based on a standard definition of a long-term migrant as a person who moves to a country for at least a year⁴⁴¹. The International Passenger Survey of the ONS is the main source of information for these estimates. Furthermore, the inflow data is broken down according to the reason given for being in a Member State: work-related, accompanying another EU migrant, formal study, other or no reason given⁴⁴².

Figure 10.2 Share of jobseekers from EU immigrants that stated work-related reasons for immigration, 2002-2011



Source: UK Office for National Statistics (ONS)⁴⁴³ – Milieu own calculations (%)

Between 2002 and 2011, work has remained the main reason for migrants coming from other EU countries to move to the UK. In 2011, 53% of them stated that immigration is for work-related reasons, 22% for study, 8% to accompany/join another EU migrant, 3% for other reasons, and 14% provided no reason. The majority of those coming for work already had a job when entering the UK. The share of those who migrated for work in the UK without having a job awaiting them has been rising from 23% to 39% between 2002 and 2011, as shown in Figure 10.2. Although this was not a steady increase, the overall trend in the number of job-seeking EU immigrants is going upwards.

The share of those who migrated for work and who were still looking for a job at the point of immigration has risen from 23% to 39% between 2002 and 2011.

While the inflow data on job-seeking migrants are a better estimate for the target group of this study, the trends in the stocks of unemployed EU migrants residing in the UK are also relevant. Since 2008, the number of job seeking migrants from the EU-15 has increased by 53%, from the EU-10 by 140% and from the EU-2 by 633%. In 2012, over half of the job seeking EU migrants in the UK were EU-12 citizens (60,200). 52,300 job seeking EU migrants were EU-15 nationals. However, this strong increase among nationals from the

⁴⁴¹ ONS, Long-Term International Migration, 2011, table "3.09 IPS Country of Last or Next Residence by Main Reason for Migration, 1977-2011", available at: http://www.ons.gov.uk/ons/publications/re-reference-tables.html?newquery=*%&newoffset=25&pageSize=25&edition=tcm%3A77-280889.

⁴⁴² Note that data on reason for migration is only broken down by previous and next country of residence, not by citizenship. Therefore, numbers include all migrants who have previously resided in another EU-27 country and can include UK and third country nationals.

⁴⁴³ *Ibid.*

new Member States is likely to have gone hand in hand with the increasing overall inflow of citizens from these countries and does not mean that there are more unemployed among EU-12 than among EU-15 nationals⁴⁴⁴.

Indeed, since 2008, the average unemployment rate of EU-15 nationals was higher than the average unemployment rate of all EU-27 nationals and therefore higher than the average unemployment rate of EU-12 nationals^{445 446}. However, in 2012 the unemployment rate of EU-15 nationals decreased and was almost the same as the average unemployment rate for EU-27, at 7.8%.

10.3.3 Have these EU jobseekers worked in UK before claiming this benefit?

Data on the proportion of non-active EU migrants who have never paid social contributions is not known as the DWP does not record the nationality of SNCB claimants. Data on claimants broken down by type of JSA received (contribution or income-based) is not available either.

The only source of information on this matter comes from the EU-LFS data. Our analysis of EU-LFS micro data shows that in 2011, 37% of all jobseekers with nationality of another EU country and residing in the UK have never worked in the UK. Less than half of the jobseekers (42%) were employed in the previous year, but it cannot be said in which country they were previously employed. This data cannot be broken down by group of citizenship due to the limited size of the samples. In the case of the EU-15 nationals, they may or may not have worked in the UK before claiming this benefit. However, the A8 nationals⁴⁴⁷ claiming income-based JSA prior to 2011 must have worked in the UK given that one of eligibility criterion at that time was to complete 12 months of continuous employment before claiming this benefit. However this condition is no longer in place as of 2011.

A8 nationals claiming income-based JSA prior to 2011 had to work prior to claiming the benefit.

10.3.4 Overall trends in the number of beneficiaries of the income-based jobseeker allowance between 2002-2012

The Department for Work and Pensions (DWP) produce quarterly statistics on Jobseekers Allowance⁴⁴⁸. Statistics are broken down according to type of benefit claimed, duration of claim, gender, age, marital status and geographically according to District Council, Social Security Office and Government Office Regions. However, claimant data is not broken down by nationality.

Similar statistics are produced in Northern Ireland by the Department for Social Development⁴⁴⁹. However, again they do not provide data on the nationality of claimants.

A report was published by DWP in 2012 which provides some estimates of the number of people claiming benefits (including JSA) in February 2011 who were non-UK nationals at the time of registration for a National Insurance Number (NINo).⁴⁵⁰ Data aggregates migrants of

⁴⁴⁴ Source: EU-LFS, unemployment by sex, age and nationality, extracted from EUROSTAT website on 09/07/2013

⁴⁴⁵ Source: EU-LFS, unemployment rates by sex, age and nationality, extracted from EUROSTAT website on 09/07/2013

⁴⁴⁶ Note that these are average rates which means that it is possible that the unemployment rate of individual groups of EU-12 nationals was actually higher than some individual groups of EU-15 nationals.

⁴⁴⁷ See previous section 'Recent legal changes in the regulation of this benefit (2002-2012)'.

⁴⁴⁸ JSA Quarterly Statistical Enquiry, available at: http://statistics.dwp.gov.uk/asd/asd1/jsa/index.php?page=jsa_quarterly_feb05.

⁴⁴⁹ Jobseekers Allowance Statistics and Research, available at: http://www.dsdni.gov.uk/jobseekers_allowance

⁴⁵⁰ These statistics provide an estimate of the number of people claiming benefits (including JSA) in February 2011 who were non-UK nationals when they first registered for a National Insurance Number (NINo). The statistics account for non-UK nationals who have subsequently been granted British citizenship. Furthermore data does not distinguish between those claiming contribution-based JSA as opposed to income-based JSA. See

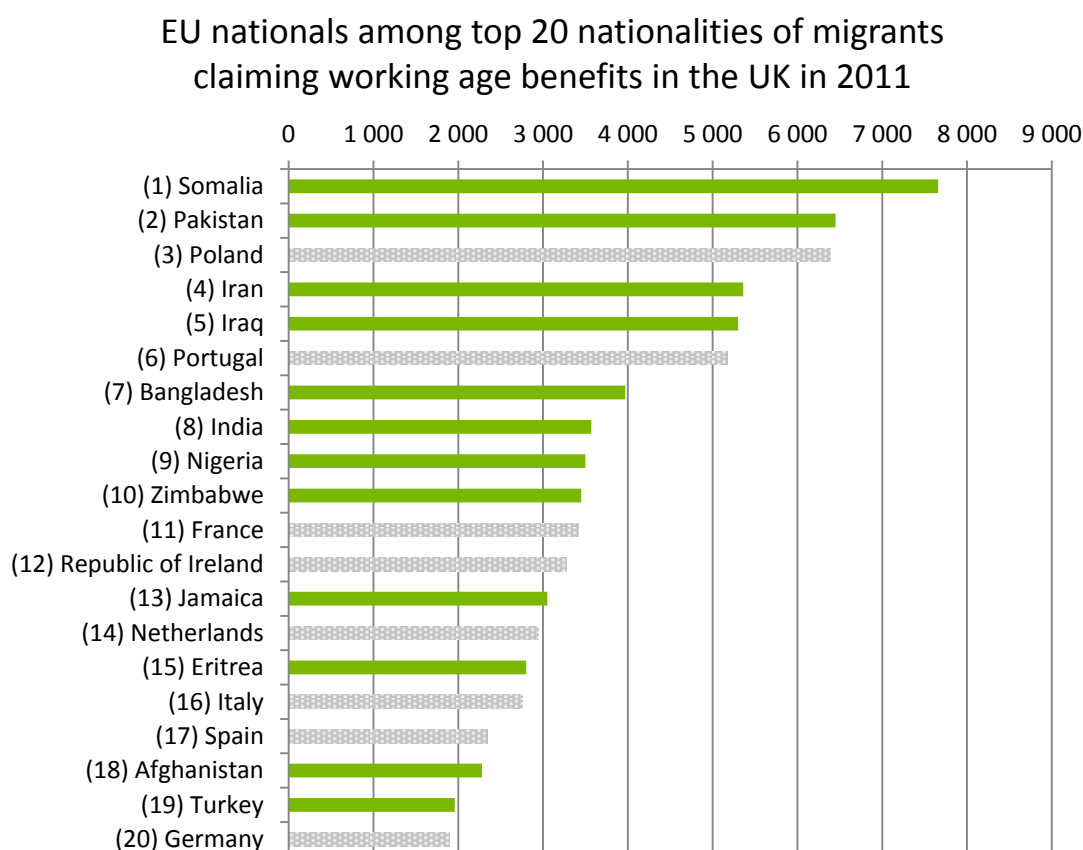
EU and non-EU nationality. According to this source, “the number of NINo registrations to non-UK nationals entering the UK has risen again to 705,000 (year to March 2011), with most of the increase being amongst EU nationals” (DWP, 2012, p.13).

The statistics show that across all DWP working age benefits, 25% of those claimants who were non-UK nationals when registered for a NINo were from within the EU (including 8% from Accession countries). However, there is significant variation by benefit type, with EU nationals forming 31% of all non-UK nationals claiming JSA. The source indicated that of 1.44 million people claiming JSA in 2011, 8.5% of these were non-UK nationals, of which less than 38,000 claimants were from EU countries (approximately 2.6%) and less than 13,000 (approximately 0.9%) were claims by A8 nationals. DWP does not provide trend data in this area.

The statistics also provide data on the top 20 nationalities claiming benefits (Figure 10.3). For Jobseekers Allowance, of the non-UK nationals claiming JSA, 6,390 were Polish (3rd highest), 5,170 were Portuguese (6th highest), 3,420 were French (11th highest), 3,280 were Irish (12th highest), 2,940 were Dutch (14th highest), 2,760 were Italian (16th highest), 2,340 were Spanish (17th highest) and 1,900 were German (20th highest). With the exception of Poland these are all EU-15 countries.

Out of 1.4 million people claiming JSA in 2011, approximately 2.6% were from EU countries and approximately 0.9% were claims from A8 nationals.

Figure 10.3 EU nationals among the top 20 nationalities of migrants claiming working age benefits in the UK in 2011, ranks indicated in brackets



Source: DWP in 2012 report on 'Nationality at the point of National Insurance number registration of DWP claimant benefits: February 2011 Working Age Benefits, 2012.

Overall, there are insufficient data to warrant a comprehensive picture of the trends in the access of EU migrants to income-based jobseekers' allowance. This is particularly challenging in the absence of trend data on the nationality of claimants, the success rate of benefit claims, and type of allowance received (contributory versus non-contributory). The lack of comprehensive data in this area has been flagged up elsewhere e.g., the AIRE Centre, in its project on 'Welfare Benefits for Marginalised EU Migrants: Special Non-Contributory Benefits in the UK, the Republic of Ireland & the Netherlands'⁴⁵¹. One of the recommendations of the report was that Member States should collect and publish data on nationality and residence of all benefit claimants and whether their claims were successful or not.

It should be noted that the Universal Credit system that will replace JSA from 2013 onwards, will record nationality alongside benefit claimed.

It can also be pointed out that considering all unemployment benefits (not only the JSA), the UK is the only EU Member State where there are less beneficiaries among EU migrants (1%) than among nationals (4%)⁴⁵² (Figure 4.6).

⁴⁵¹ Available at http://www.airecentre.org/data/files/AIRE_ECSS_FINAL_REPORT.pdf (last accessed 15 July 2013).

⁴⁵² Source: EU-SILC micro data, ICF GHK own calculations.

10.3.5 How easy is it for EU jobseekers to access this benefit?

As previously discussed, EU jobseekers have to meet the 'right to reside' and the 'habitual residence' test in order to access this benefit. As UK and Irish nationals automatically meet the 'right to reside' test, the European Commission has challenged the 'right to reside' test as being discriminatory against EU nationals, and the case has recently been referred to the Court of Justice of the European Union⁴⁵³.

A report prepared for the DWP in 2006 on 'The impact of free movement of workers from Central and Eastern Europe on the UK labour market'⁴⁵⁴ suggested that there were high rates of refusal of A8 nationals when claiming benefits. Of 2,501 applications for Income Support and JSA that were processed between May 2004 and September 2005, only 100 were allowed to proceed further. Overall, less than 10 benefit applications from A8 nationals per month were successful⁴⁵⁵. The report did not provide information about the grounds for claim refusal.

The Home Office Quarterly Statistical Summary⁴⁵⁶ also gives information on the number of applicants to the WRS and rates of refusal of claims for income-based benefits. The most recent data from 2009⁴⁵⁷, 2010⁴⁵⁸ and 2011⁴⁵⁹ is useful in the context of this study:

- In total there were 113,445 initial applications by A8 nationals to the WRS in 2009, compared to 166,700 in 2008 and 217,975 in 2007. This number increased slightly in 2010, with 122,625 applications, which therefore reversed the previous trend since 2006, of a year-on-year decrease in the number of applicant. However, the number of applicants dropped to 116,960 in 2011, continuing the trend of year-on-year decreases in initial applicants for the WRS since the year to March 2007.
- There were 25,860 applications for tax-funded income-related benefits in 2009, which therefore showed an increase compared to 13,616 received in 2008. However, the number of applicants dropped in 2010 to 24,789, then picked up again to 26,786 in 2011. In each year, the majority of applications (i.e., 71% in 2009, 69% in 2010 and 67% in 2011) were disallowed for failing the Right to Reside and Habitual Residence test.

The last point in particular shows that the main reason for refusing applications for income-related benefits is the failure to pass the 'right to reside' and 'habitual residence' tests.

The Home Office Quarterly Statistical Summary for 2009 shows the breakdown of figures for A8 applications for each tax-funded, income-related benefits for 2006 to 2009. For income-based JSA, over two-thirds of applications were rejected each year because of failing the right to reside and habitual residence test, with 74% of applications in 2006, 70% in 2007, 67% in 2008 and 69% in 2009 rejected for this reason.

⁴⁵³ See European Commission Press Release IP/13/475, 'Social Security benefits: Commission refers UK to Court for incorrect application of EU social security safeguards', available at http://europa.eu/rapid/press-release_IP-13-475_en.htm (last accessed 15 July 2013).

⁴⁵⁴ DWP Working Paper No.29, The impact of free movement of workers from Central and Eastern Europe on the UK labour market, available at: http://cream-migration.org/files/Working_paper_291.pdf.

⁴⁵⁵ Ibid, at section 4.3.7.

⁴⁵⁶ Home Office, Control of Immigration Statistics, available at <https://www.gov.uk/government/organisations/home-office/series/control-of-immigration-statistics>

⁴⁵⁷ Home Office, Control of Immigration: Quarterly Statistical Summary, October-December 2009, available at: <http://webarchive.nationalarchives.gov.uk/20100422120657/http://rds.homeoffice.gov.uk/rds/pdfs10/immig409.pdf>

⁴⁵⁸ Home Office, Control of Immigration: Quarterly Statistical Summary, October-December 2010, available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/116074/control-immigration-q4-2010.pdf

⁴⁵⁹ Home Office, Control of Immigration: Quarterly Statistical Summary, January –March 2011, available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/116083/control-immigration-q1-2011.pdf

Although some conclude that it is much easier to access unemployment benefits in the UK than in other EU countries, research in this area reports high refusal rates (e.g., 69% in 2009) for A8 nationals, mainly for failing to meet the residence requirements.

Moreover, a major study by the Centre for Research and Migration at University College London, published in 2009⁴⁶⁰, found that those A8 nationals that were eligible to claim benefits were about 60% less likely than UK nationals to receive state benefits or tax credits and to live in social housing⁴⁶¹.

10.3.6 Any emerging trends in the use of this benefit amongst EU jobseekers?

As numbers of JSA beneficiaries broken down by nationality are available only for 2011, it is not possible to draw conclusions on trends and changes.

The share of EU nationals coming to work in the UK without a job awaiting them has been increasing. This is the most significant indicator available with regard to possible use of JSA amongst EU migrants. As can be seen in the figure above, there has been an upward trend since 2007 and, in 2010 and 2011, the share of job seeking EU migrants coming to the UK has reached the highest number in the last 10 years. This might suggest that this trend is linked to the European economic crisis. The increase in job seeking EU migrants also seems to be linked to some extent to the increasing immigration from EU-12 countries. However, it has to be pointed out that the unemployment rates between EU-15 and EU-12 nationals do not differ to a great extent.

10.4 Drivers of EU jobseekers' migration in UK and the role of the income-based allowances for jobseekers of Jobseekers Act 1995

10.4.1 Drivers of EU jobseekers in UK migration 2002-2012 and the role of JSA

Work was by and large the main migration motive of EU immigrants who entered the UK between 2002 and 2011.

Compared to this main factor, access to benefits does not play a major role. In particular, no evidence shows that access to the specific special non-contributory benefit income-based JSA could be considered a significant driver for EU migrants in the UK.

Indeed, literature suggests that those coming to the UK are in search of work, not to use the benefit system. The vast majority of people seeking advice on access to benefits had come to the UK to work, not to claim benefits⁴⁶².

Moreover, the DWP report on 'Nationality at the point of National Insurance number registration of DWP claimant benefits: February 2011 Working Age Benefits' provides an estimate of the number of non-UK nationals claiming benefits at the time. The report did not provide any evidence of "benefit tourism"⁴⁶³, but instead that out of 5.5 million people claiming working age benefits, only 370,000 (6.4%) were non-UK nationals when registering national insurance numbers. As a result, only 6.6% of those born abroad were receiving benefits, compared to 16.6% of UK nationals. Another report prepared for the DWP in

⁴⁶⁰ UCL – CreAM Press Release, 'The Benefit of Migration: new evidence of the fiscal costs and benefits of migration to the UK from Central and Eastern Europe, available at http://www.cream-migration.org/files/Press_release_A8fiscalimpact.pdf (last accessed 5 July 2013).

⁴⁶¹ Despite the evidence presented above, some argue that from a legal perspective it is still easier to access such benefits in the UK than in other EU-15 Member States, which reportedly have stricter conditions of eligibility (Migration Watch UK, 2013). Migration Watch UK, 'Comparison of UK Benefits with those of the EU14', Briefing Paper 4.16, available at <http://www.migrationwatchuk.org/briefingPaper/document/284> (last accessed 2 July 2013). However, the work of Migration Watch has been subject to some criticism which pointed out a flawed methodology for its analysis. See, for instance, <http://www.newstatesman.com/blogs/the-staggers/2010/08/immigration-migrationwatch>

⁴⁶² Conclusion based on stakeholder consultation (NGO).

⁴⁶³ <http://www.newstatesman.com/politics/2013/03/how-ministers-are-scaremongering-over-benefit-tourism>.

2006⁴⁶⁴ considered concerns regarding ‘benefit shopping’. It found that the information on applications for the WRS and for National Insurance showed that A8 nationals had come to the UK to work, not to claim benefits. Almost all (99%) applications for National Insurance numbers made by A8 nationals between May 2004 and September 2005 were for employment purposes, while the number of applications for income-related benefits was very low.

A post by Patrick Worrall at the “FactCheck with Cathy Newman” blog hosted by the Channel 4 News website⁴⁶⁵ on 30 September 2011 considered the available evidence in the extent of “benefit tourism”, and concluded that there was little convincing evidence that “benefit tourism” had been a problem in the UK and that even if the UK were compelled to amend its legislation on the right to reside, a rise in “benefit tourism” was thought unlikely. FactCheck asked the government for estimates of how big the problem of benefit tourism actually is, and whether it had got better or worse since the introduction of the “right to reside” in 2004. The response from the DWP was that there was “no information available”.

A major study by the Centre for Research and Migration at University College London, published in 2009⁴⁶⁶, demonstrated that EU migrants to Britain from the EU Member States that joined in 2004 and 2007 were less likely to be claiming welfare benefits and less likely to be living in social housing than people born in the UK. What is more, they have made a positive contribution to the UK fiscal system. Further, in each fiscal year since enlargement in 2004, A8 nationals have made a positive contribution to public finance. In the most recent fiscal year that the study covered, 2008/09, A8 nationals were found to have paid 37% more in direct or indirect taxes than was spent on public goods and services which they received. A8 national are therefore net contributors to the public finances, having a higher rate of labour force participation, and making less use of benefits and public services.

10.5 Budgetary impacts

10.5.1 Expenditure on such benefit claims granted to EU jobseekers 2002-2012

There is limited data on the expenditure on benefit claims granted to EU migrants residing in the UK. The Home Office explained that the DWP does not generally record the nationality of those to whom benefits are paid, due to data protection rules, although they do have some information on nationality for clerical purposes only.

10.5.2 Current perceptions about budgetary impacts; is it perceived as a significant financial burden?

⁴⁶⁴ DWP Working Paper No.29, The impact of free movement of workers from Central and Eastern Europe on the UK labour market, available at: http://cream-migration.org/files/Working_paper_291.pdf.

⁴⁶⁵ FactCheck: ‘Benefit tourism’ scare sent packing: Friday 30 September 2011: <http://blogs.channel4.com/factcheck/factcheck-benefit-tourism-scare-sent-packing/8050> (last accessed 5 July 2013).

⁴⁶⁶ UCL – CreAM Press Release, ‘The Benefit of Migration: new evidence of the fiscal costs and benefits of migration to the UK from Central and Eastern Europe, available at http://www.cream-migration.org/files/Press_release_A8fiscalimpact.pdf (last accessed 5 July 2013).

Although in the past, numerous articles in the UK press were raising concerns about the costs of granting benefits to non-active migrants in the UK⁴⁶⁷, recent press coverage has highlighted that 'benefit tourism' does not appear to be a significant problem⁴⁶⁸. Reference has been made to the main study on this topic, the study by the Centre for Research and Migration at University College London, published in 2009⁴⁶⁹, which highlighted that in each fiscal year since enlargement in 2004, A8 nationals have made a positive contribution to the UK fiscal system. In the most recent fiscal year that the study covered, 2008/09, A8 nationals were found to have paid 37% more in direct or indirect taxes than was spent on public goods and services which they received. A8 nationals are therefore net contributors to the public finances, having a higher rate of labour force participation, and making less use of benefits and public services. Also, a recent [OECD report](#) found that they make a net contribution of 1.02% of GDP or £16.3bn to the UK, since they are younger and more economically active than the population in general⁴⁷⁰.

Recent press coverage and reports suggest that 'benefit tourism' does not appear to be a significant problem.

DWP reported there is no evidence to support the 'welfare tourism' perceptions. When asked by Factcheck for estimates of how big the problem of benefit tourism actually is, and whether it had got better or worse since the introduction of the "right to reside" test in 2004, the DWP stated that there was "no information available"⁴⁷¹.

10.5.3 Expected future trends in expenditure on such benefit claims granted to EU jobseekers residing in UK

With the 'right to reside' test being challenged by the European Commission, concerns have also been raised in the UK regarding the cost to the UK taxpayer should the UK be required to revise its benefits system which is feared would allow more EEA nationals access to benefits. Ministers had claimed in 2011 that this could cost the UK taxpayer a total of £2billion a year⁴⁷². However, no indications were given about which benefits were being considered or how the estimate was done. The estimated costs were last year revised to the significantly lower figure of £155 million⁴⁷³ although again no specific indications on the way these figures are calculated was given.

⁴⁶⁷ E.g., Migration Watch UK, 'Comparison of UK Benefits with those of the EU14', Briefing Paper 4.16, 2012, available at <http://www.migrationwatchuk.org/briefingPaper/document/284> or The Telegraph, 30 September 2011, 'Brussels poses serious threat to our welfare reforms', available at <http://www.bbc.co.uk/news/uk-politics-19569072>.

⁴⁶⁸ The Guardian, 'A crisis over the UK's benefits bill for EU migrants? What crisis?, What IDS doesn't tell you: EU incomers may find our benefits system friendly, but they are net contributors to the public purse', 6 March 2013, <http://www.guardian.co.uk/commentisfree/2013/mar/06/uk-benefits-eu-migrants-what-crisis>. NewStatesman, 'Memo to Cameron: immigrants aren't a "constant drain" on the UK - they're the reverse' 24 July 2013, <http://www.newstatesman.com/politics/2013/07/memo-cameron-immigrants-arent-constant-drain-uk-theyre-reverse>.

⁴⁶⁹ UCL – CreAM Press Release, 'The Benefit of Migration: new evidence of the fiscal costs and benefits of migration to the UK from Central and Eastern Europe', available at http://www.cream-migration.org/files/Press_release_A8fiscalimpact.pdf (last accessed 5 July 2013).

⁴⁷⁰ International Migration Outlook 2013, available at <http://www.oecd.org/els/mig/imo2013.htm>

⁴⁷¹ FactCheck: 'Benefit tourism' scare sent packing: Friday 30 September 2011: <http://blogs.channel4.com/factcheck/factcheck-benefit-tourism-scare-sent-packing/8050> (last accessed 5 July 2013).

⁴⁷² <http://www.bbc.co.uk/news/uk-politics-19569072>.

⁴⁷³ House of Commons Parliamentary Session on 10 September 2012, available at: <http://www.publications.parliament.uk/pa/cm201213/cmhansrd/cm120910/debtext/120910-0001.htm#12091011000026> (last accessed 15 July 2013) According to information provided by the Department for Work & Pensions, the lower estimate which is based on a more detailed analysis of the Labour Force Survey data are regarded as more accurate. It is based on the assumption that all inactive EEA nationals in the UK who are not currently entitled to benefits because of the Habitual Residence Test, claimed benefits because the Habitual Residence was not applied.

With regard to expected future trends, the Government does not have forecast figures or estimates on the number of migrants that could arrive from Romania and Bulgaria following the lifting of restrictions next year⁴⁷⁴.

10.6 Conclusions

Rules regarding access to income based allowances under the JSA

Jobseeker's Allowance is a benefit for people who are unemployed but capable of work. There are two types of Jobseeker's Allowance: a) contribution-based (non-means-tested) Jobseeker's Allowance; and b) income-based (means-tested) Jobseeker's Allowance. The present case study focusses on the latter.

Income-based jobseeker's allowance (JSA) is a special non-contributory benefit providing financial support to jobseekers on low incomes.

To avoid welfare tourism, since 2004, UK requires EU jobseekers to pass a 'right to reside' as part of the 'habitual residence' test in order to access income-based JSA. The European Commission has announced that it will refer the UK to the Court of Justice for these requirements.

The UK also operates a Worker Registration Scheme (WRS). Until April 2011, A8 nationals (from the following EU countries which acceded the EU in 2004: CZ, EE, HU, LT, LV, PL, SI, SK) were not eligible for income-related benefits, such as JSA, if they did not complete 12 months of continuous employment prior to becoming unemployed and a subsequently claiming JSA. This requirement no longer applies to them since May 2011. However, they still have to pass the right to reside and habitual residence test. For A2 citizens (from the EU countries that acceded the EU in 2007 - BG and RO) similar rules apply until the end of 2013 (12 months of continuous employment and the right to reside and habitual residence test).

Finally, it should be noted that a new, single, means-tested welfare support (Universal Credit) will eventually replace income-based JSA.

Non-active EU migrants and jobseekers in the UK

While between 2005 and 2006 the growth of non-active EU migrants in the UK stagnated, since 2006 it has been steadily rising⁴⁷⁵. A particularly high increase can be noticed between 2009 and 2011 (13%). Both the groups of non-active EU-15 and EU-12 nationals expanded during this period.

However, the number of job seeking EU migrants increased by 73% between 2008 and 2011, while the total EU migrant population (active and non-active) increased by only 28% in that period. Therefore, the number of job seeking EU expanded more rapidly than the overall number of migrants. This is reflected in the unemployment rate among EU migrants which rose from 5.0% in 2008 to 7.4% in 2012. Before 2008, the unemployment rate of EU-15 nationals from 2002 onwards and of EU-25 nationals from 2005 onwards had been fluctuating between 5% and 6%, but never passed 6.2%.

It is worth noting that although the number of jobseekers from EU-12 has increased to a greater extent than the number of those coming from EU-15 between 2008 and 2012, the rate of unemployment among EU-12 nationals was lower until 2011 and similar to that of EU-15 nationals in 2012.

⁴⁷⁴ 'Ministers do not know how many Romanians and Bulgarians will come to the UK when restrictions are relaxed, the communities secretary has said', BBC News, 19 March 2013, Romania and Bulgaria immigration: 'No idea' on numbers' <http://www.bbc.co.uk/news/uk-politics-21850751>.

⁴⁷⁵ ICF-GHK 2013 based on EU-LFS microdata 2011

Furthermore, Data from UK's national statistics office shows that the share of those who migrated for work who were still looking for a job at the point of immigration has been rising from 23% to 39% between 2002 and 2011⁴⁷⁶.

Based on these trends, the following can be concluded: the total increase in non-active, and especially job seeking EU migrants between 2008 and 2011 can be partly attributed to newly arriving EU-12 nationals. However, it is also due to incoming unemployed EU-15 nationals or EU-15 nationals that have lost their work. The unemployment rates for both nationality groups have been rising since 2008 which suggests that the economic crisis (and not the inflow of EU-12 nationals) has led to increasing unemployment among EU migrants in the UK.

Jobseekers' access to JSA

Of the 1.44 million people claiming (both contribution-based and income-based) JSA in 2011, approximately 2.6% were from EU countries and approximately 0.9% were A8 nationals (UK Department of Work and Pensions - DWP 2012).

DWP data does not provide information about the previous work experience of JSA claimants in the country. However, it should be noted that, due to the functioning of the WRS, A8 citizens (CZ, EE, HU, LT, LV, PL, SI, SK) until May 2011 and A2 (BG and RO) citizens until end of 2013 must have worked 12 consecutive months before accessing JSA.

While some conclude that access to unemployment benefit is much easier in the UK than in other EU countries, others record high refusal rates (e.g., 69% in 2009) for A8 nationals due to the residence criteria.

Drivers of migration to the UK

Work was by and large the main reason for migrants coming from other EU countries to move into the UK between 2002 and 2011: 53% of them stated that immigration is for work-related reasons (ONS, 2011). Literature also suggests that those coming to the UK are in search of work, not to use the benefit system. No specific evidence could be found to prove that access to JSA plays an important role in the decision of EU nationals to migrate to the UK.

Budgetary impact

The UK Home Office explained that, due to data protection rules, the DWP does not generally record the nationality of those to whom benefits are paid (they have some information on nationality for clerical purposes only). Therefore, it was not possible to estimate the budgetary impact and future trends in expenditure for EU jobseekers acceding JSA.

Although in the past, numerous articles in the UK press were rising concerns about the costs of granting benefits to non-active migrants in the UK⁴⁷⁷, recent press coverage has highlighted that 'benefit tourism' does not appear to be a significant problem⁴⁷⁸. A study by

⁴⁷⁶ ONS, Long-Term International Migration, 2011, table "3.09 IPS Country of Last or Next Residence by Main Reason for Migration, 1977-2011", available at: <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?newquery=&newoffset=25&pageSize=25&edition=tcmm%3A77-280889>

⁴⁷⁷ E.g., Migration Watch UK, 'Comparison of UK Benefits with those of the EU14', Briefing Paper 4.16, 2012, available at <http://www.migrationwatchuk.org/briefingPaper/document/284> or The Telegraph, 30 September 2011, 'Brussels poses serious threat to our welfare reforms', available at <http://www.bbc.co.uk/news/uk-politics-19569072>.

⁴⁷⁸ The Guardian, 'A crisis over the UK's benefits bill for EU migrants? What crisis?, What IDS doesn't tell you: EU incomers may find our benefits system friendly, but they are net contributors to the public purse', 6 March 2013, <http://www.guardian.co.uk/commentisfree/2013/mar/06/uk-benefits-eu-migrants-what-crisis>. NewStatesman, 'Memo to Cameron: immigrants aren't a "constant drain" on the UK - they're the reverse' 24 July 2013, <http://www.newstatesman.com/politics/2013/07/memo-cameron-immigrants-arent-constant-drain-uk-theyre-reverse>.

University College London highlighted that in the fiscal year 2008/09, A8 nationals were found to have paid 37% more in direct or indirect taxes than was spent on public goods and services which they received. A8 nationals are net contributors to the public finances, having a higher rate of labour force participation, and making less use of benefits and public services. Also, a recent OECD report found that they make a net contribution of 1.02 per cent of GDP or £16.3bn to the UK, since they are younger and more economically active than the population in general⁴⁷⁹.

With regard to expected future trends, the Government does not have forecast figures or estimates on the number of migrants that could arrive from Romania and Bulgaria following the lifting of restrictions next year⁴⁸⁰.

⁴⁷⁹ International Migration Outlook 2013, available at <http://www.oecd.org/els/mig/imo2013.htm>

⁴⁸⁰ 'Ministers do not know how many Romanians and Bulgarians will come to the UK when restrictions are relaxed, the communities secretary has said', BBC News, 19 March 2013, Romania and Bulgaria immigration: 'No idea' on numbers' <http://www.bbc.co.uk/news/uk-politics-21850751>.

11 Case study 5 ‘Access by non-active EU migrants with disabilities to the Wajong benefit (Work and Employment Support for Disabled Young Persons Act of 24 April 1997) in the Netherlands’

Abbreviations

ANED	Academic Network of European Disability experts
CBS	Central Statistics Office (<i>Centraal Bureau voor de Statistiek</i>)
CJEU	Court of Justice of the European Union
EU	European Union
EU-LFS	European Labour Force Survey
IND	Immigration and Naturalisation Service (<i>Immigratie- en Naturalisatiedienst</i>)
OECD	Organisation for Economic Co-operation and Development
SNCB	Special Non-Contributory Benefits
UvA	University of Amsterdam (<i>Universiteit van Amsterdam</i>)
UWV	Institute for Employee Benefit Schemes (<i>Uitvoeringsinstituut Werknemersverzekeringen</i>)
Wajong Act	Work and Employment Support for Disabled Young Persons Act (<i>Wet werk en arbeidsondersteuning jonggehandicapten</i>)

11.1 Introduction

This case study focuses on access by non-active EU migrants with disabilities to the Wajong Act benefit in the Netherlands. The benefit is considered a special non-contributory cash benefit (SNCBs) and is listed under Annex X of Regulation 883/2004⁴⁸¹.

The case study explains the national applicable rules and the legislative changes in the last 10 years. It provides information about non-active EU migrants in the Netherlands and migrants with disabilities in particular. It analyses their access to the Wajong benefit and the budgetary for the Dutch budget. It also explores the reasons for migrating to the Netherlands and whether access to the Wajong benefit plays any role in that decision.

11.2 Legal background

11.2.1 Legal references of the regulating Acts and description of benefit

The object of this case study is the Work and Employment Support for Disabled Young Persons Act (*Wet werk en arbeidsondersteuning jonggehandicapten*)⁴⁸², referred to as the new Wajong Act of 1 January 2010. The benefit is considered a special non-contributory cash benefit (SNCBs) and is listed under Annex X of Regulation 883/2004⁴⁸³. The Court of Justice of the European Union (CJEU) confirmed in Case C-154/05⁴⁸⁴ that the Wajong benefit constitutes an SNCB within the meaning of the Regulation.

Prior to the Wajong Act, young persons with disabilities were entitled to a benefit under the General Disability Act of 11 December 1975 (*Algemene Arbeidsongeschiktheidswet*)⁴⁸⁵, which was a compulsory insurance scheme set up for the entire population to address the financial consequences of long-term incapacity to work. On 24 April 1997, the Wajong Act Disablement Assistance Act for Young Persons With Disabilities (*Wet Arbeidsongeschiktheidsvoorziening Jonggehandicapten*)⁴⁸⁶ introduced a system under which people with disabilities are encouraged to seek work instead of presuming life-long benefits dependence⁴⁸⁷. The Act entered into force on 1 January 1998. This approach was further reinforced under the new Wajong Act of 2010 replacing the Wajong Act, which emphasises the work potential of people with disabilities.

The new Wajong Act provides financial assistance to people with disabilities. The study scheme supplements study allowance. The benefit scheme guarantees minimum income to fully disabled people. The work scheme supplements income from work below the minimum wage

The term *disability*⁴⁸⁸ under the new Wajong Act is defined as a person who is not able to earn as much as a healthy person with the same qualifications and experience and therefore is classified as being occupationally disabled. The difference is expressed as a percentage of earning capacity (Articles 2:13 – 2:46 of the new Wajong Act). The earnings base for calculating benefits is the minimum wage. Hence, the benefit at full disablement (defined as not being able to earn more than

⁴⁸¹ Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems.

⁴⁸² Staatsblad (Stb) 2009/580. Stb. 2009/581

⁴⁸³ Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems.

⁴⁸⁴ Case C-154/05 Kersbergen-Lap and Dams-Schipper [2006] ECR I-6249.

⁴⁸⁵ Staatsblad 1975, 674.

⁴⁸⁶ Staatsblad (Stb) 1997/177

⁴⁸⁷ Pennings F. The New Dutch Disability Benefits Act: the Link between Income Provision and Participation in Work, Studies in Employment and Social Policy, Volume: 40 (2011), p. 77-93. Also <http://www.disability-europe.net/content/aned/media/NL%20Employment%20report.pdf>, p. 3.

⁴⁸⁸ Article 2:4 new Wajong Act

20% of the statutory minimum wage) is 75% of the statutory minimum wage⁴⁸⁹. A doctor from the Institute for Employee Benefit Schemes (*Uitvoeringsinstituut Werknemersverzekeringen*, UWV)⁴⁹⁰ is responsible for carrying out the relevant medical assessment and an employment specialist determines the degree to which the person is able to work and the available opportunities⁴⁹¹.

Before 2010, eligible young people were entitled to a benefit from age 18 onwards without any further reassessments. The new Wajong Act includes a first claimant assessment at the age of 18 and a final reassessment at the age of 27 to determine their wage earning potential. At that point, a final decision is made by UWV regarding the person's participation in Wajong. The new Wajong Act also introduced the obligation to cooperate with the UWV (Article 2:7 of the new Wajong Act).

The new Wajong Act has established three schemes within the previously existing Wajong system: a study support scheme, a support scheme for fully disabled people and a work support scheme (Articles 2:39 to 2:46).

The study scheme provides for benefits to young people with disabilities who study or are still in school. The benefit under this scheme consists of 25% of the statutory minimum wage as a supplement to the study allowance. A student receiving this benefit may earn up to 25% of the statutory minimum wage without seeing their benefit level reduced. In case of higher earnings, the benefit is cut proportionately.

The benefit scheme provides for benefits to young people who, as the result of disabilities, are fully disabled and have no prospect of entering the labour market. For this group, the benefit guarantees a minimum income. The benefit at full disablement is 75% of the statutory minimum wage. In case the person needs special care (as determined by the doctor of the UWV), the benefit could be increased up to 100% of the statutory minimum wage. On the other hand, if the person receives other types of benefits, such as assisted living or special education, the Wajong benefit is reduced to 85% of the statutory minimum wage.

The work support scheme provides for benefits to young people with disabilities who work but, due to their disability, their income is below the statutory minimum wage. In this case, the benefit supplements that income. Under this scheme, the UWV develops an individual participation plan to identify how the young person with disabilities can best find a job, to describe the kind of support that can be provided to the person as well as to define the rights and obligations of the person in this process (Article 2:18 of the new Wajong Act)⁴⁹². The support can take several forms, including internships (Article 2:24). The level of the benefit received under the terms of the Act depends on how much the person is earning from a job and his/her age. The maximum benefit is 75% of the minimum wage, provided a person's total income does not exceed 100% of the minimum wage.

11.2.2 Target group and eligibility criteria

There are two kinds of criteria set out by the new Wajong Act as regards eligibility for a Wajong benefit. First, to qualify for a Wajong benefit one must fulfil the requirements set in relation to

⁴⁸⁹ See also Eurofound's [National Report on the Netherlands](#) for a study on active inclusion of young people with disabilities

⁴⁹⁰ <http://www.uwv.nl/>

⁴⁹¹ [Q+A Disablement Assistance Act for Handicapped Young Persons](#) (Wajong)

⁴⁹² The work support scheme has the following subgroups: (a) Temporarily no possibilities. The category 'temporarily no possibilities' contains the group of Wajong beneficiaries (also referred to as Wajongers) who are not immediately employable because they are receiving treatment. At the end of the treatment, it is determined whether or not the individual has a prospect to work. In case it is determined there is no work prospect, the person is transferred to the benefit scheme. (b) Sheltered employment. The group 'sheltered employment' does have possibilities of working, but only in a sheltered environment. (c) Regular employment. The group 'regular employment' is the largest group in the work scheme, representing 26% of all Wajong beneficiaries in 2010 and 25% in 2011. This is the focus of the majority of the reintegration efforts. (d) Study/education. The group 'study/education' under the work scheme includes people that are working and are also following an educational programme (such as a part-time education course), which unlike the study scheme, are not covered by study grants and loans or the Fees and Educational Expenses (Allowances) Act.

person's age, disability and residence. Secondly, once benefit is granted a person is obliged to fulfil certain *continuous eligibility obligations*.

A *young person with disabilities*⁴⁹³ is a resident who at the age of 17 is not able to earn at 75% of the statutory minimum wage as a result of disability. Such a person is eligible for Wajong benefits at the age of 18 if he/she is unable to earn at least 75% of the statutory minimum wage⁴⁹⁴ for 52 weeks in succession, and that there is no reasonable prospect he/she will fully recover within a year (Article 2:3 of the new Wajong Act). If a person between 18 and 30 years of age becomes disabled during their studies, he/she is eligible if he/she has been a student for at least six months before becoming disabled. The Wajong benefit ceases when the person reaches the age of 65 (when other benefits could come into play).

The requirement regarding *residency* (Article 1:2 of the new Wajong Act) is that a person must be legally residing in the Netherlands. A person will be excluded from Wajong if he/she does not legally reside in the Netherlands in accordance with Article 8 of the Aliens Act of 2000 (*Vreemdelingenwet 2000*)⁴⁹⁵. In the Netherlands, EU-migrants are not required to have a residence permit ('verblijfsvergunning') but should register at the Immigration and Naturalisation Service (*Immigratie- en Naturalisatiedienst* - IND). IND has the authority to decide whether or not a person (including EU migrants) legally resides in the Netherlands. As for the *continuous eligibility under the terms of Wajong*, young people have the obligation to cooperate with the development of the participation plan and must accept an offer of work ('suitable work') if the work is in line with their abilities. A refusal or the failure to cooperate with reintegration results in termination of the benefit.⁴⁹⁶

11.2.3 Exportability of Wajong benefit

The Wajong benefit is subject to an export restriction. Article 2:16(b) of the new Wajong Act provides that 'entitlement to work-incapacity benefit shall end on the first day of the month following in which the young person with disabilities takes up residence outside the Netherlands'. However, Article 17(7) of the Wajong authorises the UWV to derogate from that provision where the ending of entitlement to the benefit would lead to an 'unacceptable degree of unfairness'. The UWV issued a policy rule in May 2003 with regard to the continuing payment of the Wajong benefit to a recipient outside the Netherlands⁴⁹⁷ in which the UWV stated that the concept of 'unacceptable degree of unfairness' relates to a situation in which, firstly, a young person with disabilities has compelling reasons for taking up residence outside the Netherlands and, secondly, the person is likely to suffer an appreciable disadvantage if the benefit is no longer paid⁴⁹⁸. In 2010, a total of 400 beneficiaries were allowed to export their Wajong benefit abroad⁴⁹⁹. Of these, 10 benefits were exported to an EU-10 country, 210 were exported to other EU countries and 180 to other countries⁵⁰⁰. The data is not disaggregated per nationality. Thus, it can include both EU migrants and Dutch nationals as well as third-country nationals who are allowed to keep their Wajong benefit when moving abroad.

The benefit is available for people residing in the Netherlands and is not exportable, unless withdrawing the benefit would be associated with an 'unacceptable degree of unfairness'.

⁴⁹³ Article 2:40 new Wajong Act

⁴⁹⁴ Article 2:2 of the new Wajong Act uses the term 'maatinkomen' which is defined as the income that a healthy person would have under otherwise similar circumstance.

⁴⁹⁵ Article 2:11 c and d Wajong Act

⁴⁹⁶ Article 2:8 Wajong Act

⁴⁹⁷ [Beleidsregels voortzetting Wajong-uitkering buiten Nederland](#), Stcrt. 2003, No 84

⁴⁹⁸ Overriding reasons are deemed to include medical treatment of a certain duration, acceptance of work with some prospect of reintegration and the need for a young person with disabilities to follow persons on whom he is dependent where they are required to reside outside the Netherlands.

⁴⁹⁹ Source: Ministry of Social Affairs and Employment

⁵⁰⁰ Source: Ministry of Social Affairs and Employment

11.2.4 Possible future revisions

In April 2013, the government announced plans to revise the Wajong benefits schemes⁵⁰¹. According to the plans, the Wajong benefits would be limited as of 2015 to fully disabled people that will have to be medically tested every five years. People that are able to work will be transferred to the welfare system and receive assistance aimed at integrating them into the labour market.

As of 2015, the Dutch Government plans to limit the Wajong benefits to fully disabled people. People that are able to work will be transferred to the welfare system.

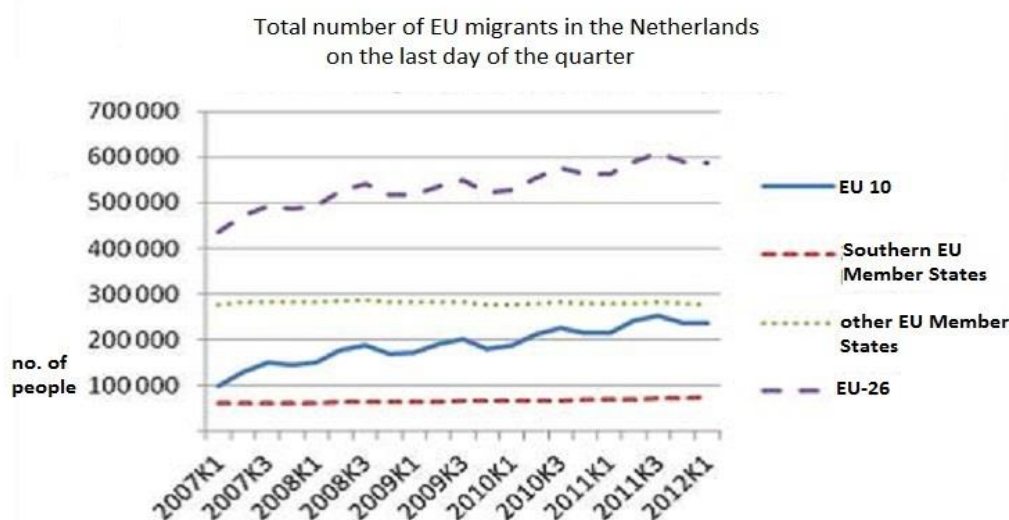
11.3 Access by EU migrants with disabilities to the Wajong benefit in the Netherlands

Data on migrants in the Netherlands published by the Central Statistics Office (*Centraal Bureau voor de Statistiek*, CBS) (fig. 11.1) define migrants as residents with a foreign country of birth⁵⁰².

According to this source, the total number of EU migrants in the Netherlands has increased since 2007. In 2007, there were a total of 435,130 people registered in the Netherlands who were born in one of the other 26 EU Member States⁵⁰³. In 2010, that number had increased to 587,870. This means an increase of 152,740 people (35%) in five years. Most of the increase comes from EU migrants from the ten new Member States. This group grew by 139,090 people (143%) to 236,620 people in 2012⁵⁰⁴. By way of illustration, Western migrants (thus, migrants coming from EU and OECD Member States, except Turkey) in 2010 accounted for 9.1% of the Dutch population and non-Western immigrants made up 11.2%⁵⁰⁵.

In 2012, EU migrants formed 1.7% of the total population residing in the Netherlands. Non-active EU migrants represented just 0.5% of the resident population

Figure 11.1 Total number of EU migrants in the Netherlands on the last day of the quarter, by groups of country of birth.



Source:
CBS

Southern
EU

Member States: Greece, Italy, Portugal and Spain

⁵⁰¹ See government [press release](#) dated 11 April 2013

⁵⁰² Centraal Bureau voor de Statistiek (CBS), [Migrantenmonitor, fase 2](#), 2012.

⁵⁰³ These numbers do not take into account which of these "migrants" have become Dutch citizen since their migration. However, the numbers provide a proxy for migrants with another EU citizenship in the Netherlands.

⁵⁰⁴ See [Letter](#) of Minister of Social Affairs dated 7 March 2013 to Parliament.

⁵⁰⁵ Bijl R., Verweij A., (eds.) Measuring and monitoring immigrant integration in Europe Integration policies and monitoring efforts in 17 European countries: The Netherlands (SCP, den Haag, 2012), p. 243. The Hague, March 2012.

EU 10: all Member States that Joined the EU in 2004 and 2007 except Cyprus and Malta

Furthermore, secondary data on migrants as defined by foreign citizenship is available from Eurostat. According to this source, the number of EU citizens resident in the Netherlands has increased slightly (by around 10%) between 2009 and 2012. However, compared to 2002, the number of migrants has stayed more or less the same. Furthermore, the share of EU migrants from all migrants in the Netherlands has steadily increased over the last five years. In 2008, EU migrants made up 38% of all migrants, while in 2012 they made up 52%⁵⁰⁶.

However, the Dutch population seems to have grown at a similar pace, given that the share of EU migrants from the total population stayed almost the same between 2008 and 2012, around 1.7%⁵⁰⁷. Similarly, the share of non-active EU migrants of the total population has also stayed the same in this period and even earlier. Since 2002, non-active EU migrants have made up around 0.5% of the total population in the Netherlands⁵⁰⁸.

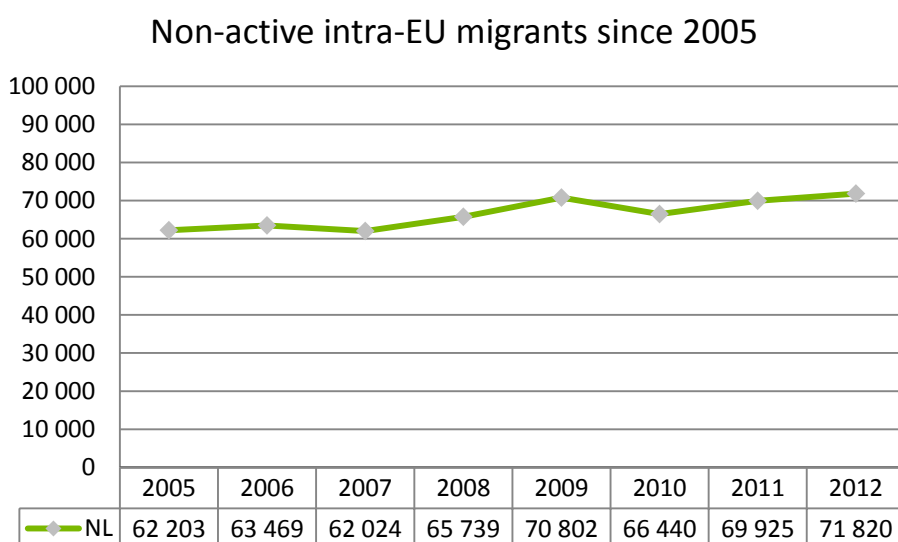
Since 2002, non-active EU migrants have represented around 0.5% of the total population in the Netherlands. However, the total number of non-active EU migrants has increased by about 16% from 2005 to 2012.

11.3.1 Overall trends in non-active EU migration in the Netherlands 2002-2012

Based on the EU-LFS, the total number of non-active EU migrants has been estimated to have increased from 62,203 non-active EU migrants in 2005 to 71,820 non-active EU migrants in 2012, which represents an increase of 16%⁵⁰⁹.

In 2012, the proportion of non-actives in the EU migrant population was 30%, compared to a share of 38% of non-actives among the national population⁵¹⁰.

Figure 11.2 Trend of non-active EU migrants aged 15 and above in the Netherlands, 2005-2012



⁵⁰⁶ Source: Eurostat migration statistics, tables "population by sex, age group and citizenship [migr_pop1ctz]", downloaded on 18 July 2013.

⁵⁰⁷ Source: EU-LFS micro data, ICF GHK own calculations. The shares of 2011 varied between 1.2% (EU-SILC), 1.6% (EU-LFS) and 2.2% (migration statistics), according to the source.

⁵⁰⁸ Figures based on EU-LFS. For 2011, the share calculated with EU-SILC data only deviates slightly from the EU-LFS figure (0.4%).

⁵⁰⁹ ICF GHK own calculations based on EU-LFS micro data, 2005-2012.

⁵¹⁰ ICF GHK own calculations based on EU-LFS micro data, 2011.

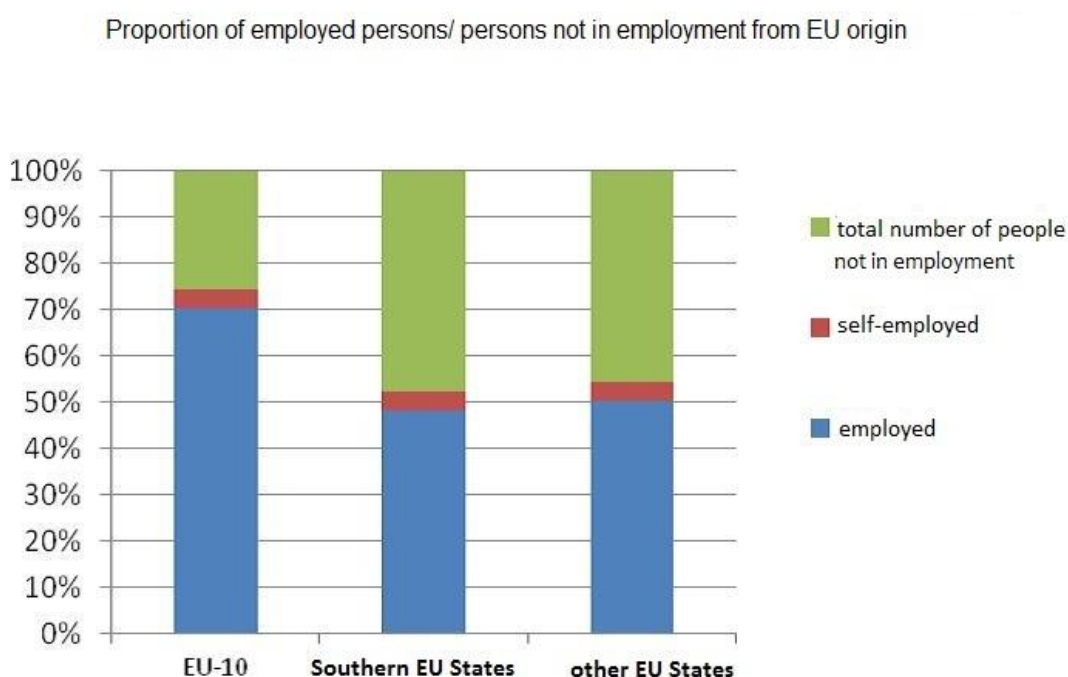
Source: EU-LFS, 2002-2010. ICF GHK own calculations. Numbers refer to EU migrants aged 15 and above; numbers include jobseekers and spouses of nationals and relatives of economically active EU citizens.

According to numbers submitted by the Minister of Social Affairs to Parliament (11 April 2013), in 2010 the majority of migrants from the EU-10 (approximately 75%) and around 50% of migrants from the other EU States work.

Accordingly, approximately 25% of EU migrants from the EU-10 were not in employment⁵¹¹. For EU migrants from the Southern EU Member States, this percentage was 49% and for the other EU Member States this was 46%⁵¹². The average percentage of persons not in employment for all EU nationalities was therefore around 40%.

The average percentage of persons not in employment for all EU nationalities was therefore around 40%.

Figure 11.3 Proportion of employed persons and persons not in employment in 2010



Source: CBS

As shown in the figure below (Figure 11.4)⁵¹³, in 2010 among non-active intra-EU migrants resident in the Netherlands, the specific make-up of the group of non-active individuals differs between groups of countries of EU origin. For example, the number of pupils/students and migrants not in employment with a working partner were higher among migrants from the EU-10 than among

Around 36% of non-active EU migrants received benefits in 2010.

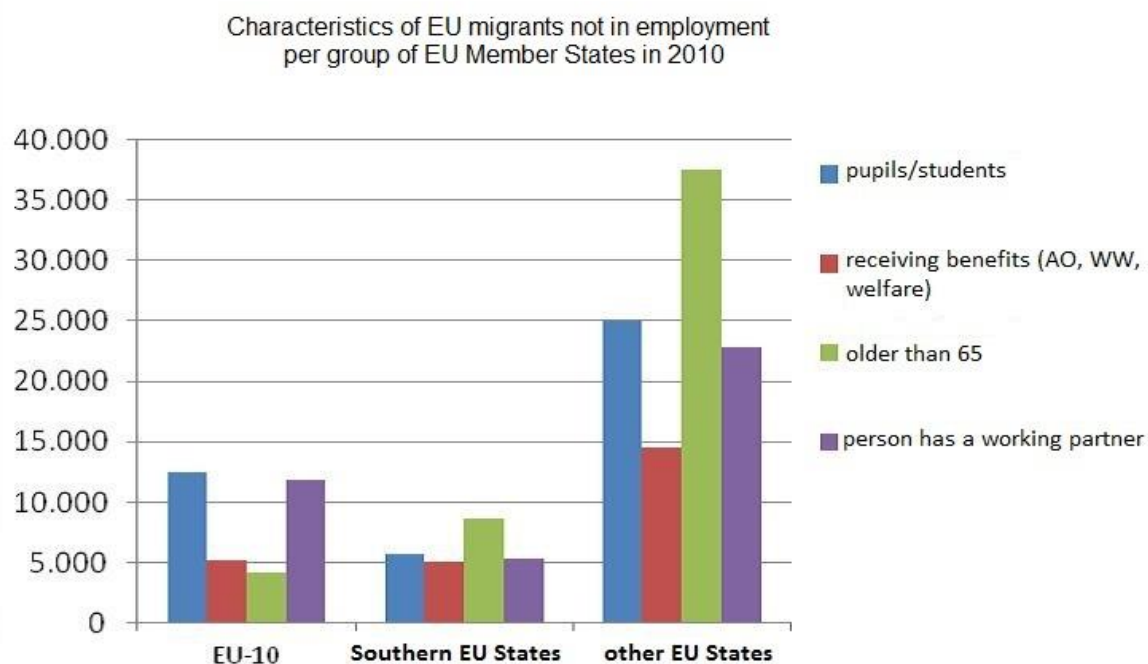
⁵¹¹ The term “not in employment” is the literal translation of “*niet-werkend*” which might include jobseekers, pensioners, pupils/students, recipients of other benefits and people not in employment who are partners of working people (because both figures refer to “*niet-werkend*”). However, this group of migrants differs from the group of “non-actives” according to figure from the EU-LFS, as unregistered jobseekers/unemployed are excluded, whereas in the definition of “non-active” they are included. Furthermore, the “non-active” population excludes children, whereas the population of “*niet-werkend*” could possibly include under the category “pupils”. According to the CBS, “pupils” are people of 16 years or less, whereas “students” are people aged 17 and above.

⁵¹² See [Letter](#) of Minister of Social Affairs dated 7 March 2013 to Parliament.

⁵¹³ See [Letter](#) of Minister of Social Affairs dated 7 March 2013 to Parliament.⁵¹⁴ These numbers are derived through the variable MAINSTAT of the EU-LFS. This variable measures the self-reported main labour status with the categories “employed”, “unemployed”, “student”, “retired”, “permanently disabled” and “other”.

migrants from the Southern EU and other EU countries. Overall, there were around 44,000 pupils and students among the EU migrant population. Around 24,000 non-active EU migrants received benefits. Most of these came from the Northern EU-15 countries or Malta and Cyprus (see definitions in fig.11.1). This means that around 36% of non-active EU migrants received (social security and social assistance) benefits in 2010.

Figure 11.4 Characteristics of EU migrants not in employment per group of EU Member States in 2010



Source: CBS

11.3.2 Overall trends in migration of EU citizens with disabilities in the Netherlands 2002-2012

Shares of EU migrants with permanent disabilities of all non-active EU migrants in the Netherlands are available from the EU-LFS⁵¹⁴. However, it has to be taken into account that these data do not exactly represent the target group of this study, which focuses on recipients of the Wet Wajong benefit (not necessarily only people with permanent disabilities). Moreover, numbers of migrants with permanent disabilities broken down by age are not available. Therefore, the shares presented below can only serve as a proxy indicator for the target group of this study.

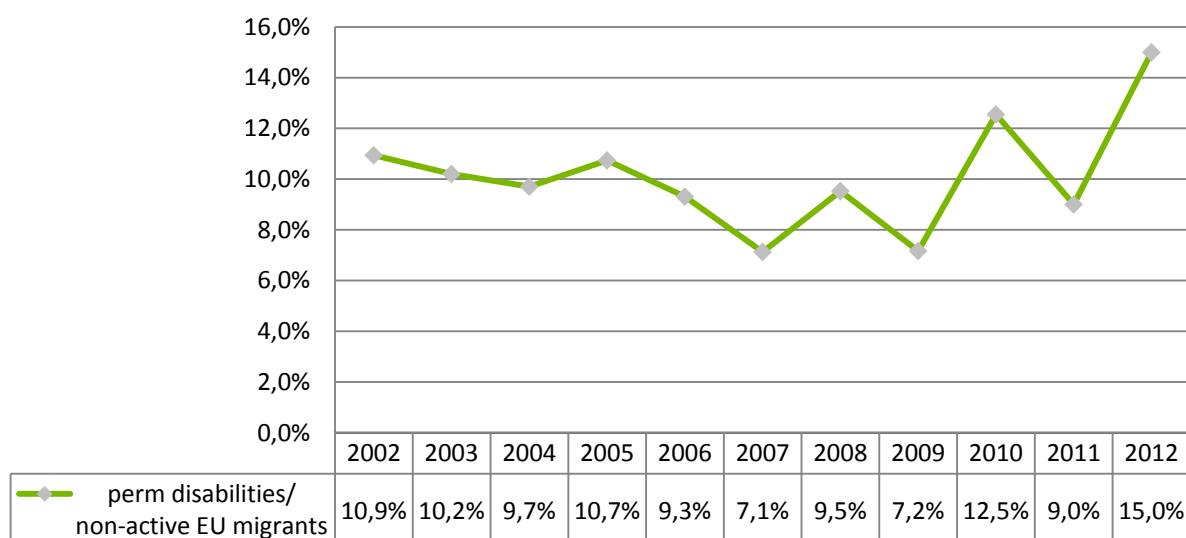
The Netherlands has a relatively high share of disabled persons in its population of non-active EU migrants.

According to the figures from 2012, compared to other EU Member States, the Netherlands has quite a high share of disabled persons among its population of non-active EU migrants (15%). Only in Sweden, non-active EU migrants have a similarly high share of people with disabilities (15%) Non-active.

⁵¹⁴ These numbers are derived through the variable MAINSTAT of the EU-LFS. This variable measures the self-reported main labour status with the categories "employed", "unemployed", "student", "retired", "permanently disabled" and "other".

Figure 11.5 Shares of people reporting permanent disabilities from all EU migrants in the Netherlands, trend 2002-2012

Shares of people with permanent disabilities from non-active EU migrants since 2002



Source: EU-LFS, ICF GHK own calculations

As can be seen in the figure above, the shares of people with permanent disabilities from non-active EU migrants in the Netherlands ranged approximately between 7% and 14% between 2002 and 2012. Although the trend is not linear, a general rise can be noticed since 2007. However, considering that non-active EU migrants only made up 30% of EU migrants in 2012 (see above), the group of migrants with permanent disabilities make up a relatively small part of EU migrants in the Netherlands (around 4.5% in 2012). Have these EU migrants with disabilities worked in the Netherlands before claiming this benefit?

The group of migrants with permanent disabilities represented around 14% of the non-active EU migrants in the Netherlands in 2012.

In 2011, 30% of non-active EU migrants resident in the Netherlands have never worked in the Netherlands before⁵¹⁵.

Moreover, the Wajong benefits are only available to people who have not been active in the labour market previously, at least not long enough to claim any other disability benefits or unemployment benefits. Therefore, it is unlikely that the EU migrants with disabilities that participate in the Wajong scheme have worked in the Netherlands.

11.3.3 Overall trends in the number of Wajong beneficiaries between 2002-2012

In June 2012, there were approximately 221,000 people in the different Wajong schemes compared to 113,530 in January 1998 and 178,600 people in 2008^{516 517}. This means that by 2012, the number of Wajong beneficiaries has almost doubled

The number of all Wajong beneficiaries has grown by 24% between 2008 and 2012.

⁵¹⁵ Sources: LFS micro data, ICF GHK own calculations.

⁵¹⁶ CBS. [Statistics online](#).

⁵¹⁷ Figures differ only slightly depending on the source. According to UWV data, there were around 226,480 Wajong beneficiaries in 2012.

compared to 1998 and risen by 24% since 2008. Furthermore, in 2012, approximately 30,000 people have entered the Wajong schemes since the start of the new Wajong Act in 2010⁵¹⁸.

The number of people that entered the Wajong scheme has grown significantly between 1999 and 2010⁵¹⁹. The number of new entries has stabilised in 2011 (16,300 people) and it is expected to remain so in 2013 according to the UWV⁵²⁰.

One of the possible reasons for the increase of Wajong beneficiaries seen prior to 2011 is the introduction of the Act on Work and Welfare (*Wet Werk en Bijstand*) in 2004. The responsibility for the implementation of this Act rests with the local communities which have to pay directly for other welfare benefits but not for Wajong. This may have resulted in a transfer of welfare recipients to the Wajong scheme. Indeed, in comparison, the number of people that fall under the general disability work insurance scheme has actually decreased between 1998 and 2010 from 713,960 to 488,880.

According to the data available for 2011, approximately 54,000 people of the total number of Wajong beneficiaries were working. The percentage of Wajong beneficiaries that work has remained constant over the last few years at around 25% (see table below)⁵²¹.

The percentage of Wajong beneficiaries in work has remained constant over the last few years at around 25%.

Table 11.1 Number of Wajong beneficiaries that are in employment.

	2008	2009	2010	2011
Total in employment	45,986	47,557	50,406	53,976
Total not in employment	132,629	144,488	154,815	162,328
Total	178,615	192,045	205,221	216,304
% in employment of total	25.7%	24.8%	24.6%	25.0%

Source: UWV

For the years 2010 and 2011, there are numbers available that show the most important characteristics of the people receiving a Wajong benefit for the first time⁵²². The vast majority of people have mental or psychiatric disabilities, with approximately 15% of people with a physical disability.

⁵¹⁸ UWV Monitor [Arbeidsparticipatie](#) 2012, p. 5

⁵¹⁹ While in 1999 approximately 20,000 people between the age of 18 to 25 years had a Wajong benefit, this number increased to over 60,000 in 2011 (as the outflow of people leaving Wajong is low, the overall stock of people with Wajong benefits has continued to increase as well). CBS. [Jaarraport Integratie](#) 2010, p. 185

⁵²⁰ UWV [Persbericht](#) 31 January 2013

⁵²¹ UWV Monitor [Arbeidsparticipatie](#) 2012, p. 9

⁵²² The number of men (57%) is larger than women (43%), and the majority of people that receive the benefit for the first time are 18 or 19 years of age (65%). UWV Monitor, [Wajongmonitor: tweede rapportage](#), 2010, p. 9

11.3.4 The number of EU migrants that receive Wajong benefits

The number of EU migrants that receive Wajong benefits is relatively small⁵²³. In 2011 (the first year for which such data are available), the number of EU migrants receiving Wajong benefits was approximately 870 (0.4% of all Wajong beneficiaries) and in 2012 it was approximately 900 (0.4%)⁵²⁴. The share of Dutch nationals (including citizens with dual nationality such as Morocco and Turkey) was 97% in 2011. In 2012, this decreased slightly to 94.9%. The number of Wajong beneficiaries whose nationality is unknown to UWV increased from 5,243 (2011) to 10,146 (2012). This group (representing 4.5% in 2012) may include EU migrants, but this is not known to UWV. These figures include beneficiaries of all three different Wet Wajong schemes (study, benefit and work) and therefore the percentage of non-active EU migrant with disabilities benefitting from this benefit is even lower.

According to numbers from the CBS, the increase in the number of Wajong people beneficiaries has taken place among all different segments of the population. In a recent publication (2010), CBS stated that the largest share of young Wajong beneficiaries (aged 18 to 25) has a background from the Antilles (including Aruba) (over 5%), followed by Suriname (just below 5%) and Morocco (4.5%). The shares among people from the Netherlands (*autochtonen*) and from Turkey are each just above 4%. The smallest share can be found among the group of Western immigrants (3%).

As previously stated, a young person needs to make an application in order to claim the benefit. The application process takes approximately 6 months and young people with disabilities are encouraged to initiate the process several months before turning 18.

All stakeholders consulted acknowledged that EU migrants may have difficulties in understanding the application process, particularly those people with mental health related disabilities who represent the main target group of the Wajong scheme. However, no cases have been identified where where EU migrants have not been able to access the Wajong benefit.

11.3.5 Any emerging trends in the use of this benefit amongst EU migrants with disabilities?

The number of EU migrants that receive disability benefits including Wajong has actually decreased over the last five years. However, this is not true for unemployment benefits (WW) or welfare (*Bijstandsuitkering*)⁵²⁵.

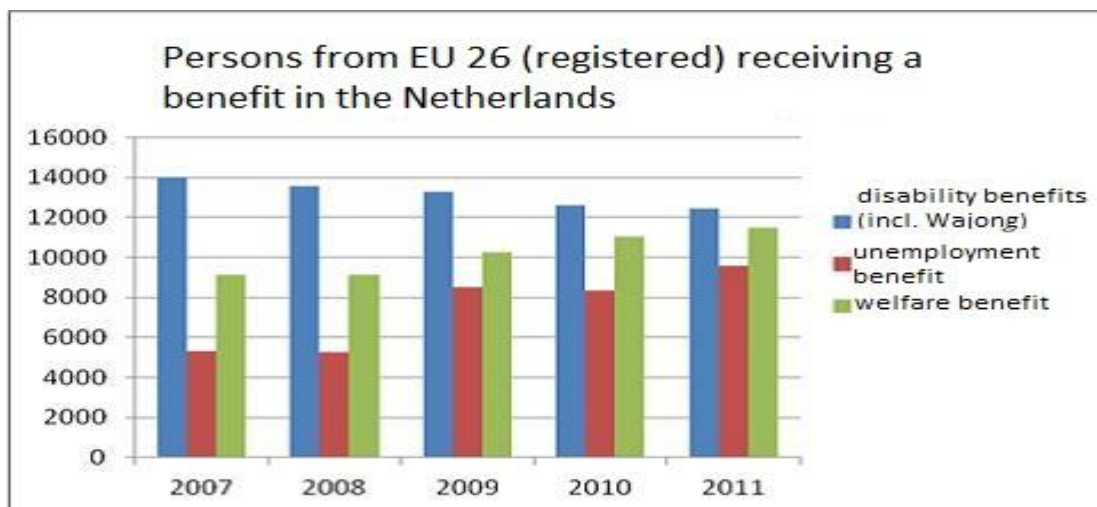
The number of EU migrants who receive disability benefits including Wajong has decreased over the past five years.

⁵²³ Numbers provided by UWV by email; The Ministry of SZW, however, considers that, based on information of the Statistics Netherlands (CBS), the correct figure is likely to be higher (1750 beneficiaries born in another EU country in 2011 according to the Disablement Assistance Act for Handicapped Young Persons, representing 0.9% of the total benefits under this law)

⁵²⁴ The numbers on EU migrants receiving Wajong are not broken down by employment status. As stated above, roughly 25% of all Wajong beneficiaries are in employment. Therefore, it can be assumed that the numbers of **non-active** EU migrants receiving Wajong is even lower than the numbers cited above.

⁵²⁵ See [Letter](#) of Minister of Social Affairs dated 7 March 2013 to Parliament

Figure 11.6 Numbers of benefits of EU migrants from the EU-26, registered in the municipal civil administration



Source: CBS

According to data from EU-SILC, EU migrants had a slightly larger share of disability benefit recipients (9%) than Dutch nationals (7%) in 2011. It is among the three EU Member States in which the difference of shares between the two groups is positive. Furthermore, it is one of the three Member States in which the difference in means of gross disability benefits is positive in favour of EU migrants (4% higher) (Figure 4.3). This possibly reflects the larger share of EU migrants with disabilities from non-active migrants.

However, as stated above, the number of EU migrants receiving Wajong has increased, although only very little, between 2011 and 2012.

11.3.6 Are EU migrants with disabilities more likely NOT to be granted access to this benefit and, if yes, why?

The Wajong target group is young residents with disabilities which have been so for a significant amount of time (at least 52 weeks) or have been studying in the Netherlands for at least six months. The objective of Wajong is to help young people who have not yet entered the labour market. These requirements may make it difficult for a new EU migrant with disabilities to become eligible for the Wajong benefits. However, if the person has been living in the Netherlands at the age of 17 there should be no difference with Dutch citizens.

11.4 Drivers of migration of EU citizens with disabilities in the NL and the role of the Wajong benefit

11.4.1 Drivers of migration for EU migrants with disabilities in the Netherlands 2002-2012

According to data from the IND, for migrants in general (including third country nationals) the main drivers for migration were work and family in 2009. Up to 2007, family was the main driver, however, since then work has become a more important reason for migrants to immigrate into the Netherlands, although family is almost just as important. However, no statement specifically for EU migrants can be made based on this source. IND generally records people's reasons to move to the Netherlands upon their registration but since 2006, a significant share of EU migrants is not registered at IND as they no longer need a residency permit (*verblijfsvergunning*). Indeed, even though EU migrants should register at the IND, failure to do so does not have any direct consequences for their legal residence. The number of EU migrants that do not register at IND

increased since early 2000 from approximately 25% of EU migrants to 50% in 2005 and over 80% in 2009. For these migrants, their reason for migrating is therefore not registered⁵²⁶.

For young EU migrants in the Netherlands, there are some data available on study as a driver for migration⁵²⁷. According to the LFS ad-hoc module 2008, 53% of the 15-24-year old EU migrants in the Netherlands stated “education” as their reason for immigration⁵²⁸. “Family” is the most often cited reason for migration among both 25-54 year old (50%) and 55-74 year old intra-EU migrants (56%). Only 26% of the 25 to 54-year-old EU migrants cited work as the main reason for migration.

A comparison with other countries shows that a relatively large share of non-active intra-EU migrants in the Netherlands is students (around 25%). In 2009, over half of the international students from the EU in the Netherlands came from Germany (63.6%), followed by Belgium (7.2%) and Bulgaria (3.4%)⁵²⁹.

A relatively large share of non-active intra-EU migrants in the Netherlands are students (around 25%).

11.4.2 Role of the Wajong benefit

As the number of EU migrants that receive a Wajong benefit is very small (approximately 900 people in 2012 including people under the work scheme), it is unlikely that the Wajong benefit plays a role in people’s decision to migrate. There is no evidence to suggest that Wajong or its amount matters in migration decisions. Several experts interviewed for this report, however, mentioned that Wajong might be a reason for people not to emigrate from the Netherlands⁵³⁰. Given the unique character of Wajong compared to other EU countries, for parents of children with disabilities the prospect of their children being supported by Wajong may be a reason not to leave the Netherlands. However, there are no numbers available to underpin this assessment.

11.4.3 What has driven the increased demand for Wajong amongst EU migrants and expected future trends?

In 2012, the demand for the Wajong benefit by EU migrants increased in absolute numbers from approximately 870 to 900 people. As the total amount of EU migrants has been rising (approximately a 37% rise over the last five years), there may be a further increase of EU migrants accessing Wajong, but the numbers are still low.

11.5 Budgetary impacts

11.5.1 Expenditure on such benefit granted to EU migrants with disabilities 2002-2012

According to information provided by stakeholders, the total expenditure in 2011 on Wajong benefits awarded to EU migrants was €22.25 million⁵³¹. The total expenditure on Wajong benefits in 2011 was €2.8 billion⁵³². Therefore, expenditure on Wajong benefits awarded to non-active EU migrants made around 0.8% of the total expenditure on Wajong

Expenditure on Wajong benefits awarded to non-active EU migrants accounted for approx. 0.8% of the total expenditure on Wajong benefits in 2011.

⁵²⁶ See CBS. [Article](#) 23 October 2012

⁵²⁷ EU-LFS, ad-hoc module 2008 “labour market situation of migrants”, data downloaded from Eurostat on 22 June 2013.

⁵²⁸ This figure is flagged with “low reliability”.

⁵²⁹ Source: Eurostat data ‘Foreign students by level of education and country of origin’, most recent year 2009. Accessed in April 2013 by ICF GHK.

⁵³⁰ Information obtained from interviews with national stakeholders (ANED, UvA).

⁵³¹ Information collected through consultation with national stakeholders (Ministry of Social Affairs and Employment).

⁵³² [Nexpenditure Wajong Netherlands - 2012 report on active inclusion en.pdf](#), p. 21

benefits in 2011⁵³³.

11.5.2 Current perceptions about budgetary impacts; is it perceived as a significant financial burden?

Due to its significant growth over the last ten years, the Wajong may contribute to a disproportionate financial strain on the public budget⁵³⁴.

The Wajong benefit for young people with disabilities or chronic diseases was introduced in 1976 and given to 40,000 young people. In 2001, 120,000 people received a Wajong benefit, and in 2010 the figure was almost 200,000. The annual total cost of the Wajong is estimated to be €3 billion in 2013⁵³⁵ and thus it could be considered representing a substantial financial burden on the social security system (see below).

However, the share of EU migrants receiving this benefit is very low. The political discussion in the Netherlands has concentrated on the usage of the Wajong benefit by second-generation immigrants from countries such as Turkey, Morocco, and Suriname.

11.5.3 Expected future trends in expenditure on such benefit claims granted to EU migrants with disabilities residing in NL

Numbers on overall expenditure on Wajong benefits are available for different time spans from two different sources. From 2003 to 2011, data is available from the Ministry SZW. Data for 2012 and projections for 2013 and 2014 come from the UWV.

Furthermore, a report sent by the Ministry to the Parliament in 2008 provides extrapolations of the expenditure trend and estimates numbers for 2020, 2030, 2040 and 2050.

The total costs associated with Wajong benefit increased by around 87% between 2003 and 2011 and is expected to increase in the future.

The total costs for the Wajong benefit increased by around 87% between 2003 and 2011, which means it almost doubled in that time span and reached €2.8 billion (tables 11.2 and 11.3). In 2012, it decreased to €2.3 billion (table 11.2). However, predictions for 2013 and 2014 show that the expenditures shall rise again. Furthermore, under a business as usual scenario, expenditure on the benefit is predicted to reach €5.3 billion by 2050, for a total number of Wajong beneficiaries of 450,000⁵³⁶ (table 11.5). It should be noted that this includes active and non-active people of all nationalities. Approximately 25% of Wajong beneficiaries are active. As mentioned above, in 2012, the number of EU migrants receiving Wajong benefits was approximately 900 (0.2%).

Table 11.2 Expenditure costs on the Wajong benefit

	2003	2004	2005	2006	2007
Wajong benefits	€1.5 billion	€1.7 billion	€1.7 billion	€1.8 billion	€1.9 billion

Source: Letter of the Dutch Minister of Social Affairs dated 30 May 2008 to the Parliament with the attachment 'Notitie Vergroting participatie jongeren met een beperking', available at: <http://www.rijksoverheid.nl/documenten-en-publicaties/kamerstukken/2008/05/30/aanbiedingsbrief-van-minister-donner-bij-de-notitie-vergroting-participatie-jongeren-met-een-beperking.html>.

⁵³³ It should be noted that the share in the cost for EU beneficiaries (0.8% in 2011) is higher than the share of EU nationals in the overall number of beneficiaries (0.4% in 2011). One of the possible reasons of this difference is a greater level of disablement among EU nationals but no evidence explaining this gap could be identified.

⁵³⁴ See Letter of Minister of Social Affairs dated 7 March 2013 to Parliament and Eurofound 2011 report on the Netherlands. See also an article in De Telegraaf 'Wajong te Duur', 7 October 2011.

⁵³⁵ Numbers provided by UWV

⁵³⁶ Numbers provided by UWV

Table 11.3 Expenditure costs on the Wajong (Handicapped Young) benefit

	2008	2009	2010	2011
Wajong Benefits	€2.2 billion	€2.5 billion	€2.8 billion	€2.8 billion

Source: Ministry SZW (Budget 2011:

http://www.rijksbegroting.nl/2011/voorbereiding/begroting,kst148634_28.html)

Table 11.4 Estimated total expenditure Wajong benefits

	2012	2013	2014
Wajong Benefits	€2.3 billion	€2.4 billion	€2.6 billion
Total Costs	€2.7 billion	€3.0 billion	€3.1 billion

Source: UWV. Total costs includes additional benefits to certain Wajong beneficiaries

Table 11.5 Estimated total expenditure Wajong benefits - extrapolations

	2020	2030	2040	2050
Wajong benefits	€3.5 billion	€4.3 billion	€4.9 billion	€5.3 billion

Source: Letter of the Dutch Minister of Social Affairs dated 30 May 2008 to the Parliament with the attachment 'Notitie Vergroting participatie jongeren met een beperking', available at: <http://www.rijksoverheid.nl/documenten-en-publicaties/kamerstukken/2008/05/30/aanbiedingsbrief-van-minister-donner-bij-de-notitie-vergroting-participatie-jongeren-met-een-beperking.html>⁵³⁷

Based on the data provided in this study, the following assumption can be made for the future: it is likely that the total number of non-active EU migrants, and therefore also the total number of disabled EU migrants, will continue rising. Therefore, it can be concluded that the total expenditure on Wajong benefits for EU migrants

may be rising in future. However, considering the data above, it is unlikely that this expenditure will rise by more than 10% in the next five years. The share of EU migrants from all Wajong beneficiaries is also unlikely to change and will probably stay at around 1% of the total expenditure on Wajong benefits. In terms of expenditure, this would be around €53 million spent for EU migrants in 2050 (based on figure in table 11.5). The situation might change in 2015 if the Government changes the rules on the Wajong benefits.

The share of EU migrants out of all Wajong beneficiaries is unlikely to change; expenditure is likely to remain relatively small at around 1% of the total expenditure on Wajong benefits.

11.6 Conclusions

The Dutch applicable rules

Since 2010, new Wajong Act (Work and Employment Support for Disabled Young Persons Act - *Wet werk en arbeidsondersteuning jonggehandicapten*) replaced the previous Wajong Act emphasising the work potential of people with disabilities. The new Wajong Act provides financial

⁵³⁷ Estimates from 2020 based on the computation of the volumes in which the inflow remains constant and the chance to flow does not change.

support to people with disabilities from 18 to 65 years old and established three schemes within the previously existing Wajong system:

The study support scheme provides for benefits to young people with disabilities who study or are still in school. The benefit under this scheme consists of 25% of the statutory minimum wage as a supplement to the study allowance.

The benefit scheme provides for benefits to young people who, as the result of disabilities, are fully disabled and have no prospect of entering the labour market. For this group, the benefit guarantees a minimum income. The benefit at full disablement is 75% of the statutory minimum wage. In case the person needs special care (as determined by the doctor of the Institute for Employee Benefit Schemes – UWV), the benefit could be increased up to 100% of the statutory minimum wage

The work support scheme provides for benefits to young people with disabilities who work but, due to their disability, their income is below the statutory minimum wage. In this case, the benefit supplements that income.

The benefit is available for people residing in the Netherlands according to Directive 2004/38/EC and is not exportable, unless withdrawing the benefit would lead to an 'unacceptable degree of unfairness'.

As of 2015, the Dutch Government plans to limit the Wajong benefits to fully disabled people that will have to be medically tested every five years. People that are able to work will be transferred to the welfare system and receive assistance to integrate into the labour market.

Non-active EU migrants including people with disabilities in the Netherlands

In 2012, EU migrants formed 1.7% of the total population and 52% of all migrants residing in the Netherlands. Since 2002, non-active EU migrants have made up around 0.5% of the total population in the Netherlands (EU-LFS, ICF-GHK calculations).

In 2012, the proportion of non-actives in the EU migrant population was 30%, compared to a share of 38% of non-actives among the national population. The number of non-actives EU migrants in the Netherlands has increased by 16% from 2005 to 2012 (EU-LFS, ICF-GHK calculations). The average percentage of persons not in employment for all EU nationalities was around 40% in 2011 (CBS and Ministry of Social Affairs).

Of the non-active EU migrants, around 15% were people with permanent disabilities in 2012 (LFS micro data, ICF GHK own calculations). The Netherlands has quite a high share of disabled persons among its population of non-active EU migrants (LFS micro data, ICF GHK own calculations).

EU migrants with disabilities in the Netherlands and access to Wajong

Around 36% of non-active EU migrants received benefits in 2010 (CBS). The Wajong benefits are only available to people who have not been active in the labour market previously. Therefore, it is unlikely that the EU migrants with disabilities that participate in the Wajong scheme have worked in the Netherlands. On the other hand, the percentage of Wajong people that work has remained constant over the last few years at 25% (Institute for Employee Benefit Schemes – UWV).

The number of Wajong beneficiaries (all nationalities) has increased has grown by 24% between 2008 and 2012 (CBS). One of the possible reasons for this increase is the legislative change introduced in 2004 (Act on Work and Welfare) by which the local communities have to pay directly for other welfare benefits but not for Wajong. This may have resulted in a transfer of welfare recipients to the Wajong scheme.

Among those, in 2012 only 0.4% were EU nationals and 94.9% were Dutch (UWV). The number of EU migrants that receive disability benefits including Wajong has actually decreased over the last five years.

All stakeholders consulted acknowledged that EU migrants may have difficulties understanding the application process, also when taking into consideration that the part of the target group of the Wajong concerns people with mental or psychiatric disabilities.

Drivers of migration to the Netherlands

According to the Immigration and Naturalisation Service (IND), the main drivers of migration into the Netherlands for EU citizens are work, family and study. Around 25% of non-active intra-EU migrants in the Netherlands are students (LFS micro data, ICF GHK own calculations).

There is no evidence to suggest that Wajong or its amount matters in migration decisions. As the number of EU migrants that receive a Wajong benefit is very small, it is unlikely that the Wajong benefit plays a role in people's decision to migrate. However, stakeholders confirmed that entitlement to this benefit might be a reason for people not to leave the Netherlands once there.

Budgetary impact

The total expenditure on Wajong benefits in 2011 was €2.8 billion⁵³⁸. The expenditure for non-active EU migrants was around 0.8% of that amount (Ministry of Social Affairs).

The total costs for the Wajong benefit increased by around 87% between 2003 and 2011 and is expected to still grow in the future to 3 billion in 2013 and 3.1 billion in 2014 (UWV and Ministry of Social Affairs).

The cost of Wajong benefits are perceived as a significant burden on the Dutch budget. The political discussion in the Netherlands has concentrated on the usage of the Wajong benefit by second-generation immigrants from countries such as Turkey, Morocco, and Suriname.

The share of EU migrants from all Wajong beneficiaries is unlikely to change and will probably stay at around 1% of the total expenditure on Wajong benefits.

Therefore, it seems that given the low number of EU beneficiaries, the budgetary cost of providing Wajong benefits to them is not significant and alone would not present any serious concern to the Dutch Welfare State.

⁵³⁸ [Expenditure Wajong Netherlands - 2012 report on active inclusion en.pdf](#), p. 21

12 Summary of findings

Scope and key issues of the study

In recent years, there has been a growing public concern about welfare receipt by immigrants. At policy level, various Member States have raised concerns about the potential consequences of the coordination of social security systems in the wider context of the right to free movement of persons in the EU. It has been argued that the entitlement which EU law gives to non-active EU migrants to claim access to healthcare and special non-contributory cash benefits can lead to 'welfare tourism' and threaten the sustainability of European welfare states. The question of welfare receipt by immigrants relative to nationals has also stimulated the academic debate in the economics literature, with most papers looking at migrants (irrespective of nationality and employment status) and various forms of welfare (though rarely looking at non-contributory transfers or residence-based healthcare).

The present study is primarily an empirical piece of research, with limited space dedicated to legal considerations. A separate study looking at issues of 'habitual residence' and social security is currently being carried out under the tutelage of the Administrative Commission for the Coordination of Social Security Systems. The two pieces of research are undertaken in the context of rising concerns about immigration from other EU countries (as well as beyond), welfare tourism and national social security spending which have featured prominently in public discussion about intra-EU mobility. Previous research in this area (although limited) has noted concerns about an alleged increase in welfare claims from non-active EU migrants and a degree of legal uncertainty surrounding the entitlement of non-active persons to SNCBs and healthcare under Regulation 883/2004 and Directive 2004/38 (trESS, 2011).

This study aims to provide the Commission with evidence concerning non-active intra-EU migrants residing within EU-27⁵³⁹ territory, the drivers of intra-EU mobility of non-active intra-EU citizens, and the budgetary impacts of their entitlements to special non-contributory cash benefits (SNCB hereafter) and healthcare granted on the basis of their residence in the host Member States. Non-active 'intra-EU migrants' refers to all EU citizens who are currently residing in another EU-26 Member State and who are not in employment. This category includes economically inactive migrants (e.g., pensioners, inactive migrants fulfilling domestic activities) and jobseekers.

The study focuses on the SNCB that are listed, by Member State, in Annex X of the Regulation (EC) No 883/2004 as amended by Regulation (EU) No 465/2012. Most SNCBs fall within three broad categories: old-age, unemployment and disability benefits. The list of SNCBs included in Annex X of in Regulation 883/2004 has remained relatively unchanged during the period being studied (2002-2012), with some important exceptions in the Netherlands, Finland, Slovenia and the UK. Some of these changes – e.g., in the Netherlands and the UK) – aim to integrate more economically inactive migrants into work and tighten the eligibility criteria for a receipt of the benefit.

The study also examines the access of non-active-EU migrants to healthcare provided on the basis of residence. Such health care is usually provided in a general national healthcare system (as it is the case in Cyprus, Denmark, Sweden or UK) or through an insurance scheme targeted at those who fall under certain income thresholds and/or are not covered by the compulsory insurance scheme (insurance with universal character, e.g., CMU in France).

Stocks and trends of non-active intra-EU migration

Despite the debate about immigration and welfare receipt, there are no official statistics on the stocks or flows of intra-EU migrants who are not in employment. There are various reasons for this lack of data, chief among them being the fact that migration data is rarely recorded by employment status (upon arrival or during stay) or by EU nationality. Equally important, data on welfare receipt

⁵³⁹ This study commenced prior to the accession of Croatia to the EU.

can rarely be broken down by (EU) nationality or employment status. Furthermore, it is also the case that non-active EU migrants are less likely to be mobile (i.e. form a relatively small group of intra-EU migrants).

Nevertheless, assumptions can be made on the basis of comparable survey data supplemented with national administrative records. Available data suggest that non-active EU migrants represent a very small share of population in each Member State. They account for between 0.7% and 1% of the overall EU population although there are few country exceptions where non-active EU migrants can be found in greater proportion (of a country's total population) as it is in the case of Belgium (3%), Cyprus (4.1%), Ireland (3%) and Luxembourg (13.9%) due to the high share of EU migrants in the overall population of those countries. The vast majority of non-active intra-EU migrants reside in EU-15 countries (approx. 98%). This reflects the overall pattern of intra-EU migration.

On average EU migrants are more likely to be in employment than nationals living in the same country (despite the fact that unemployment rates tend to be relatively higher amongst migrants). In 18 out of 25 EU countries for which 2012 data are available, the non-activity rates are lower amongst EU migrants than amongst nationals. This gap can be partly explained by differences in the age composition between the migrant and national population, with more migrants than nationals falling in the 15-64 age bracket. Two-thirds of non-active EU migrants are below the age of 60. The overall rate of inactivity among EU migrants has declined between 2005 and 2012 – from 47% to 33%. This has happened despite a steady increase in the share EU migrants looking for work after 2008 (from 6% to 13%).

Non-active intra-EU migrants form a heterogeneous group comprising pensioners, students (who are not involved in any forms of employment), homemakers and single parents who do not work because of child or adult care responsibilities, persons with disabilities unfit for work etc. Pensioners, students and jobseekers accounted for more than two-thirds of the non-active EU migrants population (71%) in 2012 – although significant differences can be found between countries. Other non-active intra-EU migrants e.g., homemakers fulfilling domestic tasks and other non-active family members of EU nationality account for 25% of the entire non-active EU migrant population. Persons who cannot work due to permanent disabilities represent a relatively small group of migrants (3%).

Overall intra-EU migration has increased over the past decade; according to EU-LFS estimates, the total number of intra-EU migrants aged 15 and above has increased from 1.3% to 2.6% of total EU-27 population between 2003 and 2012. The number of intra-EU migrants being non-active has also risen (both in absolute numbers and share of EU-27 population) but to a lesser extent than overall migration (from 0.7% in 2003 to 1.3% in 2012). There has been a notable increase in the share of non-active intra-EU migrants in EU-15 from 2010 onwards, possibly determined by an increase in the number of job losses.

The proportion of EU migrants in employment (out of the total EU migrant population) has increased from 48% to 54% between 2005 and 2012 (with a decrease noted during economically difficult years 2009-2011). During the same period, the proportion of jobseekers also increased from 6% to 13% in the total EU mobile population. This suggests that the proportion of those EU migrants with no attachment to the labour market (i.e., pensioners, persons unfit for work, homemakers etc.) has decreased significantly from 47% to 33% during the same period. In addition, the vast majority of non-active EU migrants (79%) live in economically active households, with only a minority of them living with other household members out of work.

It is also worth highlighting that the majority of currently non-active migrants have worked in the country of residence (64%). This also applies to pensioners –albeit significant differences have been found between the EU Member States. For example, the share of migrant pensioners who worked in the country of residence varies between 84% in the Netherlands and 30% in Cyprus. This suggests that pensioners may chose certain countries to retire (e.g., Cyprus, Portugal and Spain), after having finished their active work life elsewhere.

Non-active intra-EU migrants do not form a static group. There is evidence suggesting that the labour market status of intra-EU migrants and local populations can change from one time period to the next. For example, a third of EU migrant jobseekers (32%) were employed one year ago. Whilst this finding highlights the transitory nature of job seeking, it is also evidence of stickiness – almost half of current jobseekers (45%) were unemployed in previous year. This may indicate longer unemployment spells among EU migrants, which may be particularly pronounced in countries whose employment rates have been adversely affected by recent economic crisis such as Greece and Spain.

The majority of non-active intra-EU migrants (captured in EU-LFS survey) have resided in the host country for more than 5 years, with a significant proportion (49%) living longer than 10 years.

Drivers of non-active intra-EU migration

There is a wealth of information about the drivers of intra-EU mobility, although studies rarely distinguish between the mobility of active and non-active EU citizens. The limited information on this matter is not surprising given the difficulty to explore the drivers of the inflows of non-active migrants - which are insufficiently recorded or, where data is available, reported as very low (under 0.10% of the national population in Germany, France, Spain and the UK per annum).

Economic literature in this area asserts that individual decisions to migrate (or not) underlie the observed aggregate migration flows and stocks. At individual level, intra-EU migrants compare the socio-economic benefits of relocating with its costs. The flows of migration will thereby tend to be higher where it is expected that their standards of living, income or the returns on their labour (or the net present value of their lifetime earnings) will be higher i.e. where overall income and employment prospects are higher.

Impacts of the drivers can occur within different time horizons. Whilst changes in transitional arrangements and the business cycle will affect trends in the mobility of jobseekers in the short term, the ageing population and its associated trends in long-term illness and disability will have significant impacts in the medium term as the 'baby boomers' begin to retire as they enter their mid-60s (2015-2025). In the longer term, global 'megatrends' such as the changing climate or greater ease of virtual and online connectivity may influence individual decisions on where to work, study, raise children or retire.

Income differentials (alongside employment opportunities) are the most documented drivers of intra-EU mobility. The possibility of earning more money is currently the main reason EU unemployed citizens consider when moving to certain country(ies) (43%) (Eurobarometer no.337, 2010). Given the share of jobseekers in the non-active EU migrant population and the transition rates from one employment status to another (e.g., approx.. 1 in 10 inactive persons employment in any given year), it follows that the decision to migrate for other non-active groups may also be influenced by income differentials. Seeking higher wages and, by extension, higher standards of living is likely to be a driver for most migrants. However, there is also evidence suggesting that the relationship between wages and net migration might be non-linear, meaning that very high wage rates (as well as very low wages) are likely to be associated with relatively lower levels of inward migration. The former may result from the higher costs of living in high wage areas that may push firms or the retired population to lower cost areas, while the latter can be explained by the inability of those on low wages to finance the upfront costs of migration and move to higher income areas.

There is strong evidence supporting that the economic crisis had an impact on the patterns and flows of intra-EU migration, acting as a push factor for migrants in recession-stricken countries. Our analysis of non-active migration flows – albeit limited by the available data – reveals that since 2006/2007 the EU Member States that have been hit hard by the crisis (Ireland, Italy, Spain) faced a consistent decline in immigration of non-active EU migrants. Conversely, the immigration inflows in the larger and more stable European economies such as the UK and Germany have increased between 2003 and 2010. Studies elsewhere show that the crisis and subsequent recession also impacted on the patterns of overall intra-EU migration, with more significant shift from South to North.

The issue of transitional arrangements and employment levels are mostly relevant to jobseekers, although as highlighted above, it could influence other non-active EU migrant group wishing to (re)enter the labour market. In addition, it is likely that the enlargement has enabled pensioners to pursue their retirement in EU-12 or EU-2 countries by simplifying processes such as buying properties and setting up bank accounts in other countries. Similarly, enlargement may have promoted intra-EU student mobility by enlarging the Erasmus network and by reducing the barriers faced by students from EU-12/EU-2 countries in accessing higher education courses and employment.

This study found little evidence in the literature and stakeholder consultations to suggest that the main motivation of EU citizens to migrate and reside in a different Member State is benefit-related as opposed to work or family-related (Bonin et al., 2008; Barrett, 2012; Barrett and Maitre's study (2011)). In addition, a higher proportion of EU-12 migrants have exercised their mobility rights for the purpose of work as opposed to other grounds. This is also borne out by evidence gathered for the UK case study prepared for this report. Work was by and large the main reason for migrants coming from other EU countries to move to the UK between 2002 and 2011. In the Netherlands, family was found to be the main reason for migration among 25 to 74-year-old EU migrants⁵⁴⁰ and education was found to be the main reason for migration among 15 to 24-year-old EU migrants (EU-LFS 2008). In France, work also proved to be a slightly less important motivator than family reasons among EU migrants⁵⁴¹ of working age (EU-LFS 2008). Case studies which looked at special non-contributory cash benefits aimed at pensioners (e.g. in Austria and Spain) found no evidence to support the argument that benefits play a role in decisions to migrate. In Spain, climate, lower costs of living and established social networks were found to be the main motivating factors among EU pensioners. In Austria, family reunification played the most important role for 55 to 74-year-old⁵⁴² EU migrants (EU –LFS 2008).

Summarising this debate, a recent meta-analysis in the literature find that: a) in most countries, immigrants are not more intensive users of welfare than nationals; b) where they are more intensive users, they tend to use intensely only specific types of benefits; c) where they are more intensive users, it is because of their socio-economic circumstances as migrants (Barrett, 2012). Where some studies found evidence supporting the 'welfare magnet effect' hypothesis, the overall estimated effects are typically small or not statistically significant (Barrett, 2012; IZA&ESRI, 2011).

Our analysis of EU-SILC data seem to confirm point (b), with migrants less likely to receive disability benefits in most countries studied, but more likely to receive unemployment benefits – albeit these differences are statistically significant in only a third of the countries covered and their magnitude tend to vary across countries. This can be explained by the fact that intra-EU migrants have a higher propensity to be unemployed and looking for work than natives in most EU countries.

As for future drivers, global 'megatrends' such as the changing climate or greater ease of virtual and online connectivity may influence individual decisions on where to work, study, raise children or retire.

International rates of retirement are set to rise, driven by ageing population, changes in the income and wealth of elderly persons in the EU as well as changes in their life and travel preferences.

In a longer timeframe, the success of the EU initiative (through the OMC) to support teaching of two foreign languages in schools across the EU may also encourage greater student mobility. Structural changes to higher education systems - such as changes to admissions, fees and funding arrangements which are currently discussed in some EU member states – may also drive some students to seek higher education opportunities abroad.

⁵⁴⁰ Due to the definition in the EU-LFS, "migrant" here is based on country of birth and not on citizenship.

⁵⁴¹ Due to the definition in the EU-LFS, "migrant" here is based on country of birth and not on citizenship.

⁵⁴² Due to the definition in the EU-LFS, "migrant" here is based on country of birth and not on citizenship.

Use of special non-contributory cash benefits and associated budgetary impacts

The SNCBs listed in Regulation (EC) 883/2004 (as amended by EC Regulation No 465/2012) are conceived as minimum protection benefits to help residents in a Member State to cope with certain precarious socio-economic situations marked by old-age, invalidity or unemployment. The majority of SNCBs provided by the EU Member States are related to old-age/death or disability. A smaller number of countries - Estonia, Germany, Finland, Ireland and the UK - provide non-contributory cash benefits to jobseekers of other EU nationality. In these countries, non-contributory cash benefits would normally be granted to residents who are actively looking for paid work (or show availability for work) and are registered with the employment services.

Evidence suggests that in certain cases, beneficiaries of national schemes which include SNCBs benefits may be engaged in some form of employment (e.g., Wajong beneficiaries in the Netherlands). Moreover, our EU-LFS estimates indicate that a good proportion of SNCB beneficiaries (over 60%) may have previously worked in the country of residence (though this share varies across different EU Member States).

EU migrants account for a very small share of SNCBs beneficiaries (which is in line with the overall size of non-active EU migrant population residing within the EU-27). They represent less than 1% of all SNCB beneficiaries (of EU nationality) in six countries (AT, BG, EE, EL, MT and PT); between 1% and 5% in five other countries (DE, FI, FR, NL and SE), and above 5% in BE and IE (although the figures for Ireland are estimates based on claimant data). One exception is Ireland where 21% of the recipients of jobseekers allowance as of March 2012 were EU migrants looking for a job. Out of these 26% were UK nationals and 67% were EU-12 nationals. In Poland and Slovakia, there is no data on the number of non-active EU migrants receiving SNCBs, but their number is believed to be very low.

Overall, non-active EU migrants are associated with lower rates of benefit receipt – albeit the scale and size of the gap tends to vary by country and type of benefit, as indicated above.

There is limited trend data on the use of SNCBs by EU migrants to draw any robust conclusions. In the 8 countries for which trend data is available, there has been an overall increase in the number of EU migrants in receipt of SNCBs – albeit in absolute numbers, figures remain small in most countries. The annual growth rate has also varied significantly by type of benefit and country, revealing a mixed picture. Highest annual percentage increase is reported in Portugal where the number of elderly EU migrants receiving solidarity allowance has increased on average by 52.7% - equivalent of only 30 new beneficiaries per annum - between 2006 and 2012; it is important to note that during the same period, the number of nationals has also increased at a similar rate (i.e., 53.8%). In other countries such as Greece, Malta and Germany, the number of EU migrants receiving old-age SNCBs has increased at a higher average annual rate than the national beneficiaries but, once again, the figures in absolute numbers remain very small in Greece and Malta, and modest (compared to nationals) in Germany.

The trend of increasing expenditure on SNCBs for non-active intra-EU migrants reflects the annual growth rate in the number of non-active intra-EU migrants accessing SNCBs over the past decade. In relative terms, the value of SNCB claims granted to non-active EU migrants still accounts for a very small proportion of the overall SNCB expenditure (usually under 1%).

Use of residence-based healthcare and associated budgetary impacts

The healthcare utilisation and expenditure associated with non-active intra-EU migrants can be estimated using the available information on: a) the characteristics of the national healthcare systems and eligibility criteria; b) size and composition of the population of non-active intra-EU migrants eligible for healthcare; and c) average healthcare costs (broken down by certain key demographic characteristics).

In countries with healthcare systems based on residence (CY, DK, FI, PT, SK, IE, IT, LV, MT, SE and UK), all non-active intra-EU migrants are in principle eligible for healthcare (irrespective of their employment status or previous social contributions).

In countries with healthcare systems based on insurance (which provide certain insurance schemes with universal character), only a certain proportion of the non-active EU migrants access healthcare according to the eligibility criteria (e.g. being unemployed, student or in receipt of welfare benefits etc.).

The aggregate demand for health care services within the non-active EU migrant population depends on the total size of the eligible population and its health status or needs. Age and gender are documented as chief drivers of health care needs – although other determinants are acknowledged. Average healthcare costs also vary by age and group.

Our estimations indicate that on average, the expenditures associated with healthcare provided to non-active EU migrants are very small relative to the size of total health spending or the size of the economy in the host countries. Median values are 0.2 % of the total health spending and 0.01% of GDP. Excluding the estimated share of S1/E121 pensioners and students (whose healthcare expenses are covered by other Member States) decreases the median value of expenditure to 0.1% of total health spending (although it remains the same relative to GDP, i.e 0.01%).

Cyprus (with a universal healthcare system) is a clear outlier with costs on the high end of the spectrum (close to 4 % of total national health spending and 0.28% of GDP, respectively), followed by Ireland where respective figures are 2.3 % and 0.21 %. In these two countries, the exclusion of S1.E121 pensioners and students decreases the overall annual healthcare expenditure associated with non-active EU migrants be about a quarter. In only two other Member States (Malta and the UK – both universal healthcare systems) the estimated share equals or exceeds 1 % of total health spending (but remains at around 0.1% of GDP). In three other countries (Denmark, Italy and Spain) expenditures are estimated to fall in the range 0.5 -0.8 % of total health spending and 0.05-0.08 % of GDP. Apart from Spain, these countries have universal healthcare systems in place. In Spain, healthcare is provided to a certain group of EU migrants who do not hold insurance and fall under a certain income threshold. In the remaining 10 countries the estimated expenditures are negligible, ranging between 0.2% and close to zero per cent of total health spending and up to 0.02 % of GDP.

Although the above estimations have been produced following a similar logic to the one applied in a number of exercises forecasting healthcare expenditures, these figures should still be treated as order of magnitude estimates given the overall limitations of data on non-active EU migrants (e.g., particularly related to their health consumption).

ANNEXES

This section contains the following annexes:

- Annex 1 List of SNCBs;
- Annex 2 Mapping of national healthcare systems;
- Annex 3 List of references;
- Annex 4 Shares of EU migrants, non-active EU migrants and non-active EU migrants without economically active household members in total population by country, 2002-2012;
- Annex 5 Numbers of non-active intra-EU migrants aged 15 and above by MS, 2002-2012 (based on EU-LFS);
- Annex 6 Numbers of non-active intra-EU migrants aged 65+, total numbers, 2002-2012;
- Annex 7 List of stakeholders consulted; *not published*
- Annex 8 – Annexes to case study 1- France;
- Annex 9- Annexes to case study 2- Spain;
- Annex 10- Annexes to case study 3- Austria;
- Annex 11 – Annexes to case study 4 – U.K.;
- Annex 12 – Annexes to case study 5 – the Netherlands.

Annex 1 List of special non-contributory cash benefits as listed in EC Regulation 883/2004

AUSTRIA

Compensatory supplement (Federal Act of 9 September 1955 on General Social Insurance — ASVG, Federal Act of 11 October 1978 on Social insurance for persons engaged in trade and commerce — GSVG and Federal Act of 11 October 1978 on Social insurance for farmers — BSVG).

BELGIUM

- (a) Income replacement allowance (Law of 27 February 1987);
- (b) Guaranteed income for elderly persons (Law of 22 March 2001).

BULGARIA

Social Pension for old age (Article 89 of the Social Insurance Code).

CZECH REPUBLIC

Social allowance (State Social Support Act No 117/1995 Sb.).

DENMARK

Accommodation expenses for pensioners (Law on individual accommodation assistance, consolidated by Law No 204 of 29 March 1995).

ESTONIA

- (a) Disabled adult allowance (Social Benefits for Disabled Persons Act of 27 January 1999);
- (b) State unemployment allowance (Labour Market Services and Support Act of 29 September 2005).

GERMANY

(a)

Basic subsistence income for the elderly and for persons with reduced earning capacity under Chapter 4 of Book XII of the Social Code;

(b)

Benefits to cover subsistence costs under the basic provision for jobseekers unless, with respect to these benefits, the eligibility requirements for a temporary supplement following receipt of unemployment benefit (Article 24(1) of Book II of the Social Code) are fulfilled.

GREECE

Special benefits for the elderly (Law 1296/82).

IRELAND

- (a) Jobseekers' allowance (Social Welfare Consolidation Act 2005, Part 3, Chapter 2);
- (b) State pension (non-contributory) (Social Welfare Consolidation Act 2005, Part 3, Chapter 4);
- (c) Widow's (non-contributory) pension and widower's (non-contributory) pension (Social Welfare Consolidation Act 2005, Part 3, Chapter 6);
- (d) Disability allowance (Social Welfare Consolidation Act 2005, Part 3, Chapter 10);
- (e) Mobility allowance (Health Act 1970, Section 61);

(f) Blind pension (Social Welfare Consolidation Act 2005, Part 3, Chapter 5).

FRANCE

(a) Supplementary allowances of:

(i) the Special Invalidity Fund; and

(ii) the Old Age Solidarity Fund in respect of acquired rights (Law of 30 June 1956, codified in Book VIII of the Social Security Code);

(b) Disabled adults' allowance (Law of 30 June 1975, codified in Book VIII of the Social Security Code);

(c) Special allowance (Law of 10 July 1952, codified in Book VIII of the Social Security Code) in respect of acquired rights;

(d) Old-age solidarity allowance (ordinance of 24 June 2004, codified in Book VIII of the Social Security Code) as of 1 January 2006.

ITALY

(a) Social pensions for persons without means (Law No 153 of 30 April 1969);

(b) Pensions and allowances for the civilian disabled or invalids (Laws No 118 of 30 March 1971, No 18 of 11 February 1980 and No 508 of 23 November 1988);

(c) Pensions and allowances for the deaf and dumb (Laws No 381 of 26 May 1970 and No 508 of 23 November 1988);

(d) Pensions and allowances for the civilian blind (Laws No 382 of 27 May 1970 and No 508 of 23 November 1988);

(e) Benefits supplementing the minimum pensions (Laws No 218 of 4 April 1952, No 638 of 11 November 1983 and No 407 of 29 December 1990);

(f) Benefits supplementing disability allowances (Law No 222 of 12 June 1984);

(g) Social allowance (Law No 335 of 8 August 1995);

(h) Social increase (Article 1(1) and (12) of Law No 544 of 29 December 1988 and successive amendments).

CYPRUS

(a) Social Pension (Social Pension Law of 1995 (Law 25(I)/95), as amended);

(b) Severe motor disability allowance (Council of Ministers' Decisions Nos 38210 of 16 October 1992, 41370 of 1 August 1994, 46183 of 11 June 1997 and 53675 of 16 May 2001);

(c) Special grant to blind persons (Special Grants Law of 1996 (Law 77(I)/96), as amended).

LATVIA

(a) State Social Security Benefit (Law on State Social Benefits of 1 January 2003);

(b) Allowance for the compensation of transportation expenses for disabled persons with restricted mobility (Law on State Social Benefits of 1 January 2003).

LITHUANIA

(a) Social assistance pension (Law of 2005 on State Social Assistance Benefits, Article 5);

(b) Relief compensation (Law of 2005 on State Social Assistance Benefits, Article 15);

(c) Transport compensation for the disabled who have mobility problems (Law of 2000 on Transport Compensation, Article 7).

LUXEMBOURG

Income for the seriously disabled (Article 1(2), Law of 12 September 2003), with the exception of persons recognised as being disabled workers and employed on the mainstream labour market or in a sheltered environment.

HUNGARY

- (a) Invalidity annuity (Decree No 83/1987 (XII 27) of the Council of Ministers on Invalidity Annuity);
- (b) Non-contributory old age allowance (Act III of 1993 on Social Administration and Social Benefits);
- (c) Transport allowance (Government Decree No 164/1995 (XII 27) on Transport Allowances for Persons with Severe Physical Handicap).

MALTA

- (a) Supplementary allowance (Section 73 of the Social Security Act (Cap. 318) 1987);
- (b) Age pension (Social Security Act (Cap. 318) 1987).

NETHERLANDS

- (a) Work and Employment Support for Disabled Young Persons Act of 24 April 1997 (Wet Wajong)'.
- (b) Supplementary Benefits Act of 6 November 1986 (TW).

POLAND

Social pension (Act of 27 June 2003 on social pensions).

PORTUGAL

- (a) Non-contributory State old-age and invalidity pension (Decree-Law No 464/80 of 13 October 1980);
- (b) Non-contributory widowhood pension (Regulatory Decree No 52/81 of 11 November 1981);
- (c) Solidarity supplement for the elderly (Decree – Law No 232/2005 of 29 December 2005, amended by Decree –Law No 236/2006 of 11 December 2006).

SLOVENIA*

- (a) State pension (Pension and Disability Insurance Act of 23 December 1999);
- (b) Income support for pensioners (Pension and Disability Insurance Act of 23 December 1999);
- (c) Maintenance allowance (Pension and Disability Insurance Act of 23 December 1999).

**Note: According to the Ministry of Labour, Family, Social Affairs and Equal Opportunities of Slovenia, the above listed special non-contributory benefits have been removed by the New Pension and Invalidity Insurance Act which entered into force on 1 January 2013. These revisions are likely to be included in the forthcoming "Miscellaneous amendments" of the coordination Regulations in the second half of 2013.*

The previous special non-contributory cash benefits enumerated above and listed in Regulation 883/2004 have been mostly transferred to the new "Income support" benefit, which is exclusively a social assistance benefit, being paid out by the Social Work Centres (CSD) directly from the State Budget.

However, as one of the conditions to consider a benefit as a SNCB under EU law is the listing under Annex X of Regulation 883/2004. This study therefore focuses only on the SNCBs listed in the annex up to July 2013.

SLOVAKIA

- (a) Adjustment awarded before 1 January 2004 to pensions constituting the sole source of income;
- (b) Social pension which has been awarded before 1 January 2004.

FINLAND

- (a) Housing allowance for pensioners (Act concerning the Housing Allowance for pensioners, 571/2007);
- (b) Labour market support (Act on Unemployment Benefits 1290/2002);
- (c) Special assistance for immigrants (Act on Special Assistance for Immigrants, 1192/2002).

SPAIN

- (a) Minimum income guarantee (Law No 13/82 of 7 April 1982);
- (b) Cash benefits to assist the elderly and invalids unable to work (Royal Decree No 2620/81 of 24 July 1981);
- (c)
- (i) Non-contributory invalidity and retirement pensions as provided for in Article 38(1) of the Consolidated Text of the General Law on Social Security, approved by Royal Legislative Decree No 1/1994 of 20 June 1994; and
- (ii) the benefits which supplement the above pensions, as provided for in the legislation of the Comunidades Autónomas, where such supplements guarantee a minimum subsistence income having regard to the economic and social situation in the Comunidades Autónomas concerned;
- (d) Allowances to promote mobility and to compensate for transport costs (Law No 13/1982 of 7 April 1982).

SWEDEN

- (a) Housing supplements for persons receiving a pension (Law 2001:761);
- (b) Financial support for the elderly (Law 2001:853).

UNITED KINGDOM

- (a) State Pension Credit (State Pension Credit Act 2002 and State Pension Credit Act (Northern Ireland) 2002);
- (b) Income-based allowances for jobseekers (Jobseekers Act 1995 and Jobseekers (Northern Ireland) Order 1995);
- (d) Disability Living Allowance mobility component (Social Security Contributions and Benefits Act 1992 and Social Security Contributions and Benefits (Northern Ireland) Act 1992).
- (e) Employment and Support Allowance Income-related (Welfare Reform Act 2007 and Welfare Reform Act (Northern Ireland) 2007).'

Annex 2 Mapping of national health care systems

The results of the health care mapping exercise are included in the table below. The table is presented by Member State in alphabetical order and indicates the type of healthcare system. Healthcare systems can be divided into: a) health care systems based on residence; b) healthcare systems based on insurance; c) healthcare systems based on insurance with universal scope. The national systems based on insurance only and fall outside the scope of our study are highlighted.

The table has been prepared on the basis of the following sources of information:

- MISSOC (Mutual Information System on Social Protection/Social Security) comparative tables⁵⁴³;
- Replies to the Questionnaires on the Relationship between Regulation (EC) No 883/2004 and Directive 2004/38/EC (Administrative Commission for the Coordination of Social Security Systems, 2011⁵⁴⁴);
- TrESS Think Tank Report 2010 on healthcare provided during a temporary stay in another Member State to persons who do not fulfil conditions for statutory health insurance coverage⁵⁴⁵; and
- National legal sources such as Spanish Real Decreto-Ley 16/2012 and Real Decreto 1192/2012⁵⁴⁶.

It is understood that these sources might not be up to date or exhaustive. The primary goal of the mapping exercise is to guide national researchers during the data collection and inform the choice of some of the case studies; this is not an exhaustive mapping exercise which would go beyond the scope of this study.

Observations

It should be noted that the above-mentioned sources use different terminologies (e.g., legally registered, permanent resident, resident, permanent regular resident, legal resident, domiciled, ordinarily resident, etc.) to define the scope of the healthcare entitlements. These terminologies do not necessarily reflect terms used in the EU law on coordination of social security systems.

It should also be noted that different requirements may apply to non-active EU migrants in order to access healthcare services in the country of residence. For example, certain countries require the non-active EU migrants to have sufficient funds and health insurance when they decide to stay in the host country (e.g, see for example RD L 16/2012 in Spain). Other EU countries such as Denmark do not impose such requirement.

⁵⁴³ updated on 1 July 2012), available at <http://www.missoc.org/MISSOC/INFORMATIONBASE/informationBase.jsp>

⁵⁴⁴ EMPL/00411/11 – EN, AC 076/11, SECRETARIAT – 04.03.2011.

⁵⁴⁵ http://www.tress-network.org/EUROPEAN%20RESOURCES/EUROPEANREPORT/ThinkTank_HealthcareUninsuredCitizens_Final_140111.pdf

⁵⁴⁶ <http://www.boe.es/boe/dias/2012/04/24/pdfs/BOE-A-2012-5403.pdf> and http://www.boe.es/diario_boe/txt.php?id=BOE-A-2012-10477

Table A2.1 Forms of healthcare accessed by EU nationals residing in a different Member State⁵⁴⁷

Country	Residence-based healthcare	Healthcare based on (compulsory) insurance	Healthcare based on universal insurance (covered by state)	
Austria		X	X	<p>Economically active people and unemployed persons receiving benefits, persons receiving a pension, participants in vocational rehabilitation and persons undergoing military service are subscribed to the mandatory health insurance. Insured persons and their dependants are entitled to healthcare.</p> <p>The main groups of persons who are not covered by the compulsory health care insurance in Austria are: Persons with very low income; Non dependant inactive persons and students who are not subscribed to voluntary insurance; Inactive persons, who have lost their family member status because of a divorce; Illegal migrant workers. Overall about 1 to 1.5% of the population of Austria is estimated to be not covered by health insurance schemes (trESS, 2010). Persons in this small category could still sign up to voluntary insurance or remain covered as co-insured family members. The same applies to students. Social assistance is based on means and one would need to fulfil all the other conditions for social assistance entitlements. Those who cannot afford a private insurance rely to health care under the provincial social assistance schemes (medical assistance). The social assistance falls under the competence of the 9 Austrian Regions and it is outside the scope of Reg. 883/2004.</p>
Belgium		X		<p>Only persons registered with a health insurance fund and their dependants are entitled to healthcare. There are no exemptions from compulsory Healthcare Insurance. Persons who cannot benefit from sickness insurance and are in need of medical care can resort to social assistance provided by the Public Centers of Social Assistance (OCMW-CPAS) (trESS, 2010).</p>
Bulgaria	X	X		<p>Bulgaria has two health care systems: a) <i>Tax Funded Health Care System</i>. All permanent residents and Bulgarian nationals are beneficiaries of the tax funded system. EU nationals are within the scope of the tax funded system.</p>

⁵⁴⁷ Countries highlighted in grey represent healthcare systems based entirely on insurance, hence they are considered outside the scope of this study.

Country	Residence-based healthcare	Healthcare based on (compulsory) insurance	Healthcare based on universal insurance (covered by state)	
				<p><i>b) Compulsory Health Insurance</i> (National Health Insurance Fund – NHIF). NHIF provides a basic healthcare services package, on the basis of contribution payments to the compulsory health insurance. Regarding non-Bulgarian citizens, only persons who are insured in another EU Member State according to the rules on coordination of social security are exempt from compulsory health insurance.</p>
Cyprus	X			<p>Healthcare is granted to Cypriot and EU/EEA/Swiss citizens who permanently reside in Cyprus and who are registered to the national health system. Medical care is provided to healthcare beneficiaries free of charge or at reduced rates to certain categories of the population (subject to means-testing).</p>
Czech Republic		X	X	<p>All permanent residents, employees of companies with a registered office in the Czech Republic and self-employed persons subjected to Czech law are compulsorily health insured and eligible for public healthcare.</p> <p>There are certain categories of persons who get the health insurance covered by the State. According to article 7 of the Chapter 1 of the Health Insurance Act 48/1997 Coll, this can include recipients of family benefits; women on maternity and parent leave; job applicants; persons on social security benefits; partially/fully incapacitated persons; persons who achieved the age necessary to be entitled to retirement pension who, however, do not fulfil other conditions to be granted the retirement pension and such retirement pension does not exceed the monthly amount of the minimum wage; certain carers of children etc.</p>
Denmark	X			<p>All residents in Denmark - registered with the local authority and at the same time registered with the health insurance scheme - receive a social security card and are entitled to hospital treatment, maternity care and health insurance benefits.</p>
Estonia		X	X	<p>EU nationals who are residing in Estonia on a permanent or temporary basis and who fall in any of the categories below would be entitled to healthcare (without contributing to the compulsory insurance scheme): pregnant women from 12th week</p>

Country	Residence-based healthcare	Healthcare based on (compulsory) insurance	Healthcare based on universal insurance (covered by state)	
				of pregnancy; young persons under the age of 19 (those under 15 fall outside the scope of our study); dependent spouse of an insured person (close to retirement); students up to 21 years of age acquiring basic education, students of up to 24 years of age acquiring general secondary education, and other categories of pupils and students.
Finland	X			All residents are eligible for healthcare (universal healthcare system). Patients are generally charged a flat-rate fee for treatment at a healthcare centre or hospital.
France		X	X	Economically active persons are subscribed to the compulsory insurance scheme (through paying social contributions). Those residing in France for more than 3 months and who are not covered by the compulsory insurance are included in the universal health cover scheme (CMU). The 3 month qualifying period does not apply to pupils/students under agreements on cultural, scientific and technical cooperation; recipients of family benefits and allowances for the elderly; recipients of housing benefits and social assistance (Administrative Commission for the Coordination of Social Security Systems, 2011).
Germany		X		There is a general obligation for the entire population to subscribe to the statutory health insurance or with a private health insurance. Persons who are not covered under the statutory compulsory insurance may claim social assistance (which is provided by municipalities).
Greece		X		Healthcare is provided on the basis of compulsory social insurance (to which employees and persons assimilated; pensioners; unemployed are subscribed to). There are no exceptions from compulsory public health care insurance.
Hungary		X	X	Healthcare is provided on the basis of compulsory social insurance. Those residents who are not insured on the basis of their current employment can access in-kind healthcare benefits if they previously paid social contributions (e.g. pensioners, persons on sick leave) or fall under any of the following categories: recipients of

Country	Residence-based healthcare	Healthcare based on (compulsory) insurance	Healthcare based on universal insurance (covered by state)
			family and social assistance benefits, pupils and students subject to an international agreement or scholarship granted by the education minister, minors or homeless persons. Those who resided in Hungary for the past 12 months and who do not fall in any of the categories above are required to pay a monthly lump-sum of HUF 6660 (so-called health service contribution). Persons not insured/not entitled to health care can enter into contractual arrangements with the Health Insurance Fund (Egészségbiztosítási Pénztár) in order to access health care services.
Ireland	X		All ordinary residents in Ireland, regardless of their nationality, are entitled to healthcare. Depending on their means and on the opinion of the HSE, residents are entitled to either full eligibility (Category 1, free of charge) or limited eligibility (Category 2, subject to small charges) for health services.
Italy	X		Healthcare provided on the basis of residence. All EU residents and their dependents, except those entitled to health care in other EU Member States according to Regulation 883/2004, are entitled to health care.
Latvia	X (only for economically active EU citizens, their dependants and permanent residents)		The following groups of persons have the right to state funded healthcare services (funded from the budget of the Republic of Latvia, in line with Section 17 of the Medical Treatment Law): 1) Latvian citizens; 2) citizens of Member States of the European Union, of European Economic Area states and Swiss Confederation who reside in Latvia as employed/self-employed persons or as family members of economically active persons; 4) foreigners (EU and third-country nationals) who have a permanent residence permit in Latvia; 5) refugees and persons who have been granted alternative status; and 6) persons detained, arrested and sentenced

Country	Residence-based healthcare	Healthcare based on (compulsory) insurance	Healthcare based on universal insurance (covered by state)	
				<p>with deprivation of liberty; 7) and the children of all the above mentioned persons.</p> <p>The spouses of the Latvian citizens and non-citizens⁵⁴⁸, who have temporary residence permits in Latvia, also have the right to separate and specific services (i.e. care for pregnant women and assistance in childbirth).</p> <p>There are special provisions for situations when there is a need to minimise the risk of endangering society due to infectious diseases and health affecting environmental factors (Cabinet Regulations No. 1046 of 19.12.2013).</p> <p>From the above, it is understood that non-active EU migrants (who are not related to economically active persons in Latvia, are not insured in other EU country through e.g., pension and are not permanent residents) have to acquire insurance in order to access healthcare in Latvia.</p>
Lithuania		X	X	<p>Healthcare is provided on the basis of compulsory insurance. However there are some entitlements with universal character that are granted only on the basis of residence— whether temporary or permanent residence. These ‘universal’ healthcare entitlements are granted to the following categories of persons on the basis of their residence: jobseekers (with social contributions record); pensioners; students; pregnant women; women with children with at least one child under 8 years or 2 children under 18 years ;persons under the age of 18 (as long as they have at least 1 parent residing on a temporary or permanent basis in Lithuania); disabled persons/people who cannot work on the basis of disability; other small group of people entitled to means-tested social benefits.</p>
Luxembourg		X		<p>Healthcare is provided on the basis of compulsory insurance. Certain recipients of social benefits (currently or previously attached to the labour market) can be entitled to healthcare (including those receiving cash sickness, maternity benefits or accident insurance scheme; unemployed and receiving unemployment benefit; receiving an old age, invalidity or survivor's pension; receiving an employment injury</p>

⁵⁴⁸ This terms does not refer to EU migrants, It covers persons who came to Latvia from 1940 to 1991 (i.e. are not related to the citizens of the first independent Republic).

Country	Residence-based healthcare	Healthcare based on (compulsory) insurance	Healthcare based on universal insurance (covered by state)
			annuity; a young person doing voluntary work; a disabled employee working in a sheltered workshop or receiving an income for the severely disabled).
Malta	X		Entitlement for healthcare is based on 'ordinarily resident' basis, definitions of this and eligibility is covered by the Social Security Act and the EU Social Security Coordination Regulations.
Netherlands		X	Healthcare is provided on the basis of compulsory insurance. There are no exemptions from compulsory insurance. Every person living in the Netherlands is legally obliged to take out healthcare insurance.
Poland		X	X (for Polish citizens who meet social assistance criteria) Healthcare is provided on the basis of Compulsory social insurance scheme (employees and self-employed) and assimilated groups (pensioners, students, farmers, members of insured persons' families). Therefore, one is entitled to receive free healthcare benefits in Poland if: she/he is covered by general health insurance (either mandatory or voluntary). Those who are not directly insured, but they are a Polish citizen and meets the income criterion set by the Act on Social Assistance are also entitled to free healthcare. Similar to other countries, certain emergency services and services related to eradication of contagious diseases/infections are provided to everyone free of charge. From the above it is understood that those EU migrants who are not insured – voluntarily or compulsory - are not entitled to free residence-based healthcare.
Portugal	X		Healthcare is provided on the basis of residence. No period of prior residence is required. Beneficiaries are subject to payment of standard fees (e.g. EUR 5 for visiting a GP; EUR 20 for Accident and Emergency visit); some people are exempted from their payment (e.g., people with a degree of 60 % or more of incapacity; and low income persons).
Romania		X	Healthcare is provided on the basis of compulsory social insurance. Non-active EU citizens (residing in Romania) can access the health care package only if insured

Country	Residence-based healthcare	Healthcare based on (compulsory) insurance	Healthcare based on universal insurance (covered by state)	
			(either in the country of origin, through private insurance or through payment of health insurance contributions in the national system). Exceptions refer to certain services (part of the minimum package of services) - surgical emergencies and certain diseases, including those set out in the national immunization program, monitoring pregnancy and motherhood etc. (Health Insurance Act).	
Slovakia	X		All persons residing in Slovakia and persons working on the territory of Slovakia are entitled to healthcare.	
Slovenia		X	Healthcare provided on the basis of compulsory health insurance (insured persons include holders of insurance and their family members). Persons who permanently reside in Slovenia and cannot exercise rights deriving from their domestic health insurance or are not covered by insurance on some other basis, can be covered by obligatory health insurance. Non-active EU citizens who may be covered by obligatory health insurance in Slovenia include: persons who permanently reside in Slovenia and receive pensions from foreign pension insurance institutions ⁵⁴⁹ , unless otherwise provided by an international treaty; foreigners who attend education or training courses in Slovenia but are not insured on some other basis e.g., EHIC; persons permanently residing in Slovenia, if they do not meet the criteria of insurance coverage under one of the points in the first paragraph of Article 15 of the Act and are themselves paying contributions (point 20). Persons not covered by insurance are entitled to urgent treatment.	
Spain		X	X	According to RD L 16/2012 and RD 1192/2012, employees and self-employed persons, pensioners, persons receiving periodical social security benefits, registered unemployed, as well as their dependants, are entitled to healthcare as insured persons (trESS, 2010). Healthcare is also provided to legal residents on low income.

⁵⁴⁹ In these cases however SI would claim reimbursement from foreign health insurance providers in the EU for services provided to their pensioners and family members in a given year for the purpose of the Regulation (EC) No883/2004. The issue of reimbursement of healthcare costs between the Member States falls indeed outside the scope of this study.

Country	Residence-based healthcare	Healthcare based on (compulsory) insurance	Healthcare based on universal insurance (covered by state)
Sweden	X		All residents are entitled to healthcare. There is no qualifying period. Healthcare is provided by each regional healthcare system to everyone domiciled in the county or region. The county council covers most of the cost but the patient must pay a certain fee depending on the treatment. Non active EU-citizens who cannot support themselves are not allowed to take up residence in Sweden in accordance with the Directive 2004/38 (Administrative Commission for the Coordination of Social Security Systems, 2011).
United Kingdom	X		All persons “ordinarily resident” in the UK (persons that live in the UK on a lawful and settled basis) and all lawfully employees of any UK based employer (and subsequently their spouse/civil partner and children) are entitled to healthcare. EU nationals who enter the UK as ‘non-active’ persons are required to have full healthcare insurance. The UK government’s view is that access to the NHS does not constitute full insurance cover and that the person concerned would need to have separate healthcare cover.

Table A2.2 Group of non-active EU migrants included in the calculations of healthcare expenditure per MS*

Country	Relevant non-active migrant groups included						Other, further comments
	All	Pensioners	Unemployed / jobseekers	Students	Non-active single parents	Disabled	
AT	-	-	-	-	-	-	<p>✓ Certain groups who are not covered by the insurance schemes can receive social assistance which falls outside the scope of the study.</p> <p>Only insured persons –whether through compulsory or voluntary insurance are entitled to healthcare. Economically active people and unemployed persons receiving benefits, persons receiving a pension, participants in vocational rehabilitation and persons undergoing military service are subscribed to the mandatory health insurance. Insured persons and their dependants are entitled to healthcare.</p>
BG	✓	-	-	-	-	-	<p>It is assumed that half of pensioners will access public health services at the expense of another EU Member State (through the S1 or E-121 routes). There is no data on the share of pensioners in total number of non-active EU migrants, therefore the EU average figure based on EU-LFS 2011 has been used - 28%. Out of these, half are assumed to receive healthcare through the S1-E121 route. In addition, students are also assumed to access healthcare through EHIC and university-based arrangements. They formed approx. 11% of the non-active EU migrants residing in EU-10 in 2011 (based on EDUC4WN variable in the EU-LFS).</p>
CY	✓	-	-	-	-	-	<p>It is assumed that half of pensioners will access public health services at the expense of another EU Member State (through the S1 or E-121 routes). Pensioners formed about 33% of all non-active EU migrants in CY in 2011 (based on MAINSTAT variable in EU-LFS). Students (who formed about 10% of all non-active migrants in CY in 2011) are also assumed to access healthcare through EHIC, or other voluntary insurance (e.g., university based arrangements).</p>
CZ	-	-	✓	-	-	✓	There are certain categories of persons who get the health

Country		Relevant non-active migrant groups included					Other, further comments
	All	Pensioners	Unemployed / jobseekers	Students	Non-active single parents	Disabled	
							insurance covered by the State. Including recipients of family benefits; women on maternity and parent leave; job applicants; persons on social security benefits; partially/fully incapacitated persons; persons who achieved the age necessary to be entitled to retirement pension who, however, do not fulfil other conditions to be granted the retirement pension and such retirement pension does not exceed the monthly amount of the minimum wage; certain carers of children etc There are no estimates on the number of pensioners who do not meet pension or income criteria, hence they could not be included in calculations.
DK	✓	-	-	-	-	-	It is assumed that half of pensioners will access public health services at the expense of another EU Member State (through the S1 or E-121 routes). Students are also assumed to access healthcare through EHIC and university-based arrangements.
EE	✓	-	-	-	-	-	Students could potentially access residence-based services but they are assumed to access such services through EHIC or other voluntary insurance (e.g., university based arrangements). Other categories who are eligible to residence-based healthcare could not be included due to lack of relevant data (e.g., pregnant women from 12th week of pregnancy; minors under 19 who fall outside the scope of the study)
ES	-	✓ (who meet other income criteria)	✓(who meet other income criteria)	-	✓(who meet other income criteria)	✓(who meet other income criteria)	Only those below income threshold and who are not insured elsewhere are entitled to residence-based healthcare. According to INSS, there were 75,734 nationals from the EU, EEA and Switzerland that are beneficiaries of Spanish healthcare due to lack of sufficient resources and lack of insurance.
FI	✓	-	-	-	-	-	It is assumed that half of pensioners will access public health services at the expense of another EU Member State (through the S1 or E-121 routes). Students are also assumed to access healthcare through EHIC and university-based arrangements.

Country	Relevant non-active migrant groups included						Other, further comments
	All	Pensioners	Unemployed / jobseekers	Students	Non-active single parents	Disabled	
FR	-	-	-	-	-	-	<p>✓ certain recipients of welfare benefits such as ASPA.</p> <p>No precise data on CMU beneficiaries; the number of beneficiaries of Old Age Solidarity Benefit (ASPA) who are also likely to benefit from CMU were included (881 persons in 2011)⁵⁵⁰</p>
HU	-	✓ (who paid previous contributions)	-	✓	-	-	<p>There are other groups of non-active migrants who could be eligible for residence-based healthcare for which data is not available (e.g. recipients of family and social assistance benefits; homeless persons). Students are eligible for healthcare but they are assumed to have their own insurance arrangements upon arrival. In addition, only certain pensioners are eligible for residence-based healthcare (i.e., those who previously paid social contributions). Based on EU-LFS figure on the share of pensioners who have never worked in a country (EU average share: 36%), it is assumed that only 64% of pensioners in Hungary are eligible for healthcare. Out of these, roughly half are assumed that half of pensioners will access public health services at the expense of another EU Member State (through the S1 or E-121 routes).</p>
IE	✓	-	-	-	-	-	<p>It is assumed that half of pensioners will access public health services at the expense of another EU Member State (through the S1 or E-121 routes). Students are also assumed to access healthcare through EHIC and university-based arrangements.</p>
IT	✓	-	-	-	-	-	
LV	-	-	-	-	-	-	<p>✓ foreigners who are permanent residents.</p> <p>Latvia has a tax financed health care system for all inhabitants (based on residency). However, it is understood that non-active EU migrants (who are not related to economically active persons in Latvia, are not insured in other EU country and are</p>

⁵⁵⁰ Given the uncertainty of this estimate, the ASPA figure was rounded up to 1,000 persons.

Country		Relevant non-active migrant groups included					Other, further comments
	All	Pensioners	Unemployed / jobseekers	Students	Non-active single parents	Disabled	
							not permanent residents) have to acquire insurance in order to access healthcare in Latvia. The non-active EU migrants who are permanent residents (i.e., had lived in Latvia for more than 5 years) are eligible for healthcare. Based on EU-LFS 2012, it is estimated that 68% of non-active EU migrants residing in EU-10 have resided for 5 and more years in Latvia. Out of these, around 79% live in economically active households (based on EU-LFS 2012).
LT	-	✓	✓(with social contributions record)	-	✓	✓	It is assumed that half of pensioners will access public health services at the expense of another EU Member State (through the S1 or E-121 routes). Students are also assumed to have their own insurance arrangements (e.g., EHIC, university-based voluntary insurance etc.). In addition, jobseekers with no previous work experience in the country are excluded (EU average figure based on EU-LFS for this group is 19%).
MT	✓	-	-	-	-	-	Given that limited reliability of the EU-LFS estimate of non-active EU migrants for MT, an alternative estimation has been produced on the basis of the share of non-active EU migrants among all EU migrants extracted from EU-LFS (%) applied to the total number of EU migrants in Malta, as reported in Eurostat's migration statistics. It is assumed that half of pensioners will access public health services at the expense of another EU Member State (through the S1 or E-121 routes). Students are also assumed to access healthcare through EHIC and university-based arrangements.
PT	✓	-	-	-	-	-	: It is assumed that half of pensioners will access public health services at the expense of another EU Member State (through the S1 or E-121 routes). Students are also assumed to access healthcare through EHIC and university-based arrangements.
SE	✓	-	-	-	-	-	It is assumed that half of pensioners will access public health services at the expense of another EU Member State (through
SK	✓	-	-	-	-	-	

Country	Relevant non-active migrant groups included						Other, further comments
	All	Pensioners	Unemployed / jobseekers	Students	Non-active single parents	Disabled	
UK	✓	-	-	-	-	-	the S1 or E-121 routes). Students are also assumed to access healthcare through EHIC and university-based arrangements.

**Table includes only EU countries that provide some form of residence based healthcare (universal healthcare or insurance with universal character)*

Annex 3 List of references

Table A3.1 Main sources of information and statistical data on non-active intra-EU migrants

Source	Description
European Union legislation	<p>Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems, OJ L 166, 30 April 2004.</p> <p>Regulation (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems, OJ L 284/1, 30 October 2009.</p>
International and EU level sources	<p>Eurostat Migration statistics (aggregate secondary data)</p> <ul style="list-style-type: none"> - Eurostat migration statistics (migr_pop1ctz) <p>EU-SILC microdata (disaggregate microdata)</p> <ul style="list-style-type: none"> - EU citizens residing in another EU country by individual characteristics (e.g., age, sex, marital status, country of citizenship (or group of citizenship), country of residence, duration of residence); household characteristics (e.g., number of children, labour status of spouse); income (including private pensions, receipt of social benefits, personal/household income); labour status (i.e., unemployed/ in education and training / in retirement or early retirement / permanently disabled / fulfilling domestic or care responsibilities); education (ISCED level; subsidised training & education); (self-described) health, disability status; unmet need for medical examination or treatment in the past 12 months, main reason for unmet medical needs. <p>EU-LFS microdata (disaggregate microdata)</p> <ul style="list-style-type: none"> - EU citizens residing in another EU country by individual characteristics (e.g., age, sex, marital status, citizenship (or aggregated group of citizenship), country of residence, years of residence); household characteristics (e.g., number of children; working status of other household members); labour status ('unemployed/in retirement or early retirement/students or pupils /permanently disabled/other inactive' etc.); search for employment; reason for not having worked at all though having a job; education (ISCED level) <p>Eurostat – Social Protection statistics (aggregate secondary data)</p> <ul style="list-style-type: none"> - General government expenditure by function (COFOG) (gov_a_exp) GF 10 - ESPROSS - [spr_exp_sum] - EU SILC http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_social_policy_equality/omc_social_inclusion_and_social_protection/overarching <p>MISSOC (aggregate secondary data, mostly qualitative)</p> <ul style="list-style-type: none"> - MISSOC reports and comparative tables by country http://www.missoc.org/MISSOC/comparativeTables - Missoc newsletters on latest developments at national level to verify the findings of the other sections which might not be up to date: http://www.missoc.org/MISSOC/ENEWLETTER_LEAFLET/pressReleases.jsp <p>ISSA – International Social Security Association (aggregate secondary data) http://www.issa.int/</p> <ul style="list-style-type: none"> - Information by country: http://www.issa.int/Observatory/Country-Profiles/Regions/Europe/Italy/Scheme-Description/(id)/104019 <p>EURES (aggregate secondary data, mostly qualitative) http://ec.europa.eu/eures/main.jsp?acro=lw&lang=en&catId=490&parentId=0</p> <p>OECD (aggregate secondary data)</p> <ul style="list-style-type: none"> - International Migration Database http://stats.oecd.org/Index.aspx?DatasetCode=MIG - OECD Social Expenditure database http://www.oecd.org/social/socialpoliciesanddata/socialspendituredatabasesocx.htm <p>OECD International Migration Outlook (2013)</p> <p>OECD Healthcare at a glance (2012)</p> <p>Eurofound (aggregate secondary data)</p>

Source	Description
	<ul style="list-style-type: none"> - Analysis of the socioeconomic situation of migrants – Gathering comparable data on their living conditions. Workshop report, (2010), http://www.eurofound.europa.eu/pubdocs/2011/31/en/1/EF1131EN.pdf - Analysis of the 2005 Eurobarometer survey on geographical and labour market mobility http://www.eurofound.europa.eu/pubdocs/2006/59/en/1/ef0659en.pdf <p>Eurobarometer surveys (aggregate secondary data)</p> <ul style="list-style-type: none"> - The Internal Market: Awareness – Perceptions– Impacts - Eurobarometer 263 and 363 (2009 and 2010 respectively) - Geographical and labour market - mobility Special Eurobarometer 337 – June 2010 - Youth on the Move - Flash Eurobarometer 319b – 2011 - European Citizenship – Cross-border mobility, August 2010 - Flash Eurobarometer 294 "EU Citizenship" March 2010
Reports	<p>Barrell, R., S. Gottschalk, S. Kirby, and A. Orazgani (2009), Projections of migration inflows under alternative scenarios for the UK and world economies, Communities and Local Government. Retrieved from http://www.communities.gov.uk/documents/communities/pdf/1204238.pdf</p> <p>Barrett, A. (2012). Welfare and Immigration. Migration Policy Centre (MPC) research report 2012/07. European University Institute, Robert Schumann Centre for Advanced Studies, Italy. Paper available online at: http://www.esri.ie/UserFiles/publications/BKMNEXT218/BKMNEXT218.pdf (Please note the author uses the term 'welfare magnet')</p> <p>Berendsen et al., 2011. Wajong monitor: second report. An analysis of the new Wajong Act (the Invalidity Insurance Act for Young Disabled Persons) in 2010. Available at: http://www.uwv.nl/overuwv/Images/Wajong%20Monitor%20Second%20Report.pdf</p> <p>Bonin, H. Et al., (2008). Geographic Mobility in the European Union: Optimising its Economic and Social Benefits. IZA Research Report No. 19. Available at: http://www.iza.org/en/webcontent/publications/reports/report_pdfs/iza_report_19.pdf</p> <p>Brücker, H. et al. (2009), Labour mobility within the EU in the context of enlargement and the functioning of the transitional arrangements. Study commissioned by the Directorate-General for Employment, Social Affairs and Equal Opportunities. Nürnberg</p> <p>Holland D., T. Fic, A. Rincon-Aznar, L. Stokes, and P. Paluchowski (2011), Labour mobility within the EU - The impact of enlargement and the functioning of the transitional arrangements, Study commissioned by the Directorate-General for Employment, Social Affairs, and Equal Opportunities, NIESR, London. http://ec.europa.eu/social/BlobServlet?docId=7120&langId=en</p> <p>Cedefop (2011), Labour-market polarisation and elementary occupations in Europe, European Centre for the Development of Vocational Training, Thessaloniki</p> <p>Cyprus Statistical Authority (2012), Education Statistics 2010-2011, Series 1, Volume 43, Available at: http://www.mof.gov.cy/mof/cystat/statistics.nsf/All/204AA86C4060D499C22577E4002CA3E3/\$file/EDUCATION-1011-281212.pdf?OpenElement</p> <p>Eurofound (2007) "Labour mobility in a transatlantic perspective," European Foundation for the Improvement of Living and Working Conditions, Dublin</p> <p>Eurofound (2006). Mobility in Europe Analysis of the 2005 Eurobarometer survey on geographical and labour market mobility.</p> <p>European Commission, Employment and Social Developments in Europe 2011 – Chapter 6 http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=6176&type=2&furtherPubs=no</p>

Source	Description
	European Commission, Employment, Social Affairs & Inclusion, What is a place of residence?, available at http://ec.europa.eu/social/main.jsp?catId=857&langId=en&intPagId=984
	European Commission Employment, Social Affairs and Equal Opportunities(2011) Mobility in Europe 2011, available at: http://www.mobilitypartnership.eu/Documents/Mobility%20in%20Europe%202011.pdf
	European Commission, Employment, Social Affairs & Inclusion, What if I am not working?, available at http://ec.europa.eu/social/main.jsp?catId=857&langId=en&intPagId=972
	European Commission, Employment, Social Affairs & Inclusion, What are benefits in cash and which country provides them?, available at http://ec.europa.eu/social/main.jsp?catId=857&langId=en&intPagId=974 IZA & ESRI (2013). Immigrants' welfare receipt across the EU (Study on Active Inclusion of Migrants). Presentation made by Corona Joyce and Bertrand Maitre at AIRE Centre Round Table (Dublin, 1st March 2012). Presentation available at: http://www.airecentre.org/pages/ec-social-security-materials.html IZA&ESRI (2011). Study on Active Inclusion of Migrants. Institute for the Study of Labor (IZA) and The Economic and Social Research Institute (ESRI). Available at: http://ec.europa.eu/social/main.jsp?langId=en&catId=750&newsId=1160&furtherNews=yes
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Source	Description
	<p>Saoirse . B. (2013). 'The Position of EU Jobseekers in the Republic of Ireland'. Available online at: http://www.airecentre.org/news.php/87/eu-law-on-social-welfare-benefits-conference-update-materials#sthash.3U9QtaD9.dpuf Presentation made at the EU Law on Social Welfare Benefits.</p> <p>Sibley. E. et al., (2013). Welfare benefits for marginalised EU migrants: special non-contributory benefits in the UK, the Republic of Ireland & the Netherlands. Available at: http://www.airecentre.org/data/files/AIRE_ECSS_FINAL_REPORT.pdf</p> <p>Teichler, U., Ferencz, I. and B. Wächter (2011) . Mapping mobility in European higher education. Volume I: Overview and trends. Available at: http://ec.europa.eu/education/more-information/doc/2011/aca_en.pdf</p> <p>trESS(2011): "Social security coverage of non-active persons moving to another Member State": http://www.tress-network.org/PUBLIC/EUROPEANREPORT/TRESS_AnalyticalReport-NonActives_FINAL.pdf</p> <p>trESS (2010). "Think Tank Report 2010. Healthcare provided during a temporary stay in another Member State to persons who do not fulfil conditions for statutory health insurance coverage". Available at: http://www.tress-network.org/EUROPEAN%20RESOURCES/EUROPEANREPORT/ThinkTank_HealthcareUninsuredCitizens_Final_140111.pdf</p> <p>Trinity College Dublin, MCA Newsletter No. 3: Migration and Social Welfare in Post-Celtic Tiger Ireland, 2010. available : http://www.tcd.ie/immigration/careers/news.php</p>
(Peer-reviewed) academic papers	<p>A. P. van der Mei, Regulation 1408/71 and co-ordination of special non-contributory benefit schemes, <i>European Law Review</i> 2002, v. 27, n. 5, October, p. 551-566.</p> <p>Barrett A. and B. Maître (2011), 'Immigrant Welfare Receipt across Europe', IZA Discussion Paper, No. 5515</p> <p>Bention M. and Petrovic, M (2013), 'How Free is the Free Movement? Dynamics and Drivers of Mobility within the European Union' Migration Policy Institute Europe</p> <p>Boeri, T. (2010). Immigration to the Land of Redistribution. <i>Economica</i>, vol. 77, 651-687.</p> <p>Brücker, Herbert, Gil S. Epstein, Barry McCormick, Gilles Saint-Paul, Alessandra Venturini and Klaus Zimmermann (2002), "Welfare State Provision", chapter 5 in Boeri, Tito, Gordon Hanson and Barry McCormick eds. <i>Immigration Policy and the Welfare State</i>, Oxford: Oxford University Press</p> <p>Cantillon, B., Verbist, G. and De Maesschalck, V., 'De sociaal-economische positie van eenoudergezinnen', <i>Over Werk</i> , No. 1–2, 2004, pp. 139–44.</p> <p>Fellmer, S. and Kolb, H. 2009. EU labour migration: Government and social partner policies in Germany. In: Béla Galgóczi, B., Leschke, J. & Watt, A. (eds.) 2009. EU labour migration since enlargement: Trends, impacts and policies. Farnham: Ashgate.</p> <p>Holland D., T. Fic, A. Rincon-Aznar, L. Stokes, and P. Paluchowski (2011), Labour mobility within the EU - The impact of enlargement and the functioning of the transitional arrangements, Study commissioned by the Directorate-General for Employment, Social Affairs, and Equal Opportunities, NIESR, London. http://ec.europa.eu/social/BlobServlet?docId=7120&langId=en and case studies available at: http://ec.europa.eu/social/BlobServlet?docId=7191&langId=e</p> <p>Legido—Quigley and D. La Parra, 'The health care needs of UK pensioners living in Spain: an agenda for research', <i>Eurohealth</i> 13 (2007), 14-8.</p> <p>Rowthorn R. (2008), 'The fiscal impact of immigration on the advanced economies',</p>

Source	Description
	Oxford Review of Economic Policy, Vol. 24, No 3, pp.560–580
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Annex 4 Shares of EU migrants, non-active EU migrants and non-active EU migrants without economically active household members in total population by country (2002 – 2011) based on EU-LFS

Table A4.1 Shares of EU migrants, non-active EU migrants and non-active EU migrants without economically active household members in total population by country (2002-2011) based on EU LFS

	2002			2003			2004			2005			2006		
	EU Migrants	Non-Active EU Migrants	Non-Active members of non-active HH	EU Migrants	Non-Active EU Migrants	Non-Active members of non-active HH	EU Migrants	Non-Active EU Migrants	Non-Active members of non-active HH	EU Migrants	Non-Active EU Migrants	Non-Active members of non-active HH	EU Migrants	Non-Active EU Migrants	Non-Active members of non-active HH
AT	1.4%	0.6%	n/a	1.9%	0.8%	n/a	2.6%	1.1%	0.31%	3.3%	1.2%	0.51%	3.2%	1.1%	0.36%
BE	5.7%	3.0%	1.77%	5.3%	2.9%	1.74%	5.7%	2.9%	0.33%	5.7%	2.9%	1.43%	5.8%	2.9%	1.32%
BG	:	:	n/a	:	n/a	n/a	:	:	:	:	:	:	:	:	:
CY	4.4%	2.1%	1.14%	4.7%	1.9%	0.95%	6.1%	2.1%	0.92%	6.6%	2.7%	1.33%	6.9%	2.8%	1.45%
CZ	0.1%	0.1%	0.03%	0.1%	0.1%	0.06%	0.3%	0.1%	0.03%	0.3%	0.1%	0.05%	0.4%	0.1%	0.05%
DE	2.2%	0.8%	0.33%	2.3%	0.9%	0.44%	2.7%	1.0%	0.15%	3.0%	1.2%	0.54%	2.2%	0.9%	0.42%
DK	0.9%	0.2%	n/a	0.9%	0.3%	n/a	1.0%	0.3%	n/a	1.1%	0.4%	n/a	1.1%	0.3%	n/a
EE	:	:	:	:	:	:	0.5%	0.3%	:	0.4%	(0.2%)	:	0.3%	:	:
EL	0.1%	0.1%	(0.04%)	0.2%	0.1%	0.05%	0.9%	0.4%	0.15%	1.0%	0.4%	0.18%	1.0%	0.4%	0.16%
ES	1.0%	0.5%	0.32%	1.0%	0.5%	0.30%	2.1%	0.8%	0.36%	2.6%	1.0%	0.47%	3.1%	1.1%	0.43%
FI	0.3%	:	n/a	0.3%	0.1%	n/a	0.7%	0.3%	n/a	0.6%	0.3%	n/a	0.6%	0.2%	n/a
FR	2.3%	1.1%	n/a	2.0%	0.9%	0.59%	2.3%	1.0%	0.17%	2.0%	0.9%	0.54%	2.0%	1.0%	0.44%
HU	0.1%	:	:	0.1%	(0.0%)	:	0.3%	0.1%	0.04%	0.4%	0.2%	0.06%	0.4%	0.2%	0.07%
IE	3.0%	1.1%	n/a	3.3%	1.3%	n/a	3.2%	1.2%	n/a	4.7%	1.4%	n/a	8.1%	2.1%	0.79%
IT	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.8%	0.3%	0.08%	0.9%	0.3%	0.08%
LT	:	:	n/a	n/a	n/a	n/a	:	:	n/a	:	:	:	:	:	:
LU	31.7%	11.4%	4.25%	33.7%	12.5%	4.20%	34.0%	12.9%	3.32%	35.2%	13.1%	4.08%	35.2%	13.1%	4.72%
LV	n/a	n/a	n/a	n/a	n/a	n/a	0.2%	0.2%	:	0.2%	0.2%	(0.09%)	0.1%	:	:
MT	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NL	1.4%	0.5%	0.26%	1.4%	0.4%	0.25%	1.4%	0.4%	0.17%	1.5%	0.5%	0.26%	1.5%	0.5%	0.23%
PL	n/a	n/a	n/a	n/a	n/a	n/a	(0.0%)	:	n/a	0.0%	(0.0%)	:	0.0%	(0.0%)	:
PT	0.3%	0.1%	:	0.3%	0.1%	(0.06%)	0.5%	0.2%	(0.01%)	0.5%	0.2%	0.06%	0.5%	0.2%	0.06%
RO	n/a	n/a	n/a	n/a	n/a	n/a	:	:	:	:	:	:	:	:	:
SE	1.9%	0.7%	n/a	2.0%	0.7%	n/a	2.2%	0.8%	n/a	2.3%	0.7%	n/a	2.1%	0.7%	n/a
SI	:	:	:	:	:	:	:	:	:	(0.0%)	:	:	(0.0%)	:	:

SK	n/a	n/a	n/a	:	n/a	n/a	0.1%	:	:	0.1%	(0.0%)	:	0.1%	:	:
UK	1.8%	0.8%	0.53%	1.8%	0.7%	0.50%	2.1%	0.9%	0.49%	2.2%	0.9%	0.52%	2.4%	0.9%	0.48%
EU-15 ^A	1.6%	0.7%	0.25%	1.6%	0.7%	0.36%	1.9%	0.8%	0.21%	2.2%	0.9%	0.42%	2.2%	0.9%	0.37%
EU-10 ^A	0.1%	0.0%	(0.01%)	0.1%	0.0%	(0.02%)	0.2%	0.1%	(0.02%)	0.2%	0.1%	0.03%	0.2%	0.1%	0.03%
EU-2 ^A	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
EU-27 ^A	1.3%	0.5%	0.20%	1.3%	0.5%	0.29%	1.6%	0.6%	0.16%	1.8%	0.7%	0.33%	1.8%	0.7%	0.29%

	2007			2008			2009			2010			2011		
	EU Migrants	Non-Active EU Migrants	Non-Active members of non-active HH	EU Migrants	Non-Active EU Migrants	Non-Active members of non-active HH	EU Migrants	Non-Active EU Migrants	Non-Active members of non-active HH	EU Migrants	Non-Active EU Migrants	Non-Active members of non-active HH	EU Migrants	Non-Active EU Migrants	Non-Active members of non-active HH
AT	3.4%	1.1%	0.36%	3.7%	1.3%	0.52%	3.9%	1.4%	0.53%	4.0%	1.4%	0.60%	4.4%	1.5%	0.69%
BE	5.8%	2.8%	1.16%	5.9%	2.8%	0.94%	6.2%	3.1%	1.07%	6.3%	3.0%	0.88%	6.3%	3.0%	1.79%
BG	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
CY	7.3%	3.0%	1.42%	8.5%	2.9%	1.06%	9.3%	3.2%	1.16%	10.9%	3.7%	1.60%	11.6%	4.1%	1.82%
CZ	0.4%	0.1%	0.04%	0.5%	0.1%	0.06%	0.6%	0.2%	0.07%	0.5%	0.1%	0.04%	0.6%	0.2%	0.05%
DE	2.3%	0.9%	0.42%	3.1%	1.1%	0.52%	3.1%	1.3%	0.69%	3.3%	1.2%	0.62%	3.2%	1.1%	0.61%
DK	1.7%	0.5%	n/a	1.6%	0.4%	n/a	1.8%	0.5%	n/a	2.0%	0.6%	n/a	2.3%	0.7%	n/a
EE	0.3%	(0.1%)	:	0.3%	:	:	0.5%	(0.2%)	:	0.4%	(0.2%)	:	0.4%	(0.2%)	:
EL	1.1%	0.4%	0.19%	1.2%	0.5%	0.17%	1.4%	0.5%	0.19%	1.3%	0.5%	0.19%	1.3%	0.5%	0.25%
ES	3.5%	1.3%	0.67%	3.8%	1.6%	0.72%	3.6%	1.7%	0.84%	4.1%	1.9%	0.87%	4.2%	2.2%	1.17%
FI	0.5%	0.2%	n/a	0.7%	0.2%	n/a	0.6%	0.2%	n/a	0.7%	0.3%	n/a	0.8%	0.2%	n/a
FR	2.3%	1.1%	0.54%	2.2%	1.0%	0.50%	2.2%	1.1%	0.58%	2.3%	1.1%	0.54%	2.4%	1.1%	0.76%
HU	0.4%	0.2%	0.06%	0.5%	0.2%	0.08%	0.5%	0.2%	0.08%	0.4%	0.2%	0.06%	0.5%	0.2%	0.09%
IE	9.3%	2.3%	0.81%	10.2%	2.9%	1.21%	9.0%	3.3%	1.55%	8.0%	3.2%	1.45%	7.6%	3.0%	1.51%
IT	1.0%	0.3%	0.08%	1.4%	0.5%	0.14%	1.7%	0.6%	0.16%	2.0%	0.7%	0.19%	2.2%	0.8%	0.25%
LT	(0.1%)	:	:	:	:	:	:	:	:	(0.2%)	:	:	:	:	:
LU	37.0%	13.3%	4.61%	37.6%	13.6%	5.14%	38.4%	13.9%	4.95%	38.6%	13.8%	4.82%	38.3%	13.9%	4.97%
LV	0.2%	(0.1%)	:	0.1%	(0.1%)	:	0.2%	(0.1%)	:	0.2%	(0.1%)	:	0.1%	(0.1%)	:
MT	n/a	n/a	n/a	n/a	n/a	n/a	1.4%	0.9%	(0.58%)	1.77%	1.00%	(0.67%)	1.32%	(0.78%)	(0.42%)
NL	1.6%	0.5%	0.25%	1.6%	0.5%	0.25%	1.7%	0.5%	0.25%	1.6%	0.5%	0.26%	1.6%	0.5%	0.24%
PL	(0.0%)	:	:	(0.0%)	:	:	(0.0%)	:	:	(0.0%)	(0.0%)	:	0.0%	(0.0%)	:
PT	0.6%	0.2%	0.07%	0.6%	0.2%	0.06%	0.5%	0.2%	0.05%	0.5%	0.2%	0.12%	0.5%	0.2%	0.08%
RO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
SE	2.2%	0.8%	n/a	2.2%	0.8%	n/a	2.3%	0.8%	n/a	2.6%	0.9%	n/a	2.6%	0.9%	n/a

SI	(0.1%)	(0.0%)	:	(0.1%)	(0.0%)	:	(0.1%)	:	:	(0.0%)	:	:	(0.1%)	(0.0%)	:
SK	0.1%	:	:	0.1%	:	:	0.1%	:	:	0.1%	(0.1%)	:	0.1%	:	:
UK	3.0%	1.0%	0.50%	3.3%	1.0%	0.62%	3.3%	1.0%	0.60%	3.5%	1.1%	0.58%	3.9%	1.2%	0.59%
EU-15^	2.4%	0.9%	0.41%	2.8%	1.0%	0.46%	2.8%	1.1%	0.53%	3.0%	1.2%	0.51%	3.1%	1.2%	0.62%
EU-10^	0.2%	0.1%	0.03%	0.3%	0.1%	0.03%	0.3%	0.1%	0.04%	0.3%	0.1%	0.03%	0.3%	0.1%	0.06%
EU-2^	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
EU-27^	1.9%	0.7%	0.33%	2.2%	0.8%	0.37%	2.3%	0.9%	0.43%	2.4%	0.9%	0.41%	2.5%	1.0%	0.50%

2012			
	EU Migrants	Non-Active EU Migrants	Non-Active members of non- active HH
AT	4.8%	1.6%	0.74%
BE	6.2%	3.0%	1.75%
BG	:	:	:
CY	12.6%	4.8%	2.08%
CZ	0.5%	0.2%	0.07%
DE	3.5%	1.3%	0.58%
DK	2.6%	0.8%	0.37%
EE	0.4%	(0.2%)	:
EL	1.2%	0.6%	0.33%
ES	4.1%	2.1%	1.41%
FI	1.0%	0.3%	0.14%
FR	2.4%	1.2%	0.75%
HU	0.4%	0.2%	0.08%
IE	9.3%	3.7%	1.92%
IT	2.3%	0.8%	0.27%

LT	:	:	:
LU	38.9%	13.5%	4.69%
LV	0.2%	:	:
MT	1.3%	0.8%	0.50%
NL	1.7%	0.5%	0.29%
PL	0.1%	(0.0%)	;
PT	0.5%	0.2%	0.12%
RO	:	:	:
SE	2.6%	0.9%	0.67%
SI	(0.2%)	(0.0%)	:
SK	0.1%	:	:
UK	4.0%	1.2%	0.63%
EU-15^	3.2%	1.3%	0.68%
EU-10^	0.3%	0.1%	0.06%
EU-2^	:	:	:
EU-27^	2.6%	1.0%	0.54%

Source: LFS micro data, ICF GHK own calculations

: flag a, below publishing limit

() flag b, unreliable

n/a Data not available

^ ICF GHK aggregates

* EU migrants defined as persons living in an EU Member State with the nationality of another EU-26 Member State. . **Non active defined as people not in employment including jobseekers based on LFS ILOSTAT. *** Non-active EU migrants, family members of non-active defined based on ILOSTAT

Total population excluding children under the age of 15. People born in the country are included. Spouses of nationals and relatives of economically active EU citizens are included.

Annex 5 Numbers of non-active intra-EU migrants aged 15 and above by Member State, 2002-2012

Table A5.1 Numbers of non-active intra-EU migrants aged 15 and over by Member State, 2002-2012

	2005	2006	2007	2008	2009	2010	2011	2012
AT	81,301	76,108	79,156	88,323	98,337	96,407	105,960	111,738
BE	255,374	256,940	247,879	251,007	274,872	274,760	274,705	272,579
BG	:	:	:	:	:	:	4,941*	:
CY	15,944	16,478	18,773	18,121	20,479	23,610	26,572	33,491
CZ	9,081	9,724	8,078	12,466	14,552	12,224	15,692	14,798
DE	874,300	650,139	637,976	785,660	926,434	846,383	820,431	882,647
DK	16,693	14,629	22,814	19,977	22,689	28,232	34,283	38,046
EE	(2,052)	:	(1,408)	:	(2,326)	(2,164)	(1,874)	(2,125)
EL	37,176	37,572	39,220	44,844	49,201	46,754	49,164	56,793
ES	355,953	419,008	501,940	622,141	663,159	751,782	847,577	830,191
FI	12,566	9,518	8,182	9,849	10,006	12,427	10,553	14,199
FR	454,158	489,777	520,920	511,168	562,972	537,196	571,307	602,521
HU	13,735	15,332	12,942	15,621	14,943	12,726	16,444	13,153
IE	47,145	71,787	77,896	100,397	115,945	111,607	106,428	150,200 ⁵⁵¹
IT	129,558	154,461	158,953	231,874	294,369	345,523	393,224	427,391
LT	:	:	:	:	:	:	:	:

⁵⁵¹ National authorities provided a slightly higher estimate based on national sources i.e., 150,200 (for Quarter 4 of year 2012). This figure has been used in other calculations.

	2005	2006	2007	2008	2009	2010	2011	2012
LU	47,857	48,982	50,238	51,842	55,094	55,732	57,563	57,019
LV	2,975	:	(1,393)	(1,662)	(1,920)	(1,307)	(1,317)	
MT	n/a	n/a	n/a	n/a	3,210	3,521	(2,778)	2,890
NL	62,203	63,469	62,024	65,739	70,802	66,440	69,925	71,820
PL	(8,900)	(8,226)	:	:	:	(5,726)	(6,170)	(6,052)
PT	16,665	17,128	17,718	14,664	18,208	20,710	15,545	20,359
RO	:	:	:	:	:	:	16,718*	
SE	55,080	54,596	61,979	58,578	60,350	64,302	66,058	66,942
SI	:	:	(699)	(775)	:	:	(713)	(819)
SK	(2,047)	:	:	:	:	(2,399)	10,049*	:
UK	436,642	431,687	489,354	512,156	522,993	548,109	592,374	611,779
EU-15^	2,882,669	2,795,800	2,976,251	3,368,219	3,745,429	3,806,361	4,015,097	4,214,227
EU-10^	56,330	54,426	52,378	56,270	65,084	66,941	81,609	77,543
EU-2^	:	:	:	:	:	:	21,659	:
EU-27^	2,942,016	2,852,348	3,029,919	3,426,547	3,811,949	3,874,680	4,118,365^	4,292,973^

Source: EU-LFS, 2005-2012 micro-data. ICF GHK own calculations.

EU27 migrants defined as people aged 15 and above living in the country with the citizenship of other EU-26 country. Non active defined as not in employment including jobseekers based on ILOSTAT, spouses of nationals and relatives of economically active EU citizens are included.

Figures flagged * are estimates made on the basis of information provided by national authorities. .

^ Aggregates produced by ICF GHK based on LFS figures and estimates from national authorities.

Annex 6 Numbers of EU migrants aged 65 and above, EU-27, 2003-2011

Table A6.1 Numbers of EU migrants aged 65 and above, EU27, 2003-2011

GEO/YEAR	2003	2004	2005	2006	2007	2008	2009	2010	2011
EU-27	:	:	:	:	:	:	:	:	:
AT	14,842	15,184	16,041	16,991	18,231	19,489	20,938	22,271	23,667
BE	:	:	:	:	:	89,207	91,058	93,304	94,884
BG	:	:	:	:	:	278	287	806	1,283
CY	:	:	:	:	:	:	7,349	6,959	8,723
CZ	:	:	:	:	5,256	6,255	6,864	7,050	7,562
DK	:	:	:	:	5,181	5,617	6,011	6,506	6,944
DE	:	:	:	179,562	229,320	243,288	256,007	268,334	282,154
EE	:	:	:	:	:	:	929	1,025	1,199
IE	:	:	:	13,916	8,706	16,468	40,304	10,162	9,758
GR	:	:	:	:	:	:	13,629	4,588	4,339
ES	79,357	91,932	:	:	163,028	188,060	210,033	226,342	222,421
FI	:	:	:	:	3,577	3,662	3,756	3,843	3,957
FR	:	:	240,455	:	:	:	262,806	257,868	265,578
IT	:	:	:	:	:	:	28,216	28,452	31,474
LV	481	550	622	710	777	840	892	908	947
LT	:	:	:	:	188	210	201	201	159
LU	:	:	:	:	:	:	11,878	12,396	:
HU	5,229	:	:	:	10,318	10,847	12,004	12,876	14,089
MT	:	:	:	:	:	1,770	1,914	2,019	2,458
NL	:	:	:	:	18,140	18,958	19,938	20,963	21,888
PL	:	:	:	:	3,545	3,900	3,123	2,936	3,213
PT	:	:	:	:	:	:	8,488	9,538	10,549
RO	:	:	:	:	442	509	564	:	:
SI	420	461	351	:	503	561	663	691	762
SK	:	:	:	:	1,325	1,478	1,777	2,254	2,511
SE	20,395	21,539	:	:	25,861	27,312	29,089	30,871	32,552
UK	:	:	:	:	:	:	189,805	199,787	186,744

Source: Eurostat data 'Population by sex, age group and citizenship [migr_pop1ctz]'.

Annex 7 List of stakeholders consulted

Detailed information on stakeholders is for internal use only and cannot be published due to reasons of data protection.

Annex 8 Annexes to Case study 1 France

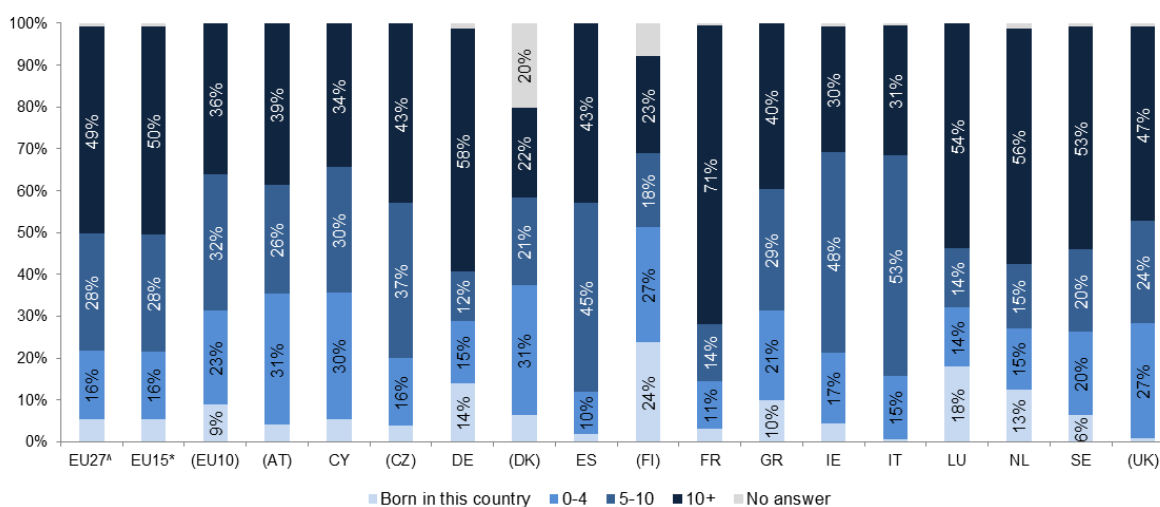
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Quantitative data

Figure A8.1 Estimated number of years spend in the host country by EU non-active migrants, 2011



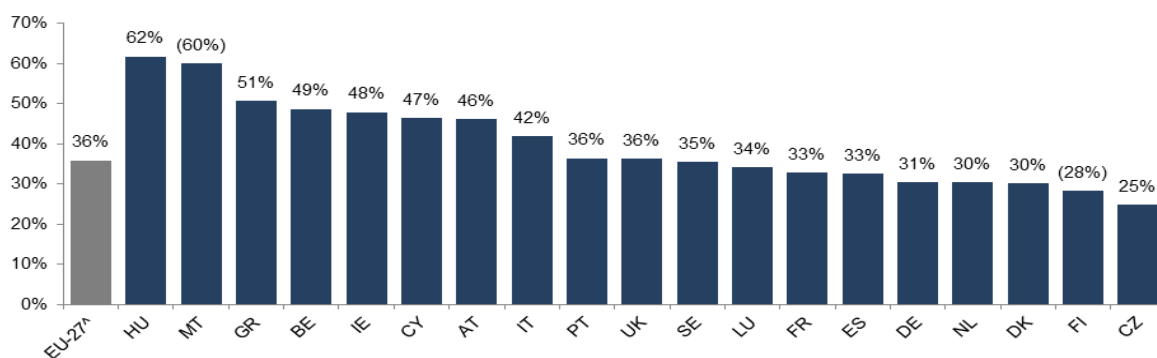
Sources: EU-LFS micro data, ICF GHK own calculations.

Figures for BG, EE, FI, LT, LV, MT, PL, RO, SI, SK are below publishing limit.

Figures in brackets are of limited reliability.

^a ICF GHK aggregates.

Figure A8.2 Percentage of non-active EU migrants that have never worked in their country of residence, by country (2011)



Sources: LFS micro data, ICF GHK own calculations.

Figures for BG, EE, LT, LV, PL, RO, SI, SK are flagged a and are below publishing limit. Data for RO is not available.

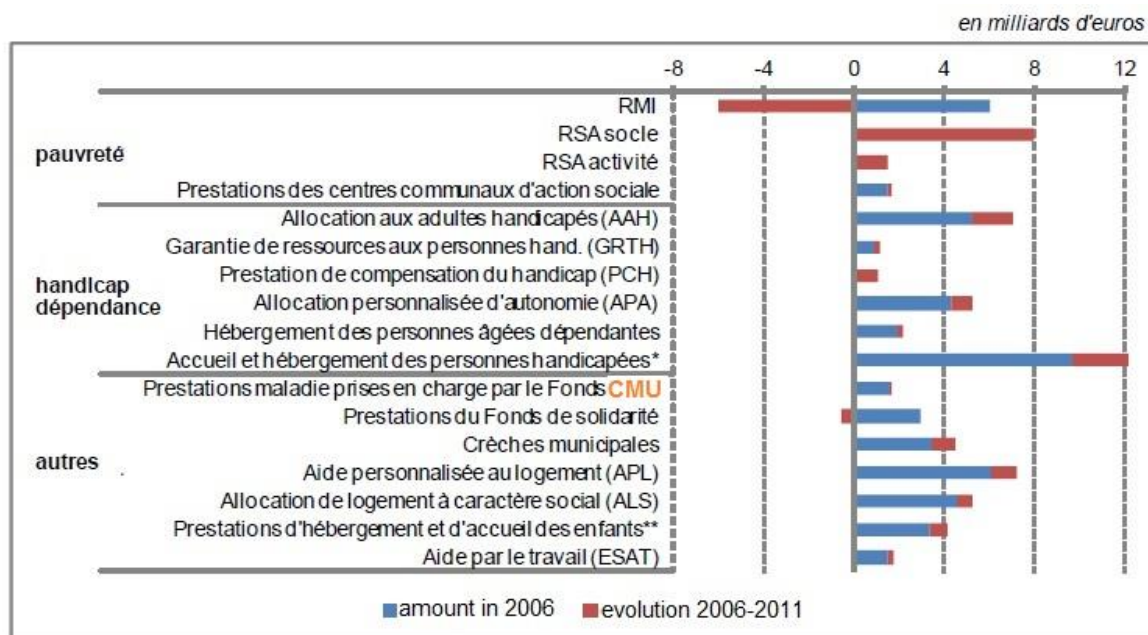
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^ ICF GHK aggregates

Data excludes children aged below 15. EU migrants are defined as people living in the country with the citizenship of other EU-27 member state. Migrants born in the country are included. Jobseekers are defined based on variable ILOSTAT. Non-active EU migrants that have never worked in the country are defined based on variables YEARESID and LEAVTIME.

Note: Figures of non-active EU migrants based on variable MAINSTAT cannot be directly compared with figures based on variable ILOSTAT, because of conceptual differences.

Figure A8.3 Principal expenditures of social intervention regimes of public forces and non-profit institutions serving households (NPISH)⁵⁵²



Source : Drees-CPS, base 2005

Note : Ne sont représentées ici que les principales prestations versées par ces régimes.

* y compris prestations médico-sociales financées par transferts de l'assurance maladie.

** notamment aide sociale à l'enfance.

Figure A8.4 Activity rate of immigrants aged 25 to 64 by sex and country of birth

3. Taux d'activité des immigrants âgés de 25 à 64 ans selon le sexe et le pays de naissance

	Hommes	Femmes	Ensemble
Immigrés	82	61	71
Nés dans l'UE	80	69	74
Espagne	75	57	66
Italie	65	55	61
Portugal	85	75	80
Autres pays de l'UE 27	79	67	72
Nés hors UE	83	57	69
Autres pays d'Europe	84	63	71
Algérie	85	52	68
Maroc	81	48	64
Tunisie	77	49	64
Autres pays d'Afrique	87	73	79
Turquie	81	31	58
Cambodge, Laos, Vietnam	83	70	76
Autres pays d'Asie	82	58	69
Amérique, Océanie	83	71	75
Non-immigrés	83	75	78
Ensemble	83	73	78

Champ : France métropolitaine, personnes âgées de 25 à 64 ans, vivant dans un ménage ordinaire.

Source : Insee, enquêtes Emploi 2010.

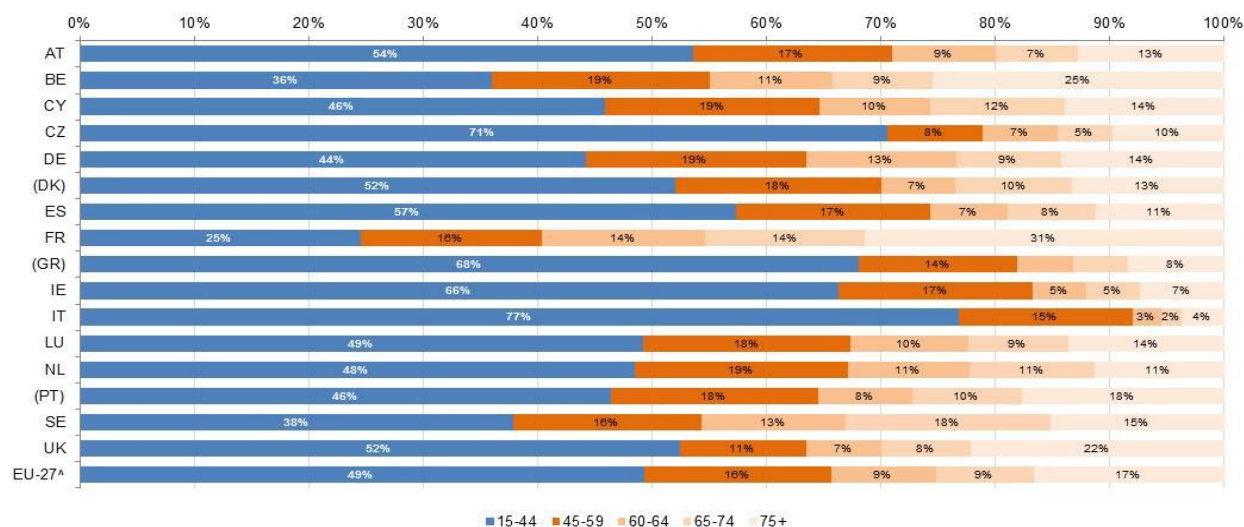
Table A8.2 Immigrants by age group and nationality, shares of immigrants aged 60 years and above (2009)

⁵⁵² Direction de la recherche, des études, de l'évaluation et des statistiques (DRESS), La protection sociale en France et en Europe en 2011, Document de travail, Série statistiques n°121, Juin 2013. Available at : <http://www.drees.sante.gouv.fr/IMG/pdf/seriestat181.pdf>

Nationality	Total				
	Total	0-17 years	18-59 years	60 years and above	% of 60 years and above
Total	3,771,141	698,677	2,373,023	699,441	
Europe	1,483,965	207,898	884,537	391,530	26%
Europe 27	1,323,279	169,027	786,218	368,034	28%
Italians	173,514	11,277	75,853	86,383	50%
Spanish	128,068	8,732	60,963	58,373	46%
Slovenians	687	25	353	310	45%
Danish	5,482	748	2,901	1,833	33%
UK	154,382	24,725	83,084	46,573	30%
Dutch	37,497	6,581	20,666	10,250	27%
Swedish	8,529	1,421	5,085	2,023	24%
other European nationalities	2,094	326	1,280	488	23%
Belgians	89,705	14,578	54,637	20,490	23%
Portuguese	492,735	63,574	318,470	110,691	22%
Germans	95,060	14,080	62,962	18,018	19%
Austrians	4,996	601	3,475	920	18%
Maltese	193	32	128	33	17%
Greek	6,392	548	4,815	1,029	16%
Polish	43,759	6,899	30,369	6,492	15%
Luxembourgish	4,688	683	3,360	645	14%
Finnish	3,009	503	2,126	381	13%
Irish	8,426	1,478	5,909	1,040	12%
Hungarians	3,651	434	2,772	445	12%
Cypriots	381	5	342	34	9%
Czechs	3,579	484	2,842	252	7%
Latvians	944	154	743	48	5%
Bulgarians	10,376	1,726	8,192	457	4%
Estonians	446	57	372	18	4%
Slovaks	2,936	514	2,313	109	4%
Romanians	42,159	8,972	32,042	1,146	3%
Lithuanians	1,683	197	1,443	43	3%

Source : Insee, recensement 2009, exploitation principale.

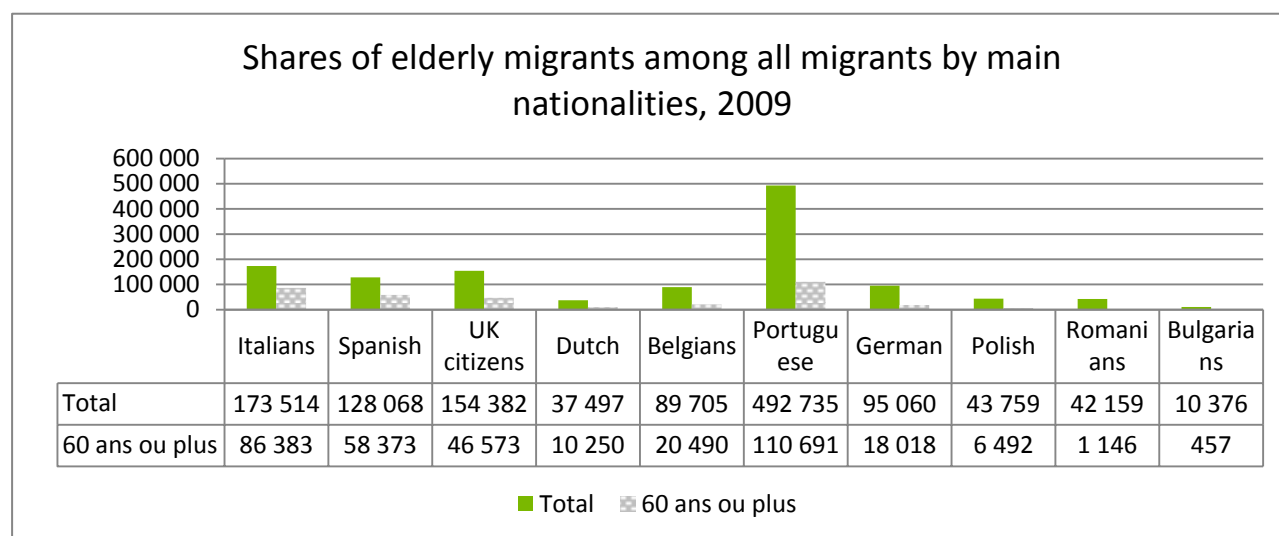
Figure A8.5 Share of non-active EU migrants aged 60 and above, by country, 2011



Sources: EU-LFS micro data, ICF GHK own calculations.

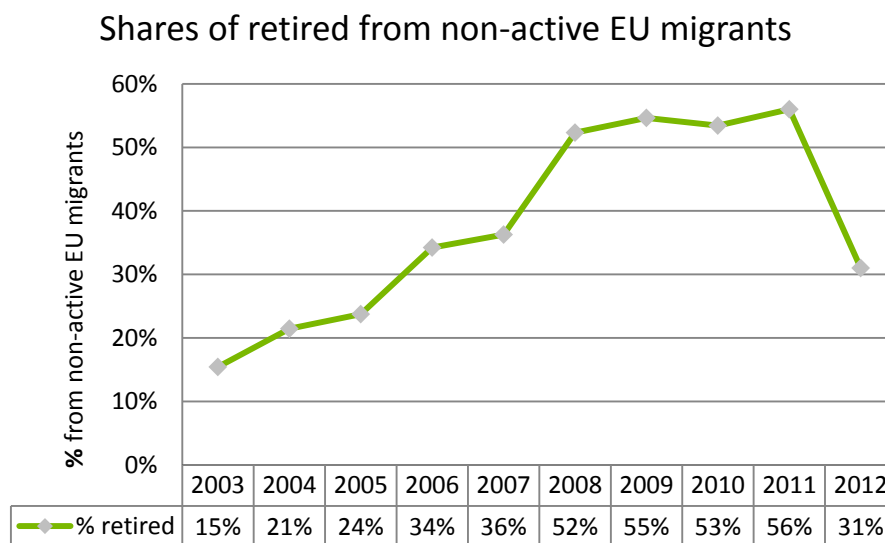
Figures for BG, EE, FI, HU, LT, LV, MT, PL, RO, SI, SK are below publishing limit. Figures in brackets are of limited reliability. [^] ICF GHK aggregates. Non active persons are defined as persons not in employment including jobseekers based on ILOSTAT.

Figure A8.6 Total numbers of migrants and shares of migrants aged 60 and above, by main nationalities, in 2009



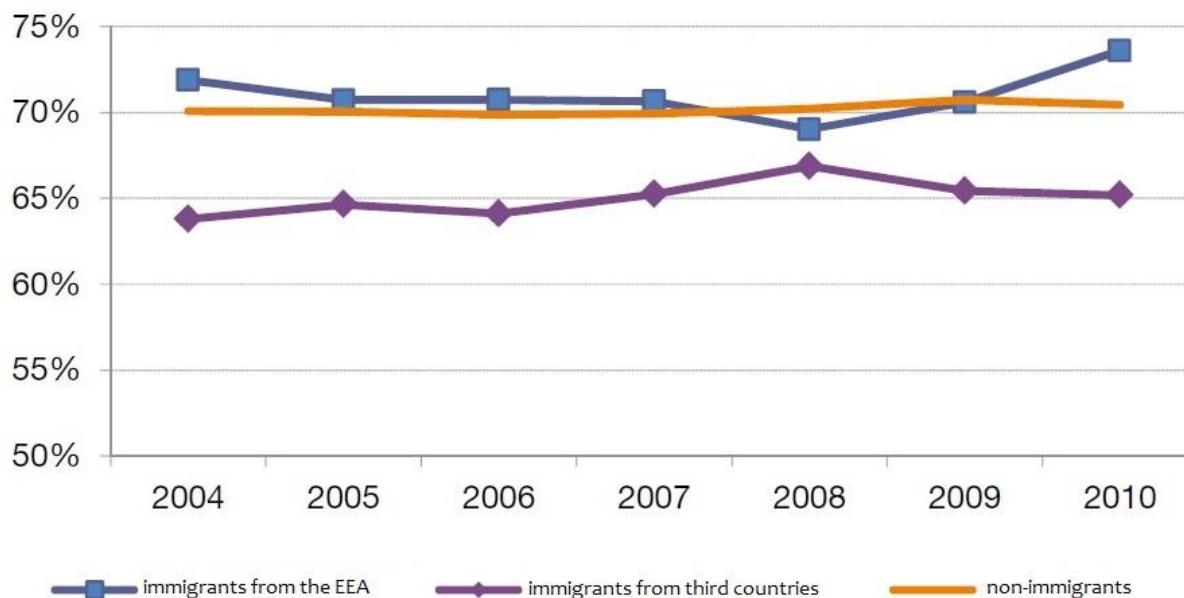
Source: Insee, census 2009

Figure A8.7 Share of retired from all non-active EU migrants aged 15 and above, 2003-2010



Source: EU-LFS, ICF GHK and Milieu own calculations based on variable MAINSTAT.

Figure A8.8 Activity rate of residents in France born in an EEA country, in a third country or in France, 2004-2010



Source: INSEE, *Enquêtes Emploi* 2004-2010, Data processing : CAS et DSED-SGII.

*EEA includes the EU 27, Island, Norway, Liechtenstein and Switzerland

Annex 9 Annexes to Case study 2 -Spain

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Quantitative data

Development of the activity rate among EU migrants

The Spanish Labour Force Survey (LFS - *Encuesta de Población Activa*), which is carried out every quarter of the year by the INE⁵⁵³, provides ratios of active population among EU migrants with breakdown by age group. The ratios of the LFS have been used to break down the data regarding 16-64 year old registered citizens into active and non-active migrants⁵⁵⁴.

Table A9.2 Percentage of active intra-EU migrants in the age group 16-64, 2005-2012, by gender

	2005	2006	2007	2008	2009	2010	2011	2012
Both genders	57,5%	57,1%	70,8%	71,2%	71,4%	71,5%	69,5%	69,3%
Men	64,4%	66,0%	79,5%	79,8%	81,6%	77,7%	75,0%	74,7%
Women	50,9%	47,9%	62,0%	62,6%	67,2%	65,3%	64,6%	64,4%

Source: INE, **table:** "activity rate by nationality, sex and age group"
available at: <http://www.ine.es/jaxiBD/tabla.do?per=12&type=db&divi=EPA&idtab=626>

While the activity rate of EU migrants in Spain has risen strongly between 2005 and 2007 (by over 10 percentage points), it has more or less stagnated since then. Among other reasons, this can be explained by the declaration of activity of Romanian and Bulgarian citizens after 2007⁵⁵⁵.

Table A9.3 Non-active EU migrants in 2012 by main nationalities and age

	0-15	16-64 ⁵⁵⁶	> 64	Total	share of EU-26	above 15
Romania	100,501	245,75	6,370	352,621	38%	25212
United Kingdom	15,007	47,847	77,377	140,231	15%	125,224
Italy	15,594	50,324	11,535	77,453	8%	61,859
Bulgaria	19,133	47,176	2,721	69,03	7%	49,897
Germany	8,385	29,712	25,537	63,634	7%	55,249
Portugal	9,857	35,746	4,775	50,378	5%	40,521
France	7,266	26,413	12,437	46,116	5%	38,85
Poland	8,885	23,271	810	32,966	4%	24,081

⁵⁵³ http://www.ine.es/jaxi/menu.do?type=pcaxis&path=/t22/e308_mnu&file=inebase

⁵⁵⁴ There are no available data of foreigner's activity rate before 2005. The activity rate has been considered constant from 2003 to 2005. According to INE, around 2.4% of over 64 years old could be active, so data was not broken down for this age group.

⁵⁵⁵ All Romanian and Bulgarian citizens that could not officially be active before 2007 could report their activity or job seeking from 2007 onwards when they became EU nationals.

⁵⁵⁶ Non-active EU migrants aged 16 to 64 registered under EU rules according to 2012 activity rate.

Rest of EU	14,062	50,197	28,494	92,753	10%	78,691
EU-26 only	198,690	556,437	170,056	925,183		726,493

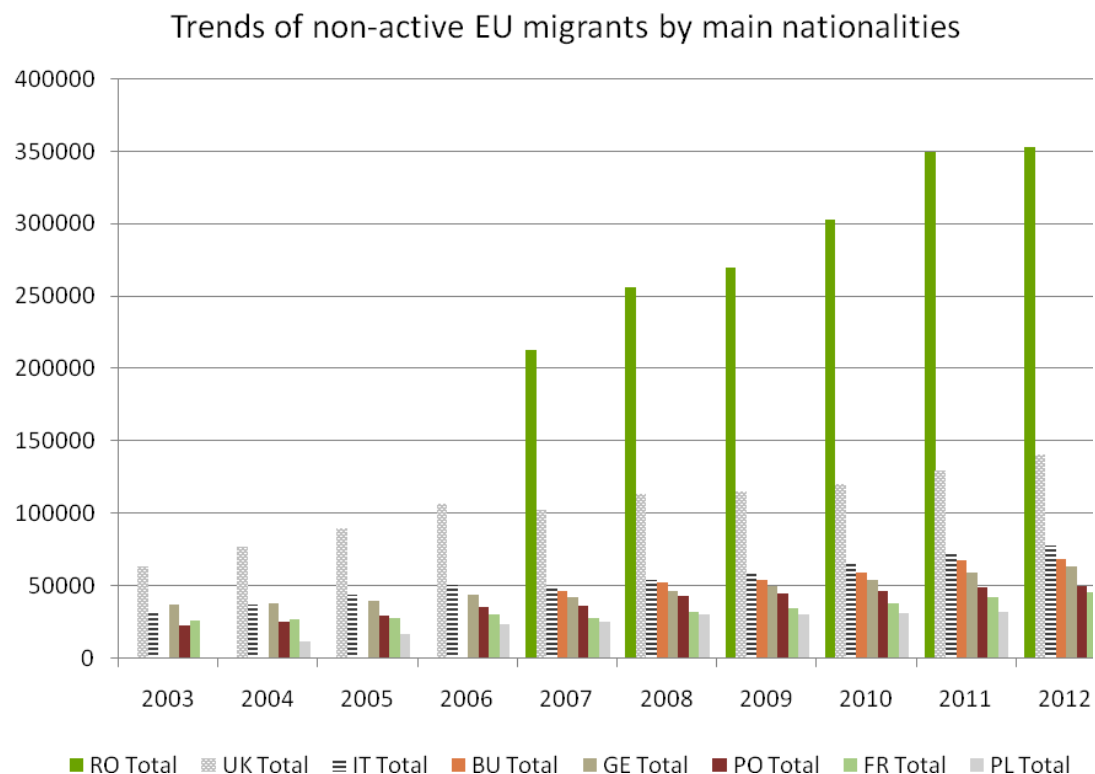
Source: CRFN, own calculations for 16-64-year olds according to LFS activity rate

Table A9.4 Trends of non-active migrants including children by main nationalities, shares of all EU 26 non-active migrants and annual increases

		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
RO	Total	0	0	0	0	212,891	255,565	269,393	302,530	348,801	352,621
	% of EU 26	0%	0%	0%	0%	35%	37%	37%	38%	39%	38%
	Increase						20%	5%	12%	15%	1%
UK	Total	63,018	76,760	89,477	106,545	101,820	112,940	115,047	120,147	129,128	140,231
	% of EU 26	29%	29%	30%	30%	17%	16%	16%	15%	15%	15%
	Increase		22%	17%	19%	-4%	11%	2%	4%	8%	9%
IT	Total	30,884	37,142	43,504	50,554	48,695	53,397	57,684	65,067	72,207	77,453
	% of EU 26	14%	14%	14%	14%	8%	8%	8%	8%	8%	8%
	Increase		20%	17%	16%	-4%	10%	8%	13%	11%	7%
BU	Total	0	0	0	0	46,216	52,555	53,955	59,448	68,051	69,030
	% of EU 26	0%	0%	0%	0%	8%	8%	7%	7%	8%	7%
	Increase						14%	3%	10%	15%	1%
GE	Total	37,247	38,469	39,889	43,738	42,068	46,554	50,176	54,145	59,415	63,634
	% of EU 26	17%	15%	13%	12%	7%	7%	7%	7%	7%	7%
	Increase		3%	4%	10%	-4%	11%	8%	8%	10%	7%
PO	Total	22,866	25,339	29,397	35,544	36,737	43,248	45,193	46,854	48,959	50,378
	% of EU 26	0%	4%	6%	7%	4%	4%	4%	4%	4%	4%
	Increase		11%	16%	21%	3%	18%	5%	4%	5%	3%
FR	Total	26,537	26,871	28,031	30,178	28,265	31,909	34,796	37,984	42,424	46,116
	% of EU 26	12%	10%	9%	9%	5%	5%	5%	5%	5%	5%
	Increase		1%	4%	8%	-6%	13%	9%	9%	12%	9%
PL	Total	0	11,571	16,785	23,340	25,241	30,744	30,628	31,105	32,206	32,966
	% of EU 26	0%	4%	6%	7%	4%	4%	4%	4%	4%	4%
	Increase			45%	39%	8%	22%	0%	2%	4%	2%
Rest EU	Total	40,575	48,265	54,039	61,644	59,156	67,063	70,767	76,880	85,957	92,753
	% of EU 26	18%	18%	18%	17%	10%	10%	10%	10%	10%	10%
	Increase		19%	12%	14%	-4%	13%	6%	9%	12%	8%
EU 26	total	220,827	263,878	300,779	351,277	600,994	693,847	727,491	794,007	887,148	925,183
	Increase		19%	14%	17%	71%	15%	5%	9%	12%	4%

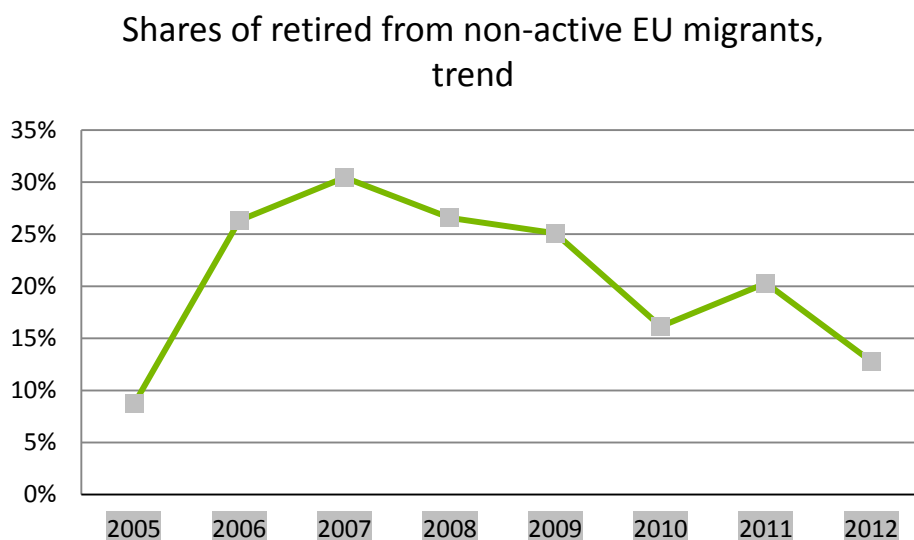
Source: CRFN

Figure A9.1 Trends of non-active migrants including children by main nationalities, total stocks



Source: CRFN

Figure A9.2 Shares of retired people from all EU migrants in Spain, trend 2005-2010



Source: EU-LFS ICF GHK own calculations, MAINSTAT variable

Table A9.5 Trends and annual increases of EU migrants over 64 years

	2002 ⁵⁵⁷	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
> 64 years	55,416	64,260	73,648	83,101	96,708	110,446	119,695	125,410	136,521	149,611	170,056
increase		16%	15%	13%	16%	14%	8%	5%	9%	10%	14%

Source: CRFN

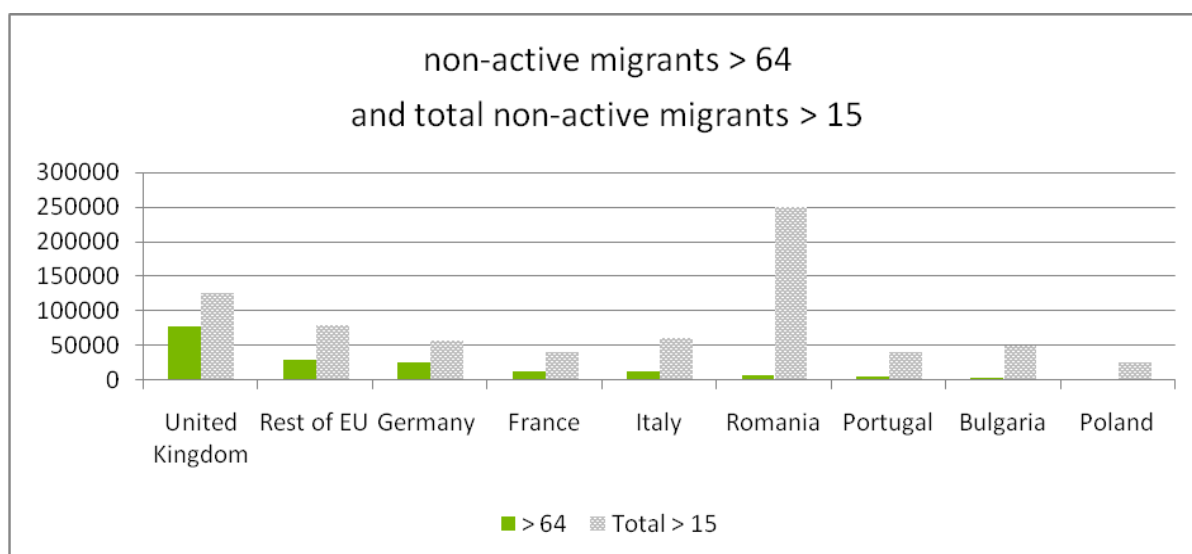
⁵⁵⁷ Data from 2002 does not include a breakdown by age group. An estimation of the percentage of migrants over 64 years of age has been done according to 2003 information.

Table A9.6 Non-active migratory incoming flows according to INE by main nationalities and age groups in 2011⁵⁵⁸

	16-49	50-64	>65	Total
Romania	8,909	2,210	713	11,831
United Kingdom	1,209	3,100	2,462	6,771
Italy	1,683	609	614	2,906
Bulgaria	1,480	572	258	2,310
Germany	874	1,045	1,238	3,157
Portugal	851	288	238	1,378
France	1,034	635	721	2,391
Poland	552	137	54	742
Netherlands	294	480	367	1,141
Rest of EU	1,556	1,195	1,079	3,830
Rest of EEA	196	366	440	1,003
Total	18,639	10,637	8,184	37,460

Source: INE

Figure A9.3 Total number of non-active migrants above 15 and non-active migrants > 64, by main nationalities



Source: Central Register for Foreign Nationals

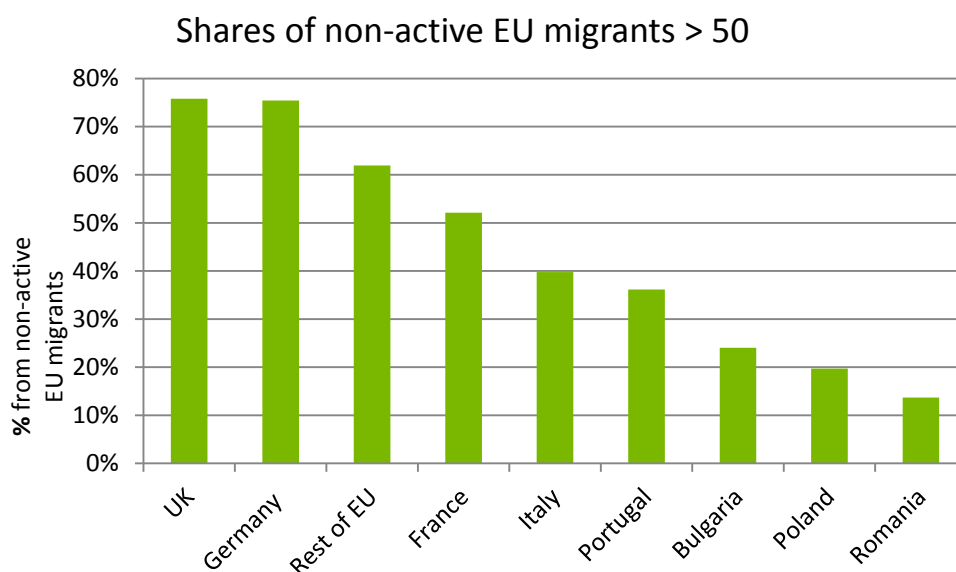
⁵⁵⁸ As 2012 data are only partial.

Table A9.7 EU residents and their family members over the age of 64 by year

		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
UK	Total	26,092	32,280	38,529	46,794	53,286	58,647	59,606	6,078	68,094	77,377
	Increase	17.1%	23.7%	19.4%	21.5%	13.9%	10.1%	1.6%	5.8%	8.0%	13.6%
GE	Total	10,358	11,468	12,737	14,704	17,034	18,246	19,748	21,528	23,061	25,537
	Increase	3.2%	10.7%	11.1%	15.4%	15.8%	7.1%	8.2%	9.0%	7.1%	10.7%
FR	Total	6,306	6,619	6,950	7,544	8,229	8,494	9,029	9,957	10,879	12,437
	Increase	4.7%	5.0%	5.0%	8.5%	9.1%	3.2%	6.3%	10.3%	9.3%	14.3%
IT	Total	4,131	4,74	5,321	5,971	6,816	7,078	7,834	9,082	10,067	11,535
	Increase	32.1%	14.7%	12.3%	12.2%	14.2%	3.8%	10.7%	15.9%	10.8%	14,6%
NT	Total	4,068	4,242	4,587	5,205	5,487	5,762	5,914	6,373	6,966	8
	Increase	9.8%	4.3%	8.1%	13.5%	5.4%	5.0%	2.6%	7.8%	9.3%	14.8%
RO	Total					1,012	1,764	2,641	3,752	5,245	6,370
	Increase						74.3%	49.7%	42.1%	39.8%	21.4%
BE	Total	3,818	3,905	4,092	4,317	4,448	4,477	4,550	4,874	5,349	6,034
	Increase	7.5%	2.3%	4.8%	5.5%	3.0%	0.7%	1.6%	7.1%	9.7%	12.8%
SE	Total	3,180	3,526	3,803	4,195	4,436	4,464	4,261	4,569	4,864	5,243
	Increase	9.2%	10.9%	7.9%	10.3%	5.7%	0.6%	-4.5%	7.2%	6.5%	7.8%
PO	Total	2,963	3,115	3,270	3,364	3,639	3,595	3,894	4,248	4,259	4,775
	Increase	5.3%	5.1%	5.0%	2.9%	8.2%	-1.2%	8.3%	9.1%	0.3%	12.1%
NO	Total	2,426	2,760	3,019	3,385	3,539	3,727	3,841	4,086	4,379	4,759
	Increase	19.8%	13.8%	9.4%	12.1%	4.5%	5.3%	3.1%	6.4%	7.2%	8.7%

Source: CRFN

Figure A9.4 Share of > 50-year-olds from all non-active intra-EU migrants over 15 years, by main nationalities in 2012



Source: INE

Table A9.8 Total numbers and growth rates of EU migrants over 50 years in Spain

	2012	2011	2010	2009 ⁵⁵⁹	2008	2007 ⁵⁶⁰	2006	2005	2004 ⁵⁶¹	2003	2002 ⁵⁶²
Total	1,112,135	1,064,157	954,030	884,041	843,673	735,126	505,411	431,424	375,027	313,283	274,678
Increase	4.5%	11.5%	7.9%	418%	14.8%	45.5%	17.1%	15.0%	19.7%	14.1%	

⁵⁵⁹ Data before the year 2010 does not include a breakdown by age group of third nationals registered under EU rules. A breakdown has been done according to 2010 information.

⁵⁶⁰ Accession of Romania and Bulgaria

⁵⁶¹ Accession of Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

⁵⁶² Data from 2002 does not include a breakdown by age group. And estimation of the percentage of non-active has been done according to 2003 information.

Table A9.9 Trends in EU beneficiaries by means of S1/E-121 forms by nationality

	2010*	2009	2008	2007	2006	2005	2004	2003	2002
UK	78,120	79,950 5.0%	76,122 5.6%	72,110 9.8%	65,651 12.2%	58,493 12.9%	51,831 19.6%	43,349 18.1%	36,697
France	21,573	22,054 2.3%	21,556 1.1%	21,324 3.2%	20,665 3.9%	19,894 5.8%	18,802 3.2%	18,222 2.9%	17,717
Germany	17,284	17,593 3.7%	16,966 -1.3%	17,192 1.7%	16,898 -0.5%	16,980 1.5%	16,731 -5.3%	17,662 15.9%	15,244
Netherlands	10,604	11,089 2.1%	10,856 -0.1%	10,870 0.6%	10,805 43.9%	7,509 -2.1%	7,670 1.7%	7,544 -2.6%	7,746
Belgium	7,688	7,927 -0.4%	7,960 -0.5%	8,004 0.7%	7,946 -1.2%	8,041 3.3%	7,783 -0.3%	7,809 3.2%	7,566
Italy	3,038	2,993 0.1%	2,990 3.6%	2,885 1.7%	2,838 5.6%	2,687 2.2%	2,630 7.2%	2,453 3.4%	2,373
Denmark	2,908	3,147 4.6%	3,008 4.0%	2,892 10.2%	2,625 -0.2%	2,631 4.2%	2,524 4.6%	2,413 8.8%	2,218
Sweden	2,785	2,874 -0.1%	2,878 -4.5%	3,015 0.0%	3,014 -1.8%	3,070 0.4%	3,057 1.1%	3,024 2.2%	2,960
Finland	2,495	2,540 -2.1%	2,594 -2.4%	2,659 -2.5%	2,726 -3.8%	2,833 1.5%	2,790 -1.3%	2,827 5.1%	2,690
Portugal	1,000	1,056 4.8%	1,008 2.2%	986 2.7%	960 9.0%	881 4.5%	843 7.4%	785 9.9%	714
Rest of EU	2,104	1,766 25.7%	1,405 19.6%	1,175 16.1%	1,012 8.8%	930 6.3%	875 13.3%	772 12.9%	684
TOTAL	151,609	154,998 3.8%	149,351 2.9%	145,119 5.8%	137,146 8.9%	125,954 7.2%	117,540 8.0%	108,863 10.4%	98,611

Source: INSS *2010 data are provisional: Issued forms for information purpose, pending the approval of the fixed amount

Table A9.10 2007 EU beneficiaries by means of a S1/E-121 forms by nationality, form type and age.

	Total	Pensioner ≥ 65 years	Pensioner < 64 years	Family of a worker
UK	72,110	50,085 69.5%	21,874 30.3%	151 0.2%
France	21,324	17,418 81.7%	3,851 18.1%	55 0.3%
Germany	17,192	12,112 70.5%	4,611 26.8%	469 2.7%
Netherlands	10,870	6,779 62.4%	4,000 36.8%	91 0.8%
Belgium	8,004	5,329 66.6%	2,602 32.5%	73 0.9%
Italy	2,885	2,109 73.1%	742 25.7%	34 1.2%
Denmark	2,892	2,020 69.8%	868 30.0%	4 0.1%
Sweden	3,015	1,939 64.3%	1,074 35.6%	2 0.1%
Finland	2,659	1,565 58.9%	1,093 41.1%	1 0.0%
Portugal	986	790 80.1%	168 17.0%	28 2.8%
Rest of EU	1,175	927 78.9%	229 19.5%	19 1.6%
Total	143,112	101,081 70.6%	41,115 28.7%	927 0.6%

Source: Report of Court of Auditors (2012), p.183

Annex 10 Annexes to Case Study 3 – Austria

Table A10.1 Literature reviewed

Source	Description
European Union legislation	Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems, OJ L 166, 30 April 2004
National legislation	General Social Security Act (<i>Allgemeines Sozialversicherungsgesetz</i> ASVG), version 21 June 2013, available at: http://www.ris.bka.gv.at/GeltendeFassung/Bundesnormen/10008147/ASVG%2c%20Fassung%20vom%2021.06.2013.pdf Act on Social Insurance for Independent Workers in the Business Economy (<i>Gewerbliches Sozialversicherungsgesetz</i> GSVG), version 21 June 2013, available at: Social Security Act for Farmers (<i>Bauern-Sozialversicherungsgesetz</i> BSVG), version from 13/06/201, available at: http://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10008431&ShowPrintPreview=True Court Jurisdiction Act (<i>Jurisdiktionsnorm</i> JN), version from 21 June 2013, available at: http://www.ris.bka.gv.at/GeltendeFassung/Bundesnormen/10001697/JN%2c%20Fassung%20vom%2021.06.2013.pdf Austrian Social Insurance Authority, “Wann gebührt eine Ausgleichszulage?” http://www.sozialversicherung.at/portal27/portal/esvportal/channel_content/cmsWindow?action=2&p_menuid=74269&p_tabid=4 4 th Social Law Amendment Act from 30 December 2009, available at: http://www.ris.bka.gv.at/Dokumente/BgblAuth/BGBLA_2009_I_147/BGBLA_2009_I_147.pdf Aufenthalts-und Niederlassungsgesetz NAG, version from 21 June 2013, available at: http://www.ris.bka.gv.at/Dokumente/Bundesnormen/NOR40128743/NOR40128743.pdf
Reports and academic papers	Halmdienst, Nicole, Radhuber, Michael and Winter-Ebmer, Rudolf ‘Gekommen um zu bleiben: Konturen von alternden Migrantinnen und Migranten in Österreich’ (2013), final report in the framework of the project SHARE, available at: www.bmask.at

Source	Description
	Statistik Austria, ‚Migration und Integration. Zahlen. Daten. Indikatoren 2012‘ (2012), available at: http://www.bmi.gv.at/cms/BMI_Service/Integration_2012/migration_integration_2012_72dpi.pdf
	Statistik Austria ‚Arbeits-und Lebenssituation von Migrantinnen und Migranten in Oesterreich‘ (2009), report on the ad-hoc module of the Labour Force Survey 2008, available at: www.statistik.at
	Hauptverband der Sozialversicherungsträger, 2012. ‚Statistisches Handbuch der österreichischen Sozialversicherung‘, available at: http://www.hauptverband.at/mediaDB/912068_Statistisches_Handbuch_der_oesterreichischen_Sozialversicherung.pdf
	Reinprecht, Christoph (2006) , ‚Nach der Gastarbeit: Prekäres Altern in der Einwanderungsgesellschaft.‘ Braumüller: Vienna
Case-law	<p>Court of Justice of the European Union Case C-140-12 Peter Brey v Pensionsversicherungsanstalt [2012]</p> <p><i>Oberster Gerichtshof</i> (Supreme Court) Decision on case 10 ObS 34/11i from 03/05/2011, available at Jusguide (independent provider of legal content): http://www.jusguide.at/index.php?id=88&tx_ttnews%5Btt_news%5D=9939</p> <p><i>Oberster Gerichtshof</i> (Supreme Court) Decision on case 10 ObS 172-10g, 21 July 2011, section B.1., which uses the definition of “gewöhnlicher Aufenthalt” of JN par 66 and also directly refers to JN par 66, available at: http://www.ris.bka.gv.at/Dokument.wxe?Abfrage=Justiz&Dokumentnummer=JJT_20110721_OGH0002_010OBS00172_10G0000_000</p>
	Response to the parliamentary enquiry, no.11632/AB XXIV.GP from 2 August 2012 by BMASK to MP Dr. Strutz, available at: http://www.parlament.gv.at/PAKT/VHG/XXIV/AB/AB_11632/imfname_264062.pdf
Other	Press Release from Austrian Press Agency APA, „Allianz Studie: Österreich mit dritthöchsten Pensionsausgaben in Europa“, 7 November 2011, available at: http://www.ots.at/presseaussendung/OTS_20111107_OT0063/allianz-studie-oesterreich-mit-dritthoechsten-pensionsausgaben-in-europa
	Heute, „Danke, EU: Wir zahlen den Rumänen die Pension“, 01 February 2010, available at: http://www.heute.at/news/politik/Danke-EU-Wir-zahlen-Rumaenen-die-Pension;art422,211283

Source	Description
	Kleine Zeitung, „Pensionen: Schwindel bei der Ausgleichszulage?“, 07 January 2010, available at: http://www.kleinezeitung.at/allgemein/ombudsmann/2260035/pensionen-schwindel-bei-ausgleichszulage.story
	Die Presse, „Mindestpension: Schranken gegen den Sozialtourismus“, 15 February 2011, available at: http://diepresse.com/home/politik/innenpolitik/634383/Mindestpension_Schranken-gegen-Sozialtourismus
	Der Standard, « Pensionshürde für Ausländer », 04 November 2010, available at: http://derstandard.at/1288659567549/Pensionshuerde-fuer-Auslaender

Sources for quantitative data

Statistik des Bevölkerungsstandes: on the basis of the registration law, the national statistical office (Statistik Austria) establishes statistics on the state of the population. These statistics represent the people in Austria that are registered with their principal place of residence at a certain point of time and that have had their principal place of residence in Austria for at least 90 days in a row. Statistik Austria gets this data from the Central Register of Residents (Zentraler Melderegister ZMR). The ZMR receives the data from the communes. The statistics are revised after each census to ensure consistency.

Data extracted from: Statistik Austria, www.statistik.at

Arbeitskräfteerhebung (Labour Force Survey): based on a sample, tends to underestimate the number of migrants; definitions are based on the labour force concept by Eurostat which is oriented at the ILO definitions. Since 2003, the survey is conducted quarterly. Once a year, Statistik Austria published a statistical report which, among other, contains annual averages on foreign population in Austria and on active population by main nationalities.

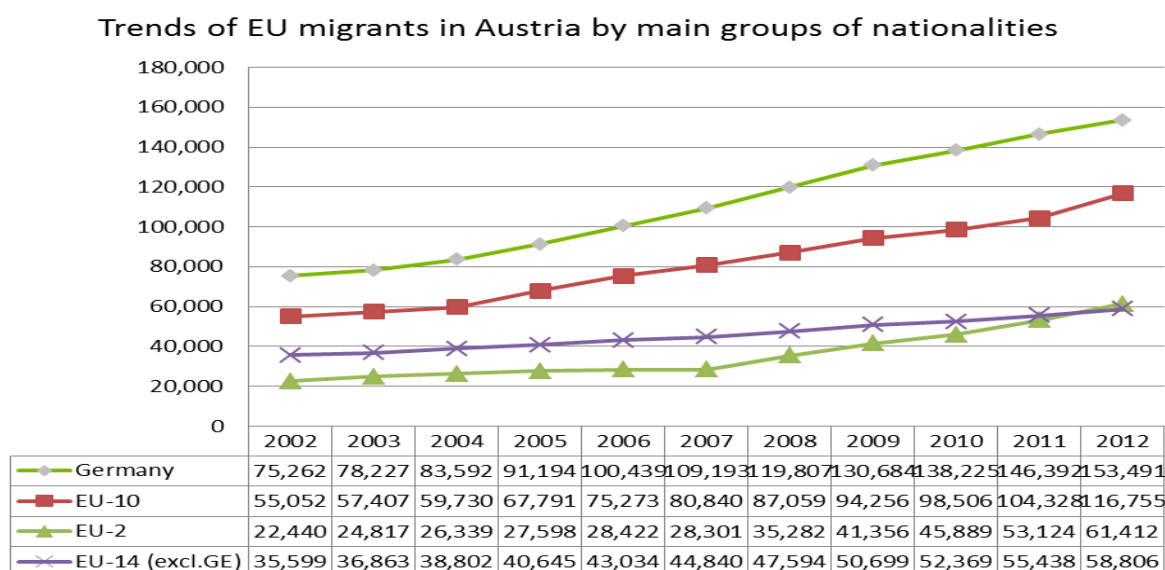
Data extracted from: Statistik Austria, www.statistik.at and Eurostat, http://epp.eurostat.ec.europa.eu/portal/page/portal/labour_market/introduction

Wanderungsstatistik (migration statistics): these statistics include data on geographical population changes (i.e. inflows and outflows of people). The statistics are prepared by Statistik Austria and based on the data provided by the ZMR, respectively, by the communes. Data includes all changes in registration of main residence.

Data extracted from: Statistik Austria, www.statistik.at and Eurostat, <http://epp.eurostat.ec.europa.eu/portal/page/portal/population/introduction>

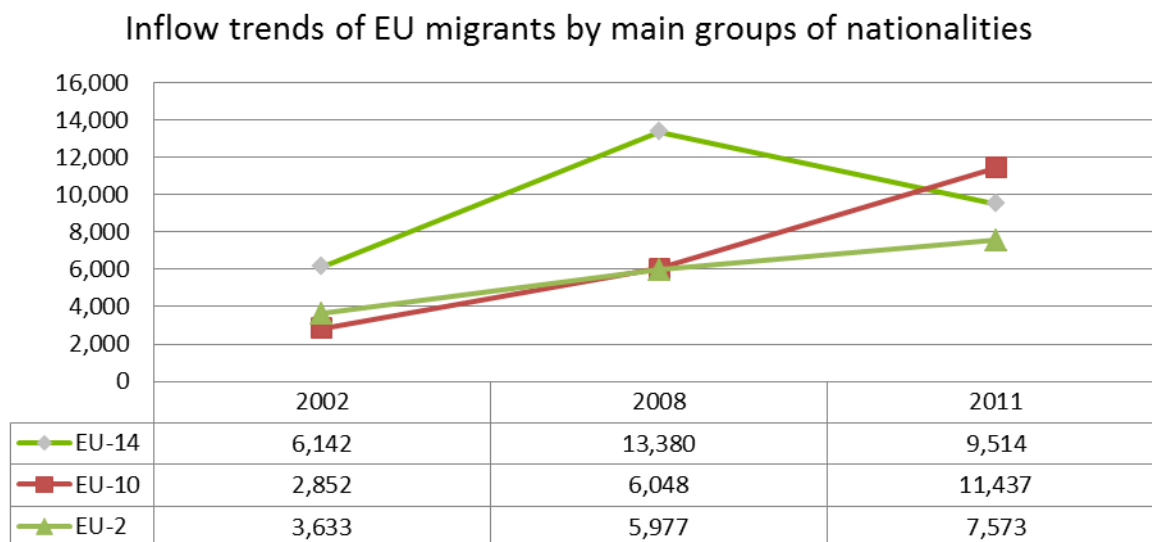
Quantitative Data

Figure A10.1 Trends of EU migrants in Austria by main groups of nationalities (stocks)



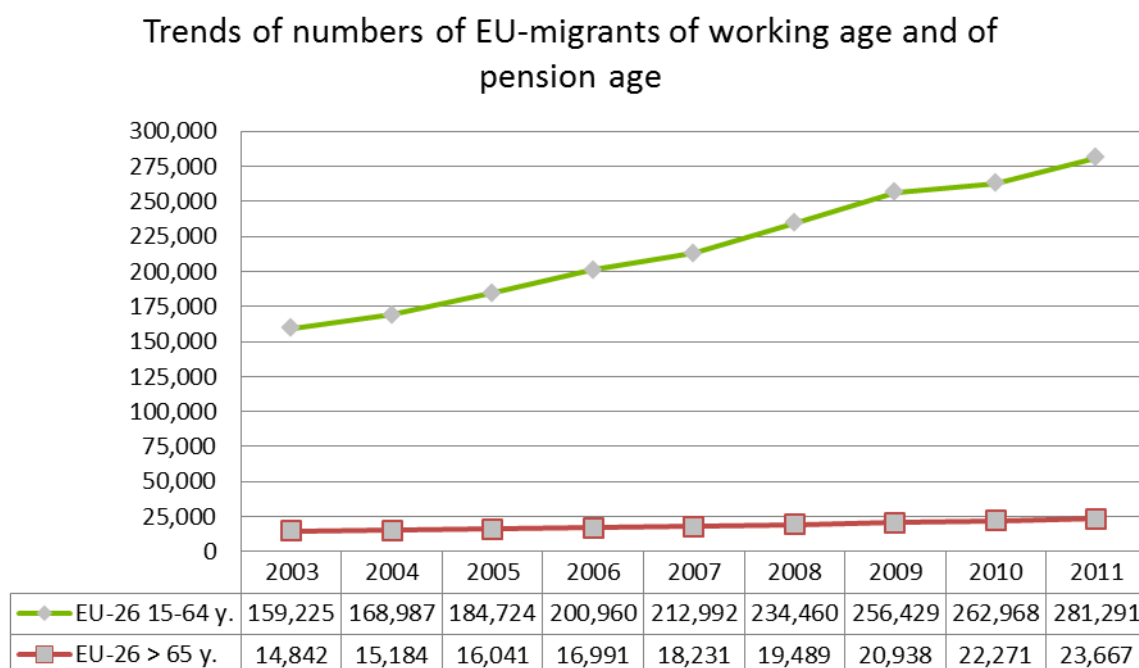
Source : Statistik Austria, Statistik des Bevölkerungsstandes, extracted in June 2013, Milieu own calculations

Figure A10.2 Trends of EU migrants in Austria by main groups of nationalities (net flows)



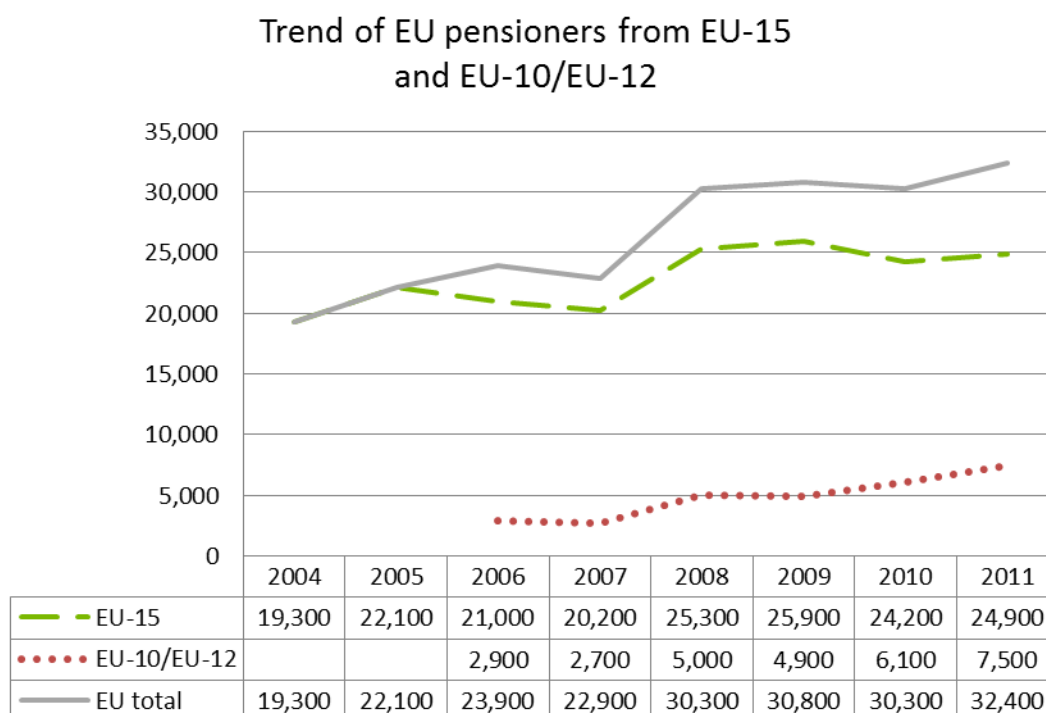
Source: Statistik Austria, Wanderungstatistiken 2002, 2008 and 2011

Figure A10.3 Trends of EU migrants of working age and of pension age



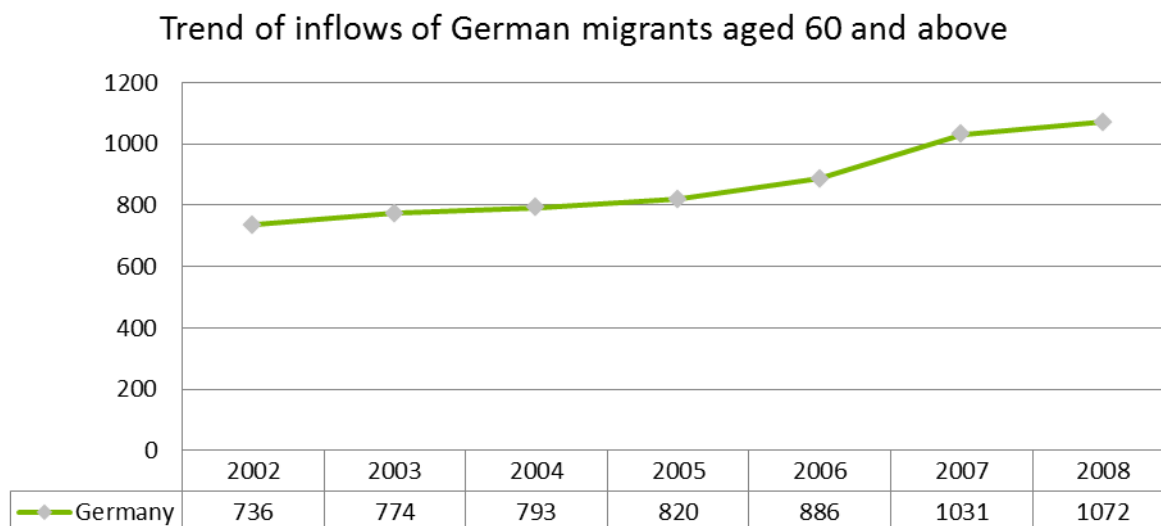
Source: Eurostat population statistics, tables 'population by sex, age group and citizenship' (migr_pop1ctz), downloaded on 14 July 2013, numbers include citizens from the EU 27 except Austria

Figure A10.4 Trends of EU-pensioners from EU-15 and EU-10/EU-12 (stocks), 2004-2011



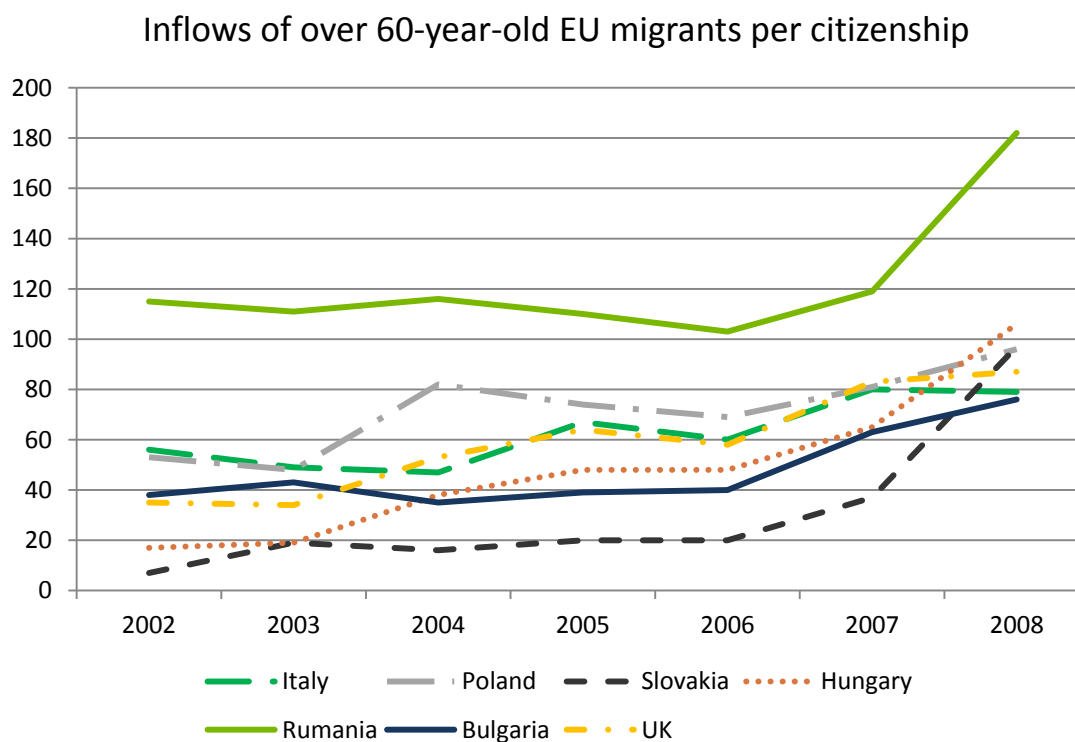
Source: national LFS, data extracted from publications « Arbeitskräfteerhebung » 2004-2011, published on www.statistik.at

Figure A10.5 Trends of inflows of German migrants aged 60 and above, 2002-2008



Source: Eurostat « immigration by sex, age group and citizenship »

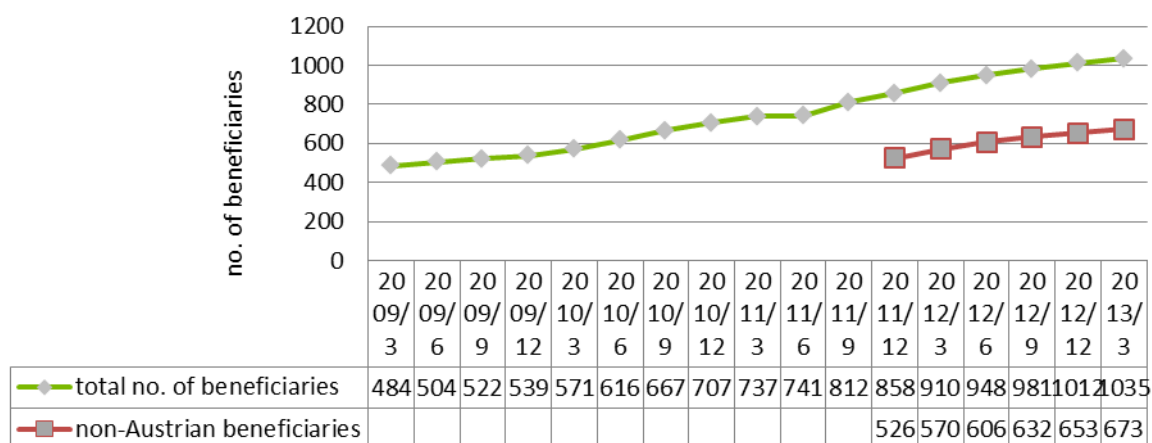
Figure A10.6 Inflows of over 60-year-old EU migrants per citizenship



Source: Eurostat « immigration by sex, age group and citizenship »

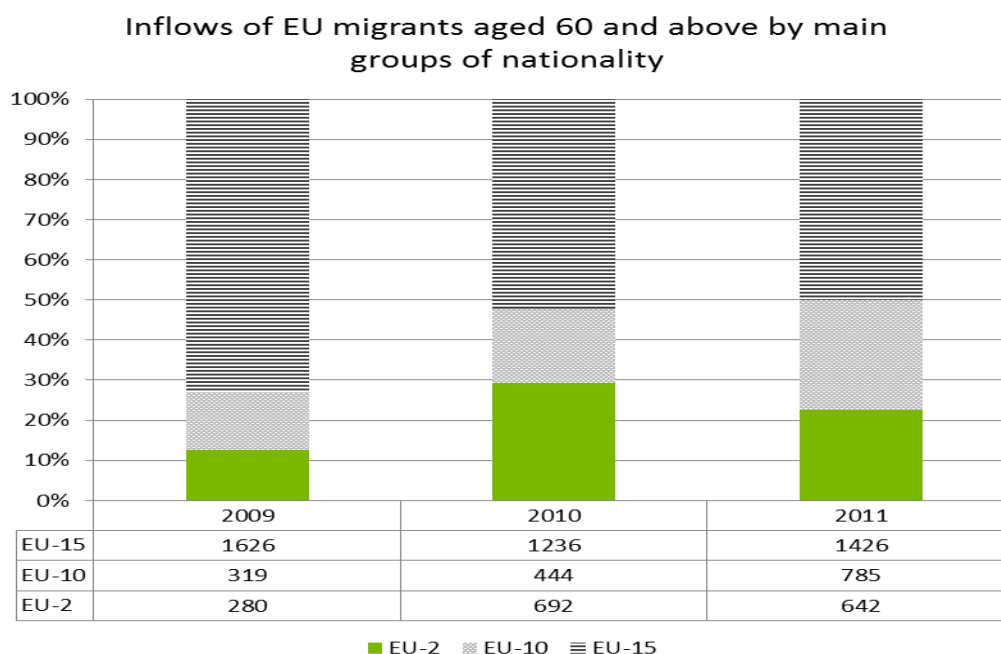
Figure A10.7 Number of *Ausgleichszulage* beneficiaries receiving only a pension from another EU MS and share of non-Austrian citizens among them, 2009-2013

Ausgleichszulage beneficiaries receiving a pension from another EU MS and non-Austrian beneficiaries among them



Source: *Hauptverband der Sozialversicherungsträger, 2013*

Figure A10.8 Inflows of EU migrants aged 60 and above by main groups of nationality



Source: Eurostat « immigration by sex, age group and citizenship »

Annex 11 Annexes to Case study 4 – UK

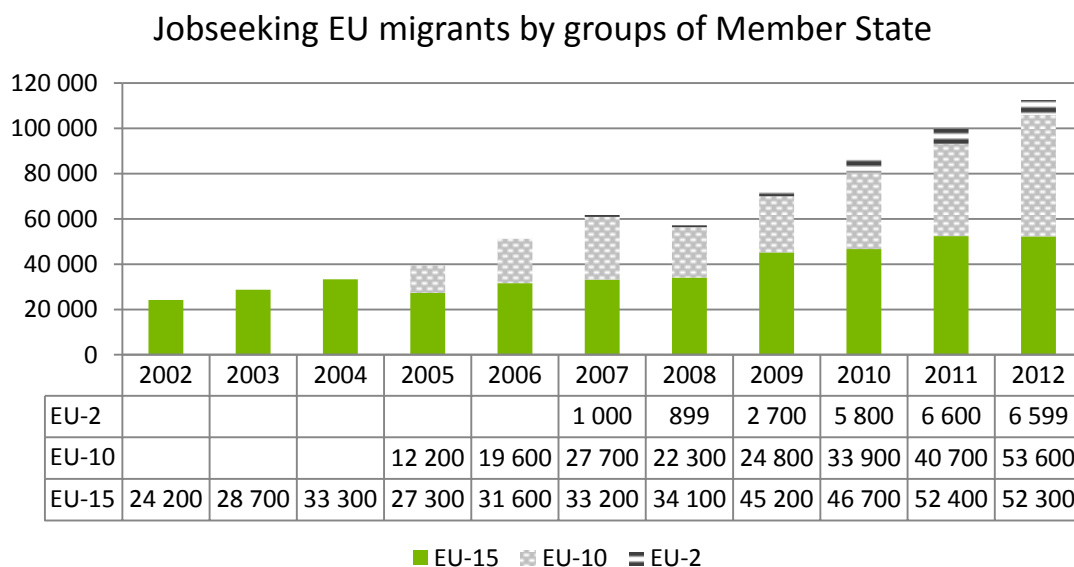
Table A11.1 Literature reviewed

Full reference	Publication type
Assessing the Fiscal Costs and Benefits of A8 Migration to the UK (2010) http://www.ucl.ac.uk/~uctpb21/Cpapers/DustmannFrattiniHalls2010.pdf	Academic Paper - published peer journal
Migration Flows of A8 and other EU Migrants to and from the UK http://www.migrationobservatory.ox.ac.uk/sites/files/migobs/Migration%20Flows%20of%20A8%20and%20other%20EU%20Migrants%20to%20and%20from%20the%20UK.pdf	Academic report - University of Oxford (Migration Observatory Dept)
Tread carefully: The impact and management of EU free movement and immigration policy http://www.openeurope.org.uk/Content/Documents/Pdfs/EUimmigration2012.pdf	National Independent Think Tank in UK
Analysis of the Impacts of Migration (2012) http://www.ukba.homeoffice.gov.uk/sitecontent/documents/aboutus/workingwithus/mac/27-analysis-migration/01-analysis-report/analysis-of-the-impacts?view=Binary	Independent government research paper - by the UK Independent Migration Advisory Committee
National Healthcare Statistics http://www.statistics.gov.uk/hub/health-social-care	National stats
Health and access to healthcare of EU migrants in UK (2010) http://www.emcouncils.gov.uk/write/Health%20and%20access%20to%20health%20care%20for%20migrants.pdf	Non-gov body - Race Equality Commission
2011 Census data http://www.ons.gov.uk/ons/rel/census/2011-census/key-statistics-for-local-authorities-in-england-and-wales/rpt-international-migrants.html#tab=Passports-held--to-determine-nationality-	National census
Migration Watch, Immigration Fact Sheet (April 2013), available at http://www.migrationwatchuk.org/briefingPaper/document/250	Think Tank

Full reference	Publication type
JSA Quarterly Statistical Enquiry, available at: http://statistics.dwp.gov.uk/asd/asd1/jsa/index.php?page=jsa_quarterly_feb05	DWP Statistics
DWP report on 'Nationality at the point of National Insurance number registration of DWP claimant benefits: February 2011 Working Age Benefits', https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/196677/nat_nino_regs.pdf	DWP estimates
AIRE Centre, 'Welfare Benefits for Marginalised EU Migrants: Special Non-Contributory Benefits in the UK, the Republic of Ireland & the Netherlands', at http://www.airecentre.org/data/files/AIRE_ECSS_FINAL_REPORT.pdf	NGO report
Home Office, Control of Immigration: Quarterly Statistical Summary, October-December 2009, at: http://webarchive.nationalarchives.gov.uk/20100422120657/http://rds.homeoffice.gov.uk/rds/pdfs10/immiq409.pdf	Home Office statistics
Migration Watch UK, 'Comparison of UK Benefits with those of the EU14', Briefing Paper 4.16, at http://www.migrationwatchuk.org/briefingPaper/document/284	Think Tank

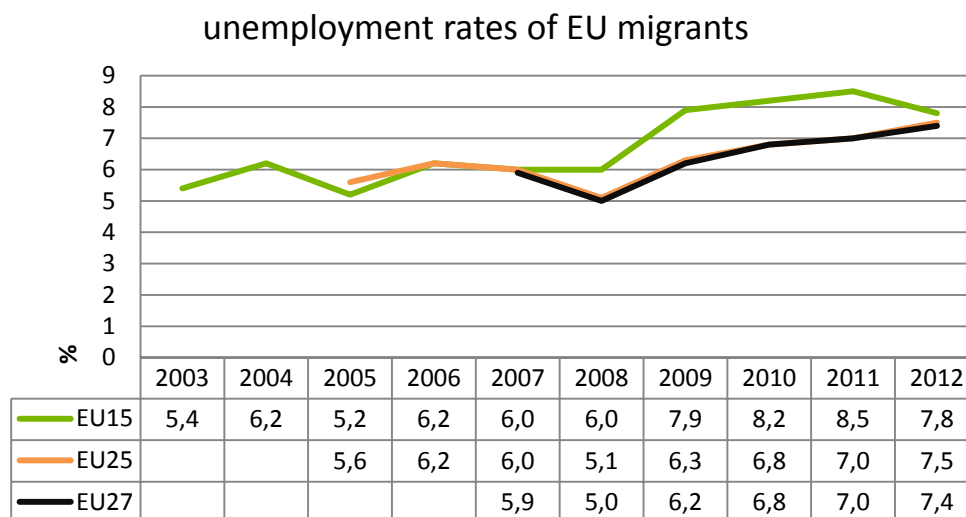
Quantitative data

Figure A11.1 Numbers of jobseeking EU migrants aged 15-74, 2002-2012, by groups of nationalities

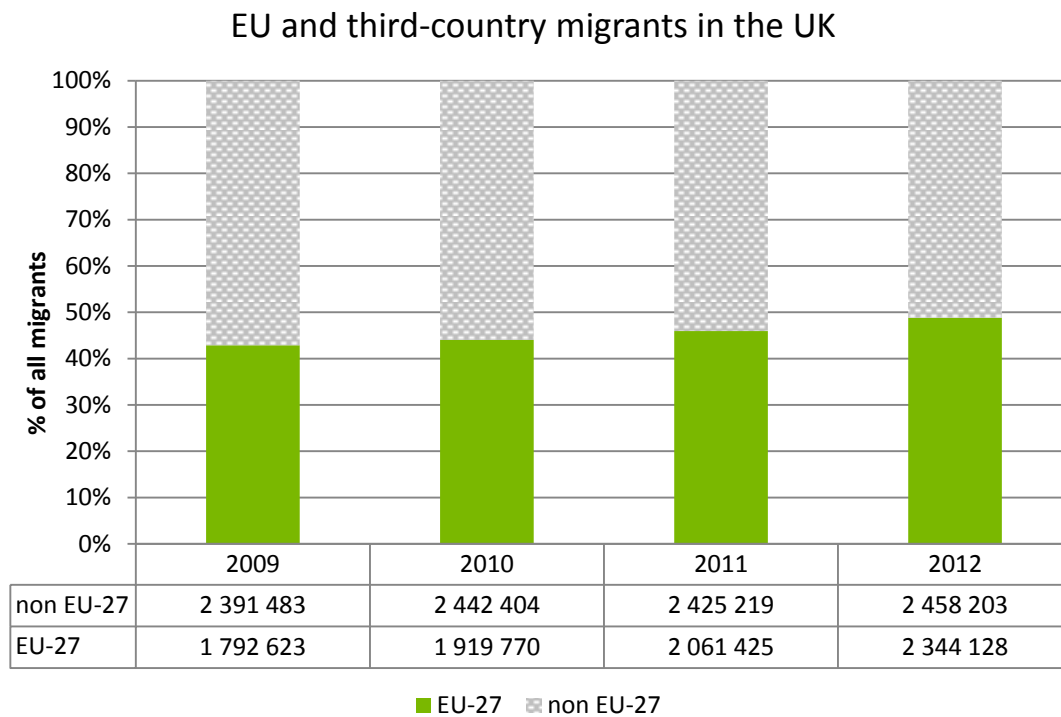


Source: EU-LFS, 2002-2011 extracted from EUROSTAT website on 09/07/2013

Figure A11.2 Trend of unemployment rates among EU migrants aged 15-74, 2003-2012, by groups of nationalities



Source: EU-LFS, extracted from EUROSTAT website on 09/07/2013

Figure A11.3 EU and third-country migrants in the UK, 2009-2012


Source, Eurostat migration statistics, tables "Population by sex, age group and citizenship [migr_pop1ctz]", downloaded from Eurostat on 15 July 2013

Annex 12 Annexes to case study 5 – the Netherlands

Table A12.1 Literature reviewed

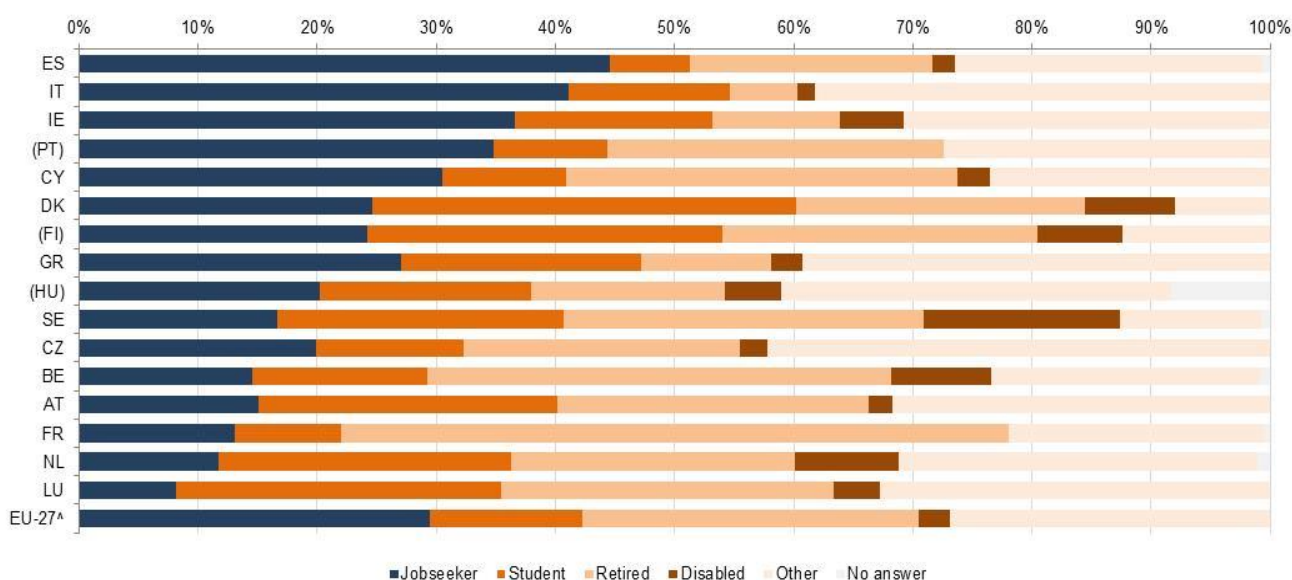
Source	Description
European Union legislation	Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems, OJ L 166, 30 April 2004.
National legislation	General Disability Act of 11 December 1975 (Algemene Arbeidsongeschiktheidswet), Staatsblad 1975/674.
	Disablement Assistance Act for Handicapped Young Persons of 24 April 1997 (Wet Arbeidsongeschiktheidsvoorziening Jonggehandicapten), Staatsblad 1997/177, as replaced by the Work and Employment Support for Disabled Young Persons Act as of 1 January 2010 (Wet werk en arbeidsondersteuning jonggehandicapten), Staatsblad 2009/580, 2009/581.
	Regulation of 29 April 2003 on the exportability of Wajong benefit (Beleidsregels voortzetting Wajong-uitkering buiten Nederland), Stcrt. 2003/84.
	Act on Work and Welfare of 9 October 2003 (Wet Werk en Bijstand), Staatsblad 2003/386.
	Aliens Act of 23 November 2000 (Vreemdelingenwet), Staatsblad 2003/269.
International and EU level sources	Eurostat Migration statistics (aggregate secondary data) – Eurostat migration statistics (migr_pop1ctz).
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Source	Description
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Quantitative data

Figure A12.1 non-active intra-EU migrants by category (2011)



Sources: LFS micro data (MAINSTAT variable), ICF GHK own calculations.

Figures for BG, EE, LT, LV, MT, PL, RO, SI, SK are flagged a and are below publishing limit. DE and UK do not provide breakdowns by MAINSTAT variable.

() f Figures in brackets are of limited reliability.

^ ICF GHK aggregates, excluding DE and UK.

Table A12.2 Trend in numbers of Wajong beneficiaries

	Influx	Outflow	Total Stock
2002	7,654	3,927	134,220
2003	8,218	4,399	138,043
2004	9,378	5,041	142,379
2005	10,424	5,639	147,164
2006	13,575	4,880	155,858

2007	15,323	4,377	166,804
2008	16,065	4,280	178,615
2009	17,644	4,276	192,045
2010	17,768	4,592	205,221
2011	16,252	5,169	216,304
2012	15,254	5,077	226,481

Source: UWV

Annex 13 Overall methodological framework for the study

Key Tasks/ Steps	Evidence and Analysis	Sources of Information						
		Review of literature at the EU and national level	Statistical analysis of comparable EU data (EU-SILC and LFS)	Statistical analysis of national budgetary & administrative data	Interviews with national social security authorities	Interviews with national health authorities	Interviews with national authorities responsible for immigration and law	Case studies
Task 1: Inception phase								
Step 1.1 Kick-off meeting Step 1.2 Preliminary desk research Step 1.3 Scoping discussion about available quantitative data with Commission & Eurostat Step 1.4 Outline of the methodology and work programme Step 1.5 Submission of inception report	<ul style="list-style-type: none">▪ Scoping the overall context and main issues associated with the past and future drivers, patterns and outcomes of the access of non-active intra-EU migrants to SNCBs and healthcare▪ Preparing research tools▪ Identifying relevant sources of literature▪ Identifying relevant EU-level data sources such as EU-SILC; LFS; Eurostat's migration statistics and The European System of integrated Social Protection Statistics (ESSPROS);▪ Liaising with Commission and Eurostat officials with regard to data;▪ Submitting requests for micro-data from Eurostat;▪ Identifying key contacts to be approached in relation to the study	✓						
Task 2: Analysis of the population of non-active intra-EU migrants								
Step 2.1 Patterns and trends in the Mobility of	<ul style="list-style-type: none">▪ Identification and analysis of trends/patterns in the number of non-active intra-EU migrants per MS and per category	✓	✓	✓			✓	✓

Key Tasks/ Steps	Evidence and Analysis	Sources of Information						
		Review of literature at the EU and national level	Statistical analysis of comparable EU data (EU-SILC and LFS)	Statistical analysis of national budgetary & administrative data	Interviews with national social security authorities	Interviews with national health authorities	Interviews with national authorities responsible for immigration and law	Case studies
non-active EU citizens	(jobseekers, pensioners, students, disabled persons, non-active single parents), for period 2002-2012 – taking into account: <ul style="list-style-type: none"> - Group of citizenship e.g., EU-15, EU-10, EU2 - Duration of residence/year of immigration - Nature of non-activity e.g., pensioner, students etc. - Labour status of spouse and other household members (in order to exclude relatives of EU workers) ▪ Net migration/mobility of non-active EU citizens per country/cluster of countries 							
Task 3: Identification of past and future drivers of mobility of non-active EU citizens								
Step 3.1 Identification of past and current drivers	<ul style="list-style-type: none"> ▪ Review of past/current ‘pull and push factors’ e.g., macro-economic determinants (income differentials, welfare generosity, etc. in host country), individual socio-economic factors (labour market status, education), demographic factors (ethnicity, household composition); social and cultural factors (social ties, language etc.) and mobility costs and hurdles, variation in the level of payments of social security benefits, transferability of pension etc.) 	✓	✓				✓	✓

Key Tasks/ Steps	Evidence and Analysis	Sources of Information						
		Review of literature at the EU and national level	Statistical analysis of comparable EU data (EU-SILC and LFS)	Statistical analysis of national budgetary & administrative data	Interviews with national social security authorities	Interviews with national health authorities	Interviews with national authorities responsible for immigration and law	Case studies
Step 2.2 Identification of future drivers and possible future trends	<ul style="list-style-type: none"> Identification of new/emerging 'pull and push factors' e.g., lifting of transitional arrangements, ageing population, more generous social security systems (in particular SNCB and health care), impact of the recent economic crisis and subsequent recession 	✓					✓	✓
Task 4: Access of non-active intra-EU migrants to SNCBs and healthcare								
Step 4.1 Access to and use of SNCBs and healthcare by non-active intra-EU migrants	<ul style="list-style-type: none"> Review of the list of SNCBs and in-kind healthcare benefits based on residence per MS Trends in the access to SNCBs per MS, where possible broken down by category of migrant on the basis of national-level data (triangulated where needed with EU-SILC figures): <ul style="list-style-type: none"> Number/proportion of non-active intra-EU migrants claiming SNCBs per MS Number/proportion of non-active intra-EU migrants granted SNCBs per MS Proportion of non-active intra EU migrants receiving SNCBs out of the total SNCBs recipients (nationals, EU and third-country nationals). Number/proportion of non-active intra-EU migrants requesting healthcare (health 	✓	✓	✓	✓	✓		✓

Key Tasks/ Steps	Evidence and Analysis	Sources of Information						
		Review of literature at the EU and national level	Statistical analysis of comparable EU data (EU-SILC and LFS)	Statistical analysis of national budgetary & administrative data	Interviews with national social security authorities	Interviews with national health authorities	Interviews with national authorities responsible for immigration and law	Case studies
	insurance or health service) on the basis of residence <ul style="list-style-type: none"> Number/proportion of non-active intra-EU migrants granted healthcare (health insurance or health service) on the basis of residence Proportion of non-active intra-EU migrants granted healthcare (health insurance or health service) out of total health care recipients (nationals, EU and third-country nationals) 							
Step 4.2 Assessment of the impact on the Member States' social security systems	<ul style="list-style-type: none"> Monetary estimation (EUR) of the SNCBs expenditure by MS, and where possible by category of migrant: <ul style="list-style-type: none"> Total annual expenditure in EUR or Order of magnitude estimates based on average amount awarded (per month/yearly) and total number of beneficiaries; Monetary estimation of expenditure on residence-based healthcare by MS, and where possible by category of migrant <ul style="list-style-type: none"> Total annual expenditure in EUR or Order of magnitude estimates based on average cost per patient in € and estimated number of healthcare recipients 	✓	✓	✓	✓	✓		✓

Key Tasks/ Steps	Evidence and Analysis	Sources of Information						
		Review of literature at the EU and national level	Statistical analysis of comparable EU data (EU-SILC and LFS)	Statistical analysis of national budgetary & administrative data	Interviews with national social security authorities	Interviews with national health authorities	Interviews with national authorities responsible for immigration and law	Case studies
	<ul style="list-style-type: none"> Estimates validated with alternative sources e.g., ESSPROS, albeit only with the view to triangulate results of our analysis or readily available estimates provided by national competent bodies 							
Task 5: In-depth analysis of specific cases (case studies)								
Step 5.1	<ul style="list-style-type: none"> Selection of case studies on the basis of category of migrant and MS, in agreement with the EC 	✓	✓	✓	✓	✓	✓	✓
Step 5.2	<ul style="list-style-type: none"> Carrying out the case studies 	✓	✓	✓	✓	✓	✓	✓
Task 6: Reporting								

