



Peer Review on "Minimum Income Benefits – securing a life in dignity, enabling access to services and integration into the labour market"

Berlin (Germany) 15-16 November 2018

Synthesis Report



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1 Introduction

The Peer Review on 'Minimum Income Benefits – securing a life in dignity, enabling access to services and integration into the labour market' took place on 15 and 16 November 2018 in Berlin, Germany. It provided the opportunity to discuss and exchange information on how minimum income benefits are set and provided in different European countries. The event was hosted by the German Ministry of Labour and Social Affairs and brought together government representatives belonging to Ministries of Labour, Welfare and Social Affairs from ten additional countries, namely Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Latvia, Lithuania, Portugal, Slovenia, as well as independent host and peer country experts and a representative of the European Minimum Income Network (EMIN). Other participants included representatives from the European Commission - DG Employment, Social Affairs & Inclusion.

During the Peer Review, participants analysed key elements of the latest reforms and good practices in the national policy measures aimed at securing a life in dignity, enabling access to services and integration into the labour market. The host country Germany presented an overview of its minimum income benefits systems, while the other Member States shared similarities and differences with their national systems and discussed their responses to common challenges.

The European Commission contextualised this picture by presenting updated data and analysis on the poverty situation in the European Union and the European Policy Framework in the area of poverty alleviation and social exclusion. Approaches to the design of minimum income systems in participating countries were also presented as well as preliminary results deriving from a benchmarking exercise on minimum incomes realised by the Social Protection Committee (SPC) in 2017-2018.

The discussion focused on the problems and challenges arising from differences between the national minimum income schemes in the EU and on whether there is a need for a common framework of minimum income schemes at a European level.

1.1 Background

Since 2012, poverty or social exclusion have been progressively decreasing at the European level, with marked improvement in 2017, falling from 24.8 % to 22.5 %. At the same time, the total number of people at risk of poverty or social exclusion still remains high (113 million), though around 5 million lower than in 2008.

The objective of the Europe 2020 strategy is to lift at least 20 million people out of poverty or social exclusion by 2020. However, there are considerable differences in the proportion of population at risk of poverty or social exclusion (AROPE) across the EU, and a number of Member States are facing difficulties in reaching their national targets. As described in the working document prepared by the European Commission,¹ improvements are particularly apparent in Romania, Cyprus, and Poland, where the number of persons at risk of poverty or social exclusion fell by more than 2 % between 2016 and 2017. Nevertheless, the difference between levels is still significantly high, ranging from below 17 % in the Czech Republic, Finland, Slovak Republic and the Netherlands to above 34 % in Bulgaria, Romania and Greece.

Looking at sub-components of the AROPE, monetary poverty remains the most significant challenge. The number of people at risk of poverty (AROP) rose for several years following the financial crisis, driven by the weak economic and labour market situation and reached a peak of 87 million in 2016. However, as a share of the

¹ European Commission (2018) Thematic Discussion Paper for the Peer Review on Minimum income in the EU policy agenda, Policy framework and developments at EU level, Germany, 15 – 16 November 2018.

population, the number of people at risk of poverty decreased by 2017 to 16.9 %, thanks to the recovery and improving labour market conditions. It remains slightly above the pre-crisis level of 16.4 % in 2009 with the exception of six Member States. The indicator is above 20 % in the Baltic countries and in the southern European countries, such as Spain, Italy, Greece, Bulgaria, Romania, and Croatia. For the unemployed, in 2017, the poverty risk decreased for the first time after the crisis, but it remains at record-high levels of 48 %.

Member States responses to the alleviation of poverty are highly differentiated as is their performance in terms of the impact of social transfers on reducing poverty. In this challenging context, the Peer Review focused on three key issues related to the support of people in poverty and at risk of social exclusion:

1. How to set minimum income benefit levels that secure decent standards of living?

Government representatives and experts discussed the mechanisms used in the setting of the minimum income benefit level and/or its components, as well as how the benefits are paid. They also focused on how to ensure that minimum income benefit levels are updated when necessary.

2. Which activation measures need to accompany minimum income support to foster the integration into the labour market?

The participants reflected on what aspects should be considered when setting a withdrawal rate to secure decent standards of living and to encourage in-work progression among beneficiaries in low-paid work. They also discussed how labour market activation measures should be included and which social services are at the disposal of beneficiaries.

3. How can Member States share a common perspective on national minimum income policies?

The discussion focused on the common problems and challenges arising from the different national minimum income schemes in the EU and the elements which could be included into a common framework of minimum income schemes at the European level.

2 The EU policy context

2.1 Fighting poverty and social exclusion

European institutions over the years have been increasingly committed to strengthening the social dimension of the EU. Resolutions and initiatives have been issued to promote the EU's role in the fight against poverty and social exclusion, adopting a soft coordination approach.

The latest relevant initiative adopted touching on many aspects of fighting poverty and securing social inclusion is **The European Pillar of Social Rights (EPSR)**. It includes 20 principles and rights to support fair and well-functioning labour markets and welfare systems. Among those, most relevant to this Peer Review is the **principle 14 on the minimum income**². Given the non-legal nature of the Pillar, its principles and rights are not directly enforceable and will require a translation into action at the appropriate level. The **European Semester** plays an important role here as it is an important vehicle to promote reforms in the direction suggested by the Pillar, taking

² It states that "Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market".

into account national specificities and, at the same time, monitoring developments at EU and Member State level.

Principle 14 of the EPSR on minimum income builds on former policies, including the **1992 Council Recommendation on common criteria on sufficient resources and social assistance in social protection systems**. This recommendation recognised at the EU level the basic right of a person to sufficient resources and social assistance to live in a manner compatible with human dignity initially, and provided practical guidelines on how to implement this right.

Another key input given by the European Commission is **the Recommendation on the active inclusion of people excluded from the labour market** endorsed by the Council and the Parliament in 2008. It stressed that the effectiveness of integrated active inclusion policies was to be ensured by designing a comprehensive policy, setting out the right balance between the three strands: adequate income support, inclusive labour markets and access to quality services. The implementation of the 2008 Council Recommendation was reviewed in 2013 by the European Commission's **Social Investment Package (SIP)**: the linked assessment acknowledged the need for a stronger guidance for Member States in monitoring the Europe 2020 strategy. It also highlighted the need for targeted support, in particular from the European Social Fund (ESF), to boost administrative capacity and policy coordination across the three strands and in the promotion of an active inclusion approach in national social policy reforms.

Two other key documents setting out the EU strategy in the fight against poverty and social exclusion are firstly **the integrated guidelines for the employment policies of Member States**, which highlight the various elements of fighting poverty and social exclusion in line with the active inclusion approach and the EPSR. Secondly, the **2017 Commission Staff Working Document** took stock of the implementation of the 2008 Recommendation. It concluded that the Recommendation has acted as a driver for structural reforms in many Member States, although sometimes focusing on a particular strand, while its overall impact had been uneven.

2.2 Adequate, accessible and enabling Minimum Income Schemes

In line with the previously described approach put forward by EU initiatives, minimum income schemes have to be viewed through the perspective of the active inclusion approach: they are expected to be **universal** and to provide **integrated support** in the form of adequate **cash benefits**, effective access to **enabling goods and services**, and to include an **activation** component for beneficiaries.

Based on the assessment of the European Minimum Income Network (EMIN)³, the following three key elements⁴ are the most relevant:

- *Adequacy of benefits* to fight poverty: the aim of minimum income benefit systems should be to ensure that the beneficiaries can live a life in dignity. Determining adequate levels of minimum income benefits which ensure a decent standard of living, while at the same time avoiding poverty wages and the benefits trap, remains a common challenge. According to data provided by EMIN, only Denmark and Ireland (and NL almost) reach AROP for some family types. In Bulgaria, Romania, Latvia and Poland, for most family types the

³ EMIN is a European level project is supported by the Commission in order to promote adequate, accessible minimum income in the Member States. The European Minimum Income Network (EMIN) is an informal Network of organisations and individuals committed to achieve the progressive realisation of adequate, accessible and enabling Minimum Income Schemes. EMIN is coordinated by the European Anti-Poverty Network (EAPN). More information on EMIN can be found at www.emin-eu.net

⁴ Similarly, in the benchmarking framework conducted by the SPC identified these areas as key policy levers.

minimum income does not reach 40 % of AROP. Since 2009, the impact on poverty reduction improved in seven countries (AT, EE, MT, PL, PT, RO, SK), while it decreased in 11 countries (BE, BG, CZ, DK, ES, HU, LT, NO, RO, SE, UK).

- *Eligibility rules and take-up:* The main **eligibility** requirements applied in national systems include nationality/citizenship and/or residence, age, lack of financial resources, not having assets above a certain limit, and having exhausted rights to any other (social) benefits. The strictness of these criteria determine to what extent a scheme offers universal access. When considering the **coverage**, EMIN evidence shows that it is partial in nine countries and low in eight countries due to restrictive eligibility criteria, income threshold and excessive means-testing. Many Member States face challenges related to the **low take-up rates**. The complexity of many national minimum income systems and the administrative requirements to access them can be a problem and hinder their effective and targeted implementation. Different levels and institutional set ups of governance are involved in the process, which leads to regional and local disparities in some Member States. Non take-up is a serious problem to be considered as it ranges between 20 % to 75 % among EU Member States. It is caused by the lack of awareness about the rights, administrative burden and stigma associated with claiming the rights (costs, conditionality, controls). To increase take-up, formal and informal obstacles should be reduced.
- *Activation and access to services:* The economic support should be accompanied by activation measures and non-monetary incentives, including the provision of additional services, either to complement these or in the form of additional support. Activation approaches should account for considerable differences among the recipients due to various personal factors. This calls for a mix of personalised support to accompany the beneficiaries (those able to work) on the path towards finding employment, as well as the sequencing of interventions/activation measures from less to more demanding ones. This is particularly relevant for those less able to work due to mental or physical conditions which hamper their access to the labour market. The three pillars of active inclusion – adequate minimum income, inclusive labour markets and access to quality services - are not always developed in a coherent way, in particular due to difficulties in coordination between employment and social services. As EMIN evidenced, it is often a challenge to ensure high quality social services based on a personalised approach. The current picture suggests that an increased emphasis on Active Labour Market Policies (ALMP) can be found in all EU Member States together with increased conditionality and sanctions, while access to quality services, according to EMIN, seems to be in place only in four countries (DK, IS, NO, SI). However, the Peer Review debate showed that this is not always the case, as in many of the participating countries such services are provided. The most common social services in place are counselling measures offered by social welfare centres and non-governmental organisations, often following a pre-assessment of needs.

2.3 Benchmarking framework for minimum income schemes and preliminary findings

The benchmarking exercise on minimum incomes carried out by the Social Protection Committee in 2017-2018 aimed at developing a framework to better compare the performance and design of minimum income schemes across EU Member States, with a view to foster convergence towards the best performing countries.⁵

⁵ It focused on the working age population with working abilities not in employment and not eligible or having exhausted entitlements to social insurance benefits.

The benchmarking framework identified **three outcome indicators**, which capture different dimensions of poverty among the working age population. They evidence in particular that:

- The adequacy of minimum income benefits impacts in particular the depth of poverty among potential recipients. However, since 2008, the increasing **relative at-risk-of-poverty gap** for the working age population (16-64) points to weaknesses in the design of the benefit systems. The 2018 dashboard of the Social Protection Committee's annual report shows that since 2008, the depth of poverty deteriorated in 14 Member States.
- The **material and social deprivation rate of the working age population** (18-64) provides a measure of material deprivation. The observed decreasing trend can be linked to improving living standards.
- The **at-risk-of-poverty rate of the population living in quasi jobless households (18-59)**, which provides a measure of relative poverty, shows a negative trend in 18 Member States.

Since outcome indicators are influenced by a number of factors outside the direct influence of social policy, **six performance indicators** more directly related to the policy impact have been introduced to allow more focus on the effect of minimum income benefits:

- The **impact of social transfers on the at-risk-of-poverty rate**. The indicator shows some deterioration in some countries.
- The **persistent poverty rate**, which allows capturing the dynamics of poverty. The length of the poverty spell provides more information on the severity of poverty.
- The **benefit recipiency rate** based on EU-SILC: it is the share of working age individuals (aged 18-59) receiving any benefits. In the benchmarking, the population at risk of poverty and living in (quasi-) jobless households was selected, as it corresponds most to the target population of minimum income schemes.

The other three performance indicators refer to self-reported unmet needs for medical examination, housing cost overburden rate, and non-participation in training related to professional activity.

The benchmarking exercise also analysed some aspects of minimum income schemes most likely to affect their performance and which are to be considered as the key policy levers. They are the adequacy of the benefit level, eligibility rules and take-up, as well as activation and access to services. Where it seemed appropriate, indicators were agreed for assessing national schemes:

- Concerning *adequacy of benefits*, **two indicators** were agreed: 1) the income of a minimum income beneficiary as a share of the poverty threshold (smoothed over three years) and 2) the income of a minimum income beneficiary as a share of the income of a low wage earner (a person earning 50 % of the average wage).
- *Eligibility and take – up*: **No indicators** were agreed for eligibility and take-up in the benchmarking framework. However, it contains a dedicated performance indicator on (effective) coverage of schemes as well as **contextual information** on the role of two factors in the eligibility of schemes: means-testing and residence requirements.
- *Activation and access to services*: **No indicators** were agreed for this policy lever. However, it was agreed to incorporate **contextual information** in the form of country-specific charts, which show the evolution of incomes of minimum income beneficiaries before and after moving to employment, expressed as the percentage share of the income of a low wage earner, also

providing information on the design of the phasing out of benefits with increases in earned income.

The **results of the benchmarking framework** for the participating countries based on the selected outcome and main performance indicators show that:

- **Performance** on most indicators was mostly high or very high (if not average) in the Czech Republic and to a lesser extent Belgium and Slovenia, while performance was mostly low or very low (if not average) in Bulgaria and Croatia and to a lesser extent in Lithuania, Latvia and Portugal. The situation was more diverse with both areas of high performance and low performance, in Estonia and Cyprus.
- Member States where minimum income schemes achieve higher levels of **adequacy** also generally **perform better as regards** their **outcomes** (income and material deprivation levels) **and performance** (such as impact of transfers on poverty, coverage).

3 15 years after Hartz IV – Minimum Income Benefit Schemes in Germany

In host country Germany, minimum income benefits constitute the main instrument for preventing income poverty as the last safety net. They play a major role in the social protection system by providing means-tested financial support for those whose basic needs are not covered by other resources.

There are three monetary minimum income benefit schemes, governed by different books of the German Social Code:

- Social Code Book II (Sozialgesetzbuch II) offers so-called *Arbeitslosengeld II* (Unemployment benefit II) to **those people in need who are capable of work** but out of work or whose work income does not suffice to secure their livelihood. *Arbeitslosengeld II* is progressively withdrawn for beneficiaries in employment: while the first EUR 100 of income are not considered, the withdrawal rate increases progressively to 80 % in the bracket of EUR 100 to EUR 1 000, and to 90 % in the bracket of EUR 1 000 to EUR 1 200.
- **People who are unable to work** but live in a common household with beneficiaries of *Arbeitslosengeld II* as their spouses, partners, children or sometimes parents and thereby form a so-called *Bedarfsgemeinschaft* (benefits community), are eligible to *Sozialgeld* (Social benefit). The allowances are the same as for *Arbeitslosengeld II*. The Social Code Book II is administered by job centres; these are usually joint institutions, formed by the local municipality and the *Bundesagentur für Arbeit* (Federal Employment Agency), but about one quarter of the job centres are run by the local municipalities alone.
- For **people who are unable to work** and who are not eligible for benefits under the Social Code Book II or who are **permanently unable to work** and for **people beyond the retirement age** the Social Code Book XII offers two different minimum income benefit systems under the framework of *Sozialhilfe* (social assistance): *Hilfe zum Lebensunterhalt* (minimum income benefits in the case of temporary reduced capacity to work) and *Grundsicherung im Alter und bei Erwerbsminderung* (minimum income benefits in the case of age and permanent reduced capacity to work). *Sozialhilfe* is locally administered by the social welfare offices.

The **level of benefits** of the above-mentioned minimum income benefits schemes are set to guarantee a socio-economic subsistence level which enables recipients to live a life in dignity. The aim is to enable beneficiaries to participate in society and to help themselves to overcome their situation of need and reliance on the state financial aid.

The minimum income benefits systems must meet the requirements of the **German Constitution** (Basic Law), as interpreted by the Federal Constitutional Court in a fundamental judgement of 9 February 2010: "The fundamental right to the guarantee of a subsistence minimum that is in line with human dignity from Article 1.1 of the German constitution in conjunction with the principle of the social welfare state contained in Article 20.1 of the Basic Law ensures to each person in need of assistance the material prerequisites which are indispensable for his or her physical existence and for a minimum of participation in social, cultural and political life." **This right 'is not subject to the legislature's disposal and must be honoured**; it must however be lent concrete shape, and be regularly updated, by the legislature, which has to orientate the benefits to be paid towards the respective stage of development of the polity and towards the existing conditions of life.' In 2010, the German's Federal Constitutional Court also ruled that the calculation of the subsistence level required a fundamental revision as the previous method did not comply with the first article of the German constitution (which states that human dignity is inviolable).

The standard needs are calculated using a **statistical model**. Calculation is based on the spending patterns of people with low income. The reference group for adults consists of the 15 % of the single households with the lowest income; the reference group for children consists of the 20 % of the two-parent-one-child-households with the lowest income. Households receiving minimum income benefits with no additional income are excluded from the reference groups in order to avoid circular reasoning. The calculation of the benefits using the statistical model takes place every fifth year. In the years between these calculations the benefits are updated every year with an index based on changes in prices of consumer goods and wage increases. Different basic need levels are applied to single adults, two adults who run a joint household, adult members of a benefits community and juveniles and children. Assistance includes a lump sum for standard needs. Accommodation and heating costs are covered additionally as far as they are considered reasonable. In addition, benefits for specific needs i.e. for single parents or special nutrition needs are provided. Children, juveniles and young adults from families receiving basic measures (minimum income benefits, child allowance or housing benefits) are entitled to additional benefits for education and social participation.

In addition to ensuring minimum income benefits, the primary objective of the Social Code Book II is **to integrate job seekers into appropriate employment** as fast as possible. When deciding on ALMP, job centres also have to consider the sustainability of labour market integration, which may outweigh the aim of speedy job placement in the individual case. Part of the ALMP for job seekers are traditional employment promotion instruments. All job centres provide a standard service to the job seekers, including an individual (qualified) contact person for each recipient; assessment of employment potential; agreement on an individual action plan (IAP); access to the full spectrum of ALMP measures; provision of job offers; and regular follow-up of the profiling-IAP process. The ALMP under the Social Code Book II also comprise socially integrating services such as debt counselling or addiction counselling. In order to promote the integration of long-term unemployed, Germany has adopted a holistic approach which aims at providing people who have been out of work for a long time a chance to participate to by improving their ability to work through intensive assistance, individual counseling and effective support, whilst offering them employment opportunities on the general labour market or in community work at the same time. As part of this holistic approach, two new instruments have been introduced into the Social Code Book which provide for publicly funded employment.

There is a wide **debate** concerning different aspects of the German system:

- There is a political debate about the *level of basic needs*. If proposals to increase basic needs were to be implemented, the number of recipients would substantially increase: this might cause paradoxical effects as the rate of recipients of minimum income benefits is used as a poverty indicator.

- There is a debate also on *how to better combine the different instruments* in order to better support families, where parents are employed but need supplementary assistance to cover the needs of their children.
- There is a risk that *subsidised jobs may replace regular employment*. This goes hand in hand with another issue: it is much debated whether *Basic Income Support for Employment Seekers* promotes poverty wages. As a result of the regulation on the allowance of gainful employment, there are numerous employees who receive *supplementary Basic Income Support for Employment Seekers*. For these so-called 'Minijobs' the employees do not pay taxes and social security contributions.
- There is an intense debate in Germany as to whether the minimum income benefits system is *too bureaucratic*. However, there is a tension between simplicity and justice. So far, efforts to simplify the system have had limited effects.

4 Different models, different perspectives – Minimum Income Schemes in the EU

4.1 Common challenges and trends

The minimum income schemes across Europe play a vital role in alleviating the impact of poverty and social exclusion in many countries. The fundamental legal basis for the minimum income benefits at the national level is provided in the national constitutions. The precise formulations differ across the countries. For example, in the German constitution, Article 1 proclaims that human dignity is inviolable; in conjunction with the social welfare state principle, a subjective right to the minimum income is derived from this article. In the constitution of Bulgaria, in contrast, Art. 51(1) defines that 'Citizens shall have the right to social security and social assistance'.

Across the countries represented in the Peer Review, **the spectrum of minimum income schemes** varies between and within the Member States. This is due to various design aspects, such as the level, coverage, eligibility of the minimum income benefits and their link to activation (where applicable), but also due to the interplay with other benefits (housing, family and children, etc). Differences concern not only the level of support provided and their adequacy in relation to the national poverty threshold, but also the degree of fragmentation (in terms of target groups and territorial level) of the national schemes. Moreover, diversity also exists in the possibility of combining cash with in-kind support. Indeed, minimum income benefits systems interact with other benefits (in particular unemployment, family or housing benefits), as well as with the design of tax systems (in particular as regards to work incentives). Given the purpose of minimum income schemes and means-testing, applicants are usually not in employment and have already exhausted rights to unemployment insurance (or have not been eligible from the start).

Common features of the participating countries are that the schemes are means tested, and increasingly focussed on measuring the needs for assistance at the household level. Also, the minimum income benefit recipients are frequently required to register at the public employment service and actively seek for a job or participate in other activation programmes (see section 4.2). On the other hand, the eligibility conditions, level of benefits and the indexation mechanisms vary among the countries. There are also differences between the countries where the minimum income schemes cover general population (with no specific target groups) and countries (such as Germany) where minimum income schemes for specific target groups are in place. Another distinction is between the minimum income schemes paying the minimum income benefit as lump sums, those paying on an individual basis and those that combine these approaches (e.g. Germany). The use of e-government was also discussed, with some Member States (e.g. Slovenia) trying to make the process of

applying and receiving the minimum income benefits less bureaucratic. The implementation of the schemes takes place mostly at the local level but differs between the decentralised (local municipalities) or deconcentrated (local branches of social service offices) way of delivery.

The discussions in the Peer Review also highlighted that this area is subject to **ongoing reform** and several key national level developments have taken place recently, accompanied by many political developments and political tensions. The challenges Member States face in the implementation of minimum income benefits systems are multiple and are closely linked to the specific economic and social circumstances of each Member State. Determining adequate levels of minimum income benefits which ensure a decent standard of living, while at the same time avoiding poverty wages and the benefits trap, is a particularly common challenge. The design of some minimum income schemes and activation measures in their current form may entail benefit traps.

Many Member States face **the challenge of low take-up rates** of the various minimum income schemes in place. To improve this, measures should be taken to improve the accessibility by removing formal and informal obstacles. In relation to this, the complexity of many national minimum income systems and the administrative requirements to access them hinder their effective and targeted implementation. Different levels and institutional set ups of governance are involved in the process, which leads to regional and local disparities in some Member States.

Across the countries, the need to strengthen **the cooperation** between the various branches of public services and especially the coordination between the employment services and social services was highlighted. There is a lack of or weak cooperation between the different stakeholders providing public services to minimum income beneficiaries and, in particular, the coordination between employment services and social services can often be improved. Other common trends include a drive towards the universalisation and simplification of the minimum income schemes to respond to the need of clarity and transparency and increased ease of access, the decentralisation with a more important role played by local and regional governance, as well as increased targeting of the schemes to the particular target groups.

Key features of the national schemes are summarised below and presented further in Annex 1.

4.2 Key features of the national MI schemes

In **Belgium**, the legislative framework at the federal level stipulates the 'right to social integration' which is mainly treated as a pathway to employment and/or the provision of a guaranteed minimum income. In relation to the coverage, the right to social integration is quasi-universal. Eligibility conditions relate to age, nationality, residence, lack of financial resources, willingness to work, and enforcement of other social rights. There is no specific duration or limit, although the right to social integration is reviewed at least every year. The law specifies the rules for implementation, which is delivered by the municipal *Public Centres for Social Welfare*. The beneficiary has the duty to be cooperative and truthful.

Bulgaria has several means-tested benefits. Two of them – the monthly social benefits (the scheme for guaranteed minimum income, GMI) and the heating allowance – can be best understood as the minimum income scheme. The legal framework defining the benefits is set at the central level. The first scheme applies a differentiated approach for assessing the assets as well as the socio-economic, health and demographic status of claimants (a set of eligibility criteria). The level of GMI is defined by the government without a formal indexation mechanism; the benefit is provided in cash and is not time bound. The *Law on Social Assistance* and the decree for its implementation set the list of eligibility criteria, which must be verified by the social services. In order to receive monthly social benefits, a claimant of working age

and able to work must be registered with the public employment service and is required to actively search for a job. In addition, there is a requirement to work four hours a day for 14 days a month, usually in the municipal public works. While the monthly social benefits complement the beneficiary's own income to the GMI level, the heating allowance in contrast is provided as a lump sum during the winter season. Its level is determined each year by the Ministry of Labour and Social Policy and corresponds to the expenditures for monthly consumption of 385 kWh electricity. This ensures an automatic mechanism for the updating of the heating allowance level according to the electricity price changes. The *Agency for Social Assistance* under the Ministry of Labour and Social Policy is the body responsible for the implementation of social assistance policy in Bulgaria, including for the local delivery of minimum income support.

In **Croatia**, the Guaranteed Minimum Income scheme was introduced in 2014. The scheme is administered by *Centres for Social Welfare* which are deconcentrated units of the Ministry of Demography, Family, Youth and Social Policy. It is a rights-based scheme, open to all resident citizens. It is means- and asset-tested. The level and the calculations of the benefit is set by a Government decision, with a capping at the level of the minimum wage, without a link to a poverty line and any automatic indexing system. The benefit is available to those capable of work and those who are not capable of work, as well as by persons over the age of 65. For those capable of work, receipt of the benefit is conditional on being available for, and actively seeking, work. There is a provision for a tapered withdrawal of benefits on return to employment.

In **Cyprus**, the minimum income support is provided by the Guaranteed Minimum Income (GMI) scheme, introduced in 2014. The policy decisions regarding the GMI are taken at national level and the scheme is administered by the Welfare Benefit Administration Service. The GMI is a top-up benefit, defined as the difference between the (estimated) basic and (actual) family income. The basic income is calculated as the minimum monetary income necessary to ensure recipients' access to a consumption basket of goods and services that correspond to the minimum standard of living accepted by the society. The value of the basket is adjusted to account for changes in consumer prices. The amount of the benefit can be supplemented with a housing allowance. Every person legally residing in Cyprus, who fulfils the relevant eligibility criteria, is entitled to an allowance that ensures a minimum acceptable standard of living. Entitlement to the GMI benefit is based on a complex set of eligibility conditions, such as the age, long term residence (five years), and the assessment of assets. Furthermore, eligibility for the GMI benefit is linked to a number of job-seeking/acceptance conditions, such as registration with public employment services (even when employed), acceptance of job offers/not voluntarily terminate employment, participate in vocational training, special community service, tutoring, social worker's assistance, etc.

In **the Czech Republic**, the minimum income scheme is managed centrally, by the contact points of labour offices (public employment services). Both the entitlement to and the level of benefits are recognised as a right in legislation. The entitlement to the minimum income benefits is not time-limited. The living minimum and the subsistence minimum are used as the basis for its calculation. The government is authorised to increase the levels of the living minimum every 1 January if the growth in the Consumer Price Index for food and personal needs exceeds 5 %. The amount required for living is established on a case-by-case basis, based on evaluation of the person's or the family's income, efforts and opportunities; the living minimum and subsistence minimum are used as the basis for the calculations. Local labour offices are given discretion to replace cash benefits with benefits in kind. Unemployed recipients are obliged to accept any suitable job offer (including temporary work), to agree to fulfil obligations set in an *Individual Action Plan* and to participate in and complete re-training or a targeted programme.

Subsistence benefits in **Estonia** consist of two parts, covering actual housing costs and a benefit paid at the subsistence level. The benefit level is established annually by the Parliament. The subsistence level is based on minimum expenses on consumption of food, clothing, footwear and other goods and services which satisfy the primary needs. There is no regular indexation of subsistence level and the size of the benefit is not linked to a methodology of calculating the subsistence minimum. The municipalities have a right not to grant the subsistence benefits to people of working age or capable of working who are not studying or working and who have repeatedly and for no good reason refused to accept suitable positions (so-called activation clause). The municipalities may also require the recipients of the minimum income benefits to be registered at the public employment service. All registered unemployed people are also covered by the public health insurance and enabled to participate in the active labour market services.

In **Latvia**, the provision of the *Guaranteed Minimum Income* (GMI) benefit is the responsibility of municipalities. Eligibility for the receipt of the GMI benefit is assessed, taking into consideration the income level of the individual. No restrictions exist for the receipt of the benefit on the grounds of the citizenship status, age, the status on the labour market or other factors. The benefit is granted for a period of three to six months, as long as the person or household is considered as in need. It is renewable. The amount established at the national level is not differentiated by type of household or group of the population. However, local governments may differentiate the benefit amount for various categories of the population. The GMI benefit amount is calculated as a difference between the guaranteed minimum income level for each family member and the total income of a poor family (person). The municipalities have the right to determine a different guaranteed minimum income level, but not lower than the level fixed by the national regulations. Recipients, unless in employment or similar, must register with the public employment service, actively look for a job and accept suitable offers of work, and participate in active employment policy programmes, public works, public service, etc. The beneficiaries are obliged to co-operate with social workers of the municipal social service office and conclude an agreement on collaboration in order to overcome their situation.

In **Lithuania**, the minimum income scheme is centralised in terms of eligibility criteria, conditionality rules and formula of benefits value. They are set up by the law and are uniform nationally. The municipalities are responsible for administration and provision having the right to apply exemptions for eligibility criteria and conditionality rules. The government sets the level of the benefit (recently based on a minimum consumption basket). Benefits are adjusted at irregular intervals according to a government decision based on the consumer price index. The benefit is granted for a period of three months and may be renewed if the circumstances have not changed. Those of working age who are unemployed must be registered with the public employment service and need to be willing to work or participate in training. Recipients must take part in 'socially useful activities' organised by the municipal administration.

In **Portugal**, the *Social Insertion Income* is a non-contributory means-tested benefit, under the responsibility of the Institute of Social Security. The measure is composed of a monetary component - the cash benefit, which is a universal right, transitory and not dependent on discretionary assessment but on established criteria - and of an insertion programme which is based on an insertion contract between the beneficiaries and the programme, whereby both parts agree to develop a set of actions and tasks, necessary for the gradual social, labour and community integration of the family. Registration with the public employment service is required. The benefit is calculated as a difference between the maximum rate of the cash benefit and the household's total income. The amount is defined by the Ministry of Solidarity and Social Security and corresponds to a percentage of the *Social Support Index*. There is no fixed frequency for indexing/updating the benefit. The benefit is granted for a maximum

period of 12 months but may be renewed for equal periods and as long as eligibility conditions are met. The criteria regulating the allocation, the conditions contracted and the criteria for termination are defined at the central level and the scheme is delivered by the local branches of social security (within a network of local partners).

In **Slovenia**, the minimum income scheme is set at the national level and is open to all permanent residents after means testing. The minimum income benefit is conditional upon registering at the public employment service, signing the *Employment Plan*, concluding an integration plan as well as a fulfilment of obligations and performance of activities set in that plan, such as active job search, inclusion in the ALMP measures and accepting an adequate/suitable job on offer. It is first granted for a period of up to three months, and then for a period of up to six months if the circumstances of the applicant have not changed. One-stop shops for the delivery of means-tested cash social benefits, subsidies and payments from public sources were established at the *Centres for Social Work*. These also deliver social services and closely cooperate with the public employment services in providing assistance in social activation of the unemployed.

5 Main themes of the Peer Review

5.1 Setting the minimum income benefit levels

The discussion in the Peer Review first centred on reflecting about the key objectives in the political and administrative process of **setting the minimum income benefit levels**. These can be interpreted differently, on the one hand aiming to eradicate poverty and enable the recipients to live a productive life and participate in the society. On the other hand, the objectives of the minimum income benefits can also be primarily targeted at mitigating/alleviating poverty and ensuring the recipients individual needs to live a life in dignity receive basic support in hardship circumstances. Thus, two perspectives emerged in the Peer Review considerations on how to set adequate minimum income benefit levels:

- Ensuring the link between the level set for the minimum income benefit and a defined level such as the minimum wage or the nationally defined poverty threshold. Important to consider in this respect is the trend observed in many countries that in the aftermath of the 2008 crisis the poverty line lowered.
- Defining the key aspects needed for the minimum income beneficiary to live in dignity, such as for example the possibility to apply the reference budgets or the defined basket of consumption goods.

The discussions also revealed **a great variety of mechanisms** used to set the minimum income benefit levels across the countries participating in the Peer Review, namely:

- Statistical, research-based mechanisms (such as for example in Germany);
- Political decisions by the national government or the parliament (such as for example in Bulgaria, Croatia or Estonia);
- Setting of the level linked to the household minimum income (such as for example in Cyprus, Latvia or Portugal);
- Setting of the level linked to the consumption basket (such as for example in the Czech Republic or Lithuania);
- Setting of the level linked to the housing costs system - based on real housing costs up to a threshold (such as for example in Germany).

In considering how to ensure **the optimal process of setting the minimum income benefit level**, the discussions pointed out that the right to social assistance should be viewed as a fundamental right. In the ideal case scenario, the minimum income benefit level should be set considering a statistical procedure to reflect the cost of dignified living using an agreed and clearly specified set of calculations.

Acknowledging that the level and the overall structure of the minimum income benefits are typically subject to significant political scrutiny, the setting of the levels of the minimum income benefit and its access should in any case be undertaken following clear and precisely agreed rules. In addition, a compulsory periodic update or review cycle could be provided for (in the law), whereby the benefit level is either newly set on the basis of a clearly specified set of calculations or - if that is not possible on a yearly basis - automatically updated, for example by linking them to inflation rates. The discussions also highlighted the positive trend emerging recently whereby the positive economic growth enabled the governments to increase the minimum income benefit levels.

The Peer Review discussions also revealed a number of elements to consider when **setting a withdrawal rate that secures decent standards** of living and encourages in-work progression for the minimum income beneficiaries. It was recognised that setting a withdrawal rate is a complex matter which is dependent on the availability of public finances and sometimes on political will as well. Therefore, it requires the involvement of all stakeholders. It is important that the process is evidence-based, transparent and designed on the basis of social and economic impact assessments. Moreover, the design of the tax system and social security contribution system also plays a key role. Authorities should also take into account the beneficiary's eligibility for other benefits, as this might influence the motivation to actively search for a job. First and foremost, the main aim of minimum income benefits should be to support the beneficiaries in need, and withdrawal rates should be carefully considered and well balanced to provide an incentive to actively participate in the labour market. A mechanism to discover possible undeclared employment should be introduced which ensures an automatic exchange of information between all stakeholders.

5.2 Fostering the integration into the labour market and society

First and foremost, minimum income schemes are last resort schemes combating poverty and social exclusion. Furthermore, in line with the active inclusion approach (see section 2), they should also **provide effective access to services and activation measures** enabling the minimum income recipients to re-integrate into the labour market and the society. Indeed, as the discussions in the Peer Review highlighted, increasingly, one of the common features of the participating countries is that the minimum income benefit recipients are frequently required to register at the public employment service and actively seek a job or participate in other activation programmes. Thus, in principle, the beneficiaries have access to support services required for their re-integration in the labour market.

In practice, the discussions in the Peer Review highlighted the **multiple challenges faced in the labour market re-integration and societal inclusion**. Given the often-complex support needs, successful re-integration requires a strong cooperation of various stakeholders amongst the public services, backed up by available public finances. Especially for the long-term unemployed, the need to offer counselling on a continuous basis is particularly important. Overall, a better coordination between the public employment services, social welfare services and third sector organisations providing support to the most vulnerable is necessary to promote a much more integrated approach to activation.

Ideally, the support mechanisms should be evidence-based, designed on the basis of adequate knowledge about the impact of the various mechanisms used during the reintegration process. Importantly, the design of the tax system and social security contribution system also plays a role; hence, measures need to take account of the eligibility for other benefits, which might influence the decision to look for a job.

Activation measures should generally be **combined with non-monetary incentives**, either to complement these or in the form of additional support. Currently, the most common social services in place are counselling measures offered by social welfare

centres and non-governmental organisations, often following a pre-assessment of needs. It is important that such counselling measures correspond to the needs of the individuals and their family and are complemented with other services, such as free childcare, home care for dependent relatives, as well as free meals and materials at schools. Peer counselling through voluntary work could be considered here to enhance personal skills and social contact.

Various non-monetary incentives should be implemented to foster the integration into the labour market according to **the capability approach**. In particular for the long-term unemployed, it is crucial to cooperate with the employers on a continuous basis in parallel to counselling and activation measures provided to the minimum income beneficiaries. Furthermore, activation and/or support measures should be made available to all household members, with targeted measures being provided to each member.

The activation measures are more successful when they appropriately reflect considerable differences in the potentialities for the activation due to several personal factors and often complex needs and problems facing the benefit recipients. This calls for specific personalised support to accompany them in the long path to work and the sequencing of interventions/activation measures from less to more demanding to achieve the desired activation outcomes.

Finally, the key success factor in the activation approach is a **holistic consideration of the overall support needs** of the whole household of the benefit recipients. This could entail introducing activation interventions for all household members, both to the individual and the family members. This would follow a genuine case management approach, with specific services being provided depending on the needs of the household (e.g. support to schooling of children, free childcare). The discussion also revealed the complex range of services required for successful integration which - depending on the personal circumstances - can range from healthcare support, transport support, social credits for utilities to legal and financial advice. Importantly, to tackle informal/hidden barriers to benefit from support services, access to information and to services should be promoted. Here, the approaches range from one-stop shops, home-based social interventions to map all family needs and hidden problems, as well as automatically linking different services.

5.3 Towards a common framework at the European level

The discussion in the Peer Review revealed **the substantial differences** between Member States in terms of the organisation of their minimum income and welfare regimes and level of minimum income benefits, the definitions of decent standard of living, the level and characteristics of poverty, as well as the unemployment rate (and consequently the opportunities for the integration in the labour market of the beneficiaries). Thus, a common framework at EU level could provide **an overall common understanding** without entering into the specific details of defining the minimum income regimes, which is the primary responsibility of the national governments.

The future common framework at the EU level could go beyond a comparative perspective of contrasting the different national minimum income systems and examine in-depth how minimum income policies are designed and implemented, gather their contextual information and analyse their specific outcomes in addressing poverty and ensuring a decent standard of living. As shown in section 4, despite significant national differences, Member States are also facing a number of common challenges and trends in defining and adequately implementing the schemes. This indicates a certain degree of convergence and common basis for further action.

Concretely, the discussions in the Peer Review revealed **an interest amongst the participants** in further considering the methodologies for calculating the benefit, including defining the common categories for the definition of the baskets or reference

budgets and benchmarking the key access, adequacy and impact indicators of the income schemes. Furthermore, common criteria for defining access to services could also be developed in a common EU level framework, in line with the general drive to ensure the setting of minimum income benefit levels follows an evidence-based approach. From the perspective of the financial instruments, the participants pointed to the potential use of the existing EU funds, such as the European Social Fund (ESF) and Fund of European Aid to the Most Deprived (FEAD), in particular in the inception phase of development and implementation of common approaches and frameworks.

6 Conclusions and Recommendations

The Peer Review provided participants with the opportunity to critically discuss challenges and approaches to designing and implementing the minimum income schemes aiming to secure a dignified life, enabling access to services and integration into the labour market and society.

The minimum income schemes in the host country Germany provided a good example of the successes and challenges faced in designing and implementing adequate and targeted minimum income schemes. As the Peer Review showed, Member States face multiple challenges in the implementation of minimum income benefits systems which are closely linked to the specific economic and social circumstances at national level. Determining adequate levels of minimum income benefits which ensure a decent standard of living, while at the same time avoiding poverty wages and the benefits trap, is a particularly common challenge.

The aim of minimum income benefit systems should be to ensure that the beneficiaries can lead a life in dignity and alleviate poverty. There are different avenues to achieve this (e.g. linking the minimum income benefit to the minimum wage, the poverty threshold, a reference budget or the consumption basket), taking into account the existing regional disparities and the economic developments.

Different mechanisms can be used to determine and adjust the level of benefits over time, such as a statistical/research-based mechanism, like the median household income system, a reference budget or where possible a mechanism linked to a consumption basket (including housing costs). In the absence of a distinct mechanism to set the benefit level, it is important to ensure transparency in the process. This should entail clear and transparent rules, such as relying on impact assessments. A compulsory periodic update or review cycle should be provided for (in the law) to ensure a regular and - if in the specific year the benefit level is not newly set on the basis of a clearly specified set of calculations - automatically update of the benefit level, for example by linking them to inflation rates.

Activation measures should generally be combined with non-monetary incentives, either to complement these or in the form of additional support. Various non-monetary incentives should be implemented to foster the integration into the labour market according to the capability approach. In particular for the long-term unemployed, it is crucial to cooperate with the employers on a continuous basis in parallel to counselling and activation measures provided to the minimum income beneficiaries. Furthermore, activation and/or support measures should be made available to all household members, with targeted measures being provided to each member. Activation approaches should account for considerable differences as a result of various personal factors. This necessitates a mix of personalised support to accompany the beneficiaries (able to work) on the path towards finding employment, as well as the sequencing of interventions/activation measures from less to more demanding ones.

Due to the significant differences between Member States, an EU initiative on the minimum income schemes could offer an overall framework for framing national policies.

To establish such a common framework, there is a need for practical guidelines and tools regarding the design and implementation of minimum income policies to complement a comparative perspective. These should take into account the current national minimum income policies and their specific outcomes in alleviating poverty and ensuring dignified life.

Key elements of a common EU level framework could be based on common characteristics of the national schemes and include common standards for eligibility criteria, access to services and a transparent mechanism for setting up and indexation of benefits (and related methodological approaches). These elements should be developed according to an evidence-based approach involving all relevant stakeholders in a transparent manner. One would need to explore how best the existing EU funding instruments (such as ESF or FEAD) could contribute to the design and implementation phases of schemes within a common framework.

Annex I: Overview of the national income schemes

The Peer Review participants developed a series of posters showcasing the key features of their national minimum income schemes.

BULGARIA

= GMI
 = Heating Allowances (HAs) *
 ↳ winter season 11-03
 one off Aids *
 ↳ extraordinary 35M.

= Universal; Targeted at poor people/families
 = Targeting Method:
 • Income threshold - DMI *
 • Eligibility Criteria - Assets; status (employed or not); family size
 • Activation requirements *
 ↳ having income family by hands

= Lump Sum (385 kWh/month) *
 ↳ CASH 375 € 150
 by Minister of Labour and S. Policy

= Automatic Mechanism / ER-p2bes
 ↳ independence

BELGIUM

MINIMUM INCOME FOR EVERY ELIGIBLE AT ACTIVE AGE (UNIVERSAL)
 - FACTUAL SITUATION
 - SOCIAL WORKER INVESTIGATES

ALL OTHER SOCIAL RIGHTS HAVE TO BE EXHAUSTED
 +12; + RESIDENCE LEGAL
 + LIVING IN BELGIUM FACT + NO OTHER MEANS
 + WILLING TO WORK

CASH LUMP SUM OR COMPLEMENT IF WORKING
 + POSSIBLY EXEMPT WORK INCOME

⊕ SOCIAL ACTIVATION
 ⊕ AUTOMATIC GRANTING OF SOCIAL RIGHTS

CROATIA

MIN. INCOM (2MM) (MEANS AND INCOME TESTED)
 ONE OFF PAYMENT
 HOUSING SUPPLEMENT
 FUEL ALLOWANCE
 ELECTRIC ENERGY (SOLIDARITY PAYMENT OF ELECTRICITY CONSUMERS)

PERSONAL DISABILITY (DISABILITY, MEANS AND INCOME, EXCEPT MOST SEVERE DISAB.)
 CARE SUPPLEMENT
 BENEFIT UNTILL EMPLOY. (PERSONS WITH DISABILITY WITH EMPLOYMENT CAPACITY)
 BENEFIT FOR STUDYING (CHILDREN IN CARE)

STAT. CWS
 COUNTIES
 LOCAL GOVT.

CYPRUS

- Basic Needs
 - Housing (Rent + Loan Interest)
 - Care (Institutional/housecare)
 - Municipal taxes
 - Extraordinary needs
 ↳ House Appliances
 - Various Discounts - electricity 20%
 ↳ transportation
 ↳ afternoon classes

- Health Care *
 - Unemployed & Single person
 - Working poor } family ↑ 28 yr
 - Unable to work
 - Disable people
 - Pensioners with low income

GMI = Family Needs - Income
 Head of Family € 480
 Spouse € 240
 Child ↑ 14 yr € 240
 Child ↓ 14 yr € 144

Deposits €5000 + €1000
 Immoveable property €100000

Housing needs ≠ Based on area and family composition

- Obligation to register to unemployment office
 - Participate in training schemes
 - Medical boards for unable to work and disable people

GERMANY



Jobseekers + Families
elderly + disabled



1st step - standard needs *(lump sum)*
housing + heating *(actual)*
- certain additional needs
- education + integration children
+ health + long-term care insurance

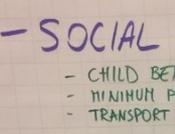


2nd step
meansbased (income, assets)
difference MI



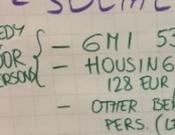
partly lump sum
partly individually (esp housing
to a certain amount hearing)
deducted by income + assets

LV



- SOCIAL SECURITY

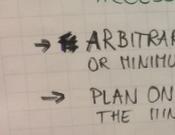
- CHILD BENEFITS UNIVERSAL
- MINIMUM PENSIONS (DISAB, OLD AGE) UNIVERSAL
- TRANSPORT BENEFIT FOR PWD UNIVERSAL



- SOCIAL ASSISTANCE (MEANS TESTED)

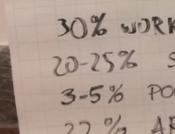
NEEDY & POOR PERSONS

- GMI 53 EUR / PER / MONTH (MUNICIPALITIES BUDGET)
- HOUSING BENEFIT (MANDATORY BENEFITS) 128 EUR / PERS / MONTH
- OTHER BENEFITS FOR POOR AND LOW INCOME PERS. (LEVEL DEPENDS ON MUNICIPALITY)
- ACCESS TO SERVICES AND RELIEFS



→ ARBITRARY SET LEVELS, NO LINK TO AROP OR MINIMUM WAGE

→ PLAN ON MIN. INCOME LEVEL READY, TO SET THE MIN. INC. LEVEL - NEEDY PERS. → 20% FROM MEDIAN - POOR PERS → 40%



30% WORK ON MIN. WAGE (430 euro)

20-25% SHADOW ECONOMY

3-5% POOR PERSONS

22% AROP (330 euro)

CZ

ALLOWANCE FOR LIVING
SUPPLEMENT FOR HOUSING
EXTRAORDINARY IMMEDIATE AND
PEOPLE IN MATERIAL NEED

⇒ LUMP SUM + EFFORT

? NUMBER OF RECIPIENTS

EE



SUBSISTENCE BENEFIT

- NON-CONTRIBUTORY
- MEANS-TESTED
- NOT TAXABLE

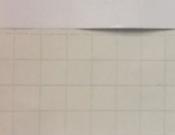
FOR ALL PEOPLE LIVING IN ESTONIA



HOUSEHOLD WHOSE NET INCOME IS BELOW THE SUBSISTENCE LEVEL

FORMULA:

$$\text{SUBSISTENCE BENEFIT} + \text{DWELLING COSTS} - \text{NET INCOME}$$



MEANS-TESTED

MONTHLY GRANTED

CONSUMPTIONS SCALES ARE USED:

- 1st MEMBER 100%
- 2nd & SUBSEQUENT ADULT MEMBERS 80%
- CHILDREN UP TO 12 40%



IF RECEIVER TAKES UP WORK:

- FIRST 2 MONTHS 40%
- FOLLOWING 4 MONTHS 50%
- SALARY OF MINORS (100%)

} IS NOT TAKEN INTO ACCOUNT

LITHUANIA



1. Social benefit (122 EUR)
2. Compensations (heating, water)
3. NEW! Universal child benefit + means-tested child benefit
4. etc.



1. Income < 122 EUR + test of assets

But...

2. Since 2018 disregarding 15-35% of working income
3. 50% of social benefit for 6mo

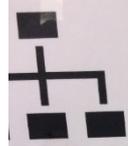


1. Not needs-based
2. Independent function of municipalities



1. Methodology
2. Linking with basic social indicators (bases)
3. The threshold of absolute poverty

PORTUGAL



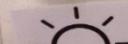
1. Social INTEGRATION INCOME (RSI)
 - CASH BENEFITS
 - PROGRAMME FOR INTEGRATION
2. SUPPLEMENT FOR ELDERLY (CSI)
3. FAMILY ALLOWANCE
4. Parenting BENEFITS
- ...



1. PEOPLE OR FAMILIES WHO ARE IN RISK OF SOCIAL EXCLUSION
 - THE FAMILIES INCOME AND composition USED TO CALCULATE THE AMOUNT TO BE PAID (2015 - 222.596 Euros)
2. ELDERLY PEOPLE IN RISK OF SOCIAL EXCLUSION (167.450 euros)



1. 217.90€ / families (~~222.596 Euros~~)
2. BASED IN NEEDS



SLOVENIA

NOT INSURANCE BASED (TAX FIN.)



CASH BENEFITS: *permanent not able to work*

1. FINANCIAL SOCIAL ASSISTANCE (M1) + EXTRAORDINARY FSA
2. INCOME SUPPORT
3. CHILD BENEFIT
4. STATE SCHOLARSHIP

CONDITIONS:

- PERMANENT RESIDENCY (CITIZENS AND FOREIGNERS)
- WITHOUT MEANS OF SUBSISTENCE *child and adults*
- MEANS-TESTED AT HOUSEHOLD LEVEL (WEIGHTS FOR HOUSEH. MEMBERS)
- REQUIREMENT TO WORK/BILLINGERS TO WORK (REG. UNEMPLOYED)
- DISCRETION OF CSW (CASE MANAGERS)

SUBSIDIES AND PAYMENTS:

- RENT SUBSIDY
- SUBSIDIES FOR PRESCHOOL CHILDREN
- SCHOOL MEALS
- HEALTH INSURANCE

NEEDS-BASED (HOUSEHOLD: INDIVID/FAMILY NEEDS) GRANTED PERIODIC (MONTHLY) PAYMENTS - FOR A PERIOD (PROLONGATION)

FSA: 1-3, 1-6, MAX. 1 YEAR, EXCEPTIONALLY PERMANENT **MM: 630**



PRIORITY ORDER OF CASH BENEFITS

1. CH BENEFIT
2. FSA
3. INCOME SUPPORT
4. STATE SCHOLARSHIP



- UNIFORM PROCEDURE (ENTRY POINT, PROCEDURE, IT SUPPORT (CONNECTION TO DATA BASE))
- CURRENT BHI: 392,75; INCL. INCOME SUPPORT 577,34
- ACTIVITY SUPPLEMENT / GO-BEH: 484

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