



Peer Review on “Access to social assistance and rights for homeless people”

Belgium, 3-4 October 2019

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DG Employment, Social Affairs and Inclusion



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1 Introduction

This paper has been prepared for the Peer Review on "Access to social assistance and rights for homeless people". It provides a comparative assessment of the policy example of the host country and the situation in Germany. For information on the Host country policy example, please refer to the Host country discussion paper.

The main aim of the Peer Review is to discuss different policies and approaches to facilitating access of homeless people to social assistance and rights. Thus, rather than focussing on support schemes for homeless people, the Peer Review draws attention to the importance of ensuring and facilitating the access of homeless people to general social security schemes.

This paper will proceed as follows. The second section will provide a very brief overview on the support given to homeless people in Germany, followed by a similarly brief overview on the four general social security schemes in Germany that are most relevant for the subject of the review. The third section will proceed to provide a comparative assessment of the access of homeless people to social security schemes in Germany and Belgium.

2 Situation in the peer country

In Germany, there are a variety of policies at different federal levels to tackle the problem of homelessness and to provide support to homeless people. Foremost, municipalities are obligated to resolve homelessness by providing temporary, humane shelter. The regulations of Book II and XII of the Social Code (SGB II and SGB XII) provide protection from the worst impacts of poverty to people in need. This includes covering costs for accommodation as well as preventive measures such as covering rent debts.¹ Moreover, on the basis of Book XII of the Social Code, support can be provided in difficult situations and for special needs, aiming at overcoming social difficulties. For homeless people, such support can include counselling and personal support, help with finding an apartment, measures for finding employment and for coping with daily life. This support is provided by public offices on the federal level of the *Länder*, often in co-operation with independent welfare services. In Germany, next to public authorities, approximately 1 400 social services and institutions provide support to homeless people (Bundesministerium für Arbeit und Soziales 2017: 484). These include support centres, day-rooms (in combination with street work), and shelters. Frequently, they support homeless people with filing applications for social benefits.

In this paper, the access of homeless people to the following four general social security schemes that are most relevant for the subject of the Peer Review will be analysed:

- *Arbeitsförderung und Arbeitslosengeld* (Employment promotion and unemployment benefits) are governed by Book III of the Social Code (SGB III), which is implemented by the *Bundesagentur für Arbeit* (Federal Employment Agency) and its local employment agencies. Employment promotion is directed at countering unemployment from the outset, reducing the duration of unemployment and helping to balance supply and demand on the training and labour market. The amount of unemployment benefits is based on the average pay on which statutory insurance contributions were levied in the last year before becoming eligible to claim. The entitlement period varies from six months to two years, depending on how long a person has been in employment subject to compulsory social insurance as well as on a person's age.

¹ Covering rent debts is a measure that can be carried out if certain criteria are met in the individual case.

- *Grundsicherung für Arbeitssuchende* (Basic income support for job-seekers) under Book II of the Social Code (SGB II) is a tax-funded system designed to provide people capable of earning with comprehensive, rapid assistance and support to help themselves. Individuals are given single-stop access to necessary advice, placement and integration services. Anyone who is unable to find work despite making a full effort to seek a job or who does not earn enough from their employment to live from, and is in need of assistance, has a legal entitlement to unemployment benefit II. The benefit is a basic income support and also grantable as an income supplement or top-up.
- *Sozialhilfe* (Social assistance), codified in Book XII of the Social Code (SGB XII), provides a last safety net to protect a person from poverty and social exclusion. It helps individuals who are unable and lack the resources to meet their own needs and - as it is a subordinate benefit - have insufficient or no entitlement under other insurance and welfare systems. It is provided when the retirement age is reached or when health limitations lead to reduced earning capacities. In addition to financial support, the system also includes advice, activation measures and other forms of support such as establishing contacts and accompaniment to social services (Section 11 of Book XII of the Social Code).
- In the *Gesetzliche Rentenversicherung* (Statutory pension insurance), all employees (with only a few exceptions) are compulsorily insured in statutory pension insurance. Pensions can be claimed after a minimum insurance period (a qualifying period, in general five years) and when certain personal and insurance requirements are met. Besides old-age pensions, the system also provides reduced earning capacity pensions and surviving dependants' pensions. In general, the pension amount mainly depends on the income from employment or self-employment on which insurance contribution are paid.

3 Assessment of the policy measure

In Germany, having an address (which is registered at municipal registers in which residence addresses can be declared) is not a prerequisite for claiming social rights and applying to benefits and services provided by the different social security schemes. In practice, however, the lack of an address leads to challenges regarding availability and communication, as well as regarding payments and changes of responsibility of local authorities in cases of changing whereabouts of a person.

In Belgium, in comparison, most social rights seem to be linked to the registration in the population registers. It is possible for a homeless person to be registered at a reference address with Public Centres for Social Welfare (PCSWs). The idea of a reference address is not known in Germany.

Availability and communication

In Germany, in order to receive unemployment benefit (Book III of the Social Code), unemployment benefit II (Book II of the Social Code) or Social Assistance (Book XII of the Social Code), it is not necessary to have an address that is registered at the municipal registers in which residence addresses can be declared (*Meldeadresse*).

However, the main difficulty for receiving unemployment benefit or unemployment benefit II is that a person needs to be available and reachable (*verfügbar*) for employment promotion activities carried out by the local employment agencies. The administrative board of the Federal Employment Agency has passed the *Erreichbarkeitsanordnung* (decree on availability), according to which each unemployed person has to be available on each working day personally at his or her place of residence in order to check for mail. The aim of this provision is to be immediately available for measures aiming at employment promotion and integration into the labour market. A directive of the Federal Employment Agency has determined that a homeless person fulfils the criterion of being available when he or she can take

note of his or her mail personally on each working day via a care institution for homeless people. Both parties, the unemployed person and the care institution, have to sign a statement in which they confirm that this requirement will be fulfilled. In sum, with this procedure it is possible to establish a legally secure communication with the recipient of benefits, while at the same time disadvantages that would otherwise occur from the lack of a registered address can be avoided

In the pension system, for delivering mails such as notifications on the amount of a person's pension (*Rentenbescheid*), it is a necessary prerequisite that an address is provided. Yet, it is not necessary that this is an officially registered address (*Meldeadresse*); the only important criterion is that a person is available by mail with this address. Homeless people can, for example, name the address of a shelter, of a post office box or have their mail sent to a family member, a friend or - if applicable - to an authorised representative.

In sum, in contrast to the reference address in Belgium for which a homeless person is registered at a local PCSW, in Germany homeless people do not have officially registered addresses at a local authority or a care institution for homeless people. With the above-mentioned obligations, addresses at care institutions for homeless people - and in the pension system any address at which a person is available - can be used as communication channels.

Receiving payments and changing responsibilities

Payments of unemployment benefit II (SGB II) can be carried out in cash on a daily basis at the Jobcenter. The amount of unemployment benefit II is considered to provide the minimum financial means a person needs for making a living. While cash payments therefore ensure that homeless people receive this minimum income in theory, in practice with the procedure of daily payments it cannot be guaranteed that the whole monthly amount to which a person is entitled is paid in each individual case. For example, it might be difficult for a homeless person to come to the Jobcenter every day, and when the person does not come to the Jobcenter every day to claim benefits, payments are missed. Moreover, when a person changes his or her location, this leads to a change of the responsible public authority, since unemployment benefit II is a scheme which is governed on the level of municipalities. In practice, it is often not possible on short notice to investigate for which time periods payments have been made by other institutions.

Unemployment benefit (SGB III) is paid post hoc for each month. In order to avoid undue hardship, adequate payments on account can be made.

As municipal social welfare offices are responsible for *Sozialhilfe* (social assistance), no provisions exist on the federal level regarding the payment of cash benefits. For this scheme, no general information on the situation in Germany can be provided. It is known, however, to the Federal Ministry of Labour and Social Affairs that individual municipal social welfare offices carry out payments on a daily basis in cash, similar to the procedure in the unemployment benefit II system.

In the pension system, in general it is possible to carry out pension payments via a bank account or as payment orders (*Zahlung zur Verrechnung*), the latter meaning that a person can receive the payment in cash at a postal bank. Moreover, while in general payments are stopped if the personal details of an entitled person are not fully available, including the address, a procedure exists so that this does not apply to homeless people. In the database of the *Rentenservice* (pension service) it is indicated that a person is homeless, so that employees can redirect payments as payment orders.

In sum, in the four social security systems, there are different ways in place to provide payments to homeless people so that the lack of a registered address does not lead to a denial of benefits. However, in Germany challenges occur when the responsible public authorities change frequently as a consequence of changing whereabouts of a

homeless person. Moreover, when payments are made on a daily basis, it cannot be guaranteed that the full monthly amount to which a person is entitled is paid in each individual case. In Belgium, in comparison, access to benefits seems to depend on having a registered address - whether an address registered in the municipal registry, or a reference address at a PCSW.

Counselling to homeless people by public authorities

While unemployment benefit and unemployment benefit II are benefits for which a person - no matter if the person is homeless or not - has to apply for, no application is necessary to receive support which is provided on the basis of chapter three of Book XII of the Social Code. *Sozialämter* (municipal social welfare offices) are obliged to support and provide counsel to persons entitled to social assistance without an application for benefits.² Counselling encompasses the personal situation, needs as well as own resources and the possible strengthening of self-help for an active participation in society and for overcoming the situation of need. As support for homeless people provided according to Book XII of the Social Code is designed as a low-threshold offer, there is no duty of disclosing personal information.

In Belgium, when a homeless person comes to a PCSW to register for a reference address in order to receive benefits, the local staff can use this opportunity to provide general support and counselling. In Germany, counselling by municipal social welfare offices in most cases is not linked to the payment of benefits (with the exception of benefits according to Book XII of the Social Code).

Policy Practice: facilitating the access of homeless people to existing care institutions and programmes

In Germany, the Fund for European Aid to the Most Deprived (FEAD) is used to support the access of homeless people to existing care institutions and programmes. In practice, homeless people and people at risk of homelessness often do not make use of local support systems. The reason is that frequently, in addition to the housing situation, other problems exist. The objective of the projects funded by FEAD is to help homeless persons to get access to existing programmes, e.g. to counselling on debts, drugs, or medical problems, and assist them in making use of them as sustainably as possible.

The target group of the FEAD includes homeless people and people at risk of homelessness and disadvantaged newly arrived EU citizens. The FEAD aims to:

- achieve sustainable integration and social inclusion by building bridges to local and regional support systems;
- empower people who lack access to support and counselling services, including labour market services, by providing counselling and support (no financial or material support is provided by the programme to individuals);
- avoid the creation of new structures but rather strengthen existing ones and increase their effectivity. Funding is granted for additional staff (social workers);
- establish cooperation between public agencies and civil society (mandatory cooperation between municipalities and non-statutory welfare organisations or other non-profit organisations).

The fund was initially established for the 2014-2020 funding period. The first round of financing with 84 funded projects ended in December 2018; the second round started in January 2019 with 67 projects and will probably end in December 2020. The

² For other benefits entailed in Book XII of the social code, such as Grundsicherung im Alter und bei Erwerbsminderung (minimum needs-based provision in old age and in the event of reduced earning capacity), applications are necessary.

financial volume for the whole funding period amounts to approximately EUR 93 million. The EU funding rate of 85 % is topped up by the Federal Government by another 10 %, and project management organisations contribute another five per cent of the total cost.

In the first round of financing (2015-2018), 19 out of 84 projects aimed solely at supporting homeless people and people at risk of homelessness, reaching a total number of 21 520 persons. It was possible to give almost 85 % of these persons access to one or more local or regional offering for support. In the German operational programme, 21 450 homeless people or people at risk of homelessness are targeted to be reached until 2020.

In the second round of financing (2019-2020), 13 out of 67 projects aim at supporting solely homeless people and people who are at risk of homelessness.

Some projects, especially those working with people at risk of homelessness, were successfully established as permanent offers within the local municipalities.

4 Questions

- Does a homeless person in Belgium need a bank account in order to receive payments, or can benefits be paid in cash or with a cheque?
- Do programmes exist in Belgium that provide support and counselling to homeless people, aiming at facilitating access to social security schemes and social rights?
- To what extent could "housing first" policies be a solution to tackle the problems related to the reference address?

5 List of references

Bundesministerium für Arbeit und Soziales (ed.) (2017), *Der Fünfte Armuts- und Reichtumsbericht der Bundesregierung [The German Federal Government's 5th Report on Poverty and Wealth]*, Bonn/Germany: Bundesministerium für Arbeit und Soziales.

SGB II - Sozialgesetzbuch II: Zweites Buch Sozialgesetzbuch - Grundsicherung für Arbeitssuchende, as published on 13 May 2011, Bundesgesetzblatt I, p. 850 and p. 2094, last amended by article 5 of the law from 11 July 2019, Bundesgesetzblatt I, p. 1066.

SGB III - Sozialgesetzbuch III: Drittes Buch Sozialgesetzbuch - Arbeitsförderung, article 1 of the law from 24 March 1997, Bundesgesetzblatt I, p. 594f, last amended by article 2a of the law from 15 August 2019, Bundesgesetzblatt I, p. 1307.

SGB XII - Sozialgesetzbuch XII: Zwölftes Buch Sozialgesetzbuch - Sozialhilfe - from 27 October 2003, Bundesgesetzblatt I, p. 3022, last amended by article 4 of the law from 29 April 2019, Bundesgesetzblatt I, p. 530).

Annex 1 Summary table

The main points covered by the paper are summarised below.

Situation in the peer country

- In Germany, there are a variety of policies on different federal levels to tackle the problem of homelessness and to provide support to homeless people.
- Foremost, municipalities are obligated to resolve homelessness by providing temporary, humane shelter. The regulations of Book II and XII of the Social Code (SGB II and SGB XII) provide protection from the worst impacts of poverty to people in need. On the basis of Book XII of the Social Code, support can be provided in difficult situations and for special needs, aiming at overcoming social difficulties.
- Next to public authorities, approximately 1 400 social services and institutions provide support to homeless people.

Assessment of the policy measure

- In Germany, having an address is not a prerequisite for claiming social rights and applying to benefits and services provided by the different social security schemes.
- In Belgium, in comparison, most social rights seem to be linked to the registration in the population registers. It is possible for a homeless person to be registered at a reference address with Public Centres for Social Welfare (PCSWs). The idea of a reference address is not known in Germany.
- In Germany, when certain obligations are fulfilled, addresses at care institutions for homeless people can be used as communication channels in the *Arbeitsförderung* and *Grundsicherung für Arbeitssuchende* schemes (SGB II and SGB III). In the pension system, any address at which a person is available can be used.
- In the social security schemes analysed in this paper, there are different ways in place to provide payments to homeless people in Germany so that the lack of a registered address does not lead to a denial of benefits.
- In Germany, the Fund for European Aid to the Most Deprived (FEAD) is used to support the access of homeless people to existing care institutions and programmes.

Questions

- Does a homeless person in Belgium need a bank account in order to receive payments, or can benefits be paid in cash or with a cheque?
- Do programmes exist in Belgium that provide support and counselling to homeless people, aiming at facilitating access to social security schemes and social rights?
- To what extent could "housing first" policies be a solution to tackle the problems related to the reference address?



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