

ADEQUATE MINIMUM INCOME ENSURING ACTIVE INCLUSION



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#EUMinimumIncome #SocialRights

Minimum income schemes are means-tested safety nets of a last resort. This means that to receive minimum income, other sources of income or benefits of beneficiaries must be exhausted or not adequate. Minimum income aims to fill the gap to reach a certain level of income in households to ensure a life in dignity.

The Commission has proposed a Council Recommendation to ensure that minimum income schemes in Member States are adequate, inclusive and reach all people in need, and help incentivise those who can work back to the labour market.

Why is minimum income needed?

Robust social safety nets help people to **move out of poverty**, ensuring a **dignified life** for those who cannot work and encouraging those who can **back to a job**.

In economic downturns minimum income schemes can support a **sustainable and inclusive recovery**. Following Russia's invasion of Ukraine, increased energy prices and inflation are affecting many households. Solid social safety nets contribute to mitigate the risk of energy poverty.

More than
95 million
people in the EU were
at risk of poverty or
social exclusion
in 2021

The Recommendation aims to:



1 protect the most vulnerable by reducing the risk of poverty and social exclusion



2 provide incentives and support to reintegrate those who can work back in the labour market



3 contribute to reaching the EU's 2030 employment and poverty reduction targets



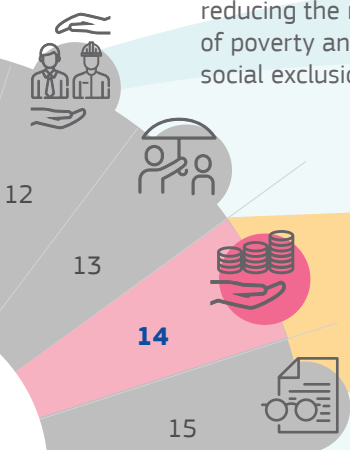
4 preserve the sustainability of public finances

Around
20%
of jobless people
at risk of poverty are
not eligible to receive
any income support

Non-take up
of minimum income
schemes are estimated at
30% - 50%
of the eligible
population.

European Pillar of Social Rights - Principle 14: *Minimum income:*

"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."





How will we achieve this?

The proposed Recommendation offers guidance for Member States to ensure that their minimum income schemes are effective by:

- ➔ improving the **adequacy, coverage and take-up** of income support for instance by:
 - ensuring an **adequate level of minimum income support** with a robust and transparent methodology;
 - reaching an adequate level of income support **latest by 2030**, while safeguarding the sustainability of public finances;
 - putting in place **transparent and non-discriminatory eligibility criteria** to allow all people in need, and especially young adults and women, to access minimum income support;
 - issuing **within 30 days of its submission** a reply on a minimum income application; and
 - ensuring access to **user-friendly information** on minimum income support, while **proactively reaching out to people without sufficient resources** to encourage take-up.
- ➔ improving access to **inclusive labour markets** for those who can work for instance by:
 - providing **sufficient incentives and support for people to (re)enter the labour market**, with training and education to update skills, coaching and mentoring amongst others.
 - facilitating the transition to employment through **offering measures to employers**, such as recruitment incentives.
- ➔ improving access to **enabling and essential services** through:
 - **effective access to quality enabling services**, such as healthcare, childcare, training and education.
 - **social inclusion services** like counselling and coaching should be available to those in need; and
 - beneficiaries should have **continuous effective access to essential services**, such as energy and transport.
- ➔ promoting **individualised support** for instance by:
 - assessing the **individual needs of persons** and providing **tailored support packages no later than three months** from accessing minimum income.



- ➔ increasing the **effectiveness of the governance** of social safety nets at EU, national, regional and local level, as well as monitoring and reporting mechanisms for instance by:
 - **avoiding gaps, overlaps and fragmentation** of various benefits to provide for a coherent package of income support, activation measures and enabling services;
 - **strengthening the operational capacity** of authorities in charge of income support; and
 - **continuously monitoring the implementation** of income support policies.

EU funding is available to support Member States improve their systems.

Member States must use at least
25%
of their European Social Fund Plus allocations to combat social exclusion