

# THE 2022 MINIMUM INCOME REPORT

JOINT REPORT PREPARED BY THE SOCIAL PROTECTION COMMITTEE  
(SPC) AND THE EUROPEAN COMMISSION (DG EMPL)

Volume II - Country Profiles



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## **The 2022 Minimum Income Report**

### **Country Profiles**

*Volume II*

*Joint Report prepared by the Social Protection Committee (SPC)  
and the European Commission (DG EMPL)*

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# BELGIUM

## 1. Description of the national scheme

The minimum income benefit in Belgium, called integration income (*revenu d'intégration / leefloon*) is established by law and forms part of the right to social integration (*droit à l'intégration sociale / recht op maatschappelijke integratie*). It is a means-tested scheme of income support of last resort. The benefit is established at federal level but granted locally by the public centre for social work (PCSW) (*Centre public d'action sociale – CPAS / Openbaar Centrum voor Maatschappelijk Welzijn – OCMW*).

### **Eligibility - coverage**

The benefit recipient rate reaches 88% and while slightly decreased over the past decade, it remained higher than the EU average (78% in 2019).

Eligibility conditions relate to age, nationality, residence, lack of financial resources, willingness to work and having exhausted rights to other benefits. Conditionality rules, and the sanctions and exclusions attached to the right to social integration, are strictly regulated by law.

A minimum age of 18 applies and there is no age limit for a minor emancipated by marriage or who is pregnant or looking after children. It is also required to have Belgian nationality, or be either a European citizen, a foreigner listed in the national register, a recognised refugee, or stateless, in combination with being resident in Belgium (at least 3 months).

The income test includes all resources, earnings and annual net income available to the claimant of whatever nature or origin, including all allowances provided under Belgian or foreign social legislation, unless there is a regulatory exception<sup>1</sup>.

Property and other assets are also taken into account, for calculating the amount of the benefit. Real estate income is taken into account when the applicant is the owner or beneficial owner of the property. Mortgage interest is deducted when calculating property income (provided that the mortgage debt was contracted for the claimant's own needs, the claimant proves the destination of the capital loaned and the claimant proves that the mortgage interest was due and has actually been paid for the year preceding that in which the decision was made).

The means test is assessed by a PCSW social worker, with an obligation of confidentiality towards the claimant. Claimants have the right to be consulted prior to the decision. The decision must be taken within 30 days following the claim. The right is acknowledged from the date of the claim and the first payment must take place within 15 days following the decision. The appeal system is clearly defined, made to the labour court of the claimants' place of residence. There is no specific limit on the duration of the benefit and the right to social integration is reassessed at least every year.

There has been an increase in the number of beneficiaries over recent years, in particular during the COVID crisis with an increased by 7.8% in 2020 compared with an average increase of 3.4% over the previous decade.<sup>2</sup> The median duration of benefit receipt<sup>3</sup> increased from around six months in 2000 to 11 months in 2018.

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<sup>1</sup> Exemptions apply to social assistance provided by PCSWs, family benefits and scholarships, alimony or advances on maintenance payments, regional bonuses and allowances (subsidies in case of relocation or for installation, rent allowance), refundable tax credits, care budgets for people with disabilities, elderly people requiring care, or severely dependent people, compensation for acting as a volunteer, monthly allowances paid as part of the transition periods for unemployment, or productivity bonus in the event of training (maximum six months) and non-regular donations from any institution or people not subject to a maintenance obligation.

<sup>2</sup> [monitoring\\_covid\\_20211020\\_nl.pdf \(belgium.be\)](#)

### ***Adequacy of benefits***

The amounts of the integration income are set out in the legislation and linked to the consumer price index and automatically adjusted to cover the rise in the cost of living. The benefit covers the difference between claimants' income and the level of the guaranteed income support. The gross monthly amounts (not subject to taxation) is €729,20 for a co-habiting person, €1.093,80 for a single person and €1.478,22 for a person living together with a dependent family. The dependent family rate is granted when there is at least one (minor) child in the household. Each spouse is paid half in their own right (for couples without children, there is no individual right to integration income).

These amounts may be combined with family benefits and tax credits received for children, with some income from labour and with housing, heating allowances and other social assistance benefits provided by PCSWs. Beneficiaries are eligible to mandatory sickness insurance free of charge and increased reimbursement of healthcare costs. Social tariff for energy, water, phone and internet subscription, public transport, reduced prices for holidays and trips are available, though mostly not granted automatically.

An automatic readjustment of 2% of the allowance is made when the consumer price index varies by 2% compared to the previous index. Social benefits (including integration income) also increase through the mechanism of the 'welfare envelope' that was established by law (2005) with the objective of increasing the level of benefits by more than the index, and thus progressively lifting beneficiaries above the poverty threshold. Some PSWC's use the reference budget tool as a tool for accompanying beneficiaries in their social activation and to provide guidance on the take up of social rights.

In 2019, the adequacy of the minimum income benefits (73% of the poverty threshold and 53% of the income of a low wage earner for a single household) was well above the EU average, and it remained stable over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Claimants must demonstrate their willingness to work, unless it is not possible for instance for health reasons. Although the legal framework allows for a strict interpretation, the concept of willingness to work refers to a situation that is different from that relative to unemployment benefit, and which entails less stringent job-search requirements. Since 2016, the individual social integration plan has become the main tool to assess the needs and capacities of beneficiaries. The aim of the plan is to support the employment and social integration of beneficiaries, but also to hold them to account for their own efforts towards integration. The plan is compulsory (unless there are for instance health or other justified reasons) for people under 25. In 2020, around half of beneficiaries had a plan concluded (47% of the total), similarly to previous years since the reform.

In case of breaches to the integration plan without valid reason, the benefit can be wholly or partially suspended for one month and after formal notice (three months in cases of a second time within one year). Sanctions are rare as 3% of beneficiaries are subject to some temporary suspension (one month).

The regional PES offer several services for the reintegration of people who are very remote from the labour market, including beneficiaries of the integration income (e.g. intensive mediation, on-the-job training, activating care, temporary work experience, and community work). The services and measures available do not make a distinction based on income but on assessment of needs. For beneficiaries who were referred to the PES, in most cases no specific data on participation of integration income beneficiaries in active labour market policies (ALMPs) are collected. However, an evaluation (Albertijn et al., 2021) has shown that in 60% of cases there is a positive outcome associated to the integration plans, but that success depends on the objectives that are agreed in

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<sup>3</sup> in months of benefit receipt between two periods of interruption of benefit receipt of at least three months

the plans. There is a great variety in the way plans are implemented by PCSWs and practices differ considerably.

Access to good-quality services is mostly provided through the right to social assistance. This encompasses a wide variety of services including additional financial support, medical assistance, energy assistance, debt mediation, and housing facilities, based on the needs assessment under the integration plans.

### **Governance**

The integration income benefit is established at federal level and granted locally by the PCSW. The integration income scheme relies on shared funding by the federal state and PCSWs (and the municipalities in the case of deficits). PCSWs (one PCSW per municipality) are responsible for the effective delivery of social integration income to claimants. Services such as additional financial support, food aid, psychological support, debt mediation and medical help are also delivered at municipality level by PCSWs. They are also in charge of referral of integration income recipients to other social services provided by local organisations and to labour market services (mainly organised by the PES). The considerable autonomy and discretionary power of PCSWs, both in the delivery of integration income as well as in providing socio-professional and social integration services, makes arrangements flexible to the social conditions and the needs of the beneficiaries. Co-operation agreements exist between regional PES and PCSWs, but these only provide very general guidelines for co-operation.

Statistical data, especially on the right to social integration, benefits, integration plans, additional financial support or exemptions, are collected at the level of the FPSSI and regularly published. Additional qualitative evaluations of policy measures initiated by the FPSSI, such as evaluations of the use of integration plans, social activation through projects, funded by the FPSSI are also available.

### **Reform objectives and trends**

During the COVID-19 crisis, from 1 July 2020 until 30 September 2021, an extra monthly benefit of €50 was granted to all beneficiaries of the integration income, the guaranteed income for older people, and the income-replacing benefit for people with disabilities. Between 1 October and 31 December 2021 this extra benefit was reduced to €25.

Although the level of the benefits is not based on the AROP threshold (60% of equivalised median income), the adequacy of the integration income is mostly assessed against it. The federal government included in the federal government agreement of September 2020<sup>4</sup> the objective of bringing the integration income level closer to the AROP threshold. In November 2020, the federal government decided to increase some social benefits<sup>5</sup>, including the integration income, by 10.75%, on top of the index, over a period of four years (2021-2024)<sup>6</sup>.

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<sup>4</sup> [Regeerakkoord 2020.pdf \(belgium.be\)](#)

<sup>5</sup> Social minima: minimum benefits in social assistance (guaranteed income for older people, income-replacement allowance for people with disabilities, integration income), minimum benefits in income-replacing branches of social security (unemployment, pensions, invalidity).

<sup>6</sup> Chamber of Representatives, Policy Declaration by the Minister for Social Affairs (in Dutch and French), DOC 55 1610/003, 2 November 2020.



## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Belgium performs in all selected indicators better or much better than the EU average, except for MSD rate for jobless households, which also shows some deterioration in a long-term changes. Poverty gaps are significantly below the EU average, and decrease is observed in both population categories.

As for the performance indicators, the impact of social transfers on poverty is much higher than the EU average but it has slightly declined since 2010. The indicators assessing access to services (gap indicators) show significantly higher gaps in both cases, while with positive changes.

		BE (SILC 2020)	EU27 (SILC 2020)	BE (short term change)	BE (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	18.0	27.7	-3.4	-3.1
	Poverty gap for QJH (18-64) in %	20.6	37.3	-4.2	-2.2
	MSD rate total (18-64) in %	11.9	12.7	0.3	-0.5
	MSD rate for QJH (18-64) in %	49.6	43.8	-0.7	2.3
	AROP rate for QJH (18-64) in %	57.3	61.6	-10.5	1.6
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	51.4	35.6	10.8	-1.5
	Benefit recipient rate for AROP & QJH (18-64) in %	87.6	78.5	-0.2	-1.5
	Gap in self-reported unmet needs for medical examination in %	7.9	3.4	-5.0	-4.2
	Gap in housing cost overburden rate in %	44.9	34.7	1.7	-1.0
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	73%	60%	-3%	0%
	As a share of the income of a low wage earner in %	53%	46%	-2%	-2%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# BULGARIA

## 1. Description of national scheme

Monthly social assistance allowances (*Месечни социални помощи*) are granted to people who have exhausted all possibilities for self-support and subsistence under Article 140 of the Family Act and whose income for the preceding month is lower than the determined differentiated minimum income (DMI). The entitlement is based on a household means test (family or person).

### **Eligibility - coverage**

The benefit recipient rate reaches 76% in 2019, close to the EU average (78%) and has slightly declined over recent years.

No age limit applies (beyond retirement age age impacts on the level of the benefit, enabling to provide differentiated support for individuals living alone in various age categories). Residence test applies, equally to Bulgarian citizens and foreign nationals (including those receiving asylum, refugee or humanitarian status, or granted temporary protection, or are covered by an international treaty) who have a long term (5 years) or permanent residence permit in the Republic of Bulgaria. Residence is also taken into account in the means test, for example whether claimants live alone or in a household, whether they own any real estate, etc.

The monthly social assistance allowance is means-tested. Some other benefits (such as family benefits) are explicitly excluded from the income considered when assessing entitlement to monthly social assistance.

Income from all sources is taken into account when determining the entitlement to benefits (including labour, activity in agriculture, forest and water farms, sale of chattel or real estate, sale of stocks/shares/trade, rent, copyright and licences, dividends and income from shareholding, bonuses and awards, indemnifications and benefits, pensions, scholarships, benefits for children, alimony). The claimant should not possess movable property that can be a source of income, except for the assets serving the usual needs of the family (agricultural land, small agricultural equipment, household goods, handicraft tools and farm animals, where the resulting income serves to meet the daily living needs of individuals and families). Company ownership and shares, civil law claims, bank accounts and securities over BGN 500 (EUR 256) per family member (including children) are excluded from the means test. Combined earned income is possible provided the person still meets the conditions for entitlement. Some earned income (cultivation of land, participation in programmes for the promotion of employment, etc.) is explicitly excluded from the income taken into account when assessing entitlement.

The evaluation of needs is done by qualified social workers employed by the regional offices of the Social Assistance Agency. Claimants must submit an application, then, within 20 days, a social worker carries out a social evaluation. The evaluation takes into account all declared and other economic, social, family and health circumstances related to applicant's ability to provide themselves with the necessary subsistence means (personal and residency details for the whole household, family composition, health status, children's school attendance, information on incomes and assets, with a declaration that the applicant is aware of the consequences of providing incorrect information). Decision over the grant is provided within seven days. The applicant has the right to appeal the decision at the regional office of the Social Assistance Agency and the relevant administrative court.

Beneficiaries have to declare all changes in their incomes, property, family status, health condition, professional and educational activity, etc., no later than one month after such changes. Failure to do so results in a one-year suspension of their benefits.

### ***Adequacy of benefits***

The monthly social assistance allowances are granted on the basis of the DMI, which is determined by multiplying the individual rate for each person or household by the GMI. The GMI is currently BGN 75 (EUR 38), while individual rates vary depending on age, marital status, health and property status. In the most common cases, the rate for each person vary from 73%, for a person of working age living with other people, to 182%, for a person aged 75+ living alone since 1 of January 2022.

The monthly social assistance allowances can be combined with other benefits, such as other social assistance benefits, non-contributory benefits for people with disabilities, birth grants, death grant. Additional healthcare, housing and one-off cash supplements are also available, like meeting incidental health, educational needs, utility needs and other vital needs of individuals and households (once a year), monthly targeted assistance for parents with children aged up to 14 years in cases of declared state of emergency or an emergency epidemic situation, , targeted benefits for diagnosis and medical treatment.

In 2019, the adequacy of the minimum income benefits (21% of the poverty threshold and 17% of the income of a low wage earner for a single household) was significantly below the EU average and has slightly declined over recent years (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

The activation requirement applies to individuals deemed 'fit for work', which is related to the established working age in Bulgaria. Recipients of monthly social assistance allowances who are within the working age group cannot decline mandatory work envisaged in the benefit scheme.

An unemployed person must have been registered with the PES for at least six consecutive months before submitting their claim. Within that time, they must not have rejected any jobs or training (literacy, professional qualifications, key competencies) or participation in ALMP programmes. Some categories are exempted, such as parents caring for a child under the age of three, person with disabilities and permanently reduced working capacity of at least 50%, or with psychiatric illness, persons caring for a sick member of the family, students in full-time education, pregnant women after the third month of pregnancy.

Since 2002, unemployed people who are eligible for monthly allowances have to join employment programmes. In 2010, the Social Assistance Act added employment and training to the eligibility requirements in order to ensure the inclusion of children from poor families in the education system. Beneficiaries are activated through inclusion in employment programmes or the organisation of mandatory work under municipal programmes for community service (e.g. provision of social services, environmental programs, programmes for improvement and sanitation of settlements, other programmes for public benefit activities). Sanctions and penalties for non-compliance with this requirement include termination of the support.

Combination of benefits and employment, or potential tapering of benefits is not possible. In principle, the Social Services Act sets out 10 main types of social services<sup>7</sup> that are available to all residents in Bulgaria since 2020, but there is no regulation focusing solely on recipients of monthly social assistance allowances.

The Social Services Act states that cooperation at municipal level is organised between the municipalities in the district, the district administration, the territorial branches of various relevant ministries and other state bodies, private providers of social services, non-profit legal entities for public benefit, social services users and universities . According to the Social Services Act at

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<sup>7</sup> Informing and counselling, advocacy and mediation, community work, therapy and rehabilitation, training for acquiring skills, support for acquiring work skills, day care, residential care, providing shelter, assistant support.

municipal level social services councils are established in each municipality. The functions of the municipal social services councils are consultative and analytic. **Governance**

The Social Assistance Agency is the state body with the competence to administer and control MI monthly benefits. It is established at national level and has its own regional structures. Services are provided directly to MI recipients at regional level by the Social Assistance Directorates, specifically their Social Protection Departments. Cooperation among various bodies are established by regulation, however no information on the actual implementation is available.

Monitoring and reporting system for social security, social assistance and social transfers is quite fragmented. Data are reported due to statutory legal requirements requiring to build, administer and maintain an integrated information system on the implementation of programmes and activities in the field of social assistance, social services and child protection. Only a limited amount of information is made publicly available.

#### ***Reform objectives and trends***

According to the Social Assistance Agency, currently an average of 63 000 people receive monthly social allowances, in approximately 23 000 households. The budget for 2022 aims to increase the average monthly number of households covered under the programme to 34 800 in 2022, covering some 76 000 people, or just over 1% of the Bulgarian population, by the increase of the rates determining the DMI (2022, by a coefficient of 1.1; for 2023, by 1.365; for 2024, by 1.224, implying an overall increase of 84% in the DMI by 2024).

No changes were introduced to the scheme since the outbreak of the COVID-19 pandemic

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, the levels of indicators in Bulgaria is significantly weaker than the EU average and shows an improvement only for material deprivation. The rate and the poverty gap of quasi jobless households are significantly above the EU average and did not decline over the last decade.

As for the performance indicators, the impact of social transfers on poverty in Bulgaria is significantly lower than the EU average and declined since 2010. The indicators assessing access to services (gap indicators) are higher than the average though showing a tendency to decline over the last decade.

**Table – Common indicators from the minimum income benchmarking framework**

	BG (SILC 2020)	EU27 (SILC 2020)	BG (short term change)	BG (long term change)
<b>Outcome indicators</b>				
Poverty gap total (18-64) in %	31.6	27.7	-0.1	2.0
Poverty gap for QJH (18-64) in %	57.8	37.3	9.0	5.4
MSD rate total (18-64) in %	29.3	12.7	-1.4	-18.2
MSD rate for QJH (18-64) in %	83.0	43.8	1.5	-6.2
AROP rate for QJH (18-64) in %	75.9	61.6	2.0	0.3
<b>Performance indicators</b>				
Impact of social transfers on poverty reduction (18-64) in %	24.9	35.6	-5.6	-4.0
Benefit recipient rate for AROP & QJH (18-64) in %	76.5	78.5	-6.0	3.3
Gap in self-reported unmet needs for medical examination in %	6.0	3.4	-2.6	-9.3
Gap in housing cost overburden rate in %	41.7	34.7	-1.6	2.8
<b>Adequacy indicators</b>				
As a share of the poverty threshold in %	21%	60%	-2%	-4%
As a share of the income of a low wage earner in %	17%	46%	-1%	-12%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# CZECH REPUBLIC

## 1. Description of national scheme

Minimum income protection is provided under the Act on Assistance in Material Need and the Act on the Living and Existence/Subsistence since 1991. The minimum income scheme (MIS) in the Czech Republic includes three benefits: the allowance for living (AfL) is a recurrent benefit provided to individuals or households whose income is insufficient to ensure basic needs; the supplement for housing (SfH) is a recurrent benefit provided to individuals or households whose income is insufficient to cover justified housing costs ; and extraordinary immediate assistance (EIA) is a one-off benefit provided to people in precarious situations. The two recurrent benefits are paid separately, however, in reality the two benefits are complementary as a part of the overall MIS.

### ***Eligibility - coverage***

The benefit recipient rate reaches 91% in 2019, higher than the EU average (78% in 2019) and has been stable over the past decade.

Age is not an eligibility criterion. People entitled to the AfL and SfH include permanent residents, people who have been granted asylum and supplementary protection, EU migrant workers and their family members, EU long-term residents, and EU citizens after three months of residence in the Czech Republic. EIA can also be granted to foreign nationals who stay in the Czech Republic legally and, in situations of a serious threat to health, even to people staying in the Czech Republic illegally. In principle, no category of person is excluded from the scheme by residence eligibility criteria, although some additional administrative procedures may be necessary for some applicants (for example, homeless people need to register their domicile address with the municipality).

Income for the purpose of the means test is defined in net terms (i.e. after deduction of taxes and social contributions). Relevant income is defined uniformly for the AfL and SfH. For the initial claim (first application), income is calculated over the three months preceding the month in which the application is submitted. For reviews of eligibility, income is calculated over the previous calendar month. This includes income from gainful activity, after tax and social contributions, social security benefits, including unemployment benefits, any other regular income (e.g. rent), revenue from capital, any random income (e.g. sale of products, properties and claims) and alimony.

Categories of income excluded from the assessment of resources are: 30% of income from employment, production of goods for own use, and 20% of old-age, disability and survivors' pensions, sickness insurance benefits, unemployment and requalification benefit, 100% of care allowance, allowance for mobility, and grant for special aid to people with disabilities and some other specific kinds of income and compensation.

Means-related conditions relating to properties and assets are based on a list of excluded items (these items are assessed individually): real properties used for housing (standard houses, flats) and for gainful activity and the following movable assets – standard housing equipment, machinery and devices needed for gainful activity (including cars), cars used for transport of children and people with disabilities, medical aids for people with disabilities, and contract savings under private pension insurance.

Entitlement is assessed every month and claimants are obliged to report any change in their circumstances within eight days.

On average, there were 61,361 households each month in 2020, with 140,649 members, receiving the AfL; 32,681 households, with 71,976 members, receiving the SfH; and 25,814 households receiving EIA. These numbers represented 1.4%, 0.7% and 0.6% of all households in the country, respectively.

### ***Adequacy of benefits***

Although the AfL and SfH are paid independently, they are very closely linked. The AfL defines the household amount for living. The SfH defines justified housing expenses, which depend on actual housing costs and on locally customary housing costs and on household size.

The AfL amount varies according to household composition. A specified individual amount is allocated for each individual in the household. The monthly amounts: single person – CZK 3,860 (€147); first person in a household – CZK 3,550 (€135); and second and other people who are not a dependent child – CZK 3,200 (€122). For dependent children they are: under age 6 – CZK 1,970 (€75); ages 6-15 – CZK 2,420 (€92); and ages 15-26 – CZK 2,770 (€106). The monthly amount of the existence/subsistence minimum is CZK 2,490 (€95).<sup>8</sup> The amount of the SfH depends on the real costs of housing differentiated according to the regional/local housing costs. It is calculated in such a manner that after paying justified expenses connected with housing (i.e. rent, utilities and energy bills), individuals or households are left with a given amount for living. The eligibility and amount of the benefit are reviewed monthly.

There is no guarantee of timely indexation (updating) of the living minimum threshold. The date of indexation is a discretionary decision by the government – the government may decide to index from 1<sup>st</sup> January if the the consumer price index increased by at least 5% since the last increase.

Recipients have to claim all the other social security benefits they may be entitled to before they claim MIS benefits. These include contributory benefits (pension, sickness benefit, maternity benefit, and unemployment benefit) and non-contributory benefits (including parental benefit, child benefit, birth grant, housing benefit, advance on maintenance payment, foster care benefits and benefits for people with disabilities). These benefits are included in income test, except some specific benefits for claimants with disabilities.

Healthcare is free of charge for all those insured, and MIS beneficiaries' healthcare insurance contributions are covered by the state, but beneficiaries are not exempted from out-of-pocket payments, applicable only to medicines and medical devices.

There are no specific in-kind benefits or benefits to pay for electricity/heating or transportation costs beyond the SfH, which is to cover for „rentals, payments for the use of cooperative dwellings, water supply and sewage collection, all kinds of energy (gas, electricity, heat) and solid fuels“.. Childcare fees in public kindergartens may be reduced or waived for MIS recipients by a decision of the director of the facility concerned.

In 2019, the adequacy of the minimum income benefits (55% of the poverty threshold and 44% of the income of a low wage earner for a single household) was slightly below the EU average and has declined over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Availability to work is a condition for people to be eligible for MIS benefits. Unemployed recipients must register with the labour office as job-seekers, actively look for a job, accept any (even short-term or poorly paid) employment, and participate in active employment policy programmes if offered. Refusal leads to exclusion from the register of job-seekers, and often from the system, for six months. All unemployed people, including social assistance recipients, are required to sign an individual action plan (IAP) after five months of unemployment. Failure to fulfil IAP obligations also leads to exclusion from the register of job-seekers. Only those recipients who take part in a public

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<sup>8</sup> As of April 1, 2022 the living and existence/subsistence minimum amounts have been increased. The monthly amounts: single person – CZK 4,250 (€...); first person in a household – CZK 3,910 (€...); and second and other people who are not a dependent child – CZK 3,530 (€...). For dependent children they are: under age 6 – CZK 2,170 (€...); ages 6-15 – CZK 2,670 (€...); and ages 15-26 – CZK 3,530 (€...). The monthly amount of the existence/subsistence minimum is CZK 2,740 (€...)

service programme for at least 20 hours per month may have their benefits topped up to the living minimum level. If they work for more than 30 hours per month, they can get a bonus of half the difference between the living and the existence minima, which increases their AfL benefits above the level of the living minimum.<sup>9</sup> In addition, people who receive benefits for less than six months, and who work or actively seek a job, get a bonus of 40% of the difference between the living and the existence minima. Data show that limited number of AfL beneficiaries - less than 1% receive an increased allowance due to participation in public service (for more than 30 hours per month).

Provision of service delivery to MIS recipients is integrated only to some extent. Employment and activation services, as well as MIS benefits, are provided centrally by the Labour Office of the Czech Republic and its regional units and local contact points. There is some degree of integration between employment services and MIS benefits provision. Labour offices also offer basic social work support to MIS recipients, and municipalities provide social work support to MIS recipients in parallel. There are some services provided by municipalities under the Act on Social Services, of which MIS recipients may be expected to be likely users and target beneficiaries. These include: counselling/social work; emergency assistance; emergency shelters and asylum houses; and halfway houses. There are no regular evaluations of the MIS with respect to take-up and effectiveness.

### ***Governance***

The MIS is managed centrally by the Labour Office of the Czech Republic. The legislation is adopted at national level, and regulation of the MIS, as well as methodological guidance, are also centralised under the responsibility of the Ministry. The benefits are funded from general taxation channelled through the central (government) budget and managed by a special body of the ministry, who oversees delivery of the benefits and administers an information system.

There are more than 200 local contact points of the Labour Office which deliver MIS benefits and do social work with the recipients. Local labour offices also provide unemployment benefits, public employment services and ALMP measures to MIS recipients.

Social services are provided by municipalities, which also carry out social work with MIS recipients and may refer them to other social services, potentially also provided by NGOs. Municipalities develop community social services plans.

The provision of MIS benefits is monitored monthly and summary statistics on numbers of recipients and expenditure, including a breakdown by MIS benefit type, are provided by the ministry. No other indicators are monitored. Data is collected to provide information on the recipients and dependent people, their incomes, and other information needed for granting decisions. However, these informations are not made public. No regular evaluations of the MIS with respect to take-up and effectiveness but studies are conducted.

### ***Reform objectives and trends***

During the pandemic the administrative procedure was simplified and some eligibility conditions were relaxed only with respect to EIA: a reduction rate of 50% was applied to household' income when determining eligibility. Also, financial assets up to a limit of twice the living minimum for a single-person household and twice the monthly housing costs were temporarily exempted from the means test. The other movable and immovable assets were not subject to means-testing.

Assessment of the minimum living level and the related consumer basket is a concern of the authorities and studies on this topic are conducted repeatedly. A long-term project to evaluate the content and construction of the living and existence minimum is in progress (planned end in 2022).

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<sup>9</sup> The programme Public Service is a work-for-welfare programme where social assistance recipients do not get salaries/wages (in contrast to the Public Works Programme, which is one of the instruments of active labour market policy). The participants in Public Service typically perform simple unskilled jobs such as cleaning of public spaces (streets, parks, railway stations). In order to get the AfL benefit at the level of the living minimum they have to work for at least 20 hours per month in this programme.



## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, the Czech Republic performs in all selected indicators better than the EU average and shows some improvement over the last decade. While MSD rate is still above the EU average, improvements can be observed in both population categories.

As for the performance indicators, the impact of social transfers on poverty is higher than the EU average but this impact has declined since 2010. The indicators assessing access to services (gap indicators) show a mixed picture, better than the EU average for healthcare and higher than EU average for housing.

**Table – Common indicators from the minimum income benchmarking framework**

		<b>CZ (SILC 2020)</b>	<b>EU27 (SILC 2020)</b>	<b>CZ (short term change)</b>	<b>CZ (long term change)</b>
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	16.8	27.7	-0.3	-5.4
	Poverty gap for QJH (18-64) in %	31.7	37.3	5.3	4.0
	MSD rate total (18-64) in %	4.7	12.7	-0.9	-5.1
	MSD rate for QJH (18-64) in %	38.9	43.8	-2.3	-16.5
	AROP rate for QJH (18-64) in %	52.6	61.6	-5.0	-9.0
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	48.2	35.6	2.8	-4.4
	Benefit recipient rate for AROP & QJH (18-64) in %	91.1	78.5	0.3	2.0
	Gap in self-reported unmet needs for medical examination in %	0.5	3.4	-0.3	-1.7
	Gap in housing cost overburden rate in %	47.8	34.7	-4.6	1.8
<b>Adequacy indicators*-</b>					
	As a share of the poverty threshold in %	55%	60%	-3%	-7%
	As a share of the income of a low wage earner in %	44%	46%	-3%	-5%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# DENMARK

## 1. Description of the national scheme

The Danish system of minimum income (MI) benefits is made up of social assistance, supplementary cash benefits, and extensive employment measures and social integration services. The social assistance scheme is the scheme of last resort for the working-age population. It consists of three benefits: social assistance, educational assistance, and the self-sufficiency and return benefit or transition benefit (*'integration benefit'*). These schemes distinguish between different categories of recipients, according to their age, education, employment record, health and pregnancy status, civil and family situation, etc.

### ***Eligibility – coverage***

The benefit recipient rate reaches 98% (suggesting close to full coverage), well above the EU average (78% in 2019) and has been fairly stable over the past decade.

The scheme is open to all persons lawfully resident in Denmark that are in need of support. A general condition for accessing social assistance is some change in the person's situation (social event or contingency) that entails that the person is in need of support. It can be unemployment, illness, end of partnership, end of education, imprisonment of partner or other events. The eligibility criteria include age, education, employment record, residence record, health status, pregnancy, housing, civil status, and family situation, as well as assessment of recipients' ability to study and work.

People who fulfil the general eligibility criteria and who are over 30 years of age, with a residence record in Denmark (or another EU/EEA country) and a work record have access to social assistance. The residence requirement stipulates a minimum period of 9 of the last 10 years, while the work requirement stipulates having been in regular employment for at least two-and-a-half of the past 10 years. Under-30s can access social assistance if they have a vocational education. People who fulfil the general eligibility criteria but who are under 30 years of age and without a vocational education are eligible for educational assistance. Asylum seekers are supported by the immigration service rather than social assistance schemes. Municipalities do not pay benefits in cash and banks require a permanent address as a prerequisite to open a bank account. Homeless people can therefore experience difficulties when trying to receive social assistance benefit.

The means test excludes certain types of income and assets, like compensation for the loss of earning capacity and permanent injury, lump sum payments up to EUR 20 166 from insurance against certain critical illnesses, healthcare and special assistance concerning children, children's income and income relating to children, except for grants for the care of their own children. In addition, savings of up to EUR 1 344 for a single person (double for a married couple) are not taken into account.

Income from work is deducted at 100%, except EUR 3.67 per working hour for 160 hours per month. Those working more than 160 hours per month are not eligible for social assistance.

The duration of payment is unlimited in theory, however, the entitlement is conditional on being available for work or education, or participation in activation offers and meetings at the job centre. Failure to meet these conditions results in sanctions and total/partial loss of benefit. Similarly, there is a work requirement of 225 hours of (ordinary) work in the preceding 12 months. Failure to meet this requirement may result in lower benefits or no benefit for one person in a married couple.

In 2020, 164.477 persons received benefits.

Denmark has undertaken little research on non-take-up. However, data on the income sources of the working-age population suggest that most people that need MI support seem to get it.

### ***Adequacy of benefits***

In general, age, education, residence record, employment record, health and pregnancy status, housing situation, civil status, and family situation are used to differentiate between different categories of recipients and benefit levels. For example, there are 26 different categories of young people below the age of 30 in the social assistance and educational assistance schemes that are associated with benefits at 16 different levels. The monthly benefits range from EUR 862 to EUR 4 091. A single person over 30 years of age, without children, is entitled to receive EUR 1 573 per month in social assistance, while a single person aged 30+ with child receives EUR 2 090 per month. A couple not in work, but with children, receives EUR 4 180 per month.

Supplementary benefits linked to receipt of MI benefits include special housing benefit, help in special situations, bonus for learning Danish, and the temporary child allowance. Supplementary benefits not linked to MI receipt include the child and youth allowance for all families, child allowances for all single-provider households, and the individual housing benefit for low-income groups.

Benefits are indexed annually with wages, albeit not fully. The gradual indexation implies that benefits are regulated with wages two years previously, minus 0.75% (in 2020-2023).

In 2019, the adequacy of the minimum income benefits (84% of the poverty threshold and 74% of the income of a low wage earner for a single household) was significantly higher than the EU average but has slightly eroded in the recent years (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Denmark has very extensive employment measures and social services. MI recipients have the right and obligation to participate in activation and other measures. Those who cannot work due to incapacity are expected to participate in rehabilitation programmes. Payment of social assistance is suspended if the beneficiary or their spouse refuses, without sufficient reason, to participate in an activation measure or repeatedly fails to report to a job opportunity under the activation. Sanctions include benefit withdrawal, increased availability criteria, temporary benefit withdrawal and fees.

In general, social assistance recipients continue to receive benefits when participating in ALMPs. Social assistance recipients are categorized according to their age and educational background. If a person has turned 30 years old, or if a person has a vocational qualifying education, the person can either be categorized as job-ready or activity-ready in the social assistance system. The 'job-ready' are those that are seen as being ready to take up an ordinary job within three months. They must actively search for work and take up job offers and activities directed towards work. The 'activity-ready' are those who are not able to take on an ordinary job that makes them capable of providing for themselves.

If a person is under the age of 30 and without vocational qualifying education, the person can be categorized as activity-ready, education ready or evidently education-ready (the categorisation differs between recipients older and younger than 30 years old). The 'activity-ready' are those with barriers of an academic, social or health character that demand extra support for a longer period than one year before they can start an education in ordinary conditions. They have to participate in meetings at the job centre, as well as activation offers (e.g. bridge-building to education). Activity-ready recipients have to accept offers of work adapted to their resources and needs, and participate in activation offers. The 'education-ready' covers those that are not seen as having any barriers to starting education, nor in need of help and support, and they have to be available for the labour market until they can start education or those seen as able to start their education within a year and to finish it on ordinary terms, with the right help and support. Social assistance recipients participate in a broad range of ALMPs and complimentary services.

If a person receiving social assistance finds work and starts earning income, that income is deducted from the social assistance payments (with a disregard of EUR 3.67 per hour).

MI recipients can be offered services beyond labour market activation. Integrated services are provided by the municipalities (e.g. with social and employment-related components, or health and employment components) and are particularly effective for social assistance recipients. Many municipalities use a version of the Adult Assessment Method 2.0, while others have developed their own frameworks for needs assessment. The assessment systematically covers challenges and resources (physical and mental functionality, social and health aspects), everyday life (relations, community life, communication, practical tasks, own care, mobility), and contextual factors. Again, the approach is at the discretion of each municipality. In addition to the universal healthcare system, childcare system and long-term care system that help work-life balance, there are several targeted local services (although these vary widely and are often at municipal discretion).

### **Governance**

Parliament decides on the legislative frameworks covering MI benefits and employment-oriented measures, as well as social and health services of a general and targeted nature. Social assistance is administered at local level by 98 municipalities. The local administration often has a section on payment of benefits, including MI benefits, and other sections dealing with employment-oriented measures, typically job centres, and social and health services.

The right of appeal is underpinned by a legal framework. Applicants who are not satisfied with the decision of a municipality in respect of their MI benefits must complain to the municipality within four weeks of receiving the decision. The municipality then reviews that decision within four weeks.

The stock and flow of social security recipients, including MI recipients, and employment-oriented measures is monitored by the Agency of the Labour Market and Employment. The agency has an online website providing monthly data<sup>10</sup>. Statistics are collected from many different sources, including municipalities and administration, Statistics Denmark, and other state authorities. Data are provided free of charge at the level of municipalities and job centres, allowing for comparisons across locations.

### **Reform objectives and trends**

The work requirement of a minimum 225 hours of ordinary work annually was suspended for four months in spring 2020 and for six months in the winter of 2020–2021. Claimants who did not fulfil the requirement during the first or the second wave of COVID-19 and thus risked reduced/withdrawn benefit gained an extra four/six months in which to fulfil the requirement. In practice, the changes meant that no social assistance claimants saw their benefits reduced due to insufficient work during the COVID-19 outbreak.

Due to the complexity of the Danish social assistance system (*kontanthjælpsystemet*), in December 2019, the government established a Commission on the Minimum Income Benefit System to analyse the challenges. In May 2021, the Commission made recommendations for a new minimum income benefit system. The Danish government has taken note of the Commission's recommendations and has in June 2022 made an agreement with the majority of the political parties on adjustments of the social assistance system.

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<sup>10</sup> [www.jobindsats.dk](http://www.jobindsats.dk)

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Denmark performs in all selected indicators better than the EU average and shows broad stability or improvements over the last decade.

As for the performance indicators, the impact of social transfers on poverty is much higher than the EU average, broadly stable since 2010. The indicators assessing access to services (gap indicators) show a mixed picture, better than the EU average for healthcare and higher than EU average for housing.

**Table – Common indicators from the minimum income benchmarking framework**

		DK (SILC 2020)	EU27 (SILC 2020)	DK (short term change)	DK (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	23.8	27.7	-2.3	-5.5
	Poverty gap for QJH (18-64) in %	21.1	37.3	0.9	-2.5
	MSD rate total (18-64) in %	7.6	12.7	-1.1	-1.2
	MSD rate for QJH (18-64) in %	29.8	43.8	-1.8	2.3
	AROP rate for QJH (18-64) in %	45.5	61.6	-6.7	2.0
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	52.9	35.6	5.2	-3.2
	Benefit recipient rate for AROP & QJH (18-64) in %	97.9	78.5	0.6	-2.1
	Gap in self-reported unmet needs for medical examination in %	4.0	3.4	1.8	2.3
	Gap in housing cost overburden rate in %	73.7	34.7	-5.1	-7.4
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	84%	60%	-1%	-2%
	As a share of the income of a low wage earner in %	74%	46%	-1%	-2%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# GERMANY

## 1. Description of the national scheme

The minimum income schemes in Germany consists of two main schemes for those of working-age, each targeted at different groups<sup>11</sup>. Both aim at guaranteeing a subsistence level of income that enables recipients to participate in normal social life and, at the same time, are designed in principle to help beneficiaries to mobilise their capacity and overcome the need for support. They are structured in the same way: there is an individual entitlement to social benefit for those in need or through social insurance benefits. At the same time, needs are assessed on a household basis. All of the MI benefits are not subject to taxation.

Basic income support for job-seekers is targeted at those of working-age (from 15 to statutory retirement age), who are capable of working, and their family members living in the same household.<sup>12</sup> Subsistence benefit is aimed at people below the statutory retirement age who are temporarily unable to work.<sup>13</sup>

### *Eligibility – coverage*

The benefit recipient rate reaches 85%, above the EU average (78% in 2019) and has been fairly stable over the past decade.

Both basic income support for jobseekers and subsistence benefits are needs-based and means-tested. In principle, receipt of subsistence benefit does not necessarily require a formal application, local social welfare offices acting on their own initiative when they become aware (e.g. through neighbours or social workers) of people in need. In the case of basic income support for job-seekers, claimants have to complete a detailed application form.

In principle, everyone who has a regular place of residence is entitled to basic income support for job-seekers (there is a specific scheme for asylum-seekers). Those who have been resident for less than three months and foreign citizens who are not employed, are however not eligible. For accessing the subsistence benefits, no age limit applies, but for the activation requirement under basic income for jobseekers, minimum age requirement is at place (15 years).

The legal requirements for means-testing are similar for both schemes but differ in detail. For both, almost all sources of income are taken into account but few sources are excluded.<sup>14</sup> Income is measured in net terms (i.e. after deducting taxes, social and pension contributions and work-related expenses). An earnings disregard is applied to income from employment, calculated in a progressive manner with a capping of €330 for the basic income of jobseekers and for subsistence benefit, an amount equal to 30% of earnings.

There are also a few asset disregards in the case of basic income support for jobseekers: an amount of at least €3,100 for each adult and each child under 18, an additional €750 per person for essential purchases, an owner-occupied house/flat (up to a certain value), private entitlements to old-age pension, other assets intended to provide for old age up to €750 per year, a car up to the value of €7,500, appropriate furnishings; and items essential for starting or continuing vocational training or gainful employment. Further assets may also be disregarded if it is obviously not worth to sell them, as well as in cases of hardship.

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<sup>11</sup> Two more categorical schemes are available (basic income support in old age and in the event of reduced earning capacity under Sections 41-46 of Social Code Book XII) and basic income support for asylum-seekers under the Asylum Seekers' Benefits Act) which are complementary to the two main schemes discussed here.

<sup>12</sup> under Social Code II

<sup>13</sup> under Social Code XII, temporarily 3 to max. 9 years

<sup>14</sup> In particular, basic pensions and pensions specifically under the Federal Compensation Act, compensation payments for non-material damage and nursing allowances.

For subsistence benefit, the assets disregarded include any public support (including those derived from publicly funded old-age provision), an appropriately-sized owner-occupied house (or other property for residential purposes up to 120 square metres), reasonable furnishings, objects essential for vocational training or gainful employment, objects that serve cultural needs and not a luxury and a small amount of cash.

For basic income support for job-seekers, there is an obligation to actively participate in the procedures prescribed, which is enforced by a set of sanctions. However, this sanction is limited to 30% of the standard rate of the benefit (it may not take place if it is considered to lead to exceptional hardship).

Studies<sup>15</sup> have indicated significant non-take-up of basic income for jobseekers<sup>16</sup>. For example, one study estimates a non-take up rate of 35% in general. The rate is higher for some groups, such people living alone without children (59%), and young people aged 15-24 (45%), while lower for single parents (30%). Empirical research<sup>17</sup> suggests that applicants with income just below the threshold may fail to claim small amounts of benefit. If the expected duration of benefit receipt is short, or claimants are employed or if they are home-owners, also seem to increase the probability of non-take-up..

Despite positive labour market developments, the number of recipients has not declined substantially over recent years. In 2018, the number of recipients of subsistence benefits was 121,511, it fell to 113,314 in 2019, and in 2020, it increased again to 119,860 due to the related reform. In the latter two years, just under 80% of recipients were aged 18-64 and the vast majority are living alone. The number of beneficiaries of basic income support for job-seekers fell from 5,795,000 in 2018 to 5,476,000 in 2019 and to 5,428,000 in 2020. In 2020, 56% were single-person households, 18% single-parent ones, 16% couples with children, and 9% couples without children. Some 3,889,000 beneficiaries were able to work and 1,539,000 not (mainly under age 15).

### ***Adequacy of benefits***

Basic income support for job-seekers and subsistence benefit include a standard benefit covering the current minimum subsistence for food, clothing, personal care, furnishings, electricity, healthcare, and everyday personal needs as well as fixed allowances to meet the additional requirements of certain groups (such as single parents), one-off payments to meet specific needs, benefits for education and social participation as well as a package of mainly non-cash benefits, coverage of adequate housing and heating costs and in the case of basic income support for jobseekers of social security contributions. This latter refers to health and long-term care insurance, which corresponding needs are also taken into account in the subsistence benefit, but as cash benefits. There are no other benefits which recipients of basic income support for job-seekers and subsistence benefit are entitled to.

The standard benefit amounts are in principle the same for both schemes and provide in 2022 €449 for a single person or single parent, €404 for cohabiting spouses, registered partners and other partners, €360 for a non-working employable adult under 25 living with their parents, €376 for young people aged 14-17, €311 for a child aged 6-13, €285 for a child aged 0-5. These amounts are statistically determined on the basis of the level and pattern of consumer expenditures in lower-income households. The assessment is made every 5 years, and in the intervening years, benefits are updated annually according to a combined price and wage index, with a weight of 70% attached to price changes and 30% to changes in the net statutory wages.

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<sup>15</sup> See recent study by Bruckmeier, Riphon and Wiemers (2019) be in line with a number of previous and later studies (see e.g. Beste and Trappmann, 2021; Koch, 2021).

<sup>16</sup> Such micro-simulation studies are based on various assumptions and are accompanied by a high degree of uncertainty. The results should be interpreted with caution. Unfortunately, no studies or findings are available on subsistence benefit.

<sup>17</sup> See Bruckmeier et al., 2013; Harnisch, 2019. A recent experiment shows that fear of stigmatisation still prevents many people from claiming the benefits to which they are entitled (Friedrichsen and Schmacker, 2019).

In addition to the standard benefits, there is a possibility to take into account of the actual costs of housing and heating, under the responsibility of the municipalities, having some discretion over what costs are covered.

In 2019, the adequacy of the minimum income benefits (73% of the poverty threshold and 59% of the income of a low wage earner for a single household) was higher than the EU average. (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

As the subsistence benefit is aimed at those who are temporarily unable to work, recipients are not expected to participate in active labour market measures. In the case of basic income support for job-seekers, labour market activation is an integral part of the scheme. Recipients have to actively look for work and this is combined with access to a range of active labour market measures, including counselling, training and job-placement. Non-cooperation with jobcentres over the measures offered can lead to sanctions being applied in the form of a reduction of benefits.

The employment-oriented integration service is tailored to individual needs and involves profiling and case-management procedures. The actual implementation of these services and procedures varies between jobcentres. A central role is played by the integration agreement, in which the mutual tasks and obligations of the person concerned and the jobcentre are set out and job-search and participation in various measures is monitored.

Social services of various kinds are provided, either directly by the municipalities themselves or by welfare associations or private agencies on behalf of these. There are, however, no statistical data on the provision or use of these services by subsistence benefit recipients and it may be that the types and extent of services on offer varies between local social welfare offices.

### ***Governance***

The federal and municipal governments share responsibility for basic income support for job-seekers. Jobcentres responsible for the provision of benefits and services are either run as joint agencies of the local employment agencies and the municipalities, or run by the municipalities alone (with a great variety in terms of organisation).

There is extensive reporting on training and labour market measures, number and structure of beneficiaries and other important aspects of basic income support for job-seekers under the responsibility of the Federal Employment Agency.

### ***Reform objectives and trends***

In response to the COVID-19 crisis, eligibility criteria were temporarily relaxed to allow more people to receive support. Amendments were made in March 2020 for a limited period – currently up to end-December 2022, to make it easier to have access to both types of MI benefit. These include a temporary suspension of consideration of assets (i.e. there is no check of assets during this period), though this does not apply if claimants have substantial assets.

## **2. A presentation of the state of play of MI outcomes and performance in the country**

In terms of outcomes, Germany performs in all selected indicators close to the EU average (except for poverty gap of quasi-jobless households where it is better than the average) and shows significant decline in the AROP rate for jobless households over the decade.

As for the performance indicators, the impact of social transfers on poverty is close to the EU average and has been stable since 2010. The indicators assessing access to services (gap indicators) show a good performance. Due to a break in DE data for 2020 the short term and long term change has to be interpreted with great caution.



**Table – Common indicators from the minimum income benchmarking framework**

		DE (SILC 2020)	EU27 (SILC 2020)	DE (short term change)	DE (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	27.6	27.7	2.4	4.9
	Poverty gap for QJH (18-64) in %	30.9	37.3	0.8	2.7
	MSD rate total (18-64) in %	9.7	12.7	2.1	-2.1
	MSD rate for QJH (18-64) in %	43.2	43.8	0.3	-10.9
	AROP rate for QJH (18-64) in %	58.8	61.6	-13.0	-15.2
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	36.1	35.6	2.3	-1.3
	Benefit recipient rate for AROP & QJH (18-64) in %	84.7	78.5	-0.9	-2.1
	Gap in self-reported unmet needs for medical examination in %	0.9	3.4	0.8	-0.9
	Gap in housing cost overburden rate in %	30.5	34.7	-6.7	-6.0
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	73%	60%	-2%	-5%
	As a share of the income of a low wage earner in %	59%	46%	0%	-3%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households. There is a break in DE data - and thus also in EU27 data - for 2020. Therefore the short and long term change should be interpreted carefully.

# ESTONIA

## 1. Description of the national scheme

The main minimum income scheme in Estonia is the subsistence benefit (*toimetulekutoetus*), and the unemployment assistance scheme complements this by providing support to jobseekers who are not (or no longer) eligible for unemployment insurance benefits (*töötuskindlustushüvitis*). According to the Social Welfare Act (SHS), subsistence benefit is provided to a person living alone or to a household whose monthly net income is below the subsistence level, after the deduction of the housing expenses.

### **Eligibility - coverage**

The benefit recipient rate reaches 84% in 2019, higher than the EU average (78%) and has increased over the past decade. There are no age restrictions and all legal residents in the country are entitled to the benefit.

Income considered in calculating the benefit is defined after deducting taxes and social contributions. Income earned by minors, single and periodic benefits, benefits paid to disabled persons (except disabled parent allowance), student loans, income of students still in education, basic allowance, needs-based study allowance and needs-based special allowance, grants, transport and accommodation benefits paid to unemployed persons, and alimony paid for children are excluded. The local government may also choose to exclude grants and benefits supporting study or work, or benefits paid to cover specific expenses or losses. In addition, since 2018, part of employment income may not be considered income.

The subsistence benefit covers housing costs. Housing costs considered include rent and housing, repayment of loans taken for renovation<sup>18</sup>, water, wastewater and heating services, thermal energy or fuel consumed for supply of hot water, electricity and gas, land tax, building insurance, and transport of municipal waste.

Benefits are granted by local governments and the entitlement and amount payable are reevaluated every month. In most cases, subsistence benefits are received for one to three months a year (typically in winter, when housing costs are higher) or 12 months a year. In 2020, 21% of the households that received subsistence benefit received it every month, while 20% received it only once.

Administrative data indicate that the share of household members receiving subsistence benefits was 1.4% of the total population in 2020 (10 501 households and 18 295 household members)<sup>19</sup>. The share of recipients has decreased in recent years, but no studies have directly estimated the non-take up of subsistence benefits.

### **Adequacy of benefits**

The subsistence level is based on minimum expenditure on consumption of food, clothing, footwear and other goods and services to satisfy primary needs. It depends on household income, household structure, subsistence level, housing costs and limits of deductible housing costs established by local governments. The general formula for calculating the subsistence benefit is: subsistence benefit = subsistence level + housing costs - income. The level is fixed for each year by the State budget. In 2021, the subsistence level was EUR 150 per month for the first household member (or a single person) (100%), while in case of children under 18 years of age it is EUR 180 (120%) for each child. The subsistence level for the second and subsequent adult members of the family is EUR 120 per

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<sup>18</sup> Starting from July 2022, it is also possible to take into account housing loan payment (limited to a 6 months per year).

<sup>19</sup> It should be noted that in Estonia, the unemployment assistance scheme provides an allowance for those who have exhausted their rights to unemployment insurance benefit but are still unemployed. In 2020, 28 909 people received unemployment allowance.

month (80%). Since 2016, the subsistence level for a single person household is higher than the minimum estimated food basket, but lower than the estimated subsistence minimum or absolute poverty line.

There are no restrictions on receiving other benefits at the same time as the subsistence benefit, but these are considered income in the calculation of the benefit (such as family benefits (parental benefit, child allowance and other monthly family benefits), disability benefits (work ability allowance and work-incapacity pensions) and unemployment benefits ). There are no separate housing allowances or support for essential services for recipients. However, upon determination of entitlement and amount of the benefit, housing expenses are considered within established limits set by local governments (rent, electricity, etc.).<sup>20</sup> A lump sum top-up benefit of EUR 15 per month is available to single-parent households (when children are less 18 years old).

Local governments pay various additional benefits from their own budgets, such as special occasion benefits (birthdays, starting school, Christmas, etc.) or unexpected events (such as funerals).

In 2019, the adequacy of the minimum income benefits (51% of the poverty threshold and 32% of the income of a low wage earner for a single household) was below the EU average and has declined in recent years (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Both subsistence benefit recipients and those receiving unemployment allowance are required to meet activation criteria. Local governments can refuse or reduce subsistence benefits to people of working age or who are capable of working who are not studying or working and who have repeatedly and for no qualifying reason refused to accept suitable positions. In 2020, local governments refused to pay support in 109 cases, usually related to the activation criteria.

Subsistence benefit recipients who are registered as unemployed are subject to the same activation regime as other registered unemployed or other unemployment allowance recipients (e.g. individual action plan). There are no data on the activation services received by the recipients of subsistence benefits. However, in 2020, 34% of household members receiving the benefit were registered unemployed. Subsistence benefit recipients continue to receive full benefits when participating in ALMP measures. Grants, transport and accommodation benefits paid on the basis of the Labour Market Services and Benefits Act are not included as income when calculating the subsistence benefit.

In addition, two changes were introduced to encourage employment: 1) since September 2020, it is possible to take on temporary work while being registered as unemployed; and 2) of January 2018, part of the family's income is excluded when calculating the amount of subsistence benefit.

Linking benefits with social services has been a key challenge. There is no one-stop shop approach, and benefits, activation services and social services for unemployed and inactive people are provided by different institutions. While labour market services are provided uniformly across the country, the availability and quality of social services depends on the local municipalities. Since 2016, changes in the legislation have aimed to improve the availability and quality of social services by developing a common quality framework. The quality principles introduced in 2018 include person-centeredness, empowering nature of the service, orientation towards outcome, needs-based approach, integral approach, protection of a person's rights, involvement, competence and ethics of the employee, and the good work organisation and high-quality management of the organisation. The impact of the changes is still to be evaluated, in particular as regards those weakly attached to the labour market.

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<sup>20</sup> In 2020, heating accounted for 20% of total costs considered when determining subsistence benefits, electricity for 11%, and water and sanitation for 8.2%.

In principle, local municipalities must assess the needs of the applicant for subsistence benefit (or their family members) and provide and finance the following social services: debt counselling; domestic service; personal assistant; shelter service/safe house service; provision of dwelling; social transport; general care services provided outside the home; and childcare services. Services are available for those not fit for work (e.g. personal assistance, social transport) in order to increase their independent coping ability and participation in all areas of life. Those with reduced work ability can also use labor market services (e.g. peer support, working with a support person, work rehabilitation, assistive work equipment, commuting benefits, support for continuation of employment). If a person needs long-term and diverse assistance to improve their ability to cope independently, the principle of case management should be used to coordinate cooperation between several assistance organisations. The provision of assistance shall include the preparation of a case plan and coordination of an activity schedule, determination of a case coordinator, and an agreed procedure for mutual exchange of information. There is no public information on the participation of the beneficiaries in such services.

### ***Governance***

Subsistence benefits are financed from general tax revenue, with earmarked funds allocated from the central government to the local governments each year. Applications happen locally and may vary - some municipalities allow online applications, while others require an individual to present themselves in person at the office. Several documents are required to assess eligibility, which can be somewhat complex. In exceptional circumstances, documents may be submitted retrospectively.

Each year, the Ministry publishes output indicators on subsistence benefit recipients (numbers of households and household members, average amount of benefits, etc.) and share of applications approved. In general, evaluations are scarce. While there is no regular cycle of evaluations, ex ante or ex post evaluations of the impact of new or existing measures may be carried out as needed. Analyses are also carried out to improve measures or increase their efficiency. In addition, annual poverty rates with and without subsistence benefit is calculated and used. In general, these evaluations are published.

### ***Reform objectives and trends***

During the COVID-19 pandemic, applications could be submitted by email, or on paper to the local government mailbox, while social workers could be consulted by phone.

A general evaluation of welfare policy is carried out by the Ministry of Social Affairs. The Ministry has adopted the Welfare Development Plan 2016–2023, which includes evaluation principles and social indicators for performance evaluation.

In April 2022, the Estonian Government approved an increase in the subsistence level starting from 1<sup>st</sup> June 2022 (from EUR 150 to EUR 200 for the first household member, and for the second and subsequent adult member from EUR 120 to EUR 160 and in case of children from EUR 180 to EUR 240). The change is expected to increase the number of households receiving support by about 1,300. Low-income groups have benefitted from previous increases in the subsistence level and the subsistence level increase are expected to have positive effects on poverty reduction.

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Estonia performs in most selected indicators close the EU average (except for poverty gap of the quasi jobless households where it is significantly higher) and shows some improvements over the last decade.

As for the performance indicators, the impact of social transfers on poverty is close to the EU average, stable since 2010. The indicators assessing access to services (gap indicators) show a positive change and a good performance.

**Table – Common indicators from the minimum income benchmarking framework**

		EE (SILC 2020)	EU27 (SILC 2020)	EE (short term change)	EE (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	28.7	27.7	-0.6	2.8
	Poverty gap for QJH (18-64) in %	33.3	37.3	-8.8	-10.4
	MSD rate total (18-64) in %	6.3	12.7	-1.4	-2.6
	MSD rate for QJH (18-64) in %	33.4	43.8	-4.5	-2.4
	AROP rate for QJH (18-64) in %	72.5	61.6	-13.5	-6.7
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	36.5	35.6	5.2	-1.1
	Benefit recipient rate for AROP & QJH (18-64) in %	84.3	78.5	-0.4	7.4
	Gap in self-reported unmet needs for medical examination in %	1.2	3.4	-4.6	-5.5
	Gap in housing cost overburden rate in %	20.9	34.7	-3.4	-12.6
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	51%	60%	-2%	6%
	As a share of the income of a low wage earner in %	32%	46%	-18%	-9%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# IRELAND

## 1. Description of the national scheme

Ireland's minimum income provision relies on two main schemes: 1) Supplementary Welfare Allowance (SWA) – the key minimum income scheme of last resort, and 2) Jobseeker's Allowance (JA) – the main non-contributory allowance for people of working age. There are as well a range of different categorical programmes for different population categories such as the unemployed, lone parents, those who are ill or disabled.

### *Eligibility – coverage*

The benefit recipient rate reaches 97% (thus close to full coverage) and has been broadly stable over the past decade, thus remaining higher than the EU average (78% in 2019).

Eligibility is primarily based on a means test<sup>21</sup>, being registered for work, and, where applicable on satisfying the Habitual Residence Condition (HRC)<sup>22</sup>, which includes the requirement that a person is legally resident<sup>23</sup> for the purposes of entitlement to social assistance. There are no additional local or regional residence requirements.

There are no age criteria for SWA. Jobseeker's allowance is available for people aged over 18 and under 66 years.

For SWA, the means test entails that income after disregards, needs to be below the 'basic benefit'. There is a one-to-one income test that then reduces the benefit by the level of additional income. The main items taken into account for the means test are all cash income and the value of 'benefit and privilege' for those aged 24 years or younger who are living with a parent. It relates only to the resources of immediate household. A certain amount of capital or investment funds<sup>24</sup> (other than the family home which is not taken into account) is disregarded for the purposes of means assessment. For jobseeker's allowance, means test examines cash income (including income from work), capital (savings and investments) and property not personally used, benefit and privilege from living with parents.

In order to qualify for SWA, a working age person must be registered for work with their local PES office. Those who are in employment for more than 30 hours a week or in full-time education normally do not qualify. Therefore the recipients have to be actively looking for work, registered with the public employment services; have signed an integration contract or employment plan, participate in activation measures, such as training or job experience programmes. For jobseeker's allowance, individuals are expected to be fully unemployed (or work for 3 days a week or less), available and capable for and genuinely seeking work. . Recipients are required to be registered with the public employment services and participate in activation measures, such as training or job experience programmes.

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<sup>21</sup> Child Benefit is excluded from the means test. Other income maintenance payments such as Jobseeker's Benefit, Jobseeker's Transitional Payment, One-Parent Family Payment and Working Family Payment are not paid in conjunction with Jobseekers Allowance or the Basic payment under Supplementary Welfare Allowance.

<sup>22</sup> There is no requirement to satisfy the habitual residence condition for exceptional needs payments (to assist people with once-off expenditure they could not be reasonably expected to meet out of their weekly income) or urgent needs payments (payment for an urgent need to people who would not normally be entitled to Social Welfare Allowance. The HRC is largely based on five criteria taken from a decision of the European Court of Justice Case C 90/97 Swaddling v UK.

<sup>23</sup> EEA and Swiss migrant workers who have been working in Ireland can access basic SWA and supplements without having to meet HRC, provided they have the right to reside in Ireland. However, people from the EU/EEA or Switzerland who move to Ireland in search of employment are subject to the habitual residence test in the normal way while looking for work.

<sup>24</sup> The disregard is the first €5,000 for Supplementary Welfare Allowance, or €20,000 for Jobseekers Allowance

The number of recipients under the two benefits shows a slight decrease in recent years, from 16,269 in 2018 to 11,747 in 2020 for SWA and 140,337 to 125,703 for JA, respectively.

There is little information on non-take up of minimum benefits. In terms of problems associated with the coverage of relevant vulnerable populations, asylum seekers are among the groups that are particularly affected by the 'Habitual Residence Condition' (HRC)<sup>25</sup>. Homeless people, even if they satisfy this condition, might still be among the groups to have difficulties in accessing benefits due to issues such as proving where they reside. Those recognised as homeless are assisted by the application of a homeless protocol to ensure that payments are provided

### ***Adequacy of benefits***

The Commission on Social Welfare (1983-86), when reporting on the Irish social welfare system, considered adequacy of benefit levels. It highlighted that these needed to be 'adequate in relation to prevailing living standards'. Neither SWA nor JA are automatically adjusted for inflation. Rates may be adjusted by the Government as part of the annual Budget process.

SWA provides weekly support of €201<sup>26</sup> for single, , completed with €134.70 for an dependant adult and €36 for a child aged under 12 and €40 for a child aged 12 or over. People aged 18-24 qualify for an age related rate of €112.70. This age related rate does not apply to people with children; those who are living independently of the family home and are in receipt of certain State housing supports; those who were in the care of the Child and Family Agency (TUSLA) during the period of 12 months before they reached the age of 18.

JA provides weekly support of €203<sup>27</sup> for single, completed with €134.70 for an dependant adult and €36 for a child aged under 12 and €40 for a child aged 12 or over. People aged 18-24 qualify for an age related rate of €112.70. This age related rate does not apply to people with children; those who are living independently of the family home and are in receipt of certain State housing supports; those who were in the care of the Child and Family Agency (TUSLA) during the period of 12 months before they reached the age of 18; and those who transfer to Jobseekers Allowance from the Disability Allowance payment. For a child dependant increase, besides the full rate, half rates apply as well.

There are links to other benefits, in particular a range of means-tested and discretionary assistance, such as Rent Supplement, Fuel Allowance, Back to School Clothing and Footwear Allowance, Exceptional Needs Payment etc.

In 2019, the adequacy of the minimum income benefits (90% of the poverty threshold and 59% of the income of a low wage earner for a single household) was significantly higher than the EU average, though it has declined significantly over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

There is a sharp divide between those deemed able to work and those not. This means that since the relevant service for activation - Public Employment Service (PES) *Intreo* - generally focuses on activating those unemployed that are registered, people on Supplementary Welfare Allowance are covered. There is however no specific targeting for this cohort.

The activation services in Ireland are, generally speaking, targeted to recipients of the JA and are provided by *Intreo*. The activation plan for JA recipients centres around job search and education and training services. The main services offered to MI recipients are directed self-help and job

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<sup>25</sup> Asylum seekers generally qualify for supports under the Direct Provision system, whereby the State provides them with accommodation, food, medical services and a monetary allowance.

<sup>26</sup> These are 2020 rates

<sup>27</sup> These are 2020 rates

search guidance, one-to-one employment service engagements and referral to employment and training supports. The activation regime for JA recipients starts with an immediate profiling when a claim is made. Based on the information provided by the recipient (e.g. age, gender, marital status, children, perceived health, spousal earnings, employment/unemployment history, willingness to relocate, location, transport and education history) a 'Probability of Exit' is calculated to determine whether the person has a low, medium or high probability of exiting Live Register/activation service and take up employment – or in other words exiting benefit receipt. The frequency and timing of engagement through Intreo is based on a 'Probability of Exit' into employment score, whereby people with a lower score receive services sooner and more frequently.

When it comes to the links to social services and integrated provision, there remain some challenges in the implementation of integrated 'quality services'. Minimum income beneficiaries do not have preferential or automatic access to social services. Although this bears no necessary relationship to being a minimum income recipient, means tests are used as a criterion for access to health services on a free of charge basis through the medical card and GP visit card. The same is true for education services and housing.

### **Governance**

In relation to the governance of the minimum income schemes in Ireland, decision making and organisation of social benefits are at national level under the auspices of the Department of Social Protection. For JA, the benefits are administered at the local level by the *Intreo* centres and local branch offices and service delivery takes place here. SWA is administered by the Community Welfare Service of the Department of Social Protection, located at various service centres.

The Department of Social Protection is responsible for the monitoring. There are no regular evaluations (beyond beneficiaries monitoring) carried out on impact and effectiveness that is shared publicly – this is done on an ad-hoc basis from time to time for selected programmes/schemes for internal use of the department.

### **Reform objectives and trends**

During the pandemic, SWA recipients whose employment or family situation had changed due to COVID-19 could ask for their situation to be reassessed (and the benefit levels potentially recalculated) by the Social Protection Office. A special Pandemic Unemployment Payment (PUP) of €203, €250, €300 or €350 per week (depending on the categorisation of prior weekly earnings) was introduced in 2020 and is being phased out by spring 2022<sup>28</sup>. This payment is compatible with other welfare payments.

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<sup>28</sup>Link to Press Release issued 21 January 2022. [gov.ie - Government sets out future of Pandemic Unemployment Payment \(www.gov.ie\)](https://www.gov.ie/en/press-releases/2022-01-21-gov-sets-out-future-of-pandemic-unemployment-payment/)



## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Ireland performs in all selected indicators better or much better than the EU average, in particular for poverty gap and poverty rate for the jobless households. Both MSD rates and poverty rate of jobless households have improved since 2010.

As for the performance indicators, the impact of social transfers on poverty is significantly higher than the EU average even if shows slight decline since 2010. The indicators assessing access to services (gap indicators) show different performances, the gap in housing cost overburden rate is significantly better than the EU average and has improved over the last decades.

**Table – Common indicators from the minimum income benchmarking framework**

		IE (SILC 2020)	EU27 (SILC 2020)	IE (short term change)	IE (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	17.6	27.7	-2.8	2.2
	Poverty gap for QJH (18-64) in %	21.4	37.3	0.9	2.7
	MSD rate total (18-64) in %	12.2	12.7	0.0	-7.4
	MSD rate for QJH (18-64) in %	41.2	43.8	0.8	-9.4
	AROP rate for QJH (18-64) in %	49.1	61.6	-13.9	-5.2
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	56.6	35.6	3.9	-5.2
	Benefit recipient rate for AROP & QJH (18-64) in %	96.7	78.5	1.4	1.6
	Gap in self-reported unmet needs for medical examination in %	3.6	3.4	2.2	3.6
	Gap in housing cost overburden rate in %	7.8	34.7	-9.0	-7.1
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	90%	60%	-7%	-19%
	As a share of the income of a low wage earner in %	59%	46%	-2%	-13%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# GREECE

## 1. Description of the national scheme

Guaranteed Minimum Income (GMI) is a relatively recent addition to the Greek welfare state and was introduced in 2017. The programme supports the incomes of vulnerable individuals and households by providing cash assistance (equal to the difference between a beneficiary's assessed income and the guaranteed level). In addition to income support, the GMI has two other pillars: it aims to connect beneficiaries with other social programmes and services available at national and local level, and aims to (re)integrate beneficiaries into the labour market.

### ***Eligibility - coverage***

The benefit recipient rate reaches 66% and has increased significantly over the past decade (+26 pts), but remains somehow below the EU average (78% in 2019).

Beneficiaries can be single adults living alone or multi-person households consisting of individuals living under the same roof.<sup>29</sup> Eligible households must have a legal and permanent residence in Greece. Homeless people are eligible, provided they are registered with municipal social services<sup>30</sup>. Temporary residents<sup>31</sup>, Individuals in residential care, assisted living, transitional housing, rehabilitation, monasteries, and prisons cannot apply.

Claimants can apply in person, at a municipal or community centre, or online<sup>32</sup>. Homeless people, households with guests<sup>33</sup>, single-parent families, and those with unprotected children can only apply in person. Beneficiaries are obliged to file an annual tax return, consent to a social investigation, ensure that children attend school, enrol in obtaining compulsory education, attend counselling session, register and cooperate with PES. Due to the links to the tax and social security administration system, once an application is submitted, the applicant can automatically see the outcome (approved/rejected), with the granted GMI amount, to be made available one month after the application. After a six-month period, beneficiaries must reapply and eligibility be reassessed. The benefit is automatically suspended if electronic cross-checks reveal discrepancies. Beneficiaries are notified and given two months to provide additional documentation. The provision of the benefit is also suspended if children are absent from school without justification. A new application is possible after six months, subject to the child's enrolment in school.

### ***Adequacy of benefits***

The guaranteed level of income depends on the household's size and composition: it is EUR 200 per month for the household head, EUR 100 for each additional adult, and EUR 50 for each child. In single-parent households, the first child counts as an adult. A ceiling of EUR 900 per month is set as the maximum benefit, irrespective of household composition. These levels apply for the income means test as well. There are various disregards on incomes in the means test (on labour earnings (20%), disability benefits, daily allowances to unemployed workers in vocational training, financial aid to victims of domestic violence and natural disasters and in case of labour market integration of homeless people and women victims of domestic violence, the total income for two reference periods). Household assets are assessed on the basis of the previous year's tax return. The total taxable value of the household's housing wealth may not exceed EUR 90 000 for a single-person household, increased by EUR 15 000 for each additional household member, subject to an overall

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<sup>29</sup> Including children up to the age of 25 if in tertiary education regardless of their place of residence.

<sup>30</sup> In September 2021, 3.5% of all beneficiary units were homeless.

<sup>31</sup> Thus excluding asylum seekers and refugees immigrants not granted permission to stay permanently.

<sup>32</sup> <https://keaprogram.gr/pubnr/Account/Login>

<sup>33</sup> 'Guests' are persons living in the household who are not classified as dependants for tax purposes. For instance, an adult (over the age of 25) non-disabled child who still lives in the parental home is no longer a dependant and is classified as a 'guest'.

ceiling of EUR 150 000. Total capital income of household members on bank deposits in Greece or abroad may not exceed a given threshold (up to an overall ceiling of EUR 14 400). The imputed annual taxable income corresponding to passenger cars owned by the household may not exceed EUR 6 000.

An indexation mechanism has not yet been established, and the GMI level has not been adjusted since the programme was launched in February 2017.

GMI acts as a 'passport benefit' for a number of other schemes, with GMI recipients also eligible for additional benefits or subsidies, which are granted either automatically or on application. These might be: food and basic goods, provided by FEAD programs, social tariff for electricity bills, social dividend - a discretionary lump-sum transfer paid at the end of the year, free entry to cultural sites.

In 2019, the adequacy of the minimum income benefits (48% of the poverty threshold and 22% of the income of a low wage earner for a single household) was below the EU average but improved significantly over the last decade thanks to the introduction of the new GMI (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

The GMI legislation emphasises the role of labour market activation, with GMI recipients having to collaborate with the PES and potential sanctions being foreseen in case of non-compliance. Following a strengthening of the labour market activation in 2021, the main provisions are:

- All adult members of a household in receipt of the GMI who are able to work are expected to register with the PES, within one month of approval of their application for the GMI.
- GMI recipients have to visit their local PES center when invited to do so, to accept any suitable job offer, and/or to participate in activation programmes such as training, job counselling or entrepreneurship support (similarly to all registered unemployed).
- Recipients have to attend an interview with an employment counsellor at the PES to assess their skills ('profiling') and sign up to an Individual Action Plan for cooperation.
- In theory, non-compliance with these obligations can lead to the exclusion from the scheme (with new application possible only once they have been fulfilled). In practice, the relevance of sanctions is constrained by the capacity of the local PES to provide for these different labour market activation measures, though progress has been made in this respect.<sup>34</sup>

GMI beneficiaries have also been designated a 'priority group' in some activation programmes (vocational training, public work and internship schemes, hiring subsidies). Recipients taking up employment continue to receive the same amount of GMI benefit until the end of six-month revision period.

Social inclusion policies have been provided since the inception of the scheme and data has been systematically recorded since mid-2021, in the framework of integration procedure with the labour market strand. At the application, municipal or community centre employees invites and advise or refer the claimants to claim other benefits, supplementary social services and goods, provided they meet the relevant eligibility conditions. Referrals are monitored by the case manager responsible for assessing the needs of the recipient household, on the basis of which a Personal/Family Social Empowerment Plan is then drawn up<sup>35</sup>.

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<sup>34</sup> 32% of all GMI recipients registered with the PES had signed up to an Individual Action Plan, while nearly 9% had participated in an active labour market programme by September 2021.

<sup>35</sup> Timeline is unknown for such plans, but according to September 2021 monitoring report, numbers appear low: out of a total 231 395 households, 3 078 were invited to a briefing session on additional benefits, services, and goods, of which 1 838 attended. Data on actual receipt of additional benefits, services, and goods are not yet available.

## **Governance**

The Ministry of Labour and Social Affairs monitors day-to-day operations, analyses information on receipt, coverage and take-up, interacts with municipalities and community centres, and advises ministers on policy. The Social Solidarity and Welfare Benefits Agency is tasked with the actual payment of income support and provides case managers at municipalities and community centres with access to the GMI information system. The GMI information system is managed and maintained by a central Social Insurance E-Governance authority. Municipalities and community centres are implementing social inclusion. The PES is tasked with labour market activation under labour market strand.

The lack of integration between the different platforms used to assess applications and provision of social benefits, services and goods remains a key challenge. The GMI information system is not properly connected with the platforms used under supplementary social services and labour market activation.

## **Reform objectives and trends**

The GMI scheme in Greece is relatively new and the roll out and full implementation is still in progress. As regards the impact on poverty, the GMI reaches nearly 4% of population at the bottom of the income distribution, providing the bulk of the resources of this population. While only 20% of recipients were over the 40% of the median income, around as many as two-thirds of those below this threshold are not covered, due to stringent means test and residence criteria but also due to high non-take up<sup>36</sup>. Since the first evaluation one year after the launch of the programme, it is likely that municipalities and community centres' information provision of the programme has improved. However, the number of recipients has fallen faster than the number of people living in poverty, which suggests that the problem of low coverage may in fact have become more acute.

In 2020, as a special provision related to emergency income support in the context of the COVID-19 pandemic, GMI recipients with children received a one-off lump sum of EUR 100 for the first child, and EUR 50 for each subsequent child, up to a maximum of EUR 300.

## **2. A presentation of the state of play of MI outcomes and performance in the country**

Greece performs in most outcome indicators less well than the EU average, except for the poverty rate of the quasi jobless households where it is 5 pts below the average, showing in particular significantly higher material and social deprivation rates. Some improvements can be observed since 2010, especially for the poverty gap of quasi-jobless households.

As for the performance indicators, Greece has a lower impact of social transfers than the EU average but this impact has been substantially improved since 2010, similarly to the benefit recipient rate indicator. The indicators assessing access to services (gap indicators) show a significantly lower performance compared to the EU average.

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<sup>36</sup> Analysing non-take-up in greater depth, the 2019 World Bank report estimated that out of the 63% of households in the first decile not in receipt of the GMI, most had failed to apply (rather than having their application rejected). At first sight, this appears to constitute evidence of non-take-up as a sizeable portion of these (about one-quarter, or 15% of households in the first decile) had never heard of the programme, and half (or 31% of households in the first decile had heard about the SSI but did not know any detail and hence never applied' (Marini et al., 2019, p.9).

**Table – Common indicators from the minimum income benchmarking framework**

		<b>EL (SILC 2020)</b>	<b>EU27 (SILC 2020)</b>	<b>EL (short term change)</b>	<b>EL (long term change)</b>
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	31.2	27.7	-0.5	6.4
	Poverty gap for QJH (18-64) in %	44.6	37.3	-3.2	-7.6
	MSD rate total (18-64) in %	31.6	12.7	-3.3	-8.4
	MSD rate for QJH (18-64) in %	66.4	43.8	4.8	-0.6
	AROP rate for QJH (18-64) in %	57.1	61.6	1.3	2.2
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	24.6	35.6	6.4	10.2
	Benefit recipient rate for AROP & QJH (18-64) in %	66.6	78.5	7.0	26.3
	Gap in self-reported unmet needs for medical examination in %	19.4	3.4	0.1	6.6
	Gap in housing cost overburden rate in %	61.9	34.7	-1.0	-1.9
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	48%	60%	-4%	48%
	As a share of the income of a low wage earner in %	22%	46%	-7%	22%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# SPAIN

## 1. Description of the national scheme

In 2020, the government adopted a nationwide MI scheme, the Minimum Living Income (*Ingreso Mínimo Vital*, IMV), which is expected to simplify the structure of existing schemes once it is fully implemented. It is complemented by various regional schemes. Until 2020, there were very diverse set of regional minimum income (MI) schemes complemented with a complex set of unemployment assistance programmes. The system was hence very fragmented and interrelated with unemployment assistance focusing on certain specific groups of unemployed people. Regional MI schemes were developed by each of the 19 autonomous governments, following different models and orientations.

### **Eligibility – coverage**

In 2019, the benefit recipient rate reached 62% and while it had increased over the past decade (+6 pts), but remained somehow below the EU average (78%).

Residence test require the recipient to be either a national or a foreign resident holding a residence permit at least for 1 year<sup>37</sup>. residence requirements are the same in the entire country, allowing for internal mobility without losing benefits. This addresses the former situation where all regional schemes required a period of previous residence in the region (usually ranging from six months to three years, with some exceptional situations).

The national scheme requires the claimant to be over 23<sup>38</sup>. While some regions exclude those aged 65+ and some pensioners from their schemes, the national scheme has no upper age limit.

Means-testing considers the total income of the household. Households must have been formed at least a year prior to claiming the benefit (3 years if aged 23–29). Income thresholds (which may match the maximum benefit amount) are defined by the amount of the national means-tested non-contributory pensions (PNCs) for one person as its base (set every year in the budget)<sup>39</sup>. The determination of this amount is not linked to some economic or social indicator. Regional schemes use different methods, either setting it yearly in regional law or linking it to other indicators, such as the multiple-effect public income indicator (*Indicador Público de Renta de Efectos Múltiples*, IPREM)<sup>40</sup>, or to regional indicators such as the Catalonia income-sufficiency indicator (*Indicador de Suficiència de Rendes de Catalunya*, IRSC)<sup>41</sup>.

Asset tests are considered for the national as well as for the regional schemes. The claimant's home is not considered when assessing the asset limits, and some other exceptions may apply.

The IMV is available without restrictions in duration and reviewed annually. It is compatible with employment, and some work incentives are foreseen but has yet to be established or regulated.<sup>42</sup>

While aggregate figures on the recipients of unemployment assistance benefits are available, data on the IMV is published only occasionally so far and partial estimates of coverage are available. At the time of the introduction of the IMV (June 2020), the government published<sup>43</sup> an estimate of

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<sup>37</sup> Some regional schemes require to be a 'registered resident', a condition which is open to foreigners without a residence permit.

<sup>38</sup> Some regions have lowered the age requirement to 18.

<sup>39</sup> The annual Budget Act sets the amounts of the PNC (and thus that of the IMV), and of the minimum amount for each type of contributory pension.

<sup>40</sup> Used as a reference index for many benefits, created to unlink benefit amounts and the national minimum wage. Its amount is set in the annual Budget Act.

<sup>41</sup> Reference index created by the Catalan regional government for regional and local benefits.

<sup>42</sup> Some regional schemes are incompatible with employment (either by requiring the recipient to be unemployed job seeker, or by explicitly declaring it incompatible, with some exceptions), while others have introduced work-incentive mechanisms (such as tapering).

<sup>43</sup> <https://prensa.inclusion.gob.es/WebPrensaInclusion/noticias/laboral/detalle/3879>

potential claimants of 850 000 households. The latest available data (December 2021) include approved claims, with a total of 362 017 (benefits/households). Total household members were 824 441, of which 305 832 were children.<sup>44</sup>

### ***Adequacy of benefits***

The benefits are means-tested and are topping-up other income up to a certain guaranteed minimum threshold. The maximum amount of benefit for a single person is EUR 469.93, while for a couple with two children EUR 892.87.<sup>45</sup>

The IMV and regional programmes can be combined<sup>46</sup> and e.g. recipients of unemployment assistance may be also receiving the IMV and/or a regional benefit. Both the IMV and RMI adjust their amounts for household composition, which may be seen as having an “embedded” child benefit. A new means-tested ‘child support supplement’, with higher amounts and higher income thresholds, has recently been approved as part of the new IMV regulation. In addition, the IMV regulation foresees the creation of some housing supplement.

In 2019, the adequacy of the minimum income benefits (52% of the poverty threshold and 38% of the income of a low wage earner for a single household) was slightly below the EU average and had improved significantly over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

The IMV requires all working-age members of the household to register as jobseekers unless they are already working or fall into one of the exemption categories (full-time students under 28, officially recognised family long-term carers, pensioners, persons with a disability over 65%). There is no tapering of the benefit when entering employment, although the introduction of employment incentive mechanisms is foreseen.

Recipients have to participate in the inclusion strategies foreseen in the regulation, though the activities and the form of that obligation remain to be elaborated. Both active labour market policies (ALMPs) and social integration policy are a responsibility of regional governments, with local authorities often running additional programmes. Some pilot and experimental programmes, are implemented by national coordination. The details of how IMV recipients should be offered and participate in activation programmes are not yet regulated.

### ***Governance***

The IMV is run by the National Institute of Social Security (INSS), which is supervised by the Ministry for Inclusion, Social Security and Migration. ALMPs are primarily the responsibility of regional governments, although the central government establishes a general framework, and many local authorities have their own supplementary activities. Central and regional governments have a formal coordination forum for ALMPs - the Sectoral Conference on Employment and Labour Affairs is an instrument for collaboration, coordination, and cooperation between the Ministry of Labour and Social Economy and the Autonomous Communities in matters of employment policy, especially AMLP. It serves as a channel for exchanging information, developing joint plans and programmes and agreeing criteria for the distribution of funds for AMLPs.

Social integration policies (social services) are the responsibility of regional and local authorities, with a significant role for third-sector organizations. Formal coordination mechanisms are much

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<sup>44</sup> Data were released for October and December 2020, and for March, May, September and December 2021. By September 2021, the total number of recipients (households) was 336 000, about 40% of the initially estimated target population.

<sup>45</sup> For comparison, the amounts for three selected regions: Basque -706.22 and 1,003.14; Catalonia – 664 and 1,196; Cantabria – 451.92 and 683.53, respectively.

<sup>46</sup> Information on this complex issue is lacking. A recipient of unemployment assistance may also receive the IMV or an RMI benefit (when the guaranteed amount is higher than the unemployment benefit) and the IMV can be combined with regional benefits. However, means-testing is often different and there is no information on the numbers of people receiving more than one benefit.

weaker than those for ALMPs. The ‘National strategy for preventing and fighting poverty and social exclusion 2019-2023’<sup>47</sup> underlines the importance of strengthened cooperation between actors from different regional levels, and between regions. Existing mechanisms are oriented towards knowledge-sharing, dialogue and training (e.g. the Social Inclusion Network)<sup>48</sup>. There is no coordination mechanism where policies are agreed between the different government levels. Coordination between social and employment services remains also limited, except for some pilot programmes.

### ***Reform objectives and trends***

Several additional elements were introduced in December 2021, in particular a child supplement and the possibility of referring to the current year for means-testing. The child supplement covers children living in households with income up to three times the IMV threshold (with additional asset assessment), ranging from EUR 100/month (for children under 3) and EUR 50/month (for children 6-17). Means-testing remains by default on income received in the previous calendar year, but between April and December claimants may ask for an assessment based on the (partial) current year income. The following year, that yearly income must be reassessed and benefits may have to be reimbursed if the yearly income was in fact above the IMV threshold.

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<sup>47</sup> <https://www.mdsocialesa2030.gob.es/derechos-sociales/inclusion/inclusion-social-espana.htm>

<sup>48</sup> Includes several central and regional government agencies, representatives of local authorities and third-sector organisations (<http://redinclusion-social.es>).



## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Spain performs in all selected indicators less well than the EU average, except for poverty rate for jobless households, which stands below the EU average. The indicators show little changes in a long-term.

As for the performance indicators, the impact of social transfers on poverty is lower than the EU average but it has declined since 2010. The indicators assessing access to services (gap indicators) show better performance than the EU average and show slight improvements over the last decades.

**Table – Common indicators from the minimum income benchmarking framework**

	ES (SILC 2020)	EU27 (SILC 2020)	ES (short term change)	ES (long term change)
<b>Outcome indicators</b>				
Poverty gap total (18-64) in %	32.2	27.7	2.5	2.5
Poverty gap for QJH (18-64) in %	42.9	37.3	1.2	-3.5
MSD rate total (18-64) in %	15.9	12.7	1.1	-0.8
MSD rate for QJH (18-64) in %	43.1	43.8	-6.8	-0.1
AROP rate for QJH (18-64) in %	59.5	61.6	0.0	1.5
<b>Performance indicators</b>				
Impact of social transfers on poverty reduction (18-64) in %	27.7	35.6	2.1	-5.5
Benefit recipient rate for AROP & QJH (18-64) in %	62.5	78.5	2.4	5.8
Gap in self-reported unmet needs for medical examination in %	-0.3	3.4	-0.5	-1.0
Gap in housing cost overburden rate in %	30.1	34.7	-4.6	-5.9
<b>Adequacy indicators</b>				
As a share of the poverty threshold in %	52%	60%	-4%	2%
As a share of the income of a low wage earner in %	38%	46%	-3%	-3%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# FRANCE

## 1. Description of the national scheme

The active solidarity income (*revenu de solidarité active*, RSA) is the main minimum income benefit in France. It is combined with the activity bonus, a means-tested top-up acting as an in-work benefit for people with low incomes. The RSA was introduced in 2008, replacing the previous minimum income benefit (the RMI, *revenu minimum d'insertion*, which was created in 1988). Its purpose is “to provide its beneficiaries with adequate means of existence, in order to fight against poverty, encourage the exercise or return to a professional activity and help the social integration of the beneficiaries” . Originally, the RSA consisted of two parts, the ‘RSA base’ (*RSA socle*) and the ‘RSA activity’ (*RSA activité*), an in-work benefit supplementing income from activity. As of 1 January 2016, the RSA activity as well as another tax in-work benefit – the employment bonus (*prime pour l'emploi*) – were replaced by a new scheme, the activity bonus (*prime d'activité*)<sup>49</sup>.

### **Eligibility - coverage**

The benefit recipient rate reaches 97% (close to full coverage) and has slightly increased over the past decade, thus remaining significantly higher than the EU average (78% in 2019).

In order to be eligible for the RSA, claimants must: be **aged over 25** (although the RSA is open, under certain conditions, to people aged 18-24 if they are single parents or have at least two years of professional activity during the last three years), be French or have **held a residence permit authorising work for at least five years** (this condition is not applicable to refugees, beneficiaries of subsidiary protection, stateless persons, and foreigners holding a residence card or a residence permit provided for by treaties and international agreements and conferring equivalent rights), **not be a pupil, student or trainee** and **not be** on parental or sabbatical leave, **unpaid leave** or on stand-by. Anyone residing permanently in France is entitled to the RSA<sup>50</sup> (asylum-seekers are eligible to a specific allowance, *allocation pour demandeur d'asile*), including homeless people as long as a social centre provides a address for them.

The amount of the RSA depends on the resources of the households (i.e. all the people filling out a single tax return).<sup>51</sup> The amount of resources taken into account is the monthly average of the resources received during the three months preceding the request and the benefit is then calculated each trimester after the first request.

The **activity bonus** is a ‘top-up’ in-work benefit supplement. To be eligible, claimants must be older than 18, live in France on a settled basis and exercise a professional activity.

By the end of June 2021, 1.94 million households (including spouses and dependent children, nearly 3,9 million people) were covered by the RSA (5,7% of the French population) and nearly 8,9 million people were covered by the activity bonus (including spouses and children), representing 13% of the French population. 18% of households receiving RSA basis also benefited from the activity bonus.

Regarding non-take-up, several studies have been conducted. Data concerning the RSA from a 2011 survey showed that the take-up rate for the RSA was on average 50% (64% among those eligible for the RSA base only, 67% among those eligible for both the RSA base and RSA activity, and 32% among those eligible for the RSA activity alone). Lack of knowledge, refusal of assistance, misunderstanding

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<sup>49</sup> Law No 2015-994 of 17 August 2015 relating to social dialogue and employment: <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000031046061>.

<sup>50</sup> Sub-section 1: Conditions for entitlement (Articles L262-2 to L262-12).

<sup>51</sup> A long list of resources is taken into account in calculating the right to the RSA, among which are income from salaried and non-salaried activity, exceptional resources (e.g. sale of a house), invested capital, rents, certain allowances or social benefits, and unemployment benefits. See: <https://www.service-public.fr/particuliers/vosdroits/F24585>.

about the RSA on the part of those eligible essentially appear to be key drivers of non-take-up. Another evaluation of the activity bonus carried out in 2017 estimated a take-up rate of 73%. This level of non-take-up (27%) was much lower than in 2011. A recent evaluation<sup>52</sup> highlights that one third of eligible households do not take up the RSA on average each quarter and a fifth on a longer term basis.

### ***Adequacy of benefits***

The amount of the **RSA basis** is calculated, for each household, by taking the differential between a lump sum (whose level varies according to the composition of the household and the number of dependent children) and household's resources (excluding some sources excluded by law). The parameters (amounts and annual revision) are set annually by decree, taking into account the evolution of consumer prices. In 2022, the RSA basis is equal to €575 per month (in gross terms, the RSA is not taxable) for single people without children. It reaches €863 per month for couples without children, €1,036 per month for couples with one child; and €1,209 per month for couples with two children. For single parents, the amount was €863 per month for households with one child, and €1,036 per month for two children<sup>53</sup>. For any additional children or household members, the increase was €230 per month.

The amount of the **activity bonus** is calculated as well considering a lump sum and the composition of the household. The lump sum was equal to €563.68 in 2022. This amount initially increases with earnings and then is progressively phased out.

The benefits are reviewed every quarter. The payment is made continuously for three months (usually paid on the 5th of each month). After three months, a new declaration and request must be made to have an adjustment and/or extension.

In addition, RSA beneficiaries can benefit from several other rights<sup>54</sup>: universal health protection or complementary solidarity health, housing allowances, and reductions in housing taxes, audio-visual fees, and social telephony charges. They may also be able to access other forms of local assistance, such as reduced prices or free access to certain services (such as transport or school meals), depending on the measures taken by the local authorities and the services concerned. They also have access to child benefits and support for childcare.

In 2019, the adequacy of the minimum income benefits (68% of the poverty threshold and 51% of the income of a low wage earner for a single household) was slightly above the EU average, while it has remained almost unchanged over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Beneficiaries of the RSA are subject to activation measures ('rights and duties') when they are job-seekers or when their average income from professional activity is less than €500 per month. The same rights and duties apply to beneficiaries and their spouses or co-habiting partners. 99% of beneficiaries are concerned by these measures. On the basis of a needs assessment, the most appropriate support is determined. RSA beneficiaries are oriented towards different types of support. According to 2020 data, 83% of beneficiaries are effectively oriented towards a specific type of support.

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<sup>52</sup> [Mesurer régulièrement le non-recours au RSA et à la prime d'activité : méthode et résultats | Direction de la recherche, des études, de l'évaluation et des statistiques \(solidarites-sante.gouv.fr\)](#)

<sup>53</sup> There are possible increases if the person becomes a single parent after a life event, such as a separation or the spouse's death. This increase is limited in time. If the event occurs after the dependent child turns 3, the increase lasts 12 months and must be paid during the 18 months following the date of the event. If the event occurs before the dependent child turns 3, the increase lasts until the child turns 3. The amounts in this case are: €726 (single pregnant woman), €968 (1 child), €1,210 (2 children), and €241 per additional child.

<sup>54</sup> <https://www.service-public.fr/particuliers/vosdroits/F20237>

Two different types of support are available, i) vocational guidance with the objective to find a job (in principle entrusted to the PES) and ii) social orientation (aiming at addressing those personal social difficulties that represent a barrier in finding a job). In total, among those who are oriented some support, 42% are oriented towards the PES (i.e. vocational guidance) and 58% towards another support organisation (either social or socio-professional support)<sup>55</sup>. In both cases, the beneficiaries have to sign a cooperation agreement, defining the actions taken. In practice, half of the RSA recipients do not sign such an agreement, mostly due to lack of means (administration staff and financial resources for implementation).

There is coordination between PES advisors and social workers from the departmental council working as pairs. PES advisors help define the return-to-work project to enhance the skills of the job-seeker in relation to their project and employment opportunities. Social advisors help beneficiaries find solutions to deal with financial, administrative, or legal difficulties related to housing, health, or mobility. In 2020, this support concerned 90,000 job-seekers who are also RSA beneficiaries. Concerning social inclusion plans, this work assumes close co-ordination between social actors at the local level. Social workers who follow beneficiaries can rely on other actors, for example in the field of health or housing. In practice, this occurs but there are local differences.

If beneficiaries do not respect the rights and duties framework, sanctions can be applied following an examination of the situation by a multidisciplinary team.

### **Governance**

Administration of the RSA is entrusted to local authorities. Each authority is responsible for financing the RSA (partly from own funds, partly from contributions provided by the State), leading and managing support measures, controlling and ensuring adherence to reciprocal commitments and fighting fraud. This decentralised policy suffers from funding problems, with many local authorities struggling to fund the system – in particular because of COVID-19, as the number of beneficiaries has risen sharply, with no increase in revenue to match. In this context, since 2022, in Seine Saint-Denis and Pyrénées-Orientales departments, the management of the RSA has been entrusted to the State for a five-year experiment because of the authorities' difficulties in financing the RSA.

Each local authority elaborates an integration plan which sets out the main lines and orientations of social support for RSA beneficiaries. At local level there might be territorial integration pacts which bring together all those actors involved in integration and support who participate in the local integration plan. There also are local plans for integration and employment, which cover the guidance and follow-up of beneficiaries, in close co-operation with the local authority; local social centres and NGOs are entrusted with social integration plans, while the PES (*Pôle Emploi*) is in charge of professional integration plans.

Regarding the monitoring and evaluation of the RSA, each year, the Ministry of social affairs publishes detailed national and departmental results, relying on a large and exhaustive survey. It also organises a statistical census of all the data on RSA beneficiaries each month and their socio-demographic data<sup>56</sup>. In addition, each local authority should regularly evaluate its integration policy.

### **Reform objectives and trends**

Regarding COVID-19-related changes, for all those who fulfilled the eligibility criteria for the RSA in September or October 2020, there was a one-off supplementary payment of €150 per adult and €100 for each dependent child.

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<sup>55</sup> See the infography: [https://drees.solidarites-sante.gouv.fr/sites/default/files/2020-12/2020\\_infographie\\_minima.pdf](https://drees.solidarites-sante.gouv.fr/sites/default/files/2020-12/2020_infographie_minima.pdf).

<sup>56</sup> <https://data.drees.solidarites-sante.gouv.fr/explore/dataset/donnees-mensuelles-sur-les-prestations-de-solidarite/information>, [https://data.drees.solidarites-sante.gouv.fr/explore/dataset/336\\_minima-social-rsa-et-prime-d-activite/information](https://data.drees.solidarites-sante.gouv.fr/explore/dataset/336_minima-social-rsa-et-prime-d-activite/information)

Following a debate in 2020-21 on the eligibility of young people under 25 for the RSA, in the context of COVID-19 emphasising youth poverty and difficulties in accessing the job market, the government announced in 2021 the establishment of a youth engagement contract (*contrat d'engagement jeunes*) for all young people under 26 without training or employment for several months, and under 29 when disabled. The scheme should not be conceived as a minimum income for young people, but as financial compensation granted to the young people who enrol on a path of integration. They receive 15-20 hours of support per week to find a job or training. An allowance of up to €500 per month may be provided subject to means test, attendance and acceptance of activity offers made. This measure has been enacted as of March 2022<sup>57</sup>.

In terms of financing the schemes, another similar experiment (presented above for Seine Saint-Denis and Pyrénées-Orientales departments) will be carried out from 2023 for four years in which local authorities can request to take part.

There are preliminary discussions about introducing a condition for the receipt of minimum income upon participation in some community works / employment program.

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, France performs in all selected indicators around the EU average, except for poverty gap for jobless households, which stands much better than the EU average. All indicators remained stable both in short or long term changes.

As for the performance indicators, the impact of social transfers on poverty is much higher than the EU average and it remained stable since 2010. The indicators assessing access to services (gap indicators) show also almost no changes over the last decade and the gap in housing cost overburden rate is well below the EU average.

		FR (SILC 2020)	EU27 (SILC 2020)	FR (short term change)	FR (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	23.7	27.7	4.1	2.0
	Poverty gap for QJH (18-64) in %	27.2	37.3	1.3	3.5
	MSD rate total (18-64) in %	13.2	12.7	0.9	0.8
	MSD rate for QJH (18-64) in %	45.2	43.8	-4.5	-2.1
	AROP rate for QJH (18-64) in %	59.2	61.6	-1.0	1.1
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	48.7	35.6	2.2	0.7
	Benefit recipient rate for AROP & QJH (18-64) in %	97.4	78.5	4.5	3.6
	Gap in self-reported unmet needs for medical examination in %	3.1	3.4	-1.4	0.1
	Gap in housing cost overburden rate in %	23.6	34.7	1.2	1.0
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	68%	60%	0%	0%
	As a share of the income of a low wage earner in %	51%	46%	-5%	-2%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

<sup>57</sup> <https://www.gouvernement.fr/lancement-du-contrat-d-engagement-jeune-jusqu-a-500-eu-par-mois>

# CROATIA

## 1. Description of the national scheme

The Social Welfare Act defines different social rights, including the 'Guaranteed Minimum Benefit' (GMB) that should ensure the fulfilment of basic needs of a person or a household. The base amount to calculate the GMB was established by Government Decision and household GMB cannot exceed the gross minimum wage.

### ***Eligibility – coverage***

The benefit recipient rate reaches 52% in 2019, significantly below the EU average (78%) and has remained stable over the past decade.

Permanent residence is required, with temporary residence accepted in exceptional circumstances. National citizens are eligible and foreign nationals with residence permits are entitled to benefits.

There are no age requirements.

Household disposable income earned in the three months before the claim is taken into account, including income from work, property or social benefits. The benefit is the difference between the GMB amount and the average monthly income of the person or household in the three months prior to the month claiming the benefit. A number of sources of income are not taken into account in the means-test, such as housing allowance, fuel allowance, disability allowance, care allowance, personal disability allowance, child support, and social benefits from regional or local government.

People are not eligible for GMB if they own a second residence that is rented,<sup>58</sup> or if they have sold a property within three years prior to their claim. In some cases, inheritance of worthless real estate could be grounds for a person's non-eligibility. Generally, claimants cannot possess a registered vehicle, except in cases of disability, old age or limited mobility.

There were 57 335 GMB beneficiaries in 2020, approximately 1.5% of the country's population, showing a declining trend in recent years. No data are available on the non-take-up rate and no research has been undertaken in this area.

### ***Adequacy of benefits***

The value of the GMB was set by a 2014 Government Decision at HRK 800 (EUR 106)<sup>59</sup>, without a specific reference used to underpin the level of the benefit. There is no automatic indexation of GMB benefits and it has been unchanged since.

The amount of the GMB is determined as a percentage of the base, for a single person incapable of work: 115% (HRK 920, EUR 122), single person capable of work 100% (HRK 800, EUR 106), adult household member 60% (HRK 480, EUR 64), child 40% (HRK 320, EUR 42), child of a lone parent 55% (HRK 440, EUR 59).

Rights to GMB function as a 'passport' to other benefits, such as one-off allowances, housing benefits, fuel allowance, or benefit for energy buyers at risk. A one-off allowance of up to HRK 2 500 (EUR 330) for a single person can be approved once a year in cases of sudden difficulties in meeting basic needs.

In principle, housing benefits are provided to GMB recipients. Paid by local governments or by the City of Zagreb, they cover the cost of rent, electricity, gas, heating, water, water drainage and other

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<sup>58</sup> The Social Welfare Act does not set a specific value for that second property, but if an owned property could be used to generate income through rental or sale, without compromising basic needs, then a person or household will be deemed ineligible.

<sup>59</sup> [https://narodne-novine.nn.hr/clanci/sluzbeni/2014\\_09\\_114\\_2172.html](https://narodne-novine.nn.hr/clanci/sluzbeni/2014_09_114_2172.html)

housing costs. The benefits amount up to 50% of the monthly amount of the GMB to which the individual or household is entitled. In addition, GMB beneficiaries who use wood for heating are entitled to a fuel allowance (3 cubic metres of firewood once a year) or a financial amount for the same purpose, determined by the competent regional government. Beneficiaries of GMB and personal disability allowance are entitled to the benefit for energy buyers at risk. The monthly amount of the benefit is determined by Government Regulation, up to a maximum of HRK 200 (EUR 26). These benefits can be renewed and are unlimited in time. The Social Welfare Act from 2013 introduced the 'social benefits ceiling', which stipulates that the maximum social benefits accumulated by one household cannot exceed the minimum gross salary.

In 2019, the adequacy of the minimum income benefits (44% of the poverty threshold and 36% of the income of a low wage earner for a single household) was below the EU average and has declined over recent years (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Unemployed GMB beneficiaries capable of working (aged between 15-65) must be registered with the Croatian Public Employment Service and must accept any job offer, regardless of their qualifications or experience, including temporary and seasonal jobs. Exceptions to these rules apply to various group of people<sup>60</sup>.

If recipients of GMB (specifically the claimants) refuse a job offer or terminate their employment, their right to benefit can be suspended for a period of six months. Claimants capable of working are required to take part in active labour market policy (ALMP) measures and have to participate as directed in community work programmes organised by local authorities for 30-90 hours per month. If they do not comply, their GMB entitlement is suspended.

According to the PES, 25 586 unemployed GMB were registered out of 159 845 total registered unemployed in 2020.

All unemployed (including unemployed GMB beneficiaries) registered with the Croatian PES must prepare an employment plan, which comprises several activities, such as individual counselling within 15 days of registering as unemployed, and create a professional job search plan with a counsellor within 60 days. Long term unemployed should be included in motivational counselling and should draft and sign an agreement on inclusion in the labour market (individual action plan).

In 2018, 3.4% of all registered unemployed GMB beneficiaries were involved in ALMPs while general unemployed participation in ALMP was 24.1% in 2018 and 28.7% in 2019 (data for 2020 are not representative, due to the COVID 19 lockdown). GMB beneficiaries appear less likely to be activated through ALMP measures and they most often participate in public work and training ALMPs. When they are engaged in community work (initiated by the local community or civil society organisations), the GMB is not suspended.

Beneficiaries taking up a job continue to receive GMB support for the first three months - the full amount in the first month of work, 75% in the second month, and 50% in the third month. The right to the GMB is suspended after three months of work if the average earnings over the period exceed the amount of the GMB.

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<sup>60</sup> People who are within five years of entitlement to the old-age pension, children up to the age of 15, or older for the period of their regular education, or young adults up to 29 until the end of their education, pregnant women and new mothers for up to six months after giving birth, parents caring for children up to the age of one for one child, up to three for twins, and up to 10 for three or more children, as well as parents on adoption leave, people wholly incapable of working, those established as being temporarily unemployable by a competent authority, according to special regulations, unemployed family members with no income, caring for a child or for an adult family member who is unable to take care of themselves, insofar as the care provided replaces institutional care under the Social Welfare Act.

The links between receipt of GMB and access to appropriate services is intended to be facilitated by social case workers, for example through multidimensional assessments (e.g. health assessment). The welfare centers use this assessment on a discretionary basis. Beneficiaries do not sign a formal social integration plan, but, after the assessment, are usually informed about the social services suited to their situation. Public health services are available to GMB beneficiaries under the same conditions as other citizens, usually free of charge. Childcare facilities for children of GMB beneficiaries is usually free of charge, but finding a place may be problematic, as priority is based on parents' employment status. Children in GMB beneficiaries' households have a right to completely free local and intercity public transport.

### ***Governance***

The scheme is national, financed from the central budget, and implemented under the authority of the Ministry. It is administered by 83 welfare centers. Units of local and regional self-government (municipalities, cities and counties) have to cover for housing and heating costs for their poorest households.

Monitoring primarily refers to any changes in the employment and income situation of the beneficiaries. The welfare centers and the PES have to exchange data on beneficiaries aged between 15 and 65, who are unemployed and able to work, or partially able to work. There are two types of exchange: daily/monthly and periodic. The daily/monthly exchange is initiated by the welfare centre to check whether individuals are registered in the unemployment register. These are individual cases (new users, additional checks for existing users, etc.). Periodic exchange happens several times a year, where all GMB beneficiaries are checked for registration with the PES.

The welfare centers are equipped with a database and software (*Soc.skrb*) and are connected with other public databases (e.g. local and regional tax offices), as well as with local/regional Croatian employment offices. No mechanisms have been established for regular evaluation of the GMB scheme.

### ***Reform objectives and trends***

No specific measures sought to simplify or facilitate access to GMB or other social benefits were taken during the COVID-19 crisis in Croatia



## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Croatia performs around the EU average, except for poverty gap and poverty rate for jobless households, which have remained unchanged in a long-term. MSD rates have significantly decreased in both population categories.

As for the performance indicators, the impact of social transfers on poverty is lower than the EU average. The indicators assessing access to services (gap indicators) show similar rates to EU average and the gap in housing cost overburden rate has significantly improved over the last decade.

**Table – Common indicators from the minimum income benchmarking framework**

		HR (SILC 2020)	EU27 (SILC 2020)	HR (short term change)	HR (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	28.9	27.7	-1.3	0.8
	Poverty gap for QJH (18-64) in %	47.0	37.3	-1.9	1.3
	MSD rate total (18-64) in %	8.9	12.7	-2.4	-9.6
	MSD rate for QJH (18-64) in %	42.3	43.8	-3.3	-10.8
	AROP rate for QJH (18-64) in %	75.2	61.6	-4.6	0.0
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	30.3	35.6	-0.2	-2.3
	Benefit recipient rate for AROP & QJH (18-64) in %	52.5	78.5	4.2	-0.5
	Gap in self-reported unmet needs for medical examination in %	4.3	3.4	0.0	0.5
	Gap in housing cost overburden rate in %	31.4	34.7	-7.8	-19.0
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	44%	60%	-7%	Not available
	As a share of the income of a low wage earner in %	36%	46%	-3%	Not available

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# ITALY

## 1. Description of the national scheme

Italy introduced its national minimum income (MI) scheme ('Inclusion Income') in 2018, which was then replaced in 2019 by the 'Citizenship Income' (*Reddito di Cittadinanza*, RdC), a means-tested cash benefit targeting poor households and conditional on participation in job search or social inclusion activities. It is a last-resort income scheme, complemented by other benefits available to poor households. The 'Citizenship Income' becomes the 'Citizenship Pension' (*Pensione di Cittadinanza*, PdC) if all household members are aged 67+ years, or those under 67 in the household are disabled; in these cases, it is not conditional on job search.

### **Eligibility – coverage**

The benefit recipient rate reaches 66% and has significantly increased over the past decade (+22 ppts), though it remains lower than the EU average in 2019 (78%).

In order to be eligible, households have to satisfy a set of income/wealth requirements and have resided in Italy for 10 years, the last two years continuously. Convicted individuals cannot apply for the benefit for 10 years after their final sentence.<sup>61</sup> There are no conditions in respect of the age of household members.

The means test is set based on the indicator of equivalised economic conditions (*Indicatore Situazione Economica Equivalente*, ISEE) taking into account both income and wealth (where wealth is valorised at 20% of its amount) with a maximum value of EUR 9 360.<sup>62</sup> The income test is set as the annual equivalised income should not be higher than EUR 6 000 (EUR 7 560 for the PdC), where the equivalised income is computed using an equivalence scale different to that used by the ISEE.

No income is exempt in the computation of the income threshold and claimants should not possess housing wealth (excluding primary residence) higher than EUR 30 000. Financial wealth cannot be higher than EUR 6 000, increased by EUR 2 000 for each additional household member, up to a maximum of EUR 10 000. The financial wealth threshold is increased by EUR 1 000 for each child from the third child onwards; the threshold is also increased by EUR 5 000 for each disabled household member (EUR 7 500 for those with a serious disability). Eligibility conditions also apply to the endowment of durable goods, such as vehicles beyond certain categories.

There are no automatic adjustments of means-testing thresholds and benefit amounts. The benefit is paid for a maximum of 18 months, at which time it may be renewed by submitting a new application (the payment is suspended for a month).

Beneficiaries of the RdC (but not the PdC) considered fit to work must sign a 'Work Pact' with the Public Employment Services (PES) and accept at least one of two 'suitable' job offers in the first 18 months<sup>63</sup>. Those who are unfit to work have to sign a 'Social Inclusion Pact' with the municipal social services. Beneficiaries in both active labour management policies (ALMPs) and social inclusion activities are obliged to take part in 'valuable projects for the community' for 8-16 hours a week, if their municipality starts one such project.

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<sup>61</sup> The Scientific Committee for the Assessment of Citizenship Income (2021) has noted that the exclusion of ex-prisoners clashes with the need to reintegrate these individuals in society.

<sup>62</sup> ISEE rules consider some exemptions of income and wealth in their calculations (Law Decree No 159/2013).

<sup>63</sup> Suitability is assessed in terms of wage (monthly wage above EUR 850 (i.e. 10% higher than the maximum RdC amount for a single person) and distance (first job offer: workplace no more than 80km from place of residence; second offer: whole Italian territory (80 km from place of residence in case of temporary or part time job); in case of benefit renewal, the first job offer has to be accepted whatever the distance).

In September 2021, 1 336 944 households (corresponding to 2 969 016 individuals) were receiving the RdC, the number of beneficiaries having risen significantly since the outbreak of COVID-19.

### ***Adequacy of benefits***

The benefit for a single household tops-up annual income to EUR 6 000. It increases with household size, according to an equivalence scale that assigns limited increases in the income threshold when the number of household members – particularly minors – rises. Independently of household size, RdC recipients receive monthly an additional EUR 280 towards their rented accommodation, with home owners receiving EUR 150 towards their mortgage. Therefore, the maximum monthly benefit for a single household is set at EUR 780.

An equivalence scale is used to adjust the benefit amount and the income test threshold for other households that attributes 0.4 to each additional adult and 0.2 to each minor under 18. The equivalence coefficient cannot exceed 2.1, irrespective of household size (2.2 if there is a disabled household member). A couple with three children under 18 (equivalence size:  $1+0.4+3*0.2=2$ ) can receive up to EUR 12 000 per year, while the maximum annual amount for a household composed of two (or more) adults and at least four children under 18 is EUR 12 600 (in both cases, the contribution for rent or mortgage is added up to a maximum of 3360 euros per year). This scale thus may place households with many members and minors at a disadvantage. However, from 2022, recipient households will receive the new 'unique and universal child allowance', which will replace all existing tax exemptions and allowances for households with children. Households receiving the RdC will receive EUR 175 per child (increased to EUR 260 for the third and subsequent children) monthly, but the RdC amount will be smaller.

The RdC is compatible with the condition of employment or beneficiary of other treatments. For instance, the RdC may be provided to recipients of other cash and in-kind welfare benefits (e.g. the RdC may top-up the amount of unemployment benefits if total household resources are below the income and wealth thresholds). From 2021, beneficiaries of the RdC are automatically entitled to water, sanitation, gas and energy bonuses, which allow them to pay lower tariffs for these types of essential services<sup>64</sup>.

In 2019, the adequacy of the minimum income benefits (89% of the poverty threshold and 64% of the income of a low wage earner for a single household) was significantly higher than the EU average and has increased significantly over the last decade from very low initial levels (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Entitlement to RdC is strongly linked to beneficiaries' involvement in active labour market or social inclusion activities, depending on the previous work history of household members. Only people with disabilities, elderly individuals, those in formal education or training, caregivers for seriously disabled individuals or children under 3, and low-paid workers working at least 20 hours a week are excluded from these obligations. Individuals assigned to the PES first receive a quantitative profile (i.e. an index of their likelihood of still being unemployed in a 12-month period), then undergo a face-to-face interview about their motivational and soft skills. After establishing their profile, the PES defines an individual action plan. The PES should meet individuals addressed to them within 30 days of approval of the MI application.

Households where no members are directed to sign the 'Work Pact' take a social inclusion path (managed by the municipality), following a multidimensional assessment to identify household

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<sup>64</sup> These benefits are established at national level and consist of both in-kind benefits (the 'water bonus') and in reduced tariffs (the 'waste tax' rebate, the 'electricity bonus', the 'gas bonus'). See [https://www.arera.it/it/bonus\\_sociale.htm](https://www.arera.it/it/bonus_sociale.htm) for details of access to essential services for low-income people.

needs and appropriate services within 30 days of approval of the application for MI, and should sign the 'Social Inclusion Pact' within 20 days of that assessment.

In January 2021, of the households subjected to activation requirements, 49% were covered by active labour management policies (ALMPs), 41% were in social inclusion activities, and 10% had at least one member in ALMPs and another in social inclusion activities.

A set of sanctions is applied to recipients who do not take part in ALMPs or social inclusion activities..

### **Governance**

The Ministry of Labour and Social Policy is responsible for the regulation and implementation of the RdC. The monetary benefit is delivered by INPS at the national level. ALMPs and social inclusion services are delivered at the regional and municipal level, respectively. The PES are organised at the regional level and are responsible for implementing 'Work Pacts', while municipalities are responsible for implementing 'Social Inclusion Pacts'.

Applicants may apply for the benefit through the post office, in a '*patronato*' (an office set up by a trade union or association to give free help and advice on social security and other matters), in a fiscal assistance centre, or by completing an online application form. The application itself is quite simple, however it requires applicants to be in possession of a valid ISEE declaration to indicate their financial circumstances.

The Ministry of Labour and Social Policy is responsible for monitoring the implementation of the RdC and publishing an annual report.

### **Reform objectives and trends**

The implementation of ALMPs and social inclusion services for MI scheme recipients is experiencing delays resulting from the COVID-19 pandemic, which began shortly after the introduction of the RdC.

During the COVID-19 crisis, two changes were temporarily introduced to the RdC. Firstly, the conditionality rules on beneficiaries' job search activities were suspended from March to July 2020. Secondly, the government introduced a top-up supplement for RdC recipients in the categories of workers protected through the extraordinary allowances for self-employed/atypical/seasonal workers and where the RdC amount was lower than the amount of those allowances. An additional benefit, 'Emergency Income' (*Reddito di Emergenza*, REM) was introduced in 2020 and renewed in 2021. For several months, the REM was granted according to different eligibility conditions in order to protect poor households that were not covered by the emergency measures introduced during the pandemic, nor entitled to unemployment benefits, short-time work allowances, or RdC.

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Italy performs better than or around the EU average in Material and Social Deprivation (MSD) rates in the observed populations, but shows a much higher poverty gap for jobless households and a higher poverty rate for the same population, showing an increase in long-term changes. MSD rates have been improved significantly in both population categories.

As for the performance indicators, the impact of social transfers on poverty is much lower than the EU average and it has remained unchanged since 2010. The indicators assessing access to services (gap indicators) are around or slightly higher (housing) than the EU average but both have improved over the last decade.

**Table – Common indicators from the minimum income benchmarking framework**

	IT (SILC 2020)	EU27 (SILC 2020)	IT (short term change)	IT (long term change)
<b>Outcome indicators</b>				
Poverty gap total (18-64) in %	31.3	27.7	-2.5	2.7
Poverty gap for QJH (18-64) in %	51.7	37.3	-4.5	-5.8
MSD rate total (18-64) in %	11.7	12.7	-1.4	-10.4
MSD rate for QJH (18-64) in %	36.5	43.8	-2.1	-17.0
AROP rate for QJH (18-64) in %	65.4	61.6	5.4	9.0
<b>Performance indicators</b>				
Impact of social transfers on poverty reduction (18-64) in %	22.9	35.6	-0.4	0.3
Benefit recipient rate for AROP & QJH (18-64) in %	65.5	78.5	19.8	21.7
Gap in self-reported unmet needs for medical examination in %	3.8	3.4	-1.6	-10.1
Gap in housing cost overburden rate in %	40.0	34.7	-6.8	-2.3
<b>Adequacy indicators</b>				
As a share of the poverty threshold in %	89%	60%	89%	89%
As a share of the income of a low wage earner in %	64%	46%	64%	64%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# CYPRUS

## 1. Description of the national scheme

The Cypriot Guaranteed Minimum Income (henceforth GMI - Ελάχιστο Εγγυημένο Εισόδημα – ΕΕΕ) scheme was introduced in 2014. It aims to ensure a socially acceptable minimum standard of living for persons (and families), legally residing in the Republic of Cyprus, whose income and other economic resources are insufficient to meet their basic and special needs. The GMI is provided in the form of monetary support and/or services.

The GMI is a means-tested benefit, using a combination of income and asset eligibility criteria, and is available to all households, whose incomes fall below a specified ‘minimum income threshold’. Benefit levels reflect both ‘means’ and ‘needs’. Household ‘means’ are based on all the income available to the household, so as to finance basic consumption (including other social benefits), while ‘needs’ reflect the cost of attaining a minimum standard of living for all household members, and therefore vary with household size and composition.

The scheme consists of three pillars: income support, access to services and activation and along with all of its complementary components and associated policies. It was gradually introduced between the years 2014 and 2019.

### ***Eligibility – coverage***

The benefit recipient rate reaches 74% and has increased over the past decade (+8 ppts), and is now close to the EU average (78% in 2019).

Access to the GMI is determined on the basis of income, age, nationality, residency, employment status, and the financial assets of applicants and beneficiaries. Applicants and beneficiaries must also satisfy a number of job-related conditions, such as being registered with the PES and accepting ‘suitable’ jobs. Not complying to these conditions endangers eligibility.

GMI applicants must be over the age of 28 (there is no upper bound). Exceptions to this rule include: married couples, single parents, orphans, disabled people and people under the age of 28 who, on reaching 18, were under the care of the Welfare Services Director and are studying within or outside the borders of Cyprus. The GMI is not meant to address the specific needs of young people (for school fees, professional training, etc.).

The family unit consists of the applicant, the spouse/partner, children under the age of 18 who live under the same roof and children between the ages of 18 and 28 living in Cyprus or studying abroad.

All GMI applicants must have resided in Cyprus for a continuous five-year period. Third-country citizens need to have an immigration permit and the right to long-term stay in the country. Valid temporary residence permits are also required for family members of third-country nationals who are not GMI applicants. Refugees and victims of trafficking can also apply for the GMI but asylum-seekers are not eligible.

The following income is taken into account in the means test: from work (including self-employment), from alimony, from allowances/grants given by the government, and other social benefits, from any pension plan, pension fund, social insurance plan or occupational plan and from real property and movable assets. If claimants and/or any members of their family units own property worth more than €100,000, they are not eligible for the GMI. Some incomes are excluded from the means test, such as soldier's allowance, disability allowances and grants, charity organizations/institutions contributions, students' grants, funeral allowance, childbirth allowance and any scheme supporting pensioner households with low income, training or vocational experience allowances, monthly allowances granted to people actively engaged in the field of literature and arts, amounts provided by people belonging to the family unit from the Welfare

Lottery Fund and economic assistance granted as emergency financial aid. Furthermore, when calculating the level of income from work, a series of income disregards are taken into account to strengthen work incentives.

There is a periodic assessment of entitlement to the GMI, reviewing for example, information on people who are not registered as unemployed, the income and deposits of GMI beneficiaries and the family units benefiting from the GMI. Data on income and assets are collected every month, while other kinds of data are collected daily (labour market participation data, job rejection and quitting) or ad hoc (e.g. updating of address and family composition).

GMI beneficiaries have the right to appeal for a series of reasons (within 60 days after receiving a notification about the decision to which they appeal).

### ***Adequacy of benefits***

The level of the basic amount is calculated using a reference budget methodology and varies depending on the size and age structure of the recipient unit. It is calculated by subtracting the family income from the basic needs (plus housing needs). More specifically, it provides €480 for the main applicant, €240 for the spouse and children between the ages of 14 and 28, €144 for children under the age of 14 and takes into account rent or loan interest, depending on family composition and district.

The second pillar provides access to subsidized or free-of-charge services (e.g. healthcare, discounts on electricity, free attendance at government institutes of education, psychological and career advice services, and, in the case of recipients with dependants, subsidized childcare and long-term care). The GMI also covers municipal taxes, sewage taxes, municipal garbage collection charges and certain extraordinary needs.

In 2019, the adequacy of the minimum income benefits (78% of the poverty threshold and 74% of the income of a low wage earner for a single household) was significantly higher than the EU average but has eroded in the recent years (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Based on the relevant legislation, GMI recipients must register with the PES, accept any suitable jobs<sup>65</sup> offered; not quit a job and participate in (where available) VET programmes, communal service, personal/social development seminars, and personal tutoring from PES counsellors. Failure to do any of the above (for example, if people refuse to accept a job offer that is relevant to their skills) may result in temporary or complete loss of entitlement. No exemption seems to have been introduced during the pandemic.

Overall, although the activation component of the scheme appears to have been less developed than the other two GMI components, during the last 2-3 years there has been significant progress. When participating in ALMPs, GMI recipients continue to receive full GMI-related benefits. Personalized employment agreements include, inter alia, details on the most adequate policies for GMI recipients. Examples of ALMPs targeted at GMI recipients include programmes for gaining work experience, recruitment subsidies, development of labour market skills; subsidizing flexible forms of employment; incentives schemes (wage subsidies, on-the-job training, subsidized training programmes) for the training and recruitment of unemployed people in dynamic sectors of the economy, such as the tourist industry and subsidizing the employment of people with disabilities. Some programmes explicitly designed for GMI recipients, like the 'scheme for providing incentives for the recruitment of GMI recipients, in combination with three months training', and the 'scheme for the placement of GMI recipients in the (wide) public sector for acquiring work experience.

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<sup>65</sup> In theory, this means a job that people are able to do, after taking into account their skills and level of education. In practice, however, especially during periods of higher unemployment, it is doubtful whether this rule is taken into account.

GMI recipients are in principle entitled to a comprehensive package of services and the GMI is integrated with the social services provided. The provision of care services under the GMI scheme therefore follows a personalized approach, in the sense that the needs of the individual are evaluated by professional teams of the Social Welfare Services, with a view to deciding on the type, range, and duration of the services that are necessary for the person being considered. GMI beneficiaries, inter alia, get a subsidy aimed at providing them with access to long-term care and childcare services.

The integrated provision of targeted social services for GMI beneficiaries appears to be one of the main strengths of the Cypriot scheme. However, issues such as the relatively high degree of administrative steps may hinder members of groups deemed to be vulnerable (e.g. low-educated people), alongside ill-informed beneficiaries, from benefiting from the GMI-related social services.

### ***Governance***

The design and implementation of the Cypriot GMI takes place at the national level. Although there are cases where local authorities and non-governmental organizations may participate in organizing various GMI-related initiatives, the architecture of the scheme does not allow regional or local features.

A computerized social benefit register is used to collect information about the people receiving benefits. The data collected relate to the number and characteristics (age, sex, income, level of educational attainment, etc.) of GMI applicants and beneficiaries, as well as their household composition, among other things.

### ***Reform objectives and trends***

There is a process of re-examining the documents required by GMI applicants, so as to simplify the application process and minimize the number of the paperwork needed. Moreover, there are plans to reinforce the Welfare Services with additional personnel. This will allow the paying authority to offer individual service points to both GMI applicants and beneficiaries.

In addition, the online application system, which is currently being developed, is expected to enhance both communication and transparency. The recent launch of a website, which includes detailed descriptions of all the requirements, documents, manuals, checklists and hundreds of answers to 'Frequently Asked Questions', regarding all the benefits offered (the GMI included), should also improve the services provided. Additional information includes data collected from other agencies or service providers, such as the PES, in regards to labour market history, sources of personal or household income (including other social transfers), current and previous participation in social services, social integration and rehabilitation programmes and current and previous participation in ALMPs.

Aside from using the data mentioned above for administering benefits and share with other agencies or service providers (e.g. PES), the data collected are used for monitoring and evaluation purposes. In the case of monitoring, performance indicators have been adopted (e.g. indicators measuring the poverty gap, poverty intensity, and severe material deprivation). Monitoring takes place at the national level and reports are delivered on a yearly basis. Evaluations are carried out internally. As with monitoring reports, evaluation reports are only for internal use.



## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Cyprus performs in all selected indicators generally better than the EU average and shows significant improvement of the situation over the last decade.

As for the performance indicators, the impact of social transfers on poverty is close to the EU average, broadly stable since 2010. The indicators assessing access to services (gap indicators) show mixed picture, in line with the EU average for healthcare and better than EU average for housing.

**Table – Common indicators from the minimum income benchmarking framework**

		CY (SILC 2020)	EU27 (SILC 2020)	CY (short term change)	CY (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	17.7	27.7	-0.9	-2.4
	Poverty gap for QJH (18-64) in %	22.7	37.3	0.9	-5.2
	MSD rate total (18-64) in %	11.3	12.7	-5.1	-12.5
	MSD rate for QJH (18-64) in %	36.3	43.8	-14.0	-13.9
	AROP rate for QJH (18-64) in %	48.5	61.6	-7.3	-3.2
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	38.8	35.6	-1.7	1.4
	Benefit recipient rate for AROP & QJH (18-64) in %	73.9	78.5	-3.7	8.6
	Gap in self-reported unmet needs for medical examination in %	4.5	3.4	-1.1	0.4
	Gap in housing cost overburden rate in %	12.4	34.7	6.7	2.4
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	78%	60%	-8%	Not available
	As a share of the income of a low wage earner in %	74%	46%	-4%	Not available

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# LATVIA

## 1. Description of the national scheme

In Latvia - the guaranteed minimum income (GMI) benefit (*pabalsts garantētā minimālā ienākuma līmeņa nodrošināšanai*) is a non-contributory minimum income scheme, with the fundamental aim of the ensuring minimum level of income for each member of a household in need whose income is lower than the GMI threshold set by the government.

### **Eligibility – coverage**

The benefit recipient rate reaches 77% in 2019 and has been broadly stable over the past decade, thus remaining in line with the EU average (78%).

There are no restrictions in respect of citizenship<sup>66</sup>, age, labour market situation. However, the Law on Social Services and Social Assistance defines groups who are not entitled to social assistance benefits (including the GMI benefit) as those who are in a place of imprisonment or an institution of long-term social care and social rehabilitation or an educational institution for social correction.

Eligibility is assessed by considering the income level of a household. Along with income level, a person has to be registered as unemployed (for non-employed working-age people, with some exceptions<sup>67</sup>) and have a registered residence in the administrative territory (municipality) in order to claim GMI benefit. Only people designated as 'in need' (with a monthly income threshold of EUR 272 for the first person and EUR 190 for each subsequent person in the household) are eligible.

The means test considers the income from paid employment, income from casual work, state social insurance benefits and allowances (including unemployment benefit), pensions and income from capital and assets. Various benefits available for families, such as childraising, disability, education allowances, scholarships, transport support are exempted.

The decision of the municipal social service office to grant the GMI benefit may be challenged at the local government council and a household may launch an appeal against that decision before the courts. No data are available on such appeals.

In 2020, 16 511 people received the GMI benefit, including 3 057 children (19%), 6 393 unemployed (39%), 1 629 others of working age (10%), 2 766 people with disabilities (17%), and 2 666 people of retirement age (16%). Due to increase of the threshold in 2021, it is estimated that the number of people 'in need' would increase by 72% between 2020 and 2021. Take-up or non-take-up of the GMI benefit has not been studied and there is no information on the numbers of eligible people who do not apply for the benefit.

### **Adequacy of benefits**

The GMI benefit is calculated as the difference between the GMI level and the claimant's average monthly income over the previous three months. The GMI level is determined per person, but the amount of benefit is calculated for the household. Since 2021, the unified GMI threshold has been set at EUR 109 per month for the first person in a household and EUR 76 per month for each subsequent person in that household.

The GMI benefit is granted for a period of three months, as long as the person or household is considered to be in need, and is renewable as long as the entitlement conditions are fulfilled.

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<sup>66</sup> The right to social assistance, including the GMI benefit, is guaranteed to citizens and non-citizens of Latvia, third-country nationals and their family members with a permanent residence permit.

<sup>67</sup> A person with disabilities, the recipient of an -age pension, a woman on antenatal or maternity leave, a parent on childcare leave or another person in a household who is caring for a child of pre-school age, if it is not possible to ensure otherwise due to objective reasons, is one of a disabled child's parents if the child does not receive appropriate care services, is a person aged 15+ in full-time education in a basic education, general secondary or vocational secondary education institution, or a full-time student in a higher education institution.

The law stipulates that the GMI level must be reviewed at least every three years but it is not bound to any specific indicator (there is no automatic indexation nor adjustment for inflation). Since 2021, the Plan for Improving the Minimum Income Support System 2022-2024 has defined a common national methodology for the GMI level. In year N it is set at 20% of the median income of year N-3. The median income figures are projections calculated by Central Statistical Bureau (CSB). As a result, in 2021, it is set at 20% of the median income for 2018 (i.e. EUR 109 per month), in 2022 the GMI remains at the 2021 level. In 2023, according to the most recent data, it will be EUR 125 (20% of the median for 2020), and in 2024 it will be EUR 127 (20% of the median for 2021).

There are two basic social benefits administered and paid by local governments GMI benefit and housing benefit, and two supplementary benefits - crisis benefit and benefit to cover certain expenses, for instance, healthcare benefit. None of these three other benefits is directly linked with GMI benefit, but in principle beneficiaries can have access to them. Subsidised energy (reduced electricity costs) is also available to persons 'in need'.

In 2019, the adequacy of the minimum income benefits (42% of the poverty threshold and 33% of the income of a low wage earner for a single household) was significantly lower than the EU average, and has eroded over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

All non-employed working-age GMI benefit recipients aged 15-64 are required to register as unemployed to actively seek work or training. Registration has to be within one month of filing for benefits. After being registered, a person has to sign an individual job search plan, similar to recipients of unemployment benefits. The length of this procedure is not specified, but the person is obliged to pay a visit once to month to discuss the implementation of their individual job search plan. They are also obliged to participate in the ALMP measures specified in the individual job search plan, cannot refuse suitable job offers more than once, and should document at least three job applications in a two-month period. Anyone failing to comply with these rules is not registered as unemployed and if they are a GMI beneficiary, their GMI benefit payments are stopped.

After three months in employment the benefit is stopped since 2017 and, during that time, the earnings of the individual in relation to the monthly minimum wage is disregarded. This tapering mechanism smooths the transition from benefits to work.

The municipal social services have to assess beneficiaries' needs, material and personal resources (motivation, necessary knowledge and skills, education, profession, etc.) and social support system, as well as to determine their participation obligations and agree on measures. Needs assessment – based on a common framework – has to pay special attention to families with children. All GMI beneficiaries undergo this assessment. Social services are not targeted, other than through the individual assessment of a person's situation. Social workers inform the beneficiaries about specific social services and social benefits available.

### ***Governance***

The GMI benefit is regulated at national level and administrated by the municipal social services office and financed from the municipal budget. Municipal social services offices are responsible for assessing a person's income and living conditions, deciding on granting social assistance and providing social benefits financed by the municipality.

The monitoring of social assistance, including the GMI benefit, is coordinated and published by the Ministry of Welfare. Municipalities compile monthly data on beneficiaries of social assistance in accordance with a common national methodology and submit them to the Ministry of Welfare.

### ***Reform objectives and trends***

During the COVID – 19 pandemic, documents could be submitted remotely and the municipal social service could grant GMI benefit on the basis of a previous application. A national level scheme for

benefit in crises was introduced providing support in a situation when a person (household) could not ensure their basic needs. The amount of the benefit was determined by the local government, the state co-financed 50% of the amount (the state co-financing max. €40 per month<sup>68</sup> and EUR 75 per month<sup>69</sup>) for an adult and 100% of the amount (€50) for each child in the family. The GMI benefit has been administered and financed by the municipalities. It is planned that from 2023, the GMI benefit and housing benefit will be co-financed by the State.

The eligibility criteria for the GMI benefit are set to be reviewed in 2022, primarily for the types of income considered in the means test.

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Latvia performs in all selected indicators below or much below the EU average, in particular for poverty gap and poverty rate for jobless households, which remained unchanged since 2010. MSD rates are also worse than the EU average, but have significantly improved in both population categories.

As for the performance indicators, the impact of social transfers on poverty is lower than the EU average even if it has slightly improved since 2010. The indicators assessing access to services (gap indicators) show different performance, the gap in self-reported unmet needs for medical examination is much higher than the EU average, while housing cost overburden rate performs better. Both have improved over the last decade.

**Table – Common indicators from the minimum income benchmarking framework**

		LV (SILC 2020)	EU27 (SILC 2020)	LV (short term change)	LV (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	32.9	27.7	-1.0	1.0
	Poverty gap for QJH (18-64) in %	52.4	37.3	-5.1	0.3
	MSD rate total (18-64) in %	14.1	12.7	-4.8	-13.1
	MSD rate for QJH (18-64) in %	50.4	43.8	-8.2	-23.2
	AROP rate for QJH (18-64) in %	80.2	61.6	0.7	0.0
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	28.4	35.6	5.1	1.2
	Benefit recipient rate for AROP & QJH (18-64) in %	76.8	78.5	4.3	-1.2
	Gap in self-reported unmet needs for medical examination in %	13.6	3.4	0.6	-1.5
	Gap in housing cost overburden rate in %	25.5	34.7	-11.2	-7.6
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	42%	60%	-4%	7%
	As a share of the income of a low wage earner in %	33%	46%	-2%	-20%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

<sup>68</sup> In force from 12 March 2020 to 31 July 2020 and from 9 November 2020 to 24 February 2021.

<sup>69</sup> In force from 25 February 2021 to 30 June 2021 and from 1 July 2021 to 31 December 2021.

# LITHUANIA

## 1. Description of the national scheme

In Lithuania, the minimum income support available to the working-age population<sup>70</sup> includes social benefit and reimbursement for the cost of heating, hot water and drinking water from municipalities. Monetary social assistance is centralised in terms of eligibility criteria, conditionality rules and the formula for estimating the amount of social assistance benefit and reimbursement of costs. The provision of monetary social assistance is implemented by the municipalities.

### *Eligibility - coverage*

The benefit recipient rate reaches 83% in 2019, somehow higher than the EU average (78%) and has been increasing over the past decade.

The eligibility conditions for monetary social assistance include residence, an income and assets test, and – for those fit to work – employment or willingness to work.

Monetary social assistance is conditional on residence and can be received by citizens of Lithuania or those with a long-term permit to reside in Lithuania. Homeless people or those who do not have a valid address, but legally reside in Lithuania, can declare their residency in a municipality even without an address. Those who have been granted protection or asylum are eligible (under certain conditions).

Income is tested after deducting taxes, social contributions and applicable exemptions and is averaged over the previous three months. The current threshold is 1.1 x state supported income (SSI) per person per month. The applicable exemptions include child benefit, several types of targeted compensation, some other types of social benefits, such as unemployment insurance benefit, monetary donations, and a proportion of earnings and earnings-related income. The size of the earnings disregards-work related income and unemployment benefit differs by households<sup>71</sup>.

The assets test takes into account the value of real estate and movable assets, which may not exceed a defined value. The assets test may restrict access to monetary social assistance for those with high-value assets.

Social benefit is received by around 2% of the total population and 10% of those below the at-risk-of-poverty threshold in 2020 (an annual average of 57,741 recipients)<sup>72</sup> and this varied substantially across municipalities. Social benefit was received on average for 7.3 months in 2020. Around 30% of recipients received it for more than 12 months in a row, while 40% were short-term social assistance recipients (30% of beneficiaries returned to the social assistance system within a year in 2020).

There is little information on non-take-up of monetary social assistance in Lithuania. An assessment based on SILC survey data and EUROMOD microsimulation showed the non-take-up of social benefit was around 20% (as of 2016). The rate of non-take-up was higher among single people, and single parents with children, than among other family types (e.g., couples, and couples with children). A recent study commissioned by the Ministry of Social Security and Labour was conducted in 2022. It shows that the main reasons of non-take-up of monetary social assistance are related with the lack of information, complex procedures, shadow income, social barriers and stigmatization. According to this study non-take-up of social assistance is much higher and using different research methods can vary between 27 and 49 percent.

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<sup>70</sup> Regulated by the Law on Monetary Social Assistance for Low-Income Residents.

<sup>71</sup> The size of the disregards varies from 20% for a single person to 40% for a family with three children or more.

<sup>72</sup> In 2021 – 2.4 % (an annual average of 66.6 thous. recipients)

### ***Adequacy of benefits***

The threshold for monetary social assistance depends on household composition and the duration of its receipt and is set using the amount of the SSI. The SSI must not be less than 50% of minimum consumption needs (MCN). The calculation of the MCN is based on national statistical data on household expenditure and nutritionists' information on minimum food requirements and indexed annually to price changes. The amount of social benefit payable is the difference between the threshold and the disposable income of recipients after applicable deductions. This amount is reduced over time for those of working-age and capable of working, but monetary social assistance recipients who find employment may be eligible for extra payments.

Currently, the amount of social benefit for single beneficiaries in the first six months is the difference between 1.4 x SSI and the actual income, maximum €205.8 per month. For months 6-12 it decreases to 1.2 x SSI maximum €176.4 per month and after 12 months further to 1.1 x SSI -maximum €161.7 per month. The amount of social benefit for people living together is 100% of the difference between 1.1 x SSI per person per month and the actual income per family member for the first family member maximum €161.7 per month, 90% of the same difference for the second member maximum €145.53 per month and 70% of the same difference for the third and any additional family members maximum €113.19 per month.

The amount of social benefit payable is reviewed every three months and depends on income, family composition, duration of benefit receipt and employment status.

Various benefits are also available for low-income population and their families, though not specifically linked to MI benefit receipt, such as universal child benefit and additional child benefit, social assistance to pupils, educational stipends, a single person benefit, compensation for renting social housing or private accommodation, in-kind support for food and hygiene products, compensation and in-kind goods and services (e.g., lump-sum, periodical, conditional or targeted social assistance paid by municipalities, reduced fees for childcare, provision of essential clothing, and sauna vouchers).

In 2019, the adequacy of the minimum income benefits (51% of the poverty threshold and 40% of the income of a low wage earner for a single household) was lower than the EU average. It has increased on the whole over the last decade but eroded over the recent years (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Those of working age who are unemployed have to register with the Employment Service or with another Member State's employment service. These conditions do not apply to people caring for children under 3 (or 8 in some exceptional cases), people with disabilities, those in education, and some vulnerable groups. Registration with the Employment service as an unemployed person requires people to be actively looking for a job and to be willing to work. An individual employment plan is signed within 30 days of registration, lasting up to one year. Recipients who register with the Employment Service are subject to the same activation regime as other registered unemployed. In addition, municipalities can assign monetary social assistance recipients who are fit to work, but who are not in work and do not participate in active labour market policy measures through the Employment Service, to perform unpaid community work (i.e. 'socially-useful activities'), which often involve manual work. However, individual needs assessments for social services are rarely carried out, because they are not mandatory by law.

Recipients who start working are entitled to receive social benefit, with some tapering. When a unemployed beneficiary finds a job (after being registered as unemployed for six months), an additional social benefit is payable for a maximum period of 12 months in a degressive manner.

Municipalities are responsible for organising social services and carrying out individual evaluations of needs for social services. The information and statistics on the social services provided to monetary social assistance recipients are actually very limited. The available data and research indicate that social services provided to monetary social assistance recipients are insufficient, are rarely based on an assessment of the individual needs of beneficiaries and lack integration with employment services.

### **Governance**

Monetary social assistance is established by law and the provision of monetary social assistance to poor residents and the provision of social services are carried out by municipalities having some discretion in defining the conditions for entitlement. The Ministry co-ordinates, monitors and assists municipalities in the implementation of social assistance. Detailed statistical information on social assistance expenditure and recipients is provided on a monthly basis. Breakdowns are available by type of benefit, municipality, region, level of urbanisation, age group, gender, number of children in the household, and household type. A dedicated platform for monitoring social assistance effectiveness was launched in 2021 using a composite index, which consists of three dimensions: social assistance, prevention, and poverty reduction. The monitoring platform is updated on an annual basis.

Applications can be submitted online or by applying face-to-face to the municipality of the applicant's place of residence.

Although there is no common integrated approach or co-ordination between social and employment services, a pilot project for a new model of employment-promotion and motivation services for social assistance recipients has been implemented in 6 out of 60 Lithuanian municipalities since 2019 and in 23 additional ones since 2020. Since 1 June 2022, 14 additional municipalities have started implementing this model and the aim is that as of 2023 all municipalities take over the model. The project is targeted at long-term unemployed social assistance recipients, involving about 2,200 people in 2021. About a third of them found a job and worked at least part time, 6 percent started studying, volunteering, changing qualifications.

### **Reform objectives and trends**

The assets test has been temporarily suspended during the Covid-19 pandemic until 30 April 2024, as well as at the initial stage of receiving monetary social assistance (i.e. for the first three months for those applying for support for the first time).

In order to increase the coverage and adequacy of social assistance, provide more financial support<sup>73</sup> and increase work incentives in 2020–2021 the income threshold has been increased as well as amounts of social benefit, including the partial disregard of work income.

A new website was introduced by the Ministry of Social Security and Labour in 2021 to improve access to information.

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<sup>73</sup> From 1 January 2022 more favourable conditions were created for single person and for family to receive compensation for heating costs – the amount of SSI for the calculation of compensation for heating costs has been increased from 1 to 2 SSI for family and from 1.5 to 3 SSI for single resident.

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Lithuania performs around the EU average in all selected indicators for the total population, but all the indicators for jobless households, shows significantly higher rates (poverty gap, MSD and poverty rate), regardless of some improvement observed in both population categories (except for poverty rate of jobless households, which increased).

As for the performance indicators, the impact of social transfers on poverty is around the EU average and shows little improvement since 2010. The indicators assessing access to services (gap indicators) show better performance compared to the EU average and have improved since over the last decade.

**Table – Common indicators from the minimum income benchmarking framework**

		LT (SILC 2020)	EU27 (SILC 2020)	LT (short term change)	LT (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	25.9	27.7	-7.6	-8.0
	Poverty gap for QJH (18-64) in %	46.9	37.3	-12.0	-3.8
	MSD rate total (18-64) in %	15.2	12.7	-6.8	-10.5
	MSD rate for QJH (18-64) in %	65.0	43.8	1.8	-4.6
	AROP rate for QJH (18-64) in %	82.5	61.6	0.6	10.5
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	34.8	35.6	6.2	2.5
	Benefit recipient rate for AROP & QJH (18-64) in %	83.0	78.5	9.7	3.2
	Gap in self-reported unmet needs for medical examination in %	1.8	3.4	-1.2	-1.5
	Gap in housing cost overburden rate in %	27.3	34.7	-14.0	-20.0
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	51%	60%	-5%	10%
	As a share of the income of a low wage earner in %	40%	46%	-3%	1%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.



# LUXEMBOURG

## 1. Description of the national scheme

The Social inclusion income (*Revenu d'inclusion sociale*: REVIS) was introduced in 2018, replacing previous minimum income scheme to ensure basic means of subsistence for its recipients. It is meant to be determined in relation to essential items and corresponding amounts of a reference budget<sup>74</sup> (defined as a priced basket of goods and services that ensures a decent standard of living in society)<sup>75</sup>. REVIS is made up of the social inclusion benefit and the activation benefit, depending on the labour market status of the claimant.

### **Eligibility – coverage**

The benefit recipient rate reaches 86% in 2019, above the EU average (78% in 2019) and has been broadly stable over the past decade.

Applicants need to have resided in Luxembourg for at least 5 years during the last 20 years (except for Luxembourgish nationals, nationals of an EU/EEA Member State, Swiss nationals, refugees and stateless persons). No distinction is made between temporary and permanent residence. Refugees are eligible, but not asylum seekers.

A minimum age of 25 years criterion applies. Dependents under 25 and children living in the same household as their parents receive benefits through the households. There are however conditions for people under 25 to be beneficiaries.<sup>76</sup>

Regarding the means test, all household members' full gross income and all other financial assets need to be declared.<sup>77</sup> A number of benefits are disregarded from the means test.<sup>78</sup> A new design feature of the REVIS allows recipients to have 25% of their professional earnings excluded from the calculation to incentivise work intensity and make work pay.

Recipients have to immediately report any change in their circumstances which might affect their right to REVIS. Restitution of the inclusion benefit can be requested if relevant changes in circumstances are not reported by the recipients.

Approximately 10,000 households receive the benefits and there are currently no official figures on (non) take-up as there are no mechanisms to monitor it.

### **Adequacy of benefits**

The social inclusion benefit is meant to cover essential living expenses for people<sup>79</sup> whose income is below the "*minimum vital*" or subsistence level. This typically supports individuals who have signed an activation agreement, but is not limited to them. Individuals who are unable to work for medical reasons and even workers in full-time employment may claim the social inclusion benefit to reach the minimum amount guaranteed by the REVIS.

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<sup>74</sup> However, the REVIS law has no explicit mention of the reference budget.

<sup>75</sup> [Link](#)

<sup>76</sup> Persons under 25 years of age, may claim if they are raising a child for whom they receive family allowances; those who are at least 7 months pregnant or are over 18 years of age and, due an illness or a disability, are unable to earn a living to the standard set by law or are a carer for a person receiving long-term care insurance.

<sup>77</sup> Professional income (i.e. wages and salaries), income replacement benefits (sickness, maternity, unemployment, work-related accident or illness, parental leave allowance, etc.) pensions, benefits received as part of an employment programme, rent received on owned property, maintenance/support payments; direct or indirect donations made by the applicant or beneficiary, inherited assets.

<sup>78</sup> Family benefits; back-to-school allowance; birth allowance; special allowance for severely disabled people; long-term care insurance payments (in cash); the earned income of a person under 25, until and unless it is equal to the maximum social inclusion benefit for an adult; other state financial aid, aid from social welfare offices and other private social welfare charities.

<sup>79</sup> As per the reference budget, essential living expenses cover: healthy food, clothing, personal hygiene, housing, mobility, social life, lifelong learning, and special needs of children.

The threshold of the social inclusion benefit is defined by law and regularly adapted, in line with adaptations to the minimum wage, which itself is indexed to the evolution of the average wage. It is also subject to automatic price indexation (inflation). The benefit for a single person household is set below the minimum wage, and increases for each additional adult or child in the household.

The social inclusion benefit comprises a basic flat rate amount per adult (EUR 791.80/month at 1 January 2022), a basic flat rate amount per child (EUR 245.82/month at 1 January 2022), an increased amount per child in case of single-parent household (EUR 72.65/month at 1 January 2022), an amount for common household expenses (EUR 791.80/month at 1 January 2022) and an increased amount for common household expenses in cases where there are children (EUR 118.85/month at 1 January 2022).

The activation benefit provides support for those who participate in activation measures as part of an activation plan or agreement and not a traditional employment contract. It is provided monthly based on the hourly minimum wage multiplied by the number of hours the person works. It is subject to social contributions and income tax like wages and salaries.

The REVIS tops up household's total gross income to the calculated minimum income scale and can be combined with other benefits (e.g. family allowance, cost-of-living allowance). There are several in-kind benefits available, although they are not exclusive to REVIS recipients.<sup>80</sup> There is however no separate state subsidy that covers energy bills, which can be an issue in poorly insulated homes.

In 2019, the adequacy of the minimum income benefits (87% of the poverty threshold and 70% of the income of a low wage earner for a single household) was significantly higher than the EU average, though it has somehow eroded over recent years (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Each adult applicant aged below 65 undergoes mandatory initial screening and a skills profiling. This initial screening allows to assess the applicant's ability to integrate into the primary employment market. Claimants have to be looking for employment and be and remain registered as a jobseeker, otherwise the benefit may be withdrawn. Claimants who are deemed not job-ready straightaway are referred for personalised activation and social inclusion support.

Applicants with specific needs in terms of social and professional activation are provided with an activation plan within one month to improve capabilities and employability and increase their chances of finding employment in the primary labour market. This activation plan is concluded for one year and can be renewed, or a new activation plan can be established at any time. Recipients are usually placed at public works, preparatory measures (e.g. language classes, skills assessments, basic skills acquisition, practical training) and medical treatments and other rehabilitation measures intended to restore or improve fitness for work.

Regarding sanctions, benefits may be suspended or stopped if conditions required are no longer met, particularly after prior notification. Sanctions are gradual in 3 stages whereby the person first receives a written warning, then a 20% reduction applies and eventually a suspension is introduced.

Earnings and benefits can be combined and 25% of earnings is disregarded from the calculation of the benefit and recipients continue to receive benefits as a top up.

Further targeted social support is offered to those recipients who are considered not to be job-ready following the initial screening and skills profiling. Such services include personalised support by a social worker, referrals to various social welfare services.

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<sup>80</sup> Like access to language, literacy and ICT classes; access to childcare service vouchers; free access to medical and dental care; free legal assistance; 'culture-for-all' passport; subsidised grocery shopping. Regarding financial benefits, the housing or rent subsidy is cumulable with REVIS, ranging from €134 to €294 depending on the composition and earnings of households.

## **Governance**

The REVIS system is organised at national level and three institutions are involved in managing the scheme: the paying authority (FNS *fonds national de solidarité*) is responsible for managing, ONIS (*Office national d'inclusion sociale*) is responsible for organising social support and activation measures and ADEM (*Agence pour le développement de l'emploi*) for the screening and skills profiling of applicants, and for monitoring and organisation of employment measures.

Liaison and regular meetings take place between ONIS and ADEM, particularly regarding the transfer of REVIS recipients from one institution to the other. Liaison with the FNS involves primarily the reporting by ONIS and ADEM of issues leading to possible sanctions. There are bi-annual meetings involving the FNS to discuss broader governance matters. Certain activation measures and services are delegated by ADEM and ONIS to different partners such as training centres and the COSP (*centre d'orientation socio-professionnelle*). The FNS is responsible for monitoring the operation with the involvement of all institutions.

A Social Policy Observatory under the authority of the Minister responsible for the fight against poverty and social exclusion was established for leading quantitative and qualitative studies, evaluations and analyses in the field of social policies, including international comparative studies.

### **Reform objectives and trends**

No changes were made to the REVIS in response to the Covid-19 pandemic. However, State support was provided to workers on partial unemployment and short time working schemes, which allowed certain households to maintain their income to a large extent without the need to apply for REVIS.

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Luxembourg performs in all selected indicators better or much better than the EU average, in particular for the MSD rates being significantly below the EU average for both observed population. While AROP rate for jobless households is still better than the EU average, it shows increase in both time change.

As for the performance indicators, the impact of social transfers on poverty is still higher than the EU average but it has declined since 2010. The indicators assessing access to services (gap indicators) show different performance, the gap self-reported unmet needs for medical examination is well below EU average and decreased, the gap in housing cost overburden rate is higher and deteriorated over the last decade.

**Table – Common indicators from the minimum income benchmarking framework**

		LU (SILC 2020)	EU27 (SILC 2020)	LU (short term change)	LU (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	18.0	27.7	-7.1	-0.7
	Poverty gap for QJH (18-64) in %	31.6	37.3	-7.5	3.4
	MSD rate total (18-64) in %	5.0	12.7	0.3	-0.9
	MSD rate for QJH (18-64) in %	21.3	43.8	2.7	-1.8
	AROP rate for QJH (18-64) in %	55.6	61.6	7.2	10.6
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	39.1	35.6	-3.2	-11.4
	Benefit recipient rate for AROP & QJH (18-64) in %	85.5	78.5	0.6	0.0
	Gap in self-reported unmet needs for medical examination in %	1.6	3.4	0.5	-5.6
	Gap in housing cost overburden rate in %	51.5	34.7	-8.2	10.1
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	87%	60%	-1%	4%
	As a share of the income of a low wage earner in %	70%	46%	-6%	-10%

3. Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# HUNGARY

## 1. Description of the national scheme

The Hungarian minimum income scheme (MIS) is a benefit for persons of active age (*aktív korúak ellátása*) set by legislation since 1993<sup>81</sup>) and composed by two categories:

- i) employment substituting benefit (ESB) (*foglalkoztatást helyettesítő támogatás*), received by those who are deemed capable of work, during the time they are not working in a public works project; and
- ii) a benefit for people suffering from health problems or taking care of a child (BHC) (*egészségkárosodási és gyermekfelügyeleti támogatás*), the social assistance, received by those not deemed capable of work.

These two benefits are considered as core MIS, and complemented by other in kind and cash benefits and access to services.<sup>82</sup>

### **Eligibility - coverage**

The benefit recipient rate reaches 93% and has slightly increased over the past decade, thus remaining higher than the EU average (78% in 2019).

Eligibility criteria include an age requirement from age 18 to retirement age and the entitlement is determined on a family basis. The benefits can be claimed by any family member, but only one person in a family can be eligible to the benefits, except for the case when two claimants are entitled to the different benefits. Asset test excludes the real estate where the claimant lives and the vehicle, which is used to transport a mobility-impaired person, but every other asset in the family is taken into account, if the value of the asset is above the limit defined by the Social Act. Hungarian citizens, persons entitled to free movement and residence, third-country nationals with resident or immigrant status, stateless persons or persons recognised by the Hungarian authorities as refugees without minimum period of residence can apply for the benefits if they live in Hungary. The benefits are conditional on legal residence.

The claimant must have exhausted all his/her entitlement to unemployment benefits (which have maximum duration of 3 months). The person cannot be eligible while receiving certain child raising allowances, or benefits for persons with reduced working capacity (disability benefits). The benefits can be combined with some other types of benefits, e.g. (non means tested) universal family allowance, public health care card system and local benefit.

The person can't be engaged in work activity (except for some specific types of simplified employment and public work), and the benefits are set to zero as of next month the beneficiaries gets any work income. During the first 120 days of gainful activity, the payment of the benefit is only suspended, but the entitlement is not ceased (only as of 121<sup>st</sup> day).

The entitlement to minimum income (MI) benefits is not time limited but subject of a (bi)annual<sup>83</sup> renewal and remains available for as long as the eligibility conditions are met.

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<sup>81</sup> Act III of 1993 on Social Administration and Social Benefits and Regulation 63/2006

<sup>82</sup> Such as free basic healthcare or public health card, child nutrition provision, various disability benefits, universal child raising benefits, the contributory based unemployment benefits and occasional local benefits or various top ups during ALMP participation, including participation in public work. In 2020 the recipients of MIS beneficiaries benefits accounted for a quarter of those receiving regular social assistance (See [https://www.ksh.hu/stadat\\_files/szo/hu/szo0021.html](https://www.ksh.hu/stadat_files/szo/hu/szo0021.html)) and for 65% of the recipients of regular benefits for the income-replacement social benefits (See [https://www.ksh.hu/stadat\\_files/szo/hu/szo0044.html](https://www.ksh.hu/stadat_files/szo/hu/szo0044.html)). In 2019 the MIS support was 26% of all income-replacement social benefit per capita. (See [https://www.ksh.hu/docs/hun/xstadat/xstadat\\_eves/i\\_fsp010b.html](https://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_fsp010b.html)). Information on the amount of occasional benefits is not available.

According to administrative data, the average monthly number of beneficiaries was 98 465 in 2020<sup>84</sup>, with a significant decrease since 2012 (from over 250 000 beneficiaries) and significant regional variations exist by the ratio of population covered.<sup>85</sup>

### ***Adequacy of benefits***

The level of the BHC benefit is tied to the statutory minimum of the old-age pension and calculated as  $0.95 \times \text{minimum old-age pension} \times \text{consumption unit} - \text{household monthly income}$ , with a capping at 90% of the net minimum wage for public works. In 2019, for a single beneficiary without a family, the maximum amount per month was HUF 27 075 (EUR 74<sup>86</sup>), while for a whole family, the total amount was capped at HUF 48 795 (EUR 134) per month. The latter capping increased to HUF 50 875 (EUR 139) in 2021.

The level of the ESB is tied to the statutory minimum old-age pension, set at 80% since 2012. It is a fixed amount of HUF 22 800 (EUR 62.5), it does not depend on family size, composition or income. In case of not single households, the two types of benefits can be combined with a capping mentioned above. The beneficiaries of the ESB are obliged to participate in the public work schemes, while the benefit is suspended and replaced by the public work wage, which in 2020 represented a net income of HUF 54 217 (EUR 148)<sup>87</sup> in case of a public worker, who works neither in a qualified, nor in a group leader position.

Amounts are indexed only according to government decision, and they are not linked to poverty or any other similar thresholds.

In 2019, the adequacy of the minimum income benefits (23% of the poverty threshold and 18% of the income of a low wage earner for a single household) was significantly below the EU average and has declined significantly over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Persons who receive the BHC benefit may voluntarily request employment services. By contrast, ESB beneficiaries are obliged to register, cooperate with the PES and accept any employment opportunity offered, including participation in public works. Refusal can result in termination of their ESB, although attempts have been made to avoid this in practice. All jobseekers, including ESB recipients are profiled and assigned an appropriate client category. The largest proportion of ESB beneficiaries are considered requiring complex support (either ‘assisted by public works’, ‘to be developed’, or ‘at risk’, i.e. most difficult to engage in employment).

ESB recipients are offered to draw up an individual integration agreement/action plan, based on individual needs assessment, but this does not include aspects linked to social inclusion beyond integration into the labour market. It is compulsory for severely disadvantaged applicants and based on the first interview and covers key elements determined jointly by the case manager and the claimant. Various services are offered to beneficiaries requiring complex assistance<sup>88</sup>. A new element, providing ‘social information support’, was introduced in 2020, partly in response to COVID-19 pandemic. However, the real institutional background may be missing and there seems to be significant regional variation.

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<sup>83</sup> ESB eligibility is renewed annually, depending on proven work activities for at least 30 days in the preceding 12 months, beyond checking on other eligibility criteria. Benefit type 2 (social assistance) is renewed in every second year.

<sup>84</sup> The longitudinal comparability of the data is limited due to the changes in the system. Although ESB support has been available since 2009, the ESB could be supplemented by regular social assistance at the household level until 2016.

<sup>85</sup> See [https://www.ksh.hu/stadat\\_files/szo/hu/szo0044.html](https://www.ksh.hu/stadat_files/szo/hu/szo0044.html)

<sup>86</sup> The values expressed in EUR depends on the exchange rate. In this country fiche 365 HUF/EUR rate has been used.

<sup>87</sup> in 2021 HUF 56525, in 2022 HUF 66500.

<sup>88</sup> Information provision, social information provision, counselling, work counselling, training development preparation, reintegration group sessions, group sessions to develop key skills and key competences for employment, motivational group sessions, mentoring, psychological counselling, assessment of employability skills, assessment of learning skills, assessment of competences, placement in public work.

Beneficiaries normally report every three months and their compliance with the individual action plan is assessed and modified if necessary. No general housing scheme exists in Hungary. Benefit recipients have free access to healthcare and the public health card, reduced local travel, all universal provisions, regular child protection benefit or occasional local benefits (providing some home maintenance support), but there are no formal mechanisms that promote access by MI recipients.

### ***Governance***

Since 1 March 2015, major regulatory elements of social assistance (MI schemes) are centralized at national level, with delivery implemented by district-level government authorities. The MI benefits are tax-financed from the central budget. Applications might be submitted to residual local municipalities, the relevant district level government offices or the local PES office. Local municipalities have no or only minor role in benefit provision, but they might top up MI with local benefits depending on their economical capacities, thus some small scale local benefits might exist, but no structural database is available.

Although data is available, there is no regular monitoring. The follow-up process is carried out monthly, but covering only for ESB beneficiaries participating in ALMPs. Data are collected in suitably structured databases, with individual records linked across sources, but are used mainly by the benefit paying agency to administer payments. The adequacy of MIS provisions has not been researched.

### ***Reform objectives and trends***

During the COVID crisis, the periodic review of entitlements to social benefits had been postponed, resulting in the continuous payment of benefits. No additional reforms are indicated since the reform in 2015, introducing changes in the government of benefit provision.

## 2. A presentation of the state of play of MI outcomes and performance

In terms of outcomes, Hungary performs in all selected indicators less well than the EU average except for the poverty gap of the working age population, and shows significant deterioration for poverty gap and AROP rate for jobless households in a long-term. On the other hand, while the overall MSD rate is still above the EU average, major improvements can be observed in both population categories.

As for the performance indicators, Hungary has a higher impact of social transfers than the EU average, but this impact has been reduced<sup>89</sup>. The indicators assessing access to services (gap indicators) show a positive change and a good performance.

**Table – Common indicators from the minimum income benchmarking framework**

		HU (SILC 2020)	EU27 (SILC 2020)	HU (short term change)	HU (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	26.9	27.7	2.5	10.2
	Poverty gap for QJH (18-64) in %	48.8	37.3	11.7	15.4
	MSD rate total (18-64) in %	17.2	12.7	-2.2	-19.6
	MSD rate for QJH (18-64) in %	64.5	43.8	1.0	-15.6
	AROP rate for QJH (18-64) in %	69.6	61.6	5.7	11.6
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	42.7	35.6	-2.1	-14.3
	Benefit recipient rate for AROP & QJH (18-64) in %	93.8	78.5	11.9	3.7
	Gap in self-reported unmet needs for medical examination in %	3.6	3.4	1.8	-9.1
	Gap in housing cost overburden rate in %	25.8	34.7	-22.6	-5.5
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	23%	60%	-5%	-20%
	As a share of the income of a low wage earner in %	18%	46%	-4%	-12%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

<sup>89</sup> Perhaps due to the reform of a social policy aimed at decreasing inactivity.



# MALTA

## 1. Description of the national scheme

The minimum income support is provided by two benefits in Malta, the so called Social Assistance (SA) (*Għajjnuna Soċjali*) and the Unemployment Assistance (UA) (*Għajjnuna għal-Diżimpjieg*). Social assistance is means tested, available to heads of households, who are unfit for work for medical reasons and where the financial means fall below the level established by the Social Security Act. Unemployment Assistance is received by unemployed, fit for work and benefit receipt is subject to a capital resources and income test. The claimant has to be registered for seeking work.

### ***Eligibility - coverage***

The benefit recipient rate reaches 90% in 2019, higher than the EU average (78%) and has slightly declined over the past decade.

To be eligible for SA benefit, a person has to be the head of a household who is legally resident and to satisfy the means test on the income and assets of the household. The applicant can't be in employment nor register for work under the Unemployment Register. If a person decides to register to search a job, SA is replaced by UA. The medical condition of persons who are incapable for work is reviewed periodically. UA eligibility is identical to SA except for the employment status.

For the purpose of the means test, income is defined in gross terms (before deducting taxes). Any income deriving from rents, bank interests, income from capital, stocks and shares, alimony and any other income should not exceed the maximum Social Assistance rate per household. Through a Weekly Means Test the derived income of all the household is added together. If the derived income is 0, the maximum rate is paid, if the income is more, only the difference between the actual income and the maximum rate is paid. If the income exceeds the maximum rate, there is no entitlement.

The capital means requires that for a couple it should not exceed €23,300 and €14,000 for a single person. The house of residence, the first private car, a garage for private use and a summer residence are excluded from the Capital Resources Test. As of 2022 any inheritance with a value of €14,000 to 30,000 in respect of individuals and €23,000 to 50,000 in respect of a couple will also not be taken into consideration.

The duration of SA is unlimited as long as the stipulated conditions are satisfied. The situation is reviewed once a year. The amount of assistance is not reduced if children are in employment.

Number of SA beneficiaries decreased from 9,241 in 2013 to just under 4,600 by the end of 2020. UA beneficiaries went down from 6,119 in 2013 to just over 1,100 in 2020.

### ***Adequacy of benefits***

The maximum benefit is €109.43 per week in 2021 for the first adult and a further €8.15 per week for each additional and eligible member of the household. The benefit entitlement is effectively equivalent to 60% of the national minimum wage. The benefit varies according to the means of the household and the number of adults and dependent children in the household. For instance a couple with 2 children receives €133.88 per week, while a single person with no dependants €109.43 per week.

In addition, both SA and UA beneficiaries receive a Government Bonus of €135.10 in June and December. This bonus is also paid to all those employed in Malta. An additional bonus of €3.12 per week is also granted. Both these bonuses constitute fixed amounts, irrespective of the composition of the household. All beneficiaries are also entitled to universal benefits, such as the Supplementary Allowance or to the Children's Allowance, Energy Benefit, special 'birth bonus', rent allowance, university stipend. In addition to these benefits, some elements of medical assistance, which are not

provided under the National Health Service, are also available to the beneficiaries if required. These include free dental treatment, free spectacles and free hearing aids.

As from 2022, the weekly allowance for the first adult has been revised up to €111.18, the increase corresponding to the cost-of-living adjustment (COLA) given for 2022.

In 2019, the adequacy of the minimum income benefits (79% of the poverty threshold and 52% of the income of a low wage earner for a single household) was significantly higher than the EU average, though it has declined significantly over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

In respect of SA, the applicant can't be in employment, nor register for work at the Unemployment Register. The lack of ability to work must be due to medical reasons, the need to undertake care and custody of children, and is legally or de facto separated, or be married, in a civil union, cohabiting or caring for the spouse who may be critically ill. In this case the application is subject to approval by a Medical Board.

If a person registers for work, the SA is automatically changed to UA. A person who is benefiting from UA has to be actively looking for work and as such be registered with the public employment agency. Such a person has to participate in activation measures, such as training or job experience programmes, and not refuse job offers without an acceptable reason. In cases where medical conditions preclude a person receiving UA from working, the medical condition is periodically reviewed by a medical board. In cases where the individual is involved in substance abuse or other addictions, they need to attend a rehabilitation programme in order to receive the benefit. Failure to comply with these conditions may result in the total loss of the benefit.

If beneficiaries start working, the benefits are tapered and not completely stopped immediately, but are continued to be provided in a tapered manner: 65% for the first year, 45% for the second year and 25% of the rate for the third year. The employer is also provided 25% of the benefit for a period of 3 years.

Malta's state-run Foundation for Social Work Services (FSWS) has a special agency, named *Aġenzija Appoġġ* (AP), which is the agency offering quality psycho-social welfare services to all individuals and families of all diversities through empowering, advocating, and safeguarding the well-being of these persons, not exclusively to beneficiaries. The Agency, in collaboration with all stakeholders, provides welfare services of the highest possible standard for its service users to be supported and empowered in addressing their needs and enhancing their quality of life. Through the provision of various services<sup>90</sup>, supported by the Administration team, *Aġenzija Appoġġ* aims to bring about a positive and healthy change in people's lives - change that will enable them to enhance their potential through the support of the Agency's professionals.

### ***Governance***

MI schemes are run by the central government, through the Department of Social Security and the Income Support and Compliance Division within the Ministry of Social Justice and Solidarity, the Family and Children's Rights. The central operations are supported by the *servizz.gov* hubs, which serve as contact points for people who require clarification, or any form of service from the department.

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<sup>90</sup> The Health Social Work Services which are present in diverse health settings; the Domestic Violence Services which includes the social work service, the STOP! Service, the Risk assessors' team and the emergency Domestic Violence shelter, Ghabex; the Intake and Family Support Service which include the sub teams on Homelessness, Human Trafficking and Sex Work Support Programme together with the Support line 179, Loneliness Helpline 1772, Besmartonline, and the After-Hours Emergency Service.

One-stop services are provided by *servizz.gov*, which is a telephone-based and internet-based service through which information and assistance can be provided for all the different sections of the public service in Malta<sup>91</sup>. The massive spread of digital services (e-government) has greatly facilitated access to people through the Internet. Beneficiaries who are not able to use the internet can call personally at any of the hubs.

A self-sufficient independent and regular monitoring of the scheme outside the COLA mechanism does not exist in Malta, but a number of auditing and monitoring exercises are in place.

### ***Reform objectives and trends***

During the first year of the Covid-19 pandemic, the number of social assistance beneficiaries remained stable. It did not increase as a result of Covid-19 as a result of a series of job retention measures implemented. No changes to the social assistance were needed.

The Tapering of Work Benefits scheme was part of a wider programme, labelled 'Making Work Pay' introduced in 2014. In addition to the tapering system, this programme also comprises the In-Work Benefit scheme and free childcare for parents in employment and education. The reform was conceived to boost the disposable income of dual-earner families and single parents in employment who have dependent children up to 23 years of age, and particularly those earning the minimum wage. After its launch, the scheme was extended to one-earner families with lower rates than those of dual-earners to incentivize the second parent to work and attain a higher benefit rate.

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<sup>91</sup> The official description of *servizz.gov* agency is: '*servizz.gov is the agency bringing all government services together. It is a bridge between the Public Service of Malta and the general public, making government services more accessible. servizz.gov makes life easier and saves time.*

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Malta performs in all selected indicators better than the EU average, except for MSD and poverty rate for jobless households. This latter has increased, together with the poverty gap for the same jobless population in the last decade.

As for the performance indicators, the impact of social transfers on poverty is much lower than the EU average and it has declined since 2010. The indicators assessing access to services (gap indicators) are lower than the EU average but for housing it has been increased over the last decade.

**Table – Common indicators from the minimum income benchmarking framework**

		MT (SILC 2020)	EU27 (SILC 2020)	MT (short term change)	MT (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	18.9	27.7	-0.4	1.2
	Poverty gap for QJH (18-64) in %	29.7	37.3	1.6	7.0
	MSD rate total (18-64) in %	9.1	12.7	1.1	-6.9
	MSD rate for QJH (18-64) in %	46.2	43.8	4.1	-8.7
	AROP rate for QJH (18-64) in %	68.8	61.6	-2.7	5.1
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	22.9	35.6	-8.9	-13.9
	Benefit recipient rate for AROP & QJH (18-64) in %	89.9	78.5	0.6	-4.7
	Gap in self-reported unmet needs for medical examination in %	Not available	3.4	Not available	Not available
	Gap in housing cost overburden rate in %	13.8	34.7	7.4	8.0
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	79%	60%	-10%	-15%
	As a share of the income of a low wage earner in %	52%	46%	-2%	0%

3. Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# THE NETHERLANDS

## 1. Description of the national scheme

The Dutch minimum income scheme<sup>92</sup> targets people with work capacity who (temporarily) need support in providing for their livelihood and/or in finding a job. Its overall objective is that each citizen participates in society according to their ability and provides for their own maintenance as much as possible.

### **Eligibility – coverage**

The benefit recipient rate reaches 89% in 2019, higher than the EU average (78%) and has somehow eroded over the last decade.

Legal residence in the Netherlands is required for eligibility.<sup>93</sup> Recipients should be over 18 and actively seek work, except in case of urgent medical or social circumstances. In addition, recipients cannot meet various exclusion criteria<sup>94</sup>.

To be eligible for minimum income support, one's net monthly income may not exceed the social minimum, which is derived from the statutory minimum wage (linked to wages). The threshold amounts are updated twice a year based on changes in the "reference minimum wage". It represents fixed percentages of the reference minimum wage, which is 70 % for working age singles of age 21 and older without cost-sharing co-residents and 100% for a married or co-habiting couple. The same amounts apply for households with children but child allowance and child budget are added to the norm amounts. The norm amounts for people below age 21 are lower, while the norm amounts for people above retirement age are higher. All net income from employment, transfers, capital and rent is taken into account with a long list of exceptions.

In addition to thresholds for income, there are also thresholds for assets, which depend on people's living situation and are updated every calendar year. Assets include financial wealth (such as savings) and other assets, including (second) homes, with a list of exceptions<sup>95</sup>. Assets belonging to minors are included. Any debts for which repayment cannot be postponed (this excludes study debts and family loans) are subtracted. People whose net assets exceed the legal threshold<sup>96</sup> are not entitled to minimum income support.

In 2019 and 2020, around 480,000 people (2.75 % of the Dutch population) received minimum income benefit.

Non-take-up is a concern. Based on large data analysis, at the start of 2018, it was estimated that 170,000 households did not make use of the benefit despite the fact that they seem to have been entitled to it, corresponding approximately to a non take up of 35 %. It appeared that households

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<sup>92</sup> Under the Participation Act ('Participatiewet') introduced in 2015 to consolidate the previously distinct rules.

<sup>93</sup> People without a home or mailing address can submit a request for a mailing address in order to be able to receive minimum income benefit.

<sup>94</sup> The following people are not eligible for minimum income support: those who are serving or evading a custodial sentence, those who are in (alternative) military service, those who are not working due to participation in a labour strike, those who are abroad for more than 4 weeks per calendar year or for more than 4 weeks consecutively, those who apply for social assistance in order to repay debts while their income was above the threshold for social assistance when the debt was incurred, those who leave the Netherlands to join a jihadist group in a jihadist battleground, those who are 18, 19 or 20 years old and are living in an institution, and those who are on unpaid leave.

<sup>95</sup> The following forms of assets are excluded: net value of homeowners' houses up to the threshold of € 53,100; assets in kind that are either generally common or necessary given the recipient's circumstances; savings accumulated during the period in which the benefit is received; allowances to cover material and immaterial damage to be designated by ministerial regulation; donations to cover material and immaterial damage in as far as the municipality believes these are appropriate; provisions from a life-course savings scheme.

<sup>96</sup> The asset thresholds for 2021 were as follows. Singles: € 6,295. Single parents: € 12,590. Households with two or more adults: € 12,590.

with an income just below the threshold, the self-employed with only one income source<sup>97</sup>, recipients aged 26 or below were most likely not to take up the benefit. Non-take-up was higher for adult children living at home and for migrants from European countries. Non-take-up decreased for recipients with higher ages. A third of all non-take-up persons had been non-take-up persons for at least a year.

### ***Adequacy of benefits***

Minimum income support is a safety net of last resort. It tops up other incomes, if any, and provides monthly support up to the “social minimum”, which depends on age and the living situation.

In 2021, various net amounts per month were available for different households: singles and single parents, aged 18, 19 or 20 (€266); couples, both aged 18, 19 or 20, without children (€533), couples, one of which aged 18, 19 or 20, the other aged between 21 and retirement age (€1,037), couples, aged 18, 19 or 20, with children (€841); couples, one of which aged 18, 19 or 20, the other aged between 21 and retirement age, with children (€1,345); singles and single parents from 21 years to retirement age (€1,079); couples from 21 years to retirement age, with or without children (€1,541), singles and single parents above retirement age (€1,200), couples, one or both of which above retirement age, with or without children (€1,627), singles from 21 years to retirement age with one cost-sharing co-resident (€771), singles from 21 years to retirement age with two cost-sharing co-residents (€668), couples from 21 years to retirement age with one cost-sharing co-resident (€1,336), couples from 21 years to retirement age with two cost-sharing co-residents (€1,233), singles and single parents residing in an institution<sup>98</sup> (€376); couples residing in an institution (€607).

Other benefits that are available to significant numbers of minimum income benefit recipients are child allowance, child budget, rent allowance, health care allowance, child care allowance and special social assistance.

In 2019, the adequacy of the minimum income benefits (99% of the poverty threshold and 74% of the income of a low wage earner for a single household) was significantly higher than the EU average, though it has somehow eroded over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Beneficiaries are required to register as a jobseeker, with some exceptional cases.<sup>99</sup> They have to search for, accept and keep a generally acceptable job and accept services offered by the municipality aimed at labour market activation and cooperate in assessing the recipient's possibilities for labour market participation, or perform socially useful activities.

Beneficiaries have to cooperate in individual needs assessment and drawing up, implementing and evaluating an individual plan of action<sup>100</sup>. This plan sets out the support provided by the government, the recipient's obligations with respect to labour market participation, and the consequences of any non-compliance. The municipality follows up the execution of the action plan and periodically evaluates (and possibly adjusts) it, in consultation with the recipient. Support can include coaching, schooling or training, wage cost subsidies or sheltered work facilities. All these activities including social activation measures are ultimately aimed at labour market participation. The Participation Act stipulates that the minimum income benefit can be temporarily lowered in case the recipient fails to fulfil the obligations.

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<sup>97</sup> Possible reasons for this include the fact that the self-employed often believe they are not entitled to benefits (and municipalities typically find it hard to reach them) and because they may feel too proud to claim benefits.

<sup>98</sup> This can be a nursing home or an institution where people reside while having access to assistance or supervision more than half of the time.

<sup>99</sup> Like permanently unfit for work, single parents with children up to 12 years (unless childcare is ensured), individual exemptions granted by the municipalities.

<sup>100</sup> This obligation starts from the day an applicant registers for the benefit (already before the full application is submitted). The Participation Act does not contain any formal deadline for the completion of the assessment and action plan.

The Participation Act also regulates the tapering of minimum income benefit when taking-up a job. The benefit is additional to any existing income and provides monthly income support up to the 'social minimum'. A variety of income disregards apply in case of taking up work, depending on the age and living situations.

While there is no uniform multidimensional assessment of social needs, the Act aims to assess individual needs at the local level and offer an integrated approach in order to increase social participation. Municipalities in varying degrees recognise and try to address the individual needs of benefit recipients. Various types of targeted social services (including the ones aimed at labour market activation) are routinely provided to minimum income benefit recipients, although with some variety across municipalities. Such services might offer mental health care support, debt counselling, psychological, mental or physical support (through foundations or associations), youth care, rehabilitation, support for homelessness, language courses, sports and exercise coaching, support in finding or keeping volunteer work, activities aimed at social participation, etc. The Participation Act also contains some provisions for general services, in particular education and health care.

### **Governance**

At the national level, the Minister and State Secretary of Social Affairs and Employment (SZW) are responsible for the implementation of the Participation Act. The implementation is to a large extent delegated to municipalities which have a substantial degree of freedom in terms of shaping local policies and allocating local responsibilities.

The ministry is responsible for monitoring through collection of information to assess the performance of the system and identify needs for adaptations. This entails the continuous gathering of quantitative policy information, the evaluation of the Participation Act, the monitoring, and system supervision.

The implementation of the monitoring and evaluation is documented in an action plan, containing a quantitative and a qualitative part. The former is based on regular statistics, such as reintegration figures of municipalities and various periodic reports on jobs, sheltered employment, illness/disability/unemployment. The qualitative part consists of research (once every two years). The Ministry provides annually the Parliament an overview of the implementation of the Act.

### **Reform objectives and trends**

In response to the Covid-19 crisis, the social assistance arrangement for the self-employed, which falls under the Participation Act – was temporarily adapted and given a new name: the temporary emergency social assistance scheme for self-employed. The benefit was a supplementary and temporary allowance that could be used for topping up for instance lost income or low earnings for self-employed persons legally residing in the Netherlands with inadequate financial resources to meet their essential living costs as a result of the pandemic<sup>101</sup>. It differed from the regular social assistance scheme in several ways. There was no obligation of job-search. The arrangement was temporary and was extended several times until it came to an end on October 1st 2021. Availability was limited to certain type of employed categories. The benefit amounts were identical to the regular scheme (no cost sharing standard was applied). There was no asset or savings test. At the first phase, only the income of the applicant was taken into account (the income of the spouse or civil partner was excluded from the means test), but as of the second wave onwards, total household income was taken into account.

In 2017, the Dutch government allowed six municipalities to experiment different rules for social assistance for a period of two years. This included an exemption from reintegration requirements,

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<sup>101</sup> It was introduced as part of a broader emergency package, which also included financial support to firms to ensure that they could continue paying their staff ('tijdelijke noodmaatregel overbrugging voor werkbehoud, NOW').

increased support and guidance, and allowing benefit recipients to earn income without having their benefit reduced. The evaluation of the impact of the measures on the number of hours of paid work showed no or (at most moderate) effects. In particular, an exemption from reintegration requirements had no significant impact on paid work, while increased support and guidance, and making earned income non-deductible, significantly raised the number of hours worked.

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, the Netherlands performs in all selected indicators better or much better than the EU average, except for poverty rate for jobless households, which shows significant deterioration in a long-term changes. MSD rate for the total population is significantly below the EU average, while it is around as high as EU average for those living in jobless households.

As for the performance indicators, the impact of social transfers on poverty is around the EU average but it has significantly declined since 2010. The indicators assessing access to services (gap indicators) are lower or around the EU average and while unmet needs gap for medical examination increased, housing cost overburden has significantly improved the gap over the last decades.

**Table – Common indicators from the minimum income benchmarking framework**

		NL (SILC 2020)	EU27 (SILC 2020)	NL (short term change)	NL (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	19.2	27.7	-1.7	1.9
	Poverty gap for QJH (18-64) in %	19.6	37.3	4.6	0.9
	MSD rate total (18-64) in %	6.2	12.7	-0.6	-2.0
	MSD rate for QJH (18-64) in %	42.4	43.8	-1.9	2.4
	AROP rate for QJH (18-64) in %	65.9	61.6	7.6	19.1
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	35.4	35.6	-3.8	-18.1
	Benefit recipient rate for AROP & QJH (18-64) in %	88.7	78.5	-6.5	-4.1
	Gap in self-reported unmet needs for medical examination in %	2.3	3.4	0.0	2.0
	Gap in housing cost overburden rate in %	34.0	34.7	3.1	-10.2
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	99%	60%	-3%	-8%
	As a share of the income of a low wage earner in %	74%	46%	-1%	-8%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.



# AUSTRIA

## 1. Description of the national scheme

In Austria, the legislative responsibility on minimum income schemes remains with the 9 federal provinces, each of which has its own legislation. In 2019 the Basic Social Assistance Act was introduced; it does not define minimum standards, but sets maximum standards that may not be exceeded by the federal provinces. Due to this regional variety of the schemes, examples from two federal provinces<sup>102</sup> are used below to illustrate the characteristics of minimum income schemes in Austria. Very closely linked to the regional MI schemes, unemployment assistance (*Notstandshilfe*) is regulated at the federal level, funded and provided by the unemployment insurance system, and can be obtained once the maximum duration of unemployment benefits (*Arbeitslosengeld*) has been reached. It can be received for an indefinite time, at the latest until eligibility requirements for a pension are met

### **Eligibility - coverage**

The benefit recipient rate reaches 81% and while slightly decreased over the past decade, it remained around the EU average (78% in 2019).

Claimants are only eligible for benefits if they are neither able to raise the resources for basic subsistence through “own efforts”, nor through entitlements to social insurance or other benefits (principle of subsidiarity).

Eligibility rules on residency and citizenship apply, as EU/EEA citizens can only get benefits if they are employed or if they have been living in Austria for a minimum of five years. Citizens of other countries normally must have had legal residence in Austria for at least five years.

No age requirements apply.

Most types of income are taken into account in the means test, including benefits from different strands of social protection. However, some exceptions exist, like family allowance, long-term care cash benefit and child tax credit, or private financial transfers from charitable organisations/third parties that are provided without any legal obligation, unless they have already been granted for an uninterrupted period of four months or high enough that social assistance benefits are no longer required.

Besides income, assets are also taken into account, such as owner-occupied dwellings and other goods.. However, exceptions cover for objects necessary to carry out an occupation or to satisfy intellectual/cultural needs; essential household items; a car if it is needed for one’s occupation or disability or if no sufficient public transport infrastructure exists. Besides these exceptions, financial assets (savings) of up to €5,697 (600% of the monthly net ESRR) per person are excluded from means-testing.

Significant territorial differences exist in coverage, mainly due to the variety of regional schemes but also to other factors, like differences in housing conditions or a perception of higher stigmatisation in rural area. According to data compiled by Statistics Austria,<sup>103</sup> 207,122 people received benefits in 2020. Of these, 14,112 (6.8%) were employed and received minimum income as a top-up to low earned income and 63,952 (30.9%) were unemployed and available for employment.<sup>104</sup> Of this latter

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<sup>102</sup> Vienna and Lower Austria

<sup>103</sup> Statistik Austria,

[https://www.statistik.at/wcm/idc/idcplg?IdcService=GET\\_NATIVE\\_FILE&RevisionSelectionMethod=LatestReleased&dDocName=068824](https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_NATIVE_FILE&RevisionSelectionMethod=LatestReleased&dDocName=068824).

<sup>104</sup> In total 108,399 (52.3%) were not available for employment due to different reasons: 34.3% were not in employment age; 7.8% were incapable to work due to health issues / invalidity / disability; 4.3% were pupils who had started their school education before the age of 18; 4.3% were looking after children; 0.3% were looking after relatives in need of long-term care; 1.3% were not available for employment due to other reasons.

group, 36,092 people (56%) got benefits as a top-up to low benefits from unemployment insurance. This is around 10% of all recipients of unemployment benefits.

Estimates of non-take-up are scarce but according to latest study from 2019/20, it appears that it was reduced from a national average of 51% in 2009 to 30% in 2015. This positive development reflects the impact of the 2009 reform, which included minimum standards representing a binding benefit level; the provision of health insurance for beneficiaries in the form of an electronic insurance card; and the fact that applications for minimum income benefit can be made at the district authorities. Remaining challenges include the low effectiveness of one-stop-shops for some recipients, existing stigma (although declining) and that administrative processes generally remain burdensome. Explicit actions have been taken to improve take-up, like awareness campaigns.

### **Adequacy of benefits**

To define the maximum benefit level, the “equalisation supplement reference rate” (ESRR, *Ausgleichszulagenrichtsatz*) for pensions is usually used. The defined maximum benefits serves as the income threshold, for the means-test. Any additional Euro of other income reduces the total benefit by one Euro. Once other income surpasses the maximum benefit level, no benefit is granted.

According to the Basic Social Assistance Act, income/benefits in 2021 could generally not surpass the following thresholds<sup>105</sup>:

- €949.50 for single adults (100% of the monthly net ESRR);
- €1,329.20 for a household with two adults (70% of the net ESRR for each adult person); and
- €427.30 for every additional adult in the household (45% of the net ESRR for each additional adult, i.e. from the third adult).

The benefit level is further increased for dependent children in the household, however no common threshold/maximum benefits are currently defined at the national level. For an average family, depending on the number of children it provides €237.37 in the case of one child and €114 per child in the case of five or more children<sup>106</sup>.

There is no general system of setting or updating the the benefits’ level, the ESRR level is not linked to some form of statistical methodology (like for example, linked to the poverty threshold or reference budgets). It was set in 1955, and has since then been indexed and adapted on a yearly basis. In recent years, the ESRR has been repeatedly increased by more than price developments.

Recipients of MMI/SA have access to health insurance. In some federal provinces, recipients have access to additional housing benefits , or a specific means-tested allowance for heating costs<sup>107</sup>.

In 2019, the adequacy of the minimum income benefits (76% of the poverty threshold and 63% of the income of a low wage earner for a single household) was well above the EU average, while it has remained stable over the last decade (see table in section 2).

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<sup>105</sup> At the same time, the Basic Social Assistance Act also stipulates that the total benefits granted to adults living in a common household must not exceed 175% of the net ESRR, which equalled €1,661.50 in 2021.

<sup>106</sup> These examples of amounts only came into effect in Upper and Lower Austria and don’t apply nationwide.

<sup>107</sup> To get the heating costs allowance, potential beneficiaries have to apply for it via the municipality, and the related regulations concerning means-testing and the level of the benefit vary between the different federal provinces. The benefit varies between around €110 per year in Carinthia and €270 per year in Vorarlberg. In Carinthia, two different benefit levels exist for the heating allowance, according to two different household income thresholds. €110 is granted to households with a low income, and €180 to households with a very low income. For more details see: <https://www.ktn.gv.at/Verwaltung/Amt-der-Kaerntner-Landesregierung/Abteilung-4/Heizzuschuss> or <https://vorarlberg.at/-/heizkostenzuschuss>

### **Labour market activation, social inclusion and access to services**

According to the legislation in the federal provinces, recipients who are fit and available for work have to register and have an individualised supervision agreement with the PES. Furthermore, each regional legislation address some types of "case management", "integration plans" or "integration agreements" etc. to be organised by the institutions responsible for benefit provision<sup>108</sup>. However, it appears that the actual implementation of such measures varies considerably between provinces, and only apply to specific groups of benefit recipients (i.e. in particular to those available for work).

According to data provided by the PES, a total of 94,001 recipients were registered as unemployed in 2020.<sup>109</sup> Of these, 51% participated in ALMP measures; 30% in qualification measures, and 8% in "employment incentives". Around 16% managed to find a job (nearly half of these cases were accounted for by an ALMP measure of the employment incentive type).

If recipients do not comply with ALMP or other activation measures they may be sanctioned by the welfare offices, according to acts of the federal provinces. Specific requirements on the level of deductions or predefined percentages for the benefit reduction are however not stipulated (except for violations of integration obligations). Therefore, sanctions differ to a considerable degree in the Federal Provinces. Sanction were imposed on a total of 3,478 recipients of MMI/SA in 2020.<sup>110</sup>

Concerning tapering of benefits for recipients who take up gainful employment, the Basic Social Assistance Act provides that up to 35% of the income earned may be disregarded for means-testing for a period up to 12 months. However, it appears that the different provinces have used this option to very differing extents. According to data collected by Statistics Austria, this kind of tapering was overall used in 2,373 cases in 2020.

Most legislations by federal provinces stipulate that benefits are not limited to cash benefits and/or benefits in kind, but also entail "advice and support" (or similar). However, the evidence on how this is actually dealt with is limited. The provinces legislations lacks explicit reference to multidimensional needs assessments.

### **Governance**

In general, the governance structure of benefits is characterised by a lack of effective co-ordination at national level. At the same time, legislation by federal provinces leads to substantial variation between federal provinces regarding access, benefit levels, and implementation procedures.

Due to the regional structure of the system, the implementation of schemes is in the competency at the responsible unit of the municipal administration (Magistrat) in Vienna and of the district authorities in the other federal provinces. In addition to the legislative acts, the federal provinces also issue more concrete implementation guidelines (*Vollzugshandbücher*) and partly also decrees on specific questions. Regular exchange of data takes place between the PES and the institutions responsible for the schemes at the level of the federal provinces. This is, however, not done for the purpose of monitoring but to check compliance with the recipients' obligations with respect to measures from the PES.

### **Reform objectives and trends**

Some changes were introduced in the context of the COVID-19 crisis: resources of the Hardship fund for families have been used to provide additional financial support to parents with children, who have been in receipt of benefits in 2020 (50 Euros per child per month for maximum two months). In

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<sup>108</sup> I.e. the responsible unit of municipal administration in Vienna and of the district authorities in the other federal provinces.

<sup>109</sup> This figure is higher than the yearly average of recipients of MMI/SA indicated in Section 1.3 above. This is due the fact that it indicates the yearly sum of recipients of MMI/SA registered with the PES, not the yearly average number.

<sup>110</sup> Statistik Austria:

[https://www.statistik.at/wcm/idc/idcplg?IdcService=GET\\_NATIVE\\_FILE&RevisionSelectionMethod=LatestReleased&dDocName=068823](https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_NATIVE_FILE&RevisionSelectionMethod=LatestReleased&dDocName=068823).

2021, households receiving benefits have been given further financial support according to a new Act, the “COVID-19-Act against poverty” (one-off payments up to 300 Euro for households with children; one-off payment up to 100 Euros as a fuel and heating benefit for all households receiving MMI/SA on a certain key date). This law provided the legal foundation for further subsidies in 2022, which are paid out to cope with increased cost of living, including higher heating costs (300 Euro per household paid out by the Federal Provinces).

In the same context, the unemployment assistance benefit level was temporarily increased to that of the unemployment benefits, retroactively from 16 March 2020 and until September 2020, which was extended until the end of September 2021. Furthermore, until the end of January 2022 three one-off lump-sum payments for recipients of unemployment benefits were granted in the context of COVID-19.

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Austria performs in all selected indicators better or much better than the EU average, except for poverty rate for jobless households, which is close to the EU average and remained unchanged over last decade. MSD rates are significantly below the EU average, showing broad stability over time.

As for the performance indicators, the impact of social transfers on poverty is higher than the EU average but it has slightly declined since 2010. The indicators assessing access to services (gap indicators) show different performance, the gap in housing cost overburden rate is significantly higher than the EU average regardless some positive change over the last decade.

**Table – Common indicators from the minimum income benchmarking framework**

	AT (SILC 2020)	EU27 (SILC 2020)	AT (short term change)	AT (long term change)
<b>Outcome indicators</b>				
Poverty gap total (18-64) in %	23.9	27.7	1.5	0.1
Poverty gap for QJH (18-64) in %	24.2	37.3	-5.4	-3.1
MSD rate total (18-64) in %	5.7	12.7	0.0	-1.5
MSD rate for QJH (18-64) in %	32.6	43.8	-6.7	-3.0
AROP rate for QJH (18-64) in %	58.9	61.6	-3.4	-0.1
<b>Performance indicators</b>				
Impact of social transfers on poverty reduction (18-64) in %	43.6	35.6	-2.1	-3.6
Benefit recipient rate for AROP & QJH (18-64) in %	81.1	78.5	-3.4	-5.7
Gap in self-reported unmet needs for medical examination in %	3.1	3.4	2.4	2.6
Gap in housing cost overburden rate in %	45.8	34.7	-2.1	-2.8
<b>Adequacy indicators</b>				
As a share of the poverty threshold in %	76%	60%	0%	-1%
As a share of the income of a low wage earner in %	63%	46%	0%	1%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# POLAND

## 1. Description of the national scheme

Poland has a guaranteed minimum income scheme (GMI) since 2004.<sup>111</sup> There are three main types of cash social assistance benefits and the *periodic allowance* for those able to work is the main element. It is completed with the permanent benefit for persons unable to work due to age or disability and the specific-purpose benefit, which is discretionary and may also be granted to those in need, particularly to cover costs of food, medicines and medical treatment, heating (including fuel), clothing, necessary household items, minor home repairs and renovations, and funeral costs.

### **Eligibility – coverage**

The benefit recipient rate reaches 79% in 2019 and has somewhat increased in recent years (+4 pts) and is in line the EU average (78%).

Adult persons (18+ years) can apply for social assistance (an exception to the age limit can be made for girls under 18 who have a marriage certificate).

Polish citizens, citizens or long-term residents of the EU and EFTA countries who live and have the right of residence or permanent residence in Poland or refugees (with appropriate status), under subsidiary protection, or under a permit for tolerated stay.

The main conditions for entitlement to cash social assistance are having an income less than the income threshold : PLN 776 (EUR 170) for a one-person household or PLN 600 (EUR 131) per person for a multi-person household (statutory poverty), and experiencing at least one difficult situation in addition to poverty, as listed by the Social Assistance Act<sup>112</sup>. The means test assesses the household income from the month preceding the application (minus personal income tax, health and social insurance contributions, and alimony paid to other persons). Income from various allowances, aids, such as child benefits, in kinds, for socially useful work, etc. are not included. Credit or loans are included, provided that they exceed five times the income criteria.

Social assistance may be claimed or in some cases provided without the need for an application (may be granted *ex officio*). A compulsory household interview conducted by a social worker in the applicant's home has to take place no later than 14 days after the application is submitted, and within two days in urgent cases. Decisions on social assistance benefits are made by social assistance centres within 30 days of the application or within two months in complex cases. The decision may be appealed to local appeal boards. Recipients of minimum income support have to report changes in their situation and the family interview is typically repeated every six months.

The number of social assistance beneficiaries in Poland has fallen for several years, including during the COVID-19 pandemic. It was 1 589 300 in 2020, 186 400 fewer than in 2019. There are no systematic analyses of the scale and reasons for non-take up of social assistance benefits by those entitled to them, but several estimates suggest that it may range from 50% to 80%.

### **Adequacy of benefits**

The amount of the benefit is set as the difference between the income criterion and the household income, and a minimum of 50% of that difference is guaranteed. A minimum (PLN 20) is set for all households and a maximum for single-person households (PLN 528)<sup>113</sup>.

The decision to set income criteria is taken by the government, in consultation with the social partners. Decisions should take place at least every three years (most recently took place in 2021) on

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<sup>111</sup> A periodic allowance become guaranteed by the Social Assistance Act.

<sup>112</sup> Such as poverty, orphanhood, homelessness, unemployment, disability or illness, family violence, being in crisis situation, etc.

<sup>113</sup> No max capping applies for multi-person households, but the income threshold, which is PLN 600 per person.

the basis of an analysis of the social intervention threshold (slightly above the extreme poverty line), which is carried out by an independent research institute (Institute of Labour and Social Affairs). The method of determining this threshold is set out in the Regulation to the Act on Social Assistance and the levels are used to inform government decisions. It is established according to a basket of goods and services reflecting minimum consumption norms, minimum periods of use of goods, and minimum scope of use of services.<sup>114</sup>

Other benefits are included to assess the means test (like targeted child benefits, they determine the entitlement and size of the periodic allowance) or excluded (like universal child allowance and educational stipends or specific purpose allowance). In the latter case, they can be combined with social assistance without any formal restriction. Housing allowance (paid to the landlord and not the tenant) and energy allowance are included in income and thus reduce the benefit.

In 2019, the adequacy of the minimum income benefits (45% of the poverty threshold and 40% of the income of a low wage earner for a single household) was below the EU average and deteriorated somewhat over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Beneficiaries who are entitled by their unemployed situation have to register at the labour office. They are then covered by two systems of requirements and services, social assistance and employment services.

A social contract is the activation instrument used at the discretion of the social assistance centres in relation to unemployed beneficiaries and once it is in place, non complying leads to sanction. It has two parts - Part A relates to overcoming a difficult situation and Part B concerns strengthening activity and independence in life, work, or counteracting social exclusion. Only 5-6% of beneficiaries in unemployment are covered by Part B social contracts. Beneficiaries of social assistance registered as unemployed are entitled to the whole range of employment services, with two types of targeted programmes. Socially useful work program is work for the local community of no more than 10 hours per week<sup>115</sup>, for which participants receive an allowance per hour<sup>116</sup>. Income from the socially useful work benefit is excluded from the means test. The Activation and Integration Programme combines the socially useful work with additional social integration services (at least 10 hours per week) for two months, with the option of two further two-months. Approximately 1/3 of the beneficiaries participate in socially useful program and very few of them transit to the open labour market. However, beneficiaries with a social contract who take up a job can continue to receive the benefit for two months, without any change.

Compulsory household interviews are meant to help assess the situation of claimants (see section on eligibility). The assistance plan should take into account the relevant services available to households, though access to these services is not linked to the receipt of social assistance benefits, except for employment activation services and health insurance (granted to uninsured people on their registration with the employment office, signing of a social contract, or other individual action plan). Services for various groups (family care, foster care, services for people with disabilities, etc) are organised at county level and provided irrespective of whether or not someone receives benefits. People with low income (in principle meeting the the income criteria for social assistance) may be entitled to discounts in pre-school facilities, or municipal and social housing.

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<sup>114</sup> Expressed in market prices in the research period, and then corrected for the actual consumption behaviour of selected types of low-income households.

<sup>115</sup> The maximum of 10 hours per week was introduced to avoid accusations of non-compliance with the International Labour Organization (ILO) Forced Labour Convention.

<sup>116</sup> The hourly allowance being well below the standard minimum wage.

## **Governance**

Legislation and some government programmes are the responsibility of the central level government and the implementation of the minimum income legislation, social work and local social assistance programmes lays at municipal level. The regulation states that the amount of the periodic allowance may not be less than 50% of the income difference<sup>117</sup> and this percentage of the allowance is financed by central government. The local social assistance centre decides the period for which the allowance is granted.

There is annual reporting of data on benefits in cash and in kind and other aspects of local social assistance centres and other local housing and family services, aggregated and published by Ministry of Family and Social Policy.

## **Reform objectives and trends**

During the COVID-19 pandemic, it has been made possible to gather some information regarding households interview remotely, by telephone.

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<sup>117</sup> The municipal (gmina) authority may increase the minimum amounts of periodic allowance. There is no data about the number and the level of such increases.

## 2. A presentation of the state of play of MI outcomes and performance in the country

Poland performs in most outcome indicators better or around the EU average, except for the material and social deprivation, showing significantly lower rates than the average in particular for the total population. The MSD rate significantly improved since 2010, and the poverty gap of quasi-jobless households to a lower extent.

As for the performance indicators, Poland performs around the EU average in all aspects, except for higher gap in accessing health care. The impact of social transfers on reducing poverty significantly increased over the decade. Access to services (gap indicators) shows improvements since 2010, in particular for housing.

**Table – Common indicators from the minimum income benchmarking framework**

		PL (SILC 2020)	EU27 (SILC 2020)	PL (short term change)	PL (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	23.0	27.7	-3.5	0.0
	Poverty gap for QJH (18-64) in %	33.6	37.3	-4.1	-2.9
	MSD rate total (18-64) in %	6.3	12.7	-3.3	-9.7
	MSD rate for QJH (18-64) in %	33.6	43.8	-8.0	-18.9
	AROP rate for QJH (18-64) in %	61.9	61.6	-2.7	-0.6
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	36.9	35.6	-0.6	7.0
	Benefit recipient rate for AROP & QJH (18-64) in %	78.9	78.5	3.9	1.6
	Gap in self-reported unmet needs for medical examination in %	4.3	3.4	-3.4	-6.9
	Gap in housing cost overburden rate in %	31.7	34.7	-4.2	-10.3
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	45%	60%	-3%	-6%
	As a share of the income of a low wage earner in %	40%	46%	-2%	-5%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.



# PORTUGAL

## 1. Description of the national scheme

The social integration income (*Rendimento Social de Inserção* – RSI)<sup>118</sup>, first introduced in 1996 under the name ‘minimum guaranteed income’, filled a gap in the Portuguese social protection system. The scheme is based on three pillars: i) income support; ii) management of social risks; and iii) promotion of social inclusion. It is aimed at ensuring that individuals and their households have resources that meet their basic needs and support labour and social integration. Besides the income support element, the RSI consists of an integration programme.

### **Eligibility – coverage**

The benefit recipient rate stands at 70% and has slightly increased over the past decade, but remains below the EU average (78% in 2019).

In order to be eligible for the benefit, claimants have to i) have legal residence<sup>119</sup>; ii) be in severe poverty; iii) sign the insertion contract<sup>120</sup>; iv) be aged 18 or over<sup>121</sup>, v) be registered at an employment office (Public Employment Service); vi) grant the Social Security Institute access to all information deemed necessary to assess their socio-economic situation; vii) not be in pre-trial detention or serving a prison sentence; viii) not been voluntarily unemployed within the last year; ix) not been institutionalised in a state-funded facility and x) not benefit from social support under the asylum/refugee status regime.

In order to be entitled, claimants who live alone should have a personal monthly income lower than €189.66. For larger households, the maximum amount of the RSI is adjusted along the OECD equivalence scale<sup>122</sup>.

All household income (thus also including other social benefits) is taken into account for the purposes of the means test (only 80% of net income from work<sup>123</sup>). Both the value of the property and the income derived from it, are taken into account.<sup>124</sup> The means test does not take into account income earned by students through holiday work, family benefits or disability and long-term care benefits. If any household members start working after the application has been accepted, only 50% of work income (after contributions) will be considered.

The RSI is awarded for a maximum period of 12 months and may be renewed for equal periods, as long as eligibility conditions are met. Changes in the household situation have to be reported within 10 days and the benefit may be adjusted, suspended or stopped.

In 2021, the scheme had 261,992 recipients (52% females and 48% males). The average amount of the benefit was €119,39 per month. In terms of age groups, 31% of beneficiaries were under 18, 10% were 18-24, 38% 25-54, 17% 55-64 and 4% 65 or over. In terms of household characteristics (2020),

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<sup>118</sup> Legal framework provided by Law n.º. 13/2003 of 21 May.

<sup>119</sup> Third-country nationals have to show some additional documents (temporary stay visa, residence visa, temporary residence permit and permanent residence permit).

<sup>120</sup> During the pandemic, access to the RSI was made more flexible, including not depending on the signing of an insertion contract.

<sup>121</sup> Under 18 for people with sole responsibility for maintaining minor or disabled children, being married or living in a non-marital partnership for more than two years, having their own income higher than 70% of the RSI value or, in the case of a woman, if they are pregnant

<sup>122</sup> That is the first adult/claimant is given a weight of 1, each additional adults a weight of 0.7 and each child a weight of 0.5.

<sup>123</sup> Between July and December 2020, due to the pandemic situation, there was a change in the reference period used to calculate the benefits (towards the income of the previous month before the claim, rather than the income of the previous three months).

<sup>124</sup> If households own property for permanent residence whose value exceeds 450 times the IAS, 5% of the difference between the value of the dwelling and the value of the IAS is taken into account. If households own other real property (not including the permanent residence), the highest of the following must be taken into account: i) the amount of rent; and ii) 5% of the net value of all the real property (not including the permanent residence).

44% of recipients lived in single-person households, 22% lived in single-parent households and 22% in households formed by a couple with children. 7% were couples without children and 3% were extended families. Approximately 1 in 5 recipients received the benefit for one year or less, and about 1 in 4 for more than a year and up to three years. Around one third of recipients received the benefit for at least six years. On average, recipients received the benefit for 36 months.

There are no estimates available of the take-up of benefits and few studies have attempted to analyse the issue.<sup>125</sup>

### **Adequacy of benefits**

The RSI is a monthly differential benefit corresponding to the difference between the maximum rate of the RSI and households' total income. The maximum rate of the monthly benefit is €189.66 for claimants (100% of the RSI), €132.76 for each of the other adults in the household (70% of the RSI), and €94.83 for each child (50% of the RSI).

The amount of the RSI is defined by the Ministry of Labour, Solidarity and Social Security and corresponds to a percentage of the social support index (*Indexante dos Apoios Sociais, IAS*).<sup>126</sup> In 2022, the IAS was set at €443,20.

The RSI may be cumulated with other benefits<sup>127</sup>, however these benefits can not be disregarded. In addition, recipients may receive social housing, and are entitled to the social tariff for water and for wastewater collection and treatment, social energy tariff (gas and electricity, exemption from healthcare user charges and reduced fares for public transport.

In 2019, the adequacy of the minimum income benefits (38% of the poverty threshold and 26% of the income of a low wage earner for a single household) was significantly below the EU average and has somewhat declined over the last decade (see table in section 2).

### **Labour market activation, social inclusion and access to services**

Besides the income component, the RSI includes an insertion contract with a set of rights and duties that claimants have to sign in order to continue to be entitled to receive the benefit. The insertion contract has to be signed by both the claimants and other household members within a period of 45 days from the date the application was approved. The contract implies that all beneficiaries meeting the conditions for activation are registered with the public employment service (PES) and available for a set of integration measures and that a set of actions and tasks will be developed to support the gradual social, labour market, and community integration of the family<sup>128</sup>.

Whenever the insertion contract includes employment integration in collaboration with the PES, it is mandatory for recipients to engage in a personal employment plan, with the exceptions of people who are already working, people who present a medical certificate attesting that they do not meet the conditions for work, and informal primary care-givers recognised by the competent social security services. If the insertion contract is not signed, either by the claimant or by other members

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<sup>125</sup> Castro *et al.* (2012), Rodrigues *et al.* (2013) and Santos *et al.* (2014) (Rodrigues *et al.*, 2013: 43)

Santos *et al.* (2014) observed that some constraints could be identified, such as increased difficulties in accessing the measure due to lacking a fixed address for homeless people. Complex procedures limit access to the measure and loss of privacy, because access to the benefit requires claimants to authorise professionals to intrude into their lives.

<sup>126</sup> The IAS consists of a reference value used for calculating social benefits provided by the state. The IAS is to be updated annually in line with selected macroeconomic indicators, namely the effective change rate of the Consumer Price Index (CPI) and the effective growth of the Gross Domestic Product (GDP).

<sup>127</sup> Old-age and invalidity pensions, widow's and orphan's pension; dependence supplement; solidarity complement for the elderly; rent subsidy; disability bonus; allowance for attendance to a third person; allowance for attendance at a special school; family allowance; prenatal allowance; parenthood and adoption benefit; sickness benefit; unemployment benefit; and unemployment allowance and Social Inclusion Benefit (component base).

<sup>128</sup> There are some exemptions from participating in the integration contract, like people with temporary incapacity for work, people with disabilities.

of the household, penalties apply, including the RSI request being rejected and not being submitted again within the next 12 or 24 months, depending on who refused to sign.

In order to promote social inclusion, if an RSI claimant or an unemployed household member starts working during the grant period, only 50% of the income earned during the first 12 months (consecutive or not) are taken into account (after deducting social security contributions).

In most cases, it is not possible to distinguish RSI recipients from other categories of unemployed people in data on participants in active labour market programmes (ALMPs). The exception is the employment-insertion contract (CEI+) measure, which aim entails work at public/private non-profit companies for a maximum period of 12 months. When RSI beneficiaries start working via the CEI+, they are entitled to a monthly allocation of 100% of the IAS (€443.20 in 2022), which replaces the RSI.

A multidimensional needs assessment (leading to the insertion contract) needs to be carried out for all RSI recipients. The contract covers areas such as education, employment, health, training, housing and social action. Beneficiaries can receive counselling in specific areas – health, housing and other areas such as food and personal hygiene. Personal targeted social services are provided principally by state-supported private organisations.<sup>129</sup>

### **Governance**

The RSI is funded by general taxes (State budget transfers). The Social Security Institute is responsible for regulating and managing the scheme at the national level. It is made up of district Social Security centres.<sup>130</sup> Implementation is handled at the local level by the scheme's local units, which are made up of local representatives of public bodies in social security, employment and vocational training, education, and health, and by local authorities. Representatives of public/private bodies of non-profit entities may also be invited to play a role. As of April 2022, the co-ordination of the units became the responsibility of municipalities. The units' competences include approving the insertion agreement, organising its implementation, and monitoring and evaluation.

There are no single points of contact or one-stop shops providing RSI recipients with the necessary benefits, services and activation. However, there are national-level protocols for co-operation between partner organisations, specifically mentioned in the legislation. In some cases, provision is outsourced to private social solidarity agencies, which become responsible for managing a given set of cases in particular areas – the so-called protocol teams.

Monitoring takes place at the local level through local insertion units, which have to monitor the continued eligibility of RSI recipients, according to a defined set of indicators. No regular evaluation practice is in place, but there are few evaluations or studies available.

### **Reform objectives and trends**

A proposal for the first strategy for fighting poverty in Portugal (2021-2030), which is deemed to give the reduction in poverty a higher political priority has been recently approved. Among the measures included in this Strategy the reassessment of Social Integration Income is foreseen in order to ensure its centrality in the framework of social policies to combat poverty.

In 2021, a transversal competence centre for planning, policy and foresight in public administration (PlanAPP) was established ; it is intended to assemble the competencies for planning, design and innovation, for ex ante and ex post impact evaluation, and for the monitoring and revision of public policies.

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<sup>129</sup> Services include: debt counselling, advocacy and mediation; residential care and activities; social work and activities; shelters and accommodation for people experiencing social exclusion, such as the homeless; people with addiction problems, and ex-offenders; domestic violence intervention and prevention; family coaching and mentoring; and day centres.

<sup>130</sup> The autonomous regions of Azores and Madeira have own responsibilities in terms of regulation and implementation. This is not the case in mainland Portugal, where regions do not have that kind of autonomy.

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Portugal performs in all selected indicators around or slightly below the EU average (except for poverty gap of the jobless households) and shows some improvement over the last decade, in particular for MSD rates.

As for the performance indicators, the impact of social transfers is lower than the EU average and it has declined since 2010. The indicators assessing access to services (gap indicators) show positive change and a particular good performance concerning housing cost overburden.

**Table – Common indicators from the minimum income benchmarking framework**

		PT (SILC 2020)	EU27 (SILC 2020)	PT (short term change)	PT (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	26.8	27.7	0.4	1.1
	Poverty gap for QJH (18-64) in %	40.7	37.3	-2.1	-4.8
	MSD rate total (18-64) in %	11.6	12.7	-2.5	-10.3
	MSD rate for QJH (18-64) in %	44.2	43.8	-2.0	-10.2
	AROP rate for QJH (18-64) in %	56.8	61.6	-9.0	-2.6
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	30.7	35.4	4.6	-6,99
	Benefit recipient rate for AROP & QJH (18-64) in %	69.8	78.5	0.1	4.0
	Gap in self-reported unmet needs for medical examination in %	5.3	3.4	1.5	-2.0
	Gap in housing cost overburden rate in %	20.7	34.7	-5.9	-18.6
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	38%	60%	-3%	-6%
	As a share of the income of a low wage earner in %	26%	46%	-1%	-6%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# ROMANIA

## 1. Description of the national scheme

Romania has a minimum income (MI) support scheme, the guaranteed minimum income (GMI), and two complementary means-tested schemes, the family support allowance (FSA)<sup>131</sup> and seasonal heating aids (HA)<sup>132</sup>.

### **Eligibility – coverage**

The benefit recipient rate stands at 57% in 2019, well below the EU average (78%) and has decreased over the past decade.

The GMI is granted to low-income people or families, irrespective of their age or employment status. All people are eligible for any of the means-tested benefits if they are legal residents of the country, irrespective of their nationality. The age criteria is 18.<sup>133</sup> Those without legal residency (or homeless people) are also eligible for the benefits under certain circumstances, such as registration with the local public social assistance services.

Eligibility is also based on income and assets of the recipient's household and is conditional on proof of willingness to work for all family members of working age who are fit to work and unemployed. All income thresholds refer to a net monthly income and are expressed as a proportion of the Social Reference Index (SRI). The value of the SRI has not changed since 2008 and is RON 500 (approx. EUR 101) per month. The resulting GMI threshold vary from RON 149 (EUR 28) per month for a single person to RON 554 (EUR 107) for a family of five, with a possibility to add RON 38,3615 (EUR 7) for each additional family members.

Eligibility is granted based on (a) an income test for all three benefits, and (b) a social inquiry<sup>134</sup> into the living conditions of the applicant for the GMI and the FSA. Other means-tested benefits, are not taken into account.<sup>135</sup> If the applicant owns certain assets or goods, they are automatically ineligible for the benefit. Such assets are for example real estate properties (buildings/dwellings besides the current residence or any residential land exceeding a threshold), any motor vehicles less than 10 years old (with some exceptions for people with disabilities and those living in difficult-to-access areas), tractors, boats, and any motorised equipment, savings accounts holding over RON 3 000 (EUR 606), and agricultural land or livestock capped at certain net production value per year. Social inquiries are carried out as part of the initial eligibility assessment procedure, and are reviewed at least once every six months thereafter as part of the monitoring process. In addition, changes in income have to be reported within 30 days.

In 2020, the average number of beneficiary families, including those aged 65+, was 169 600, which is 2.3% of all Romanian households.

### **Adequacy of benefits**

The benefit level for GMI is calculated as the difference between the household's net income and

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<sup>131</sup> FSA scheme targets low-income families with children, differentiated by income level (two income brackets), number of children and type of family (single/two-parent families). The eligibility testing procedures and implementation requirements are similar to those for the GMI scheme.

<sup>132</sup> The seasonal HA scheme supports low-income families to compensate totally or partially, for heating costs during the cold season. Benefit levels differ according to the income per family member and the type of fuel used for heating (e.g. central heating systems, natural gas, electricity, wood/coal).

<sup>133</sup> Married/unmarried teenagers aged 16 and over living independently, with or without children, are eligible.

<sup>134</sup> Professional assessment of the household living conditions, conducted by social workers, based on a questionnaire to collect information on income, housing, children's school attendance, educational attainment level and employment status of adults in the household, goods and access to utilities, health status and healthcare, and disability or other temporary work incapacity

<sup>135</sup> Scholarships, educational vouchers, or any other educational benefit, universal child allowance, any benefit for persons with disabilities and income from occasional working activities.

the threshold set for the household, based on number of household members (see above).

All benefits are expressed as a proportion of (SRI). The Index is defined in the Law on Unemployment and is intended to link income from social transfers to labour market income. The level of social benefits relies on the updating mechanisms of the SRI, which value has however remained unchanged since 2008. The GMI threshold has been updated occasionally, and the updating has represented a change of the formula.

GMI beneficiaries are entitled to receive family support allowance (for beneficiary households with dependent children) and seasonal heating allowance. The three schemes are interconnected, although the eligibility thresholds vary.<sup>136</sup>

In 2019, the adequacy of the minimum income benefits (15% of the poverty threshold and 10% of the income of a low wage earner for a single household) was significantly below the EU average and has declined over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

Applicants who are out of work are required registering with the employment service, engaging in training or educational programmes, accepting any job offered by the employment office). It is also conditional on the household providing a certain number of community work hours per month, proportionate to the benefit received (no minimum, the number of hours cannot exceed the normal number of work hours per day/month). Those who are registered unemployed need to check-in with the employment service on request or every six months. Non taking up a job, training or education programme leads to stopping of the benefit (the recipient can reapply only after 12 months)<sup>137</sup>.

Recent legislative change allows that GMI beneficiaries receive the GMI benefit for six months after becoming employed<sup>138</sup>.

No special individualised activation plans or job integration agreements are in place for GMI beneficiaries, who receive the same service as any other unemployed person. GMI beneficiaries are not regarded as a distinct vulnerable category on the labour market. Individualised activation plans, along with an assessment of employability, are compulsory for all long-term unemployed.

The Law does not specify any social inclusion measures beyond those on labour market integration. Since November 2021, employment services have to cooperate with county-level school inspectorates to provide opportunities to GMI beneficiaries who have not completed lower secondary education. In turn, the GMI beneficiaries are not allowed to reject the offers.

GMI beneficiaries of working age, who are fit-to-work and unemployed are required to carry out a certain number of hours of community work, depending on the level of benefit received. The calculation considers the payment per hour, in accordance with the national statutory minimum wage. Community work hours are transferable between the same family members who are fit to work.

A legislative framework for integrated community services regulates the activity of community nurses and sets quality standards for integrated community services. Integrated community services are intended to conduct extensive and multidisciplinary needs assessment, and help individuals/families to access the services to which they are entitled and/or which do meet their needs (e.g. through individualised action plans). Some pilot projects have been implemented in 2017-18 in this regard. There is no social integration agreement or action plan in place for GMI beneficiaries. A contract has been put in place between providers of integrated community services

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<sup>136</sup> As the three schemes use similar methodologies for means testing/income testing, they will be integrated into a single scheme – the minimum inclusion benefit - from September 2023.

<sup>137</sup> During the COVID-19 pandemic, the social inquiry requirements were suspended, but the requirement to check-in with the unemployment office was maintained.

<sup>138</sup> Only if the employment contract is signed for a period of at least 24 months.

and vulnerable households, yet the practice has not been mainstreamed, as integrated community services have been slow to emerge.

### **Governance**

The GMI scheme is a national benefit, managed and implemented by local authorities and financially supported from the State budget. At national level, the Ministry is responsible for the design of the GMI scheme, organisation of the social/employment services in the scheme, monitoring and assessing implementation, and handing out payments. Overall administration of the GMI scheme lays at county/regional level. Benefit payments are processed, social services are monitored/assessed/inspected, and employment services are provided by the county-level. Eligibility testing, calculation of benefits and any additional needs assessment are done by local authorities, and will soon be undertaken by community integrated services. Social services are organised and mainly financed by local authorities and decentralised bodies (with local budgets).

Monitoring is embedded in the information exchange between city halls and decentralised government bodies. The information relates to the conditions that would lead to the termination of the GMI benefit, but does not include any indicator of the effectiveness of measures.

Thematic evaluations are conducted every few years, most recently in February 2021 to explore the employment opportunities for out-of-work GMI beneficiaries, resulting in legislative proposal.

### **Reform objectives and trends**

The design of all three benefits underwent significant change as part of the 2021 social assistance reforms. Firstly, eligibility criteria and benefit calculations for seasonal HA has been changed for vulnerable energy consumers. Secondly, the overall reform<sup>139</sup> on the Minimum Inclusion Income (MII) is expected to take effect in September 2023, after several delays since 2016. It provides a legal framework for the integration of all means-tested schemes and harmonisation of targeted social benefits. Three important changes are foreseen: (a) unification and simplification of means-testing procedures; (b) introduction of the provision of up to 50% deductible income from work, to stimulate formal employment; (c) significant increase in benefit levels and eligibility thresholds (as a proportion of the SRI) to increase the adequacy of benefits and coverage.

In 2021, the current GMI law was amended to put more emphasis on education, skill enhancement, and development of social economy structures, requiring employment offices to cooperate with county-level school inspectorates and to prioritise the option of enrolment in a Second Chance programme for GMI beneficiaries without an education or who have not completed the lower secondary education cycle. Beneficiaries are required to enrol in education programmes offered, and local authorities must provide support if necessary.

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<sup>139</sup> Law No. 196/2016

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Romania performs in all selected indicators significantly weaker than the EU average, showing in particular significantly higher material and social deprivation rates and poverty gap for quasi jobless households, regardless of some improvements over the last decade. Both the overall poverty gap and poverty rate of jobless households increased over last decade.

As for the performance indicators, the impact of social transfers on poverty is much lower than the EU average and it has declined since 2010, in parallel to the benefit recipient rate, which has decreased both in short or longer term comparisons. The indicators assessing access to services (gap indicators) show similar performance, both less favourable than EU average, while there was some slight improvement over recent years.

**Table – Common indicators from the minimum income benchmarking framework**

		RO (SILC 2020)	EU27 (SILC 2020)	RO (short term change)	RO (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	37.0	27.7	-1.1	4.7
	Poverty gap for QJH (18-64) in %	63.2	37.3	8.6	-3.3
	MSD rate total (18-64) in %	35.6	12.7	-4.5	-12.1
	MSD rate for QJH (18-64) in %	75.1	43.8	-0.2	-1.9
	AROP rate for QJH (18-64) in %	80.4	61.6	0.1	11.8
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	16.7	35.6	0.1	-8.6
	Benefit recipient rate for AROP & QJH (18-64) in %	57.7	78.5	-11.0	-16.6
	Gap in self-reported unmet needs for medical examination in %	4.2	3.4	-4.7	-6.4
	Gap in housing cost overburden rate in %	45.2	34.7	-9.2	-0.4
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	15%	60%	-7%	-14%
	As a share of the income of a low wage earner in %	10%	46%	-2%	-9%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.



# SLOVENIA

## 1. Description of the national scheme

There are two main minimum income support available to the working-age population in Slovenia: the social cash assistance (*denarna socialna pomoč*, CSA) and the income supplement (*varstveni dodatek*, IS) that complements it. While CSA is primarily intended to provide last-resort short-term income support (several months), IS provides additional longer term financial support to cover the costs of living (e.g. maintenance of housing, replacement of durables, etc.). All working-age people have an entitlement to CSA, while IS is available only to those who cannot be expected to improve their social situation through their own efforts.

### **Eligibility – coverage**

The benefit recipient rate stands at 87% in 2019, above the EU average (78%) and increased over the past decade.

Individual with permanent residence in Slovenia, including foreigners, persons granted international protection and their family members who have obtained a residence permit on the basis of the right to family reunification and have registered residence, and persons who may claim this benefit on the basis of international acts binding the Republic of Slovenia are eligible for the benefits. All working-age people have an entitlement to the benefits.

A means test applies and the income threshold depends on the number and type of household members (including number of working hours). Income thresholds for eligibility of single persons and households to CSA are adjusted in parallel with the adjustment of the Basic Amount of Minimum Income (BAMI), equalling EUR 402.18.

Income is defined in net terms per month, and is calculated over the three calendar months preceding the month of filing the application. Exempt income includes various subsidies paid from the State budget, certain income from agricultural and forestry activities, educational allowances, targeted allowance, etc. The assets taken into account are: immovable property, personal and other vehicles, watercraft, ownership shares in companies or cooperatives, securities, cash on a transaction or other account, savings and other cash on the statement of the individual, and other movable property. There are several assets exempted, like the housing where the person/family actually resides and has permanent residence up to a value of EUR 120 000<sup>140</sup>, each personal vehicle or single-track vehicle up to the value of 28 times the BAMI, and a personal vehicle adapted for the transport of persons with severe physical impairments, property that is rented or leased, objects used for economic activity that yields income, etc.

During the period of benefit receipt, beneficiaries have to notify the competent center of any changes likely to affect their receipt of the benefits (changes in relation to family members, income, type of periodic income, etc.) within eight days.

In December 2021, there were 99 332 CSA beneficiaries (51 179 men and 46 568 women), of which 75 516 were aged 15-65.

Eligibility criteria for IS are the same as those for CSA There is no age restriction for persons who are

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<sup>140</sup> The housing where the person/family actually resides and has permanent residence, worth EUR 120 000 or over, does not count if the social work centre (*Center za socialno delo*, SWC) decides that they cannot temporarily secure a living with this apartment or residential house due to circumstances beyond their control (e.g. domestic violence, or the process of alienating and dismantling property (not lasting more than 24 months) in order to earn a living). If they have received CSA more than 18 times in the last 24 months, they can be entitled to CSA only if they allow the entry of the prohibition of alienation (sale, transcript, etc.) and encumbrance of all real estate they own in the land register in favour of the Republic of Slovenia. Other assets worth between EUR 19 304.64 and EUR 50 000 are not counted if the SWC decides that they cannot temporarily secure a living with these assets due to circumstances beyond their control (Social Assistance Payments Act, 2010 and subsequent amendments).

permanently unemployable or permanently incapable of work. In 2021, the income threshold for entitlement was EUR 591.20 (1.47 times the BAMI) for a single person or the first adult in the household; EUR 921 (2.29 times the BAMI) for a household of two in which both members are eligible for IS; and EUR 732 (1.82 times the BAMI) for a household of two in which only one member qualifies for IS.

### ***Adequacy of benefits***

The level of the benefit is based on the Basic Amount of Minimum Income (BAMI, EUR 402.18) and the equivalence scale. The minimum costs of living is assessed every six years using a comparable methodology that has two main elements 1) a nutritionally adequate food basket at the minimum cost, and 2) the share of expenditure on food and non-alcoholic beverages in the total consumption expenditure of non-agricultural households. The food basket and minimum costs of living are calculated for a man aged 19-65. The amount can be calculated for any household type, using an equivalence scale. If the newly determined level of minimum costs of living is 15% (or more) higher than that the existing BAMI, a new BAMI is set. In the meantime, the BAMI is indexed annually by the consumer price index (CPI) for the previous calendar year.

The weights are defined for nine basic household member types, with additional weights for working 60-128 hours or 128+ hours per month, and for children maintained by only one parent. For example, the benefit amounts for a two-parent household with one dependent child, where both parents work 128+ hours per month, is EUR 1 178.39 per month in 2021. For a single household it is EUR 607.29.

Benefits can be combined with some other support, like Extraordinary Cash Social Assistance, or contributions for health care costs.

In 2019, the adequacy of the minimum income benefits (65% of the poverty threshold and 68% of the income of a low wage earner for a single household) was above the EU average and has significantly improved over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

All unemployed (CSA) recipients are required to register in the Unemployed Persons Register with the employment service (ESS). Eligibility is also conditional on signing an individual action plan or an agreement on the active addressing of social problems (integration plan), fulfilment of obligations and performance of activities set out in that agreement, active job search, inclusion in the active labour market policy (ALMP) measures and accepting any adequate/suitable job offered. These conditions do not apply to unemployed persons included in the Register of Temporarily Unemployable Unemployed Persons.

The first individual action plan must be prepared no later than 15 days from registration and defines the appropriate employment for the person, the method of active job search, and other obligations. All long-term unemployed, including MI recipients deemed fit for work, get an individualised in-depth assessment within 12-15 months of registration and a subsequent individual job integration agreement – individual action plan (no later than 18 months after registration). This evaluation (a so-called in-depth assessment) of various aspects of the person's situation includes aspects linked to social inclusion beyond integration in the labour market and services needed to improve their situation, including services provided by other institutions. A recipient failing to fulfil the obligations set out in the individual action plan is removed from the Unemployed Persons Register and denied the CSA.

If someone is found to be temporarily unemployable, is moved from the Unemployed Persons Register to the Register of Temporarily Unemployable Persons and some of them have been voluntarily referred to social activation, offered personal social services, such as emergency assistance, personal assistance, family help, institutional care, guidance, assistance and employment

under special conditions, and assistance to workers employed in companies, institutions and with other employers. Inclusion in a social activation programme is not obligatory and non-take-up does not have any consequences for MI eligibility.

Assessment of social needs may start as soon as the person is granted MI. In practice, social needs of selected CSA beneficiaries are assessed with priority (people with complex and diverse barriers, difficult personal circumstances that hinder their integration into the labour market) at both individual and household level. The beneficiary may choose from among the following personal social services: emergency assistance, personal social assistance, family help, institutional care, guidance, assistance and employment under special conditions, assistance to workers employed in companies, institutions and with other employers, or public/non-governmental social programmes (for example addiction treatment) and social activation programmes.

### **Governance**

MI schemes are regulated and financed at national level. Implementation is partly at national and regional level, but is primarily at local level. In the case of temporarily unemployable persons, local units of social welfare centers and the local employment offices are legally obliged to cooperate on the provision of labour market services and ALMPs.

Benefit is granted by the social welfare center, which act as one-stop shops for the delivery of means-tested cash social benefits, subsidies and other payments from public sources. Applications can be submitted by mail or in person. The information on applicants can be collected directly from the claimant and *ex officio* from administrative databases.

Benefit indicators are monitored monthly: key indicators include the number of recipients and beneficiaries, broken down by sex, age, activity status, month, and the amounts paid. Detailed monthly monitoring of labour market activation, including the use of/participation in services/programmes by MI beneficiaries is also in place. Social activation is monitored in a similar manner. Data on the number of social activation programmes, number of invited persons, number of included persons, number of exits (into education, ALMPs, etc.), number of positive exits (exits into employment), start and end of the project, and funds are also collected, all by duration of programme.

### **Reform objectives and trends**

No reforms are foreseen and changes made during the COVID crisis.

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Slovenia performs in all selected dimensions better than the EU average, except for the poverty rate of the quasi-jobless households. Trends over the last decade have generally shown some improvement.

As for the performance indicators, the impact of social transfers on poverty is higher than the EU average. The indicators assessing access to services (gap indicators) show lower gaps than the EU average, in spite of some increase since 2010.

**Table – Common indicators from the minimum income benchmarking framework**

		SI (SILC 2020)	EU27 (SILC 2020)	SI (short term change)	SI (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	18.5	27.7	-0.7	-2.0
	Poverty gap for QJH (18-64) in %	28.3	37.3	-4.4	-5.8
	MSD rate total (18-64) in %	5.7	12.7	-2.9	-6.7
	MSD rate for QJH (18-64) in %	33.4	43.8	-8.0	-12.8
	AROP rate for QJH (18-64) in %	70.0	61.6	-0.2	-2.2
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	46.3	35.6	2.7	-3.5
	Benefit recipient rate for AROP & QJH (18-64) in %	87.4	78.5	0.8	0.9
	Gap in self-reported unmet needs for medical examination in %	2.4	3.4	1.8	1.2
	Gap in housing cost overburden rate in %	28.5	34.7	-1.3	1.6
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	65%	60%	9%	15%
	As a share of the income of a low wage earner in %	68%	46%	7%	9%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# SLOVAKIA

## 1. Description of the national scheme

Minimum income support in Slovakia is provided through the ‘assistance in material need’ scheme (AMN) (*pomoc v hmotnej núdzi*). This non-contributory, means-tested scheme is organised at national level. AMN consists of one main benefit (the material needs benefit) and four allowances: the activation allowance<sup>141</sup>, the protection allowance<sup>142</sup>, the dependent children allowance<sup>143</sup>, and the housing allowance. Before claiming AMN, claimants need to have exercised their rights to other benefits providing basic living support, such as alimony, compensation income for temporary incapacity, sickness insurance, pension insurance, and accident insurance.

### **Eligibility – coverage**

The benefit recipient rate stands at 88% and while it somewhat decreased over the past decade, it remains well above the EU average (78% in 2019).

Claimants must be with legal residence or permission to stay in Slovakia. AMN is also provided to those who were granted international protection status and are authorised to stay in the Slovak Republic.

Households’ incomes have to be below the subsistence minimum (*životné minimum*) threshold, which varies according to household composition, by various thresholds: the first adult €218.06 per month, every additional adult €152.12 per month, and dependent child €99.56 per month.

Income is defined in net terms after deducting taxes and social contributions. It is not reduced by any basic costs (e.g. rent, interest paid on mortgages and other loans, energy costs and other housing costs). It is measured over the month in which the application is submitted. However, some types of benefits are not taken into account, such as 25% (or in some cases 50%) of net earnings from employment, 25% of old-age or early invalidity pension, 25% of maternity benefit, child benefits, child tax credit, one-off state social benefits; scholarships; income of secondary or university students, and various allowances. Real property and movable assets are taken into account in the means test. Recipients of material needs assistance can be asked to sell or rent out properties and assets except the house which they use as a permanent residence, and land which they use for personal purposes; movable assets that are part of necessary household equipment; a car used for the transport of a disabled person or which has a low value or older than 10 years. The assessment of assets is made for all family members sharing the same household.

Provision of the material needs benefit is also conditional on participation in a public works scheme. Additional requirements apply to the other allowances of the scheme.

In September 2021, there were 58,718 households receiving AMN in Slovakia, covering 138,156 people in total, representing 2.3% of the population in Slovakia.

### **Adequacy of benefits**

The amount of AMN that is granted to households is calculated as the difference between the sum of all entitlements within the AMN scheme and income. There are six levels of material needs

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<sup>141</sup> Intended to support the acquisition, maintenance and development of knowledge, skills, practical experience, and working habits. Provision of the activation allowance is conditional on participation in various activities.

<sup>142</sup> Provided to those who are not able to take part in activation due to their age, health condition, parental duties, or care responsibilities for disabled people, amounts depending on the reason for inability.

<sup>143</sup> Aimed at supporting the upbringing, education and development of children with regular school attendance.

benefit, depending on the composition of household.<sup>144</sup> In addition, the various allowances are available based on further conditions.

As regards the *protection allowance*, there are three amounts, depending on the reason for inability to participate in activation measures.<sup>145</sup> The *housing allowance* is provided to single-adult households (€59.40 per month) and households with two or more members (€94.8 per month). The *dependent child allowance* is paid at the level of €19.3 per month.

The *activation allowance* is provided at two levels. An allowance amounting to €140.8 per month is granted to people who live in households receiving AMN and has earned income of at least the minimum monthly wage. An allowance of €70.4 is provided to others who are eligible but who do not work or take part in the activation measures (registered at labour offices and taking part in activation measures or receiving parental benefit and studying at secondary school or university).

In 2019, the adequacy of the minimum income benefits (28% of the poverty threshold and 26% of the income of a low wage earner for a single household) was significantly below the EU average and has declined over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

In general, more than half of recipients are registered at labour offices, including those who claim the activation allowance, being requested to register. As job-seekers, they benefit from active labour market policy measures, including counselling and help with job-search. However, participation in activation works programmes, which is a precondition for claiming the activation allowance, is the most frequent form of their activation. It represents the main way to supplement the material needs benefit.<sup>146</sup> Activation programmes are organised by municipalities or self-governing regions, but the selection of recipients for participation is carried out by the labour offices. Refusal to take part in activation works leads to a reduction in the basic benefit.

The *special allowance* represents a support measure for transition from long-term unemployment to employment. The special allowance is granted for 18 months: €126.14 per month during the first 12 months, €63.07 per month during the next six months. The allowance tops up wages to twice the minimum wage. It has been introduced to be available for material need (AMN) beneficiaries as well. (Previously, entitlement to the special allowance was not compatible with the receipt of assistance in material need by the household.)

### ***Governance***

Provision of AMN and special allowance is the responsibility of the central government. Relying on a centralised design, the delivery arrangements for minimum income benefits are the same across the country. The administration of benefit claims follows general rules defined by the Act on Administrative Procedure. Decisions by authorities can be reviewed by the courts.

At municipal level, one-off benefits and counselling are provided. One-off benefits, funded from the municipality budget, can take the form of cash or in-kind benefits.

### ***Reform objectives and trends***

There have been significant changes over the last five years. The reform adopted in 2019 has brought several important changes and in particular a regular indexation mechanism was

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<sup>144</sup> €68.8 per month for a single adult; €130.9 per month for a single adult with 1-4 children; €119.6 per month for a couple without children; €179.0 per month for a couple with 1-4 children; €191.2 per month for a single adult with more than 4 children; €241.3 per month for a couple with more than 4 children.

<sup>145</sup> €70.4 per month for those unable to take part due to age, disability, parental duties or care responsibilities; €38.7 per month for those with ill-health lasting for more than 30 days; €15.1 per month for parents caring for children under 1 and pregnant women regularly attending preventive medical examinations.

<sup>146</sup> In September 2021, 21,791 recipients of the material needs benefit also received the activation allowance. It represented 31.7% of all recipients. In September 2020, the proportion was 37.3%.

introduced. The amounts of assistance in material need are adjusted (increased) on 1<sup>st</sup> January. Since 2019, two levels of activation allowance are provided with the aim of strengthening incentives to work. In addition, eligibility conditions were modified with regard to household composition and relationships between household members, in order to facilitate access to the assistance.

The AMN scheme was partly amended in response to the COVID-19 crisis. Rules for activation allowance were relaxed in response to the barriers to the performance of activities. If beneficiaries could not perform activities<sup>147</sup>, necessary for being entitled to activation allowance, they were entitled to protective allowance. In addition, in 2020, a new social transfer – SOS subsidy – was introduced in order to provide support to people who found themselves without an income during the pandemic supplementing the existing minimum income scheme. The subsidy is intended for those who ceased to perform a job or run a business during the pandemic and found themselves without any income and without entitlement to any other benefits.

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Slovakia performs in all selected indicators around the EU average for the total population but significantly higher poverty gap, material and social deprivation rates and poverty rate for quasi jobless households, showing increase in a long-term changes (except for MSD rate, which decreased for both population).

As for the performance indicators, Slovakia has higher impact of social transfers than the EU average and this impact has been improved since 2010 and in particular in a short term change. Benefit recipient rate stands well above the EU average, while slightly decreased. The indicators assessing access to services (gap indicators) show higher gaps than the EU average, in particular for self-reported unmet needs for medical examination, which increased since 2010.

**Table – Common indicators from the minimum income benchmarking framework**

		SK (SILC 2020)	EU27 (SILC 2020)	SK (short term change)	SK (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	25.6	27.7	-0.4	-0.9
	Poverty gap for QJH (18-64) in %	53.6	37.3	-4.6	2.4
	MSD rate total (18-64) in %	9.0	12.7	-2.0	-6.2
	MSD rate for QJH (18-64) in %	63.6	43.8	-6.9	-5.8
	AROP rate for QJH (18-64) in %	72.4	61.6	-2.4	4.0
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	42.5	35.6	11.4	1.1
	Benefit recipient rate for AROP & QJH (18-64) in %	88.8	78.5	-0.8	-1.9
	Gap in self-reported unmet needs for medical examination in %	7.8	3.4	4.9	4.8
	Gap in housing cost overburden rate in %	38.3	34.7	-4.6	11.5
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	28%	60%	-4%	-12%
	As a share of the income of a low wage earner in %	26%	46%	-3%	-10%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

<sup>147</sup> Barriers include obstacles faced by the organizer of the activities as well as quarantine measures or isolation due to COVID-19.

# FINLAND

## 1. Description of the national scheme

The receipt of different forms of MI security benefits in Finland is more parallel than sequential, thus benefits are often paid on top of another and complement each other. Three forms of minimum income benefits, such as the social assistance, the labour market subsidy (LMS) and housing allowance are strongly intertwined and guarantee minimum income (MI) security for all legal Finnish residents. In a typical case, a person receives the labour market subsidy as a primary benefit, receives housing allowance to cover a part of housing costs, and the social assistance supplements these, if needed.

*Social assistance (toimeentulotuki)* is a last-resort income transfer scheme that supports individuals and families whose income and assets do not cover their essential daily expenses.<sup>148</sup> It comprises three parts, the basic social assistance (*perustoimeentulotuki*), which is implemented centrally and provided by the social security institute (Kela), completed with the supplementary social assistance (*täydentävä toimeentulotuki*) to cover certain additional costs and the preventive social assistance (*ehkäisevä toimeentulotuki*), administered and provided by municipalities.

Social assistance as a whole is the last-resort benefit to which the right is determined on the basis of an assessment of the individual situation of the person and the household. The amount of the income support is determined by assessing the difference between income and expenditure, and it is thus also different for different individuals and households in different months.

### **Eligibility – coverage**

The benefit recipient rate reaches 97% (close to full coverage) and has been stable over the past decade (+26 ppts). It remains higher than the EU average (78% in 2019).

While social assistance is means-tested, it is based on rights guaranteed by the constitution. As a last-resort benefit, eligibility for social assistance cannot be denied, for example, due to refusal to work. The level of benefits can be reduced by a maximum of 40%. Recipients report their status every month. As a rule, social assistance is granted for one month, but it can also be granted for a shorter or longer period.<sup>149</sup> However, recipients have to immediately report any significant changes in their living situations (e.g. income or household composition).

In principle, social assistance is available for everyone residing in the country, no nationality or longer time requirements for legal residency applies, neither does any age criterion (as a rule, however, the maintenance liability of minors rests with their parents). The social and housing allowance assistance systems (together with the ‘housing first’ national policy) has contributed to a very low number of homeless people in Finland.<sup>150</sup>

For social assistance, the income taken into account is defined as disposable income (after tax). Earned income exceeding €150 per month reduces benefits, as well as all other social benefits and other incomes (such as the LMS). Real property and assets owned by a person belonging to the household are taken into account. Wages and benefits deemed insignificant (€50 for a single person and €100 for a household per month) are exempted, together with regular income and assets of a child under 18 insofar as they exceed the expenses to be taken into account for the child, as well as reimbursement of travel-to-work and other work-related costs, activation supplements, certain

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<sup>148</sup> Based on the Act on Social Assistance, 1412/1997.

<sup>149</sup> Housing allowances are granted for one year.

<sup>150</sup> Housing benefits are universally available to low-income households and about 16% of the Finnish population gets them. Thus, not all the recipients of housing allowance are on MI support, but a majority (60%) of the recipients are in the two lowest income deciles.



social benefits (maternity benefits and disability allowances) and assets regarded as essential for living (e.g. owning a house or flat).

In 2020, the total number of recipient households was 310,884 (9.9% of all households) and the number of recipient individuals was 464,236 (8.4% of residents). 96% of these received the basic amount, 2% received supplementary assistance, and 1% received preventive social assistance.

### ***Adequacy of benefits***

The basic amount of *social assistance* is €504 per month for a single person and €932 for a co-habiting couple. The basic amounts for children under 10 are €318 for the first child, €292 for the second child, and €267 for each consecutive child. The corresponding amounts for children aged 10-17 are €353, €328, and €302. However, as social assistance is a last resort benefit, these are not the amounts of income of social assistance beneficiaries in practice. The average amount paid per person was €367 in 2020. There are people that receive social assistance as their main source of income, but in most cases a small amount of social assistance is paid to supplement other benefits. Social assistance is not taxable. Regarding supplementary and preventive social assistance, they are always determined on a case by case basis, and the benefit amounts vary according to the needs of the beneficiary. Due to the complementary nature of the system, the composition of the minimum income package of an unemployed person<sup>151</sup> ranges from around EUR 1,015 for a single person to EUR 2,345 for a couple with two children, or even up to EUR 3,190 with 4 children depending on the situation of the household.

The levels of MI benefits follow the consumer price index, mostly through their link to the national pension index. In addition to increases due to index changes, the government can decide on ad hoc increases. In principle, the national pension index is updated every year.

In 2019, the adequacy of the minimum income benefits (73% of the poverty threshold and 57% of the income of a low wage earner for a single household) was significantly above the EU average and has remained constant over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

There are several requirements to participate in activation or other labour market measures, many of them are based on an individual assessment of the need for various services. The assessment attempts to map all the relevant factors (e.g. health condition and ability to work) affecting the client's situation. The Act on Rehabilitative Work lays down provisions on rehabilitative work activities, which are social services. According to the Act, social welfare and employment services must, in cooperation with the client, draw up an activation plan. The plan may include rehabilitative work activities that are binding on the client.

In order to get the LMS, the claimant has to register with the employment service. Beneficiaries can make use of all the various services offered by business service office (TEO). In co-operation with a TEO expert, the individual will draw up a plan (an employment plan, activation plan, or integration plan for immigrants), highlighting the job-seeking goals and steps needed to reach those goals. The implementation of the plan is assessed at regular intervals and is individually tailored and adapted to the claimant's personal needs.

Non-compliance with the activation plan can lead to a temporary loss of right to the LMS, and reduction in the social assistance of 20% for two months. If non-compliance continues, the benefit can be further reduced by an additional 20%, but for no longer than two months per time. The maximum reduction is 40%.

The multi-sectoral employment promotion service is a joint operating model of the employment and business service office (TEO), social services, and Kela. The model serves job-seekers who have been

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<sup>151</sup> Getting labour market subsidy, complemented with social assistance and housing allowances.

unemployed for a long period of time. In the multi-sectoral joint service model, various public authorities offer services on a one-stop-shop basis.

All people receiving MI benefits are entitled to the same social care and healthcare services, education, training, and rehabilitation as the rest of the population. Thus, in principle, the coverage is 100%. However, non-active people are not entitled to occupational healthcare, which is free of charge and more easily accessible than services at healthcare centres, which charge service fees and usually have longer queues for treatment.

### **Governance**

The Ministry of Social Affairs and Health is responsible for legislation on social assistance, and directs and co-ordinates social assistance as part of social welfare. Kela centrally administers the benefits, through its approximately 200 offices throughout the country. The 309 municipalities take care of supplementary and preventive social assistance until the end of 2022. From the beginning of 2023, responsibility for healthcare and social welfare services will be transferred to 22 wellbeing services counties. The connection between benefits in cash (mainly provided by Kela) and benefits in kind (provided by municipalities) is not fully coordinated. Furthermore, there are insufficient data on how social work and other municipal services are organised, and how the delivery of services varies between municipalities.

The Ministry of Social Affairs and Health has ultimate responsibility for co-ordination and monitoring of the existing situation, developments, future trajectories, adequacy of benefits, and impact of benefits on poverty and income distribution. Monitoring is the joint responsibility of the authorities participating in multi-disciplinary services. Kela has to monitor the duration of the LMS spells and the possible receipt of social assistance. Municipalities take part in the financing of labour market subsidy for the long-term unemployed and the social assistance. The information about LMS spells is transferred to the municipalities and TEOs and duration of social assistance to social services.. There is a legal obligation to evaluate the adequacy of basic social security at the end of each government period.

### **Reform objectives and trends**

In 2017, basic social assistance was transferred from the municipalities to Kela. This reduced non-take-up rates by harmonising the application process and making it more formal and less stigmatising. In 2018, the 'activation model' was introduced to further incentivise participation in labour market measures, but it was abolished in 2019.

Due to COVID-19, a temporary LMS for the self-employed was introduced, being effective from 16 March 2020 to the end of 2020. Reductions in social assistance benefits due to non-compliance (e.g. people refusing to accept a work offer or not participating in labour market measures) were not strictly applied. Temporary additional compensation (€75 per month per household member) towards basic social assistance was introduced, from 1 March 2020 to the end of 2020. The pandemic did not cause any changes in the housing allowance system.

Multiple reforms that affect minimum income benefit receivers are being prepared or implemented in Finland. The labour market service reform embedding services and obligations for the unemployed entered into force in May 2022. Healthcare and social welfare services will be reformed in Finland from 2023. The responsibility for organising these services will be transferred from municipalities to wellbeing services counties.

Parliamentary committee work to reform social security as a whole has been launched in Finland 2020 and it will continue its work until 2027. It addresses questions related to basic social security, earnings-based benefits and social assistance, and examines the financing and connections between these forms of support.

A government proposal for the reform of the Act on Social assistance is to be submitted this spring. The aim of the reform is to improve the situation of social welfare and vulnerable beneficiaries like social assistance applicants and to improve their access to services. The measures are intended to enter into force at the beginning of 2023.

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Finland performs in all selected indicators much better than the EU average, though for poverty rate for jobless households the difference is less significant. Slight improvements can be observed in poverty gaps but MSD rates and poverty rate of jobless households show some deterioration in a long-term changes.

As for the performance indicators, the impact of social transfers on poverty is much higher than the EU average and it remained stable since 2010. The indicators assessing access to services (gap indicators) show different performances, the gap in housing cost overburden rate is much lower than the EU average and remained unchanged over the last decades.

**Table – Common indicators from the minimum income benchmarking framework**

		EL (SILC 2020)	EU27 (SILC 2020)	EL (short term change)	EL (long term change)
<b>Outcome indicators</b>					
	Poverty gap total (18-64) in %	16.5	27.7	-1.1	-0.9
	Poverty gap for QJH (18-64) in %	16.9	37.3	1.8	-0.6
	MSD rate total (18-64) in %	5.5	12.7	-0.7	1.6
	MSD rate for QJH (18-64) in %	26.8	43.8	-4.0	7.8
	AROP rate for QJH (18-64) in %	56.9	61.6	2.6	2.9
<b>Performance indicators</b>					
	Impact of social transfers on poverty reduction (18-64) in %	54.4	35.6	-1.0	0.7
	Benefit recipient rate for AROP & QJH (18-64) in %	97.3	78.5	-0.8	0.2
	Gap in self-reported unmet needs for medical examination in %	4.0	3.4	-0.9	0.7
	Gap in housing cost overburden rate in %	19.0	34.7	2.6	-0.3
<b>Adequacy indicators</b>					
	As a share of the poverty threshold in %	73%	60%	-1%	1%
	As a share of the income of a low wage earner in %	57%	46%	0%	-2%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

# SWEDEN

## 1. Description of the national scheme

Social assistance (*ekonomiskt bistånd*) is the only benefit of last resort in Sweden, targeted at individuals and families with low income. It is available to households with no other means of supporting themselves and applicants need to exhaust all other relevant benefits, for example housing benefits, in order to be eligible.

### **Eligibility – coverage**

The benefit recipient rate reaches 93% (close to full coverage) and has slightly increased over the past decade, thus remaining significantly higher than the EU average (78% in 2019).

Eligibility for social assistance is determined at the level of the household, which is considered to include only nuclear families (i.e. parents and children), as parents are obliged by law to financially support their children (up to age 20 if the child is in secondary education). However, social assistance may in exceptional cases be paid to children. Grandparents and other people living under the same roof are treated as independent households and are not taken into account in the means test.<sup>152</sup>

Household income is normally calculated on the basis of incomes in the previous month and as a general rule, all the income and benefits of households, whatever their nature or origin, are taken into account in the means test. In case of taking up employment, individuals that have received social assistance for a period of six consecutive months are entitled to have 25% of earnings from work and some capped amount of earnings<sup>153</sup> by young people of school age during vacations are exempted. Assets are taken into consideration in the means test, if they are not regarded as essential for the household to become self-sufficient. Typical examples that could be taken into consideration are stocks or bonds, a car, a summer house, or expensive consumer electronics.

Permanent residence is not required, all people with the right to stay in the country may be eligible for social assistance. Refugees are entitled on equal terms with other residents, as long as their residence permit is valid. Asylum-seekers receive a specific allowance, outside of this scheme.

Social services have to help people in the application process and most municipalities have special application forms, to be submitted digitally or at their offices. After the application has been submitted, the person is usually scheduled for an interview to assess the needs. The waiting times for new applications varies across municipalities, but according to a survey, claimants have to wait less than two weeks in general.

According to data from the National Board of Health and Welfare, around 374,000 people received social assistance in 2020, around 3.6% of the Swedish population (5.6% of the working-age population aged 15-64). Neither official data on take-up (i.e. the extent to which eligible families receive a benefit), nor recent in-depth investigations on the issue are available. According to one estimate, in 2018 only around two thirds of single-person families with income below the threshold were eligible, and 28% of those eligible actually received a benefit.<sup>154</sup> The reasons for this non-take-up of social assistance probably include a combination of factors (such as stigma, lack of information,

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<sup>152</sup> Older people seldom receive social assistance, as there is a separate low-income benefit at national level for those with very low pensions. Full-time students normally receive a universal student allowance (often in combination with state-provided student loans) thus do not rely on social assistance.

<sup>153</sup> Annual income below one 'price base amount', which is used in the tax and social security legislation to establish various income thresholds. It is calculated based on changes in the consumer price index for the entire calendar year.

<sup>154</sup> Estimates based on simulations using EU-SILC. Besides household income, the simulations included a proxy for capital (based on capital income) and work status. Due to a lack of necessary input data, take-up of other household types was not simulated. It should be noted that these figures should be interpreted cautiously, as it is difficult to simulate benefit eligibility using the available micro-level survey and register data.

short-term financial assistance from family and friends, and administrative errors).

### ***Adequacy of benefits***

The social assistance benefits are set by reference to reasonable living costs, calculated by the Swedish Consumer Agency, including reasonable costs for a basket of goods and services<sup>155</sup>. They are not automatically indexed but are generally adjusted annually according to changes in consumer prices, subject to decisions by the government.

The benefit levels take into consideration the number of people in the household, the age of children and whether children eat lunch at home<sup>156</sup> and whether the adults are single or co-habiting. In 2020, the benefits were for a single person without children, SEK 4,160 (€414), a couple without children, SEK 6,800 (€676), a couple with two children (aged 4 and 8), SEK 12,760 (€1,268), and a single parent with two children (aged 4 and 8), SEK 10,230 (€1,017).

Housing costs are usually covered in full, often in combination with a separate income-tested housing benefit. After an individual assessment, municipalities often provide additional support to cover the costs of accommodation, electricity, work travel, home insurance, trade union membership, and unemployment insurance fund membership.

Social assistance is granted for one month, after which a new application needs to be made. Generally, there is no review or adjustment to payments in between, even if circumstances change.

In 2019, the adequacy of the minimum income benefits (64% of the poverty threshold and 55% of the income of a low wage earner for a single household) was slightly above the EU average, while it has slightly declined over the last decade (see table in section 2).

### ***Labour market activation, social inclusion and access to services***

All applications for social assistance are subject to an individual assessment, whereby social services on a discretionary basis decide whether the applicant is considered able to work and should participate in a labour market activation programme. In most cases, people who are fit to work are required to actively look for work, be registered with the public employment service, accept available job offers, and participate in national labour market programmes or other municipal activation measures if necessary. In those cases, the applicant may qualify for activity support for unemployed, and receive social assistance as a top-up. Failure to comply with these work-related requirements may result in the complete withdrawal of, or a temporary reduction in, benefits.

Individuals that have received social assistance for a period of six consecutive months are entitled to have 25% of their earnings from employment exempted (for a period of up to two years).

Local labour market activation measures are organised at municipal level and differ extensively. They may include various measures aimed at preparing recipients to participate in the active labour market policy programmes of the public employment services. Evaluations of such local programmes are scarce, but generally report weak effects on employability and self-sufficiency. Evaluations of national active labour market policies do not make a distinction between recipients of social assistance and recipients of unemployment benefits. No data are available on the number of social assistance recipients who participate in active labour market policy programmes.

Regulation for the individual needs assessment does not exist, but a multidimensional perspective is recommended by the National Board of Health and Welfare, particularly if dependency is considered to be long-lasting. Social services are recommended to perform a wider and more detailed screening of the underlying circumstances for claiming social assistance to identify appropriate support measures at an early stage and to set adequate requirements on the people concerned. There is no legal obligation on social services to establish an individual action plan, but such plans are used in

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<sup>155</sup> Food; clothes and shoes; play and leisure; health and hygiene; a daily newspaper and a telephone; and consumables.

<sup>156</sup> Free school lunches to all children is provided in Sweden.

many municipalities. Data on the actual number of social assistance recipients receiving an individual action plan is not collected, but, according to a survey, the majority of municipalities carried out multidimensional assessments and established individual action plans within three months.

A large set of personalised services is provided to social assistance recipients. Examples include budget and debt counselling, and support for (re)entering the labour market. There are no data on the number of recipients using such services. Receipt of social assistance does not automatically grant access to other types of social services and support, which are universally available for all in Sweden and have comparatively low user fees. One-stop-shops are implemented in some municipalities, and focusing on specific user groups. Where one-stop-shops are not implemented, municipalities have often established collaboration with other service-providers.

### ***Governance***

Social assistance is financed and administered at local level by the municipalities, but the legislative frameworks are set at national level. The National Board of Health and Welfare has a supervising role, provides guidance for the municipalities, and is responsible for national statistics on social services. The provision of services may be outsourced to private providers. Appeals against decisions on social assistance eligibility can be made to the administrative court.

In terms of monitoring frameworks for social services, the National Board of Health and Welfare carries out qualitative assessments, or 'open comparisons' for systematic reviews of social services to improve their operation.

### ***Reform objectives and trends***

No significant changes have been made to the social assistance framework in recent years, neither during the COVID-19 pandemic. Temporary policy responses to the pandemic were primarily addressed to strengthening other benefits in the welfare system.

## 2. A presentation of the state of play of MI outcomes and performance in the country

In terms of outcomes, Sweden performs in all selected indicators better or much better than the EU average, except for poverty rate for jobless households, which also shows some deterioration in a long-term changes. MSD rates are significantly below the EU average, regardless of some increase observed in both population categories in recent years.

As for the performance indicators, the impact of social transfers on poverty is higher than the EU average but it has declined since 2010. The indicators assessing access to services (gap indicators) show different performance, the gap in housing cost overburden rate is higher than the EU average and deteriorated over the last decades.

**Table – Common indicators from the minimum income benchmarking framework**

	SE (SILC 2020)	EU27 (SILC 2020)	SE (short term change)	SE (long term change)
<b>Outcome indicators</b>				
Poverty gap total (18-64) in %	24.6	27.7	1.4	-1.0
Poverty gap for QJH (18-64) in %	24.5	37.3	-1.4	0.8
MSD rate total (18-64) in %	4.0	12.7	0.4	1.0
MSD rate for QJH (18-64) in %	31.3	43.8	3.3	4.5
AROP rate for QJH (18-64) in %	75.8	61.6	-6.1	8.2
<b>Performance indicators</b>				
Impact of social transfers on poverty reduction (18-64) in %	43.0	35.6	-1.1	-7.7
Benefit recipient rate for AROP & QJH (18-64) in %	89.9	78.5	-4.7	-0.8
Gap in self-reported unmet needs for medical examination in %	3.5	3.4	-0.4	-0.1
Gap in housing cost overburden rate in %	45.4	34.7	2.0	13.5
<b>Adequacy indicators</b>				
As a share of the poverty threshold in %	64%	60%	-1%	-6%
As a share of the income of a low wage earner in %	55%	46%	0%	-4%

Note : Short term change: SILC 2020 vs SILC 2018 ; Longer term change: SILC 2020 vs SILC 2010 except for all indicators QJH (SILC 2020 vs SILC 2015). QJH stands for Quasi-Jobless Households.

## GETTING IN TOUCH WITH THE EU

### In person

All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at:

[https://europa.eu/european-union/contact\\_en](https://europa.eu/european-union/contact_en)

### On the phone or by email

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696 or
- by email via: [https://europa.eu/european-union/contact\\_en](https://europa.eu/european-union/contact_en)

## FINDING INFORMATION ABOUT THE EU

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### EU publications

You can download or order free and priced EU publications at: <https://op.europa.eu/en/publications>. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see [https://europa.eu/european-union/contact\\_en](https://europa.eu/european-union/contact_en)).

### EU law and related documents

For access to legal information from the EU, including all EU law since 1952 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

### Open data from the EU

**The EU Open Data Portal (<http://data.europa.eu/euodp/en>) provides access to datasets from the EU. Data can be downloaded and reused for free, for both commercial and non-commercial purposes.**



