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From:	The Social Protection Committee
To:	Permanent Representatives Committee (Part 1)/Council
Subject:	Joint Report from the Social Protection Committee and the European Commission on Minimum Income - Country Profiles (part 1)

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Delegations will find attached the Country Profiles (part 1) annexed to the Joint Social Protection Committee and European Commission Report on Minimum Income (doc. 13051/22 ADD 1).

The key messages which are drawn from this report are contained in doc. 13051/1/22 REV 1.

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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**

		<b>BG (SILC 2020)</b>	<b>EU27 (SILC 2020)</b>	<b>BG (short term change)</b>	<b>BG (long term change)</b>
<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 preceeding 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/news/2022-01/government-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 ppts 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 ppts), 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.