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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 3)

Delegations will find attached the Country Profiles (part 3) 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.

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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THE NETHERLANDS

1. Description of the national scheme

The Dutch minimum income scheme¹ targets people with work capacity who (temporarily) need support in providing for their livelihood and/or in finding a job. Its overall objective is that each citizen participates in society according to their ability and provides for their own maintenance as much as possible.

Eligibility – coverage

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

Legal residence in the Netherlands is required for eligibility.² Recipients should be over 18 and actively seek work, except in case of urgent medical or social circumstances. In addition, recipients cannot meet various exclusion criteria³.

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

In addition to thresholds for income, there are also thresholds for assets, which depend on people's living situation and are updated every calendar year. Assets include financial wealth (such as savings) and other assets, including (second) homes, with a list of exceptions⁴. Assets belonging to minors are included. Any debts for which repayment cannot be postponed (this excludes study debts and family loans) are subtracted. People whose net assets exceed the legal threshold⁵ are not entitled to minimum income support.

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

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

¹ Under the Participation Act ('Participatiewet') introduced in 2015 to consolidate the previously distinct rules.

² People without a home or mailing address can submit a request for a mailing address in order to be able to receive minimum income benefit.

³ The following people are not eligible for minimum income support: those who are serving or evading a custodial sentence, those who are in (alternative) military service, those who are not working due to participation in a labour strike, those who are abroad for more than 4 weeks per calendar year or for more than 4 weeks consecutively, those who apply for social assistance in order to repay debts while their income was above the threshold for social assistance when the debt was incurred, those who leave the Netherlands to join a jihadist group in a jihadist battleground, those who are 18, 19 or 20 years old and are living in an institution, and those who are on unpaid leave.

⁴ The following forms of assets are excluded: net value of homeowners' houses up to the threshold of € 53,100; assets in kind that are either generally common or necessary given the recipient's circumstances; savings accumulated during the period in which the benefit is received; allowances to cover material and immaterial damage to be designated by ministerial regulation; donations to cover material and immaterial damage in as far as the municipality believes these are appropriate; provisions from a life-course savings scheme.

⁵ The asset thresholds for 2021 were as follows. Singles: € 6,295. Single parents: € 12,590. Households with two or more adults: € 12,590.

with an income just below the threshold, the self-employed with only one income source⁶, recipients aged 26 or below were most likely not to take up the benefit. Non-take-up was higher for adult children living at home and for migrants from European countries. Non-take-up decreased for recipients with higher ages. A third of all non-take-up persons had been non-take-up persons for at least a year.

Adequacy of benefits

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

In 2021, various net amounts per month were available for different households: singles and single parents, aged 18, 19 or 20 (€266); couples, both aged 18, 19 or 20, without children (€533), couples, one of which aged 18, 19 or 20, the other aged between 21 and retirement age (€1,037), couples, aged 18, 19 or 20, with children (€841); couples, one of which aged 18, 19 or 20, the other aged between 21 and retirement age, with children (€1,345); singles and single parents from 21 years to retirement age (€1,079); couples from 21 years to retirement age, with or without children (€1,541), singles and single parents above retirement age (€1,200), couples, one or both of which above retirement age, with or without children (€1,627), singles from 21 years to retirement age with one cost-sharing co-resident (€771), singles from 21 years to retirement age with two cost-sharing co-residents (€668), couples from 21 years to retirement age with one cost-sharing co-resident (€1,336), couples from 21 years to retirement age with two cost-sharing co-residents (€1,233), singles and single parents residing in an institution⁷ (€376); couples residing in an institution (€607).

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

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

Labour market activation, social inclusion and access to services

Beneficiaries are required to register as a jobseeker, with some exceptional cases.⁸ They have to search for, accept and keep a generally acceptable job and accept services offered by the municipality aimed at labour market activation and cooperate in assessing the recipient's possibilities for labour market participation, or perform socially useful activities.

Beneficiaries have to cooperate in individual needs assessment and drawing up, implementing and evaluating an individual plan of action⁹. This plan sets out the support provided by the government, the recipient's obligations with respect to labour market participation, and the consequences of any non-compliance. The municipality follows up the execution of the action plan and periodically evaluates (and possibly adjusts) it, in consultation with the recipient. Support can include coaching, schooling or training, wage cost subsidies or sheltered work facilities. All these activities including social activation measures are ultimately aimed at labour market participation. The Participation Act stipulates that the minimum income benefit can be temporarily lowered in case the recipient fails to fulfil the obligations.

⁶ Possible reasons for this include the fact that the self-employed often believe they are not entitled to benefits (and municipalities typically find it hard to reach them) and because they may feel too proud to claim benefits.

⁷ This can be a nursing home or an institution where people reside while having access to assistance or supervision more than half of the time.

⁸ Like permanently unfit for work, single parents with children up to 12 years (unless childcare is ensured), individual exemptions granted by the municipalities.

⁹ This obligation starts from the day an applicant registers for the benefit (already before the full application is submitted). The Participation Act does not contain any formal deadline for the completion of the assessment and action plan.

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

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

Governance

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

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

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

Reform objectives and trends

In response to the Covid-19 crisis, the social assistance arrangement for the self-employed, which falls under the Participation Act – was temporarily adapted and given a new name: the temporary emergency social assistance scheme for self-employed. The benefit was a supplementary and temporary allowance that could be used for topping up for instance lost income or low earnings for self-employed persons legally residing in the Netherlands with inadequate financial resources to meet their essential living costs as a result of the pandemic¹⁰. It differed from the regular social assistance scheme in several ways. There was no obligation of job-search. The arrangement was temporary and was extended several times until it came to an end on October 1st 2021. Availability was limited to certain type of employed categories. The benefit amounts were identical to the regular scheme (no cost sharing standard was applied). There was no asset or savings test. At the first phase, only the income of the applicant was taken into account (the income of the spouse or civil partner was excluded from the means test), but as of the second wave onwards, total household income was taken into account.

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

¹⁰ It was introduced as part of a broader emergency package, which also included financial support to firms to ensure that they could continue paying their staff ('tijdelijke noodmaatregel overbrugging voor werkbehoud, NOW').

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

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

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

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

Table – Common indicators from the minimum income benchmarking framework

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

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

AUSTRIA

1. Description of the national scheme

In Austria, the legislative responsibility on minimum income schemes remains with the 9 federal provinces, each of which has its own legislation. In 2019 the Basic Social Assistance Act was introduced; it does not define minimum standards, but sets maximum standards that may not be exceeded by the federal provinces. Due to this regional variety of the schemes, examples from two federal provinces¹¹ are used below to illustrate the characteristics of minimum income schemes in Austria. Very closely linked to the regional MI schemes, unemployment assistance (*Notstandshilfe*) is regulated at the federal level, funded and provided by the unemployment insurance system, and can be obtained once the maximum duration of unemployment benefits (*Arbeitslosengeld*) has been reached. It can be received for an indefinite time, at the latest until eligibility requirements for a pension are met

Eligibility - coverage

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

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

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

No age requirements apply.

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

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

Significant territorial differences exist in coverage, mainly due to the variety of regional schemes but also to other factors, like differences in housing conditions or a perception of higher stigmatisation in rural area. According to data compiled by Statistics Austria,¹² 207,122 people received benefits in 2020. Of these, 14,112 (6.8%) were employed and received minimum income as a top-up to low earned income and 63,952 (30.9%) were unemployed and available for employment.¹³ Of this latter

¹¹ Vienna and Lower Austria

¹² Statistik Austria, https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_NATIVE_FILE&RevisionSelectionMethod=LatestReleased&dDocName=068824.

¹³ In total 108,399 (52.3%) were not available for employment due to different reasons: 34.3% were not in employment age; 7.8% were incapable to work due to health issues / invalidity / disability; 4.3% were pupils who had started their school education before the age of 18; 4.3% were looking after children; 0.3% were looking after relatives in need of long-term care; 1.3% were not available for employment due to other reasons.

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

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

Adequacy of benefits

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

According to the Basic Social Assistance Act, income/benefits in 2021 could generally not surpass the following thresholds¹⁴:

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

The benefit level is further increased for dependent children in the household, however no common threshold/maximum benefits are currently defined at the national level. For an average family, depending on the number of children it provides €237.37 in the case of one child and €114 per child in the case of five or more children¹⁵.

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

Recipients of MMI/SA have access to health insurance. In some federal provinces, recipients have access to additional housing benefits , or a specific means-tested allowance for heating costs¹⁶.

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

¹⁴ At the same time, the Basic Social Assistance Act also stipulates that the total benefits granted to adults living in a common household must not exceed 175% of the net ESRR, which equalled €1,661.50 in 2021.

¹⁵ These examples of amounts only came into effect in Upper and Lower Austria and don’t apply nationwide.

¹⁶ To get the heating costs allowance, potential beneficiaries have to apply for it via the municipality, and the related regulations concerning means-testing and the level of the benefit vary between the different federal provinces. The benefit varies between around €110 per year in Carinthia and €270 per year in Vorarlberg. In Carinthia, two different benefit levels exist for the heating allowance, according to two different household income thresholds. €110 is granted to households with a low income, and €180 to households with a very low income. For more details see: <https://www.ktn.gv.at/Verwaltung/Amt-der-Kaerntner-Landesregierung/Abteilung-4/Heizzuschuss> or <https://vorarlberg.at/-/heizkostenzuschuss>

Labour market activation, social inclusion and access to services

According to the legislation in the federal provinces, recipients who are fit and available for work have to register and have an individualised supervision agreement with the PES. Furthermore, each regional legislation address some types of "case management", "integration plans" or "integration agreements" etc. to be organised by the institutions responsible for benefit provision¹⁷. However, it appears that the actual implementation of such measures varies considerably between provinces, and only apply to specific groups of benefit recipients (i.e. in particular to those available for work).

According to data provided by the PES, a total of 94,001 recipients were registered as unemployed in 2020.¹⁸ Of these, 51% participated in ALMP measures; 30% in qualification measures, and 8% in "employment incentives". Around 16% managed to find a job (nearly half of these cases were accounted for by an ALMP measure of the employment incentive type).

If recipients do not comply with ALMP or other activation measures they may be sanctioned by the welfare offices, according to acts of the federal provinces. Specific requirements on the level of deductions or predefined percentages for the benefit reduction are however not stipulated (except for violations of integration obligations). Therefore, sanctions differ to a considerable degree in the Federal Provinces. Sanction were imposed on a total of 3,478 recipients of MMI/SA in 2020.¹⁹

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

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

Governance

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

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

Reform objectives and trends

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

¹⁷ I.e. the responsible unit of municipal administration in Vienna and of the district authorities in the other federal provinces.

¹⁸ This figure is higher than the yearly average of recipients of MMI/SA indicated in Section 1.3 above. This is due the fact that it indicates the yearly sum of recipients of MMI/SA registered with the PES, not the yearly average number.

¹⁹ Statistik Austria:

https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_NATIVE_FILE&RevisionSelectionMethod=LatestReleased&dDocName=068823.

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

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

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

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

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

Table – Common indicators from the minimum income benchmarking framework

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

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

POLAND

1. Description of the national scheme

Poland has a guaranteed minimum income scheme (GMI) since 2004.²⁰ There are three main types of cash social assistance benefits and the *periodic allowance* for those able to work is the main element. It is completed with the permanent benefit for persons unable to work due to age or disability and the specific-purpose benefit, which is discretionary and may also be granted to those in need, particularly to cover costs of food, medicines and medical treatment, heating (including fuel), clothing, necessary household items, minor home repairs and renovations, and funeral costs.

Eligibility – coverage

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

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

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

The main conditions for entitlement to cash social assistance are having an income less than the income threshold : PLN 776 (EUR 170) for a one-person household or PLN 600 (EUR 131) per person for a multi-person household (statutory poverty), and experiencing at least one difficult situation in addition to poverty, as listed by the Social Assistance Act²¹. The means test assesses the household income from the month preceding the application (minus personal income tax, health and social insurance contributions, and alimony paid to other persons). Income from various allowances, aids, such as child benefits, in kinds, for socially useful work, etc. are not included. Credit or loans are included, provided that they exceed five times the income criteria.

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

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

Adequacy of benefits

The amount of the benefit is set as the difference between the income criterion and the household income, and a minimum of 50% of that difference is guaranteed. A minimum (PLN 20) is set for all households and a maximum for single-person households (PLN 528)²².

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

²⁰ A periodic allowance become guaranteed by the Social Assistance Act.

²¹ Such as poverty, orphanhood, homelessness, unemployment, disability or illness, family violence, being in crisis situation, etc.

²² No max capping applies for multi-person households, but the income threshold, which is PLN 600 per person.

the basis of an analysis of the social intervention threshold (slightly above the extreme poverty line), which is carried out by an independent research institute (Institute of Labour and Social Affairs). The method of determining this threshold is set out in the Regulation to the Act on Social Assistance and the levels are used to inform government decisions. It is established according to a basket of goods and services reflecting minimum consumption norms, minimum periods of use of goods, and minimum scope of use of services.²³

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

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

Labour market activation, social inclusion and access to services

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

A social contract is the activation instrument used at the discretion of the social assistance centres in relation to unemployed beneficiaries and once it is in place, non complying leads to sanction. It has two parts - Part A relates to overcoming a difficult situation and Part B concerns strengthening activity and independence in life, work, or counteracting social exclusion. Only 5-6% of beneficiaries in unemployment are covered by Part B social contracts. Beneficiaries of social assistance registered as unemployed are entitled to the whole range of employment services, with two types of targeted programmes. Socially useful work program is work for the local community of no more than 10 hours per week²⁴, for which participants receive an allowance per hour²⁵. Income from the socially useful work benefit is excluded from the means test. The Activation and Integration Programme combines the socially useful work with additional social integration services (at least 10 hours per week) for two months, with the option of two further two-months. Approximately 1/3 of the beneficiaries participate in socially useful program and very few of them transit to the open labour market. However, beneficiaries with a social contract who take up a job can continue to receive the benefit for two months, without any change.

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

²³ Expressed in market prices in the research period, and then corrected for the actual consumption behaviour of selected types of low-income households.

²⁴ The maximum of 10 hours per week was introduced to avoid accusations of non-compliance with the International Labour Organization (ILO) Forced Labour Convention.

²⁵ The hourly allowance being well below the standard minimum wage.

Governance

Legislation and some government programmes are the responsibility of the central level government and the implementation of the minimum income legislation, social work and local social assistance programmes lays at municipal level. The regulation states that the amount of the periodic allowance may not be less than 50% of the income difference²⁶ and this percentage of the allowance is financed by central government. The local social assistance centre decides the period for which the allowance is granted.

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

Reform objectives and trends

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

²⁶ The municipal (gmina) authority may increase the minimum amounts of periodic allowance. There is no data about the number and the level of such increases.

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

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

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

Table – Common indicators from the minimum income benchmarking framework

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

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

PORTUGAL

1. Description of the national scheme

The social integration income (*Rendimento Social de Inserção* – RSI)²⁷, first introduced in 1996 under the name ‘minimum guaranteed income’, filled a gap in the Portuguese social protection system. The scheme is based on three pillars: i) income support; ii) management of social risks; and iii) promotion of social inclusion. It is aimed at ensuring that individuals and their households have resources that meet their basic needs and support labour and social integration. Besides the income support element, the RSI consists of an integration programme.

Eligibility – coverage

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

In order to be eligible for the benefit, claimants have to i) have legal residence²⁸; ii) be in severe poverty; iii) sign the insertion contract²⁹; iv) be aged 18 or over³⁰; v) be registered at an employment office (Public Employment Service); vi) grant the Social Security Institute access to all information deemed necessary to assess their socio-economic situation; vii) not be in pre-trial detention or serving a prison sentence; viii) not been voluntarily unemployed within the last year; ix) not been institutionalised in a state-funded facility and x) not benefit from social support under the asylum/refugee status regime.

In order to be entitled, claimants who live alone should have a personal monthly income lower than €189.66. For larger households, the maximum amount of the RSI is adjusted along the OECD equivalence scale³¹.

All household income (thus also including other social benefits) is taken into account for the purposes of the means test (only 80% of net income from work³²). Both the value of the property and the income derived from it, are taken into account.³³ The means test does not take into account income earned by students through holiday work, family benefits or disability and long-term care benefits. If any household members start working after the application has been accepted, only 50% of work income (after contributions) will be considered.

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

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

²⁷ Legal framework provided by Law n°. 13/2003 of 21 May.

²⁸ Third-country nationals have to show some additional documents (temporary stay visa, residence visa, temporary residence permit and permanent residence permit).

²⁹ During the pandemic, access to the RSI was made more flexible, including not depending on the signing of an insertion contract.

³⁰ Under 18 for people with sole responsibility for maintaining minor or disabled children, being married or living in a non-marital partnership for more than two years, having their own income higher than 70% of the RSI value or, in the case of a woman, if they are pregnant

³¹ That is the first adult/claimant is given a weight of 1, each additional adults a weight of 0.7 and each child a weight of 0.5.

³² Between July and December 2020, due to the pandemic situation, there was a change in the reference period used to calculate the benefits (towards the income of the previous month before the claim, rather than the income of the previous three months).

³³ If households own property for permanent residence whose value exceeds 450 times the IAS, 5% of the difference between the value of the dwelling and the value of the IAS is taken into account. If households own other real property (not including the permanent residence), the highest of the following must be taken into account: i) the amount of rent; and ii) 5% of the net value of all the real property (not including the permanent residence).

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

There are no estimates available of the take-up of benefits and few studies have attempted to analyse the issue.³⁴

Adequacy of benefits

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

The amount of the RSI is defined by the Ministry of Labour, Solidarity and Social Security and corresponds to a percentage of the social support index (*Indexante dos Apoios Sociais*, IAS).³⁵ In 2022, the IAS was set at €443,20.

The RSI may be cumulated with other benefits³⁶, however these benefits can not be disregarded. In addition, recipients may receive social housing, and are entitled to the social tariff for water and for wastewater collection and treatment, social energy tariff (gas and electricity, exemption from healthcare user charges and reduced fares for public transport.

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

Labour market activation, social inclusion and access to services

Besides the income component, the RSI includes an insertion contract with a set of rights and duties that claimants have to sign in order to continue to be entitled to receive the benefit. The insertion contract has to be signed by both the claimants and other household members within a period of 45 days from the date the application was approved. The contract implies that all beneficiaries meeting the conditions for activation are registered with the public employment service (PES) and available for a set of integration measures and that a set of actions and tasks will be developed to support the gradual social, labour market, and community integration of the family³⁷.

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

³⁴ Castro *et al.* (2012), Rodrigues *et al.* (2013) and Santos *et al.* (2014) (Rodrigues *et al.*, 2013: 43)

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

³⁵ The IAS consists of a reference value used for calculating social benefits provided by the state. The IAS is to be updated annually in line with selected macroeconomic indicators, namely the effective change rate of the Consumer Price Index (CPI) and the effective growth of the Gross Domestic Product (GDP).

³⁶ Old-age and invalidity pensions, widow's and orphan's pension; dependence supplement; solidarity complement for the elderly; rent subsidy; disability bonus; allowance for attendance to a third person; allowance for attendance at a special school; family allowance; prenatal allowance; parenthood and adoption benefit; sickness benefit; unemployment benefit; and unemployment allowance and Social Inclusion Benefit (component base).

³⁷ There are some exemptions from participating in the integration contract, like people with temporary incapacity for work, people with disabilities.

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

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

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

A multidimensional needs assessment (leading to the insertion contract) needs to be carried out for all RSI recipients. The contract covers areas such as education, employment, health, training, housing and social action. Beneficiaries can receive counselling in specific areas – health, housing and other areas such as food and personal hygiene. Personal targeted social services are provided principally by state-supported private organisations.³⁸

Governance

The RSI is funded by general taxes (State budget transfers). The Social Security Institute is responsible for regulating and managing the scheme at the national level. It is made up of district Social Security centres.³⁹ Implementation is handled at the local level by the scheme's local units, which are made up of local representatives of public bodies in social security, employment and vocational training, education, and health, and by local authorities. Representatives of public/private bodies of non-profit entities may also be invited to play a role. As of April 2022, the co-ordination of the units became the responsibility of municipalities. The units' competences include approving the insertion agreement, organising its implementation, and monitoring and evaluation.

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

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

Reform objectives and trends

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

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

³⁸ Services include: debt counselling, advocacy and mediation; residential care and activities; social work and activities; shelters and accommodation for people experiencing social exclusion, such as the homeless; people with addiction problems, and ex-offenders; domestic violence intervention and prevention; family coaching and mentoring; and day centres.

³⁹ The autonomous regions of Azores and Madeira have own responsibilities in terms of regulation and implementation. This is not the case in mainland Portugal, where regions do not have that kind of autonomy.

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

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

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

Table – Common indicators from the minimum income benchmarking framework

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

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

ROMANIA

1. Description of the national scheme

Romania has a minimum income (MI) support scheme, the guaranteed minimum income (GMI), and two complementary means-tested schemes, the family support allowance (FSA)⁴⁰ and seasonal heating aids (HA)⁴¹.

Eligibility – coverage

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

The GMI is granted to low-income people or families, irrespective of their age or employment status. All people are eligible for any of the means-tested benefits if they are legal residents of the country, irrespective of their nationality. The age criteria is 18.⁴² Those without legal residency (or homeless people) are also eligible for the benefits under certain circumstances, such as registration with the local public social assistance services.

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

Eligibility is granted based on (a) an income test for all three benefits, and (b) a social inquiry⁴³ into the living conditions of the applicant for the GMI and the FSA. Other means-tested benefits, are not taken into account.⁴⁴ If the applicant owns certain assets or goods, they are automatically ineligible for the benefit. Such assets are for example real estate properties (buildings/dwellings besides the current residence or any residential land exceeding a threshold), any motor vehicles less than 10 years old (with some exceptions for people with disabilities and those living in difficult-to-access areas), tractors, boats, and any motorised equipment, savings accounts holding over RON 3 000 (EUR 606), and agricultural land or livestock capped at certain net production value per year. Social inquiries are carried out as part of the initial eligibility assessment procedure, and are reviewed at least once every six months thereafter as part of the monitoring process. In addition, changes in income have to be reported within 30 days.

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

Adequacy of benefits

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

⁴⁰ FSA scheme targets low-income families with children, differentiated by income level (two income brackets), number of children and type of family (single/two-parent families). The eligibility testing procedures and implementation requirements are similar to those for the GMI scheme.

⁴¹ The seasonal HA scheme supports low-income families to compensate totally or partially, for heating costs during the cold season. Benefit levels differ according to the income per family member and the type of fuel used for heating (e.g. central heating systems, natural gas, electricity, wood/coal).

⁴² Married/unmarried teenagers aged 16 and over living independently, with or without children, are eligible.

⁴³ Professional assessment of the household living conditions, conducted by social workers, based on a questionnaire to collect information on income, housing, children's school attendance, educational attainment level and employment status of adults in the household, goods and access to utilities, health status and healthcare, and disability or other temporary work incapacity

⁴⁴ Scholarships, educational vouchers, or any other educational benefit, universal child allowance, any benefit for persons with disabilities and income from occasional working activities.

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

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

GMI beneficiaries are entitled to receive family support allowance (for beneficiary households with dependent children) and seasonal heating allowance. The three schemes are interconnected, although the eligibility thresholds vary.⁴⁵

In 2019, the adequacy of the minimum income benefits (15% of the poverty threshold and 10% of the income of a low wage earner for a single household) was significantly below the EU average and has declined over the last decade (see table in section 2).

Labour market activation, social inclusion and access to services

Applicants who are out of work are required registering with the employment service, engaging in training or educational programmes, accepting any job offered by the employment office). It is also conditional on the household providing a certain number of community work hours per month, proportionate to the benefit received (no minimum, the number of hours cannot exceed the normal number of work hours per day/month). Those who are registered unemployed need to check-in with the employment service on request or every six months. Non taking up a job, training or education programme leads to stopping of the benefit (the recipient can reapply only after 12 months)⁴⁶.

Recent legislative change allows that GMI beneficiaries receive the GMI benefit for six months after becoming employed⁴⁷.

No special individualised activation plans or job integration agreements are in place for GMI beneficiaries, who receive the same service as any other unemployed person. GMI beneficiaries are not regarded as a distinct vulnerable category on the labour market. Individualised activation plans, along with an assessment of employability, are compulsory for all long-term unemployed.

The Law does not specify any social inclusion measures beyond those on labour market integration. Since November 2021, employment services have to cooperate with county-level school inspectorates to provide opportunities to GMI beneficiaries who have not completed lower secondary education. In turn, the GMI beneficiaries are not allowed to reject the offers.

GMI beneficiaries of working age, who are fit-to-work and unemployed are required to carry out a certain number of hours of community work, depending on the level of benefit received. The calculation considers the payment per hour, in accordance with the national statutory minimum wage. Community work hours are transferable between the same family members who are fit to work.

A legislative framework for integrated community services regulates the activity of community nurses and sets quality standards for integrated community services. Integrated community services are intended to conduct extensive and multidisciplinary needs assessment, and help individuals/families to access the services to which they are entitled and/or which do meet their needs (e.g. through individualised action plans). Some pilot projects have been implemented in 2017-18 in this regard. There is no social integration agreement or action plan in place for GMI beneficiaries. A contract has been put in place between providers of integrated community services

⁴⁵ As the three schemes use similar methodologies for means testing/income testing, they will be integrated into a single scheme – the minimum inclusion benefit - from September 2023.

⁴⁶ During the COVID-19 pandemic, the social inquiry requirements were suspended, but the requirement to check-in with the unemployment office was maintained.

⁴⁷ Only if the employment contract is signed for a period of at least 24 months.

and vulnerable households, yet the practice has not been mainstreamed, as integrated community services have been slow to emerge.

Governance

The GMI scheme is a national benefit, managed and implemented by local authorities and financially supported from the State budget. At national level, the Ministry is responsible for the design of the GMI scheme, organisation of the social/employment services in the scheme, monitoring and assessing implementation, and handing out payments. Overall administration of the GMI scheme lays at county/regional level. Benefit payments are processed, social services are monitored/assessed/inspected, and employment services are provided by the county-level. Eligibility testing, calculation of benefits and any additional needs assessment are done by local authorities, and will soon be undertaken by community integrated services. Social services are organised and mainly financed by local authorities and decentralised bodies (with local budgets).

Monitoring is embedded in the information exchange between city halls and decentralised government bodies. The information relates to the conditions that would lead to the termination of the GMI benefit, but does not include any indicator of the effectiveness of measures.

Thematic evaluations are conducted every few years, most recently in February 2021 to explore the employment opportunities for out-of-work GMI beneficiaries, resulting in legislative proposal.

Reform objectives and trends

The design of all three benefits underwent significant change as part of the 2021 social assistance reforms. Firstly, eligibility criteria and benefit calculations for seasonal HA has been changed for vulnerable energy consumers. Secondly, the overall reform⁴⁸ on the Minimum Inclusion Income (MII) is expected to take effect in September 2023, after several delays since 2016. It provides a legal framework for the integration of all means-tested schemes and harmonisation of targeted social benefits. Three important changes are foreseen: (a) unification and simplification of means-testing procedures; (b) introduction of the provision of up to 50% deductible income from work, to stimulate formal employment; (c) significant increase in benefit levels and eligibility thresholds (as a proportion of the SRI) to increase the adequacy of benefits and coverage.

In 2021, the current GMI law was amended to put more emphasis on education, skill enhancement, and development of social economy structures, requiring employment offices to cooperate with county-level school inspectorates and to prioritise the option of enrolment in a Second Chance programme for GMI beneficiaries without an education or who have not completed the lower secondary education cycle. Beneficiaries are required to enrol in education programmes offered, and local authorities must provide support if necessary.

⁴⁸ Law No. 196/2016

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

In terms of outcomes, Romania performs in all selected indicators significantly weaker than the EU average, showing in particular significantly higher material and social deprivation rates and poverty gap for quasi jobless households, regardless of some improvements over the last decade. Both the overall poverty gap and poverty rate of jobless households increased over last decade.

As for the performance indicators, the impact of social transfers on poverty is much lower than the EU average and it has declined since 2010, in parallel to the benefit recipient rate, which has decreased both in short or longer term comparisons. The indicators assessing access to services (gap indicators) show similar performance, both less favourable than EU average, while there was some slight improvement over recent years.

Table – Common indicators from the minimum income benchmarking framework

		RO (SILC 2020)	EU27 (SILC 2020)	RO (short term change)	RO (long term change)
Outcome indicators					
	Poverty gap total (18-64) in %	37.0	27.7	-1.1	4.7
	Poverty gap for QJH (18-64) in %	63.2	37.3	8.6	-3.3
	MSD rate total (18-64) in %	35.6	12.7	-4.5	-12.1
	MSD rate for QJH (18-64) in %	75.1	43.8	-0.2	-1.9
	AROP rate for QJH (18-64) in %	80.4	61.6	0.1	11.8
Performance indicators					
	Impact of social transfers on poverty reduction (18-64) in %	16.7	35.6	0.1	-8.6
	Benefit recipient rate for AROP & QJH (18-64) in %	57.7	78.5	-11.0	-16.6
	Gap in self-reported unmet needs for medical examination in %	4.2	3.4	-4.7	-6.4
	Gap in housing cost overburden rate in %	45.2	34.7	-9.2	-0.4
Adequacy indicators					
	As a share of the poverty threshold in %	15%	60%	-7%	-14%
	As a share of the income of a low wage earner in %	10%	46%	-2%	-9%

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

SLOVENIA

1. Description of the national scheme

There are two main minimum income support available to the working-age population in Slovenia: the social cash assistance (*denarna socialna pomoč*, CSA) and the income supplement (*varstveni dodatek*, IS) that complements it. While CSA is primarily intended to provide last-resort short-term income support (several months), IS provides additional longer term financial support to cover the costs of living (e.g. maintenance of housing, replacement of durables, etc.). All working-age people have an entitlement to CSA, while IS is available only to those who cannot be expected to improve their social situation through their own efforts.

Eligibility – coverage

The benefit recipient rate stands at 87% in 2019, above the EU average (78%) and increased over the past decade.

Individual with permanent residence in Slovenia, including foreigners, persons granted international protection and their family members who have obtained a residence permit on the basis of the right to family reunification and have registered residence, and persons who may claim this benefit on the basis of international acts binding the Republic of Slovenia are eligible for the benefits. All working-age people have an entitlement to the benefits.

A means test applies and the income threshold depends on the number and type of household members (including number of working hours). Income thresholds for eligibility of single persons and households to CSA are adjusted in parallel with the adjustment of the Basic Amount of Minimum Income (BAMI), equalling EUR 402.18.

Income is defined in net terms per month, and is calculated over the three calendar months preceding the month of filing the application. Exempt income includes various subsidies paid from the State budget, certain income from agricultural and forestry activities, educational allowances, targeted allowance, etc. The assets taken into account are: immovable property, personal and other vehicles, watercraft, ownership shares in companies or cooperatives, securities, cash on a transaction or other account, savings and other cash on the statement of the individual, and other movable property. There are several assets exempted, like the housing where the person/family actually resides and has permanent residence up to a value of EUR 120 000⁴⁹, each personal vehicle or single-track vehicle up to the value of 28 times the BAMI, and a personal vehicle adapted for the transport of persons with severe physical impairments, property that is rented or leased, objects used for economic activity that yields income, etc.

During the period of benefit receipt, beneficiaries have to notify the competent center of any changes likely to affect their receipt of the benefits (changes in relation to family members, income, type of periodic income, etc.) within eight days.

In December 2021, there were 99 332 CSA beneficiaries (51 179 men and 46 568 women), of which 75 516 were aged 15-65.

Eligibility criteria for IS are the same as those for CSA. There is no age restriction for persons who are

⁴⁹ The housing where the person/family actually resides and has permanent residence, worth EUR 120 000 or over, does not count if the social work centre (*Center za socialno delo*, SWC) decides that they cannot temporarily secure a living with this apartment or residential house due to circumstances beyond their control (e.g. domestic violence, or the process of alienating and dismantling property (not lasting more than 24 months) in order to earn a living). If they have received CSA more than 18 times in the last 24 months, they can be entitled to CSA only if they allow the entry of the prohibition of alienation (sale, transcript, etc.) and encumbrance of all real estate they own in the land register in favour of the Republic of Slovenia. Other assets worth between EUR 19 304.64 and EUR 50 000 are not counted if the SWC decides that they cannot temporarily secure a living with these assets due to circumstances beyond their control (Social Assistance Payments Act, 2010 and subsequent amendments).

permanently unemployable or permanently incapable of work. In 2021, the income threshold for entitlement was EUR 591.20 (1.47 times the BAMI) for a single person or the first adult in the household; EUR 921 (2.29 times the BAMI) for a household of two in which both members are eligible for IS; and EUR 732 (1.82 times the BAMI) for a household of two in which only one member qualifies for IS.

Adequacy of benefits

The level of the benefit is based on the Basic Amount of Minimum Income (BAMI, EUR 402.18) and the equivalence scale. The minimum costs of living is assessed every six years using a comparable methodology that has two main elements 1) a nutritionally adequate food basket at the minimum cost, and 2) the share of expenditure on food and non-alcoholic beverages in the total consumption expenditure of non-agricultural households. The food basket and minimum costs of living are calculated for a man aged 19-65. The amount can be calculated for any household type, using an equivalence scale. If the newly determined level of minimum costs of living is 15% (or more) higher than that the existing BAMI, a new BAMI is set. In the meantime, the BAMI is indexed annually by the consumer price index (CPI) for the previous calendar year.

The weights are defined for nine basic household member types, with additional weights for working 60-128 hours or 128+ hours per month, and for children maintained by only one parent. For example, the benefit amounts for a two-parent household with one dependent child, where both parents work 128+ hours per month, is EUR 1 178.39 per month in 2021. For a single household it is EUR 607.29.

Benefits can be combined with some other support, like Extraordinary Cash Social Assistance, or contributions for health care costs.

In 2019, the adequacy of the minimum income benefits (65% of the poverty threshold and 68% of the income of a low wage earner for a single household) was above the EU average and has significantly improved over the last decade (see table in section 2).

Labour market activation, social inclusion and access to services

All unemployed (CSA) recipients are required to register in the Unemployed Persons Register with the employment service (ESS). Eligibility is also conditional on signing an individual action plan or an agreement on the active addressing of social problems (integration plan), fulfilment of obligations and performance of activities set out in that agreement, active job search, inclusion in the active labour market policy (ALMP) measures and accepting any adequate/suitable job offered. These conditions do not apply to unemployed persons included in the Register of Temporarily Unemployable Unemployed Persons.

The first individual action plan must be prepared no later than 15 days from registration and defines the appropriate employment for the person, the method of active job search, and other obligations. All long-term unemployed, including MI recipients deemed fit for work, get an individualised in-depth assessment within 12-15 months of registration and a subsequent individual job integration agreement – individual action plan (no later than 18 months after registration). This evaluation (a so-called in-depth assessment) of various aspects of the person's situation includes aspects linked to social inclusion beyond integration in the labour market and services needed to improve their situation, including services provided by other institutions. A recipient failing to fulfil the obligations set out in the individual action plan is removed from the Unemployed Persons Register and denied the CSA.

If someone is found to be temporarily unemployable, is moved from the Unemployed Persons Register to the Register of Temporarily Unemployable Persons and some of them have been voluntarily referred to social activation, offered personal social services, such as emergency assistance, personal assistance, family help, institutional care, guidance, assistance and employment

under special conditions, and assistance to workers employed in companies, institutions and with other employers. Inclusion in a social activation programme is not obligatory and non-take-up does not have any consequences for MI eligibility.

Assessment of social needs may start as soon as the person is granted MI. In practice, social needs of selected CSA beneficiaries are assessed with priority (people with complex and diverse barriers, difficult personal circumstances that hinder their integration into the labour market) at both individual and household level. The beneficiary may choose from among the following personal social services: emergency assistance, personal social assistance, family help, institutional care, guidance, assistance and employment under special conditions, assistance to workers employed in companies, institutions and with other employers, or public/non-governmental social programmes (for example addiction treatment) and social activation programmes.

Governance

MI schemes are regulated and financed at national level. Implementation is partly at national and regional level, but is primarily at local level. In the case of temporarily unemployable persons, local units of social welfare centers and the local employment offices are legally obliged to cooperate on the provision of labour market services and ALMPs.

Benefit is granted by the social welfare center, which act as one-stop shops for the delivery of means-tested cash social benefits, subsidies and other payments from public sources. Applications can be submitted by mail or in person. The information on applicants can be collected directly from the claimant and *ex officio* from administrative databases.

Benefit indicators are monitored monthly: key indicators include the number of recipients and beneficiaries, broken down by sex, age, activity status, month, and the amounts paid. Detailed monthly monitoring of labour market activation, including the use of/participation in services/programmes by MI beneficiaries is also in place. Social activation is monitored in a similar manner. Data on the number of social activation programmes, number of invited persons, number of included persons, number of exits (into education, ALMPs, etc.), number of positive exits (exits into employment), start and end of the project, and funds are also collected, all by duration of programme.

Reform objectives and trends

No reforms are foreseen and changes made during the COVID crisis.

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

In terms of outcomes, Slovenia performs in all selected dimensions better than the EU average, except for the poverty rate of the quasi-jobless households. Trends over the last decade have generally shown some improvement.

As for the performance indicators, the impact of social transfers on poverty is higher than the EU average. The indicators assessing access to services (gap indicators) show lower gaps than the EU average, in spite of some increase since 2010.

Table – Common indicators from the minimum income benchmarking framework

		SI (SILC 2020)	EU27 (SILC 2020)	SI (short term change)	SI (long term change)
Outcome indicators					
	Poverty gap total (18-64) in %	18.5	27.7	-0.7	-2.0
	Poverty gap for QJH (18-64) in %	28.3	37.3	-4.4	-5.8
	MSD rate total (18-64) in %	5.7	12.7	-2.9	-6.7
	MSD rate for QJH (18-64) in %	33.4	43.8	-8.0	-12.8
	AROP rate for QJH (18-64) in %	70.0	61.6	-0.2	-2.2
Performance indicators					
	Impact of social transfers on poverty reduction (18-64) in %	46.3	35.6	2.7	-3.5
	Benefit recipient rate for AROP & QJH (18-64) in %	87.4	78.5	0.8	0.9
	Gap in self-reported unmet needs for medical examination in %	2.4	3.4	1.8	1.2
	Gap in housing cost overburden rate in %	28.5	34.7	-1.3	1.6
Adequacy indicators					
	As a share of the poverty threshold in %	65%	60%	9%	15%
	As a share of the income of a low wage earner in %	68%	46%	7%	9%

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

SLOVAKIA

1. Description of the national scheme

Minimum income support in Slovakia is provided through the ‘assistance in material need’ scheme (AMN) (*pomoc v hmotnej núdzi*). This non-contributory, means-tested scheme is organised at national level. AMN consists of one main benefit (the material needs benefit) and four allowances: the activation allowance⁵⁰, the protection allowance⁵¹, the dependent children allowance⁵², and the housing allowance. Before claiming AMN, claimants need to have exercised their rights to other benefits providing basic living support, such as alimony, compensation income for temporary incapacity, sickness insurance, pension insurance, and accident insurance.

Eligibility – coverage

The benefit recipient rate stands at 88% and while it somewhat decreased over the past decade, it remains well above the EU average (78% in 2019).

Claimants must be with legal residence or permission to stay in Slovakia. AMN is also provided to those who were granted international protection status and are authorised to stay in the Slovak Republic.

Households’ incomes have to be below the subsistence minimum (*životné minimum*) threshold, which varies according to household composition, by various thresholds: the first adult €218.06 per month, every additional adult €152.12 per month, and dependent child €99.56 per month.

Income is defined in net terms after deducting taxes and social contributions. It is not reduced by any basic costs (e.g. rent, interest paid on mortgages and other loans, energy costs and other housing costs). It is measured over the month in which the application is submitted. However, some types of benefits are not taken into account, such as 25% (or in some cases 50%) of net earnings from employment, 25% of old-age or early invalidity pension, 25% of maternity benefit, child benefits, child tax credit, one-off state social benefits; scholarships; income of secondary or university students, and various allowances. Real property and movable assets are taken into account in the means test. Recipients of material needs assistance can be asked to sell or rent out properties and assets except the house which they use as a permanent residence, and land which they use for personal purposes; movable assets that are part of necessary household equipment; a car used for the transport of a disabled person or which has a low value or older than 10 years. The assessment of assets is made for all family members sharing the same household.

Provision of the material needs benefit is also conditional on participation in a public works scheme. Additional requirements apply to the other allowances of the scheme.

In September 2021, there were 58,718 households receiving AMN in Slovakia, covering 138,156 people in total, representing 2.3% of the population in Slovakia.

Adequacy of benefits

The amount of AMN that is granted to households is calculated as the difference between the sum of all entitlements within the AMN scheme and income. There are six levels of material needs

⁵⁰ Intended to support the acquisition, maintenance and development of knowledge, skills, practical experience, and working habits. Provision of the activation allowance is conditional on participation in various activities.

⁵¹ Provided to those who are not able to take part in activation due to their age, health condition, parental duties, or care responsibilities for disabled people, amounts depending on the reason for inability.

⁵² Aimed at supporting the upbringing, education and development of children with regular school attendance.

benefit, depending on the composition of household.⁵³ In addition, the various allowances are available based on further conditions.

As regards the *protection allowance*, there are three amounts, depending on the reason for inability to participate in activation measures.⁵⁴ The *housing allowance* is provided to single-adult households (€59.40 per month) and households with two or more members (€94.8 per month). The *dependent child allowance* is paid at the level of €19.3 per month.

The *activation allowance* is provided at two levels. An allowance amounting to €140.8 per month is granted to people who live in households receiving AMN and has earned income of at least the minimum monthly wage. An allowance of €70.4 is provided to others who are eligible but who do not work or take part in the activation measures (registered at labour offices and taking part in activation measures or receiving parental benefit and studying at secondary school or university).

In 2019, the adequacy of the minimum income benefits (28% of the poverty threshold and 26% of the income of a low wage earner for a single household) was significantly below the EU average and has declined over the last decade (see table in section 2).

Labour market activation, social inclusion and access to services

In general, more than half of recipients are registered at labour offices, including those who claim the activation allowance, being requested to register. As job-seekers, they benefit from active labour market policy measures, including counselling and help with job-search. However, participation in activation works programmes, which is a precondition for claiming the activation allowance, is the most frequent form of their activation. It represents the main way to supplement the material needs benefit.⁵⁵ Activation programmes are organised by municipalities or self-governing regions, but the selection of recipients for participation is carried out by the labour offices. Refusal to take part in activation works leads to a reduction in the basic benefit.

The *special allowance* represents a support measure for transition from long-term unemployment to employment. The special allowance is granted for 18 months: €126.14 per month during the first 12 months, €63.07 per month during the next six months. The allowance tops up wages to twice the minimum wage. It has been introduced to be available for material need (AMN) beneficiaries as well. (Previously, entitlement to the special allowance was not compatible with the receipt of assistance in material need by the household.)

Governance

Provision of AMN and special allowance is the responsibility of the central government. Relying on a centralised design, the delivery arrangements for minimum income benefits are the same across the country. The administration of benefit claims follows general rules defined by the Act on Administrative Procedure. Decisions by authorities can be reviewed by the courts.

At municipal level, one-off benefits and counselling are provided. One-off benefits, funded from the municipality budget, can take the form of cash or in-kind benefits.

Reform objectives and trends

There have been significant changes over the last five years. The reform adopted in 2019 has brought several important changes and in particular a regular indexation mechanism was

⁵³ €68.8 per month for a single adult; €130.9 per month for a single adult with 1-4 children; €119.6 per month for a couple without children; €179.0 per month for a couple with 1-4 children; €191.2 per month for a single adult with more than 4 children; €241.3 per month for a couple with more than 4 children.

⁵⁴ €70.4 per month for those unable to take part due to age, disability, parental duties or care responsibilities; €38.7 per month for those with ill-health lasting for more than 30 days; €15.1 per month for parents caring for children under 1 and pregnant women regularly attending preventive medical examinations.

⁵⁵ In September 2021, 21,791 recipients of the material needs benefit also received the activation allowance. It represented 31.7% of all recipients. In September 2020, the proportion was 37.3%.

introduced. The amounts of assistance in material need are adjusted (increased) on 1st January. Since 2019, two levels of activation allowance are provided with the aim of strengthening incentives to work. In addition, eligibility conditions were modified with regard to household composition and relationships between household members, in order to facilitate access to the assistance.

The AMN scheme was partly amended in response to the COVID-19 crisis. Rules for activation allowance were relaxed in response to the barriers to the performance of activities. If beneficiaries could not perform activities⁵⁶, necessary for being entitled to activation allowance, they were entitled to protective allowance. In addition, in 2020, a new social transfer – SOS subsidy – was introduced in order to provide support to people who found themselves without an income during the pandemic supplementing the existing minimum income scheme. The subsidy is intended for those who ceased to perform a job or run a business during the pandemic and found themselves without any income and without entitlement to any other benefits.

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

In terms of outcomes, Slovakia performs in all selected indicators around the EU average for the total population but significantly higher poverty gap, material and social deprivation rates and poverty rate for quasi jobless households, showing increase in a long-term changes (except for MSD rate, which decreased for both population).

As for the performance indicators, Slovakia has higher impact of social transfers than the EU average and this impact has been improved since 2010 and in particular in a short term change. Benefit recipient rate stands well above the EU average, while slightly decreased. The indicators assessing access to services (gap indicators) show higher gaps than the EU average, in particular for self-reported unmet needs for medical examination, which increased since 2010.

Table – Common indicators from the minimum income benchmarking framework

		SK (SILC 2020)	EU27 (SILC 2020)	SK (short term change)	SK (long term change)
Outcome indicators					
	Poverty gap total (18-64) in %	25.6	27.7	-0.4	-0.9
	Poverty gap for QJH (18-64) in %	53.6	37.3	-4.6	2.4
	MSD rate total (18-64) in %	9.0	12.7	-2.0	-6.2
	MSD rate for QJH (18-64) in %	63.6	43.8	-6.9	-5.8
	AROP rate for QJH (18-64) in %	72.4	61.6	-2.4	4.0
Performance indicators					
	Impact of social transfers on poverty reduction (18-64) in %	42.5	35.6	11.4	1.1
	Benefit recipient rate for AROP & QJH (18-64) in %	88.8	78.5	-0.8	-1.9
	Gap in self-reported unmet needs for medical examination in %	7.8	3.4	4.9	4.8
	Gap in housing cost overburden rate in %	38.3	34.7	-4.6	11.5
Adequacy indicators					
	As a share of the poverty threshold in %	28%	60%	-4%	-12%
	As a share of the income of a low wage earner in %	26%	46%	-3%	-10%

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

⁵⁶ Barriers include obstacles faced by the organizer of the activities as well as quarantine measures or isolation due to COVID-19.

FINLAND

1. Description of the national scheme

The receipt of different forms of MI security benefits in Finland is more parallel than sequential, thus benefits are often paid on top of another and complement each other. Three forms of minimum income benefits, such as the social assistance, the labour market subsidy (LMS) and housing allowance are strongly intertwined and guarantee minimum income (MI) security for all legal Finnish residents. In a typical case, a person receives the labour market subsidy as a primary benefit, receives housing allowance to cover a part of housing costs, and the social assistance supplements these, if needed.

Social assistance (toimeentulotuki) is a last-resort income transfer scheme that supports individuals and families whose income and assets do not cover their essential daily expenses.⁵⁷ It comprises three parts, the basic social assistance (*perustoimeentulotuki*), which is implemented centrally and provided by the social security institute (Kela), completed with the supplementary social assistance (*täydentävä toimeentulotuki*) to cover certain additional costs and the preventive social assistance (*ehkäisevä toimeentulotuki*), administered and provided by municipalities.

Social assistance as a whole is the last-resort benefit to which the right is determined on the basis of an assessment of the individual situation of the person and the household. The amount of the income support is determined by assessing the difference between income and expenditure, and it is thus also different for different individuals and households in different months.

Eligibility – coverage

The benefit recipient rate reaches 97% (close to full coverage) and has been stable over the past decade (+26 ppts). It remains higher than the EU average (78% in 2019).

While social assistance is means-tested, it is based on rights guaranteed by the constitution. As a last-resort benefit, eligibility for social assistance cannot be denied, for example, due to refusal to work. The level of benefits can be reduced by a maximum of 40%. Recipients report their status every month. As a rule, social assistance is granted for one month, but it can also be granted for a shorter or longer period.⁵⁸ However, recipients have to immediately report any significant changes in their living situations (e.g. income or household composition).

In principle, social assistance is available for everyone residing in the country, no nationality or longer time requirements for legal residency applies, neither does any age criterion (as a rule, however, the maintenance liability of minors rests with their parents). The social and housing allowance assistance systems (together with the ‘housing first’ national policy) has contributed to a very low number of homeless people in Finland.⁵⁹

For social assistance, the income taken into account is defined as disposable income (after tax). Earned income exceeding €150 per month reduces benefits, as well as all other social benefits and other incomes (such as the LMS). Real property and assets owned by a person belonging to the household are taken into account. Wages and benefits deemed insignificant (€50 for a single person and €100 for a household per month) are exempted, together with regular income and assets of a child under 18 insofar as they exceed the expenses to be taken into account for the child, as well as reimbursement of travel-to-work and other work-related costs, activation supplements, certain

⁵⁷ Based on the Act on Social Assistance, 1412/1997.

⁵⁸ Housing allowances are granted for one year.

⁵⁹ Housing benefits are universally available to low-income households and about 16% of the Finnish population gets them. Thus, not all the recipients of housing allowance are on MI support, but a majority (60%) of the recipients are in the two lowest income deciles.

social benefits (maternity benefits and disability allowances) and assets regarded as essential for living (e.g. owning a house or flat).

In 2020, the total number of recipient households was 310,884 (9.9% of all households) and the number of recipient individuals was 464,236 (8.4% of residents). 96% of these received the basic amount, 2% received supplementary assistance, and 1% received preventive social assistance.

Adequacy of benefits

The basic amount of *social assistance* is €504 per month for a single person and €932 for a co-habiting couple. The basic amounts for children under 10 are €318 for the first child, €292 for the second child, and €267 for each consecutive child. The corresponding amounts for children aged 10-17 are €353, €328, and €302. However, as social assistance is a last resort benefit, these are not the amounts of income of social assistance beneficiaries in practice. The average amount paid per person was €367 in 2020. There are people that receive social assistance as their main source of income, but in most cases a small amount of social assistance is paid to supplement other benefits. Social assistance is not taxable. Regarding supplementary and preventive social assistance, they are always determined on a case by case basis, and the benefit amounts vary according to the needs of the beneficiary. Due to the complementary nature of the system, the composition of the minimum income package of an unemployed person⁶⁰ ranges from around EUR 1,015 for a single person to EUR 2,345 for a couple with two children, or even up to EUR 3,190 with 4 children depending on the situation of the household.

The levels of MI benefits follow the consumer price index, mostly through their link to the national pension index. In addition to increases due to index changes, the government can decide on ad hoc increases. In principle, the national pension index is updated every year.

In 2019, the adequacy of the minimum income benefits (73% of the poverty threshold and 57% of the income of a low wage earner for a single household) was significantly above the EU average and has remained constant over the last decade (see table in section 2).

Labour market activation, social inclusion and access to services

There are several requirements to participate in activation or other labour market measures, many of them are based on an individual assessment of the need for various services. The assessment attempts to map all the relevant factors (e.g. health condition and ability to work) affecting the client's situation. The Act on Rehabilitative Work lays down provisions on rehabilitative work activities, which are social services. According to the Act, social welfare and employment services must, in cooperation with the client, draw up an activation plan. The plan may include rehabilitative work activities that are binding on the client.

In order to get the LMS, the claimant has to register with the employment service. Beneficiaries can make use of all the various services offered by business service office (TEO). In co-operation with a TEO expert, the individual will draw up a plan (an employment plan, activation plan, or integration plan for immigrants), highlighting the job-seeking goals and steps needed to reach those goals. The implementation of the plan is assessed at regular intervals and is individually tailored and adapted to the claimant's personal needs.

Non-compliance with the activation plan can lead to a temporary loss of right to the LMS, and reduction in the social assistance of 20% for two months. If non-compliance continues, the benefit can be further reduced by an additional 20%, but for no longer than two months per time. The maximum reduction is 40%.

The multi-sectoral employment promotion service is a joint operating model of the employment and business service office (TEO), social services, and Kela. The model serves job-seekers who have been

⁶⁰ Getting labour market subsidy, complemented with social assistance and housing allowances.

unemployed for a long period of time. In the multi-sectoral joint service model, various public authorities offer services on a one-stop-shop basis.

All people receiving MI benefits are entitled to the same social care and healthcare services, education, training, and rehabilitation as the rest of the population. Thus, in principle, the coverage is 100%. However, non-active people are not entitled to occupational healthcare, which is free of charge and more easily accessible than services at healthcare centres, which charge service fees and usually have longer queues for treatment.

Governance

The Ministry of Social Affairs and Health is responsible for legislation on social assistance, and directs and co-ordinates social assistance as part of social welfare. Kela centrally administers the benefits, through its approximately 200 offices throughout the country. The 309 municipalities take care of supplementary and preventive social assistance until the end of 2022. From the beginning of 2023, responsibility for healthcare and social welfare services will be transferred to 22 wellbeing services counties. The connection between benefits in cash (mainly provided by Kela) and benefits in kind (provided by municipalities) is not fully coordinated. Furthermore, there are insufficient data on how social work and other municipal services are organised, and how the delivery of services varies between municipalities.

The Ministry of Social Affairs and Health has ultimate responsibility for co-ordination and monitoring of the existing situation, developments, future trajectories, adequacy of benefits, and impact of benefits on poverty and income distribution. Monitoring is the joint responsibility of the authorities participating in multi-disciplinary services. Kela has to monitor the duration of the LMS spells and the possible receipt of social assistance. Municipalities take part in the financing of labour market subsidy for the long-term unemployed and the social assistance. The information about LMS spells is transferred to the municipalities and TEOs and duration of social assistance to social services.. There is a legal obligation to evaluate the adequacy of basic social security at the end of each government period.

Reform objectives and trends

In 2017, basic social assistance was transferred from the municipalities to Kela. This reduced non-take-up rates by harmonising the application process and making it more formal and less stigmatising. In 2018, the 'activation model' was introduced to further incentivise participation in labour market measures, but it was abolished in 2019.

Due to COVID-19, a temporary LMS for the self-employed was introduced, being effective from 16 March 2020 to the end of 2020. Reductions in social assistance benefits due to non-compliance (e.g. people refusing to accept a work offer or not participating in labour market measures) were not strictly applied. Temporary additional compensation (€75 per month per household member) towards basic social assistance was introduced, from 1 March 2020 to the end of 2020. The pandemic did not cause any changes in the housing allowance system.

Multiple reforms that affect minimum income benefit receivers are being prepared or implemented in Finland. The labour market service reform embedding services and obligations for the unemployed entered into force in May 2022. Healthcare and social welfare services will be reformed in Finland from 2023. The responsibility for organising these services will be transferred from municipalities to wellbeing services counties.

Parliamentary committee work to reform social security as a whole has been launched in Finland 2020 and it will continue its work until 2027. It addresses questions related to basic social security, earnings-based benefits and social assistance, and examines the financing and connections between these forms of support.

A government proposal for the reform of the Act on Social assistance is to be submitted this spring. The aim of the reform is to improve the situation of social welfare and vulnerable beneficiaries like social assistance applicants and to improve their access to services. The measures are intended to enter into force at the beginning of 2023.

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

In terms of outcomes, Finland performs in all selected indicators much better than the EU average, though for poverty rate for jobless households the difference is less significant. Slight improvements can be observed in poverty gaps but MSD rates and poverty rate of jobless households show some deterioration in a long-term changes.

As for the performance indicators, the impact of social transfers on poverty is much higher than the EU average and it remained stable since 2010. The indicators assessing access to services (gap indicators) show different performances, the gap in housing cost overburden rate is much lower than the EU average and remained unchanged over the last decades.

Table – Common indicators from the minimum income benchmarking framework

		EL (SILC 2020)	EU27 (SILC 2020)	EL (short term change)	EL (long term change)
Outcome indicators					
	Poverty gap total (18-64) in %	16.5	27.7	-1.1	-0.9
	Poverty gap for QJH (18-64) in %	16.9	37.3	1.8	-0.6
	MSD rate total (18-64) in %	5.5	12.7	-0.7	1.6
	MSD rate for QJH (18-64) in %	26.8	43.8	-4.0	7.8
	AROP rate for QJH (18-64) in %	56.9	61.6	2.6	2.9
Performance indicators					
	Impact of social transfers on poverty reduction (18-64) in %	54.4	35.6	-1.0	0.7
	Benefit recipient rate for AROP & QJH (18-64) in %	97.3	78.5	-0.8	0.2
	Gap in self-reported unmet needs for medical examination in %	4.0	3.4	-0.9	0.7
	Gap in housing cost overburden rate in %	19.0	34.7	2.6	-0.3
Adequacy indicators					
	As a share of the poverty threshold in %	73%	60%	-1%	1%
	As a share of the income of a low wage earner in %	57%	46%	0%	-2%

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

SWEDEN

1. Description of the national scheme

Social assistance (*ekonomiskt bistånd*) is the only benefit of last resort in Sweden, targeted at individuals and families with low income. It is available to households with no other means of supporting themselves and applicants need to exhaust all other relevant benefits, for example housing benefits, in order to be eligible.

Eligibility – coverage

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

Eligibility for social assistance is determined at the level of the household, which is considered to include only nuclear families (i.e. parents and children), as parents are obliged by law to financially support their children (up to age 20 if the child is in secondary education). However, social assistance may in exceptional cases be paid to children. Grandparents and other people living under the same roof are treated as independent households and are not taken into account in the means test.⁶¹

Household income is normally calculated on the basis of incomes in the previous month and as a general rule, all the income and benefits of households, whatever their nature or origin, are taken into account in the means test. In case of taking up employment, individuals that have received social assistance for a period of six consecutive months are entitled to have 25% of earnings from work and some capped amount of earnings⁶² by young people of school age during vacations are exempted. Assets are taken into consideration in the means test, if they are not regarded as essential for the household to become self-sufficient. Typical examples that could be taken into consideration are stocks or bonds, a car, a summer house, or expensive consumer electronics.

Permanent residence is not required, all people with the right to stay in the country may be eligible for social assistance. Refugees are entitled on equal terms with other residents, as long as their residence permit is valid. Asylum-seekers receive a specific allowance, outside of this scheme.

Social services have to help people in the application process and most municipalities have special application forms, to be submitted digitally or at their offices. After the application has been submitted, the person is usually scheduled for an interview to assess the needs. The waiting times for new applications varies across municipalities, but according to a survey, claimants have to wait less than two weeks in general.

According to data from the National Board of Health and Welfare, around 374,000 people received social assistance in 2020, around 3.6% of the Swedish population (5.6% of the working-age population aged 15-64). Neither official data on take-up (i.e. the extent to which eligible families receive a benefit), nor recent in-depth investigations on the issue are available. According to one estimate, in 2018 only around two thirds of single-person families with income below the threshold were eligible, and 28% of those eligible actually received a benefit.⁶³ The reasons for this non-take-up of social assistance probably include a combination of factors (such as stigma, lack of information,

⁶¹ Older people seldom receive social assistance, as there is a separate low-income benefit at national level for those with very low pensions. Full-time students normally receive a universal student allowance (often in combination with state-provided student loans) thus do not rely on social assistance.

⁶² Annual income below one 'price base amount', which is used in the tax and social security legislation to establish various income thresholds. It is calculated based on changes in the consumer price index for the entire calendar year.

⁶³ Estimates based on simulations using EU-SILC. Besides household income, the simulations included a proxy for capital (based on capital income) and work status. Due to a lack of necessary input data, take-up of other household types was not simulated. It should be noted that these figures should be interpreted cautiously, as it is difficult to simulate benefit eligibility using the available micro-level survey and register data.

short-term financial assistance from family and friends, and administrative errors).

Adequacy of benefits

The social assistance benefits are set by reference to reasonable living costs, calculated by the Swedish Consumer Agency, including reasonable costs for a basket of goods and services⁶⁴. They are not automatically indexed but are generally adjusted annually according to changes in consumer prices, subject to decisions by the government.

The benefit levels take into consideration the number of people in the household, the age of children and whether children eat lunch at home⁶⁵ and whether the adults are single or co-habiting. In 2020, the benefits were for a single person without children, SEK 4,160 (€414), a couple without children, SEK 6,800 (€676), a couple with two children (aged 4 and 8), SEK 12,760 (€1,268), and a single parent with two children (aged 4 and 8), SEK 10,230 (€1,017).

Housing costs are usually covered in full, often in combination with a separate income-tested housing benefit. After an individual assessment, municipalities often provide additional support to cover the costs of accommodation, electricity, work travel, home insurance, trade union membership, and unemployment insurance fund membership.

Social assistance is granted for one month, after which a new application needs to be made. Generally, there is no review or adjustment to payments in between, even if circumstances change.

In 2019, the adequacy of the minimum income benefits (64% of the poverty threshold and 55% of the income of a low wage earner for a single household) was slightly above the EU average, while it has slightly declined over the last decade (see table in section 2).

Labour market activation, social inclusion and access to services

All applications for social assistance are subject to an individual assessment, whereby social services on a discretionary basis decide whether the applicant is considered able to work and should participate in a labour market activation programme. In most cases, people who are fit to work are required to actively look for work, be registered with the public employment service, accept available job offers, and participate in national labour market programmes or other municipal activation measures if necessary. In those cases, the applicant may qualify for activity support for unemployed, and receive social assistance as a top-up. Failure to comply with these work-related requirements may result in the complete withdrawal of, or a temporary reduction in, benefits.

Individuals that have received social assistance for a period of six consecutive months are entitled to have 25% of their earnings from employment exempted (for a period of up to two years).

Local labour market activation measures are organised at municipal level and differ extensively. They may include various measures aimed at preparing recipients to participate in the active labour market policy programmes of the public employment services. Evaluations of such local programmes are scarce, but generally report weak effects on employability and self-sufficiency. Evaluations of national active labour market policies do not make a distinction between recipients of social assistance and recipients of unemployment benefits. No data are available on the number of social assistance recipients who participate in active labour market policy programmes.

Regulation for the individual needs assessment does not exist, but a multidimensional perspective is recommended by the National Board of Health and Welfare, particularly if dependency is considered to be long-lasting. Social services are recommended to perform a wider and more detailed screening of the underlying circumstances for claiming social assistance to identify appropriate support measures at an early stage and to set adequate requirements on the people concerned. There is no legal obligation on social services to establish an individual action plan, but such plans are used in

⁶⁴ Food; clothes and shoes; play and leisure; health and hygiene; a daily newspaper and a telephone; and consumables.

⁶⁵ Free school lunches to all children is provided in Sweden.

many municipalities. Data on the actual number of social assistance recipients receiving an individual action plan is not collected, but, according to a survey, the majority of municipalities carried out multidimensional assessments and established individual action plans within three months.

A large set of personalised services is provided to social assistance recipients. Examples include budget and debt counselling, and support for (re)entering the labour market. There are no data on the number of recipients using such services. Receipt of social assistance does not automatically grant access to other types of social services and support, which are universally available for all in Sweden and have comparatively low user fees. One-stop-shops are implemented in some municipalities, and focusing on specific user groups. Where one-stop-shops are not implemented, municipalities have often established collaboration with other service-providers.

Governance

Social assistance is financed and administered at local level by the municipalities, but the legislative frameworks are set at national level. The National Board of Health and Welfare has a supervising role, provides guidance for the municipalities, and is responsible for national statistics on social services. The provision of services may be outsourced to private providers. Appeals against decisions on social assistance eligibility can be made to the administrative court.

In terms of monitoring frameworks for social services, the National Board of Health and Welfare carries out qualitative assessments, or 'open comparisons' for systematic reviews of social services to improve their operation.

Reform objectives and trends

No significant changes have been made to the social assistance framework in recent years, neither during the COVID-19 pandemic. Temporary policy responses to the pandemic were primarily addressed to strengthening other benefits in the welfare system.

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

In terms of outcomes, Sweden performs in all selected indicators better or much better than the EU average, except for poverty rate for jobless households, which also shows some deterioration in a long-term changes. MSD rates are significantly below the EU average, regardless of some increase observed in both population categories in recent years.

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

Table – Common indicators from the minimum income benchmarking framework

		SE (SILC 2020)	EU27 (SILC 2020)	SE (short term change)	SE (long term change)
Outcome indicators					
	Poverty gap total (18-64) in %	24.6	27.7	1.4	-1.0
	Poverty gap for QJH (18-64) in %	24.5	37.3	-1.4	0.8
	MSD rate total (18-64) in %	4.0	12.7	0.4	1.0
	MSD rate for QJH (18-64) in %	31.3	43.8	3.3	4.5
	AROP rate for QJH (18-64) in %	75.8	61.6	-6.1	8.2
Performance indicators					
	Impact of social transfers on poverty reduction (18-64) in %	43.0	35.6	-1.1	-7.7
	Benefit recipient rate for AROP & QJH (18-64) in %	89.9	78.5	-4.7	-0.8
	Gap in self-reported unmet needs for medical examination in %	3.5	3.4	-0.4	-0.1
	Gap in housing cost overburden rate in %	45.4	34.7	2.0	13.5
Adequacy indicators					
	As a share of the poverty threshold in %	64%	60%	-1%	-6%
	As a share of the income of a low wage earner in %	55%	46%	0%	-4%

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