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| From:    | General Secretariat of the Council  |
| To:      | Permanent Representatives Committee/Council   |
| Subject: | Key messages from the SPC on the implementation of the Council Recommendation on adequate minimum income insuring active inclusion across EU Member States<br>- Endorsement |

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Delegations will find attached the Key messages from the Social Protection Committee on the implementation of the Council Recommendation on adequate minimum income ensuring active inclusion across EU Member States, to be endorsed by the Council (EPSCO) at its session on 1 December 2025.

The full 2025 Minimum Income Report, jointly prepared by the Social Protection Committee and the European Commission, and the Country analysis can be found respectively in doc.

14905/25 ADD 1 and doc. 14905/25 ADD 2.

# The 2025 Minimum Income Report

## An overview of the implementation of the 2023 Council Recommendation on adequate minimum income ensuring active inclusion across EU Member States

Joint report prepared by the **Social Protection Committee** and the **European Commission**,  
**Directorate-General for Employment, Social Affairs and Inclusion**

### Key messages

1. **In the aftermath of the cost-of-living crisis, poverty remains a strong concern for many Europeans.** According to a 2025 Eurobarometer, 84 % of Europeans are worried that too few people are escaping poverty in their country<sup>1</sup>. Poverty impedes on human dignity. Addressing poverty is not only an ethical and social imperative. Supporting social cohesion is also essential to ensure trust in political institutions and make our societies more resilient. It is also economically smart, as a skilled and well-qualified workforce strengthens our competitiveness. Moreover, poverty has a cost. For instance, childhood socio-economic disadvantage costs societies the equivalent of 3.4 % of GDP annually<sup>2</sup>.
2. **The 2023 Council Recommendation on adequate minimum income ensuring active inclusion represents a milestone for addressing poverty and social exclusion in the EU.** With this Recommendation, Member States agreed on common key components for successful minimum income policies, with the view to jointly contribute to the reduction of poverty in the EU. They reiterated the merits of the active inclusion approach, combining income support, inclusive labour market policies and access to services. Moreover, with a view to ensure a life in dignity at all stages of life, they set a joint ambition to achieve gradually an adequate level of income support by 2030. It should support upward social convergence.

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<sup>1</sup> Special Eurobarometer 559, Investing In Fairness, 2025.

<sup>2</sup> OECD, The economic costs of childhood socio-economic disadvantage in European OECD countries, 2022

3. **While a number of Member States have started to implement the Recommendation and made progress**, in some instances with the support of the Recovery and Resilience Facility and European Social Fund + (ESF+), **at this stage, none of the Member States's minimum income schemes are fully in line with the provisions of the Recommendation.** Moreover, while most national reforms follow the guidance embedded in the Recommendation, in some instances Member States depart from the principles of the Recommendation.
4. **The Recommendation sets out several approaches to ensure adequacy, yet most Member States need to step up efforts to improve adequacy.** Referring to the at-risk-of-poverty threshold (AROP) is one of the approaches outlined in the Recommendation. On average, in 2023, the disposable income of single persons receiving (at least) minimum income reaches 33.8 % of the median disposable income, while the AROP threshold stands at 60 % of the median disposable income. The figure is 37.9 % of the median disposable income for couples with two children. Still around a quarter of Member States do not have a clear methodology to define the level of income support and a third do not foresee any regular update or indexation. Efforts to improve the methodology and index or update it regularly should be strengthened in order to ensure adequacy.
5. **Ensuring that those in need are entitled to benefits is also key as coverage gaps remain.** In 2023, on average in the EU, 16.8 % of the poor population in quasi-jobless households did not receive any social benefit. While all Member States have broadly transparent eligibility criteria, these vary in particular in terms of residency, age and means- and assets-testing. This points to a strong and sometimes even growing heterogeneity in the definition of the population in need.

6. **All Member States face high non-take-up of minimum income benefits which reduces the effectiveness of minimum income schemes.** However, quantifying the extent of non-take-up is challenging, as there is no single validated approach to estimate it. Very few Member States engage in regularly assessing the level of non-take up. Estimates range from 20 % to 50 % depending on the Member States. A number of Member States are implementing measures to address the different drivers of non-take-up, in particular by simplifying and digitalising the application procedures, facilitating access to information (online and offline), gathering data from different authorities into a comprehensive information system and reaching out to potential beneficiaries. Nevertheless, these initiatives need to be scaled up to tackle non-take up more comprehensively.
7. **Member States are continuing their efforts to foster inclusive labour markets, including strengthening their efforts to secure a skilled and well-qualified workforce in the face of a shrinking working-age population.** Reforms have been proposed to enhance minimum income benefits' role in supporting recipients to participate in active labour market policy measures (ALMPs) and actively search for jobs. To this end, a few Member States have expanded activation measures while simultaneously tightening the activation criteria. This should be accompanied by more effective ALMPs targeted towards minimum income recipients, providing personalised support and sustained employment outcomes. It is important for the policy makers to understand the root causes of inactivity to adapt the ALMPs and address challenges of persons in vulnerable situations. Careful monitoring of the impact of stricter activation criteria is necessary to ensure that they do not lead to poverty or social exclusion.

8. **Financial incentives to encourage work have been incorporated into minimum income schemes across Member States, yet gaps remain in the capacity of schemes to support beneficiaries' incomes when they are taking up employment.** In certain countries, increases in working hours do not always result in an increase in disposable income. Additionally, non-financial factors like the availability of on-the-job training, and quality job opportunities are crucial for facilitating inclusion in the labour market. A successful transition to employment requires gradual phasing out the right to benefits alongside the provision of both financial and non-financial incentives.
9. **Several Member States have shown a strong commitment to facilitating access to enabling and essential services.** While many reforms have been endorsed, in some countries certain services may not be easily accessible for minimum income recipients due to barriers like availability, affordability or low operational capacity. Substantial gaps remain in areas like access to childcare, healthcare, housing, and internet connectivity. Furthermore, in many Member States the quality standards for services are lacking.
10. **Social inclusion plans are typically developed after conducting individual needs assessments to provide an appropriate mix of social and active labour market services.** While around half of the Member States have introduced dedicated social inclusion plans for minimum income recipients, only six countries – in line of the Council Recommendation – have legal provisions to provide these plans within three months. The actual coverage of beneficiaries by the plans remains relatively low.

11. **Strong minimum income schemes need effective, participative and comprehensive governance processes.** They require sufficient operational capacity, cooperation and involvement of stakeholders in the various steps of policy implementation, as well as setting robust monitoring and evaluation mechanisms. The design of minimum income schemes varies across Member States due to national traditions. Robust governance mechanisms can help prevent fragmentation, overlaps, and gaps, thereby ensuring that the needs of the most vulnerable are effectively addressed, irrespective of the overall design of the benefit systems.
  12. **In light of these elements, the Social Protection Committee (SPC) considers that further efforts will be needed to tackle the gaps identified by the first joint Commission-Social Protection Committee (SPC) report on the implementation of Recommendation.** This will contribute to the efforts addressing poverty and reaching the EU's target to reduce the number of people at risk of poverty or social exclusion by at least 15 million by 2030. In doing so, it will help improve the resilience of our societies and the competitiveness of our economies. With the view to contribute to these efforts, the Commission and the SPC will continue supporting and monitoring Member States' policies, in particular by publishing a new report in 2028, by continuously improving the minimum income benchmarking framework and facilitating mutual learning in the SPC and its working groups (such as the Minimum Income Network, MINET). Furthermore, the upcoming first-ever EU Anti-Poverty Strategy will put forward concrete initiatives to support a renewed commitment to fight poverty in the EU.
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