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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	The 2025 Minimum Income Report

Delegations will find attached the 2025 Minimum Income Report, jointly prepared by the Social Protection Committee and the European Commission.

The Key messages which are drawn from this Report are contained in doc. 14905/25. The Country analysis for this Report is contained in doc. 14905/25 ADD 2.

2025

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

Contents

Acknowledgements

The present report has been prepared as part of the mandate given to the Social Protection Committee (SPC) by the Treaty on the Functioning of the European Union (TFEU) to monitor the social situation in the European Union and the development of social protection policies (art. 160 of the TFEU).

The report fulfils the provision of the Council Recommendation of January 2023 on adequate minimum income ensuring active inclusion, 'to prepare on triennial basis a joint report of the Commission and the Social Protection Committee on the progress made in implementing [the] Recommendation'.

The report was prepared jointly by the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission and the Social Protection Committee, with active contributions of its Indicators Sub-Group, its working group on Minimum Income (MINET), the Employment Committee (EMCO) and the European Network of Public Employment Services. The principal authors are Olivier Bontout, Irma Borde, Brice Ligonnet, Gilberto Pelosi and Sarah Schinazi, with specific support from the JRC. The provided calculations used in the report was supported with extensive data provision of Eurostat and OECD.

The members of the SPC, its Indicators Sub-Group and MINET contributed extensively to the drafting of the report. The report was approved by the SPC on 23 September 2025.

Glossary

AFEPA – Advisors to the European PES Affairs;

ALMP – Active Labour Market Policy;

AROP – at-risk-of-poverty;

AROPE – at-risk-of-poverty or social exclusion

Coverage - the entitlement to participate in minimum income as defined in the national legislation;

EAPN – the European Anti-Poverty Network;

EMCO – the Employment Committee;

EMCO PAG – the Policy Analysis Group (PAG) of the Employment Committee (EMCO);

Enabling services - services targeting the specific needs of persons lacking sufficient resources to ensure that they are able to integrate in society and, where relevant, the labour market, including social inclusion services, for example social work, counselling, coaching, mentoring, psychological support, rehabilitation and other general enabling services, including early childhood education and care, healthcare, long-term care, education and training, and housing;

EPSR – European Pillar of Social Rights;

Essential services - services which include water, sanitation, energy, transport, financial services and digital communication;

Inclusion plan - an agreement or set of agreements concluded with persons lacking sufficient resources, aiming at fostering their social inclusion and, for those who can work, their labour market integration.

MINET – Minimum Income Network;

Minimum income - non-contributory and means-tested safety nets of last resort to persons lacking sufficient resources, operating within social protection systems. In this context, 'persons lacking sufficient resources' means persons living in households with insufficient, irregular or uncertain monetary and material resources, which are indispensable for their health and well-being and for participating in economic and social life;

METR – the Marginal Effective Tax Rate measures what part of an increase in earnings, due for instance to an increase in the number of hours worked or to a change in employment situation, is "taxed away" by the imposition of personal income taxes and employee social security contributions, and the possible withdrawal of earnings-related benefits;

NGOs – non-governmental organisations;

PES- the Public Employment Services;

PES Network – the European Network of Public Employment Services;

PTR – the Participation Tax Rate measures as the share of additional gross earnings that is lost to higher taxes and lower means-tested benefits when moving into work;

RRF – the Recovery and Resilience Facility;

SPC – the Social Protection Committee;

SPC ISG- the Indicators' Sub-Group (ISG) of the Social Protection Committee (SPC);

Take-up - the proportion of persons lacking sufficient resources entitled to participate in minimum income who actually take part in them.

List of country codes for EU Member States (in protocol order)					
BE: Belgium	EE: Estonia	HR: Croatia	LU: Luxembourg	PL: Poland	FI : Finland
BG: Bulgaria	IE: Ireland	IT: Italy	HU: Hungary	PT: Portugal	SE: Sweden
CZ: Czechia	EL: Greece	CY: Cyprus	MT: Malta	RO: Romania	
DK: Denmark	ES: Spain	LV: Latvia	NL: The Netherlands	SI: Slovenia	
DE: Germany	FR: France	LT: Lithuania	AT: Austria	SK: Slovakia	

Foreword

The European Union is facing important challenges as it navigates a changing global economic and political landscape. In this context, the joint report by the Social Protection Committee and the European Commission highlights the crucial need for a strong social Europe with reliable safety nets. By promoting active inclusion, our goal is to improve the lives of those who are furthest from the labour market, while also strengthening social cohesion within the Union. This report is an opportunity to take stock of our progress in delivering on the European Pillar of Social Rights (EPSR), especially principle 14 on adequate minimum income, and to outline the way forward.

The findings show that more needs to be done to improve minimum income schemes. While some countries have made important progress, others still face gaps in effectiveness. Increasing adequacy, ensuring broader coverage including by addressing non-take-up, facilitating the integration in the labour market of minimum income recipients and improving access to quality services are all essential to achieving our shared objectives. The focus on individualised support also reflects our determination to develop inclusive models that works for everyone.

Looking ahead, tackling poverty will remain high on the EU agenda. Next year, the Commission will put forward its first-ever Anti-Poverty Strategy. The aim is to make sure people can access the essential protection and services they need, while also addressing the root causes of poverty. This Strategy will be instrumental in helping achieve the ambitious 2030 headline targets: improve employment rates, upgrade skills levels and reduce the number of people at risk of poverty or social exclusion by at least 15 million, with a specific focus on children. These efforts will be supported by the recently adopted proposal for the Multiannual Financial Framework (MFF), which emphasizes the importance of investments to implement the European Pillar of Social Rights.

Minimum income is only one piece of the puzzle to fight poverty, but it is a crucial one. We will continue working closely with Member States to help design the most effective minimum income schemes. The Social Protection Committee and the European Commission remain committed to supporting the implementation of the Council Recommendation so that minimum income can serve as a true stepping stone, helping people in need regain stability, take part in society, and find their place in the labour market.

Signed,

Roxana Mînzatu
Executive Vice-President of the European Commission

Rute Guerra
Chair of the Social Protection Committee

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[1]. 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[2].
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.
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

[1] Special Eurobarometer 559, Investing In Fairness, 2025.

[2] OECD, The economic costs of childhood socio-economic disadvantage in European OECD countries, 2022

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.

Introduction

Today’s global economic and political environment is increasingly uncertain and could potentially leave deep scars on our economies and societies. While it is crucial to prepare for unforeseen scenarios, it is also essential to continue driving progress towards a fair, green and innovative Europe. More than ever, social safety nets have a crucial role to play, not only in ensuring that nobody is left behind, but also contributing to a competitive, prosperous and safe Europe and fostering social cohesion, which is key for the resilience of our societies.

In this context, the European Pillar of Social Rights (EPSR) is as relevant as ever. Principle 14 of the EPSR states that ‘everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services’ and that ‘for those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market.’ This reflects the active inclusion approach ([3]), which combines the provision of adequate income support with the promotion of the labour market (re)integration of those who can work and effective access to enabling and essential services. The 2023 Council Recommendation on adequate minimum income ensuring active inclusion provides guidance to Member States on operationalising this principle, while also supporting the implementation of principle 4 (on active support to employment) and principles 11 (childcare and support to children), 16 (healthcare), 18 (long-term care), 19 (housing and assistance for the homeless) and 20 (access to essential services).

The Council Recommendation also aims to support the achievement of the European Union target on poverty reduction in line with the Porto Declaration, adopted by the Heads of State and Government in May 2021 and then welcomed by the European Council in June 2021. The target sets that the number of people at risk of poverty or social exclusion should be reduced by at least 15 million by 2030 compared to 2019. At least five million of these should be children. There is a clear need to step up efforts to reach this target - in 2024 the EU population at risk of poverty or social exclusion decreased by around 2.7 million compared to 2019. The Council Recommendation also supports the achievement of the employment target ([4]) and skills target ([5]), that were also established as part of in the EPSR Action Plan.

The Council Recommendation specifically invites Member States to:

- **ensure adequacy of income support**, by setting its level based on a transparent methodology and ensuring periodic revisions, with the aim of reaching a level equivalent to the national poverty threshold, or other comparable level, by 2030;

([3]) Commission Recommendation of 3 October 2008 on the active inclusion of people excluded from the labour market (C(2008) 5737).

([4]) At least 78 % of people aged 20 to 64 should be in employment.

([5]) At least 60 % of all adults should participate in training every year.

- **ensure full coverage of persons lacking sufficient resources**, by defining transparent and non-discriminatory eligibility criteria, proportionate means-testing, swift processing of applications and continuity of access;

- **improve take-up** through reduced administrative burden, simplified procedures and outreach activities;

- **promote labour market activation of those further away from the labour market** through proportionate activation requirements, support for upskilling and reskilling, providing the possibility of combining income support with work, adequate financial incentives to work, supporting work opportunities in the social economy sector and facilitating transition to employment;

- **ensure effective and equal access to enabling and essential services** as per principle 20 of the EPSR on access to essential services, including by addressing financial and non-financial barriers to such access;

- **provide individualised support** through the development of personalised social inclusion plans based on a needs assessment examining barriers to social inclusion and employment;

- **ensure appropriate governance and monitoring**, avoiding gaps, overlaps and fragmentation of benefit schemes, strengthening the operational capacity of authorities, enhancing their cooperation, empowering relevant stakeholders and ensuring adequate financing.

The Council Recommendation sets that the Social Protection Committee (SPC) and the European Commission should prepare on a triennial basis a joint report on the progress made in implementing the Recommendation. A regular monitoring of the Recommendation is essential in view of the important role that minimum income policies can play in alleviating poverty and social exclusion. The first joint report on minimum income by the SPC and the European Commission was published in 2022 and contributed to the preparation of the Council Recommendation [6].

The present report builds on the 2022 report, focusing on how the provisions of the Council Recommendation are implemented across Member States and presenting where progress has been achieved since 2022. In particular, it shows the main relevant reforms that have been conducted since the adoption of the Recommendation. In this regard, it is useful to note that a number of these reforms were supported by the Recovery and Resilience Facility. This is the case in Spain, Croatia, Latvia, Lithuania and Romania. ([7])

The report focuses on assessing the implementation of the provisions in the Council Recommendation, for which information is available and which are the most directly relevant to the

([6]) European Commission, Directorate-General for Employment, Social Affairs and Inclusion, *The 2022 minimum income report – Volumes I and II*, Publications Office of the European Union, 2022.
([7]) European Commission, Recovery and Resilience Scoreboard - Thematic Analysis: Social Protection, April 2022.

design of minimum income schemes. For this reason, some provisions, such as point 11(e) on the social economy sector, are not directly covered.

The report complements findings in the 2025 Joint Employment Report by the European Commission and the Council, which showed that while there have been improvements in recent years, minimum income support is generally not sufficient to lift people out of poverty([8]). It should be read in parallel with the (forthcoming) 2025 SPC Annual Report ([9]), which identifies that reaching the EU poverty reduction target by 2030 will require a significant acceleration of progress in the second half of the decade, with an average decrease by at least over 2 million persons per year.

This report is structured in two parts: Part 1 provides a horizontal analysis of each aspect of the Council Recommendation, while Part 2 provides an overview of the current situation in each Member State in the form of synthetic country profiles.

The main source for the report are the country fiches and other additional information provided through the Minimum Income Network (MINET) working group ([10]). It also refers to some answers to a questionnaire, circulated to the members of the Policy Analysis Group of the Employment Committee (EMCO PAG), on the implementation of the Action Plan on Labour and Skills Shortages in the EU. Insights from other recent relevant sources of information are presented in dedicated boxes. The report also analyses the situations in the Member States on the basis of a number of indicators from the benchmarking framework on minimum income, jointly developed and updated by the Indicators' Sub-Group of the SPC (SPC ISG) and the European Commission since 2018 ([11]). Finally, the report provides insights from civil society organisations (members of the European Anti-Poverty Network (EAPN) ([12]) and Caritas Europe ([13])), with the view to reflect the views of the users of the minimum income schemes on the ground.

The report provides a comparative analysis of the minimum income schemes that best correspond to the Council Recommendation (see Annex 1). At the same time, it acknowledges that many Member States combine schemes, monetary and in-kind benefits to support the implementation of principle 14 of the EPSR.

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(8) Joint Employment Report 2025 from the Commission and the Council as adopted by the EPSCO Council on 10 March 2025.

([9]) Delivering on its mandate as set out in Article 160 of the TFEU, the Social Protection Committee (SPC) produces its annual review of the social situation and policy developments in the Member States and the Union. See the previous editions here.

([10]) The Minimum Income Network (MINET) working group was set up by the Social Protection Committee to exchange experience and good practices in the field of minimum income and to facilitate mutual learning and cooperation among Member States' experts in the field.

(11) Monitoring and benchmarking frameworks - European Commission.

([12]) EAPN, Progress report EAPN members and the EU Council recommendation on Adequate Minimum Income Ensuring Active Inclusion." , 2025.

([13]) Caritas Europe, "Thriving, not just surviving. Shaping effective minimum income systems in Europe"., Caritas CARES! Poverty Report 2025.

This report also provides some insights for areas of focus for further work ahead of the next editions of the report.

Snapshot tables

In the conclusions of the different chapters (except for governance) and in the overall conclusions, the report presents "snapshot tables" with the view to give a quick overview of the state of implementation of some of the provisions of the Council Recommendation. These tables focus only the implementation of the Recommendation, and in particular on dimensions which pertain specifically to the design of minimum income schemes and on recommendations for which there is available information.

The table usually refer to what is considered as the main minimum income scheme in each Member State (as per Annex 1). In some cases, additional information to cover other schemes are provided in footnote. The colour-cording of the tables is explained in notes under each table. The justification of the colour for each country is provided in the first page of each country profile in Part 2 of the report.

These tables will be regularly updated and reviewed by MINET, with the view to reflect Member States' progress toward the implementation of the Council Recommendation.

Part 1 – Horizontal analysis

1. Adequacy of income support

Council Recommendation

(3) 'It is recommended that Member States provide and, where necessary, strengthen robust social safety nets that guarantee life in dignity at all stages of life, by combining adequate income support – through minimum income benefits and other accompanying monetary benefits – and in-kind benefits, and giving effective access to enabling and essential services. The provision of in-kind benefits can support robust income support.'

This Chapter presents the different methodologies applied by Member States to determine the level of minimum income support, reviews progress made by Member States in reaching the adequacy levels set by the Council Recommendation for 2030, assesses whether Member States have in place regular indexation and updates and reflects on whether Member States provide the possibility to split the payment of benefits among different members of the household ('split payments').

1.1. Setting a methodology

Council Recommendation

(4) 'In order to ensure adequate income support, it is recommended that Member States set the level of minimum income through a transparent and robust methodology defined in accordance with national law and by involving relevant stakeholders. It is recommended that such methodology takes into account overall income sources, the specific needs and disadvantaged situations of the households, the income of a low-wage earner or a minimum wage earner, standards of living and purchasing power, price levels and their related developments and other relevant elements.'

A sound and transparent methodology for setting minimum income is key to ensure adequacy of the overall income support. It should be informed by relevant indicators and account for households' specific needs. While a large majority of Member States have defined a methodology to set the level of minimum income, these methodologies vary widely. However, around a quarter of Member States (BE, IE, EL, FR, HR, IT, HU, SK) do not indicate explicit criteria in the setting of their minimum income levels, falling short of point 4 of the Recommendation.

Table 1 – Benefit setting methodologies

Methodologies	Member States
Link to poverty threshold or median income	BG, LV
Link to minimum wage	MT, LU, NL
Link to basic living expenses	CZ, DK, DE, EE and specifically referring to a reference basket: CY, LT, PL, SI, FI, SE
Link to other benefit (e.g. pension)	ES, AT
No specific methodology	BE, IE, EL, FR, HR, IT, HU[14], PT, RO, SK

Methodologies reflecting the cost of living and needs of persons lacking sufficient resources in a given Member State (or a region), can help guide the adequacy assessment. This is the most widespread choice for the methodology among EU Member States. Czechia, Denmark, Germany and Estonia aim at covering basic living expenses, while Cyprus, Lithuania, Luxembourg, Poland, Slovenia, Finland and Sweden, specifically mention the use of a reference basket, in line with the option set out in point 5(b) of the Recommendation.

The various methodologies based on the cost of living and needs of persons lacking sufficient resources do not all cover the same elements. While most cover goods and services to satisfy primary needs (e.g. food, clothing, footwear), some additionally cover housing related costs (for instance in CZ, DE, CY, FI and SE) and/or healthcare and/or long-term care (for instance in DE, CY and FI).([15]) Similarly, some Member States (such as CY) cover essential services.([16]) Some Member States also cover a wide range of other goods and services. For instance, Germany, Finland and Sweden also cover play and leisure, daily newspapers and telephone, with Finland additionally covering sauna costs, and in the case of Germany where those activities enable social participation (e.g. a trip to the cinema).

Other reference values, such as the national-at-risk-of poverty threshold, can also help assess the adequacy of a minimum income scheme. Only Bulgaria uses the national at-risk-of-poverty level in their methodology. However, contrary to what is set out in point 5(a) of the Recommendation, which provides that setting the benefit at the national at-risk-of poverty threshold, in Bulgaria the benefit is set at a share of the threshold (30 % of the poverty line). ([17])

([14]) In the case of HU, the information provided refers to the employment substituting benefit. In the case of the benefit for people suffering from health problems or taking care of a child there is also no specific methodology, while in the case of the job-seeker aid before pension there is a clear methodology (link to minimum wage).

([15]) In some Member States these costs might be covered by another benefit or provided in-kind (see section 4.1).

([16]) In some Member States this might be covered by another benefit or provided in-kind (see section 4.2).

([17]) Considering the at-risk-of-poverty is defined as 60 % of the national median income, the Bulgaria level corresponds to 18 % of the median income.

Adequacy levels can also be set referring to income from work, such as the median income or the income of a statutory minimum wage earner. This is the choice made by Luxembourg, Latvia, which sets the minimum income benefit as a percentage of the median income (22 %), Malta, which links the benefit level to 60 % of the national minimum wage and by Netherlands, where, for a couple, the benefit can reach the level of the net minimum wage of a single-earner (without taking into account the employee tax credit). It is interesting to note that in Latvia, where the level of the benefit is based on the median income, the law sets out that the benefit cannot decrease from one year to another in case median income decreases. Box 1 below reflects on the potential parallel between methodologies to set the level of minimum income based on income from work with minimum wage setting methodologies

Box 1 - Insights from some minimum wages setting methodologies ([18])

While methodologies to set minimum income and minimum wages are often not comparable, some Member States use in both cases the average or median wage level as a benchmark. Differences in approaches can reflect the role of social partners in the case of minimum wages, or different other factors considered when setting minimum wage levels, which can be less relevant in the case of minimum income (such as the overall economic situation or unemployment rates). The experience in minimum wage setting methodologies can inform Member States which are considering using a similar methodology when setting their minimum income support benefit.

In this regard, it is interesting to note that a number of Member States have recently set in law a target threshold that the wages-setting parties should strive to reach in the near future and/or should guide the assessment of adequacy. This ranges from 45-50 % of average gross wages in Bulgaria, Czechia, Estonia and Lithuania to 60 % of average wages in Slovakia (with a two year reference value) and 60 % of median hourly wages in Ireland. Some of these Member States have already reached their targets (BG, LT and SK), whereas others aim to do so in the years to come (CZ by 2029, EE by 2027, IE by 2029). In some cases, the setting of the target has led to a concrete improvement of the adequacy of minimum wages. For instance, in Lithuania the subsequent discussions between the government and social partners have led to an increase of around EUR 75 per month for a minimum wage earner in 2024 compared to 2023.

A number of Member States adopt an alternative methodology. For instance, Spain and Austria link the minimum income benefit level to the pensions level, which in the case of Austria is based on an Index (the *equalisation supplement reference rate*). However, the linked benefit does not necessarily stem from a clear methodology either. For instance, in Spain there is no specific methodology for setting the non-contributory pension level (although it considers the consumer price index). Portugal and Romania link it to a social index (the *Social Support Index* in the case of PT and the *Social Reference Indicator* in the case of RO) – this ensures a methodology in the way that the benefit

([18]) Eurofound (2024), Minimum wages in 2024: Annual review, https://www.eurofound.europa.eu/en/publications/2024/minimum-wages-2024-annual-review, with updates based on most recent information collected by the Commission.

is updated every year, but this does not mean that there is a methodology to set the level of the benefit in the first place.

Moreover, some Member States use a different methodology to set the level of the benefit and to assess its adequacy. For instance, in Luxembourg, as mentioned above, the benefit level is set in relation to minimum wages, but it is also regularly assessed using a reference basket.

Box 2- Insights from a SPC peer review in Latvia on the adequacy of minimum income benefits ([19])

In July 2024, a peer review between interested Member States took place in Latvia, to discuss minimum income adequacy. Participants discussed the advantages and limitations of using relative and absolute concepts of income distribution in order to assess the adequacy of minimum income benefits. These can be summarised as follows.

	Advantages	Limitations
Relative	• Reduce administrative burden • Standardised across time and space • Straightforward to understand and communicate	• Lag in data makes them less responsive to current economic conditions (in particular in times of crises) • Difficulty to set the threshold • Can fail to capture local variations in costs of living
Absolute	• Conceptually robust, comprehensive and transparent • Closely related to minimum living costs	• Resource-intensive • 'Essential needs' are not universally defined • Not easily comparable across countries

One of the key conclusions of the peer review was that 'the adaptability of monetary thresholds to an ever-changing economic environment is key to providing an adequate level of income support'. This leads most Member States to implement regular updates or index benefits to inflation (see section 1.4).

Since 2023, a number of Member States have improved or are reflecting on how to improve their methodology. For example, as mentioned above, since 2023 in Latvia the level of minimum income benefit is set as a share of the median income. Lithuania and Slovenia are currently reflecting on how to improve the methodology for their minimum consumption needs basket. Belgium set up in March 2023 the REMI Pilot Project, an online tool that determines, for each specific household, the extent to which the household income is sufficient to live in dignity based on reference budgets, with the aim to improve adequacy. The project has however been discontinued since and will be evaluated.

([19]) Social Protection Committee peer review meeting: Minimum Income Adequacy, 4-5 July 2024 – Riga, Latvia Synthesis Report

Feedback from the ground[12]

The feedback from civil society underscores the negative impact of the lack of a clear methodology to set benefit levels. For instance, **EAPN Ireland** regrets the lack of methodology and stress that recent increases in social welfare have not kept pace with inflation, effectively resulting in cuts for the beneficiaries. Feedback also shows that the existence of a methodology alone is not sufficient to ensure adequacy. For instance, **EAPN Poland** points to the lack of transparency and comprehensiveness of the Polish methodology, based on a basket of goods and services. **EAPN Portugal** considers that current levels do not allow individuals to meet their expenses in a dignified way, despite the existence of a methodology in Portugal.

A country-specific analysis can also underscore the added value of setting a clear methodology. In Hungary, there are three main schemes related to minimum income (see Annex 1). The employment substituting benefit (ESB) (*foglalkoztatást helyettesítő támogatás*), is tied at 80 % of the social reference base since 2012 (without relying on a clear methodology). On the other hand, the maximum possible amount of the benefit for people suffering from health problems or taking care of a child (*egészségkárosodási és gyermekfelülgyeleti támogatás*) corresponds to 90 % of the net minimum wage for public works (which is set at 50 % of the minimum wage), while the amount of the actual benefit itself is not indexed. As a result, the latter appears more adequate and can be close to 4 times higher than the former.

The level of the benefit is also often related to means-testing, where the benefit is a top-up benefit, (see subsection 2.2.3), and can depend on the number of hours worked (see section 3.4) and other conditions. For instance, in Bulgaria, regular participation in the educational process, vaccinations and children's health prophylaxis are also taken into account to determine benefit levels.

1.2. Taking into account the size of the households and single parent households

The methodology should reflect the specific needs of the household, as set out in point 4 of the Council Recommendation. This means in particular that the level of the minimum income should depend on the number of household members and on who they are (adults, young child, older child, etc.). All Member States take into account the composition of the household and most of them use some equivalence scales that account for differences in household size and composition. However, the way it is done and the weights used in equivalence scales vary.

In some Member States the additional level minimum income granted to households with a child is smaller for younger children, in line with the OECD equivalence scale. This is the case for Czechia, Germany, Ireland, Cyprus and Finland. For instance, in Germany those aged 14-17 receive EUR 471, those aged 6-13 receive EUR 390 and those aged 0-5 receive EUR 357. In other Member States (e.g. EE, EL, FR, LT, LV, PL, PT, SI) all children are treated in the same way.

A few Member States distinguish the additional level of minimum income for a child according to the total number of children. In most of the Austrian federal states, Hungary and Finland the additional benefit is lower for the latter children. For instance, in Hungary, the first and the second child involve an increase of 80 % of the benefit, whereas the third and the fourth involve an increase of 70 % the benefit. Additionally, in Hungary, children with disability have a specific treatment (+1.0). However, it should be noted that this is a hypothetical case with no other (including family) benefits or income, given the existence of a maximum income threshold.

Single parents' households face specific barriers, and this is often reflected in the levels of benefits. Some Member States (e.g. BG, DK, ES, FR, HR, LT, LU, HU, RO and FI) provide higher benefits for single parents. These usually represent an additional +/- 20 %. In Croatia, Luxembourg and Slovenia, the amount received for each child also differs according to whether the parent is a single parent (for instance an additional 18 % per child in SI). In Greece, when a household is composed exclusively by a single-parent family, the older minor member is considered as an adult for the calculation of the guaranteed amount.

As a rule, and in line with the OECD equivalence scale, additional adults in the household account for a larger increase to the household benefits than children. This is not the case in Spain, Croatia, Latvia, Poland and Romania, where the increase is the same, or in Slovenia where the increase is higher in the case of a child than in the case of an additional inactive adult. A few Member States (HR, IT) provide a specific amount for adults in the household who have a disability, are not capable to work, are elderly or have care responsibilities. In the case of Italy, in addition to the first adult, subsequent adults are taken into account only if they fall into one of the categories mentioned above.

In some Member States, specific moments of life are reflected in the calculation of the benefit levels. For instance, in Bulgaria, women at the end of their pregnancy and parents of children up to 3 receive 120 % of the benefit.

In some Member States, reforms are underway to increase the level of the benefit for households with several members or for single parent households. For instance, in Croatia, a single parent capable of work will receive 145 % of what a single person without children would receive of the benefit (compared to 120 % now) and the additional income for a child will amount to 95 % of the benefit (compared to 70 % now), thereby improving adequacy.

When measuring the adequacy for the entire household, it is important to consider the fact that minimum income schemes are often complemented by other benefits (in cash and in kind), including family benefits and benefits for people with disabilities. This means that, for instance, in some Member States where family benefits are higher, couples with one or several children might be better covered than reflected by the only use of equivalence scales for minimum income benefits alone. Also, some Member States (such as the Netherlands) do not provide a change in the level of the benefit for households with children and do not use an equivalence scale for children because the presence of children in the household is covered entirely by the child-related income support.

1.3. Adequacy levels

Council Recommendation

(5) 'While safeguarding incentives to (re)integrate and remain in the labour market for those who can work, it is recommended that income support of persons lacking sufficient resources reaches a level which is at least equivalent to one of the following:

(a) the national-at-risk-of poverty threshold; or

(b) the monetary value of necessary goods and services, including adequate nutrition, housing, healthcare and essential services, according to the national definitions; or

other levels comparable to the levels referred to in point (a) or (b), established by national law or practice.'

(6) 'Member States are recommended to achieve gradually the adequate level of income support provided for in paragraph (5) by 2030 at the latest, while safeguarding the sustainability of public finances'.

While there has been overall stability in recent years, in practically all Member States, income support is not sufficient to lift people out of poverty**.** The adequacy of income support can be assessed by comparing the overall disposable income of households that rely on minimum income and have no income from work (hence also including all monetary benefits to which they are entitled to) with the at-risk-of-poverty (AROP) threshold ([20]) or with the income of a minimum wage earner (or low wage earner) ([21]) . In all Member States the net income earned by a person working full-time at the minimum wage (or at a corresponding low wage in those countries that do not have statutory

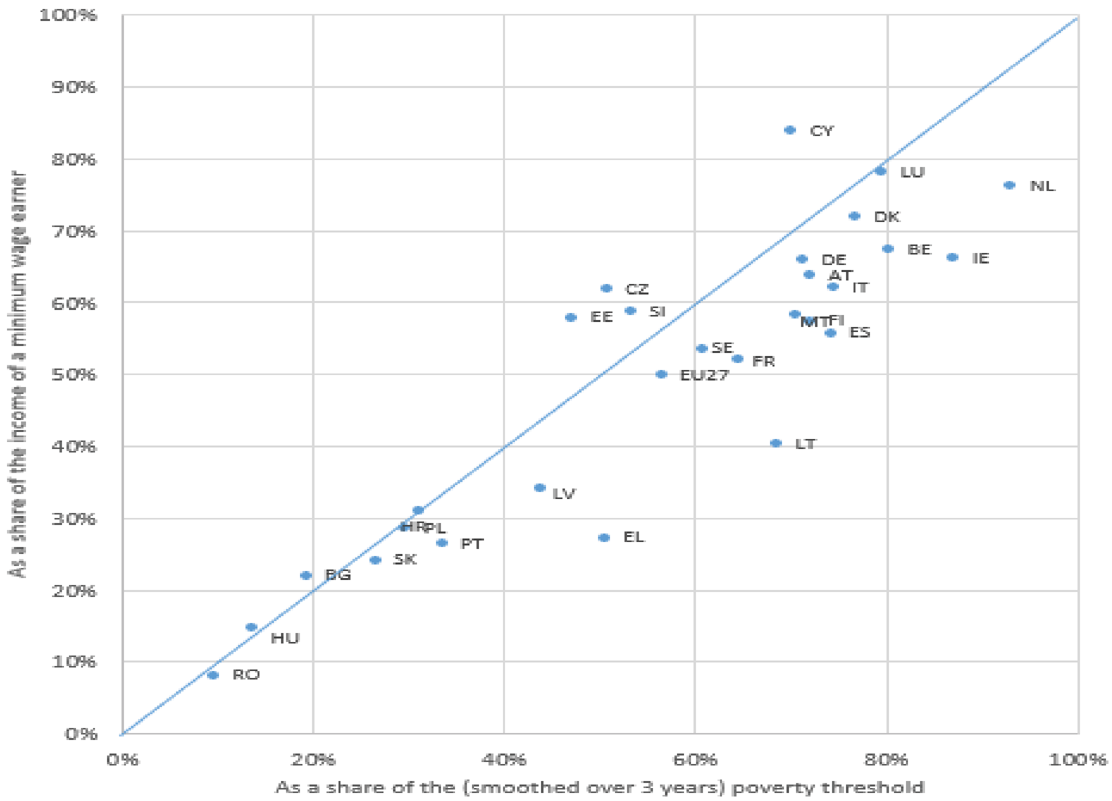
([20]) The at-risk-of-poverty (AROP) threshold is a measure of poverty used by Eurostat, set at 60 % of the median equivalised disposable income after social transfers.

([21]) See reference to the minimum income benchmarking framework above.

minimum wages) is systematically higher than the income support received through social assistance when out of work (figures 1 and 2).

For a single adult household, the adequacy of income support versus the poverty threshold lies on average in the EU at 56 % in 2023. These levels actually vary significantly from very low around 10 % in Hungary and Romania to around close to the poverty threshold (around 90 %) in Ireland and the Netherlands. In around half of the Member States, the levelranges between 60 % and 80 % of the poverty threshold and lies between 20 % and 50 % in one third of Member States.

Figure 1 - Net income of a minimum income recipient (single adult not employed), as % of at-risk-of-poverty threshold (smoothed over three years) and of the net income of a minimum wage earner (or of a low wage earner if no minimum wage) (income year 2023)

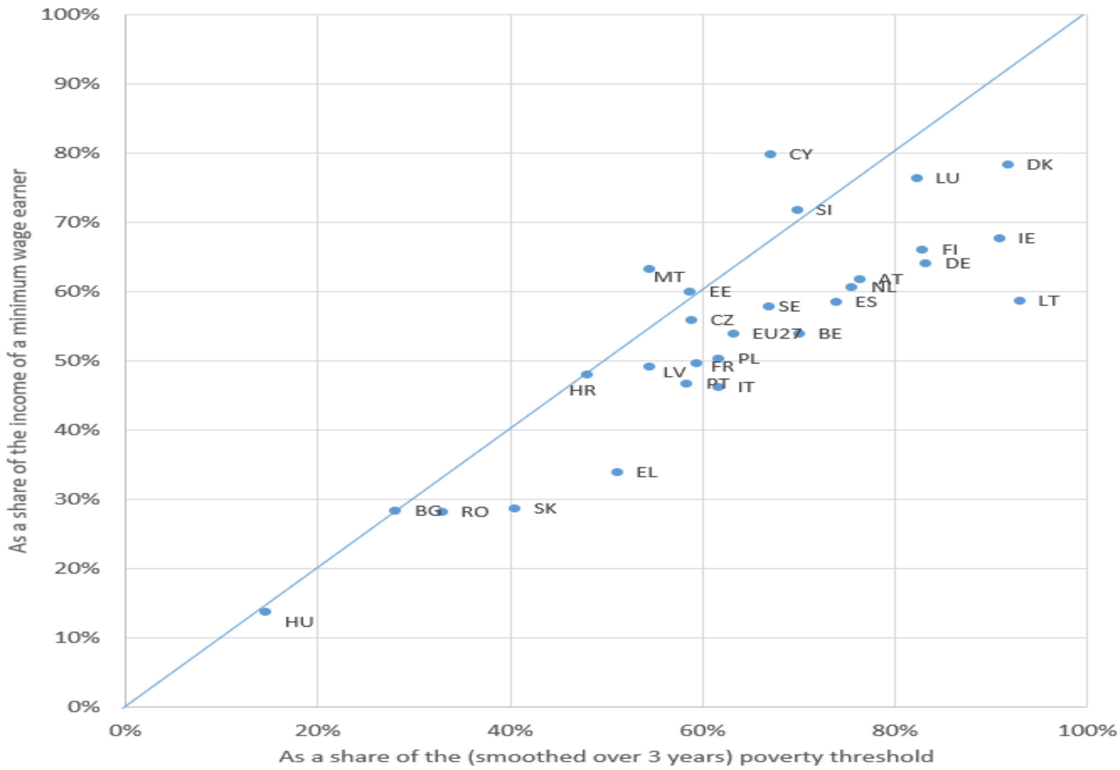


NB: EU-27 computed as a simple average. Housing costs are assumed to be 11 % of the average wage. Member States for which the low wage is used (as there is no minimum wage) are: DK, IT, AT, FI and SE. Reading notes : the chart is an X-Y chart showing the positions of EU Member States on two dimensions for the income year 2023. The chart concerns the case of a single-adult household. It shows on the horizontal axis the net income of a minimum income recipient expressed as a share of the at-risk-of-poverty smoothed over 3 years. It shows on the vertical axis the net income of a minimum income recipient expressed as a share of the net income of a minimum wage earner. The Member States are widely scattered on the chart on both axes, with Member States such as Romania standing at around 10% on both axes while others such as the Netherlands stand at more than 80% on the horizontal axis and at more than 70% on the vertical axis. The EU average stands at around 55% on the horizontal axis and at around 50% on the vertical axis.
Source: own computation on Eurostat and OECD data

The adequacy of minimum income benefits varies depending on the household types and is generally higher for single-parent households with one child or couples with two children than for singles. This also reflects the impact of other benefits, such as child benefits that cover the extra costs of raising children.

For couples with two children, the adequacy of minimum income benefits is also generally slightly higher than for singles. At the EU level (non-weighted average), the income of couples with two children who are minimum income beneficiaries lies at 63% of the AROP threshold and of 54% of the total disposable income of a minimum-wage earner in similar household (see figure 2), therefore slightly higher than for single person households (respectively 56 % and 50 %). This reflects the impact of child supplements, as well as the fact that other benefits are available, such as family benefits while housing benefits can also be higher. Adequacy for couples with two children also differs largely across Member States. The adequacy versus the poverty threshold was the highest in Ireland, Denmark and Lithuania (between 90% and 100 % of the AROP threshold). It was highest versus the income of a low-wage earner household in Denmark, Cyprus and Luxembourg, where it was around 80%. At the lower end, the adequacy was lowest in Hungary, Bulgaria and Romania versus the poverty threshold (below 35%) and lowest in the same Member States and Slovakia versus income of a low-wage earner household (around or below 40 %).

Figure 2 – Net income of a household of two adults (minimum income recipients and not employed) and two children, as % of the at-risk-of-poverty threshold (smoothed over three years) and of the net income of couple with two children earning the minimum wage (or a low wage if no minimum wage) (income year 2023)



Note: EU-27 computed as a simple average. Housing costs are assumed to be 19 % of the average wage. For the comparison vs the income of a minimum wage earner (or of a low-wage earner if no minimum wage), both adults in the couple are considered to earn the minimum wage (or a low wage). Member States for which the low wage is used (as there is no minimum wage) are: DK, IT, AT, FI, and SE.

Reading notes: the chart is an X-Y chart showing the positions of EU Member States on two dimensions for the income year 2023. The chart concerns the case of a household composed of two adults and two children. It shows on the horizontal axis the net income of a minimum income recipient expressed as a share of the at-risk-of-poverty smoothed over 3 years. It shows on the vertical axis the net income of a minimum income recipient expressed as a share of the net income of a minimum wage earner. The Member States are widely scattered on the chart on both axes, with Member States such as Hungary standing at around 15% on both axes while others such as Denmark stand at more than 90% on the horizontal axis and at more than 70% on the vertical axis. The EU average stands at around 60% on the horizontal axis and at around 55% on the vertical axis.

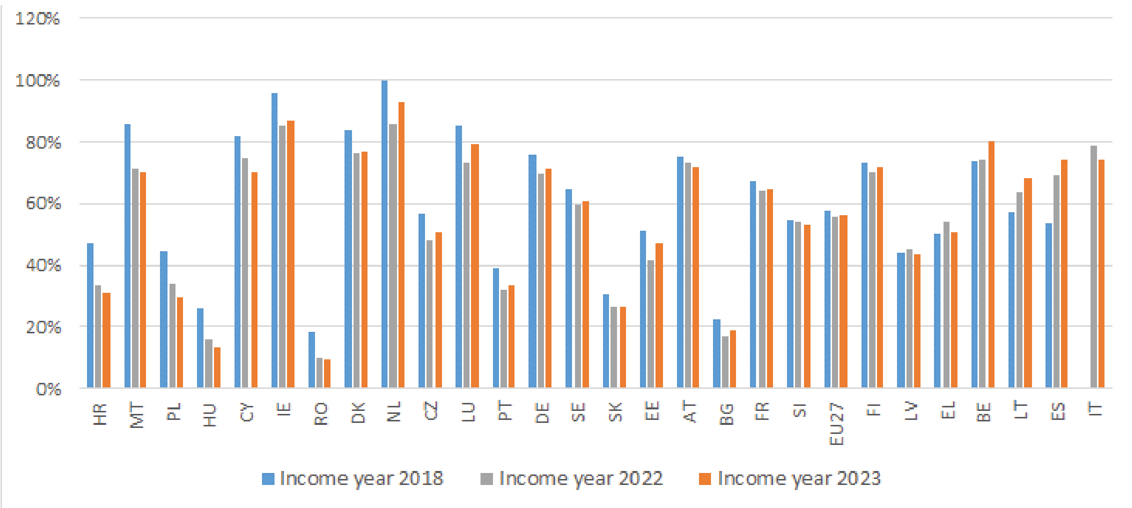
Source: own computation on Eurostat and OECD data.

The adequacy of minimum income benefits had remained almost unchanged on average in the EU in the last decade ([22]). Some convergence had been observed, in particular due to new schemes introduced in some Member States as well as reforms in other Member States aimed at improving the existing schemes. On the other hand, some significant deterioration in terms of adequacy had taken place in some Member States.

([22]) European Commission, Directorate-General for Employment, Social Affairs and Inclusion, *The 2022 minimum income report – Volumes I and II*, Publications Office of the European Union, 2022.

Over the most recent years, the adequacy of support has slightly eroded on average in the EU. For a single household it slightly declined from 58 % of the poverty threshold in 2018 and 2022 to 56 % in 2023 while for a couple with two children it declined from 66 % in 2018 towards 61 % in 2022 slightly increasing to 63 % in 2023. Some Member States have registered significant erosions of adequacy over the recent years by more than 10 points in Croatia, Cyprus, Hungary, Malta and Poland for the single households and Denmark, Cyprus, Hungary, Poland and Romania, for couples with 2 children. On the reverse a few Member States have made steps towards higher adequacy (BE, ES, IT, LT) until 2023 (more recent reforms steps are not accounted for in this analysis). These trends also reflect the impact of inflation over recent years and the capacity of indexation mechanisms to protect the adequacy of minimum income benefits as elaborated further in the next section.

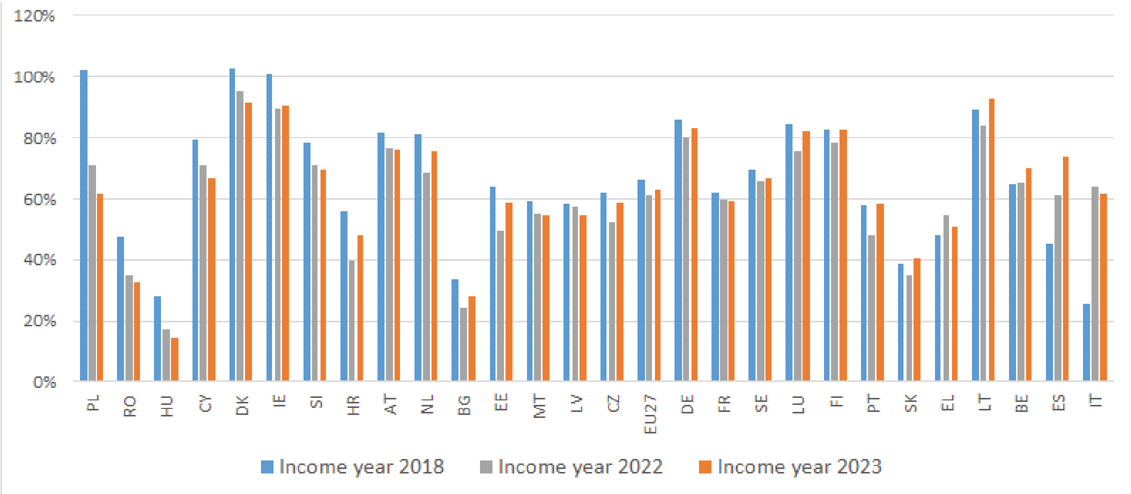
Figure 3 – Net income of a single person, minimum income recipient and not employed, as % of the at-risk-of-poverty threshold (smoothed over three years) (income years2018, 2022 and 2023)



Note: the Member States have been ordered from the Member State with the biggest decrease between 2018 and 2023 to the Member State with the biggest increase between 2018 and 2023. For IT 2018, there was no minimum income benefit factored in the model for a single person.Reading notes: the chart is a clustered bar chart showing the performance of EU Member States regarding the net income of a single adult household (which is minimum income recipient) expressed as a share of the at-risk-of-poverty threshold smoothed over 3 years. It shows this performance on 3 income years (which represent the 3 clustered bars shown for each EU Member State), which are respectively the income years 2018, 2022 and 2023. The chart shows a strong difference in performance across the EU Member States (for all the 3 years), with Member States such as Romania standing at below 20% while others such as the Netherlands stand at above 80%. The EU average stands at around 55%.

Source: own computation on OECD and Eurostat data.

Figure 4 – Net income of a couple with two children, minimum income recipient and not employed, as % of the at-risk-of-poverty threshold (smoothed over three years) (income years 2018, 2022 and 2023)



Note: the Member States have been ordered from the Member State with the biggest decrease between 2018 and 2023 to the Member State with the biggest increase between 2018 and 2023.

Reading notes: the chart is a clustered bar chart showing the performance of EU Member States regarding the net income of a household (which is minimum income recipient) – composed of two adults and two children - expressed as a share of the at-risk-of-poverty threshold smoothed over 3 years. It shows this performance on 3 income years (which represent the 3 clustered bars shown for each EU Member State), which are respectively the income years 2018, 2022 and 2023. The chart shows a strong difference in performance across the EU Member States (for all the 3 years), with Member States such as Hungary standing around 20% while others such as Denmark stand at more than 90%. The EU average stands at around 60%.

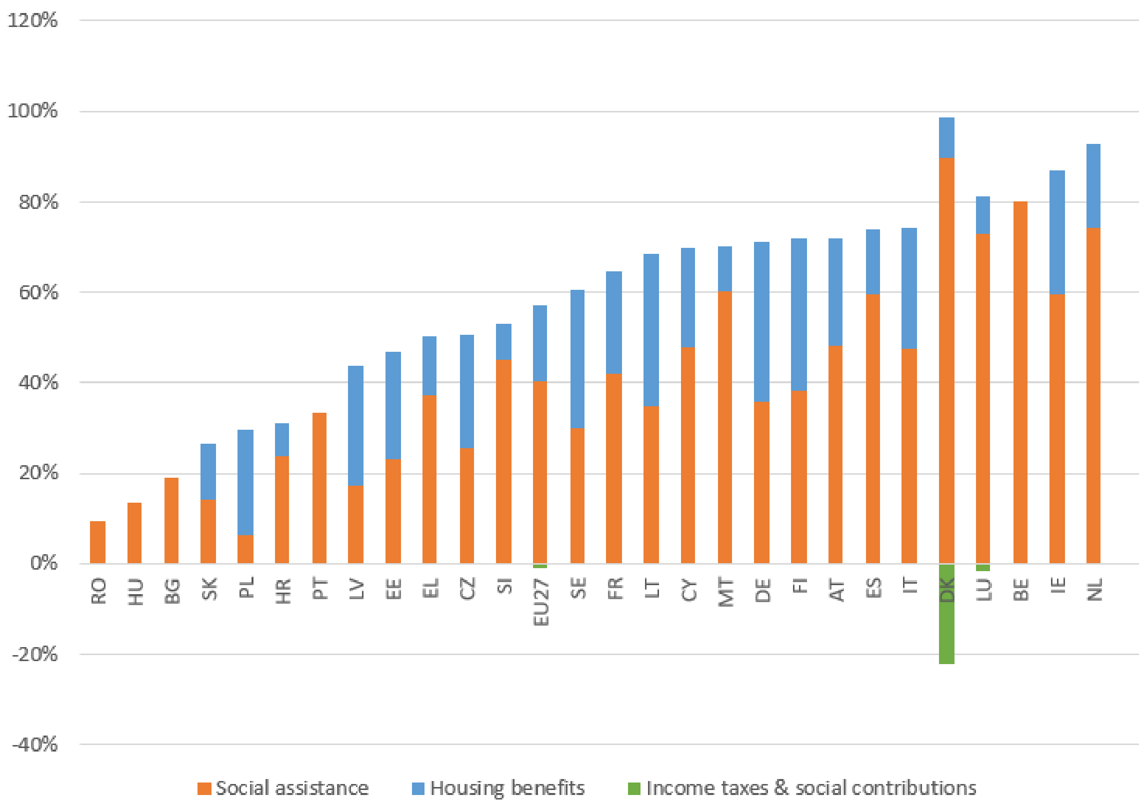
Source: own computation on OECD and Eurostat data

It should be noted that the assessment of the adequacy of minimum income benefits should take into account all other possible benefits to which minimum income beneficiaries may be entitled to (hence the indicator relates to the overall income of a minimum income beneficiary and not only to the minimum income benefit itself). Indeed, most Member States provide allowances for dependent children, allowances for jobseekers and housing allowances or in work benefits to which minimum income beneficiaries may be entitled to. Figures 5 and 6 provide a decomposition of the income sources of minimum income recipients (consistent with the analysis above on the overall adequacy of income support). This highlights the importance of the specific contributions of housing benefits in a number of Member States (while in a number of Member States housing supplements are embedded in minimum income benefits as such), as well as of family benefits for households with children.

Also, minimum income schemes are supplemented in many Member States by other schemes, which provide supplements that can help improve adequacy, to the extent these benefits are indeed excluded from the income test or that receiving such benefits does not come with a reduction in minimum income benefits.([23]) In a number of Member States such as in the Netherlands, municipalities can provide individual income supplements to long-term minimum income recipients (and special social assistance for unexpected and special costs). While most of these benefits are covered in the assessment made of the adequacy, it does not capture in-kind benefits, which can also contribute to adequacy.

Figure 5 – Decomposition of the net income of a Minimum income recipient (in % of the at-risk-of-poverty threshold smoothed over 3 years) (Single person, income year 2023)

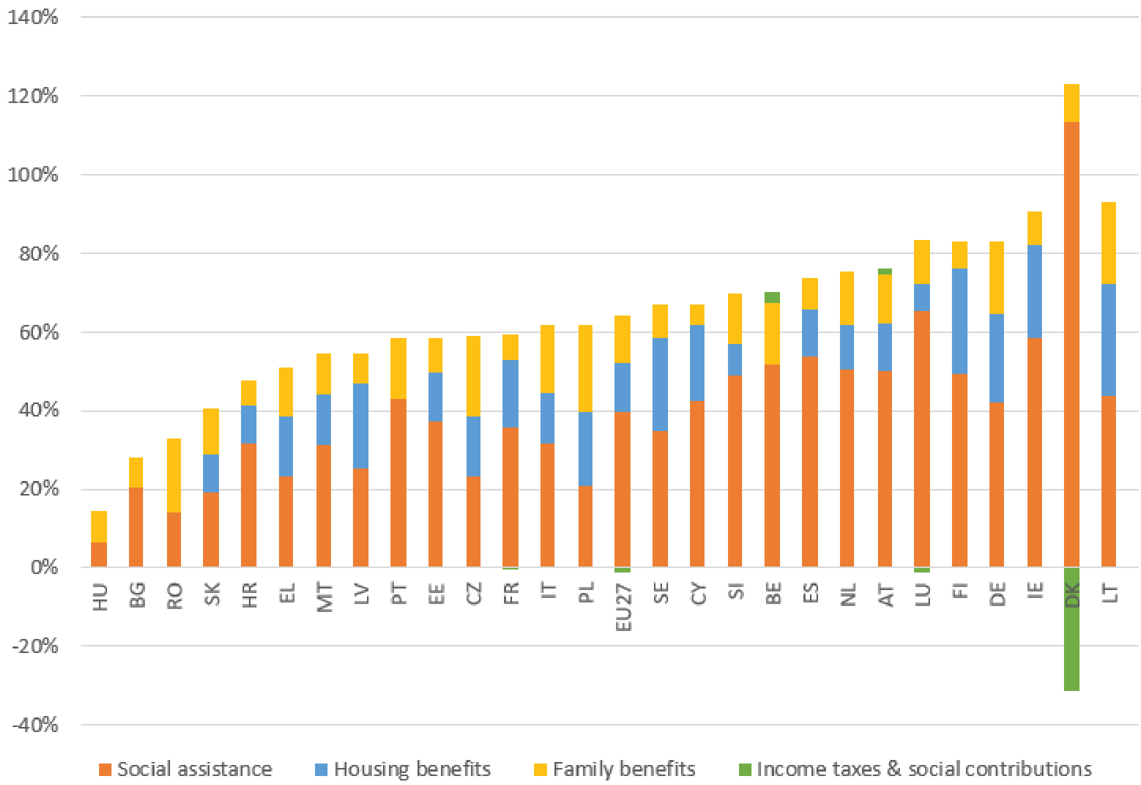
([23]) For instance, in Slovakia, some groups of population are eligible to complementary benefits (including some older people, pregnant women, lone parents, person reliant on care, person with health issues, under certain conditions). Similarly, in Hungary, some recipients of the employment substituting benefit (ESB), may also receive the benefit for people suffering from health problems or taking care of a child (BHC), with a capping on the total amount of benefits.



Reading notes: the chart is a stacked bar chart showing the performance of EU Member States regarding the net income of a minimum income recipient expressed as a share of the at-risk-of-poverty threshold smoothed over 3 years. The chart concerns the case of a single-adult household (which is minimum income recipient) for the income year 2023. For each Member State, the total of the stacked bar shows the net income of a minimum income recipient expressed as a share of the at-risk-of-poverty threshold smoothed over 3 years. The stacked bar is made of 3 segments which represent how this share is decomposed over various income components, which are respectively: social assistance, housing benefits and income taxes & social contributions. Besides showing a strong variation across Member States in the total of the stacked bar, the chart also shows that – in most Member States – social assistance is the largest income component followed by housing benefits. The chart shows differences across Member States in the composition of the net income, with some Member States (such as Bulgaria) having only social assistance as a component of the net income of a minimum income recipient while in others (such as Poland), housing benefits make more than half of this net income. Income taxes and social contributions are only present in a few Member States, most notably in Denmark. For the EU average, the total of the stacked bar stands at around 55% of the at-risk-of-poverty threshold, with social assistance standing at around 40% of this threshold and housing benefits at around 15% of it (note: income taxes & social contributions represent only a very small fraction of this threshold).

Source: own computation on OECD and Eurostat data

Figure 6 – Decomposition of the net income of a Minimum income recipient (in % of the at-risk-of-poverty threshold smoothed over 3 years) (Couple with two children, income year 2023)



Reading notes: the chart is a stacked bar chart showing the performance of EU Member States regarding the net income of a minimum income recipient expressed as a share of the at-risk-of-poverty threshold smoothed over 3 years. The chart concerns the case of a household (which is minimum income recipient) composed of two adults and two children for the income year 2023. For each Member State, the total of the stacked bar shows the net income of a minimum income recipient expressed as a share of the at-risk-of-poverty threshold smoothed over 3 years. The stacked bar is made of 4 segments which represent how this share is decomposed over various income components, which are respectively: social assistance, housing benefits, family benefits and income taxes & social contributions. Besides showing a strong variation across Member States in the total of the stacked bar, the chart also shows that – in most Member States – social assistance is the largest income component followed by housing benefits and then family benefits. The chart also shows some differences across Member States in the composition of net income, with some Member States (such as Bulgaria) having only social assistance and family benefits as components of the net income of a minimum income recipient while in others (such as Latvia), housing benefits represent a substantial share of this net income which almost equals the share of social assistance. Income taxes and social contributions are only present in a few Member States, most notably in Denmark. For the EU average, the total of the stacked bar stands at around 60% of the at-risk-of-poverty threshold, with social assistance standing at around 40% of this threshold, housing benefits at around 10% of it and family benefits at around 10% of it (note: income taxes & social contributions represent only a very small fraction of this threshold).

Source: own computation on OECD and Eurostat data

It should be noted that with the view to presenting comparable figures across Member States, this section analyses the level of adequacy of the minimum income scheme focusing on the poverty threshold (and to the income of a minimum wage earner) as a benchmark. This gives an overall picture and indications on the development of adequacy but can be complemented by additional information regarding adequacy across the Member States. Indeed, the Council Recommendation sets out different options to assess adequacy: the poverty threshold, the monetary value of necessary goods and services, or other comparable levels. As shown in section 1.1, Member States have established different methodologies to determine the level of minimum income benefits, which to some extent reflect these different options.

1.4. Indexation, review and updates

Council Recommendation

(7) 'It is recommended that Member States regularly review and, whenever relevant, adjust the level of minimum income in order to maintain the adequacy of income support, while taking into account in-kind benefits.'

Making sure minimum income is adequate requires a dynamic adjustment of the benefit levels. This exercise should take into account inflation (especially of food and energy), other potential rises in the costs of living (such as related to housing), and wage developments.

Most Member States provide an automatic indexation of the minimum income benefits, thereby ensuring that their adequacy is not negatively impacted by inflation. This is the case of Belgium, Bulgaria, Denmark, Germany, Spain, France, Lithuania, Latvia, Luxembourg, Malta, the Netherlands, Austria, Portugal, Romania, Slovenia, Slovakia and Finland. Indexation often happens on a yearly basis, but for instance in the case of the Netherlands, the indexation happens every 6 months. In Belgium it happens when the index (basket of prices of goods and services) is surpassed. In Luxembourg, there is a double indexation: first, a 2.5 % increase can be triggered any time, according to the inflation rate of the national consumer price index; second, minimum income amounts are biennially increased in line with adaptations to the minimum wage, which itself is adjusted according to the evolution of the average wage. Considering the high level of inflation these last years, indexation can lead to relatively important increases in the level of the benefit. For instance, Romania increased the level of the benefit by 10.4 % in 2024 and by 5.6 % in 2025, in line with the increase in the average annual inflation rate.

It can be noted that in some Member States, reflection is ongoing to improve the indexing of benefits – pointing to a positive impact of the Council Recommendation. For instance, Lithuania is currently reflecting on designing a more dynamic benefit indexation, taking into account information about food prices quarterly when calculating their consumption needs basket.

The way in which the benefit is indexed is often related to the methodology used to establish benefit levels, but this is not always the case. For instance, in Spain, where the benefit level is linked to another benefit, the indexation of minimum income benefits derives from the indexation of the non-contributory pensions. On the other hand, in Belgium, where there is no methodology to set the benefit, a basket of goods and services is still used to review the level of the benefit regularly. In other Member States, the indexation might be based on the annual inflation rate (for instance in RO and SI), on wages (for instance in DK) or both (for instance in DE and LU).

In other Member States, there is no indexation mechanism or indexation is a discretionary decision. This is the case for Czechia, Estonia, Ireland, Greece, Croatia, Italy, Cyprus, Hungary, Poland, and Sweden. It is interesting to note that in those Member States, where there is no clear methodology to set the level of minimum income benefits, it is more common that the level is not indexed automatically.

Where indexation is not set out in the law, in some cases, some mechanisms aim at ensuring that benefit levels still reflect price developments. For instance, in Poland, if in a given calendar year, the amount of the benefit becomes equal to or lower than the minimum subsistence level, the Tripartite Commission for Social and Economic Affairs may apply to the Council of Ministers for verification of the income criteria level. Additionally, local authorities may increase benefit levels, by way of resolution.

The lack of indexation has concrete implications on the adequacy of minimum income benefits. The following box shows highlights the importance of indexation.

Box 3 - Insights on the impact of indexation mechanisms

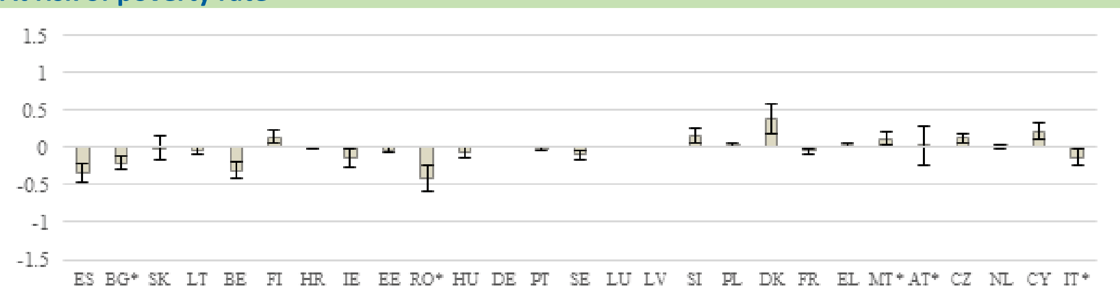
High inflation affects to a different extent different socioeconomic groups, with poorer households being particularly vulnerable to rising prices. The absence of adequate indexation mechanisms of minimum income schemes typically leads to benefit erosion. On the one hand, the purchasing power of the benefit of benefits can decrease due to higher prices (including in relative terms when other incomes such as wages or pensions rise in response to inflation). On the other hand, if eligibility parameters are not indexed, this weakens the overall eligibility of minimum income schemes and other means-tested benefits.

The impact of the indexation mechanisms of minimum income schemes across EU-27, in response to the high inflation rates experienced between 2021 and 2024, has been assessed based on EUROMOD. The analysis compares the actual situation in 2024 (with actual 2024 minimum income policies) with an hypothetical scenario, where 2021 policies would have been in place (indexing related parameters according to the Harmonised Index of Consumer Prices developments between 2021 and 2024).

The results indicate that countries with automatic or discretionary indexation mechanisms generally preserved the purchasing power of minimum income benefits and maintained eligibility thresholds effectively, thereby mitigating poverty. Spain stood out positively due to proactive parameter adjustments beyond simple inflation indexing, effectively reducing poverty ([24]) through enhanced eligibility and improved benefit adequacy. Conversely, countries without formal indexation mechanisms (EL, IT, CY) or with insufficient indexation mechanisms (NL) experienced some erosion in benefit adequacy and increased poverty risks or poverty gaps([25]). In addition, structural reforms beyond the issue of indexation, have impacted poverty outcomes of MI beneficiaries. For instance, reforms implemented in Bulgaria and Romania led to generally better poverty outcomes compared to simple indexation scenarios, whereas Italy's reform negatively impacted poverty outcomes.

Poverty rate and poverty gap - difference in 2024 compared to indexation counterfactual based on HICP (2021-24), percentage points

At risk of poverty rate

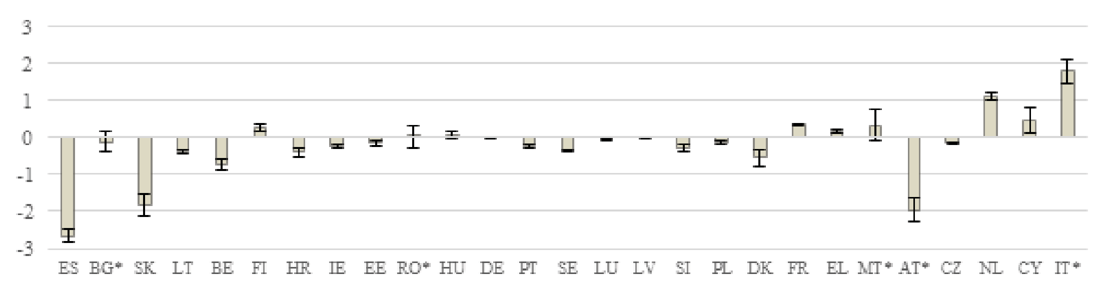


Description of the chart: the chart is a bar chart showing for the EU Member States the difference (in percentage points) in the at-risk-of-poverty rate between the situation in 2024 and the indexation counterfactual based on HICP (2021-24). The difference ranges from close to -0.5 pp in ES and RO to close to + 0.5 pp in DK.

At risk of poverty gap

([24]) With an effect of around -0.4 op on the poverty rate and of around -2.7pp on the poverty gap compared to the counterfactual indexation scenario.

([25]) With an effect reaching at most around +0.2pp on the poverty rate and ranging from around 0pp to +1.8pp on the poverty gap compared to the counterfactual indexation scenario.



Description of the chart: the chart is a bar chart showing for the EU Member States the difference (in percentage points) in the poverty gap between the situation in 2024 and the indexation counterfactual based on HICP (2021-24). The difference ranges from close to -2.5 pp in ES and close to + 2.0 pp in IT.

Notes: A negative (positive) change in AROP rate and gap between the two scenarios indicates that the actual 2024 MIS policies and parameters had a more (less) pronounced poverty-reducing effect compared to the hypothetical indexation scenario. Countries with MIS reform between 2021 and 2024 are marked with an asterisk.
Source: JRC computations using EUROMOD version J1.28.

In addition to inflation developments other factors can affect the adequacy of minimum income benefits. This is why the Council Recommendation sets out that Member States should embed a regular review in their methodologies for setting the level of minimum income a regular review, with the aim of adjusting the level when relevant.

Since the adoption of the Council Recommendation, a number of Member States have decided to update their level of minimum income benefit (or are in the process of doing so) in order to improve adequacy. Lithuania increased their level by 12 % in 2024 and by 25 % in 2025 (in a context of 0.9 % inflation in 2024). In January 2024 Greece increased the minimum income level by 8 % and is currently reflecting on an increase by 16 % in order to reach 50 % of the AROP threshold. In 2025, Latvia increased the benefit level from 20 % to 22 % of the median income. In 2025, Italy increased their level by 8 % compared with 2024 (in a context of 1.0 % inflation in 2024, following 5,7 % inflation in 2023). In Spain, the Council Recommendation only reinforced an ongoing trend. While in 2025, it increased the level of the benefit by 9 % compared with 2024 (in a context of 2.9 % inflation in 2024), the cumulative increase of the benefit since its introduction in 2020 reaches 42 %.

Feedback from the ground[12]

While civil society welcomes these increases, they are often not judged sufficient. For instance, **EAPN Spain** recognises that the level of the benefit has increased above the annual inflation rate between 2022 and 2024. At the same time, they stress that these remain below the severe poverty thresholds.

The question of regular updates also depends on the methodology used for the calculation of the benefit level. Theoretically, if the methodology is based on the AROP, median income or minimum wages, the question of updates is less relevant, as the benefit is automatically updated according to the changes in the AROP, median income or level of minimum wages each year - except if the latter decreases, unless a safeguard is in place, as shown in the example of Latvia in section 1.1. In practice, this is not necessarily the case, as the benchmark might still be set too low and benefit from an update. On the other hand, where the benefit aims to cover the cost of standard basic needs or is linked to a reference budget, it is very relevant the update it, or the prince index on which the assessment of basic needs is based, regularly. This is the case in Germany, Poland, Slovenia and Finland for instance.

Table 2 – Indexation and updates

Current approach	Member States
Yearly indexation	BG, DK, DE, ES, FR, LV, LT, MT, AT, PT, RO, SI, SK, FI
Indexation every 6 months	NL
Indexation (other)	BE, LU
Regular updates	DE (5 years), PL (3 years), SI (6 years), FI (4 years), LU (2 years)
No or discretionary indexation or updates	CZ, EE, IE, EL, HR, IT, CY, HU, SE

1.5. Split payments

Council Recommendation

(8) 'With a view to promoting gender equality, income security and economic independence of women, young adults and persons with disabilities, it is recommended that Member States ensure the possibility of requesting the minimum income to be provided to individual members of the household.'

The level of minimum income benefit for a household can reflect different realities, depending on how the household's income is distributed among its members. In this context, some persons would benefit from receiving the benefit individually. For instance, in some cases, one of the adults, often a woman, might be penalised by not being able to request for the minimum income to be paid individually. Young adults may also not gain from the income support the household receives. Additionally, persons with disabilities often have specific needs and their financial security might improve if they can request the receive of their benefits on an individual level.

However, only a few Member States set out the possibility to split the payments between the individuals of a household, usually in exceptional cases. It is the case in Belgium, Czechia, Italy, Cyprus, Latvia, the Netherlands and Sweden. It should be noted that in Cyprus this concerns the spouse only and that in Czechia, even though this possibility formally exists, it is not used in practice. In the other Member States, where this possibility exists, the household can request to split the benefit amount among the adult household members only. It should be noted that in Belgium, split payments are only possible if both adults are entitled to the benefit (and provided that there are not good reasons for not opting for a split payment, such as the gambling addiction of one of the beneficiaries). In all other Member States, the law sets out that the payment is made only to the claimant. It should be noted that the impact of having the possibility to split payments or not can be more or less important depending on whether the minimum income scheme acts as a top-up benefit to other social security benefits (which are individualised) or not.

1.6. Conclusions

A number of reforms of minimum income schemes since 2023 have addressed the issue of the methodology for setting the benefit level, thereby contributing to improving the adequacy of income support. Similarly, since 2023, a number of Member States reviewed and increased the level of the benefit, with a view to improving adequacy. This points to a positive impact of the Recommendation.

However, a quarter of Member States still do not have a transparent methodology for setting the minimum income benefit level, or they link the benefit level to an index or another benefit, without a clear methodology. Similarly, in some Member States, there is still not any type of update of the benefit levels, either through indexation or other means.

The low adequacy levels (56 % of the poverty threshold for single adults and 63 % for couples with two children on average in the EU) point to a need to accelerate reforms to ensure that the methodology to set the level of the benefit and the indexation/update mechanisms are conducive to adequacy. The adequacy has been broadly stable over the last decade and slightly eroded over most recent years.

Furthermore, despite the Council Recommendation, split payments are only a possibility in less than a quarter of Member States.

Table 3 –Implementation of some provisions of the Council Recommendation on adequacy

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU ([26])	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
Existence of a benefit setting methodology (4) (*)	Red	Green	Green	Green	Green	Green	Red	Red	Red	Red	Red	Green	Green	Green	Green	Green	Red	Green	Green	Red	Green	Red	Red	Green	Red	Green	Green
Periodic review or indexation (7) (**)	Green	Green	Green	Green	Green	Green	Green	Red	Green	Green	Green	Red	Red	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Possibility to request split payment ([27]) (8) (***)	Green	Red	Green	Red	Red	Red	Red	Red	Red	Red	Red	Green	Green	Green	Red	Red	Red	Red	Green	Red	Red	Red	Red	Red	Red	Red	Green

Note - The above table reflects a qualitative assessment of the implementation of some of the provisions the Council Recommendation regarding adequacy, across Member States.

(*) Green= Member State has a clear methodology to set the level of the minimum income benefit (related to poverty line, median income, minimum wages level or costs of living); Red= Member State does not have a clear methodology to set the level of the minimum income benefit
(**) Green = Member State with periodic review or indexation; Red = Member State without periodic review or indexation
(***) Green = Member Stateprovides the possibility to request split payments; Red = Member State does not provide the possibility to request split payments
Description of the table:
-for Existence of a benefit setting methodology (4): the Member States shown in green are all the other Member States not shown in red. The Member States shown in red are: BE, IE, EL, ES, FR, HR, HU, AT, PT, RO, SK.
-for Periodic review or indexation (7): the Member States shown in green are all the other Member States not shown in red. The Member States shown in red are: EL, IT, CY.
-for Possibility to request split payment (8): the Member States shown in green are BE, CZ, IT, CY, LV, NL, SE. The other Member States are shown in red.

([26]) In the case of HU, the information provided refers to the employment substituting benefit. In the case of the benefit for people suffering from health problems or taking care of a child there is also no specific methodology, while in the case of the job-seeker aid before pension there is a clear methodology (link to minimum wage) and the schemes are indexed and reviewed regularly.
([27]) This refers to splitting payments of the same minimum income benefit between the individuals in a household. The possibility for several members of the household to receive different benefits is not considered here.

2. Coverage and take-up

In addition to ensuring adequate income support, it is essential that all those in need receive the benefit. Minimum income benefits are in principle targeted. This implies setting eligibility criteria and an application procedure (to assess whether the eligibility criteria are met). In addition, non-take-up takes place when not all those eligible actually receive the benefits.

This Chapter reviews coverage levels and the eligibility criteria that Member States have in place in order to ensure that those lacking sufficient resources are covered by minimum income schemes. It assesses the ease to apply and receive the benefit, presents available data as regards the level of non-take up of minimum income benefits and presents the measures Member States are implementing to address non-take-up.

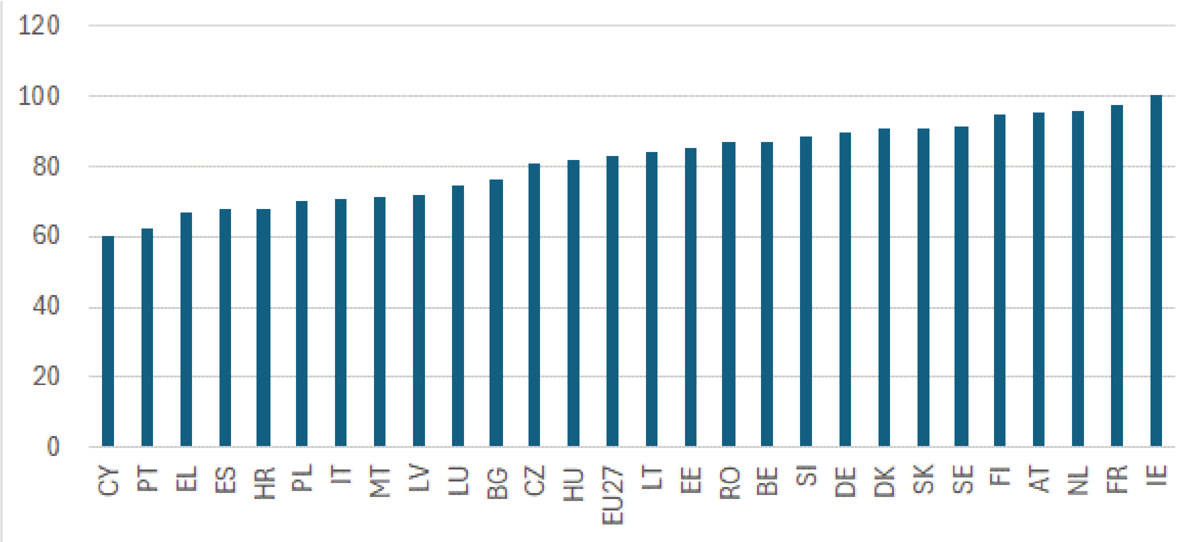
2.1. Assessing minimum income coverage

When assessing coverage of income support it is important to take into account the wide range of benefits available across Member States and the heterogeneity in the design of schemes aimed at supporting the most vulnerable. This is why the benefit recipient rate reflects the share of persons – in the 18-64 population that is at-risk-of-poverty and living in (quasi-)jobless households – that is receiving any type of in-cash social benefits (other than old-age benefits).

In 2023, the benefit recipient rate reached 83.2 % on average at EU27 level ([28]). There are however marked differences between the EU Member States in their level of benefit recipient rate. The lowest levels of benefit recipient rate are found in Cyprus (60 %) and Portugal (62.5 %), meaning that around 40 % of the 18-64 population that is at-risk-of-poverty and living in (quasi-)jobless households does not receive any in-cash social benefits ([29]) in those countries. The highest levels of benefit recipient rate are found in Ireland (100 %) and France (97.5 %).

Figure 7 – Benefit recipient rate for the population 18-64 at risk of poverty and in (quasi-)jobless households (SILC 2024)

([28]) EU SILC 2024 (income year 2023).
([29]) Other than possibly old-age benefits.



Reading notes: the chart is a bar chart showing the performance of EU Member States regarding the benefit recipient rate for the population 18-64 at risk of poverty and in (quasi-)jobless households (for SILC 2024 data). The Member States' performance ranges from around 60% in CY and PT to around 100% in IE and FR. Within this range, the performance of Member States slowly increases, with no strong shift. The EU average stands at around 80%.

Source: Eurostat.

'The ratio of the number of recipients of minimum income to the size of the population at risk of poverty' provides interesting complementary information, showing the overall importance of minimum income schemes only in a given Member State ([30]). For instance, it is very low in Malta (3.4 %) and Bulgaria (5.9 %), pointing to the small scale of the minimum income scheme in those countries, whereas it is the highest in Germany (57 %) and Finland (68 %).

2.2. Eligibility criteria

Council Recommendation

(9) 'It is recommended that Member States ensure that all persons lacking sufficient resources, including young adults, are covered by minimum income set by law (…).'

This section looks at the two main sets of eligibility criteria: means and asset testing, and other criteria such as age and residence. Very often, Member States also envisage criteria linked to labour market participation (these are presented under Chapter 3). In addition, some Member States (including Czechia, Germany, Austria and Slovakia) make the receipt of minimum income benefits conditional on having exhausted rights to all other benefits.

[30] See more information in Annex 2.

Although usually Member States regulate eligibility criteria at national level, in some cases, local authorities also play a role. For instance, in Lithuania the municipalities have some discretion in defining the conditions for entitlement.

2.2.1. Age criteria

While children are covered as members of the household where there is an adult, the age threshold set for claimants above the age of 18 may limit access for young adults. Point 9 of the Recommendation states that minimum income schemes should cover 'all persons lacking sufficient resources, including young adults. Most Member States indeed cover adults as of 18 years old (BE, DK, EE, EL, HR, HU, IE, IT, AT, PT, RO, SI, SE), or minors as from 15 years old (DE, LV). Czechia and Lithuania do not set out a minimum age if other eligibility conditions are respected. Some Member States (e.g. BE, LV, PL, PT, RO, SI, FI, SE) set out specific provisions to cover minors in some specific cases (such as emancipated by marriage, pregnant or looking after children).

However, not all Member States cover adults as of 18 years old. At the same time, young adults do not systematically live in their parents' households if they do not have the means to live independently. As mentioned in section 1.5, the Council Recommendation sets out that young adults should have the possibility to request split payments. Ensuring that young adults can access minimum income independently as of 18 (or younger) can also support their economic independence. Some Member States justify a higher age threshold by the existence of alternative policies for youth. This is the case of Cyprus and Malta (where there is an ongoing process of increasing the age threshold from 23 to 29). It should however always be assessed whether such alternative policies guarantee the same level of support as a minimum income scheme.

In some Member States (e.g. ES, FR, CY, LU) where the minimum age to apply for a minimum income benefit is higher than 18, there are possibilities for people under this age to be beneficiaries under certain conditions. This can be the case for married couples, persons with disabilities, orphans, those raising a child, pregnant women, those who are unable to earn a living due to illness or disability and those that already have a certain amount of work experience.

In some cases, the age of the benefit recipient impacts the level of the benefit received. For instance, in Denmark benefit recipients under 30 years old receive a lower amount; this is called the educational assistance.

Table 4 – Minimum age to receive minimum income benefits

Age	Member States
Below 18	CZ (no minimum age), DE (15), LV (15), LT (no minimum age),
18	BE, DK, EE, IE, EL, HR, IT, HU, NL, AT, PL, PT, RO, SI, FI, SE

Age	Member States
Above 18	ES (23), FR (25), LU (25), CY (28)

Type your alternative text here.

Note – As mentioned above, some Member States set out specific provisions to cover minors in some specific cases (such as emancipated by marriage, pregnant or looking after children.

2.2.2. Residence criteria

Council Recommendation
(9) (a) 'transparent and non-discriminatory eligibility criteria, safeguarding effective access to minimum income, regardless of the existence of permanent address, while ensuring that the length of legal residence is proportionate;'

Restrictions related to a minimum length of legal residence can limit access for non-nationals. In most Member States (e.g. BE, CZ, DK, EE, IE, EL, ES, FR, HR, IT, CY, LT, LV, LU, HU, MT, NL, AT, PL, PT, RO, SI, SK, FI, SE) it is necessary to be a legal resident, i.e. to have the Member States' nationality, an other EU nationality with legal residency, or to be a foreigner listed in the national register. In some Member States (e.g. CZ, DK, ES, FR, HR, IT, CY, LU, AT), residence is not sufficient and long-term residence is required for third country nationals, and in some cases EU citizens. This most often refers to 5 years (e.g. FR, IT, CY, LU, AT) with some additional criteria in some cases (e.g. in IT the last two years should be continuous, while in CY the 5 years have to be continuous). In the case of Spain, foreigners should be listed in the national register for at least one year. It should be noted that in some Member States, where residence tests are stringent, other benefits might be available for those who do not fulfil the criteria.

In some Member States, the level of the benefit varies according to how long the potential beneficiary has spent in the country. For instance, in Denmark it is higher for those with 9 years of residence with the last 10 years.

Granting minimum income benefits to other groups can help facilitate the exercise of their rights. Some Member States grant the benefit to asylum seekers (e.g. in MT if the person is granted a temporary humanitarian protection status), recognised refugees and/or beneficiaries of subsidiary protection (e.g. BE, BG, DE, DK EL, ES, IT, CY, LV, LU, MT, AT, NL, PL, PT, RO, SI) and/or stateless people (e.g. BE, DE, DK, ES, IT, LV, MT, NL, AT, PT, RO, SI), often with the condition of having been a resident for a certain period (ranging from 3 months in the case of BG to long-term or permanent residence in the case of HR). In other countries, these groups are supported by other means. For instance, in Poland, Slovenia, Finland and Sweden asylum seekers are supported by the immigration service rather than the minimum income scheme. Furthermore, some Member States (for instance CZ) grant the benefit to people who are there illegally under specific conditions, such as serious threat to health. Other Member States (for instance ES, HR, IT and SI) grant the requirements to foreigners with an established status of being a victim of gender violence, human trafficking or severe work exploitation.

The lack of a permanent address makes it difficult for homeless people or people living in deprived areas (e.g. in Roma settlements) to benefit from minimum income. In line with point 9(a) of the Recommendation, which refers to the fact that access to minimum income should be safeguarded regardless of the existence of a permanent address, in a number of Member States (e.g. BE, CZ, EL, ES, FR, LT, LU, LV, MT, NL, AT, RO, FI SE), homeless people are eligible under certain conditions. For instance, in Greece and the Netherlands they should be registered with municipal social services or in France the social centre should provide an address for them. In Czechia they can use the address of the town hall of the place where they are as a contact address. In Italy they must be registered with a virtual residence and can demonstrate, with the support of social services, the duration of their actual stay, instead of that of the registered residence. In some instances, their application process differs. For instance, in Greece, homeless people can only apply in person (and not digitally).

Feedback from the ground[12]

The feedback from civil society shows that the criteria can lead to unjustified exclusion. For instance, **EAPN Ireland** notes that the Habitual Residence Condition introduced in 2004 has been found to disproportionately exclude structurally disadvantaged groups such as disabled people, travellers, Roma, migrants, international protection applicants, survivors of domestic violence and people experiencing homelessness. **EAPN Poland** considers that the Act on Social Assistance imposes too restrictive residency conditions, de facto excluding individuals with short-term work permits and students.

2.2.3. Means and asset testing

Council Recommendation

(9) (b) 'means-testing thresholds that reflect the standard of living in a Member State for different types and sizes of households and take into account the other types of incomes (and assets) of the household in a proportionate way;'

In order to determine which persons are "lacking sufficient resources", all Member States conduct a means or income test. This test includes most resources, earnings and annual net income (after deduction of taxes and social contributions) of the claimant of whatever nature or origin, including all allowances provided under social legislation, unless there are exceptions. In some Member States a “basic deductible” amount is not taken into account (for instance EUR 100 in DE).

Member States usually disregard specific types of income, either in full or partly. This is, inter alia, the case of income earned by minors or students (e.g. DK, EE, MT, LT, LU, NL, PT, FI, SE), child/family benefits and/or alimony (e.g. BE, DK, IE, HR, IT, LT, LV, LU, NL, AT, PL, PT, RO, SI), other benefits from poverty and inclusion programmes (e.g. HR, IT, LU, LV, NL, SI), benefits to pay for housing, energy or food (e.g. BE, EL, HR, LT, NL, PL, PT, RO), benefits or loans due to training and study (e.g. BE, EE, EL, ES, CY, LV, NL, RO), benefits related to care or for people with disabilities (e.g. BE, EE, EL, ES, IT, CY, LV, LU, NL, AT, PT, RO, SI, SK and FI) as well as supplementary benefits for persons incapable of independent existence (e.g. PL). This can also include maternity benefits (e.g. BE, LU, FI), activation benefits (e.g. LU, FI), benefits for homeless people (e.g. EL), benefits for women victims of domestic violence (e.g. EL, ES), compensation to a victim of criminal proceedings (e.g. ES, LV), gifts (e.g. BE, NL), funds obtained from charity (e.g. BE, CY, LV, LT, LU, AT, SI), volunteer compensation (e.g. BE, NL), benefits related to crisis situations (e.g. CY, LV, AT, RO), monthly allowances granted to people actively engaged in the field of literature and arts (e.g. CY), unemployment benefits (e.g. CZ, LT, LU), schemes supporting pensioners with low incomes (e.g. CY), healthcare benefits (e.g. NL) and sickness benefits (e.g. CZ, DK). In some Member States (e.g. EE), local authorities might decide to exclude additional grants and benefits. Some Member States (e.g. LT, LV, PL) also exclude the alimony or the amount of money, which is paid by the person as maintenance for a child.

Usually, receiving minimum income benefits is compatible with work and some Member States also fully or partly disregard income from work from the means-testing, with the view to facilitate (re-)entry into work (see more in section 3.4).

In most cases, the means testing does not only define whether or not the person receives the benefit, but also the amount of the benefit they receive. Indeed, in Member States where minimum income is a so-called “top-up” benefit, if the income is more than 0, only the difference between the actual income and the maximum rate is paid. This is for instance the case in Belgium, Czech Republic, Germany, Greece, Spain, Croatia, Italy, Cyprus, Latvia, Luxembourg, Lithuania, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland and Sweden, and. On the other hand, in Denmark, Ireland, France and Hungary ([31]), it is a flat rate. In Ireland, the flat rate however depends on a means test.

Furthermore, it is essential to design assets testing in the most balanced and effective manner. As underlined by OECD (2024) (see box 4) asset tests may help prevent fraudulent claims and direct limited resources to those in greatest need, but they may also unintentionally exclude those facing

([31]) In the case of Hungary, the information provided refers to the employment substituting benefit. In the case of the benefit for people suffering from health problems or taking care of a child it is a top up, while in the case of the job-seeker aid before pension it is also a flat rate.

severe hardship who possess assets that cannot be easily monetised. Additionally, asset tests can potentially discourage applications and increase administrative burdens.

Property and other assets are also taken into account, in the eligibility conditions. Many Member States give specific attention to real estate when the applicant is the owner or beneficial owner of the property. This is the case for instance in Belgium, Czechia, Denmark, Spain, Greece, Croatia, Italy, Latvia, Luxembourg, Hungary, Malta, Austria, Portugal, Slovenia, Slovakia and Finland. For instance, in Spain, Latvia, Hungary, Malta, Austria, Slovenia, Slovakia and Finland the real estate where the person lives is not taken into account, sometimes depending on the worth of the residence (for instance in SI). It is interesting to note that in Belgium, Italy and Latvia the mortgage interest is deducted when calculating property income (provided that the mortgage debt was contracted for the claimant's own needs). In Ireland, income (e.g. rent) from property is excluded. In Denmark, the level of the benefit can be reduced in the case of real estate property, but only if it is possible to take out a loan on the property. At the same time, real estate can also be a factor of exclusion. For instance, in Cyprus if claimants and/or any members of their family units own immovable property with an estimated real estate value of more than EUR 100,000, they are not eligible for the scheme. Similarly, in Italy immovable property of a value for tax purposes (lower than the market value) higher than EUR 30 000 would lead to exclusion, once deducted the value of the main residence up to EUR 150 000. In Romania this is the case for buildings and other living spaces outside the home, as well as lands located in urban area with an area of over 1 200 m2 in the urban area and 2 500 m2 in the rural area, outside the land surrounding the house and the related yard. In Croatia secondary residences can lead to exclusion from the scheme. On the contrary, in Malta a summer residence and a garage for private use are excluded from the Capital Resources Test.

Assets-testing often covers movable assets as well. Some Member States (e.g. CZ, EL, HR, IT, LV, HU, MT, AT, RO, SI, SK) have specific provisions as regards the value of a car or exclude them from asset testing (in particular if they are needed to transport children, a mobility-impaired person or if there is no public transport available). Some Member States disregard other movable assets in their asset testing. ([32])

Some savings can also be disregarded from the assets-testing. In some Member States (CZ, DK, LV, LT, MT, NL, AT, RO, SI), some amounts of savings are excluded from the asset testing. For instance, in Denmark savings of up to approximately EUR 1 335 for a single person (double for a married couple) are disregarded. In Malta the disregard is EUR 16 000 for single persons. In Romania, the disregard is fixed at 3 times the value of the average gross salary provided by the State Social Insurance Law. In Greece, the total income earned by household members on bank deposits may not exceed EUR 4 800 for a single-person household, increased by EUR 2 400 for each additional adult and by EUR 1 200 for each child, up to an overall ceiling of EUR 14 400, multiplied by a notional interest rate set by the Bank of Greece. In Portugal,

([32]) For instance, Latvia disregards the housing furniture as well as clothes and objects at the time of the claim, and Austria excludes objects necessary to carry out an occupation or to satisfy intellectual and cultural needs and essential household items. Spain extends this exclusion to all movable assets.

the value of the movable assets (bank deposits, shares, bonds, savings certificates, participation securities and units in collective investment institutions or other financial assets) does not exceed EUR 31 350. Moreover, the Netherlands disregards savings accumulated during the period in which the benefit is received. In some Member States specific savings products are disregarded (for instance retirement savings products under private pension insurance in CZ). In other Member States (for instance in MT), a certain level of inheritance is disregarded. In Italy, starting from 2025, government bonds and postal savings certificates are excluded up to a maximum of EUR 50 000. On the other hand, Croatia excludes from eligibility those, which have a lifelong or life-care contract for life until death as a support recipient (with some exceptions).

Many Member States have a general threshold for all assets altogether. In 2023 in Germany, following the pandemic, the threshold for the head of the household was increased as during the lockdowns many people had to suddenly and unexpectedly rely on minimum income. It is now EUR 40 000 the first year and EUR 15 000 in subsequent years.

Box 4 - Insights from the OECD on assets testing ([33])

The OECD published in 2024 a 'Comparative Assessment of Asset Requirements of Minimum Income Benefit Recipients', which provides useful complementary insights and is also feeding in Part 2 of this report. Key findings include that 58 % of Member States exclude the main residence from the test, land and secondary residences typically affect eligibility or directly cause ineligibility, vehicles may affect eligibility in half of the Member States, and current bank accounts affect eligibility in most Member States (and less than savings accounts for which there are more exemptions).

A strictness indicator has been developed to compare asset-testing across some Member States. Among the limited number of Member States considered, Bulgaria is the Member State with the highest overall strictness, excluding 77 % of the sample ([34]) from the minimum income benefit due to the strict limits on main residence size. They are followed by Denmark and Estonia (46 %), Italy (31 %), Cyprus (14 %), Hungary (7 %), Ireland (5 %). However, following reforms, the level of strictness for Bulgaria dropped significantly between 2023 and 2024, from 77 % to 16 %. On the contrary, it increased slightly for Italy due to a new requirement related to the main residence.

The paper also shows that the methodology of the asset tests differs across Member States. Some calculate the total value of assets, whereas others have asset-specific thresholds. Moreover, some Member States convert assets in income amounts, whereas others have realisation requirements. In some cases, the test does not only affect eligibility but also the amount of the benefit.

([33]) OECD, Comparative Assessment of Asset Requirements of Minimum Income Benefit Recipients, November 2024.

([34]) The sample refers to the number of persons that would be eligible to minimum income benefits if there were no asset testing.

Since the adoption of the Council Recommendation, a number of Member States have adjusted their means and assets testing (or are in the process of doing so) in order to improve adequacy. Croatia adjusted its law in July 2023 and April 2025 in this regard. Greece is currently reflecting on increasing their overall assets threshold and Latvia is reflecting on making changes to their approach to means-testing. On the other hand, the Finnish minimum benefit scheme is undergoing a reform, to be implemented as of 2026, which will abolish the EUR 150 income disregards. The impact on adequacy and coverage remains to be assessed but it should be noted that less than 1/5 of beneficiaries in Finland have had disregarded income in 2024. It is more likely that the level of the benefit will slightly reduce than the number of beneficiaries.

The period of time taken into account when performing these tests differs across Member States. This varies from the situation at the time of the application, i.e. the month of application (BE, EE, HR, LU, RO, SK, FI, SE), 3 to 6 months (CZ, DE, FR, IE, LT, LV, RO, SI) to 1 year (EL, ES, IT, PT). In general, Member States that consider shorter periods are likely to better account for changes in the needs of individuals. It is however interesting to note that in Spain where the period is longer (1 year), there are specific provisions to use recent income to calculate the benefit in exceptional cases of sudden economic vulnerability but in practice it is not used often. Italy also provides the possibility that households update the means testing should the demographic-income situation suddenly change.

Feedback from the ground[12]

Civil society points to issues with the way that means-testing is organised in some Member States. For instance, **EAPN Ireland** stresses the problematic situation for people with disabilities considering that the fact that the support is assessed on the income of the household undermines the right to independent living and that the extra costs of living with a disability are ignored. **EAPN Poland** regrets the low thresholds, which has led to a paradoxical trend: while extreme poverty increases substantially in 2023, the number of people receiving the benefits decreased. **EAPN Spain** points to the complexity created by the variety of eligibility criteria (economic vulnerability, residence, cohabitation unit, special cases for independent

2.2.4. Other conditions

In addition to the eligibility criteria mentioned above, some Member States set out additional criteria, thereby further restricting access to minimum income schemes:

- In Italy, since 2024, access is limited to households in specific demographic categories (including families with minors, persons older than 60 or with disabilities and persons “in condition of disadvantage”, i.e. persons with addictions and pathologies that require health services, homeless, former inmates, young care leavers, victims of violence and trafficking). According to simulations, this is expected to reduce the number of recipient families by 40 % (35). It can also be noted that working-age individuals under the same income threshold but not falling into one of these demographic categories, can receive a fixed EUR 500 monthly benefit (*Supporto per la formazione e il lavoro*) conditional on their participation in active labour market policies, lasting 12 months (extendable for the duration of the training courses up to a maximum of a further 12 months).

- Some Member States exclude specific categories of people. This concerns for instance individuals serving a prison sentence (e.g. EL, LV, PT), convicted individuals excluded for 10 years after their final sentence (e.g. IT), and individuals in residential care (e.g. EL, LV, PT).

- In Poland, applicants are also requested to experience at least one difficult situation in addition to poverty, such as orphanhood, homelessness, unemployment, disability or illness, addiction or being in a crisis situation. Similarly, in Denmark, applicants should have experienced a change in their situation, such as unemployment, illness, end of partnership, end of education, imprisonment of partner or other events.

Feedback from the ground[12]

EAPN Italy regrets the categorical approach of the Italian scheme, considering that benefits are no longer treated as ‘essential entitlements, but rather as paternalistic and provisional supports, subject to annual budgetary changes’. **EAPN Poland** considers that the requirement to prove an additional barrier may exclude some individuals, such as those without a disability certificate or who are not officially

(35) Commission Staff Working Document ‘Country analysis on social convergence in line with the features of the Social Convergence Framework (SCF)’ (SWD(2024)132).

2.3. Ease to apply and receive the benefit

As a general rule, people should apply to receive minimum income benefits (except in some specific cases in PL where they can receive them automatically). The design of the application process, and whether it needs to be repeated at regular intervals, directly affects the coverage of the minimum income scheme, since if it is ill-designed, it can lead to non-take-up.

2.3.1. Delay in processing the application

Council Recommendation

(9)(c) 'time needed to process the application, while ensuring that the decision is issued without unnecessary delay and in practice no later than 30 days from its submission;'

Considering minimum income schemes are usually the safety net of last resort for recipients, it is important to ensure that they can access their benefit swiftly, without unnecessary delay. A large majority of Member States are in line with provision of the Council Recommendation that the decision should be issued no later than 30 days from its submission. This is however not the case in Cyprus and Hungary, where it takes up to 60 days, the Netherlands (eight weeks), Austria (3 months) and in Spain (6 months). Moreover, in Italy, the 30-day deadline is respected in only 80 % of the cases.

In some Member States where the maximum period exceeds 30 days, mechanisms are in place to ensure the benefit can be paid earlier if needed. For instance, in the Netherlands, municipalities can provide an advance if processing takes longer than four weeks. While this can help address applicant's immediate needs, it might create difficulties should the application be refused (due to the need to repay in some cases).

Setting out a legal maximum duration for the processing of the application can help (but does not necessarily) ensure the delay is respected in practice. This is the case in Bulgaria, Czechia, Spain, Croatia, Latvia, Lithuania, the Netherlands, Poland, Romania, Slovenia and Finland**.** When this is the case, some Member States set a potential additional period in the case of complex applications (like for instance in CZ and PL for an additional 30 days in those cases). In Denmark, local authorities set their own time limits. In a number of Member States (such as DE and IT), a specific timeframe is aimed for but is not set in the law. Some Member States (EE, IE, RO, FI) have particularly short average processing times (around one week or even one weekday for FI), even though this is not necessarily provided for in the law. In the case of Greece, the application is immediately processed, as the system directly informs if the application was approved or rejected.

With the view to avoid delaying the payment of the benefit, some Member States set out that it can be paid independently from the processing. For instance, in Luxembourg, provisional benefits can be paid starting the month of reception of the claim, even if the file is incomplete.

Feedback from the ground[12]

The feedback from civil society shows that rapid approval is not sufficient. **EAPN Portugal** acknowledges that applications are now approved fast but regrets that the eligibility checks take more time, sometimes leading to retroactive adjustments or even disqualifications, thereby creating debt and financial stress.

2.3.2. Continuity of access

Council Recommendation

(9) (d) 'the continuity of access to minimum income as long as persons lacking sufficient resources comply with the eligibility criteria and conditions set by law, with a regular frequency of eligibility reviews, while providing access to specific and proportionate active inclusion measures for persons who can work;'

Ensuring continuity of access to minimum income beneficiaries, contributes to improving the coverage of minimum income schemes. In all Member States, except for Italy, minimum income recipients can receive the benefit continuously, as long as they fulfil the eligibility criteria. In Italy, there is a one-month suspension of payment between renewals.

Member States vary in terms of the duration for which the benefit is granted and the frequency of the reassessments. This period is particularly short (1 month) in Czechia, Estonia, Italy, Cyprus, Luxembourg, Slovakia Finland and Sweden. Frequent reassessments are justified, as they enable to ensure that the benefit continues to reach those who fulfil the criteria. However, if badly implemented these frequent reassessments can create administrative burden, which might impact take-up rates (see section 2.4). For this reason, some Member States (such as DK, ES, IT, LV, NL, RO, SI) check (at least some) eligibility conditions based on the data processed electronically by the municipalities or other authorities. On the other hand, reassessments take place only once a year in Belgium, Spain, Malta and Hungary and only when changes are reported in Denmark, Germany, the

Netherlands, Austria and Portugal. In the case of Slovenia, reassessment usually happen every 6 months, except for those having a permanent incapacity for work, or being above the retirement age, for which it happens once a year. Some Member States (for instance LU) conduct both a monthly reassessment based on social security data and a more complete yearly one.

Box 5 – Spotlight on France

Recipients of the Activity Bonus and RSA are currently required to declare all household resources every quarter. Depending on their situation, the composition of their household, and the resources they receive, this process proves to be complex and time-consuming for most. Starting in March 2025, following a successful pilot experiment in five departments, recipients throughout France will benefit from a major innovation: automatic pre-filling of their quarterly resource declarations.

This is also meant to reduce drastically the number of errors where families, sometimes managing their budget on a day-to-day basis, suddenly have to repay large amounts over many months or even years. By limiting the number of errors or frauds, pre-filling also contributes to guaranteeing the payment of the 'right amount.' The expected higher stability of households' financial situation through pre-filling is also meant to ultimately strengthen recipients' trust in the social benefits system and make it easier for everyone to access what they are entitled to.

The differences in the Member States approaches as regards the duration for which the benefit is granted often reflect the differences in the design of the schemes. Where the benefit is a top-up, in addition to other benefits and closely tied to certain living expenses (for instance in FI), it is more likely to be granted on a monthly basis, as living expenses are not constant. This aims to avoid costly and difficult recovery procedures.

2.3.3. Complaint and appeal procedures

Council Recommendation

9 (e) ‘simple, rapid, impartial and free of charge complaint and appeal procedures, while ensuring that persons lacking sufficient resources are informed and have effective access to such procedures;’

The existence of quality, accessible and effective complaint and appeal procedures can also impact the level of coverage of minimum income schemes. While it is always possible to appeal a decision on the non-granting of minimum income in front of an administrative court, this implies costs and delays, which can strongly negatively impact the livelihood of potential benefit recipients.

Some Member States have therefore put in place simpler administrative procedures. In Bulgaria, Czechia, Denmark, Ireland, Greece, Spain, Italy, Cyprus, Latvia, the Netherlands, Portugal, Slovenia and Slovakia and Finland the appeal can be made at the administration in charge of granting the benefit. In some cases (for instance in ES and CY), the procedure is free. In some Member States (for instance in FI) it is possible to do the procedure online. In Poland, dedicated local appeal boards are in place. In a few Member States, there is also a rapid timeframe for the procedure (15 days in IE and 4 weeks in DK). Other Member States set out a maximum timeframe although it is longer (e.g. 45 days in ES, 12 weeks in NL).

Some Member States with an appeal procedure in front of an administrative court have in place measures to ensure they are in line with point 9(e) of the Council Recommendation. This is the case in Luxembourg and Romania. For instance, in Luxembourg, the appeal is made by simple petition on paper, is free of charge and does not require the involvement of a lawyer.

2.4. Addressing non-take-up

Council Recommendation

(10) 'It is recommended that Member States encourage or facilitate the full take-up of minimum income'

Addressing non-take-up is as important as designing well the eligibility criteria: the common goal is to make sure that all those in need of the benefit receive it.

The drivers behind non-take-up are numerous. They include, at the individual level, the lack of awareness of the benefit, the lack of understanding of the eligibility criteria, the difficulty to fill in the application (which can lead to unfinished applications or mistakes) and, to a lesser extent, the conscious decision not the claim the benefit if it is not perceived as helpful. At the administrative level, the hurdles include a failure to inform beneficiaries, the presence of obstacles with the view to detect fraud or the stigmatisation of claimants. The design of the scheme can also be considered as an obstacle to take-up, depending on the conditionalities associated to it ([36]). This is why the Netherlands is currently working on a reform to reduce the strictness of the rules, for instance by instating a right to make mistakes and some discretion not to apply sanctions. With the same ambition, Czechia has made efforts to simplify their scheme. An effective policy to address non-take-up would aim to address all these drivers.

([36]) Report of the Special Rapporteur on extreme poverty and human rights, Olivier De Schutter, Non-take-up of rights in the context of social protection (2022).

2.4.1. Simplifying the application procedures

Council Recommendation

(10)

(a) 'reducing administrative burden, including through simplifying the application procedures and ensuring step-by-step guidance for those who need it, while paying attention to the availability of digital and non-digital tools;'

Simplifying the application procedures can help reduce the associated administrative burden. For instance, in Finland, the application procedure has been uniformed throughout the country since 2017. Estonia is currently creating a standardised application form throughout the country. In Belgium, a new simplified form was launched in 2025. It will include comprehensible vocabulary, intuitive navigation and minimal data entry. Simplifying the administrative procedure was also one of the objectives of the *'Territoires Zero Non Recours'* ('Zero Non-Take up Territories') experiment in France, aimed at combating non-take up of social rights.

In addition, procedures can be simplified by reducing the amount of information asked. In Slovenia benefit eligibility and renewal is based on registry data automatically gathered from different databases into a comprehensive information system. In Estonia a project is ongoing to assess benefit eligibility based on registry data, automatically gathering the information from different databases. Malta uses administrative data from social security systems to identify eligible households to different benefits ensuring that the data sources are interconnected and systematically used. In cases where specific data is unavailable, income levels serve as a proxy for identifying those in need. In France, as mentioned in subsection 2.3.2., since March 2025, the quarterly resource declarations are automatically pre-filled.

Facilitating communication between employment services, social services, other providers of enabling services and those disbursing minimum income benefits can also help simplify application procedures (see elements in section 6.1).

Administration of the benefits and services provision should take advantage of the tools offered by digital transition, while avoiding exclusion due to digital divide. In most Member States (BG, CZ, DE, DK, EE, EL, ES, FR, HR, IT, CY, LV, LT, MT, NL, PL, PT, RO, SI, SK, FI, SE), the application can me made both digitally (sometimes by email, for instance in CZ, HR, LU) and in person, thereby facilitating the application process, and catering for both digitally literate people and those without digital skills. In some Member States (for instance in PL and FI), it is also possible to submit an application by phone call. Some Member States are in the process of making an online digital application possible (for instance, a digital application was launched in BE and a RRF project is supporting this in HR).

Not offering the choice between online and in person applications might discourage potential beneficiaries from applying, thereby impacting the level of take-up. In Luxembourg the application can only be made in person. This means that some potential beneficiaries might refrain from applying due to accessibility issues or fear of stigmatisation. This raises concerns for those without sufficient digital skills, those living in remote areas with difficult access to internet and those unable to afford internet. The Commission Report on access to essential services ([37]) showed that 9 % of the EU population still did not have access to internet at home in 2022 and that, for 2.4 % of the EU population, this was due to affordability issues.

Granting the benefit automatically, without the need to apply is also a tool to address non-take-up. As mentioned above, in Poland, this is the case in some situations.

([37]) Report on access to essential services in the EU: Commission staff working document, 2024.

Feedback from the ground[12,13]

Despite the efforts reflected above, the **Caritas Europe Survey** shows that administrative complexity emerged as a challenge in 75 % of the surveyed countries. **Caritas Cyprus**, **Czech Republic** and **Malta** referred specifically to issues related to documentation requirements and bureaucratic delays. Moreover, **Caritas Germany** considered that the complexity of the application process can deter many applicants. **EAPN Poland** refers to a mixed picture as regards administrative burden. On the positive side, they note, inter alia, that third-party applications and self-declaration for many documents are permitted, that emergency assistance is available and that authorities can collect information from other institutions directly. On the negative side, the mandatory family interview is considered to represent an important burden, as well as the need for its regular updates.

The feedback from civil society also highlights that automation or digitalisation may lead to bottlenecks if not well implemented. For instance, while **EAPN Portugal** considers that

2.4.2. Ensuring access to information

Council Recommendation

(10) (b) 'ensuring access to user-friendly, free of charge, and updated information on rights and obligations related to minimum income'

Scattered, unclear or lack of information negatively impacts take-up. A number of Member States have recently facilitated access to information for applicants. In Malta, a telephone-based and internet-based one-stop service provides information and assistance as regards all benefits and public services. In Cyprus, since March 2023, a dedicated call centre is fully operational. Approximately 2 500 applicants are taken care weekly, ensuring access to user friendly, free of charge and updated information on rights and obligations related to the minimum income scheme. This call centre is complemented by 8 Welfare Benefits Service Points, established since May 2022 to provide information in person. Similarly, in Spain, the 020-phone number is a new, free helpline established by the Spanish Ministry of Inclusion, Social Security, and Migration to assist potential minimum income beneficiaries by offering personalised advice on requirements, application processes, necessary documentation, and other related procedures.

Online tools can also support access to information, for those with access to internet and sufficient digital skills. In Finland, an online calculator is available to assess the right to social assistance and other benefits. In Luxembourg, an online calculator was established in 2023, allowing also to calculate the impact of additional income from work. The Spanish online calculator helps both to calculate the benefit itself and the impact of additional income from work. In Belgium, a new online tool was launched in 2025 with the view to facilitate the first contact between potential beneficiaries and the Public Centre for Social Welfare. The tool allows people to apply online, in complete discretion, which encourages those who are afraid to come to claim their rights.

2.4.3. Reaching out to potential beneficiaries and combating stigmatisation

Council Recommendation

(10)

(c) 'reaching out to persons that lack sufficient resources to raise their awareness and facilitate the take-up, particularly of single-parent households, including through involving relevant stakeholders at national, regional and local level;

(d) taking steps to combat stigmatisation and unconscious bias attached to poverty and social exclusion;'

Reaching out to persons that lack sufficient resources is necessary to address non-take-up. As mentioned above, some Member States, like Malta, use administrative data to identify eligible households. The French project '*Territoires Zero Non Recours*' ('Zero Non-Take up Territories') mentioned above also aims at reaching out to people who are furthest from the institutions, by providing them with the necessary information and support tailored to their needs.

Box 6 - Insights from the 2024 thematic review on "Hidden potential - People outside of the labour force in the context of labour and skill shortages in the EU" (38)

A survey of Public Employment Services (PES) conducted in the context of the Commission 2024 thematic review on people outside of the labour force shows that in most Member States PES play a role in reaching out to groups of persons outside of the labour force. This is either part of their strategies or key activities (in AT, BE FL, CY, DE, EL, HR, FR, IE and MT) or done in cooperation with other governmental or non-governmental bodies (in AT, BE, BG, CY, EE, FI, FR, HR, IE, LT, LV, MT, NL, PL, PT and SI). However, according to this survey, only 4 PES (AT BE-NL, IE, PT) specifically reach out to social benefit recipients (39). The survey did not investigate whether these outreach activities have contributed to improve the take-up of minimum income benefits.

Communication campaigns can also help raising awareness. Luxembourg put forward such a campaign in 2024 with video material and leaflets in 8 languages. Awareness campaigns were also carried out recently in Austria and Czechia. In Spain, a proactive search for potential beneficiaries of the benefit was carried out, through the design of an informational IMV bus route. This bus travelled through 44 Spanish localities over five months in 2022 and 2023.

(38) European Centre of Expertise (ECE) in the field of employment and labour market policies, Thematic Review 2024: Hidden potential - People outside of the labour force in the context of labour and skill shortages in the EU, Summary of responses to a survey of Public Employment Services (PES), September 2024.

(39) This survey data should be complemented with additional qualitative information. For instance, in Cyprus the PES also propose targeted activities for minimum income benefit recipients.

Feedback from the ground[12]

Despite the efforts reflected above, civil society reports on important issues related to stigma and bias against people experiencing poverty. For instance, **EAPN Italy** considers there has been a growing loss of understanding about the reality faced by these people, often now being blamed for their own circumstances, and that this can lead to a fear from people experiencing poverty to use their right to access minimum income. **EAPN Poland** regrets that the Act on Social Assistance lacks explicit provisions aimed at combating stigmatisation even though it welcomes that the Act emphasises the respect for human dignity and requires social workers to counteract discriminatory practices, among other points.

2.4.4. Assessing the level of non-take-up

Council Recommendation

(10) (e) 'taking steps to improve or develop evaluation methodologies and assessing regularly the non-take-up of minimum income according to such methodologies and, where applicable, related labour market activation measures, identifying the barriers and putting remedial actions into place.'

Regular monitoring and analysis of relevant data can help understand the causes of non-take-up and improve policy responses. Despite point10(e) of the Council Recommendation, very few Member States regularly assess the level of non-take up of minimum income benefits. Spain is one of the few countries with yearly estimates. They are based on tax agency information as well as yearly census data coming from the Spanish Statistics Institute. According to more or less recent estimates, the level of non-take-up would range from 20 % in Czechia, 30 % in Austria and 33 % in

France, 37 % in the Netherlands and 38.5 % in Greece to 44 % in Spain and between 37 and 51% in Belgium. It should be noted that other available estimates point to an even higher level of non- take-up (see box 7).

Considering the difficulty to measure non-take up, evaluations often provide a range, with results sometimes depending on methods used. In Lithuania, a 2022 study showed that it can vary between 27 and 49 %. In Belgium, a 2022 study showed that non-take-up would be situated between 37 and 51 %.

The level of non-take up might also depend on the period over which the non-take up is measured. In France, a recent evaluation showed that one third of eligible households do not take up the minimum income benefit on average each quarter and a fifth on a longer-term basis.

Conducting such evaluations at regular intervals, preferably using the same methodology, can help assess the effectiveness of reforms. In Austria, a study from 2019/2020 showed that the national average non-take up declined from 51 % in 2009 and 30 % in 2015.

Box 7 – Available literature on the levels of non take-up of minimum income benefits

Estimating non-take-up is complex, implying that the extent of the phenomenon is best captured thanks to multiple assumptions and estimation settings (e.g. complementing national survey data with administrative records, when possible). The below table reflects the estimate level in the available literature.

Country	Benefit	Year	Magnitude	Reference
Belgium	Guaranteed income (*leefloon/revenu d'intégration*)	2005 2019 2018-2021	57 % - 76 % 37% - 51% 44.6 % - 47.4 %	Bouckaert and Schokkaert, 2011 Goedemé et al., 2022 Ansaloni et al, 2024
Bulgaria	Guaranteed minimum income (*месечна помощ за отглеждане на деме до завършване на 18 години*)	2007	41.1 % - 68.5 %	Tasseva, 2012
Czechia	Material need benefit (*sociální dávky hmotné nouze*)	2010–2011	72 %	Horáková et al, 2013
Germany	All studies except Harnisch 2019: Basic income support for jobseekers; (Grundsicherung für Arbeitsuchende) and basic needs assistance in old age and in the event of reduced earning capacity (Grundsicherung im Alter und bei Erwerbsminderung) Harnisch 2019: Basic income support for jobseekers; (Grundsicherung für Arbeitsuchende)	2007 2008 2005-2014 2008-2013	34.8 % - 41.5 % 41.7 % - 50. % 33.8 % - 43. % 42 % - 71 % 37 %	Becker, 2012 Bruckmeier and Wiemers, 2012 Bruckmeier et al, 2013 Harnisch, 2019
Spain	Minimum living income (*Ingreso Minimo Vital*)	2022	58 %	EAPN-Spain, 2024
France	Active solidarity income (*revenu de solidarité active*, RSA)	2010 2018	36-38 % 34 %	Domingo and Pucci, 2014 Hannafi, Le Gall, Omalek, Marc, 2022
Italy	Citizenship Income (*RDC*)	2019 2021	53 % 38.5 %	Ansaloni et al, 2024 Ansaloni et al, 2024
Luxembourg	Minimum guaranteed income (revenu minimum garanti)	2007	59 %–71 %	Amétépé, 2012
Hungary	Regular social assistance (*rendszeres szociális segély*)	2003	43 %–45 %	Firle and Szabó, 2007
The Netherlands	Supplementary minimum income (*aanvullende bijstand*)	2003	68 %	Wildeboer Schut and Hoff, 2007
Austria	Subsistence support (*Hilfe zur Sicherung des Lebensunterhalts*)	2003 2015	49 % - 62 % 30 %	Fuchs, 2007 Fuchs et al, 2020
Portugal	Minimum guaranteed income (*RMG*) Portugal Social Integration Income (RSI)	2001 2006	72 % 35 %	Rodrigues, 2008 Rodrigues, 2009

Slovakia	Benefit in Material Need (*pomoc v hmotnej núdzi*)	2009	79 %	World Bank, 2011
Finland	Social assistance (*toimeentulotuki*)	2017	33 %	Tervola et al, 2022

Source: Eurofound (2015), Eurofound (2024), Ansaloni et al. (2024).

EU-SILC can also be used to elaborate some rough estimates of the non-take-up rate across Member States. However, this presents some limitations. One caveat is that it is not possible to strictly isolate recipient of minimum income benefits in SILC data so that external administrative data may actually be used instead. Another caveat is that SILC data doesn't contain information on assets (or related to other possible eligibility rules), putting limitations on the estimation of the size of the eligible population to minimum income benefits. Work is ongoing to compute such estimates, which could be complementary to the ones presented above.

2.5. Conclusions

In most Member States the design of eligibility rules should a priori ensure a proper coverage of people in need. However, in some Member States there is room for significant improvements and many more efforts are needed to ensure that all those in need can effectively access the rights they are entitled to.

In terms of age and residence eligibility criteria, most Member States set out transparent and non-discriminatory provisions. At the same time, as regards means and asset testing, the heterogeneity of Member States' practice and the strong variations in the benefit recipient rate point to scope for mutual learning and further improvements in the design of the means and assets-testing. It should be noted that in Italy, a recent reform has significantly negatively impacted the coverage of the scheme by focusing on specific groups – contrary to the aims of the Recommendation - even though a complementary benefit, conditional on participation in the labour market, was also introduced.

Addressing non-take up should remain a priority across all Member States. The high level of non-take-up in the EU (ranging from around 20 to 50 % in some Member States) affects the effectiveness of minimum income schemes. Since the adoption of the Recommendation, several Member States have implemented measures to address non-take-up, in particular by simplifying application procedures, facilitating access to information and reaching out to potential beneficiaries. However, these remain a minority. Moreover, those measures do not necessarily address all the drivers of non-take-up and only a few Member States regularly monitor non-take-up.

Table 5 –Implementation of some provisions of the Council Recommendation on coverage and take-up

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU (40)	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
Transparent and non-discriminatory eligibility criteria (9a) (*)																											
Application granting < 30 days (9c) (**)																											
Rapid complaint and appeal procedures (9e) (***)																											
Existence of national data on non-take-up (10e) (****)																											

Note - The above table reflects a qualitative assessment of the implementation of some of the provisions the Council Recommendation regarding coverage and take-up, across Member States.
(*) Green = Member State has transparent and non-discriminatory age and residence criteria ([41]); Orange = Member State's age and resident criteria are transparent and somewhat discriminatory; Red = Member State's age and residence criteria are not transparent or very discriminatory or covering only a selected number of groups.
(**) Green = The law or a procedure sets out that the application granting should take less than 30 days; Orange = It is usual practice that the application procedure takes less than 30 days; Red = There is no time limit for the application procedure, or the limit is set at more than 30 days.
(***) Green = There are rapid procedures in place (maximum 30 days); Orange = A procedure is in place, but it takes more than 30 days or there is no foreseen timeframe.
(****) Green = There is recent national data on the non-take-up of minimum income benefits; Orange = There is data on the non-take-up of minimum income benefits, but it is not recent; Red = There is no data on the non-take up of minimum income benefits.

Description of the table:
-for Transparent and non-discriminatory eligibility criteria (9a): the Member States shown in green are all the other Member States not shown in orange or red. The Member States shown in orange are: ES, FR, CY, LU, AT .The Member States shown in red are: IT.
-for Application granting < 30 days (9c): the Member States shown in green are all the other Member States not shown in orange or red. The Member States shown in orange are: DE, EE, IE, FR, IT, PT, SI, SE .The Member States shown in red are: ES, CY, HU, NL, AT .
-for Rapid complaint and appeal procedures (9e): the Member States shown in green are DK, IE, HR, LV, PT, RO. The other Member States are shown in orange.
-for Existence of national data on non-take-up (10e): the Member States shown in green are BE, CZ, EL, ES, FR, LT, HU, NL. The Member States shown in orange are: AT. The Member States shown in red are all the other Member States not shown in green or orange.

([40]) The information provided refers to the employment substituting benefit and the benefit for people suffering from health problems or taking care of a child.
([41]) The row does not cover means and asset testing. It should be noted that in some Member States, where eligibility criteria are stringent, other benefits might be available for those who do not fulfil the criteria.

3. Access to inclusive labour markets

Strengthening inclusive labour markets accessible for all is important in mitigating long-term dependence on income support. This Chapter looks into how Member States support minimum income recipients' access to the labour market, to what extent activation criteria are gradual and proportionate, the types of activation measures offered to minimum income benefit recipients and how they encourage labour market participation by offering the possibility of combining income support with work. These measures reinforce each other, while contributing to building a sustained return to employment.

3.1. Increased emphasis on access to the labour market

Council Recommendation

(11) 'With a view to promoting high employment rates and inclusive labour markets, it is recommended that Member States, where relevant in cooperation with social partners, ensure labour market activation, remove barriers to (re)enter and remain in employment, support those who can work in their pathways to quality employment, ensure incentives to work, tackle in-work poverty and labour market segmentation, incentivise formal employment, fight undeclared work and facilitate working opportunities'

The fostering of labour market participation is a long-term trend characterising minimum income schemes. As is already clear from the examples presented below, the focus on labour market participation is on the rise, and various kinds of activation requirements and incentives aimed at promoting recipients' labour market participation are in place in Member States or have been introduced/reinforced through recent reforms.

Public Employment Services (PES) are major actors in supporting minimum income recipients. The organisation, extent, coverage and quality of activation measures vary significantly between Member States, depending on national arrangements. Further, in many Member States both PES and social assistance authorities are involved in coordinating offers. However, in practice, the scope of cooperation, its depth and coverage vary.

Since the adoption of the Council Recommendation, links between minimum income schemes and activation have been strengthened. In all Member States, the receipt of minimum income benefits by those who are able to work has been made conditional on the compulsory registration with the PES and participation in activation measures. In many cases, the receipt of benefit payments has been made subject to a contract with the PES requiring the recipient to actively seek employment or follow a programme of activity to prepare for employment. Member States have also intensified outreach providing information to non-registered individuals on the support available and encouraging their registration (see section 2.4 on measures to improve take-up). In some countries, not only the main recipient of the benefit must register with the PES and participate in activation measures, but also all adult members of the household (EL, FR, CY, LU, PT, FI,) who are available to work or those with parental responsibilities (IT). This comprehensive approach to labour market integration makes it possible to take not only the individual's but also the household's perspective into account. Some categories of beneficiaries – those temporarily or permanently unavailable for work - are exempted from compulsory registration and/or activation, e.g. people with caring obligations or single parents, with long-term health issues or disability, people in the education system or those close to retirement.

Several Member States have reinforced the activation role of minimum income schemes even further. Since January 2024, the French PES system *'Pôle Emploi'* has been progressively replaced by *'France Travail'*. This new system is expected to enhance the coordination of PES actors and improve the guidance and support for job seekers. The new law introduced stricter conditions for receiving minimum income benefit *(Revenu de Solidarité Active - RSA*), including automatic enrolment with the PES and participation in mandatory integration activities of at least 15 hours per week (gradually phasing in with some exceptions). It is expected that around 1.2 million of minimum income recipients will enter the PES registers. Italy has taken important steps in strengthening the activation dimension of the inclusion allowance (*Assegno di Inclusione - ADI).* The Support for Training and Employment (*SFL*) measure introduced compulsory registration with the PES and participation in personalised activation pathways. This new framework is fully integrated with a digital platform operated by the Ministry of Employment and Social Policy, which facilitates coordinated case management between the PES, social services, and training providers. Since January 2024, in Romania the minimum inclusion income is conditional on the registration of the beneficiaries with the PES and by their availability to participate in active labour market measures and acceptance of jobs offered. Poland, in accordance with the law on the labour market and employment services, job placement and career counselling is provided to the unemployed, job seekers and persons not registered in PES, including economically inactive persons. PES tasks include outreach activities encouraging registration and intensified activation measures.

3.2. Targeting active labour market measures at the needs of minimum income beneficiaries

Once registered with the PES, minimum income recipients can be offered measures, which facilitate their integration into the labour market. There is a wide-spread recognition that people on social benefits need more individualised support, tailored to their needs, than those closer to the labour market. From the PES side, this requires a combination of different active labour market policy (ALMP) measures, as well as cooperation with other institutions, as other types of services and measures might be needed to tackle broader barriers to social and employment integration.

However, as shown below, the extent to which this is implemented in practice varies considerably across Member States. Some groups of countries provide very well developed and personalised active labour market measures, while others have some elements of tailored support but also some gaps. This is mainly due to fragmented design or regional disparities in service provision.

In general, all categories of ALMP measures are potentially available to minimum income recipients if registered with the PES- starting from assessment, counselling, careers guidance, mediation / job-brokerage, etc. Recipients can also benefit from training or retraining, supported employment, direct job creation or start-up incentives. However, it should be noted that available data on the number of social assistance recipients who participate in ALMP measures, and data on their effectiveness, is very limited.

More than two-thirds of the PES offer the recipients of minimum income a more tailored support than the regular unemployed. This is for instance the case in Belgium, Bulgaria, Czechia, Denmark, Germany, Ireland, Greece, France, Croatia, Italy, Cyprus, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia and Finland. In these countries, the recipients are often classified as "vulnerable groups" which can refer to the long-term unemployed, people with health issues, the low-skilled or people with a migrant background who are in a vulnerable situations. The differences are most pronounced in relation to needs-assessments which goes beyond the employability dimension; the frequency and nature of contact; and the offering of tailored support or other services. Overall, those belonging to the vulnerable groups tend to be counselled more frequently than the regular unemployed, and they are also able to access different services (e.g. motivational counselling).

Box 8 – using AI to support job matching of minimum income beneficiaries in Belgium and Greece

Since 2024, the OECD has been working with the authorities of Belgium and Greece to strengthen their capacity to develop digital solutions to support the job matching of vulnerable groups, particularly minimum income beneficiaries. Such digital solutions can be used for example by job counsellors and social workers, as well as the beneficiaries themselves to guide job search, helping to shorten the duration of unemployment and leading to more sustainable, higher-quality career paths and improved social inclusion. In addition, the project will explore opportunities for using AI technologies to increase the performance of such digital solutions while minimising the associated risks. It will address the need for inclusive, sustainable, citizen-centric AI development, not only to transform the economy but also to tackle societal challenges like gender inequalities and the digital divide. The project is financed with the EU's Technical Support Instrument and will run for 2 years.

Several Member States are more likely to place minimum income recipients on 'standard' activation measures. This is the case for instance in Estonia, Spain, Latvia, Austria, Finland and Sweden. It can be partially explained by an assumption that regular interventions tackling unemployment will also be effective for unemployed minimum income recipients. However, there is broad evidence pointing out that those who have been unemployed for long periods are increasingly difficult to support. They often need more dedicated, and more expensive measures (notably access to social services and individualised support) to address complex needs. For instance, in Sweden, evaluations of standard local labour marker activation programmes report weak effects on employability and self-sufficiency. In a similar vein, in a number of Member States where access to minimum income benefits (and sometimes unemployment benefits) can be made conditional on participation in public or community work programmes (e.g. BG, CZ, EE, IE, EL, HR, LU, HU, PL, RO, SK). The evidence suggests ([42]) that these programmes can be ineffective in facilitating sustainable labour market integration if tailored support is lacking.

Box 9 – Conclusions from the joint meeting of the Minimum Income Network (MINET) and the Advisors to the European PES Affairs

A joint meeting between the Minimum Income Network (MINET) and the Advisors to the European PES Affairs (AFEPAs) took place in March 2025 to discuss and exchange practices related to activating groups outside the labour market. The conversation highlighted that PES usually don't have a specific obligation to provide services to individuals who are not part of the workforce, but this is becoming a growing concern. The discussion highlighted the importance of being realistic about the potential of individuals outside the workforce and acknowledging the barriers that prevent them from working. The meeting highlighted the trend for more intensive and tailored support, which often necessitates partnerships with the non-governmental organisations, municipalities, and other actors. Two key challenges were identified during the meeting: supporting new groups that require intensive support and managing PES resources to support new client groups. The importance of monitoring, evaluation, and building evidence was brought out, highlighting the importance of demonstrating the cost of non-intervention.

Since the adoption of the Council Recommendation, many Member States have adopted targeted measures to address vulnerable groups. These measures are expected to deliver comprehensive support as they aim to ensure that beneficiaries are offered not only a standardised offer, but also follow-up measures including through up-skilling and reskilling. In early 2023, Germany introduced Citizen's Benefit (*Bürgergeld*) replacing Unemployment Benefit II *(Arbeitslosengeld II*). The reform, aims to enable people in receipt of benefits to concentrate more on improving their qualifications, accessing further training and finding a sustained job. Skills development is incentivised by training bonuses and allowances. However, in 2024, one newly introduced bonus - for participating in shorter training courses - was abolished. In Romania, the Case Management project, launched in 2023, introduced new profiling procedures for jobseekers, enabling more targeted support, which already benefited over 500 000 individuals. In the context of the new Strategy on Active Labour Market Policies 2023-2025, Cyprus aims to improve participation in activation measures, especially by vulnerable groups, and the administrative efficiency of PES. Since 2024, Luxembourg has been implementing measures (partially financed by the European Social Fund Plus), that provide new support to minimum income recipients, such as job-oriented language courses and specific training courses targeted to the recipients' needs. In Greece, minimum income beneficiaries have been

([42]) "Do public works programs have sustained impact?". A review of experimental studies from LMICs, Policy research working aper, World Bank 2023.

designated a 'priority group' for some measures (vocational training, public work and internship schemes, hiring subsidies). The Walloon region in Belgium implements the project '*Territoires zéro chômeurs de longue durée'*, inspired by a similar project originally launched in France, aiming to decrease the number of long-term unemployed and provide additional job opportunities in specific areas. Slovakia strengthened their individualised and comprehensive approach to the most vulnerable groups by focusing on professional counselling and supporting skills for the labour market. In 2023, Italy introduced the Support for Training and Employment (S*upporto per la formazione e il lavoro*). This monthly benefit for low-income people of working age who meet the income threshold for the minimum income scheme (*Assegno di Inclusione*) but do not fall into the eligible categories is conditional upon participation in measures such as training, job placement activities, vocational training and retraining, or community-based employment. Beneficiaries can receive a fixed EUR 500 monthly benefit for the duration of their participation in ALMP measures, for a maximum of 12 months (extendable for the duration of the training courses up to a maximum of further 12 months), incentivising skills development and re-entry into the workforce.

Feedback from the ground[12]

Civil society associations point to instances where activation measures might not lead to the expected results. For instance, **EAPN Poland** considers that the Social Useful Work (PSU) programmes, which involved up to 10 hours of community work per week for a modest allowance, may unintentionally hinder employment prospects due to stigmatisation or decrease motivation to seek paid work. **EAPN Portugal** considers that trainings often fail to match people's needs and local employment and point out the lack of comprehensive evaluation of their effectiveness.

3.3. Gradual and proportionate activation criteria

Council Recommendation

(11) (a) 'Ensuring that activation requirements provide sufficient incentives to (re)enter the labour market, while being gradual and proportionate; particular attention should be paid to young adults to direct them back into education, training or the labour market within the shortest time possible'

In all Member States, benefit conditionality rules include the possibility of sanctions when claimants do not comply with the activation criteria. In general, sanctions are intended to promote compliance with work search conditions or similar activities and hence support the return to employment. That said, very demanding activation conditionalities should be treated with caution. Evidence suggests that while sanctions can speed up employment uptake, transitions then often occur to low-quality, temporary employment, creating a revolving-door effect back into benefit receipt.[43]

The strictness of sanctions varies across Member States. More than a half of countries apply strict sanctions, whereby beneficiaries must accept any job offer, even if it is short-term, low-quality or not corresponding to their skills. This also often involves termination, or suspension, of minimum income benefit and sometimes deregistration from the PES. In few countries sanctions are moderate, meaning that benefit recipients have to accept suitable work, and benefits can be temporary reduced or suspended. The remaining Member States apply gradual and proportionate sanctions, where warnings are followed by a progressive reduction of the benefit for a certain period, but rarely by suspension or withdrawal. However, having the administrative ability to impose sanctions is a challenge in many countries and they are rarely (e.g. in CZ, EL and HU), or never (ES) enforced. They are typically imposed on 1 % to 6 % of benefit recipients annually ([44]).

Table 6: Activation requirements for minimum income recipients

Activation requirements			Strictness of activation requirements		
	Mandatory registration with the PES for those able to work	Mandatory participation in activation measures	Strict	Moderate	Gradual and proportionate
Member States	All Member States	All Member States	BG, CZ, EL, HR, LV, LT, HU, MT, PL, PT, RO, SE	DK, EE, ES, IT, CY, NL, SI, SK	BE, DE, IE, FR, LU, AT, FI

(43) "Persistent or temporary? Effects of social assistance benefit sanctions on employment quality", Markus A. Wolf, Socio-Economic Review 2024.
(44) Social protection 2.0: Unemployment and minimum income benefits, Eurofound 2024.

Box 10 – OECD data base on the strictness of activation conditions

The OECD database examining the strictness of activation requirements for benefit recipients includes data on second lower-tier benefits (such as social assistance) in select countries. It provides indicators, or scores, across various dimensions of activation requirements: (i) availability and participation in activation measures, (ii) job search requirements, and (iii) obligations and sanction regimes for non-compliance. These dimension scores are combined to produce an overall strictness score, ranging from 1 (least strict) to 5 (most strict).

For second lower-tier benefits (social assistance), results are available for Austria, Estonia, Finland, Greece, Portugal, Spain, and Sweden. Estonia (with a score of 3.44) and Portugal (3.17) exhibit the highest overall strictness, followed by Austria (2.89), Finland (2.75), and Spain (2.67). Sweden (2.33) and Greece (1.92) present the lowest strictness.

Regarding specific dimensions of activation requirements, Estonia and Sweden rank as the strictest in terms of availability and participation in activation measures, while Spain and Finland are the least strict. Austria and Finland have the most rigorous job search requirements, while Spain and Portugal have the least strict. Concerning sanction regimes for non-compliance, Portugal and Spain are the strictest, whereas Sweden and Greece are the least strict.

Despite the call of the Council Recommendation for gradual and proportionate activation requirements, in several Member States they have become stricter**.** In Romania, as of 2024, minimum income recipients who are capable of work lose their benefits if they twice refuse municipal seasonal employment requests. In Germany, a year after introducing the Citizen's Benefit, sanctions have been tightened by introducing the possibility to suspend the benefit up to 2 months for turning down a suitable and concrete job multiple times (previously, only a reduction of up to 30 % was possible). Finland is reforming its social assistance system with the aim of increasing incentives to work, including by clarifying the obligation of applicants to apply for primary benefits and register as unemployed jobseekers and setting out stronger sanctioning for failure to apply for primary benefits.

On the other hand, three Member States have been applying lighter sanctions or plan to relax them soon. In Bulgaria, as of January 2024, the previous de-registration period from the PES for not adhering to activation requirements has been reduced from 6 to 3 months. In France, the new RSA reform mentioned earlier introduced stricter activation requirements for job searches. However, it also emphasised considering the beneficiary's overall situation prior to imposing sanctions. While benefit payments can be suspended in certain situations, there is a stronger focus on empowering individuals. In Croatia, the 2025 amendments to the Social Welfare Act have broadened the justifications for not responding to a call for community service. Now, individuals can be excused if their current health condition prevents them from responding or if they are simultaneously receiving social mentoring services. The Netherlands plans to revise the Law on enforcement of social security with a view to harmonising at national level sanctions for minimum income recipients with other sanctions and making them more gradual.

Feedback from the ground[12]

Civil society associations often consider that the way the activation criteria are defined can create barriers to employment. For instance, **EAPN Ireland** notes that the current system based on days worked rather than hours might disqualify someone working four one-hour shifts per week, while someone working 21 hours over three days would be eligible, considering this does not reflect modern employment patterns. *[NB: This refers to the Jobseekers Allowance (JA)]*

3.4. Financial incentives

3.4.1 Combining income support with income from work

Council Recommendation

(11) (e) 'Providing for the possibility to combine income support with earnings from work, a progressive phasing out of income support or retaining the right to income support during short or sporadic work, probation periods or traineeships;'

Minimum income benefits are usually well below the level of income that could be earned in employment and the minimum wage. This in general implies that moving from benefit dependency to employment should pay off. However, the combination of income taxes and benefit reductions may mean that the recipients' net income is only marginally higher when in work than when receiving the benefit. The problem may be compounded by the minimum income benefit being a "passport" to access other allowances or services, such as housing allowance, free childcare or free public transport. Losing the benefit can then have a cascade effect as access to these allowances or services can be withdrawn. The combined result may be that the beneficiaries may be better-off on benefit than in work, at least when working hours are relatively low.

In all but one Member States minimum income schemes have incorporated financial incentives to take up employment or increase working hours. All countries, except Hungary ([45]), make use of at least one mechanism to ensure work incentives and many Member States deploy more than one. The financial incentives used by Member States are diverse but can be grouped into three broad categories:

- earnings disregards excluding part of the income earned from work from the household income when calculating the amount of minimum income benefit;
- gradual tapering of the benefit where the benefit continues to be paid, in full or in part, for a fixed period after starting work;
- in-work benefits additionally granted specifically to persons in employment with low wages.

Earnings disregards are the most frequent type of financial incentive. They are present in 20 Member States. There are, however, considerable differences in how disregards are applied in practice. A first key distinction can be made between disregards that are applied universally without time limit and those that are applied temporarily for a given period after the take up of work. Universal earnings disregards are applied in 14 Member States (BE, CZ, DK, DE, IE, EL, EE, IT, CY, LT, LU, RO, SK and FI). In 11 of them, the disregards are set as a fixed percentage/sum of earned income (e.g. in CZ, DE, IE, EL, EE, IT, CY, LT, LU, RO, SK), while in 3, they are set as a fixed amount per hour (DK), month (FI), or year (BE). Temporary disregards are used in 6 Member States (ES, LV, NL, AT, PT, SE). The duration ranges from 3 months in Latvia, to 6 months in the Netherlands, 12 months in Austria, Spain and Portugal and up to 2 years in Sweden (for individuals that have received social assistance for a period of 6 consecutive months). aInterestingly, in the Netherlands, single parents and persons with a partial work disability can have an extended period of earning disregards, but the maximum allowed amount will be reduced from 25 % of the net income to 15 %. However, the draft new legislation proposes to disregard 15 % of income from work for a period of 12 months, which can be extended each year by the municipality. Disability or single parent status will not be a factor in the new threshold, which will be universal.

Gradual tapering of the benefit is also quite common. It is present in 10 Member States (BE, BG, EE, EL, HR, LT, MT PL, RO and FI). The overall duration of continuation of the benefit varies from 2 months in Poland to 3 years in Malta. In addition, the proportion of the previous minimum income benefit that continues to be granted while being in employment varies – from the full amount (BG, EL, PL, RO) to an amount that is reduced over time (HR, LT, MT) or proportionally depending on the earned income (FI).

([45]) However, in Hungary income from simplified employment in certain positions is possible, which results in additional income for recipients.

In-work benefits are the least frequent financial incentive used in 4 Member States (DE, IE for recipients with children, FR and SI). The other countries also use other forms of financial incentives, as shown below.

Table 7: All but one Member State introduced financial incentives for minimum income benefit recipients to take up (more) work

Financial incentives	Member States
Earnings disregards	LV (3 months), NL (6 months), ES (12 months), AT (12 months) PT (12 months), SE (up to 2 years), BE, DE, CZ, DK, EE, IE, EL, IT, CY, LU, LT, RO, SK, FI
Gradual tapering (phasing out of benefits)	PL (2 months), BG (3 months), HR (3 months), EL (6 months), RO (6 months), LT (12 months), MT (3 years), EE, FI
In-work benefits/allowances	DE, IE (recipients with children), FR, SI

As shown below through the examples of reforms implemented by Member States, there is a clear trend towards stronger financial incentives, making work pay and thereby helping to encourage the take-up of work. However, the extent of incentives varies. The arrangements in Malta, which allow minimum income benefits to be continued for up to three years, albeit reducing its proportion over time, can be seen as the most extensive. Other countries have fewer substantial arrangements in place, or their work incentives schemes have some limitations. These include:

- Low incentives to increase working time or wages – there are several cases where minimum income recipients in part-time work see little increase in their net income should they increase their working hours. This includes for instance cases where income disregards are set as a fixed amount per month or year (BE, FI, SI) or where income earned by family members is disregarded before establishing the right to minimum income (RO).
- Lack of sufficiently long-term incentives to work – in the case of temporary income disregards and temporary continuation of benefits, the incentive to remain in employment for those in part-time and/or low-paid jobs potentially disappears once the tapering arrangement ends. Longer duration disregards/continuation may provide time for those entering low-paid part-time employment to use it as a stepping-stone to move into a job

with more hours and better pay. Shorter durations may not provide sufficient time for this progression. This is for instance the case in Bulgaria, Latvia, the Netherlands, Poland and Sweden.

- Limited incentives for certain types of households – the impact of tapering creates different work incentives depending on the nature of the household. In general, the impact of tapering on work incentives tends to be more limited for single person households than for households with children in the sense that the number of working hours that can be performed before minimum income benefits are phased out is usually lower.

The above underlines the complexity of designing tapering mechanisms that can deliver adequate work incentives in all situations without entailing significantly higher costs. An improved understanding of the longer-term impact of financial work incentives and their interplay with earned wages requires better monitoring data on those making use of such arrangements and their situation over time.

Box 11 – Spotlight on Malta

Malta has put in place two types of work incentives: tapering of benefits and in-work benefits. The tapering of benefits scheme was introduced in 2014 as part of a broader package of measures designed for Making Work Pay, allowing those relying on social assistance for two or more years to enter employment without losing benefits immediately, but gradually over three years. The beneficiaries remain entitled to 65 % of social assistance for the first year, 45 % in the second year and 25 % in the third year. These thresholds were raised in 2023 by 10 percentage points to 75 %, 55 % and 35 %. Meanwhile employers are also incentivised with a contribution amounting to 25 % of the benefit received over the same three years period. In 2018, the scheme was improved by reducing the time an individual had to be in receipt of minimum income benefits in order to access tapering from two years to one year. In addition**,** an in-work benefit scheme was introduced specifically for parents and a free childcare scheme.

The impact of the tapering of benefits scheme in Malta has been assessed as being very positive in terms of enabling transition to employment and reducing poverty. The continuation of minimum income benefits for several years after entering employment provides a strong incentive to increase working hours. Between 2014 and 2020, the number of social assistance beneficiaries fell by over 80 %, while the number of persons benefitting from tapered benefits grew eightfold. These changes have resulted in a considerable decrease in spending on social assistance. At the same time, poverty figures have improved significantly.

Since the adoption of the Council Recommendation, 6 Member States have introduced measures aimed at creating work incentives or are planning to do so. In Spain, since early 2023, if minimum income beneficiaries find a job or increase their working hours, the amount of the benefit will not be reduced at the same rate as income from work increases. Since June 2023, the recipients of minimum income in Bulgaria who start working can continue to receive the benefits for 3 months. Romania introduced income disregards and gradual tapering of benefits in 2024 as part of the general reform of the minimum income scheme. A capped income disregard of 50 % was introduced. The minimum income benefit can still be received for 6 months for recipients who have signed an employment contract for at least 24 consecutive months. In Greece, recipients taking up employment continue to receive the same minimum income benefit for 6 months, after which they need to re-apply for it. Similar reforms are also expected soon in several other Member States. In Denmark, a comprehensive reform of the social assistance system will come into force in July 2025. A key feature of the reform is the introduction of a new income deduction model, allowing all social assistance recipients to retain more of their earned income before benefit reductions are applied. This aims to incentivize part-time or full-time work while receiving assistance and strengthening the connection to the labour market. In Ireland, the programme for government 2025 includes a commitment to introduce a new "*Working Age Payment*" which will ensure that individuals always see an increase in income when they work or take additional hours. It will remove anomalies in the current Jobseekers Allowance Scheme and incentivise the take-up of employment.

However, it is important to make people aware that they are eligible to keep receiving benefits when starting to work. In Spain, for example, work incentives are implemented automatically, so beneficiaries do not need to apply for them. In Lithuania, around 62 % of social benefit recipients in 2024 did not know that they were eligible for the additional benefit. There is limited data on the non-take-up of work incentives, but the situation may be similar elsewhere ([46]).

Feedback from the ground[12]

Civil society, for instance **EAPN Portugal,** reports that the risk of losing essential benefits when declaring income often forces people into informal work.

3.4.2 Incentives and disincentives resulting from tax and benefit systems

Council Recommendation

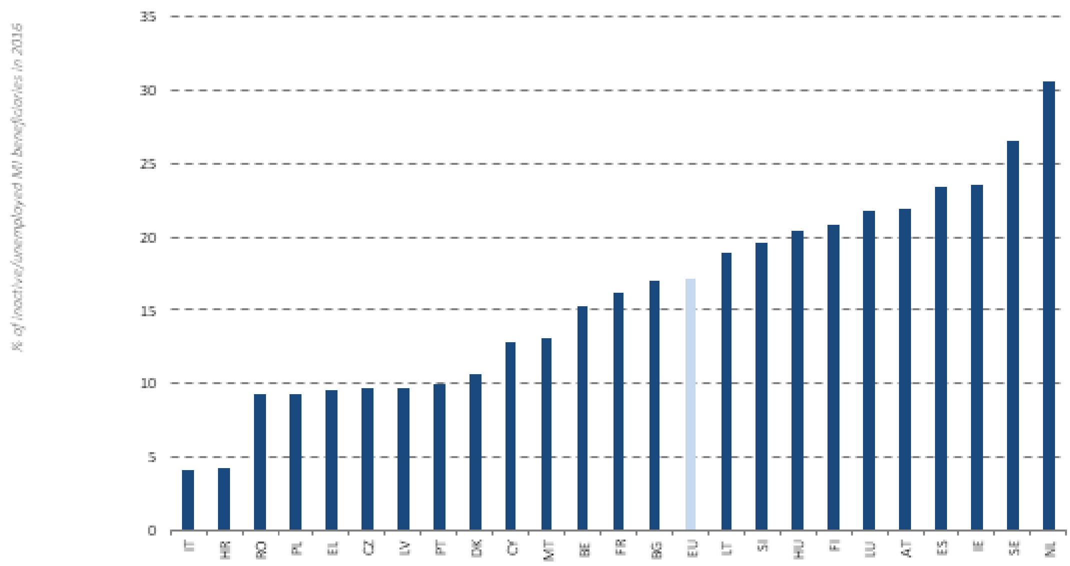
(11) (d) 'reviewing regularly the incentives and disincentives resulting from tax and benefit systems'

The design of minimum income benefits should be well integrated in tax-benefit systems. Inactivity trap may occur when expected incomes from working do not significantly increase when a person takes up work. Such a situation usually occurs when low-wage workers have little financial incentive to increase hours worked or, in a household context, second earners (usually women) have little incentives to enter the labour market.

(46) Eurofound, Social protection 2.0: Unemployment and minimum income benefits, 2024.

There are several other factors affecting work incentives of minimum income recipients. For instance, for households with young children, a lack of affordable childcare facilities may represent a primary hurdle to overcome, irrespective of the strength of financial incentives. Available studies confirm that there is no evidence on participation tax rates (PTRs) having a significant effect on employment transitions of minimum income recipients and that other factors seem to outweigh any disincentive, or incentive, effect that they might have[47]. While available evidence on the impact of monetary incentives remains patchy (as it requires data on the labour market situation of minimum income beneficiaries, ideally over time), available estimates based for instance on SILC longitudinal data highlight that the potential effect of monetary disincentives on labour market participation of minimum income beneficiaries is not significant. Overall, around one sixth of minimum income beneficiaries without a job get one the following year (figure 9). Their barriers to labour market participation are multiple and broader than the monetary dimension and may include the overall lack of matching jobs or unavailability of job counselling. Accordingly, this also highlights that while it is essential to ensure that work pays, it is also key that this is combined with adequate levels of minimum income.

Figure 9: Transition rates from inactivity/unemployment to employment within two years (2016 – 2017)



Reading notes: the chart is a bar chart showing the performance of EU Member States regarding the Transition rates from inactivity/unemployment to employment within two years (2016 – 2017). The Member States' performance ranges from less than 5% in IT and HR to more than 30% in NL. Within this range, the performance of Member States slowly increases, with sometimes some strong shifts between two consecutive Member States (like between HR and RO or between SE and NL). The EU average stands at around 17%.Source: Employment and Social Developments in Europe 2020. Own calculations based on EU-SILC longitudinal micro-data, 2017 UDB.

(47) Exploratory study: Filling the knowledge gaps and identifying strengths and weaknesses in the effectiveness of Member States' minimum income schemes. Final report. ICF, Applica, 2023.

Box 12 - Insights from the OECD tax-benefit model

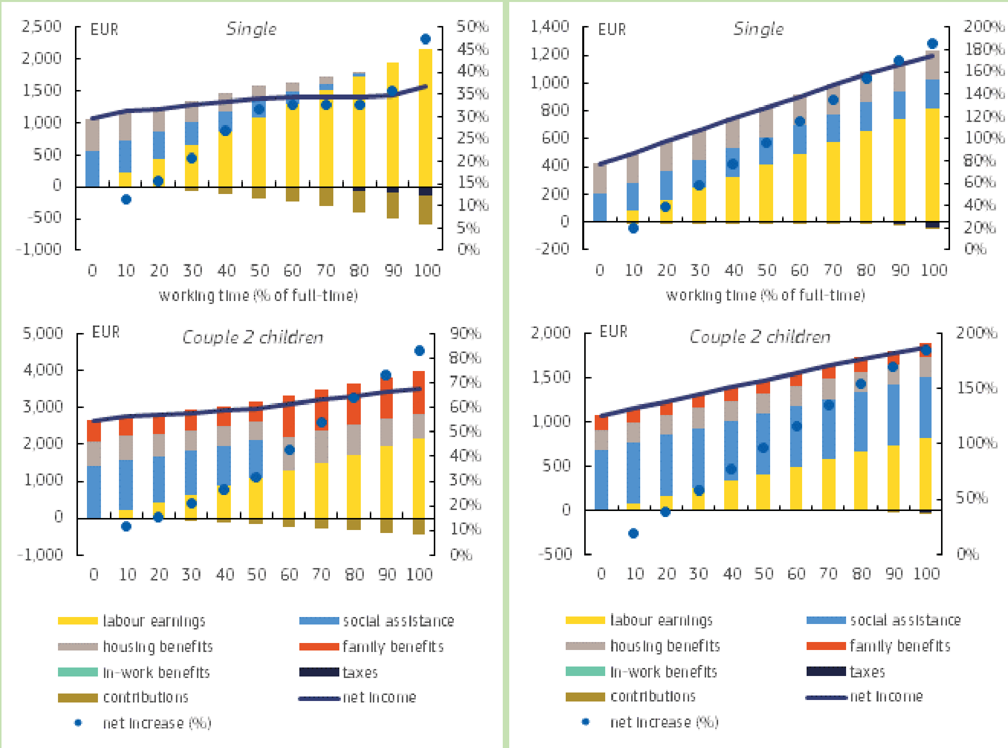
The decision of minimum income recipients to enter employment is heavily dependent on the interaction of the minimum income benefit with other benefits and taxes. Taking all relevant factors into account, minimum income recipients face two options as regards their labour market participation: to take up a job (or not) and for how many hours of work.

The implicit work incentives can be measured by participation tax rates (PTRs) and marginal effective tax rates (METRs), respectively. PTR indicates the effective tax rate on the extensive margin (i.e. relating to the financial incentive to take up employment). PTR is the appropriate indicator to examine when the concern is with the decision facing minimum income recipients as to whether to take up a job or not. METR reflects the financial incentive for someone already in employment to work longer hours, or in a more demanding job with a higher wage. It measures what part of an increase in earnings is “taxed away” by higher taxes and employee social security contributions as well as the possible withdrawal of means-tested benefits. High PTR and METR can potentially represent a significant financial disincentive for minimum income recipients to take up a job or increase working hours.

Looking at the evolution (and composition) of the disposable income as the number of working hours increases from 0 to 100 % of working full time can help assess to what extent the Member States’ provisions facilitate (re-)entry into the labour market. Indeed, it appears that the pattern of the increase in income when a minimum income beneficiary would take up work progressively up to working full-time (at the minimum wage or low wage levels at 50 % of the average wage) varies significantly among Member States. Furthermore, it is also important to consider the actual overall income of a full time minimum wage earner in relation to the poverty threshold.

Within the group of Member States where the pattern is relatively constant, it is sometimes flatter, meaning that the level of income does not evolve rapidly with the number of hours worked (such as for DE, DK, LU, SI), showing lower monetary incentives, or milder (such as FR and PL), or steeper (such as EE, EL, HU, LV, RO and SK) showing stronger incentives.

Germany (example of flatter pattern) Estonia (example of steeper pattern)



Note: Disposable income of a single person/couple when moving from inactivity (0 % of working time) into employment (working between 10 % and 100 % of full-time work, at the statutory minimum wage), by income component. The percentages correspond to the overall net increase (in %) in the net income compared to the situation where working time = 0. **Source**: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

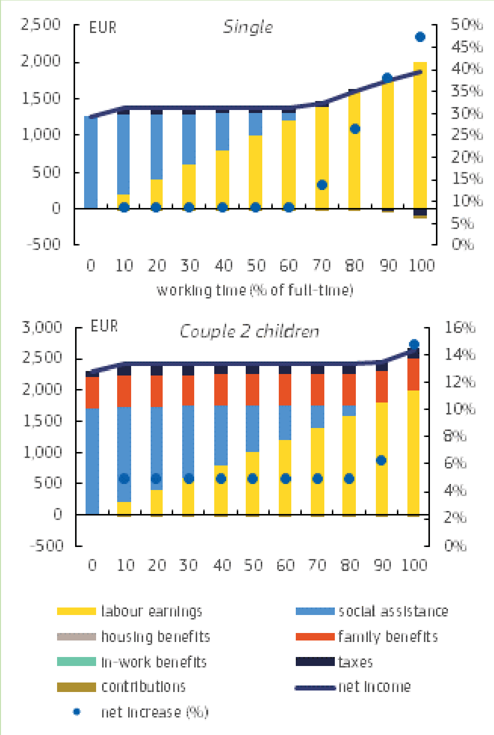
Note – the right end scale refers the increase in net income for each increase in working time.

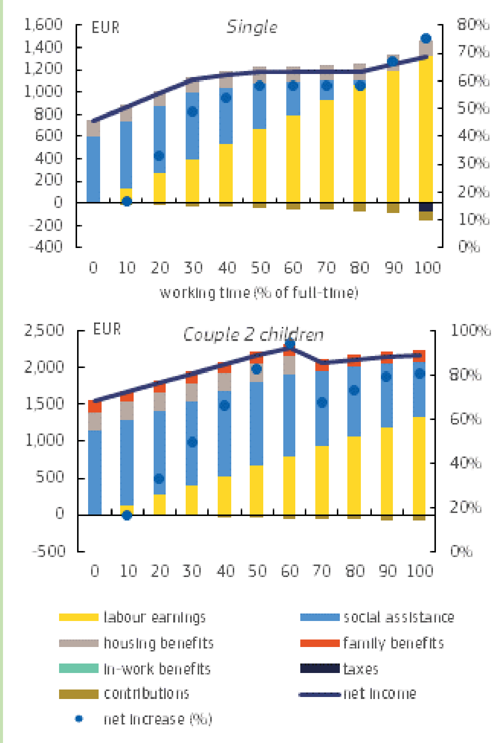
Reading notes: in Germany, the chart shows a flatter increase in net income as working time increases, with the increase in net income reaching around 50% (for a single person) and around 80% (for a couple with 2 children) when the working time reaches 100% of full-time work. In Estonia, the chart shows a steeper increase in net income as working time increases, with the increase in net income reaching around 180% (for a single person) and around 180% (for a couple with 2 children) when the working time reaches 100% of full-time work.

In addition, in a number of Member States the slope is first quite flat and then gets steeper (such as BE, IE, HR, NL, AT, PT and SE) showing lower incentives for entering fewer hours in the labour market or the reverse (such as ES) and in some instances there are some threshold effects with strong variations (or even declines) in income associated with small variations in working hours (such as BG, CY, LT, MT).

On the left - Belgium (example of lower incentives for entering few hours in the labour market)

On the right - Spain (example of lower incentives for entering longer hours in the labour market)





Note – the right end scale refers the increase in net income for each increase in working time.
Reading notes in Belgium, the chart shows almost no increase in the net income of a single person even when the working time reaches 60% of full-time work (but the increase in net income then strongly rises after this point). For couple with two children, the increase in net income is of only around 5% even when the working time reaches 80% of full-time work (but the increase in net income then rises after this point).

In Spain, the chart shows a steep increase in net income as working time increases until 60% of full-time work, with the increase in net income reaching by then around 60% (for a single person) and around 100% (for a couple with 2 children). After 60% of full-time work, the increase in net income then rises at a slower pace for a single person and even drops for a couple with 2 children.

These results should however be read in conjunction with those presented in the rest of the Report, since financial incentives are only one of the factors affecting the labour market participation of minimum income beneficiaries.

Reforms are ongoing in Member States to improve their tax system with the view of making work pay and encouraging greater labour market participation. ([48]) Greece has implemented multiple tax reforms to reduce the tax-wedge, particularly for low-income earners and second earners. The government permanently reduced social security contributions by 3.9 percentage points, benefiting both employees and employers. The solidarity levy was abolished for private-sector workers in 2021, increasing net incomes. Additionally, family-related tax deductions were introduced, such as tax-free thresholds for dependent children to ease the financial burden on second earners. Other reforms are under consideration to further reduce social security contributions for employers and employees and to adjust income tax brackets to enhance labour market participation. Between 2024 and 2025, Italy reduced the number of tax brackets, increased the “no tax” area income

([48]) Information coming from the EMCO-PAG questionnaire on the implementation of the Action Plan on Labour and Skills Shortages.

threshold and strengthened the tax credits for low-income workers. In 2025, Malta implemented a significant reform in income tax brackets, increasing the thresholds to alleviate the tax burden on low- and middle-income groups. These changes aim to enhance disposable income, particularly for households at the lower end of the income spectrum. In Cyprus, within the upcoming tax reform, specific tax benefits will be introduced in to encourage second wage earners to join the labour force.

3.5. Support to employers

> **Council Recommendation**
>
> *(11) (f) 'facilitating transition to employment through offering measures to employers and employees, such as recruitment incentives, (post)placement support, mentoring, counselling, promoting job retention and advancement.'*

Beyond the above-analysed measures and reforms on the supply side of the labour market, it is also important to discuss measures affecting labour demand. This includes incentives for employers to recruit and retain in employment people from vulnerable groups.

All Member States provide support to employers, such as screening of candidates and a vast majority provide workplace mentoring and training ([49]). In addition, financial incentives lowering certain employee-related costs remain the most common form of support. Post-placement support services seem to be less common.

([49]) Report from the Commission to the Council 'Evaluation of the Council Recommendation on the integration of the long - term unemployed into the labour market' (COM/2019/169 final).

Box 13 - Spotlight on Germany

In 2019, under the Participation Opportunities Act, two labour market programmes were introduced 'Participation in the labour market' and 'Integration of the long-term unemployed'. Both programmes offer significant wage subsidies to employers when they employ eligible long-term unemployed receiving minimum income support, combining it with holistic, one-to-one coaching. 'Participation in the labour market' targets very long-term unemployed people who are over 25 years old and have received basic income support for at least six of the last seven years. In the first two years, employers receive a subsidy of 100 % of wages, in each additional year the subsidy decreases by 10 % and runs for a maximum of five years. The programme 'Integration of the long-term unemployed' is aimed at people who are closer to the labour market and have been unemployed for at least two years. The programme runs for two years and employers receive a subsidy of 75 % of wages in the first year and 50 % in the second.

A scientific evaluation from 2024 concludes that both programmes effectively tackle social exclusion and benefit dependency. After 26 months, 51 % of participants in the 'Integration of the long-term unemployed' programme transitioned from supported employment into a regular job, many with the same employer. Early indications suggest that for the very long-term unemployed (6 years plus), a significant proportion may be transitioning from supported employment into work. However, both programmes entail an initial budgetary commitment for several years before delivering their positive impacts.

Several Member States have recently introduced hiring incentives and subsidies for job creation, with a focus on promoting the employment of disadvantaged groups. With support from the EU's Recovery and Resilience Facility, Greece makes use of hiring subsidies to encourage the employment of minimum income recipients. Selected 10 000 candidates who completed training will be employed in full-time positions for 12 months. Private-sector employers will be subsidised to cover 100 % or 50 % of wage- and non-wage costs. In Spain, a new law on labour hiring incentives promotes stable employment through social security bonuses for hiring vulnerable groups. Employers have to maintain subsidised jobs for at least three years. In Italy, the newly introduced minimum income scheme includes incentives for employers who are exempted from paying social security contributions for the first 12 months when hiring minimum income beneficiaries. Czechia continues its flagship project that combines wage subsidies for hiring disadvantaged groups (50 % of wage costs) with integration activities, such as training, social work, job assistance, and comprehensive guidance and counselling. Subsidised employers have to provide the employee with integration activities of at least 16 hours per month ([50]). In Spain, the Social Inclusion Seal (*Sello de Inclusión Social*) is a public award by the Spanish government to recognize entities that contribute to the social inclusion of individuals receiving minimum income. The award aims at promoting public-private collaboration to achieve social inclusion and is granted to public enterprises, private companies, self-employed workers, and foundations that implement measures to help beneficiaries' transition from poverty to active participation in society.

([50]) Information coming from the EMCO-PAG questionnaire on the implementation of the Action Plan on Labour and Skills Shortages.

Feedback from the ground[12]

Civil society, in particular **EAPN Portugal**, considers that when minimum income beneficiaries enter the labour market, the jobs available are often temporary, precarious and underpaid, and that employment-integration contracts are frequently abused (no holidays, no rights, etc.).

3.6. Conclusions

One of the strongest recent trends related to labour market participation is to link benefit payments with employment support and activation measures for those who are able to work. All Member States have moved towards active policies in which minimum income is granted on condition that the recipients are actively committed to look for work. This is further reinforced by reaching out to the vulnerable groups by the PES and encouraging them to register. These reforms could potentially have a positive impact provided that adequate resources and funding are made available to reinforce the capacity of the PES and to further support access to tailored assistance.

There is still room for improvement in the targeting of measures and evaluating their effectiveness. While many measures have been put in place, the extent to which they target those in the most difficult situations and are tailored to meet individual needs often requires further development. Some Member States implement community and public works programmes as a first step for recipients to enter the labour market. However, there is limited evidence on the effectiveness of these schemes, which often provide little personalised support. This necessitates further enhancing of monitoring and evaluation systems of policies targeting minimum income recipients.

There is a tendency in some countries to increase sanctions for not adhering to activation requirements with the view of incentivising a more proactive approach of recipients and addressing the labour shortages that affect many Member States. Introducing stronger conditionality rules on income support, without providing sufficient services and sustainable employment opportunities, can however lead to poorer take-up of benefits and potentially increase risks of eroding the safety nets for those most in need. Negative impacts on the transition to sustained employment can also be observed. The design of sanctions and effects of applying them must therefore be carefully monitored.

The widespread use of mechanisms safeguarding financial incentives to work highlights their relevance in ensuring that minimum income promotes labour market integration. While many Member States have taken steps to improve financial incentives, assessing their impact on the transition to sustainable and quality employment requires further analysis and data to understand which policy interventions work best in short- and long-term. Targeted temporary reductions in employer's social security contributions can also facilitate transitions into employment (with lower financial costs relative to those associated with social benefits which the recipients would receive if not employed).

Member States also need to ensure that work pays through greater coherence between overall tax and benefit systems and minimum income benefits. However, there are also other factors affecting the transition towards employment. The available evidence shows that the level of minimum income is not a prime determinant of the decision of minimum income recipients as to whether to take up employment as other factors are equally or more important, including a lack of affordable childcare or of skills matching available jobs.

Table 8 –Implementation of some provisions of the Council Recommendation on inclusive labour markets

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU ([51])	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
Gradual and proportionate activation requirements [sanctions] (11a) ([52]) (*)																											
Targeted active labour market policies (11b) (**)																											
Financial incentives to work (11c) (***)																											

Note - The above table reflects a qualitative assessment of the implementation of some of the provisions the Council Recommendation regarding inclusive labour markets, across Member States.

(*) Green = Gradual and proportionate activation requirements ([53]); Orange = Moderate activation requirements ([54]); Red = strict activation requirements ([55]).

(**) Green = Active labour market policies are targeted to minimum income recipients and/or vulnerable groups; Red = Active labour market policies are not targeted to minimum income recipients and/or vulnerable groups.

(***) Green = Higher financial incentives to work; Red = Low financial incentives to work.

Description of the table:

- for Gradual and proportionate activation requirements [sanctions] (11a): the Member States shown in green are BE, DE, IE, FR, LU, AT, FI. The Member States shown in orange are: DK, EE, ES, IT, CY, NL, SI, SK. The Member States shown in red are all the other Member States not shown in green or orange.
- for Targeted active labour market policies (11b): the Member States shown in green are all the other Member States not shown in red. The Member States shown in red are: EE, ES, LV, HU, AT, SE.
- for Financial incentives to work (11c): the Member States shown in green are all the other Member States not shown in red.. The Member States shown in red are: HU.

([51]) For HU, the information provided refers to the employment substituting benefit. As mentioned above, other schemes are available in HU.

([52]) This considers formal regulations, and not actual practices.

([53]) This might include warnings followed by gradual reduction of the benefit for a certain period and an obligation to accept a suitable job but no deregistration from PES.

([54]) This might include the suspension or reduction of the benefit for a certain period and an obligation to accept a suitable job but no deregistration from PES.

([55]) This might include, in case of non-compliance, immediate deprivation of minimum income benefits and deregistration from PES as well as an obligation to accept whatever quality job, even public works.

4. Access to enabling and essential services

Providing accessible and affordable quality services to minimum income recipients is a necessary enabler of their employment and social integration. This Chapter reviews how Member States support access to enabling services and to essential services when those are not provided universally and free of charge. ([56])

4.1. Access to enabling services

Council Recommendation

(12) "It is recommended that Member States ensure:

(a) effective and equal access to enabling services, including in accordance with quality principles defined in the Voluntary European Quality Framework for Social Services;

(…)

(c) addressing financial and non-financial barriers to effective access to enabling and essential services."

As mentioned above active labour market policies are often not sufficient to overcome alone (non-work-related) barriers to employment and job seeking activities for minimum income beneficiaries. Pairing activation measures with enabling services, such as childcare, healthcare, long-term care, education, training, housing and social inclusion services increase possibilities to taking up employment.

All Member States provide a wide range of enabling services to minimum income beneficiaries. These services can be grouped as universal services and more targeted provisions. Universal services mean that all people have free or very affordable access to them. This is mainly the case for healthcare and education. When there is a co-payment, there are mechanisms for exemption or reimbursement for those with low incomes. Targeted services are targeted specifically at the beneficiaries to ensure that they can access them. In some countries, access to selected services is included in a basket of essential goods and services to determine the level of the benefit or disregarded in the means-test (see Chapter 1 on adequacy).

Regarding childcare, free of charge universal access to early childhood education and care (ECEC) for all children from the earliest years (6-18 months) is offered in five countries: Latvia, Lithuania,

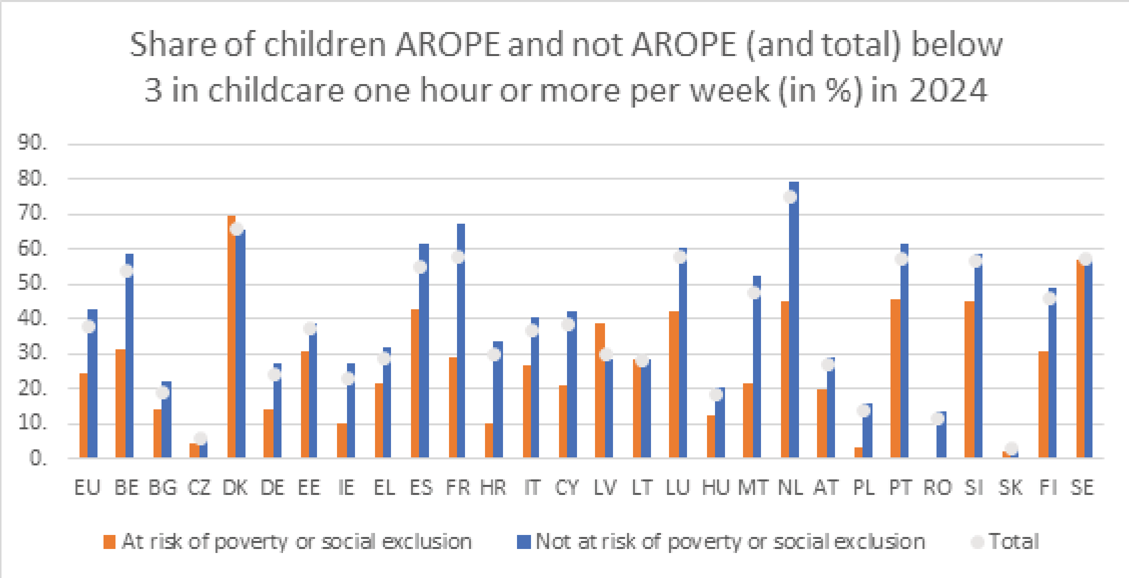
([56]) This is the case for some of the services discussed in this section, such as transport in Luxembourg and Malta or healthcare in Italy.

Luxembourg, Portugal and Romania. However, affordability must be discussed in relation to availability, since, without a place guarantee, free ECEC in public settings may be limited and waiting lists may be long and have complex priority rules. In the other countries offering free access to childcare, there is no legal guarantee to ensure the availability of free ECEC from an early age (under age 3). From around 3 years of age, almost half of Member States offer free of charge ECEC (BE, BG, DE, IE, ES, IT, LV, LT, LU, HU, MT, PL, PT, RO, SE). Most of these countries also combine free ECEC with a place guarantee (e.g. BE, ES, FR, HU, PL). In the remaining Member States, either all or some parents pay fees for ECEC, although the costs vary considerably between countries. Furthermore, most of these countries have put in place targeted policies and measures to promote ECEC access for certain children and families, including minimum income beneficiaries. They may benefit from fee reductions and priority admission. Countries may also offer free meals to certain vulnerable children. This is the case for instance in Czechia, Estonia, Spain, Cyprus, Hungary, Slovenia or Finland ([57]).

While the childcare participation rate of the overall child population has increased in the past years, the participation rate of children at-risk-of-poverty or social exclusion (AROPE) remains lower that of children not AROPE, for both children below three years old and children between three years old and compulsory primary schooling age. The gap is larger among children from the younger age group, reaching 18 percentage points (pps) (24.4 % of children AROPE vs 42.4 % of children not AROPE) in 2024. While no participation gap (i.e. share of children AROPE in childcare is equal to or larger than that of children not AROPE) is recorded in two Member States (DK and LV), the gap amounts to more than 10 pps in 17 Member States, and 20 pps in six Member States. It suggests that access barriers remain to be addressed, ranging from high childcare fees to lack of available childcare spots.

(57) Source: Key data on early childhood education and care in Europe. Euridice, 2025.

Figure 10: Childcare participation of children AROPE and not AROPE below 3 (2024)



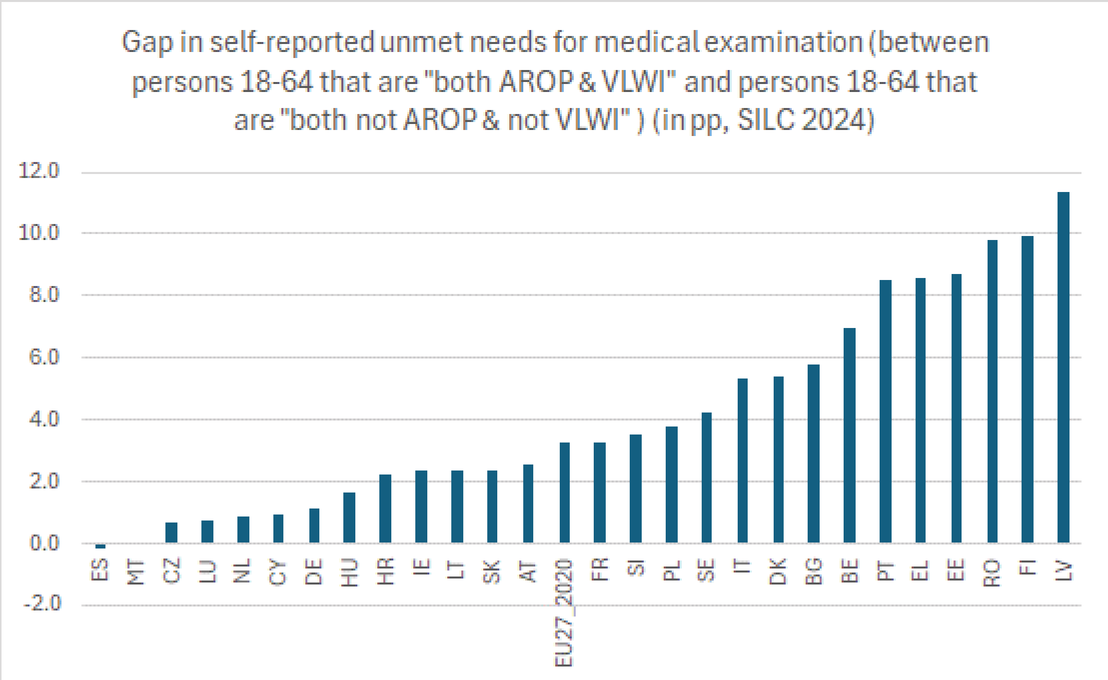
Note: 2024 shares are averages of yearly figures for 2024 and 2023, in line with the childcare indicator for children below 3 from the European Child Guarantee monitoring framework agreed by the ISG ([58]). Unreliable childcare participation rate for children AROPE in RO.
Reading notes: the chart is a clustered bar chart showing the performances of EU Member States regarding the share of children below 3 in childcare one hour or more per week, for the year 2024. The performances is shown, for each Member State, respectively for the children at-risk-of-poverty or social exclusion, for the children not at risk-of-poverty and social exclusion and for the total children population. The chart shows strong differences across Member States in their performances over these dimensions, with the share of children below 3 in childcare ranging from around less than 5% in SK to around 75% in NL, for the total children population. The EU average stands at around 40%. The chart also shows – within most of the Member States – some strong differences, regarding the share of children below 3 in childcare, between the children at-risk-of-poverty or social exclusion and the children not at risk-of-poverty and social exclusion.
Source: Eurostat (ilc_caindform25b).

Concerning healthcare, in most countries, exemptions from healthcare insurance contributions and/or patient charges (if any) is directly linked to the receipt of social assistance. Exemptions from patients’ charges may apply to visits to general practitioners, hospitals, dentists, drugs and/or medical appliances. Some countries do not exempt adult social assistance beneficiaries from certain patient charges, but they do exempt children. Exempted amounts vary between countries but are difficult to compare because they often depend on the type and/or duration of healthcare. The exemptions for minimum income beneficiaries exist in all Member States, but their scope vary.

In spite of the (quasi universal) provision of healthcare services to minimum income beneficiaries, there is a significant gap in the self-reported unmet needs for medical examination between the share of individuals (18-64) at-risk-of poverty from (quasi-jobless and the share of individuals (18-64) not-at-risk of poverty from non-(quasi-)jobless households. (see figure 11). A combination of various barriers – high costs, deprived neighbourhood, waiting lists and limited availability - might lead to a ‘social gradient’ in effective access to healthcare.

([58]) For more information about the EU-level monitoring framework for the European Child Guarantee, see Monitoring and benchmarking frameworks - European Commission.

Figure 11 – Gap in self-reported unmet needs for medical examination (18-64)



Reading notes: the chart is a bar chart showing the performance of EU Member States regarding the Gap (in percentage points) in self-reported unmet needs for medical examination (between persons 18-64 that are "both at-risk-of-poverty and living in (quasi-)jobless households" and persons 18-64 that are "both not at-risk-of-poverty and not living in (quasi-)jobless households"). The Member States' performances range from around less than 0pp in ES to around 11pp in LV. Within this range, the increase in Member States' performances is rather gradual (with sometimes though some strong shifts between two consecutive Member States, like between BE and PT). The EU average stands at around 3pp.

Source: own computation on Eurostat data

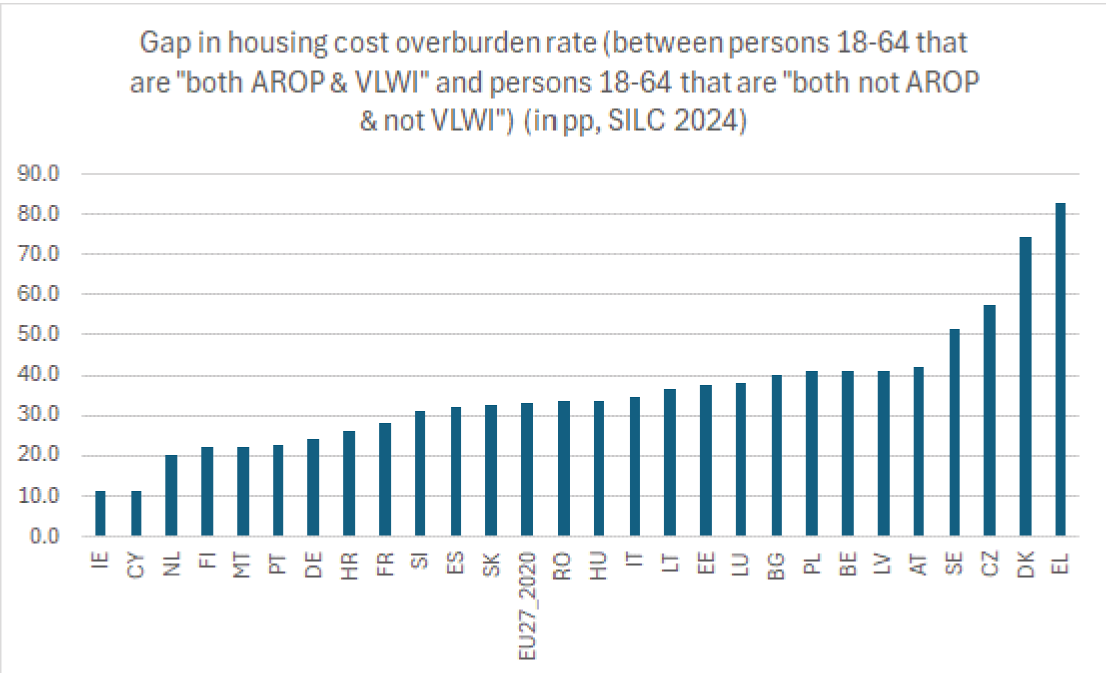
Regarding access to housing, support may come in two forms: a housing allowance or social housing. While most Member States provide support in the form of housing allowances, eligibility rules and the actual level of housing support vary a lot between Member States, depending on income in some countries, size of the household and on actual costs up to certain limits in others. Some countries ([59]) provide housing allowances exclusively for social assistance beneficiaries (targeted provision e.g. EE, HR, IT, CY, LV, AT, SK) some other countries for broader groups, such as people on low incomes (e.g. CZ, DK, DE, EL, FR, LT, LU, MT, NL, PL, FI), people falling into certain age categories or (single) parents (in both cases BG and SE). In Belgium, Slovenia and Finland beneficiaries may not own a home, while in Hungary local rules apply. In Italy, families living in rented accommodation are entitled to an additional amount under the minimum income scheme. Only Romania do not provide housing allowances, while Portugal provides them only in severe circumstances. For housing allowances, there is not an explicit means test in most countries. Instead, the level of the benefit decreases with household income, until it becomes zero or a small amount that will not be paid out. Nevertheless, even though housing allowances are geared towards low-income households in

([59]) Source: Study about the methodology to measure the returns on investment from integrated social assistance schemes, final report. Ecorys, Budapest Institute, 2020 https://op.europa.eu/en/publication-detail/-/publication/e2a4c40c-3b60-11eb-b27b-01aa75ed71a1/language-en.

nearly all countries, the actual share of households receiving housing allowances varies. In Ireland, France, the Netherlands and Finland, more than 40 % of households in the bottom quintile of the income distribution report receiving a housing allowance, as well as over 30 % of low-income households in Denmark, Iceland and Sweden. By contrast, hardly any households report receiving a housing allowance in Bulgaria, Greece, Romania and Slovakia [60]. For social housing, eligibility rules are complex. Eligibility depends on income in some countries (such as BE, FR, CY, NL), on needs such as homelessness, inadequate current house, disabilities or family size in other countries (such as BG, CZ, ES) or a mix of both (EL, LV).

Nevertheless, housing affordability remains a challenge. In 2024, the gap in housing cost overburden rate between the share of individuals (18-64) at-risk-of poverty from (quasi) jobless households and the share of individuals (18-64) not at-risk-of poverty stood at nearly 33 percentage points in the EU (figure 10).

Figure 12 – Gap in housing cost overburden rate (18-64)



Reading notes: the chart is a bar chart showing the performance of EU Member States regarding the Gap (in percentage points) in housing cost overburden rate (between persons 18-64 that are “both at-risk-of-poverty and living in (quasi-)jobless households” and persons 18-64 that are “both not at-risk-of-poverty and not living in (quasi-)jobless households”). The Member States’ performances range from around 10pp in IE to around 80pp in EL. Within this range, the increase in Member States’ performance is rather steep towards both boundaries of the range (with some strong shifts between two consecutive Member States like between CY and NL or between CZ and DK) and rather gradual in its middle. The EU average stands at around 30pp.

Source: own computation on Eurostat data

Social inclusion services usually target specific groups with particular needs and/or vulnerabilities. Some services are more universal in their provisions, whereas others are specifically targeted at

(60) OECD affordable housing data base: PH3.3. Recipients and payment rates of housing allowances. https://www.oecd.org/content/dam/oecd/en/data/datasets/affordable-housing-database/ph3-3-recipients-payment-rates-housing-allowances.pdf.

persons experiencing social exclusion. Services included in the category of social inclusion services encompass for example social work, counselling, coaching, mentoring, psychological support, or rehabilitation. In many Member States, minimum income schemes include a social inclusion services component to grant the recipient assistance in entering the labour market or addressing more complex situations. This is for instance the case in Belgium, Greece, Italy, Cyprus, Latvia, Luxembourg, Malta, Poland, Portugal, Romania and Slovenia. In Italy, for instance, all recipients of minimum income are first referred to social services which carry out a multi-dimensional analysis of the household’s needs and members of the households who are capable to work are directed to PES for further support. Higher access to services can be achieved through integrated or coordinated approaches within one institution. Such approach can be found in Belgium, where the minimum income scheme is managed by Public Centres for Social Welfare together with social services. It acts as a single-entry point into an integrated system of social aid. Social services are provided in employment, integration income and individualised social integration projects, or a combination of all three.

The Council Recommendation specifically refers to the quality principles of the Voluntary European Quality Framework for Social Services. The framework, developed in 2010 by the SPC, is designed as a reference for defining, assuring, evaluating and improving the quality of these services. It covers general principles, such as availability, affordability, accessibility, continuity, comprehensiveness and focus on outcome. While the principles of the framework are still relevant, its implementation has been uneven across the Member States, and the service providers at the local level are often less informed about its content. The most significant contribution of the framework can be found in several Central and Eastern European countries. In Bulgaria, Czechia, Estonia and Romania the framework substantially influenced the development, or amendment, of national quality systems, encouraged a shift towards person-oriented approaches and put emphasis on staff qualification and career development of social services workforce.

Following the Council Recommendation, many Member States have undertaken reforms of enabling services aimed at enhancing access and quality. For example, in 2024 Bulgaria elaborated a National Map of Social Services to identify gaps in the provision and determine investment needs. In Spain a reform is prepared defining at national level a guaranteed minimum common social services portfolio and quality standards. Latvia started implementing a similar reform. Croatia and Lithuania are expanding the portfolio of social services, including a guarantee for a minimum common service portfolio and common national standards. Cyprus and Croatia focus on enhancing integrated provision of services through strengthening multidisciplinary approach and integrated provision of services and benefits. Lithuania also introduced a new type of preventive and pro-active outreach social service to identify potentially socially vulnerable families and individuals at risk of falling into social exclusion. Poland has adopted a Strategy until 2030 defining goals and indicators for different areas such as child protection, long-term care, social inclusion of people with disabilities, mental health and homelessness. Romania adopted in April 2024 a new law to strengthen quality standards for care and reinforce the role of inspectors. In Sweden, the government has presented a proposal for a new social services act. The new legislation will shift the focus towards prevention and early interventions to better support persons in need of support from the social services.

Feedback from the ground[12]

Civil society reports worrying trends as regards access to enabling services. For instance, **EAPN Ireland** notes that homelessness continues to rise and points to the over-reliance on the private rental sector and to the inadequacy of Housing Assistance Payment (HAP). **EAPN Portugal** reports on a Resolution issued by the Legislative Assembly of the Azores, which recommends changing eligibility rules to childcare facilities with the view to give priority to children of working parents.

4.2. Access to essential services

Council Recommendation

(12) 'It is recommended that Member States ensure: (…)

(b) safeguarding continuity of effective access to essential services, including energy;

(c) addressing financial and non-financial barriers to effective access to enabling and essential services.'

Essential services fulfil basic human needs and are key to well-being and social inclusion, especially for disadvantaged groups. They include water, sanitation, energy, transport, financial services and digital communications. Essential services also support access to a wider set of enabling goods and services – among others early childhood education and care, education and training, healthcare, long-term care and social inclusion services – that are key to actively participating in society and in the labour market.

Effective interaction between minimum income schemes and support for access to essential services is particularly important. Member States use both social protection benefits, including housing benefits and minimum income schemes, and targeted service-specific measures to support access to essential services for disadvantaged groups. The latter include specific additional income support, reduced tariffs, minimum provisions and protection from disconnection, counselling and skills programmes and home renovation schemes prioritising the most vulnerable.

In some Member States, minimum income is implicitly or explicitly designed to support access to essential services. This is the case in Czechia, Denmark, Germany, Cyprus, the Netherlands, Slovenia, Finland and Sweden where, benefit amounts take into consideration the costs of some essential services - typically utility bills (energy, water and sanitation), but in some cases also digital communications and public transport (CZ, DE, SI).

In other Member States, support to access is provided mostly through service-specific measures, which can typically be cumulated with minimum income, but have their own eligibility criteria – usually broader/more generous than social assistance - and assessment processes (ES, HR, CY, LT, LU, MT, AT, PL). In some Member States access to these benefits is provided through the acquisition of a specific status of vulnerable or protected consumer, which usually covers minimum income and social assistance beneficiaries (HU, RO). In some Member States, housing benefits and allowances also cover those essential service needs linked to the dwelling, especially the costs of utility bills, including water and sanitation, electricity and gas as well as telecommunications and internet (CZ, HR, LV, SK).

Box 14 – Spotlight on Luxembourg

Since January 2025 every household receiving the minimum income benefit (REVIS) receives automatically the cost-of-living benefit and the energy allowance, also administered by the National Solidarity Fund. This automatic granting of these two benefits should strengthen take up and improve the adequacy of the support provided through minimum income, considered as a package including financial and in-kind benefits. Different publicly financed services are made available for all households receiving cost-of-living benefit, including access to a free secondhand computer or access to connectivity vouchers for fixed internet subscription.

In a few Member States, minimum income acts as a ‘passport benefit’ for a number of schemes supporting access to essential services, with minimum income recipients directly eligible for additional benefits or subsidies, which are granted either automatically (e.g. BE, MT) or upon application (e.g. EL, PT, SI).

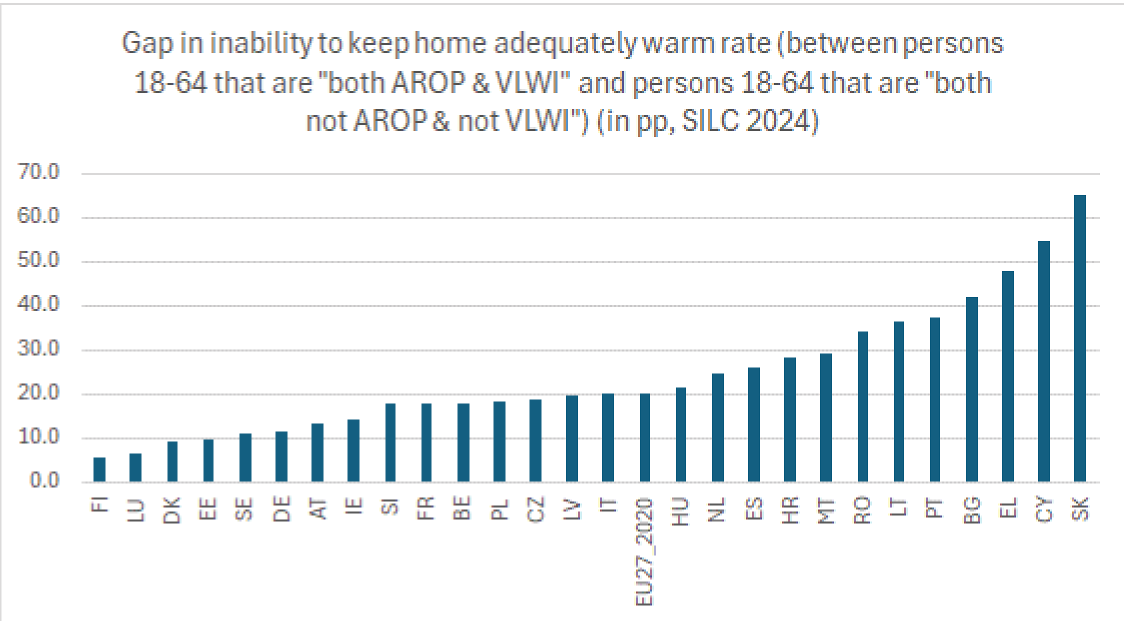
In those Member States that have service-specific schemes, there is a significant variation in terms of services covered, with measures mostly supporting access to energy, water and sanitation and to a lesser extent transport and digital communications.

Table 9 – Essential services covered by service-specific schemes in EU MS

Essential service	Member States with service-specific scheme
Energy	BE, EL, ES, HR, IT, CY, LV, LT, LU, HU, MT, AT, PL, PT, RO
Water and sanitation	EL, ES, HR, IT, LT, LU, MT, HU, PT
Transport	EL, LV, HU, AT, PT
Digital communications	LU, MT, PT

Despite support provided in various forms, access to essential services remains a challenge for people in need. In 2024, the gap in inability to keep home adequately warm rate between the share of individuals (18-64) at-risk-of poverty from (quasi) jobless households and the share of individuals (18-64) not at-risk-of poverty stood at 20.1 percentage points in the EU (figure 13).

Figure 13 – Gap in inability to keep home adequately warm rate (18-64)

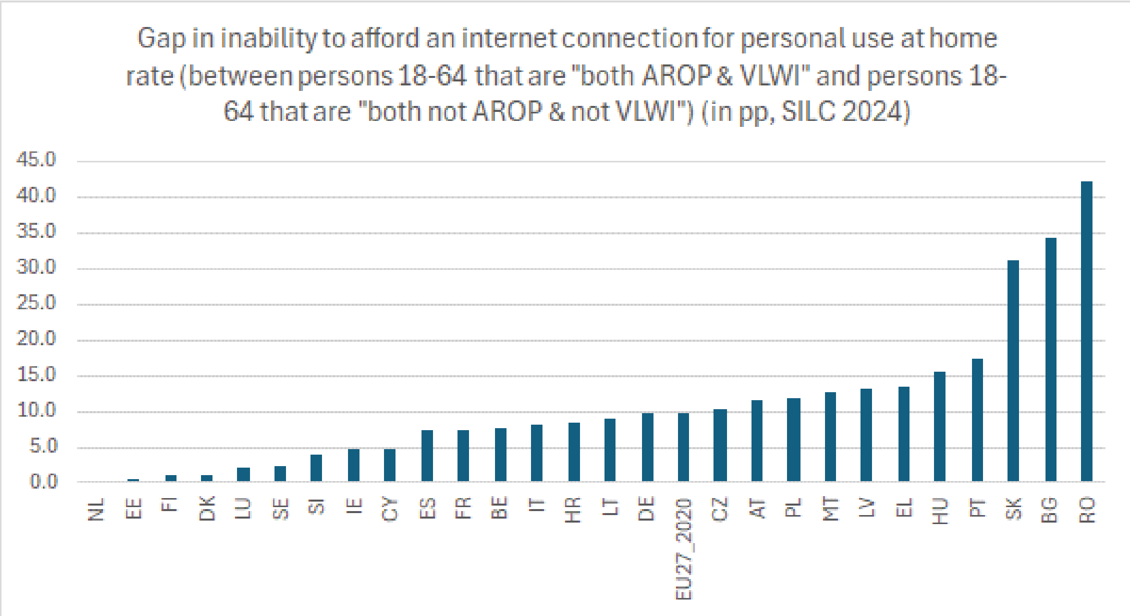


Reading notes: the chart is a bar chart showing the performance of EU Member States regarding the Gap (in percentage points) in inability to keep home adequately warm rate (between persons 18-64 that are "both at-risk-of-poverty and living in (quasi-)jobless households" and persons 18-64 that are "both not at-risk-of-poverty and not living in (quasi-)jobless households"). The Member States' performances range from around 5pp in FI to around 65pp in SK. Within this range, the increase in Member States' performance is flatter for the first half of Member States and steeper for the second half of Member States (with some strong shifts between two consecutive Member States like between CY and SK). The EU average stands at around 20pp.

Source: own computation on Eurostat data

In the same year, the gap in inability to afford an internet connection for personal use at home rate between the share of individuals (18-64) at-risk-of poverty from (quasi) jobless households and the share of individuals (18-64) not at-risk-of poverty stood at 9.8 percentage points in the EU (figure 14).

Figure 14 – Gap in inability to afford an internet connection for personal use at home rate (18-64)



Reading notes: the chart is a bar chart showing the performance of EU Member States regarding the Gap (in percentage points) in in inability to afford an internet connection for personal use at home rate (between persons 18-64 that are "both at-risk-of-poverty and living in (quasi-)jobless households" and persons 18-64 that are "both not at-risk-of-poverty and not living in (quasi-)jobless households"). The Member States' performances range from around 0pp in NL to around 40pp in RO. Within this range, the increase in Member States' performance is rather gradual over most of the Member States but picks up strongly towards the upper boundary of the range (with some strong shifts between two consecutive Member States, like between PT and SK). The EU average stands at around 10pp.

Source: own computation on Eurostat data

Beyond the essential services listed in principle 20 of the EPSR, Member States also provide support for the fulfilment of other basic needs, such as access to food. Some countries explicitly include the cost of food (as well as clothing and personal hygiene products) in the calculation of the amount of the minimum income benefit (DE, CY, LT, FI, SE). Other Member States provide in-kind support in the form of food packages and hygiene kits (CZ, EL, IT, LV, MT), also with the support of food banks and EU funding.

Feedback from the ground[12]

Civil society associations point to the lack of guaranteed support to essential services in some Member States. For instance, **EAPN Poland** regrets that there is no national definition of essential services, nor specific constitutional guarantees ensuring access, while noting that energy is the only area where a poverty-sensitive approach is well-developed.

4.3. Conclusions

All Member States recognise the importance of providing adequate enabling and essential services to support minimum income beneficiaries. While some countries implement the principle of universal access covering the whole population, many have put in place additional or specific measures targeting the beneficiaries directly. Moreover, regarding enabling services, they increasingly have been provided in an integrated way, either through enhanced cooperation and exchanges among respective services, or through putting in place a function of case worker carrying out referrals and follow-ups.

Nevertheless, significant gaps in effective access to services remain. While many Member States provide certain enabling and essential services almost universally, this does not ensure effective access to these services, leaving substantial gaps in areas like access to childcare, healthcare, housing, and internet connectivity.

The number of undertaken reforms demonstrates the strong commitment of many Member States to facilitate access to quality services. It will be important to closely monitor their implementation and impacts and to follow up on those not yet adopted. The European Voluntary Framework for Quality Social Services recommended comprehensive and continuous delivery of social services as an effective way of addressing complex needs and avoiding negative impact of service interruptions. However, the Quality Framework remains largely unused at national and sub-national levels and there is lack of monitoring mechanisms that would allow comparability of quality in services. Similarly, no systematic assessment of access to these services and related outcomes has been undertaken.

When it comes to essential services, most Member States provide support either in-kind or by including a specific estimate of the costs of relevant services in their minimum income benefit amounts. While many Member States have service-specific schemes that operate through different channels, these have different eligibility criteria and require additional, separate applications, which can create additional barriers to access. In a few Member States, reforms have facilitated access to such schemes by minimum income beneficiaries, in some cases ensuring automatic access.

Table 10 –Implementation of some provisions of the Council Recommendation on enabling and essential services

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
Measures to support access to enabling services (12a/c) (*)																											
Measures to support access to essential services (12b/c) (**)																											

Note - The above table reflects a qualitative assessment of the implementation of some of the provisions the Council Recommendation regarding access to enabling and essential services, across Member States.

(*) Green = Member States, which grant free of charge access to enabling services and/or access to services is an integrated component of minimum income schemes; Orange = Member States where minimum income recipients may pay some fees and/or where there is no targeted provision of services.

(**) Green = Member States where minimum income recipients are automatically granted additional support to access essential services and Member States where the cost of these services is explicitly considered in the calculation of the amount of the minimum income benefit; Orange = Member States where minimum income recipients have to apply to service-specific schemes and undergo a separate assessment to have support to access essential services.

Description of the table:

- for Measures to support access to enabling services (12a/c): the Member States shown in green are all the other Member States not shown in orange. The Member States shown in orange are: BG, CZ, DK, EE, IE FR, LT, HU, SE.
- for Measures to support access to essential services (12b/c): the Member States shown in green are all the other Member States not shown in orange. The Member States shown in orange are: BG, EE, IE, ES, FR, HR, LV, LT, NL, AT, PL, PT, RO, SK.

5. Individualised support

More individualised support that aims at identifying and addressing complex needs of persons lacking sufficient resources and their households can significantly contribute to their successful social and economic integration. This Chapter reviews Member States provisions for such individualised support, first focusing on the provision of multi-dimensional needs assessment and then on the presence of dedicated inclusion plans.

5.1. Multi-dimensional needs assessment

Council Recommendation

(13) 'With a view to addressing diverse barriers of persons lacking sufficient resources to social inclusion and, for those who can work, to employment, it is recommended that Member States develop an individualised approach and coordinate service provision, by:

(a) carrying out a multi-dimensional needs assessment examining barriers to social inclusion and employment, identifying enabling and essential services necessary to address those barriers and determining the support needed'

A multi-dimensional needs assessment is a pre-requisite for individualised support. As the most vulnerable groups often face specific or multiple barriers, it is important to identify them before providing tailor-made solutions, often going beyond the scope of standard ALMPs. Limits to the provision of multi-dimensional needs assessment are thus a first barrier to effective integration. While, in principle, almost all Member States provide some kind of needs assessment, their scope and depth vary considerably.

In all Member States, carrying a needs assessment by the PES is a formal obligation (BE, BG, DK, DE, EE, EL, FR, HR, IT, CY, LV, LT, LU, HU, PL, RO, PT, SI, SK) or a usual practice (CZ, IE, ES, MT, NL, AT, FI, SE). In over a half of the Member States, minimum income recipients have access to a different and more tailored individual assessment than the regular unemployed through the PES. The needs assessment usually focuses on the availability for work and in most cases also covers broader aspects, such as health, substance abuse, debt problems, as well as family obligations. In some countries the comprehensive needs assessment is prepared jointly by interdisciplinary teams consisting of representatives of various services (for example: employment, social insurance, local authorities) with a view to best-adapt the measures and support services as well as decide on sequencing the type of support required

Table 11: Use of the needs assessment by Member States	**Compulsory needs assessment**	**No formal requirement but a common practice**	**Only focus on availability to work**	**Broader scope**
Member States	BE, BG, DK, DE, EE, EL, FR, HR, IT, CY, LV, LT, LU, HU, NL, PL, PT, RO, SI, SK,	CZ, IE, ES, MT, AT, FI, SE	CZ, DK, IE, LV, LT, HU, NL, RO, SK	BE, BG, DE, EL, FR, HR, IT, CY, LU, MT, PL, PT, SI, SE

In most cases, the assessment is performed within a month from submitting an application for the minimum income benefit. For example, in Germany, Greece and Croatia assessments take place shortly after applying for minimum income benefits and as soon as available resources allow, while in Poland assessments usually take place within 14 days, but it is conducted within two days in urgent cases. However, in some countries, the waiting time is longer or varies across municipalities.

5.2. Social inclusion plan

Council Recommendation

(13)

(b) 'on that basis, no later than three months from accessing minimum income drawing an inclusion plan that should:
(i) define joint objectives and timelines;
(ii)outline a package of support tailored to individual needs, comprising active labour market measures and/or measures fostering social inclusion;
(iii)assign a case manager or a single contact and service point who will ensure continuous support, organise timely referrals to relevant services and regularly oversee the progress in implementation of the inclusion plan;

(c)for persons lacking sufficient resources who are long-term unemployed, reviewing and, where necessary, adapting the existing job integration agreement in accordance with Council Recommendation on the integration of the long-term unemployed into the labour market to complement it with elements of the inclusion plan referred to in point (b).'

Usually, the needs assessment leads to the development of an individual action plan, or a similar instrument, that determines the type of support needed, agreed objectives and mutual rights and obligation. Such individual action plans are routinely prepared by the PES for all (or most) registered unemployed, thus minimum income recipients who are registered with the PES are by default the action plans' users. The action plans are prepared after a relatively short period after registration (up to 6 months). They set out the services planned and the rights and obligations of both the employment office and the beneficiary. The action plans are generally reviewed on an on-going basis, with the frequency and content of reviews varying among Member States.

The Recommendation also calls for a social inclusion plan, to be compiled within 3 months, that should include an individualised support covering employment, enabling and essential services, as appropriate. It should also indicate goals, timelines, mutual obligations and assign a case manager.

The extent to which the individual action plans developed by the PES fulfil the requirements of the social inclusion plan vary significantly across Member States. In many cases, they are standardised including a common set of measures applied across the board and imposing a series of conditions, affecting the possibility to really individualise the approach.

The job integration agreement for the long-term unemployed can also serve the purpose of the social inclusion plan. The job integration agreement, in accordance with the Council Recommendation on the integration of the long-term unemployed into the labour market (61), should be offered when reaching 18 months of unemployment and - similarly to the social inclusion plan - be based on a comprehensive needs-assessment aimed at facilitating access to sustainable employment and quality services. Yet only six Member States (BG, IE, HR, PT, RO, SK) offer the long-term unemployed a distinct job integration agreement within the indicated timeframe. The remaining Member States either use a regular individual action plan or an action plan with a deepened needs assessment. Furthermore, the share of the long-term unemployed covered by the job integration agreement within 18 months varies significantly among Member States. Whilst just over half of Member States (15) achieved at least 90 % coverage in 2022, there were six countries in which at least one in three long-term unemployed did not have the job-integration agreement. Coverage was almost non-existent in Cyprus (1 %), but was also below 35 % in Belgium, Spain, Portugal, and Slovakia (62).

Social inclusion plan requirements exist only in nearly half of Member States. Dedicated social inclusion plan for minimum income recipients is a formal requirement in Denmark, Germany (the cooperation plan covers both job integration and social inclusion aspects), France, Croatia, Italy, Latvia, Luxembourg, Poland, Portugal, Romania, and for certain categories of beneficiaries in Belgium and Finland. In addition, in some countries such as Bulgaria, Czechia, Greece, Spain, Lithuania, Cyprus, Malta, the Netherlands (except for young adults where the plan is compulsory), Austria Slovenia, and Sweden – although the plans are not formally required – they are often prepared on discretionary basis or the objectives of the social inclusion plans are reached by other means. Specifically, regarding Cyprus, while an inclusion plan is not formally required, there is a formal obligation for minimum income recipients to accept the plan if it is proposed. Only seven Member States (BE, DE, FR, LV, LU, PT and RO) establish social inclusion plans within maximum of 3 months in line with the Council Recommendation. In Estonia, Ireland Hungary, Slovakia and Malta

(61) Council recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market (2016/C 67/01).
(62) Source: European Commission, Data collection for the monitoring of the LTU Recommendation. Full results for 2022.

there is no obligation to offer an inclusion plan and the information on their possible application is very limited. The social inclusion plans are usually supplementary to the individual action plans/job integration agreements by the PES and are drafted by the social assistance institutions (or by multi-disciplinary teams). For instance, in Slovenia an assessment encompassing both employability and social issues is carried out as soon as the benefit is granted and a further separate assessment focusing more on social needs is subsequently carried out for long-term unemployed. Although, in principle, the inclusion plans should cover a broad range of enabling services, the most supported services are healthcare and education and training. A few plans include specialised social services, such as language training, counselling and mediation, debt advice, psychological support or rehabilitation. Participation in services outlined in the plan is in most cases obligatory, but in some cases, it is voluntary, or it differs across municipalities. In Belgium and Italy signing a social inclusion plan is an obligatory requirement to receive minimum income benefit.

Table 12: Use of the social inclusion plan or similar measures in Member States

Type of action plan	Member States
Regular individual action plan for all unemployed	All Member States
Regular individual action plan with in-depth assessment	CZ, DK, DE, HR, IT, LV, LT, HU, MT, SI, FI
Dedicated job integration agreement for the long-term unemployed	BG, IE, HR, PT, RO, SK
Dedicated social inclusion plan for the minimum income recipients	Formal requirement: DE (immediately), LV (in 1 month), FR (1 month and 6 weeks), PT (in 2 months), BE (in 3 months), LU (in 3 months), RO (in 3 months), IT (in 120 days) FI (in 4 months/12 months – depending on the age group), DK, HR, LV, LT, PL No formal requirement but common practice or achieved by other means: BG, CZ, EL, ES, CY, NL (except for young adults where it is compulsory), AT SI, SE, No formal requirement, limited information on actual use: EE, IE, MT, HU, SK

As per the Council Recommendation, social inclusion plans should also include case management, whereby beneficiaries have a stable and single point of contact - a case manager - who assists them, oversees their situation, carries out and follows-up on corresponding referrals to services. This is the case for instance in Belgium, Denmark, Germany, France, Croatia, Greece, Italy, Latvia, Lithuania, Luxembourg, the Netherlands Poland, Portugal and Sweden.

Overall, countries that use both individual action plans/job integration agreements focussed on activation measures and social inclusion plans that address the complex social problems are more likely to develop effective individualised approach, in line with the Council Recommendation.

However, the effective coverage of minimum income recipients by social inclusion plans remains a challenge in some countries. For instance, in Greece, a social empowerment plan should be established after the assessment of needs. 2024 data show that out of a total 172 687 eligible households, only 1 462 were invited to a dedicated session informing about available benefits, services and other goods and only 638 households attended it, making up the effective coverage well below 1 %.

Box 15: Spotlight on Italy

In Italy, entitlement to the minimum income benefit is strongly linked to beneficiaries' involvement in social inclusion activities and participation in active labour market measures. All members of the household aged 18-59 who exercise parental responsibility are required to actively participate in training, employment and active policy measures and sign a personalised service pact with the PES and a social inclusion pact with social services. The social inclusion pact is also aimed at people who cannot work. From January 2025, social workers carried out needs assessment for 94 % of beneficiaries and signed the social inclusion pact for 61 %, corresponding to 89 % of households' families with the obligation to sign a pact.

The Council Recommendation prompted some Member States to strengthen the social integration component of their minimum income schemes. Through the Inclusion Policy Lab, Spain promotes 34 pilot projects for the deployment of inclusion pathways linked to the Minimum Vital Income. In Belgium, a new coalition agreement aims to extend individualised social integration projects to all persons who are entitled to the minimum income scheme, except for persons who are unable to work for medical reasons. In Czechia, the main objective of the ongoing reform of the social assistance system is to include a direct link to inclusive social services. In addition, individual activation plan will be elaborated in view of gradually reducing dependency on social benefits. In Austria, the province of Vienna carries out multidimensional individual needs analyses for young beneficiaries under 25 to promote their integration into the labour market. As part of the assessment, needs are recorded, goals are defined and measures for reintegration into working life are agreed and initiated. The province of Upper Austria provides for support from specialists, service-providing organisations or case managers to persons from the age of 18 up to 5 years before retirement, who receive or apply for social assistance, and face serious obstacles in job placement.

Box 16 - Insights from the World Bank

In July 2024, the World Bank released a discussion paper titled "Minimum Income and Social Inclusion Pathways – A Review of Selected European Union Programs." This document explores how social inclusion pathways are administered to enhance the social inclusion of minimum income recipients, highlighting challenges and effective practices in eight EU countries: Belgium, France, Germany, Greece, Italy, Portugal, Spain, and Sweden.

The paper highlights that while some countries focus on labour activation to reintegrate minimum income recipients into the workforce, others opt for a broader approach to social inclusion, acknowledging the hurdles these recipients face due to their complex needs. Additionally, it examines the influence of social inclusion pathways and case management interventions on recipients' welfare within poverty-targeted programs. It concludes that, although the Member States in the study have diverse design and implementation strategies, there is a lack of evidence on the impact of social inclusion pathways across the EU and limited evidence on the social inclusion elements of poverty-targeted programs. Moreover, the review did not find any studies on the relative impact of different components of social inclusion pathways on recipients' socio-economic integration outcomes. Ongoing evaluation studies in Spain, Italy, and France are anticipated to provide further insights into the impact of these social inclusion components.

5.3. Conclusions

Further commitment is needed to provide adequate individualised support. The recipients of social benefits are a heterogeneous group with multiple barriers. The precondition of support is that each minimum income beneficiary is provided a multi-dimensional needs assessment and a social inclusion plan within 3 months from accessing the scheme. Such plans are available only in around half of Member States, and only in seven Member States within the required timeframe. The effective coverage also remains an issue.

The arrangements regarding the existence of various forms of individualised plans are very diverse across the Member States. For instance, some countries may consider that they already fulfil the provisions of the Council Recommendation as soon as minimum income recipients registered as unemployed are formally covered by the action plans by the Public Employment Services.

Developing effective coordination between the social inclusion plan and the job integration agreement so that they are mutually reinforcing is important. The job integration agreements, or their equivalents, can serve the purpose of the social inclusion plan. Although they have been implemented in most Member States, the effective coverage of the long-term unemployed need to be enhanced further.

Table 13 – Implementation of some provisions of the Council Recommendation on individualised support

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
Formal obligation/usual practice to carry out a multi-dimensional needs assessment (13a) (*)																											
Formal obligation/usual practice to conclude an Inclusion plan (13b) (**)																											

Note - The above table reflects a qualitative assessment of the implementation of some of the provisions the Council Recommendation regarding individualised support, across Member States.

(*) Green = Member State with a formal obligation to carry out a multi-dimensional needs assessment; Orange = Member State, where it is a usual practice to carry out a multi-dimensional needs assessment but there is no formal obligation.

(**) Green = Member State, where there is a formal obligation to conclude an inclusion plan in less than three months; Orange = Member State, where there is no formal obligation but it is a usual practice or the objectives of the social inclusion plan are reached by other means or where there is a formal obligation, but it takes longer than three months; Red = Member States, which do not conclude inclusion plans.

Description of the table:

-for Formal obligation/usual practice to carry out a multi-dimensional needs assessment (13a): the Member States shown in green are all the other Member States not shown in orange. The Member States shown in orange are: CZ, IE, ES, MT, NL, AT, SK, FI, SE.

-for Formal obligation/usual practice to conclude an Inclusion plan (13b): the Member States shown in green are: BE, DE, FR, LV, LU, PT, RO. The Member States shown in orange are all the other Member States not shown in green or red. The Member States shown in red are: EE, IE, CY, HU, MT, SK.

6. Governance and monitoring

The way the minimum schemes are operationalised has an important impact on whether they can reach their objectives. This is why the questions of governance and monitoring are crucial and the 2023 Council Recommendation foresaw a dedicated section on governance and monitoring. This Chapter provides some insights on whether Member States have adequate operational capacity to deliver the minimum income schemes, the degree of involvement of various stakeholders and whether monitoring and evaluation mechanisms are in place.

6.1. Operational capacity and cooperation

Council Recommendation

(14) 'With a view of effective design and implementation of robust social safety nets at national, regional and local level, it is recommended that Member States: […]

(b) strengthen the operational capacity of authorities in charge of income support, employment services and providers of enabling services and enhance their cooperation, including through data sharing and promoting further integrated service models'

Without sufficient operational capacity, even a very well-designed system may not reach the beneficiaries it aims to reach, nor provide them with the services it is meant to provide them with. It is therefore essential to ensure sufficient operational capacity, and, as per the Council Recommendation, strengthen it. Although this has been increasingly recognised, human and financial resources are often lacking. For instance, in Italy in 2020 the government set up a benchmark of 1 social worker per 5 000 inhabitants in each cluster of municipalities, with an end-target of 1 social worker per 4 000 inhabitants. The 2023 data shows that more than 60 % of clusters of municipalities had achieved the target 1: 5 000 and 45 % of municipalities 1:4 000. At this stage, there is limited information as regards the operational capacity of the authorities in charge of income support in other Member States.

Box 17 - Insights from the PES Network Assessment report on Public Employment Services capacity

The 2023 assessment report on PES capacity ([63]) showed that the total number of staff employed by all PES (in FTE) remained stable overall between 2022 and 2023 and that the average proportion of front-line staff also remained stable across PES at 65.3 % in 2023, compared to 67.9 % in 2022. This falls short from point14(b) of the Council Recommendation, which calls for a strengthening of the capacity, which is essential to ensure the proper implementation of the reforms foreseen, including with the view to implement the Council Recommendation.

In a number of Member States, efforts are ongoing in order to improve cooperation between social and employment services. Such cooperation can facilitate the running of minimum income schemes. For instance, in Spain, since November 2024, a gateway has been established between the public employment services and the social security services (INSS). During the quarter prior to the unemployment benefit ending, in case of not having re-entered the labour market and meeting certain requirements such as minimum age, the public employment services inform the beneficiary about the possibility of submitting their data and that of their family unit to the INSS in order to receive the minimum income benefit. In Germany municipal agencies providing the minimum income benefit mainly work in partnership with the employment agency, forming a joint institution (gE). This ensures that benefits are provided from a single source. Some municipalities are independent from the employment agency (zkT), although they also have to follow the same legal requirements as the joint institutions. Both institutional structures ensure that benefits and ALMP are provided from a single source.

In some cases, social benefit services cooperate with other stakeholders to improve the take-up of specific groups of people. For instance, in Spain, a partnership between social security services and prisons was established with the view to improve take-up of minimum income by those recently released from prison.

Such cooperation is also very useful when assessing the needs of minimum income beneficiaries. For instance, in Lithuania, municipal case managers work together with case teams (composed of the representatives of municipal institutions, the PES, service providers, psychologists and other persons) to identify and address circumstances limiting the employment of minimum income recipients. Similarly in Italy, when the social worker detects the presence of complex needs, treated by a multi-professional team, with the aim of promoting a path of inclusion of the person, not necessarily aimed at job placement. This is also the case in Luxembourg where the agency in charge of minimum income benefits collaborates locally with the welfare office, specialised services on national level, and with local associations to target needs and facilitate access to social services, financial and in kind benefits, and the integration of the benefit recipients.

([63]) European Commission (2024), European Network of Public Employment Services, Trends in PES, Assessment report on PES Capacity, 2023.

In particular for the delivery of services, Member States often cooperate with other types of stakeholders. For instance, in Croatia, the social mentoring service is provided by professional workers of the Croatian Institute for Social Work, social welfare homes or other service providers who have additional training in the field of social mentoring. In Hungary, the "Emerging Settlements" programme, which aims to help the 300 most disadvantaged settlements in the country, is coordinated by the Hungarian Charity Service of the Order of Malta and is implemented with the involvement of churches, charity organisations and chief social officers; a large share of the recipients of this programme are minimum income beneficiaries.

In some Member States, these cooperation efforts translate into integrated service models. For instance, in Romania in the context of a recent reform, IT tools were developed to allow local authorities, agencies and social inspection to determine the family size, assess income and establish the right and amount of the benefit.

Feedback from the ground[12]

Civil society reports that, even though efforts are ongoing to support the integration of services, implementation barriers remain. For instance, **EAPN Poland** refers to the lack of formal coordination between various administrative levels responsible for employment and social services, which undermine the effectiveness of the integrated social services units.

6.2. Degree of involvement of stakeholders

Council Recommendation

(14) (c) 'empower relevant stakeholders, such as regional and local authorities, social partners, civil society organisations and social economy actors, with a view to their effective participation in the design, implementation, monitoring and evaluation of minimum income schemes.'

The involvement of regional and local authorities in the implementation of minimum income schemes can facilitate access to the scheme. This was the choice made by Belgium, Bulgaria, Denmark, Germany, Greece, Croatia, Latvia Lithuania, Hungary, Austria, Poland, Romania, Slovenia and Sweden. Where applications are assessed at the local level, this is done either in municipalities (DK, LV, LT, SE), in local public centres for social work or social assistance (BE, PL, PT) or in local job centres (DE). Where the application is assessed at the regional level, it is done either at a regional office of a national institution (HR), at regional agencies (RO) or at the district government office (HU).

At the same time, a centralised application process can facilitate a uniform treatment of applicants across the country. This is how applications are managed in Czechia, Italy, Cyprus, Luxembourg, Portugal, Slovakia and Finland. In some Member States where the application is assessed at national level, there are still possibilities for persons to apply in person in local offices. This is for instance the case in Italy, where applicants can apply in person in fiscal support centres, in Greece where claimants can apply in person at a municipal or community centre and in Portugal where they can apply in local insertion units. Where the application and payments are managed at national level, case management and the provision of services still happens at local level.

Some Member States have a hybrid system. In Spain, the application processes are decentralised only in a few regions (Basque Country, Navarre) with some other regions (Catalonia) in the process of assuming the management of the benefit. For the rest, the management is centralised by the National Institute of Social Security, which has offices in all provinces.

The involvement of other stakeholders beyond regional and local authorities can also support the design, the implementation and the monitoring of the schemes. In Spain, the Register of Social Mediators of the Minimum Vital Income allows social workers from accredited Third Sector Social Action entities to certify certain conditions required for individuals to receive the IMV. These mediators help verify complex situations such as social exclusion risk, homelessness, and other specific circumstances that may not be easily documented. Poland established a dedicated team consisting of different stakeholders, including independent experts and practitioners, with the aim of analysing the effectiveness of the social assistance system and which have proposed to review the eligibility criteria of the scheme.

Feedback from the ground[12]

EAPN Ireland, **EAPN Italy** and **EAPN Poland** regret the lack of involvement of people experiencing poverty and the organisations that represent them. EAPN Poland shows the contrast with trade unions and employers' organisation that are involved in setting income thresholds for social assistance benefits every three years.

On the other hand, **EAPN Netherlands,** reports on good practices, where the Ministry of Social Affairs and Employment has funded a number of the initiatives of civil society actors, harnessing the expertise of experts by experience. **EAPN Spain** reports on being consulted, together with other civil society organisation prior to the launch of the Spanish scheme in 2020 and is included in the Advisory Council of the scheme, together with representatives from Ministries, social partners and other civil society organisations. They consider that the Council provides a suitable forum for the governance and monitoring of the scheme.

6.3. Existence of monitoring and evaluation mechanisms at national level

Council Recommendation

(15) 'To better inform policy making it is recommended that Member States:

(a) continuously monitor the implementation of income support policies, particularly minimum income, and related labour market activation measures, of access to services, including through improving the availability and quality of relevant data, disaggregated by sex, age and, where available, by disability, across all levels of governance and through carrying out regular evaluations, and make adjustments to achieve the objectives of this Recommendation in the most efficient way;

(b) develop or enhance, while respecting data protection rules, mechanisms allowing to follow-up persons lacking sufficient resources with regards to their social inclusion or transition to employment;'

Reliable monitoring and regular evaluating of policy impact can contribute to increased efficiency and improved transparency of the minimum income schemes. In 2022, a small majority of Member States had regular monitoring mechanisms in place ([64]).

Foreseeing evaluation in law ensures a regular monitoring of the scheme. This is the case for instance in the Netherlands where the law requires a comprehensive evaluation every seven years. This complemented continuous monitoring on the basis of statistics and research and qualitative investigations by, amongst others, the Netherlands Labour Authority. In Spain, the law provides for a yearly evaluation. As mentioned in section 1.4, in some Member States, there is a regular review and update of the adequacy of the scheme.

Evaluations can lead to the expansion of programmes with good results. As mentioned above, in Lithuania, the evaluation of the implementation of the employment-promotion and motivation services pilot model showed positive impacts, and as a result was from 2023 onwards, extended to all municipalities.

A number of Member States foresee the evaluation of their recent reforms. For instance, in Germany, the results of the evaluation of the Citizen's Benefit (*Bürgergeld*) reform are expected by the end of 2026. The evaluation is part of the statutory mandate under the Social Code (SGB II), which requires continuous assessment of the effects of minimum-income benefits for jobseekers. Similarly, Italy has started the counterfactual evaluation of the Inclusion Allowance.

([64]) European Commission, Directorate-General for Employment, Social Affairs and Inclusion, *The 2022 minimum income report – Volumes I and II*, Publications Office of the European Union, 2022.

However, often, monitoring is not specific to the situation of minimum income recipients. For instance, in Sweden, evaluations of national active labour market policies do not always make a distinction between recipients of social assistance and recipients of unemployment benefits. While Sweden has the ability to distinguish between social assistance and unemployment benefits in the available data, as there are separate administrative registers for both, this distinction is not always made in real time or consistently reflected in the official statistics.

In some instances, monitoring is a local responsibility. For instance, in Portugal, where implementation is handled at the municipal level by the scheme’s local units, it is also these units that are in charge of monitoring and evaluation, within the scope of the national information system. In Romania, monitoring takes place both at national level (by the Ministry of Labour, Family, Youth and Social Solidarity) and county-level. In other Member States, monitoring happens at national level. For instance, in Slovenia, a monthly monitoring exercise is performed by the Ministry of Labour covering various aspects of minimum income recipients such as family type, recurrence, benefit and employment status.

6.4. Conclusions

Considering this is vital for the effective provision of minimum income schemes, more efforts should be taken to assess their operational capacity. The lack of information on the operational capacity of social services in charge of providing the minimum income scheme does not allow to assess whether these administrations have sufficient capacity to implement the tasks they are responsible for.

A wide range of stakeholders, including civil society and people experiencing poverty, should be involved in the design and the monitoring of the scheme. While some Member States have good practices of cooperation among a wide range of stakeholders, it remains to be assessed whether there is not more scope for systematic cooperation, with the view to facilitate the application to the scheme as well as the labour market activation of recipients and the provision of services.

Strengthened efforts are necessary to develop monitoring mechanisms, including with a specific focus on minimum income recipients. Despite how essential monitoring and evaluation is for the success of minimum income schemes, regular mechanisms are in place only in a small majority of countries.

Conclusions and areas for further work

The implementation efforts following the adoption of the Council Recommendation on adequate minimum income ensuring active inclusion show a mixed picture across the EU. While many Member States have undertaken or announced reforms, important gaps remain hampering the overall effectiveness of minimum income schemes. It can also be noted that the starting points have been diverse across the EU Member States, with some mostly in line with the provisions of the Council Recommendation and others requiring more efforts, reflecting different national traditions and the overall architecture of the social protection systems.

However, reforms in a few Member States may actually have a negative impact on adequacy, coverage or take-up. There is therefore room for further upwards convergence among Member States and it will be important to continue to closely monitor the implementation and impacts of the reforms and to follow up on those not yet adopted.

The European Commission and the Social Protection Committee will continue their joint efforts to monitor the implementation of the Council Recommendation. While this Report provides some assessment of the implementation of each of the building blocks of the Council Recommendation, some elements of the Recommendation were not covered to the same extent due to lack of information or sufficient analysis at this point in time. Those elements should be better reflected in future, in particular in view of the next report on the implementation of the Council Recommendation, foreseen for 2028. These include:

- Point 9(f) as regards responsiveness to various types of crises and ability to effectively mitigate negative socioeconomic consequences of such crises. Such analysis will require assessing the design of the minimum income schemes but also the actual reaction to such crises and will benefit from a wider timeframe for the assessment.

- Point 14(a) as regards the need to avoid gaps, overlaps and fragmentation of various benefits and schemes to provide for a coherent package of income support, activation measures and enabling services. Providing an analysis of the implementation of this recommendation will require a wider analysis of the provision of a large number of relevant schemes and taking a person-centred approach, focusing on whether the needs of the persons are addressed, rather than assessing the scheme(s) only.

- Point14(b) as regards operational capacity of authorities in charge of minimum income. While the report provides some information as regards the issue of operational capacity of employment services, at this stage there is little information available as regards the operational capacity of those in charge of minimum income. Considering the very important impact this has on the provision of minimum income schemes, this element should be further strengthened in future monitoring.

Moreover, building on the conclusions of this report, future work should focus on the following elements:

- Point 7, which sets out the need to take into account in-kind services. Further work on assessing the monetary value of such services would help assess to what extent they contribute to the adequacy of the minimum income schemes.

- Point 10 on addressing non-take-up. In this regard, the work will build on the results of an on-going study, commissioned by the European Commission. This is also related to the need for further work on point 9(d) on the continuity of access, as the need to reapply or provide additional information regularly can negatively impact the take-up of the scheme.

- Point 11, as regards the effectiveness of ALMP programmes for the sustainable transition of minimum income recipients to employment (monitoring their situation over time, e.g. 1-2 years after entering employment) and the longer-term impact of financial incentives to work and their effect over time (e.g. how many remained in employment and low-wage employment, how many returned to unemployment or to support from the social benefit system)

- Point 12, as regards the effective access to services and related outcomes.

The Commission and the Social Protection Committee will also continue to improve the benchmarking framework on minimum income. In particular, they will consider the specific situations of specific groups (including child poverty), evaluate the use of new performance indicators to improve the analysis of coverage and take-up, as well as the delivery of enabling and essential services, and assess the potential of new policy-lever indicators, in particular as regards means testing and residence requirements as well as activation requirements.

The implementation of the Council Recommendation should also be anchored in broader efforts to fight against poverty and social exclusion. In 2026, the European Commission will propose a first-ever Anti-Poverty Strategy with the aim to help people to get access to the essential protection and services they need, along with addressing the root causes of poverty.

Table 14: Overall snapshot table of the implementation of some provisions of the Council Recommendation

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU(*)	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
Adequacy																											
Existence of a benefit setting methodology (4)	red	green	green	green	green	green	red	red	red	red	red	green	green	green	green	green	red	green	green	red	green	red	red	green	red	green	green
Periodic review or indexation (7)	green	green	green	green	green	green	green	red	green	green	green	red	red	green	green	green	green	green	green	green	green	green	green	green	green	green	green
Possibility to request split payment (8) (**)	green	red	green	red	red	red	red	red	red	red	red	green	green	green	red	red	red	red	green	red	red	red	red	red	red	red	green
Coverage and take-up																											
Transparent and non-discriminatory eligibility criteria (9a)	green	green	green	green	green	green	green	green	yellow	yellow	green	red	yellow	green	green	yellow	green	green	green	yellow	green	green	green	green	green	green	green
Application granting < 30 days (9c)	green	green	green	green	yellow	yellow	yellow	green	red	yellow	green	yellow	red	green	green	green	red	green	red	red	green	yellow	green	yellow	green	green	yellow
Rapid complaint and appeal procedures (9e)	yellow	yellow	yellow	green	yellow	yellow	green	yellow	yellow	yellow	green	yellow	yellow	green	yellow	yellow	yellow	yellow	yellow	yellow	yellow	green	green	yellow	yellow	yellow	yellow
Existence of national data on non-take-up (10e)	green	red	green	red	red	red	red	green	green	green	red	red	red	red	green	red	green	red	green	yellow	red	red	red	red	red	red	red
Inclusive labour markets																											
Gradual and proportionate activation requirements [sanctions] (11a) (***)	green	red	red	yellow	green	yellow	green	red	yellow	green	red	yellow	yellow	red	red	green	red	red	yellow	green	red	red	red	yellow	yellow	green	red
Targeted active labour market policies (11b)	green	green	green	green	green	red	green	green	red	green	green	green	green	red	green	green	red	green	green	red	green	green	green	green	green	green	red
Financial incentives to work (11c)	green	green	green	green	green	green	green	green	green	green	green	green	green	green	green	green	red	green	green	green	green	green	green	green	green	green	green
Access to services																											
Measures to support access to enabling services (12a/c)	green	yellow	yellow	yellow	green	yellow	yellow	green	green	yellow	green	green	green	green	yellow	green	yellow	green	green	green	green	green	green	green	green	green	yellow
Measures to support access to essential services (12b/c)	green	yellow	green	green	green	yellow	yellow	green	yellow	yellow	yellow	green	green	yellow	yellow	green	green	green	yellow	yellow	yellow	yellow	yellow	green	yellow	green	green
Individualised support																											
Formal obligation/usual practice to carry out a multi-dimensional needs assessment (13a)	green	green	yellow	green	green	green	yellow	green	yellow	green	green	green	green	green	green	green	green	yellow	yellow	yellow	green	green	green	green	green	yellow	yellow
Formal obligation/usual practice to conclude an Inclusion plan (13b)	green	yellow	yellow	yellow	green	red	red	yellow	yellow	green	yellow	yellow	yellow	green	yellow	green	red	red	yellow	yellow	yellow	green	green	yellow	red	yellow	yellow

Notes: The explanations for the colour-coding are given in the conclusions of each chapter of the report.

(*) In the case of Hungary, the information provided refers to the employment substituting benefit. In the case of the benefit for people suffering from health problems or taking care of a child there is also no specific methodology, while in the case of the job-seeker aid before pension there is a clear methodology (link to minimum wage) and the schemes are indexed and reviewed regularly.

(**) The possibility to request split payments refers to splitting payments of the same minimum income benefit between the individuals in a household.The possibility for several members of the household to receive different benefits is not considered here.

(***) Gradual and proportionate activation requirements [sanctions] consider formal regulations and not actual practices.

Description of the table:

Adequacy:
-for Existence of a benefit setting methodology (4): the Member States shown in green are all the other Member States not shown in red. The Member States shown in red are: BE, IE, EL, ES, FR, HR, HU, AT, PT, RO, SK.
-for Periodic review or indexation (7): the Member States shown in green are all the other Member States not shown in red. The Member States shown in red are: EL, IT, CY.
-for Possibility to request split payment (8): the Member States shown in green are BE, CZ, IT, CY, LV, NL, SE. The other Member States are shown in red.

Coverage and take-up:
-for Transparent and non-discriminatory eligibility criteria (9a): the Member States shown in green are all the other Member States not shown in orange or red. The Member States shown in orange are: ES, FR, CY, LU, AT .The Member States shown in red are: IT.
-for Application granting < 30 days (9c): the Member States shown in green are all the other Member States not shown in orange or red. The Member States shown in orange are: DE, EE, IE, FR, IT, PT, SI, SE .The Member States shown in red are: ES, CY, HU, NL, AT .
-for Rapid complaint and appeal procedures (9e): the Member States shown in green are DK, IE, HR, LV, PT, RO. The other Member States are shown in orange.
-for Existence of national data on non-take-up (10e): the Member States shown in green are BE, CZ, EL, ES, FR, LT, HU, NL. The Member States shown in orange are: AT. The Member States shown in red are all the other Member States not shown in green or orange.

Inclusive labour market:
- for Gradual and proportionate activation requirements [sanctions] (11a): the Member States shown in green are BE, DE, IE, FR, LU, AT, FI. The Member States shown in orange are: DK, EE, ES, IT, CY, NL, SI, SK. The Member States shown in red are all the other Member States not shown in green or orange.
- for Targeted active labour market policies (11b): the Member States shown in green are all the other Member States not shown in orange or red. The Member States shown in red are: EE, ES, LV, HU, AT, SE.
- for Financial incentives to work (11c): the Member States shown in green are all the other Member States not shown in orange or red. The Member States shown in red are: HU.

Access to services:

- for Measures to support access to enabling services (12a/c): the Member States shown in green are all the other Member States not shown in orange. The Member States shown in orange are: BG, CZ, DK, EE, IE FR, LT, HU, SE.
- for Measures to support access to essential services (12b/c): the Member States shown in green are all the other Member States not shown in orange. The Member States shown in orange are: BG, EE, IE, ES, FR, HR, LV, LT, NL, AT, PL, PT, RO, SK.

Individualised support:
-for Formal obligation/usual practice to carry out a multi-dimensional needs assessment (13a): the Member States shown in green are all the other Member States not shown in orange. The Member States shown in orange are: CZ, IE, ES, MT, NL, AT, SK, FI, SE.
-for Formal obligation/usual practice to conclude an Inclusion plan (13b): the Member States shown in green are: BE, DE, FR, LV, LU, PT, RO. The Member States shown in orange are all the other Member States not shown in green or red. The Member States shown in red are: EE, IE, CY, HU, MT, SK.

Annex 1: List of schemes

MS	Country profiles – Name of the scheme in English	Country profiles – Name of the scheme in the original language
BE	Integration income	Revenu d'intégration / leefloon
BG	Social assistance	
CZ	Benefits of assistance in material need. It is composed of the allowance for living , the supplement for housing and the extraordinary immediate assistance . The qualitative analysis in Part 1 of the report is mostly based on the AfL.	Dávky pomoci v hmotné nouzi
DE	Citizen's Benefit (only those capable of working and their "community of need"/" immediate household")	
DK	Social assistance scheme. It consists of three benefits: social assistance, educational assistance, and the self-sufficiency and return benefit or transition benefit. The qualitative analysis in Part 1 of the report is mostly based on the social assistance benefit.	
EE	Subsistence benefit. It is complemented by the unemployment assistance scheme by providing support to jobseekers who are not (or no longer) eligible for unemployment insurance benefits. The qualitative analysis in Part 1 of the report is mostly based on the subsistence benefit.	Toimetulekutoetus (Subsistence benefit) Töötutoetu (Unemployment assistance scheme)

MS	Country profiles – Name of the scheme in English	Country profiles – Name of the scheme in the original language
IE	Ireland’s minimum income provision relies on two main schemes: i) Jobseeker’s Allowance (a means tested payment relied upon both by long-term unemployed people who exhaust their Jobseekers Benefit entitlement, and people who do not have a sufficient record of social insurance to qualify for Jobseeker’s Benefit) and, ii) Supplementary Welfare Allowance (to provide immediate and flexible assistance to people in certain circumstances). The qualitative analysis in Part 1 of the report is mostly based on the Supplementary Welfare Allowance.	
EL	Guaranteed Minimum Income (GMI)	Ελάχιστο Εγγυημένο Εισόδημα
ES	Minimum living income. It is complemented by 19 regional schemes (RMI), one for each Autonomous Community and City. The qualitative analysis in Part 1 of the report is mostly based on the minimum living income.	Ingreso Mínimo Vital,
FR	Active solidarity income. It is combined with the activity bonus, a means-tested top-up acting as an in work benefit for people with low incomes. The qualitative analysis in Part 1 of the report is mostly based on the active solidarity income.	Revenu de solidarité active (active solidarity income) Prime d’activité (activity bonus)
HR	Guaranteed Minimum Benefit	
IT	ADI (Inclusion Allowance) . It is complemented by the SFL (Support for Training and Employment), an active inclusion programme. .	*Assegno di Inclusione* (Inclusion Allowance) *Supporto Formazione e Lavoro* (Support for Training and Employment)
CY	The Cypriot Guaranteed Minimum Income	Ελάχιστο Εγγυημένο Εισόδημα (EEE)

MS	Country profiles – Name of the scheme in English	Country profiles – Name of the scheme in the original language
LV	Basic social assistance benefits is composed of: 1) guaranteed minimum income (GMI) benefit – monetary benefit for the payment of minimum daily expenses; and 2) housing benefit – material support for covering expenses related to the costs of housing. The qualitative analysis in Part 1 of the report is mostly based on the GMI benefit (except for the section on enabling services).	
LT	The minimum income support available to the working-age population includes a social benefit and the reimbursement for the cost of heating, hot water and drinking water from municipalities. The qualitative analysis in Part 1 of the report is mostly based on the social benefit (except for the section on essential services).	*Socialinė pašalpa* (social benefit) *Būsto šildymo išlaidų, geriamojo vandens išlaidų ir karšto vandens išlaidų kompensacijos* (the reimbursement for the cost of heating, hot water and drinking water)
LU	Social inclusion income. It is made up of the social inclusion benefit on household basis and the activation benefit, depending on the labour market status of the recipient. The qualitative analysis in Part 1 of the report (as regards adequacy and coverage) is mostly based on the social inclusion benefit.	*Revenu d'inclusion sociale (* Social inclusion income)

MS	Country profiles – Name of the scheme in English	Country profiles – Name of the scheme in the original language
HU	Minimum income scheme, composed by three benefits: i. employment substituting benefit (ESB), received by those who are deemed capable of work, during the time they are not working in public works; and ii. a benefit for people suffering from health problems or taking care of a child (BHC), the social assistance, received by those not deemed capable of work. iii. pre-retirement employment searching benefit (PRB) targeted jobseekers no longer able to claim unemployment benefits who are up to five years short of reaching the official retirement age; The qualitative analysis in Part 1 of the report is mostly based on the ESB.	*Aktív korúak ellátása (Minimum Income scheme)* Foglalkoztatást helyettesítő támogatás (Employment Substituting benefit) Egészségkárosodási és gyermekfelügyeleti támogatás (a benefit for people suffering from health problems or taking care of a child) Nyugdíj előtti álláskeresési segély (pre-retirement employment searching benefit)
MT	The minimum income support is provided through the so called social assistance and the unemployment assistance. The qualitative analysis in Part 1 of the report is mostly based (as regards adequacy and coverage) on the social assistance benefit.	Għajnuna Soċjali (social assistance) Għajnuna għal-Diżimpjieg (unemployment assistance)
NL	Social assistance	*Algemene bijstand*
AT	Social assistance scheme/Minimum Income scheme. The analysis is partly made on the basis of the schemes of federal provinces (e.g. Vienna and Lower Austria schemes).	
PL	GMI, including the „Temporary benefit”	
PT	Social Integration Income	*Rendimento Social de Inserção*

MS	Country profiles – Name of the scheme in English	Country profiles – Name of the scheme in the original language
RO	Minimum inclusion income includes two components: the inclusion aid and the aid for families with children.	*Venitul minim de incluziune* (Minimum inclusion income) *Ajutorul de incluziune* (Inclusion aid) *Ajutorul pentru familia cu copii* (Aid for families with children)
SI	Three main minimum income support are available: i) the social cash assistance (CSA); ii) exceptional social assistance (IS) that complements it to cover the costs of living (e.g. maintenance of housing, replacement of durables, etc.); and iii) supplementary allowance for those who cannot be expected to improve their social situation through their own efforts.	*Denarna socialna pomoč* (social cash assistance) Izredna denarna pomoč (Exceptional social assistance) *Varstveni dodatek* (Supplementary allowance)
SK	Assistance in material need includes: • benefit in material need • protection allowance • activation allowance • allowance for dependent child • housing allowance. The qualitative analysis in Part 1 of the report is mostly based (as regards adequacy and coverage) on the benefit in material need.	

MS	Country profiles – Name of the scheme in English	Country profiles – Name of the scheme in the original language
FI	The social assistance, the labour market subsidy (LMS) and housing allowance (HA), together form the minimum income scheme. Social assistance comprises three parts, the basic social assistance (BSA) which is implemented centrally, the supplementary social assistance to cover certain additional costs and the preventive social assistance, administered and provided by wellbeing service counties. The qualitative analysis in Part 1 of the report is mostly based on the basic social assistance.	Toimeentulotuki (social assistance) Perustoimeentulotuki (basic social assistance) Täydentävä toimeentulotuki (supplementary social assistance) Ehkäisevä toimeentulotuki (preventive social assistance)
SE	Social assistance	Ekonomiskt bistånd (Social assistance)

Annex 2: The ratio of the number of recipients of minimum income benefits to the size of the population at risk of poverty

The ‘ratio of the number of recipients of minimum income benefits to the size of the population at risk of poverty’ provides an indication of the size of the minimum income scheme relative to the size of the population at risk of poverty. It is computed as the number of individuals receiving minimum income benefits (based on national administrative data) divided by the AROP population (based on EU-SILC). The age bracket considered for each Member State depends amongst others on the specificities of the minimum income scheme in that Member State and the data available on the number of beneficiaries (the number of beneficiaries in this context relates to the number of persons that are living in a household that benefits from minimum income benefits). In this sense it is not fully comparable among Member States.

The ‘ratio of the number of recipients of minimum income benefits to the size of the population at risk of poverty’ should be read together with other available information, such as in particular on the adequacy of minimum income benefits and on the benefit recipient rate. In particular, the EU agreed indicator of the benefit recipient rate encompasses all types of in-cash social benefits (other than old age benefits) and provides an indication on the share of the population at risk of poverty that receives any type of social benefit. A high (or low) level for the ‘ratio of the number of recipients of minimum income benefits to the size of the population at risk of poverty’ may not necessarily mean a good (or bad) situation for a Member State, since this depends on the extent to which the AROP population is also covered by other types of in-cash social benefits (other than minimum income) and on the adequacy of minimum income benefits.

The table below provides the ‘ratio of the number of recipients of minimum benefits income to the size of the population at risk of poverty’ for the Member States which data is available, based on the latest available data.

MS	Number of minimum income recipients (numerator)	AROP population (denominator)	Ratio the numb recipients of minimum income benefits to the size of the population at risk of poverty	Age	Year
BE	165,500	1,338,000	12.4 %	all ages	2024
BG	82,294	1,401,000	5.9 %	all ages	2024
CZ	225,980	998,000	22.6 %	all ages	2024
DK	79,300	456,000	17.4 %	16-64	2024
DE	5,444,970	9,552,000	57.0 %	0-64	2024
EE	37,031	275,000	13.5 %	all ages	2023
IE	185,723	494,000	37.6 %	0-64	2024
EL	237,356	1,995,000	11.9 %	all ages	2024
ES	1,070,854	9,495,000	11.3%	all ages	2024
FR	3,724,000	8,809,000	42.3 %	0-64	2023
HR	40,632	450,000	9 %	0-64	2024
IT	1,584,000	8,579,000	18.5 %	0-64	2024
CY	20,342	140,000	14.5%	all ages	2024
LV	114,080	399,000	28.6 %	all ages	2024
LT	64,253	622,000	10.3 %	all ages	2024
LU	23,884	110,000	21.7 %	0-64	2024
HU	74,154	680,000	10.9 %	18-64	2023
MT	3,158	93,000	3.4 %	all ages	2024
NL	405,000	1,334,717	30.3 %	18-67	2024
AT	183,339	1,019,000	18 %	0-64	2023
PL	1,322,434	5,032,000	26.3 %	all ages	2023
PT	225,952	1,761,000	12.8 %	all ages	2024
RO	676,442	3,595,000	18.8 %	all ages	2024
SI	106,900	276,000	38.7%	all ages	2024
SK	131,316	778,000	16.9%		
FI	366,439	539,000	68 %		
SE	260,000	1,564,000	16.6 %		