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NOTE

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

Delegations will find attached the Country analysis for 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 full 2025 Minimum Income Report is contained in doc. 14905/25 ADD 1.

| Part 2 – Country analysis

Austria

Benefit	There is no national minimum income scheme in Austria, but a basic law that regulates the basic principles for the benefit. The legislative responsibility remains with the 9 federal provinces. The following information is partly based on the Vienna and Lower Austria schemes.		
1_Adequacy ¹			
Adequacy		As a share of the poverty threshold	As a share of the income of a low wage-earner
	Single person	72 %[2023]	63 % (2024)
	Couple with 2 children	76 %[2023]	60 % (2024)
Benefit setting methodology	No, but it is indexed according to the equalisation supplement reference rate (ESRR, Ausgleichszulagenrichtsatz) for pensions.		
Regular reviews and updates	Yes, updated on an annual basis.		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ² reaches 95 % (2024), significantly above the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 18 % ³ (2023)).		
Transparent and non-discriminatory eligibility criteria	Claimants are eligible only if they are neither able to raise the resources for basic subsistence through “own efforts”, nor through other social entitlements. EU/EEA citizens can get benefits only if they are employed or if they have been living in Austria for a minimum of five years. Citizens of other countries must have had legal residence in Austria for at least five years. No age requirements apply.		
Application processing times	The maximum is 3 months, but most provinces foresee that the applications should be dealt with as quickly as possible. Some foresee emergency aid.		
Rapid complaint and appeal procedures	Yes, appeal in front of administrative court. No maximum timeframe.		
Existence of national data on take-up rate	According to latest available information, it appears that it declined from a national average of 51% in 2009 to 30% in 2015.		
3_Access to inclusive labour markets			
Activation requirements	Gradual and proportionate		
Targeted active labour market policies	No- MI recipients are offered the same ALMP measures as unemployed		
Financial incentives to work	Earnings disregards		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (free of charge), housing allowance, social inclusion services (free of charge)		
Access to essential services	Separate service-specific support provided at the local level		
5_Individualised support			
Multi-dimensional needs assessment	Discretionary (common practice)		
Inclusion plan	Discretionary (common practice)		

¹ Information about the colour-coding is available in the Annex of Part 2 of the report.

² Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk of poverty and living in (quasi-) jobless households.

³ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

In Austria, the legislative responsibility on social assistance schemes remains with the 9 federal provinces, each of which has its own legislation. In 2019 the Basic Social Assistance Act was introduced; it does not define minimum standards but sets maximum standards that may not be exceeded by the federal provinces. Due to this regional variety of the schemes, examples from two federal provinces are used below to illustrate the characteristics of social assistance schemes in Austria.

Very closely linked to the regional schemes, unemployment assistance (*Notstandshilfe*) is regulated at the federal level, funded and provided by the unemployment insurance system, and can be received once the maximum duration of unemployment benefits (*Arbeitslosengeld*) has been reached. It can be received for an indefinite time, at the latest until eligibility requirements for a pension are met.

Adequacy

To define the maximum benefit level, the “equalisation supplement reference rate” (ESRR, *Ausgleichszulagenrichtsatz*) for pensions is usually used. This equalisation supplement provides pensioners a minimum income if their pension and other income are below a set threshold. This threshold is referred to as the equalisation supplement reference rate, set in 1955, and is adjusted annually in line with the general pension increase to take account of inflation and the cost of living. The defined maximum benefits serve as the income threshold for the means-test. Any additional Euro of other income reduces the total benefit by one Euro. Once income surpasses the maximum benefit level, no benefit is granted.

According to the Basic Social Assistance Act, income/benefits in 2025 could generally not surpass the following thresholds⁴:

- € 1 209.02 for single adults (100% of the monthly net ESRR);
- € 1 692.63 for a household with two adults (70% of the net ESRR for each adult person); and
- € 544.06 for every additional adult in the household (45% of the net ESRR for each additional adult, i.e. from the third adult).

The benefit level is further increased for dependent children however no common threshold/maximum benefits are currently defined at the national level. On average, depending on the number of children it lies around € 302 in the case of one child and around € 145 per child in the case of five or more children⁵.

The benefits’ level is updated on an annual basis according to the ESRR level, which is also adapted on a yearly basis. Equalisation supplements (*Ausgleichszulagen*) are tax-funded social benefits. They are designed to guarantee a certain minimum income for retirees having their legal habitual residence in Austria. In recent years, the ESRR has been repeatedly increased by more than price developments.

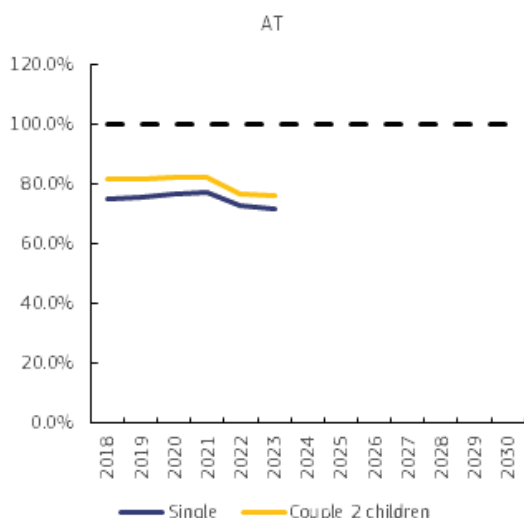
The usual procedure is that the federal provinces assess the household’s eligibility for receiving social assistance. It is

⁴ At the same time, the Basic Social Assistance Act also stipulates that the total benefits granted to adults living in a common household must not exceed 175% of the net ESRR, which equalled € 2.115.77 in 2025.

⁵ These examples of amounts only came into effect in Upper and Lower Austria and don’t apply nationwide.

not foreseen by law that individual members of a household can request split payments on the benefit.

Figure [AT].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving minimum income, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation).

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

In 2023, on average there were 196 972 persons in 108 206 households which received social assistance. There are no age restrictions and 13 633 recipients are older than 65. Consequently, 183 339 individuals who received social assistance were younger than 65. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty (aged less than 65) reached 18%. In 2023 193 386 individuals received an equalisation supplement (the entitlement to the equalisation supplement only arises when the general right to a pension arises).

In Austria, access to social assistance benefits is linked to transparent **eligibility criteria**: Claimants are only eligible for benefits if they are neither able to raise the resources for basic subsistence through “own efforts”, nor through entitlements to social insurance or other benefits (principle of subsidiarity).

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

No age requirements apply. This means that from 18 years on applicants can apply for the social assistance benefit. Individuals, who have reached the retirement age can obtain the equalisation supplement.

Elderly people, who are not entitled to a pension due to insufficient insurance periods and whose livelihood is not secured otherwise, are entitled to social assistance if the other requirements are met⁶.

Most types of income are considered in the means test, including benefits from different strands of social protection. However, some exceptions exist, like family allowance, long-term care cash benefit and child tax credit, or private financial transfers from charitable organisations/third parties (unless they have already been granted for an uninterrupted period of 4 months or are high enough that social assistance benefits are no longer required). Apart from

⁶ In particular: priority use of own income and assets, to be prepared to take on a job. Concerning the last requirement, there is an exception for older people who have reached the statutory retirement age according to the General Social Insurance Act

that, benefits granted by the Federal Government to cover additional needs due to the recent crisis are also not considered.

Besides income, assets are also taken into account, such as owner-occupied dwellings and other goods. However, exceptions cover objects necessary to carry out an occupation or to satisfy intellectual/cultural needs; essential household items; a car if it is needed for one's occupation or disability or if no sufficient public transport infrastructure exists. Besides these exceptions, financial assets (savings) of up to € 7 254.12 (600% of the monthly net ESRR 2025) per person are excluded from means-testing.⁷

This also applies to the continuity of access to social assistance (access is basically not subject to time limits, provided that the eligibility conditions continue to be met) and the access to complaints procedures. The right to file a complaint is ensured by federal state laws, and beneficiaries can appeal to the respective administrative courts. The decisions on social benefits contain clear information on legal remedies, on the options for filing an appeal and the deadlines to be met. As regards the ESRR, decisions can be appealed to the Labour and Social Court. Process durations vary.

Significant territorial differences exist in coverage, mainly due to the variety of regional schemes but also to other factors, like differences in housing conditions or a perception of higher stigmatisation in rural areas. In 2023, according to Statistics Austria,⁸ 16 530 of the beneficiaries (8.4%) were employed and received minimum income as a top-up to low earned income and 32.9% were unemployed and available for employment.⁹ Of this latter group, around half got benefits as a top-up to low benefits from unemployment insurance. This is around 14% of all recipients of unemployment benefits.

Every pension application to the pension insurance institution is automatically counted as an application for equalisation supplement (can be done digital or in person). In case of changes, an extra application should be submitted within 1 month¹⁰.

As regards social assistance, there is no uniform period for granting or assessing applications. In general, a decision needs to be made within 3 months from application. Applicants can apply for social assistance at the district administrative authorities or the magistrates, depending on the applicant's residential address and whether or not they live in a city with its own statute.

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

Labour market activation

Social assistance benefits in Austria are linked to the provision of work-qualifying measures for people who can work. According to the legislation in the federal provinces, recipients who are fit and available for work must register and have an individualised supervision agreement with the Public Employment Services (PES).

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

⁷ According to the OECD database on asset-testing requirements for minimum income schemes, the main residence, vehicles and household appliances do not affect eligibility or the benefit amounts. However, other immovable property, land, bank account assets and savings affect eligibility with exemptions.

⁸ Statistik Austria, [link](#).

⁹ In total 110 824 (56.3%) were not available for employment due to different reasons: 37.9% were not in employment age; 8.2% were incapable to work due to health issues / invalidity / disability; 3.9% were pupils who had started their school education before the age of 18; 4.1% were looking after children; 0.1% were looking after relatives in need of long-term care; 1.6% were not available for employment due to other reasons.

¹⁰ Later, the equalisation supplement is granted or increased retroactively from the beginning of the full calendar month preceding the application at the earliest.

Furthermore, each regional legislation addresses some types of "**case management**", "**integration plans**" or "**integration agreements**" to be organised by the institutions responsible for benefit provision¹¹. However, it appears that the actual implementation varies considerably between provinces and mostly applies to specific groups of benefit recipients (i.e. in particular to those available for work).

According to data provided by the PES, a total of 100 137 recipients were registered as unemployed in 2024. Of these, 59% participated in active labour market policy (ALMP) measures; 42% in qualification measures, and 6% in "employment incentives". Around 15% found a job (40% of these cases related to an ALMP measure of the employment incentive type).

If recipients do not comply with ALMP, or other activation measures, they may be **sanctioned** by the welfare offices, according to acts of the federal provinces. Specific requirements on the level of deductions or predefined percentages for the benefit reduction are however not stipulated (except for violations of integration obligations). Therefore, sanctions differ to a considerable degree between Federal Provinces. Sanctions were imposed on a total of 2 806 recipients of beneficiaries in 2023.¹²

Work incentives

For recipients who take up gainful employment, up to 35% of the income earned may be **disregarded** for means-testing for a period up to 12 months. However, it appears that the different provinces have used this option to very differing extents. According to data from Statistics Austria, this kind of tapering was overall used in 2 902 cases in 2023.

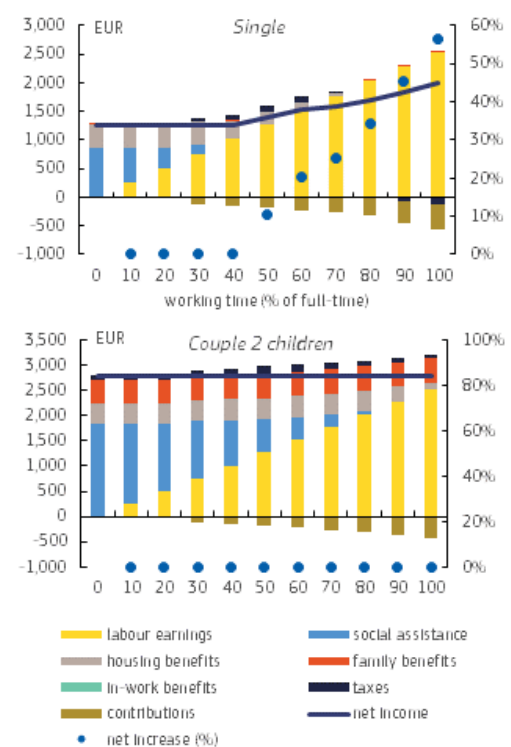


Figure [AT].2: Financial gains of moving into (part-time) employment

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 a low 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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

The provision of enabling and essential services is a responsibility of the federal provinces.

¹¹ I.e. the responsible unit of municipal administration in Vienna and of the district authorities in the other federal provinces.

¹² Statistik Austria:

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

Enabling services

The province of Vienna offers supplementary services such as **social work** including counselling and support e.g. with labour market integration (e.g. for mothers with caring responsibilities), provides help to avoid loss of housing and energy poverty (e.g. by taking over arrears), etc.

In addition, the State of Vienna finances labour integration measures for special groups of recipients together with the PES¹³. Beyond that, there are also comprehensive counselling and support services for homeless people, indebtedness, services for people with addiction and drug problems and for people with mental health problems. All these services are free of charge.

Recipients have access to **health insurance**. In some federal provinces, recipients have access to additional **housing benefits**. Recipients of an equalisation supplement are exempt from the prescription fee. In addition, there are other benefits and reductions, such as rent subsidy, exemption from licence fees, etc. The benefits vary from province to province.

Essential services

Energy. All federal provinces grant a heating cost allowance for people with low income (around EUR 110 per year in Carinthia and up to EUR 2 000 per year in Burgenland, 2025) or provide other forms of support (e.g. energy support due to inflation crises, counselling service in Vienna to reduce the energy consumption of households at risk of poverty to reduce the financial burden on the households concerned). Target groups are low-income households and the specific eligibility requirements, and the level of the benefits vary between the different federal provinces.

Transport. The province of Vienna provides e.g. a mobile pass, which enables to travel at a reduced rate on public transport and to attend adult education centres free of charge.

Digital communications. The province of Vienna supports applicants without digital access or who lack digital skills in the application process (in some of the agencies). Moreover, the province of Vienna works very closely with other social welfare organisations such as institutions for disabled persons, refugees and for the homeless. Essential services are offered in addition to minimum income.

Individualised support

Individualised support is a responsibility of the federal provinces. For example, 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 an assessment, needs are recorded, goals are defined and measures for reintegration into working life are agreed and initiated. In addition to this case management, social work can also be called in or the participation in special measures can be organized (e.g. youth college).

To support the efforts of entitled persons to be included into the labour market, the province of Upper Austria provides for support from specialists, service-providing organisations or institutions such as case management. The target group includes people from the age of 18 up to 5 years before retirement, who receive or apply for social assistance, have a permanent main residence in Upper Austria, are registered as jobseekers with the Labour Market Service in case of serious placement obstacles.

Recent or upcoming reforms

Upcoming structural changes to the social assistance system are foreseen in the new government programme. The main focus of the reform will be labour market integration of people who are able to work. The schedule is still to be determined.

Additional sources

[Pensionsversicherung: Ausgleichszulage und Pensionsbonus](#)

¹³ Currently: Youth college and College 25+, a project for woman on maternity leave to promote reintegration, various employment programmes.

Belgium

Benefit	Integration income (<i>Revenu d'intégration / leefloon</i>)		
1_Adequacy ¹⁴			
Adequacy		<i>As a share of the poverty threshold</i>	<i>As a share of the income of a minimum wage earner</i>
	<i>Single person</i>	80 %[2023]	68 % (2024)
	<i>Couple with 2 children</i>	70 %[2023]	54 % (2024)
Benefit setting methodology	No methodology		
Regular reviews and updates	Automatic yearly indexation to inflation		
Split payments	Yes		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ¹⁵ reaches 87 % (2024) close to the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 12 % ¹⁶ (2024)).		
Transparent and non-discriminatory eligibility criteria	A minimum age of 18 applies and there is no age limit for a minor emancipated by marriage or who is pregnant or looking after children. To have Belgian nationality, or be a European citizen (or their family member), a foreigner listed in the national register, a recognised refugee, or stateless, in combination with being resident in Belgium (at least 3 months).		
Application processing times	The decision must be taken within 30 days following the claim.		
Rapid complaint and appeal procedures	Appeal to the labour court. No maximum timeframe.		
Existence of national data on take-up rate	According to the TAKE scientific research the non-take up rate lies between 37% and 51% ¹⁷		
3_Access to inclusive labour markets			
Activation requirements	Gradual and moderate		
Targeted active labour market policies	Yes		
Financial incentives to work	Earnings disregard and gradual tapering/phasing out of benefits		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (reduction of out-of-the pocket expenses except for dentists), housing allowances, and social inclusion services (free of charge). Access to social services is an integrated component of the scheme		
Access to essential services	Financial or in-kind service-specific support automatically provided at federal, regional or local level		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Yes, in 3 months (the Individualised Social Integration Project)		

¹⁴ Information about the colour-coding is available in the Annex of Part 2 of the report.

¹⁵ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

¹⁶ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

¹⁷ Goedemé, T., & Janssens, J. (2020). The concept and measurement of non-take-up: An overview, with a focus on the non-take-up of social benefits, Deliverable 9.2 Leuven, InGRID-2 project 730998 – H2020

Description of the national scheme

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

The competence of professional activation was transferred to communities, regions or community commissions in 2014.

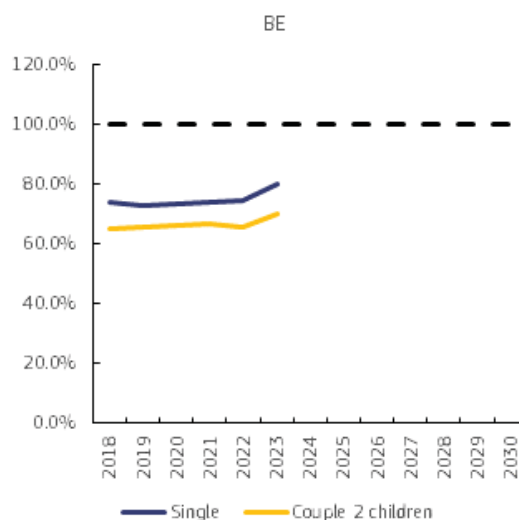
Adequacy

The levels of the minimum income are set out in the legislation and linked to the consumer price index and automatically adjusted to cover the rise in the cost of living. The benefit covers the difference between claimants' income and the level of the guaranteed income support. The gross monthly amounts (February 2025) (not subject to taxation) is EUR 876.13 for a co-habiting person, EUR 1 314.20 for a single person and EUR 1 776.07 for a person living together with a dependent family. The dependent family rate is granted when there is at least one (minor) child in the household. Each spouse is paid half in their own right (for couples without children, there is no individual right to integration income).

These amounts may be combined with family benefits and child tax credits, with some income from labour and with housing, heating allowances and other social assistance benefits provided by PCSWs.

An automatic readjustment of 2% of the allowance is made when the consumer price index varies by 2% compared to the previous index. An experimentation is going on to use a reference budget tool for topping up the federal determined amount with necessary additional local support to enable a dignified life. A specific budget is foreseen to support the most vulnerable part of the population.

Figure [BE].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving minimum income, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

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

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

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

Property and other assets are also considered, for calculating the amount of the benefit. Real estate income is considered when the applicant is the owner

or beneficial owner of the property. Mortgage interest is deducted when calculating property income.^{18, 19}

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

There has been an increase in the number of beneficiaries over recent years and, the number of beneficiaries is currently the highest ever recorded. In September 2024, the number of beneficiaries of the Belgian Minimum Income is estimated at 165 500 (note: this is an increase, year-over-year, by 3.75%). Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 12%. It can be expected that a planned reform of unemployment benefits limiting these to a maximum of two years, will lead to a further substantial increase in the number of beneficiaries in the years to come.

Labour market activation

Claimants must demonstrate their willingness to work, unless it is not possible for instance for health reasons. While the legal framework entails a clear interpretation, job-search requirements are less stringent than for unemployment benefits as willingness to work refers to a different situation. Since 2016, the **individual social integration project** has become the main tool to **assess the needs** and capacities of beneficiaries (see also section on the individualised support). Its aim is to support the employment and social integration of beneficiaries, but also to hold them to account for their own efforts towards integration. The plan is **compulsory** (unless there are for instance health or other justified reasons) for people under 25.

In case of breaches to the integration plan without valid reason, the benefit can be wholly or partially suspended

for one month and after formal notice (three months in cases of a second time within one year). **Sanctions** are rare as 3% of beneficiaries are subject to some temporary suspension (one month).

The regional Public Employment Services (PES) provide several services for the reintegration of people who are very remote from the labour market, including beneficiaries of the integration income (e.g. intensive mediation, on-the-job training, activating care, temporary work experience, and community work). The services and measures available do not make a distinction based on income but on assessment of needs. For beneficiaries who were referred to the PES, in most cases no specific data on participation of integration income beneficiaries in active labour market policies (ALMPs) are collected. However, an evaluation has shown that in 60% of cases there is a positive outcome associated to the integration plans, but that success depends on the objectives that are agreed in the plans²⁰. There is a great variety in the way plans are implemented by PCSWs and practices differ considerably.

Work incentives

Minimum income beneficiaries who begin work or who start or continue vocational training can enjoy a total of 3 years of socio-professional exemption within a 6-year period through which income received by the beneficiary up to a certain amount is not deducted from his minimum income. This amount is maximum of EUR 309.48 per month. In the case of artistic activities, this amount is a maximum of EUR 3 713.76 per year. For income from bottleneck occupations, this amount is a maximum of EUR 443.52 per month.

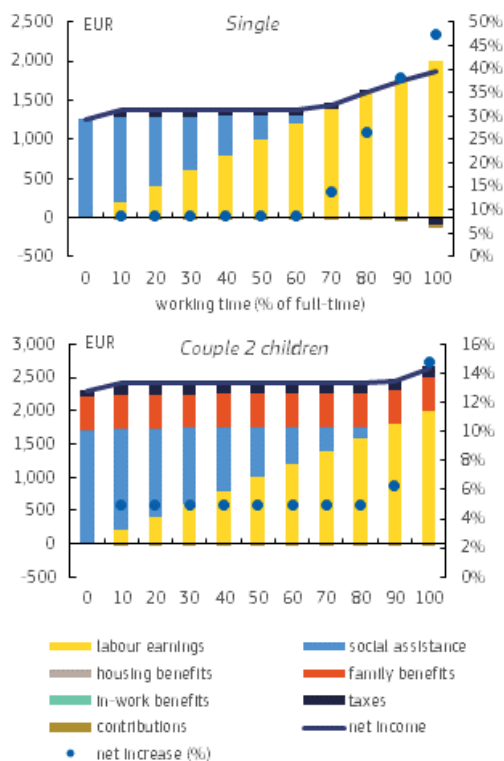
¹⁸ Provided that the mortgage debt was contracted for the claimant's own needs, the claimant proves the destination of the capital loaned and the claimant proves that the mortgage interest was due and has actually been paid for the year preceding that in which the decision was made

¹⁹ According to the OECD database on asset-testing requirements for minimum income schemes, vehicles and household appliances do not affect eligibility or benefit amounts in Belgium. However,

the main residence, other immovable property, land, savings and bank accounts assets affect eligibility and the benefit amounts.

²⁰ Albertijn, Michel, Els Van Doorslaer, en Sabine Janssens. Onderzoek naar de uitvoering van de GPMI-hervorming. Brussel: Tempera en bsm, september 2021

Figure [BE].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

Minimum income beneficiaries generally have access to quality services. This encompasses a **wide variety of services** including additional financial support, medical assistance, energy assistance, debt mediation, and housing facilities, based on the needs assessment under the integration plans. Beneficiaries are eligible to mandatory sickness insurance free of charge and increased reimbursement of healthcare costs.

The minimum income automatically grants access to other derived entitlements, such as the social tariff for gas and electricity and automatic bill reductions. Local tax reductions might also be granted though this mostly does not happen automatically. The ‘harmonised social statutes - derived rights’ project of the Crossroads Bank for Social Security aims to automate the granting of

derived social rights for, among others, minimum income recipients.²¹

Individualised support

The **individualised social integration project (ISIP)** is an important element: it provides a personalised pathway to become more autonomous and ultimately able to follow one’s own path without the help of the local social centres. It must be concluded within three months of the minimum income being granted.

On average, on an annual basis, 47% of minimum income recipients have an Individualised Social Integration Project.

Keeping beneficiaries well informed about the ISIP and using this tool effectively are additional guarantees for a better use of the right to minimum income. A guide is available in 7 languages: French, Dutch, German, English, Arabic, Ukrainian and Russian. This makes it easier to provide support to foreign nationals, particularly those benefiting from temporary protection.

A study commissioned by the PPS Social Integration on the ISIP published in 2023 analyses the contribution of the ISIP to the social integration of students under the age of 25. Overall, it highlights the positive impact of the Student ISIP. Specifically, 86% of college students and 85% of university students on minimum income advance to the next academic year, even if they need to retake subjects. Although success rates are slightly lower compared to regular students, these figures are considered a notable achievement given the students' challenging living conditions. The data also reveal that 55% of these students participate in seasonal work, highlighting their willingness to engage in the workforce, and 30% report earning a secondary income over the past three months. Overall, the support structures in place, combined with the students' determination to work and maintain educational progress, demonstrate the potential for ISIP to facilitate positive outcomes for students on minimum income.

Recent or upcoming reforms

The OCMW online tool, launched on 1 June 2025, aims to address non-take-up. Thanks to its online application form, it facilitates the first contact between people wishing to obtain support and the PCSWs. The tool

²¹ <https://www.ksz-css.fgov.be/fr/project/projet-statuts-sociaux-harmonises-droits-derives-ssh>

allows people to apply for support online, in complete discretion, which encourages people who are afraid to go to a PCSW to claim their rights. In addition, the form has been designed to be as simple as possible (comprehensible vocabulary, intuitive navigation, minimal data entry, etc.).

Finally, this tool should also reduce the workload of social workers responsible for manually registering applications for assistance. OCMW Online will be integrated directly into the PCSWs' social software. As a result, applications for assistance will be received and processed in an integrated manner.

The reference-budget instrument REMI, launched in March 2023, is an online, private and non-binding tool that determines, for each household, the extent to which the household income is sufficient to live in dignity. It can be used to improve the adequacy of the minimum income amount, by objectifying the assessment of needs on an individual basis for each household. The federal government funded the use of the instrument for 2 years by paying for the licence and the additional support for 424 out of the 581 local centers.

REMI compares household incomes with the level of reference budgets. Reference budgets are baskets of

goods and services that, based on scientific research, provide an assessment of the level of minimum income necessary for a household to participate fully in society. REMI is based on uniform criteria for taking into account income and expenditure. The new Government foresees an evaluation of the REMI application.

The new coalition agreement foresees a reform and simplification of social assistance in order to strengthen activation, better integrate beneficiaries into the society and guarantee a dignified life. In consultation with the competent government departments, provision is made to harmonise and optimise the means test and calculation methods of the various social assistance benefits. In the future, an eligibility condition of residence of at least 5 years will be applied to migrants before they are entitled to social assistance and the ISIP will be extended to all persons who are entitled to the minimum income scheme (except for persons who are unable to work for medical reasons).

Additional sources

www.mi-is.be

<https://primabook.mi-is.be/>

Bulgaria

Benefit	Social assistance		
1_Adequacy ²²			
Adequacy		As a share of the poverty threshold	As a share of the income of a minimum wage-earner
	Single person	19 %[2023]	42 % (2024)
	Couple with 2 children	28 %[2023]	39 % (2024)
Benefit setting methodology	% of AROP		
Regular reviews and updates	Yes, as linked to AROP		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ²³ reaches 76 % (2024), below the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 6 % ²⁴ (2024)).		
Transparent and non-discriminatory eligibility criteria	The minimum age of 18 applies and there is no age limit. Entitlement to social assistance benefits shall accrue to Bulgarian citizens or European citizens, foreigners holding a long-term or permanent residence permit for the Republic of Bulgaria, foreigners who have been granted asylum, refugee or humanitarian status, and foreigners enjoying temporary protection.		
Application processing times	Law foresees 27 days maximum		
Rapid complaint and appeal procedures	Yes, administrative appeal, which can be followed by an appeal to the administrative court. No maximum timeframe.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Strict		
Targeted active labour market policies	Yes		
Financial incentives to work	Gradual tapering/phasing out of benefits		
4_Enabling and essential services			
Access to enabling services	State-funded social services for children (free of charge), healthcare (free of charge), housing (for certain groups) and social inclusion services (paid provision with some exceptions)		
Access to essential services	No preferential or automatic entitlement to essential services		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	The objectives are reached by other means		

²² Information about the colour-coding is available in the Annex of Part 2 of the report.

²³ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

²⁴ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

The minimum income scheme is regulated at national level, with the Ministry of Labour and Social Policy. The Social Assistance Agency within the Minister of Labour and Social Policy is in charge of implementing the policy. The Social Assistance Agency is administered centrally, but has local points - regional social assistance directorates in the administrative regional centres - 28 and Social Assistance Directorates - 147.

The scheme consists of three pillars: monthly social assistance, access to services and activating in the labour market.

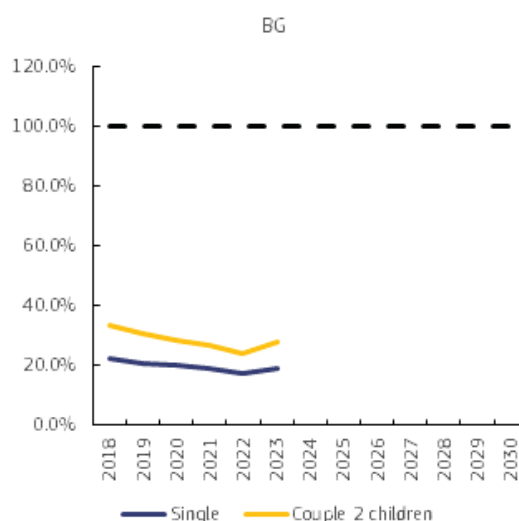
The monthly social assistance, as an element of the minimum income scheme, and the targeted heating allowances regulated in the Social Assistance Act (SAA) are an important element of the social protection system. They are centrally organised and support citizens who cannot meet their basic vital needs.

Minimum income schemes are cash payments that help needy individuals/families to achieve a certain level of income that allows them to live a dignified life.

Adequacy

The amount of social assistance benefit is determined depending on the poverty line and - as of 1st June 2023 – **the level is set at 30% of the poverty line** (at risk of poverty threshold). This new method of calculation led to an increase in the benefit level in 2025 by 213% when compared to 2024, and by 26.6% compared to 2023. In addition, linking the benefit level to the poverty threshold results in its automatic updating each year.

Figure [BG].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving minimum income, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

The right to minimum income is granted to individuals or families whose income for the previous month is lower than a determined differentiated income. The differentiated income is calculated as the support base, which monthly amount is 30% of the poverty line for the relevant year, adjusted by the relevant ratio (percentage) for the group to which the individual belongs. The ratios (percentages) are as follows:

- for a person living alone – 165 %;
- for a person living with another person (persons) or family, and for each of the coexisting spouses – 100 %;
- for each child aged up to 18, and if studying - until acquiring secondary education, but not more than 20 years of age – 100%;
- for pregnant women 45 days before childbirth and for a parent raising a child aged up to 3 – 120 %;
- for a parent raising alone a child/children aged up to 18; and if the child is studying – until the acquisition of secondary education, but not more than 20 years of age – 120 %.

When there is more than one reason, the higher

amount applies.

The benefits are granted on the base of criteria related to income, property status²⁵, marital status and employment. When determining the level of the benefit, regular participation in the educational process, vaccinations and children's health prophylaxis are also taken into account. After conducting a survey to gather information, a social report is prepared, reflecting the person's need for support. The relevant benefit is granted on this basis. The formal period, in which the application must be processed, is 27 days.

The beneficiaries apply for minimum income benefits once a year, and they are obliged to notify the Social Assistance Agency within one month in case of change in the circumstances related to the granting of benefits.

Application for the benefit can be submitted in person or electronically. Granting or refusing the benefit may be appealed under a standard administrative procedure.

According to the Social Insurance Agency's data, in 2024 the supported families are 48,994, consisting of 82 294 individuals. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 6%.

Labour market activation

Every Bulgarian national at the age of over 16 years, seeking for a job, may get registered in a Labour Office. Unemployed individuals must be registered with the PES at least for 3 months prior to submitting an application for social assistance. For unemployed persons that have not started to work yet, an **action plan** is prepared **within a month** period from their registration. This action plan includes the employment officer's recommendations, the actions and the deadlines to fulfil the relevant recommendations.

Recipients of social benefits have access to all active labour market policy (ALMP) measures. In addition, they must perform community service (40 hours/month) to restore/acquire work habits and get motivated seek for job and earn income from work instead of social benefits.

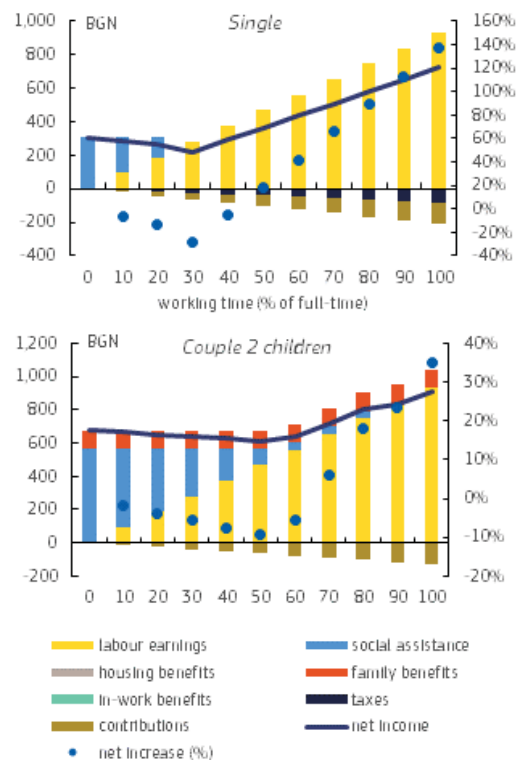
In the case of the non-compliance with the activation condition, recipients lose the status of the

unemployed and are de-registered from the PES for 3 months.

Work incentives

In cases where a beneficiary starts work, the minimum income continues to be provided for a period of 3 months (within a year).

Figure [BG].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

All social services, and integrated health and social services, are accessible for eligible persons according to their needs. Direct access to services is ensured for individuals in crisis situations, as well as victims of human trafficking and domestic violence. Social services follow an individualised approach based on an individual assessment of needs. Multi-disciplinarity is key in the needs assessment and in the planning of the

²⁵ According to the OECD database on asset-testing requirements for minimum income schemes, in Bulgaria: household appliances, vehicles, land and other immovable properties do not affect eligibility or benefits amounts. However, bank account assets and

main residence affect eligibility with some exemptions. As well, savings fully affect eligibility without exemptions.

service delivery.

The Social Services Act (SSA) regulates services delivery, including the maximum waiting time for each stage of accessing state-funded services. These stages are: (a) referral through a preliminary needs assessment, which includes the individual choice of an appropriate social service; (b) service provision, including the preparation and regular updates of the needs assessment, and the **Individual Support Plan (ISP)** and the contract for the use of the social service; (c) service closure (the provision of specialized social services ends with an assessment report on the results achieved according to the established ISP). The use of state-funded social services is subject to fees, with exceptions provided in Articles 103(1) and 104(1) of the SSA.

Individualised support

In the social services area, the individual needs assessment and the ISP mentioned in the previous section are prepared within 20 days of the person's desire statement to use the social service from a provider of their choice.²⁶ In case the person using a social service has not requested an update the social service provider is obliged to prepare an updated individual needs assessment and an updated ISP:

1. no later than 3 months from signing the contract for use of the social service - in case of short-term use of a social service;
2. no later than 4 months from signing the contract for use of the social service - in case of medium-term use of a social service;
3. no later than 6 months from signing the contract for use of the social service or from the last update of the assessment and plan - in case of long-term use of a social service;
4. no later than 12 months from signing the contract for use of the social service or from the last update of the assessment and plan - in case of use of a social service for residential care for adults.

The ISP includes the objectives for meeting the person's needs, specific activities according to the type of social service, expected results and deadlines. Depending on

the needs, the activities may cover aspects related to health, education, rehabilitation, as well as social and leisure activities.

Recent or upcoming reforms

Bulgaria implemented a comprehensive reform of the minimum income in 2023 in accordance with the provisions of the National Plan for Recovery and Resilience of the Republic of Bulgaria. Main changes, described above, included linking the benefit level to the AROP threshold and related increase in adequacy, as well as regular updating of social benefits.

In addition, the amendments to the Employment Promotion Act entered into force in 2024. They encompassed, i.a. the possibility to combine the benefit with income from work and relaxed sanctions. Individuals can get registered as unemployed at any labour office, regardless of their permanent/current address, which also aims to expand access to employment services.

The large-scale reform of social services, launched in 2020, continues. The Agency for Quality of Social Services was established in 2020 and its main functions are related to the performance of control and monitoring the social services' provision. In 2022, the Ordinance on the Quality of Social Services was adopted. It is the basic regulatory act in the area of the social services, which sets new and more precise standards for the quality of social services, including the services for children. In addition, a National Map of Social Services was adopted. This will ensure equal access to social services for all persons who need them. The development of new standards for funding social services is currently undergoing under the SSA, they should apply from 2026.

Additional sources

<https://www.mlsp.government.bg/>

<https://asp.government.bg/>

<https://www.az.government.bg/>

²⁶ It should be noted that the ISP cannot be considered as an inclusion plan for the purposes of the Recommendation.

Cyprus

Benefit	Guaranteed Minimum Income (GMI)		
1_Adequacy ²⁷			
Adequacy		<i>As a share of the poverty threshold</i>	<i>As a share of the income of a minimum wage-earner</i>
	<i>Single person</i>	70 %[2023]	79 % (2024)
	<i>Couple with 2 children</i>	67 %[2023]	75 % (2024)
Benefit setting methodology	Yes, based on a reference budget		
Regular reviews and updates	No		
Split payments	Yes		
2_Coverage and take-up			
Benefit recipient rate ²⁸	The benefit recipient rate ²⁹ reaches 60% (2024), significantly below the EU average (83%)(the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 15% ³⁰ (2024)).		
Transparent and non-discriminatory eligibility criteria	Applicants must be over the age of 28, with exceptions and must have resided in Cyprus for a continuous five-year period. Third-country citizens need to have an immigration permit and the right to long-term stay in the country (with exceptions).		
Application processing times	Within 60 days		
Rapid complaint and appeal procedures	Yes, administrative procedure in place. No maximum timeframe.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Moderate		
Targeted active labour market policies	Yes		
Financial incentives to work	Earnings disregards		
4_Enabling and essential services			
Access to enabling services	Childcare (paid provision with possible reduction of fees), healthcare (free of charge), long-term care (free of charge), education and training (free of charge), housing allowance, social inclusion services (free of charge). Access to social services is an integrated component of the scheme		
Access to essential services	Costs included in the reference baskets for the GMI main benefit.		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	No formal requirement but usual practice		

²⁷ Information about the colour-coding is available in the Annex of Part 2 of the report.

²⁸ Computed as: Number of beneficiaries of minimum income / total AROP population

²⁹ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

³⁰ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

The Cypriot Guaranteed Minimum Income (GMI) aims to ensure a socially acceptable minimum standard of living for persons (and families), legally residing in the Republic of Cyprus, whose income and other economic resources are insufficient to meet their basic and extraordinary needs. The GMI is provided in the form of monetary support and/or services.

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

The scheme consists of three pillars: income support, access to services and activation, along with all its complementary components and associated policies³¹.

Adequacy

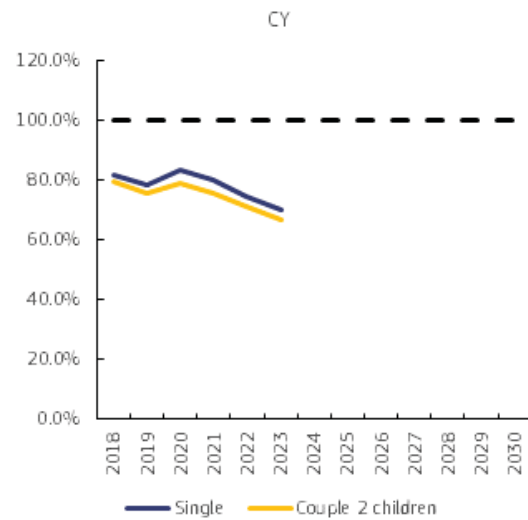
The level of the basic amount is calculated using a **reference budget** and housing support methodology (that captures the monetary value of necessary goods and services, including adequate nutrition, housing, healthcare and essential services) and varies depending on the size and age structure of the household. The benefit is calculated by subtracting household income (some income sources are discounted or fully omitted³²) from the basic needs (including housing needs).

The benefit amounts to EUR 480 for the main applicant, EUR 240 for the spouse and children between the ages of 14 and 28, EUR 144 for children under the age of 14. It takes into account rent or loan interest providing an additional amount that ranges from EUR 162 for living in Paphos (lowest prices to rent) to EUR 243 in Limassol (highest rent prices) for a single person. It increases accordingly depending on family composition, special needs (+50% to 90% for disabled persons) and district of residence. The housing supplement is due for re-evaluation, as per the relevant articles of the legislation.

³¹ Rent subsidy, disability allowance, care and assistance allowance, coverage of unforeseen expenses, wide range of discounts (i.e. 20% on electricity etc) and free of charge services (i.e. health, transport, education etc).

Every beneficiary has the right to ask for a personalization of the way the benefit is paid, for example the benefit could be paid in two separate bank accounts belonging to the main beneficiary and the spouse respectively, or, in the case of one of the spouses living in a LTC facility, the GMI covers both the LTC cost (745 euros) and the cost of living for the spouse that is at home (480 euros + rent), separately.

Figure [CY].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

Access to the GMI is determined based on income, age, nationality, residency, employment status, and the financial assets of applicants and beneficiaries. GMI applicants must be over the age of 28 (there is no upper bound). Exceptions include: married couples, single parents, orphans, disabled persons and persons under the age of 28 who, on reaching 18, were under the care of the Welfare Services Director. The GMI is not meant to address the specific needs of young people (for school fees, professional training, etc.) for which there are separate policies in place.

³² Income from work is discounted (up to EUR 170 plus contributions to social insurance, or up to EUR 512 if the beneficiary is a disabled person) as an incentive to take up work. Every disability allowance / benefit is omitted as well as special-purpose benefits such as a funeral allowance or training subsidies.

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

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

The following income is considered in the means test: from work (including self-employment), from allowances/grants given by the government, and other social benefits, from any pension plan, pension fund, social insurance plan or occupational plan and from real property and movable assets. If claimants and/or any members of their family units own immovable property with an estimated real estate value of more than EUR 100,000, they are not eligible for the GMI³³. Some incomes are excluded from the means test, such as disability allowances and grants, charity organizations/institutions contributions, students' grants, funeral allowance, childbirth allowance and any scheme supporting pensioner households with low income, training or vocational experience allowances, monthly allowances granted to people actively engaged in the field of literature and arts and economic assistance granted as emergency financial aid. Furthermore, when calculating the level of income from work, a series of income disregards are considered to strengthen work incentives.

There is a periodic assessment (control checks) of entitlement to the GMI, reviewing for example, information on people who are not registered as unemployed, the income and deposits of GMI beneficiaries and the family units benefiting from the GMI. Data on income and assets are collected every month utilizing IT systems and live feeds into other IT systems, while other kinds of data are collected daily (labour market participation data, job rejection and

quitting) or ad hoc (e.g. updating of address and family composition).

From the second half of 2023 and onwards more intense efforts have taken place for control checks and eligibility reviews (under specific unit of GMI) that resulted in more beneficiaries exiting the GMI and entering the labour market.

GMI beneficiaries have the right to **appeal** any decision made regarding their application directly to the Deputy Minister of Social Welfare, within 60 days after receiving a notification about the decision to which they appeal. This procedure is free of any charge and is followed through with due process as per the proper administrative guidelines.

In 2023 up to the end of 2024, efforts have been made to process the examination of all applications that were in the pipeline. By the end of 2024, the examination and review of all outstanding applications has finished.

This significant transformational effort is linked to the goal of processing applications in under 30 days pursuant to article of 9 (c).

All decisions taken for GMI recipients are duly reasoned based on GMI Legislation/Regulations/Circulars, the principles of administration law and the rules of good administration. Additionally, various systems have been upgraded so that applicants are informed by messages on their mobile phone for the examination of their application.

According to national data, in 2024, 20 342 individuals (all ages) received minimum income. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty (all ages) reached 15%.

Non-take-up

Since 2023 numerous cut throughs are in place to reduce the administration burden, including simplifying the administration procedures. As of June 2023, the electronic GMI application has been operational through which it is ensured that applications submitted are fully complemented and for any other missing documents, the applicant is directly and promptly informed and can submit additional requested

³³ According to the OECD database on asset-testing requirements for minimum income schemes, in Cyprus: household appliances and vehicles do not affect eligibility or benefit amounts. The main residence affects eligibility with some exemptions. Land, other

immovable property, savings and bank account assets fully affect eligibility without exemptions.

information /documents through the electronic submission form.

As of March 2023, a dedicated call centre is fully operational. Approximately 2 500 GMI applicants/recipients/lone parents are served weekly, ensuring access to user friendly, free of charge and updated information on rights and obligations related to GMI.

Additional 500 citizens (averagely) are serviced each week by an even more specialized call centre situated in WBAS headquarters, that handles inquiries that are more in-depth.

Finally, 8 Welfare Benefits Service Points (SEEP) have been established since May 2022 throughout Cyprus (4+1 district offices and 3 in remote areas/villages).

Linked to the Service Points, Social Service Workers have regular contact and offer needed help and support to applicants and beneficiaries.

Labour market activation

Applicants and beneficiaries must also satisfy a few job-related conditions, such as being registered with the PES and accepting 'suitable' jobs. They must not quit the job and must participate in (where available) VET programmes, personal/social development seminars, and individualised counselling from PES counsellors.

Failure to do any of the above (for example, if people refuse to accept a job offer that is relevant to their skills) may result in **temporary or complete loss of entitlement**.

If a beneficiary is employed, they still need to be registered under PES seeking for a better suitable/better paying job.

The communication channels and cooperation between GMI coordinators and PES labour officers is open and continuous daily. Both bodies work closely together for their mutual interest which is the activation of GMI recipients/applicants and (re) integration of GMI recipients into the labour market.

During the last 2 years there has been significant progress in the activation component, which is now one of the top priorities of the GMI programme.

Since February 2024, through the close cooperation mechanism of GMI activation unit and PES, intensified efforts have been made, resulting in 1 000 referrals of GMI beneficiaries to the PES department all over Cyprus (enrol, register, activate, seek and accept job).

When participating in ALMPs, GMI recipients continue to receive full GMI-related benefits. Examples of ALMPs targeted at GMI recipients include programmes for gaining work experience, recruitment subsidies, development of labour market skills; incentives schemes (on-the-job training, subsidized training programmes) for the training and recruitment of unemployed people in dynamic sectors of the economy and subsidizing the employment of people with disabilities.

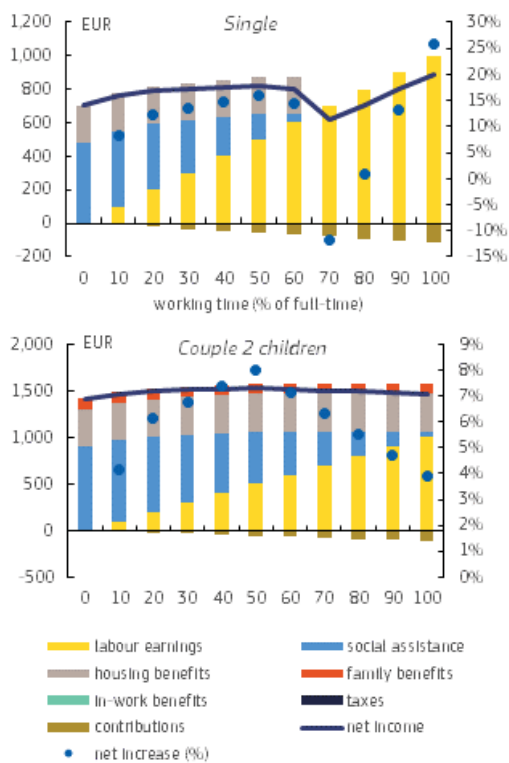
To facilitate working opportunities and employability for the employed and unemployed in Cyprus, as well as for the GMI recipients/applicants, the Human Resource Development Authority (HRDA), in cooperation with the Ministry of Labour and the Ministry of Education, offers training activities for GMI beneficiaries.

In cooperation with the HRDA and through the program " Participation in the Free Entrepreneurship Program for unemployed beneficiaries of GMI, under the Recovery and Resilience Plan of Cyprus", 446 GMI beneficiaries were referred. The program started on 09/2024 and finished in 11/2024.

In accordance GMI unit works also closely with the Social Welfare Services (SWS) in order to exclude GMI beneficiaries who have special difficulties in their employability or are disabled people and cannot work (cooperation with The Department for Social Inclusion of Persons with Disabilities)

Furthermore, since a significant number of beneficiaries are refugees, asylum-seekers and in general third country nationals, Greek language is considered to be a big barrier that excludes beneficiaries and hinders the process of integration to the society. In order to provide equal opportunities, and enhance their possibility of employment and reintegration, WBAS (GMI) cooperated with the Ministry of Education to provide Greek lessons. 277 referrals (family units) were made in Feb. 2024 and another 771 referrals (family units) were made in August 2024 for the yearly lessons (Sept 2024 to mid-June 2025). The programme will lead to A1 certification for those who will succeed in the exams.

Figure [CY].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

The second pillar of GMI provides access to subsidized or free-of-charge services (e.g. free **healthcare**, free use of public **transport**, discounts on **electricity**, free attendance at government institutes of **education**, psychological and career advice services, and, in the case of recipients with dependants, **subsidized childcare and long-term care**). The GMI also covers municipal taxes, sewage taxes, municipal garbage collection charges and certain extraordinary needs (such as furniture, heating equipment, TV etc replacements under certain conditions), elements that are designed in the system specifically to lower the cost of living for GMI beneficiaries significantly.

The provision of care services under the GMI scheme therefore follows a personalized approach, in the sense that the needs of the **individual are evaluated** by professional teams of the Social Welfare Services (**case workers**), with a view to deciding on the type, range,

and duration of the services that are necessary for the person being considered.

In addition, based on the individualized assessment by case workers, individuals are guided or linked up to other service providers, as appropriate.

One notable example is the “Scheme for the Tuition and Nutrition Subsidy for Children aged up to 4 years old” that was launched in 2023 to enable parents to (re)enter in the labour market by removing barriers such as family obligations / small children etc. The Scheme provides the families (with less income) to have access to quality early childhood education and child facilities and is one of the main enabling services that all GMI beneficiaries are automatically entitled to, along with long term care where needed for the elderly / disabled.

Regarding **housing and energy**, all GMI beneficiaries receive personalized support from case workers in order to find suitable accommodation and to this end there is established cooperation with governmental as well as non-governmental organizations, as well as cooperation with Cyprus’s Electricity Authority so that all GMI beneficiaries receive a flat 20% decrease on their bimonthly electricity bill, priority regarding grant schemes to upgrade electricity installations / photovoltaic systems and personalized convenience when / if there is outstanding balance to be paid so that the energy provided is almost never discontinued.

Individualised support

A multi-dimensional needs assessment is also followed. When a beneficiary/applicant declares that he/she is incapable to work or that he/she is disabled, an evaluation committee examines each case in order to establish whether this is actually the case and allow for the beneficiary to continue receiving the GMI without having an obligation to work or seek work.

Applicants might also request to receive care allowance which includes institutionalized care or home care. Each case is examined individually by case social workers to confirm the need and assess the required sum of the extra care allowance.

Recent or upcoming reforms

There is a process of re-examining the documents required by GMI applicants, to simplify the application process and minimize paperwork. Moreover, the Welfare Benefits Services are in dire need of the necessary personnel to fully implement the legislation

and the Council Recommendation on adequate minimum income, especially regarding the individual social integration plans that are absolutely necessary. This will allow the WBAS to offer even more individual service points to both GMI applicants and beneficiaries.

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

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

Other reforms/plans which are outlined initiatives, cover a broad spectrum of areas, from technological

advancements to targeted support for vulnerable population for the immediate future are illustrated as follows:

- Social intervention programme for the most vulnerable cases.
- Renewed focus on integrated provision of targeted social services for GMI beneficiaries.
- Strengthening the link with PES and training for beneficiaries and their adult children.
- Re-evaluation of the housing component of the GMI due to increases in rent prices.
- Investing in further development of the Service Points to enhance access for everyone.
- Developing a unified and efficient IT system to facilitate administration of GMI and other benefits (underway, to maturity around 2026-27).
- Using new technology tools to simplify and streamline access to GMI and the delivery of services (AI, mobile app, risk assessment tools).

A new Grant Scheme for institutional Care for older people is being implemented starting in 2025, with an annual budget of 7.7 mln euros, which is expected to have multiple benefits³⁴

Additional sources

<https://www.wbas.dmsw.gov.cy/>
<https://www.wbas.dmsw.gov.cy/dmsw/ydep.nsf/All/1270D9F5AC7B7FCEC22587C30035E4BF?OpenDocument>

³⁴ It is aiming to support persons which need long term institutional care with a subsidy of up to 1300 euros per month, while at the same time aiming to increase women's labor force participation, reduce women's unpaid care work and promote a more equal sharing of care work between men and women. Through the new Grant Scheme, long term care in care

homes and other similar institutions for older or disabled persons will be subsidized, recognizing that these persons face a number of particular barriers to their enjoyment of human rights, including lack of access to quality health support, long term care and support and palliative care.

Czechia

Benefit	Benefits of assistance in material need (<i>Dávky pomoci v hmotné nouzi</i>). It is composed of the allowance for living, the supplement for housing and the extraordinary immediate assistance. The qualitative analysis in this table is mostly based on the allowance for living.		
1_Adequacy ³⁵			
Adequacy		<i>As a share of the poverty threshold</i>	<i>As a share of the income of a minimum wage-earner</i>
	<i>Single person:</i>	51 %[2023]	60 % (2024)
	<i>Couple with 2 children:</i>	59 %[2023]	53 % (2024)
Benefit setting methodology	Yes, it is based on Living and subsistence minimum + usual housing costs.		
Regular reviews and updates	Discretionary decision of the government on indexation to inflation		
Split payments	Yes		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ³⁶ reaches 81% (2024), close to the EU average (83%) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 23% ³⁷ (2024)).		
Transparent and non-discriminatory eligibility criteria	There is no age limitation. Eligibility conditions are mainly related to residence (eg. 3 months for EU citizens), lack of resources, willingness to work (with exceptions) and having exhausted rights to other benefits.		
Application processing times	The statutory period is set at 30 days if the decision cannot be issued immediately.		
Rapid complaint and appeal procedures	Yes, administrative appeal procedure in place. No maximum timeframe.		
Existence of national data on take-up rate	It was found, using 2022 data, that only a fifth of potential recipients receive the benefit.		
3_Access to inclusive labour markets			
Activation requirements	Strict		
Targeted active labour market policies	Yes		
Financial incentives to work	Earnings disregards		
4_Enabling and essential services			
Access to enabling services	Childcare (paid provision with possible reduction of fees), healthcare (except for medicaments and medical devices), housing allowance and social inclusion services (free of charge)		
Access to essential services	Costs are considered in MI benefits calculation		
5_Individualised support			
Multi-dimensional needs assessment	Discretionary (common practice)		
Inclusion plan	Discretionary (common practice)		

³⁵ Information about the colour-coding is available in the Annex of Part 2 of the report.

³⁶ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

³⁷ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

The minimum income benefits in Czechia, called benefits of assistance in material need (*dávky pomoci v hmotné nouzi*), are established by the Act on Assistance in Material Need. The minimum income (MI) scheme is a means-tested scheme of last resort which includes three benefits: the allowance for living (AFL), the supplement for housing (SfH) and the extraordinary immediate assistance (EIA). The AFL is a recurrent benefit provided to individuals or households whose income is insufficient to ensure basic needs (excluding housing). The SfH is a recurrent benefit provided to individuals or households whose income is insufficient to cover justified housing costs, including energy. The EIA is a one-off benefit provided to people in precarious situations who are confronted with an adverse situation, as specified by the law (e.g. securing necessary basic living conditions or facing one-off expenses). Although the AFL and the SfH are paid separately, these two benefits are complementary and together they form the MI benefit.

The MI scheme is regulated at national level, with the Ministry of Labour and Social Affairs (MoLSA) responsible for providing methodological guidance and oversight. The scheme is administered centrally by the Labour Office, which has more than 200 local contact points ensuring registration, counselling, delivering unemployment and MI benefits, providing employment services and active labour market measures to benefit recipients.

The scheme is funded from general taxation channelled through the central (government) budget. Total expenditure on benefits of assistance in material need amounted to CZK 6.62 billion (EUR 262 million) in 2024, of which the AFL 4.18 billion (EUR 165 million), the SfH 1.67 billion (EUR 66 million), the EIA 0.77 billion (EUR 30 million).

Adequacy

Methodology: the Act on Assistance in Material Need refers to the Act on the Living and Existence/Subsistence minimum to set the eligibility criterion and determine the amount of the benefit. The AFL amount varies according to household composition, income, efforts and status. A specified individual amount of living (*živobyti*) is allocated for each individual in the household, calculated based on the living minimum and existence/subsistence minimum.

The SfH is intended to cover housing costs and aims at ensuring that a family claiming the AFL and Housing Allowance (from the State Social Support System) still receives the minimum living amount after paying for the housing cost. The SfH is calculated so that it covers the difference between the incurred housing costs and the amount of living. Housing costs include rent, or similar costs of owners, services related to housing, heating, water, sanitation, and energy costs. Only households that use paid housing and pay housing costs are entitled to SfH.

Amounts: the monthly amounts of living minimum in 2024 are:

Household member	Amount
Single person	CZK 4 860 (EUR 192)
1 st adult member	CZK 4 470 (EUR 177)
Other adult members	CZK 4 040 (EUR 160)
dependent < 6 years	CZK 2 480 (EUR 98)
dependent 6-15	CZK 3 050 (EUR 120)
dependent 15-26	CZK 3 490 (EUR 138)

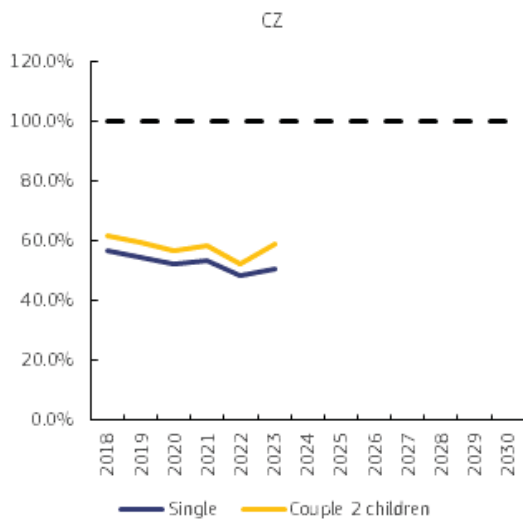
The monthly amount of the existence/subsistence minimum is CZK 3 130 (EUR 125).

Periodic updating: the amount of the AFL is linked to the living and existence/subsistence minimum. These minimums are adjusted for inflation, but there is no guarantee of a timely indexation, since the date of indexation is a discretionary decision: the government may decide to index from 1st January, or in an extraordinary period if the consumer price index increased by at least 5 % since the last increase. The amount of the SfH reflects the increase in the real costs of housing.

Split payment of the MI benefit to individual member of the beneficiary household is possible, but in practice it is not used. Rather, in cases of incorrect use of the benefit, the benefit is paid to another entity (the so-called special recipient).

Complaint and appeal procedures are free of charge. An **appeal** may be lodged within 15 days after the delivery of the decision. The MoLSA decides directly or reverses the decision and returns it to Labour Office. Benefits are reviewable by court, too. Complaints are possible but they don't serve to challenge the decision; they usually relate to the behaviour of officials or the non-respect of procedures.

Figure CZ.1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

Eligibility conditions are mainly related to residence, lack of resources, willingness to work (with exceptions) and having exhausted rights to other benefits. There is no age limitation. Minor claimants are represented by their legal guardians. People entitled to the AfL and the SfH include: permanent residents, people who have been granted asylum and supplementary protection, EU mobile workers and their family members, EU long-term residents, and EU citizens after 3 months of residence in Czechia. The EIA can also be granted to foreign nationals who stay in Czechia legally and, in situations of a serious threat to health, even to people staying in Czechia illegally. In principle, no category of person is excluded from the scheme by residence eligibility criteria, although some additional administrative procedures may be necessary for some applicants. Homeless people are also entitled to the MI benefits (they can use the address of the town hall of the place where they are as a contact address).

Income is defined in net terms (after deduction of taxes and social contributions), uniformly for the AfL and the SfH. For the initial claim, income is calculated over the three months preceding the month in which

the application is submitted. For reviews of eligibility, income is calculated over the previous calendar month. Decisive income includes: income from gainful activity, social security benefits, including unemployment benefits, any other regular income (e.g. rent), revenue from capital, any other income (e.g. sale of products, properties and claims) and alimony. Some income is not counted in full, but only partially, e.g. 70 % of income from employment and pensions, 80 % of income from sickness insurance benefits or unemployment benefits.

Asset-related conditions are based on a list of excluded items (assessed individually): real estate properties used for housing (standard houses, flats) and for gainful activity; and the following movable assets: standard housing equipment, machinery and devices needed for gainful activity (including cars), cars used for transport of children and people with disabilities, medical aids for people with disabilities, and contract/building savings and retirement savings products under private pension insurance.³⁸

The statutory **period for processing the application** is set at 30 days if the decision cannot be issued immediately. In particularly complex cases (e.g. if an oral hearing or on-site investigation are needed), 30 days are added.

Benefits are granted continuously, as long as eligibility conditions are fulfilled. Entitlement is assessed every month, and claimants are obliged to report any change in their circumstances within eight days.

Coverage: on average, there were 63 900 households each month in 2024 (with about 137 700 members) receiving the AfL, and 24 500 households (with 49 100 members) receiving the SfH. Totally 39 100 EIA benefits were paid in 2024, this high number was related to the floods that hit Czechia in autumn 2024. The total number of recipients covers also individuals over 65 years old, but more than 90 % of recipients are under 65 years. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 23%.

Following the energy and cost-of-living crisis of 2021, the issue of non-take up has received increasing attention. A massive communication campaign was organised, aimed at raising awareness of existing benefits for vulnerable groups, and steps have been taken to improve the evaluation and measurement of

³⁸ According to the OECD database on asset-testing requirements for minimum income schemes, in the Czech Republic: main residence, vehicles and household appliances do not affect eligibility or benefit amounts. Savings affect eligibility with some exemptions. Bank

account assets fully affect eligibility without exemptions. Land and other immovable property cause ineligibility.

the rate of non-take up. Calculations of the take-up rate of MI benefits use EU-SILC, ad hoc special sample surveys and administrative data as data sources, but they are not carried out systematically. Within the process of creating a new system of social benefits (see Section 0 below) estimates were made on the data of 2022. It was found that 6.4 % of households receive benefits, when up to 28.8 % of households could receive them according to the simulated claim. It means that only a fifth of the potentially possible recipients receive benefits.

Labour market activation

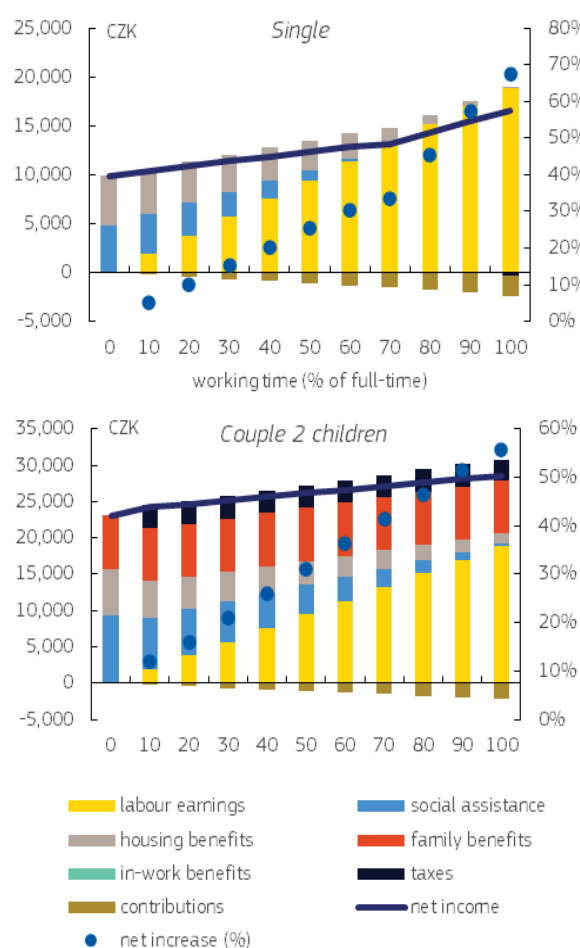
Activation processes take place both within PES and are part of social work performed by regional and municipal authorities in delegated competence. The role of the benefit section of the labour office in the activation of beneficiaries is rather limited, as it mainly consists in checking compliance with the set conditions and in counselling. Claimants must demonstrate their willingness to work unless it is not possible, for instance for health or age or care reasons. Availability to work is a condition for people to be eligible for benefits.

Unemployed recipients must register with the labour office as jobseekers, actively look for a job, accept any (even short-term or low paid) employment, and participate in active employment policy programmes. **Refusal leads to exclusion** from the register of jobseekers, and often from the MI benefit system, for six months. All unemployed people, including social assistance recipients, are required to sign an **individual action plan** after five months of unemployment. Failure to fulfil the action plan's obligations also leads to the exclusion from the register of jobseekers. The entry/re-entry of benefit recipients into labour market is supported by PES programmes for both employees and employers.

Work incentives

A partial disregard of 30 % is applied to earnings from employment, which creates a positive financial incentive for taking up work (see Figure CZ.3).

Figure [CZ].2: Financial gains of moving into (part-time) employment



Note: Disposable income of a single person 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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

MI beneficiaries have access to enabling services, including **social services and social work, healthcare, or childcare**. Social services help people overcome barriers both in participation in the labour market and in involvement in ordinary life activities, by providing support, mediating access to basic services and social benefits, and facilitating the take-up of benefits. Social services are under the purview of local governments, they are established by regional or municipal authorities and financed from combined sources. Regions will receive funding for social services from the state and then redistribute it. The conditions for providing help and support to persons in an unfavourable social situation are stipulated by the Act

on Social Services. Every person is entitled to the free provision of basic social counselling on the possibilities of solving an adverse social situation or preventing it. In every registered social service, clients are provided with basic advice and activities according to the nature of the service, such as help in exercising rights, legitimate interests and in taking care of personal matters. The surveys carried out showed that there are still differences in the availability of social services in different parts of single regions.

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

Childcare fees in public kindergartens may be reduced or waived for MI benefits recipients by a decision of the founder or director of the facility concerned. Other advantages/benefits (e. g. special tariffs) for minimum income recipients exist. Another significant example of **in-kind benefits** is the assistance provided by Food Banks, to which supplies are delivered by food producers, retail chains and citizens in charitable collections. Food and hygiene packages are distributed by social service centres. 430 000 people in need were supported in 2024.

In relation to eliminating child poverty, the "School lunches" initiative is an important tool to help children at risk of income poverty. Responsibility for the program is shared between the MoLSA and the Ministry of Education, and partly regions and municipalities, non-profit organizations cooperate. In 2023 almost 27 000 children in kindergartens and primary schools that have registered for the program enjoyed free meals. Expenditures are financed from OPE+ (OPZ+), the central (government) budget and private sources.

In terms of **essential services**, there are no specific support schemes for MI beneficiaries.³⁹ As explained in Section on adequacy, costs of energy, water, sanitations are considered in the calculation of SfH, costs of transport and communication are part of the consumer basket on which the living minimum is based, and they are considered in the calculation of AfL. The most attention is paid to energy and **preventing energy poverty**. According to a study within the Social Housing Support project, approximately 1.3 mil. (13 %) of the

population in Czechia is in energy poverty. A number of measures contribute to addressing this situation. This includes, for example, the introduction of energy advisors at Labour offices or training field social workers on various topics related to energy crisis. The dedicated project on 'Prevention of Energy Poverty' was launched to identify the needs of households, providing advice on energy savings directly at homes and securing new energy saving appliances by donation or lease. The Ministry of Environment's 'New Green Savings Light' programme offers subsidies for quick and easy-to-implement renovation of houses. Since the launch of this programme, nearly 80 000 households have applied for grants totalling CZK 9 billion.

Individualised support

Through individual planning, the social worker usually finds out the client's current situation and then helps to provide or mediate assistance (for example, to fill out the application for MI benefits, if a lack of funds is identified).

The PES offers basic social work support to MI beneficiaries and municipal and regional authorities provide social work support to them in parallel. Municipal and regional authorities also collect data and maintain the documentation for assessing the situation of vulnerable persons and in cooperation with social services providers and NGOs (welfare agencies advisory and helping organisations) offer social inclusion plans including for example housing or debt advice or recommendation for care facilities.

PES is preparing an individual action plan for long-term unemployed (see Section on inclusive labour markets).

Recent or upcoming reforms

The current main reform objective is the redesign of the social benefit system. The newly designed social assistance system and the State Social Assistance Benefit (*dávka státní sociální pomoci*), in place since 1 October 2025, is meant to cover MI benefits as well. It would include a direct link to inclusive social services and the creation of a "support plan", i.e. an individual activation plan through which the recipient should be offered measures that will gradually lead to a reduction in dependency on benefits.

³⁹ Special phone and data tariffs are provided to AfL beneficiaries (and people with disability), upon request. Transport discounts are provided based on age (children or seniors) or disability.

Additional sources

www.mpsv.cz/web/cz/davky-a-prispevky

www.uradprace.cz/web/cz/pomoc-v-hmotne-nouzi

Germany

Benefit	Citizen's Benefit		
1_Adequacy ⁴⁰			
Adequacy		As a share of the poverty threshold	As a share of the income of a minimum wage-earner
	Single person	71 %[2023]	68 % (2024)
	Couple with 2 children	83 %[2023]	62 % (2024)
Benefit setting methodology	Yes, to cover basic needs		
Regular reviews and updates	Indexed every year and updated every 5 years		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ⁴¹ reaches 90 % (2024), above the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 57 % ⁴² (2024)).		
Transparent and non-discriminatory eligibility criteria	<ul style="list-style-type: none">Between 15 years old and the age limit for receiving an old-age pension;Is capable of working at least 3 hours per day; andIs unable to support him/herself with his/her own income;Has claimed other benefits first (unemployment benefit, housing benefit, child supplement, etc.) which are insufficient;		
Application processing times	Aim of no more than 14 working days.		
Rapid complaint and appeal procedures	Yes, administrative appeal, with the possibility to file a lawsuit to the social court. No maximum timeframe foreseen.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Gradual and proportionate		
Targeted active labour market policies	Yes		
Financial incentives to work	Earnings disregards, in-work benefits		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (free of charge), housing allowance, education and training (free of charge) and social inclusion services (free of charge)		
Access to essential services	Covered by the allowance		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Yes, immediately (the Cooperation Plan)		

⁴⁰ Information about the colour-coding is available in the Annex of Part 2 of the report.

⁴¹ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

⁴² This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

The basic income support for job seekers (*"Citizen's Benefit"*) is targeted at those of working-age (from 15 to statutory retirement age), who are capable of working at least three hours per day, and their "community of need"/ "immediate household" (family members living in the same household, including children up to 25 years of age).

As a rule, the agencies in the area of each municipal agency form a joint institution for the standardised implementation of basic benefits for jobseekers. This cooperation between the employment agency and the municipal agency ensures that benefits are provided in a citizen-friendly manner 'from a single source'. In addition to the joint institutions, in around a quarter of municipalities, authorised municipal agencies are solely responsible for providing basic benefits for jobseekers. Nationwide, 104 authorised municipal providers organise basic benefits for jobseekers within their own responsibility, i.e. without the Federal Employment Agency. However, the benefits are paid out entirely by the federal government. In 2024, the total annual expenditure related to the Citizen's Benefit was approximately EUR 29 billion, reaching on average around 5.50 million people. It comprises the Federal expenditures for cost of living and social insurance (municipal expenditures for accommodation and heating benefits are not included in the amount).

Adequacy

The Citizen's Benefit is needs based. This means that to a basic income support, top-ups can be added based on the needs of the household (see *Enabling and Essential Services* Section).

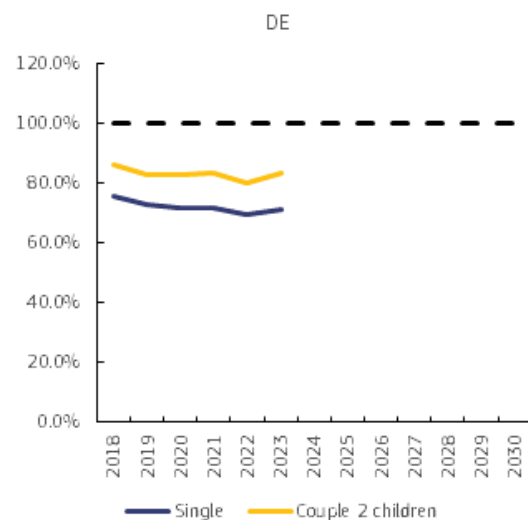
The core of the basic income support are the standard needs rates, which reflect essential living costs. For 2025, these are EUR 563 for a single person/parent, EUR 506 for cohabiting spouses, registered partners and other partners, EUR 451 for a non-working employable adult under 25 living with their parents, EUR 471 for young persons aged 14-17, EUR 390 for each child aged 6-13, EUR 357 for each child aged 0-5. These rates are paid out monthly in advance.

The standard needs rates are **statistically determined** based on the level and pattern of consumer expenditures in lower-income households. An assessment is conducted every 5 years. Between assessments, benefits are updated annually following price and wage developments. If the standard need

rates are lower than in the previous year, there is stock protection for the beneficiaries.

To ensure a faster process within each case, only one person of a household must file an application for Citizen's Benefit. There is a legal presumption that the person applying is also authorized to apply for other persons in the same household. The benefit is therefore paid out to the applicant but calculated considering the income and necessities of his/her community of need. In principle, the possibility of splitting is not forbidden, however, because of how the benefit amount is calculated, this makes little sense in practice, and there are no practical examples of this.

Figure [DE].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

Anyone who is:

- between 15 years old and the age limit for receiving an old-age pension; and
- is capable of working at least 3 hours per day; and
- is unable to support him/herself with his/her own income; and
- has claimed other benefits first (unemployment benefit, housing benefit, child supplement, etc.) which are insufficient;

will receive Citizen's Benefit. People incapable of work who are part of the community of need of a person eligible also receive Citizen's Benefit.

Applications can be submitted online or in person. For initial applications in the benefit area, an average processing time of a maximum of 14 working days is aimed for in practice. This is not a legal requirement. However, the jobcentres can set their own targets⁴³. The more complete and quicker the documents are submitted, the faster the job centre can decide on the application.

If the benefit is denied, it is possible to **appeal** the decision. The decision letter will state where and how to do so, and within what time limit. If the appeal is rejected, a lawsuit can be filed with the Social Court (*Sozialgericht*). In addition, an application can be made to the Social Court for the immediate issuance of an interim order granting benefits until a decision on the objection or lawsuit has been made.

With a few exceptions, all income must be considered. Income is measured in net terms (i.e. after deducting taxes, social and pension contributions and work-related expenses). Generally, the first EUR 100 are not taken into account (so-called "basic deductible"). In addition, a progressive allowance applies for people in employment.

During the first year when a claimant starts receiving the Citizen's Benefit, assets up to EUR 40 000 are not taken into account (i.e., there is no check of assets), and EUR 15 000 in assets for other members of his or her immediate household. After this grace period, a total of EUR 15 000 is not considered for each member of the community of need.⁴⁴

Authorities must verify the information provided by the applicant. Thus, if documents are missing, applicants will be asked to submit them within a certain period. If they fail to do so and do not cooperate sufficiently, benefits may be denied. Once the benefit is awarded, information is checked at the end of the approval period and as needed (particularly in the case of only estimated income - e.g. with self-employed persons). In addition, data matching takes place monthly regarding income from employment subject to social security contributions and marginal employment.

Benefits are granted continuously as long as the eligibility requirements are met. However, after 12 months, an abbreviated follow-up application must be submitted so that a binding determination can be made as to whether the eligibility requirements are still met. However, there are cases in which the benefit is only granted for a shorter period of six months (for example, in the case of provisional granting of benefits).

In 2024, an average of about 5.50 million individuals in 2.93 million households received Citizen's Benefit. Of these, 3.99 million could work and 1.51 million were unable to work (mainly individuals under age 15). These figures include all beneficiaries, including those aged 65 years and over (up to the age limit for receiving an old-age pension). In 2024, an average of 5.44 million beneficiaries were younger than 65 years. Hence, the ratio of the number of recipients of Citizens' Benefits to the size of the population at risk of poverty (aged less than 65) reached 57%.

There are estimates of **non-take-up** rates based on different studies relying on surveys and microsimulation models. These estimates vary a lot, depending on the data and methodology. Consequently, there are no official and systematic figures on non-take up, as there is no single, validated approach to estimate it.

Labour market activation

Recipients of basic support for jobseekers who are able to work are expected to exhaust all possibilities to end or reduce their need for assistance; they must actively participate in measures to integrate them into work, in particular by agreeing to a cooperation plan with the Public Employment Services (PES) (§ 2, SGB II). A range of active labour market measures is available to facilitate integration, including counselling, training and job-placement. There are "standard" active labour market policy (ALMP) measures available to all unemployed based on Social Code Book III, plus there are additional specific measures targeted to unemployed minimum income recipients based on Social Code Book II. These are frequently targeted at individuals who require additional or intensive support to re-enter the labour market (see Section on individualised support).

⁴³ See for example <https://www.jobcenter-ge.de/Jobcenter/Wesermarsch/DE/Leistungen/dauer/dauer.html>

⁴⁴ According to the OECD database on asset-testing requirements for minimum income schemes, in Germany: household appliances do not affect eligibility or benefit amounts. Land, vehicles, bank account

assets, savings and main residence affect eligibility with some exemptions. Other immovable property fully affects eligibility without exemptions.

Non-cooperation with jobcentres over individual obligations, e.g. participation in ALMP measures or job searching efforts can lead to **incremental reductions of benefits** of up to 30% of the standard needs rate after instruction on legal consequences (warning). For those who deliberately and persistently refuse available reasonable job offers without important reason, the standard needs rate will be suspended completely for up to two months. Any reduction of benefits will take account of particular hardship. Housing and heating costs remain protected. Young people will receive counselling in the event of a benefit reduction.

The employment-oriented integration service is tailored to individual needs and involves **profiling and case-management procedures**. The local jobcentres manage and define the actual implementation of these services and procedures. The **cooperation plan** plays a central role. It is drawn up **immediately** by job centres and jobseekers, sets out mutual tasks and obligations of the person concerned and the jobcentre, and monitors the job-search and participation in various measures.

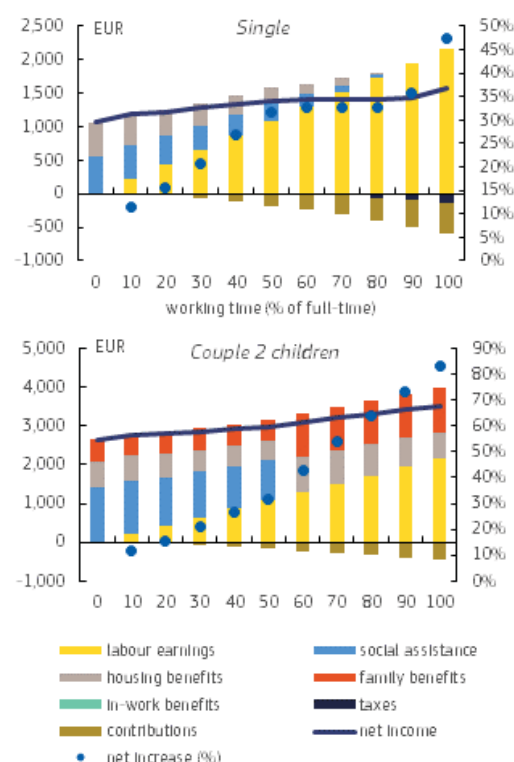
Work incentives

The allowances that apply to income from employment can be considered a financial incentive to work, as this gives recipients who work more financial resources overall than they would have without working.

Individuals who are eligible for benefits and claim basic income support for jobseekers under Book II of the Social Code (SGB II) can receive a back-to-work allowance to help them enter self-employment as their main occupation or employment subject to compulsory social insurance.

There are also wage subsidies for employers/ subsidised jobs for work-ready minimum income recipients. Employers can receive a grant towards employees' pay in order to help integrate employees who are difficult to place for reasons to do with the employees themselves. Further measures introduced by the Participation Opportunities Act in 2019 ("Teilhabechancengesetz") also offer generous wage subsidies to employers who employ long-term unemployed recipients of citizens' allowance. These are combined with holistic and intensive support through coaching during their duration.

Figure [DE].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

The basic income support that claimants receive includes **flat-rate sums to cover their standard needs** (i.e., essential living expenses like household energy, transport, digital communications and financial services) based on statistically determined real average expenditures necessary for existence of low-income households, plus reasonable **housing costs** (rent and heating⁴⁵) and **social security contributions** (health and long-term care insurance). Those entitled to benefits can decide independently about the use of the benefits, especially the flat rate sums to cover their standard needs. There is also a one-year grace period for accommodation costs, during which the actual costs are considered. However, this only applies to a first-time application. After one-year only *reasonable* accommodation costs are taken into account. On top of

⁴⁵ Electricity is included in the standard needs; centrally supplied hot water is included in heating.

this, allowances can be paid to cover additional needs in special circumstances, such as single parenthood, pregnancy.

Most of these benefits are paid in cash, but if required some can be in kind, e.g. vouchers for furniture and clothes.

The Citizen's Benefit also includes benefits for **education and social participation**, as well as activating benefits. The latter comprise back-to-work allowances, new business support and allowances for earned income. If needed, municipal integration services are also available (§ 16a SGB II): these include debt counselling, childcare including for disabled children, home care for relatives, psychosocial support and addiction counselling. These services are available to the overall population and not restricted to minimum income beneficiaries. Since municipalities administer these services, there can be differences in access to these in practice.

Individualised support

A **multi-dimensional needs assessment and the development of a cooperation plan** are cornerstones of Citizen's Benefit. The cooperation plan underpins the entire integration process. It is drawn up jointly by the job center and the recipient and sets out what steps claimants must take in looking for work, and what integration assistance the job center will provide. It can comprise social integration as well as job integration (with stronger focus on the latter).

All employable persons are supported and activated with counselling placement and support services - according to their individual needs. Moreover, recipients who face particular difficulties in their professional integration due to individual or social problems can receive holistic support through coaching. Coaching looks at the individual's circumstances as a whole, and fundamentally develops and stabilizes their employability.

Specific instruments for long-term unemployed individuals are also available to gradually support their reintegration into the labour market and foster their

social inclusion. These include generously subsidized employment positions, which are combined with individual coaching; and supported placements for individuals with multiple barriers to work (*Arbeitsgelegenheiten*).

Recent or upcoming reforms

Two changes were introduced in 2024 for the Citizen's Benefit.

Anyone who turns down a job that is immediately available and acceptable, without sufficient reason, multiple times, can expect their Citizen's Benefit (standard needs rate) to be suspended completely for up to two months.

As contribution to the consolidation of the federal budget, the Citizen's Benefit bonus for shorter training courses - introduced with the Citizen's Benefit Act - was abolished. However, the further training allowance and the further training bonuses remain. Thus, Germany continues to provide a strong financial incentive for taking steps towards longer-term, degree-oriented qualifications in order to sustainably improve professional opportunities.

The new coalition government is planning to further adjust the Citizen's Benefit in the near future in order to speed up labour market activation. The coalition agreement foresees minimal changes to the eligibility criteria, a strengthening of compliance requirements, a more immediate reduction of benefits in cases of non-compliance, a stronger focus on integration into work and more efforts to reduce individual barriers to work. In addition, the indexation of the standard need rates with regard to inflation is to be returned to the legal status before the Covid-19 pandemic.

Results of the evaluation of the *Bürgergeld* reform are expected for 2026.

Additional sources

[Citizen's benefits](#)
[Basic income support for jobseekers - BMAS](#)

Denmark

Benefit	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 the table below is mostly based on the social assistance benefit.		
1_Adequacy ⁴⁶			
Adequacy		As a share of the poverty threshold	As a share of the income of a low wage-earner
	Single person	77 %[2023]	72 % (2024)
	Couple with 2 children	92 %[2023]	78 % (2024)
Benefit setting methodology	Yes, covers basic living expenses.		
Regular reviews and updates	Yes, indexed annually with wages		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ⁴⁷ reaches 91 % (2024), above the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 17 % ⁴⁸ (2024)).		
Transparent and non-discriminatory eligibility criteria	The minimum age is 18 years unless certain circumstances apply. The amount of social assistance depends on age, education, residence record, employment record, health and pregnancy status, housing situation, civil status, and family situation, etc.		
Application processing times	Set by local authorities – usually between 1 or two weeks.		
Rapid complaint and appeal procedures	Applicants can complain to municipality, which has 4 weeks to reply to complaint.		
Existence of national data on take-up rate	Yes, but no recent data.		
3_Access to inclusive labour markets			
Activation requirements	Moderate		
Targeted active labour market policies	Yes		
Financial incentives to work	Earnings disregards		
4_Enabling and essential services			
Access to enabling services	Childcare (paid provision), healthcare (free of charge except for dentists), housing allowance and social inclusion services (free of charge)		
Access to essential services	Considered covered by the MI scheme		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Yes		

⁴⁶ Information about the colour-coding is available in the Annex of Part 2 of the report.

⁴⁷ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

⁴⁸ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

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

Adequacy

In general, age, education, residence record, employment record, health and pregnancy status, housing situation, civil status, and family situation are used to differentiate between different categories of recipients and benefit levels. For example, a single person over 30 years of age, without children, is entitled to receive approximately EUR 1 700 per month in social assistance, while a single person aged 30 years or above with child receives approximately EUR 2 260 per month. A couple not in work, but with children, receives altogether approximately EUR 4 525 per month.

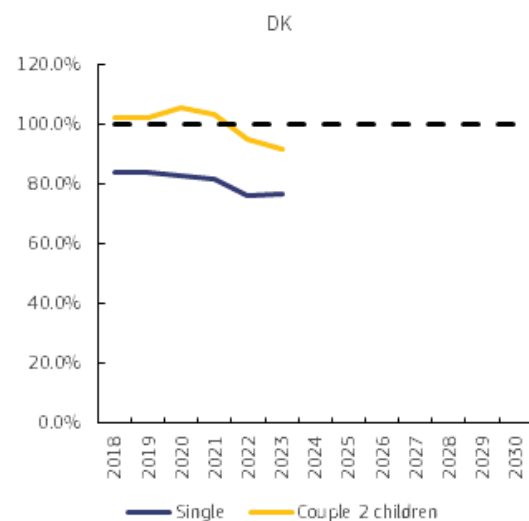
Supplementary benefits linked to receipt of MI benefits include special housing benefit, help in special situations and bonus for learning Danish. Supplementary benefits not linked to MI receipt include the child and youth allowance for all families, child allowances for single-provider households, and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

Benefits are indexed annually with wages. The gradual indexation implies that benefits are regulated with wages two years previously.

Social assistance is paid out on a monthly basis. As an exemption it is possible to split the payment for shorter periods than the monthly payment, if the municipality decides that a person is not able to administrate their economy in a proper way.

Figure [DK].1: Distance from the AROP

threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

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

The amount of social assistance depends on age, education, residence record, employment record, health and pregnancy status, housing situation, civil status, and family situation etc.

People who fulfil the general eligibility criteria and who are over 30 years of age, with a residence record in Denmark (or another EU/EEA country) and a work record have access to social assistance on the highest level. The residence requirement stipulates a minimum period of 9 of the last 10 years, while the work requirement stipulates having been in regular employment for at least two-and-a-half of the past 10 years.

People under 30 years of age and people who do not meet the residence and employment requirements have access until social assistance on a lower level. Those levels are named educational assistance, self-sufficiency and return benefit or transition benefit.

Asylum seekers are supported by the immigration service rather than social assistance schemes.

The means test excludes certain types of income and assets, like compensation for the loss of earning capacity and permanent injury, lump sum payments from insurance against certain critical illnesses, healthcare and special assistance concerning children, children's income and income relating to children, except for grants for the care of their own children. In addition, savings of up to approximately EUR 1 335 for a single person (double for a married couple) are not considered.⁴⁹

Income from work is deducted at 100%, except EUR 3.6 per working hour for 160 hours per month. Those working more than 160 hours per month are not eligible for social assistance.

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

The time it takes to process an application varies between the local municipal authorities. The local authorities set their own time limits on processing applications. These time limits all generally range between one to two weeks from the submission of the application.

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

In Q3 in 2024, approximately 79 300 full-time persons

between the age of 16 to 64 received MI benefits in Denmark. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty [aged 16-64] reached 17%. The term “full-time person” refers to how many days the person has received benefits within the period. A full-time person means a person that has received benefits every day within the quarter while a half full-time person has only received benefits half the time within the quarter. There is limited data on non-take-up.

Labour market activation

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

There are three types of **sanctions** for a recipient of social assistance who does not comply with the activation conditions:

1. Reduction in payment of social assistance by a specific sanction amount (between approximately EUR 27-106 (2025), calculated according to the period of time of not complying with certain activation condition(s), e.g. missing a meeting at the public employment service. The sanction will in this case have effect from the time of non-attendance and until the person has reestablished contact with the public employment service.
2. Reduction in payment of social assistance by a specific sanction amount (between approximately EUR 81-320 (2025), depending on the person's level of benefits) for other violations of the activation conditions, e.g. refusal of an activation measure without a reasonable ground.
3. Suspension of payment of social assistance for a period up to 3 months.

A suspension of payment of social assistance can be meted out for a period up to 3 months for certain recipients of social assistance (a person, who has been

⁴⁹ According to the OECD database on asset-testing requirements for minimum income schemes, in DK: main residence and vehicles do not affect eligibility or benefit amounts. Household appliances, bank account assets and savings affect eligibility with some exemptions.

Other immovable property and land fully affect eligibility without exemptions.

assessed to be unable to take on a regular job that enables him/her to support him-/herself within three months, is not subject to the sanction rule), provided that the person has been sanctioned before and again fails to comply with the activation conditions and also demonstrates a lack of willingness to be available for work, education etc. The person, who is sanctioned with suspension of payment, is entitled to receive social assistance on a day-to-day basis, if he/she fulfills certain activation conditions.

In general, social assistance recipients continue to receive benefits when participating in active labour market policy ALMP measures. Social assistance recipients are categorized according to their age and educational background. The categorisation differs between recipients older and younger than 30 years old. If a person has turned 30 years old, or if a person under 30 years old has a vocational qualifying education, the person can either be categorized as job-ready or activity-ready in the social assistance system. The 'job-ready' are those that are seen as being ready to take up an ordinary job within three months. They must actively search for work and take up job offers and activities directed towards work. The 'activity-ready' are those who are not able to take on an ordinary job that makes them capable of providing for themselves within three months for example if one have complex and multifaceted problems of e.g. an academic, social or health character.

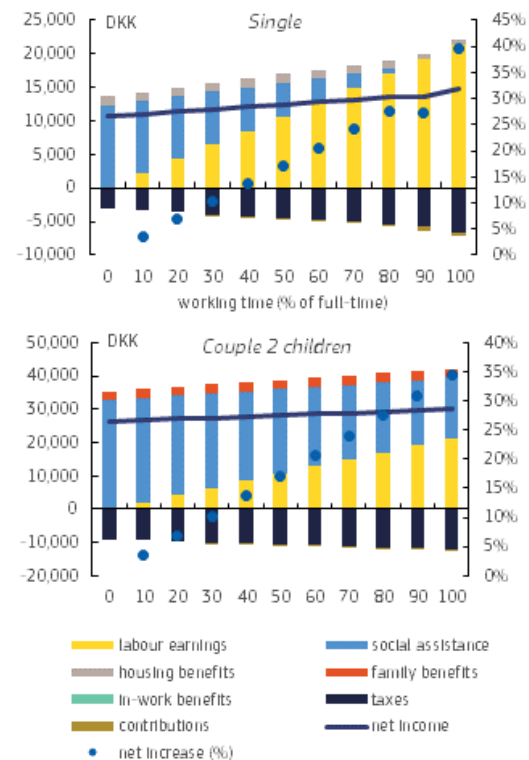
If a person is under the age of 30 and *without* vocational qualifying education, the person can be categorized as activity-ready, education ready or evidently education ready. The 'activity-ready' are those with barriers of an academic, social or health character that demand extra support for a longer period than one year before they can start an education in ordinary conditions. They have to participate in meetings at the job center, as well as activation offers. Activity-ready recipients have to accept offers of work adapted to their resources and needs and participate in activation offers. The 'education ready' covers those that can start an education within approximately one year and complete the education on ordinary terms if they get the right support and active efforts. The 'evidently education-ready' covers those that are not seen as having any barriers to starting education, nor in need of help and support. They have to be available for the labour market until they can start education or those seen as able to start their education within a year and to finish it on ordinary terms, with the right help and support. Social

assistance recipients participate in a broad range of ALMPs and complimentary services.

Work incentives

If a person receiving social assistance finds work and starts earning income, that income is deducted from the social assistance payments (with a disregard of approximately EUR 3.6 per hour).

Figure [DK].2: Financial gains of moving into (part-time) employment



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 a low 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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

If a person applies for assistance, the municipality is required to guide the person in regard to all the relevant ways of getting economic support.

MI recipients can be offered services beyond labour market activation. **Integrated services** are provided by the municipalities, e.g. with social and employment-related components, or health and employment components.

Access to integrated services is generally universal, and the services are not specifically targeted to people

within the MI scheme. The municipalities are free to assess which social- and health related components are relevant in individual cases. The purpose of the components is to make sure that issues that lie beyond unemployment are resolved through cooperation between relevant labour market- health- and social authorities.

Social assistance aims to provide economic security for those who are not able to support themselves. This includes support in order to maintain or gain a decent way of living, which includes the ability to pay **utility bills, transport tickets and other costs related to essential services**.

Public administration in Denmark is also highly digitalized, which means that getting help has gotten more accessible and easy to apply for.

Individualised support

The employment effort is focused on helping the unemployed gain a permanent connection to the ordinary labor market, using different measures for different groups. The job center must **assess** whether or not the unemployed is able to take on an ordinary job that enables the person to support themselves **within three months**. The assessment also looks at whether a person has complex and multifaceted problems of e.g. an educational, social or health-related nature. If they do have these problems the person will become an 'activity ready' social assistance benefits recipient and will receive a more holistic effort that reflects the individual's needs and must ensure the individual gets employment support.

Vulnerable groups are divided into different groups depending on their age, job history and if they are members of an unemployment insurance fund.

There are also different visitation groups within the benefits, these ensure a specialized employment effort based on the person's needs and potential – see Section on labour market activation

Unemployed persons have a right and obligation to participate in a contact programme with job centers and participate in active schemes at different stages of a period of unemployment.

In cooperation with the social assistance recipient, the **case manager compiles an individual action plan** including ALMP measures. The plan is compulsory and the case worker prepares and continuously updates it so it includes the social assistance recipient's current

situation and needs in connection with the submission of offers and significantly changed conditions in the labor market. The plan is normally only with a labor-market focus, but if the social assistance recipient have more complex and multifaceted problem, where several plans can or must be drawn up for the initiatives and where there is a need for coordination, a holistic plan may, with the person's consent, be drawn up instead of the normal plan.

The plan itself sets out the goals (e.g. a career as teacher or manager), and what the jobseeker must do to achieve these goals (e.g. participate in relevant courses and apply for a certain number of jobs).

Recent or upcoming reforms

Denmark's social assistance system is undergoing a comprehensive reform on Juli 1, 2025. The reform includes a wide range of measures aimed at modernising the system, making it easier to navigate, supporting vulnerable groups, and incentivising labour market participation. The new structure of social assistance will consist of three rates: An increased rate, a basic rate, and a minimum rate, ensuring tailored support for individuals depending on their specific circumstances. Additionally, a range of new supplementary benefits will be implemented consisting of child supplement, single parent supplement, single supplement, special youth supplement, leisure supplement and a temporary adjustment supplement.

The reform also introduces a new medication subsidy, providing 100 percent reimbursement for necessary medications after 12 months in the system. For children, this right is granted from day one, reflecting the focus on reducing inequality and ensuring the well-being of children in vulnerable families.

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 deductions are applied. This model aims to incentivize part-time or full-time work while receiving assistance, strengthening the connection to the labor market and encouraging self-sufficiency.

Additional sources

- [Consolidation Act No. 808 of June 25, 2024 on Active Social Policy](#)
- [Act no. 1655 of December 30, 2024](#) (Reform Act).
- <https://www.jobindsats.dk/>
- <https://star.dk/implementering/nyt-kontanthjaelpsystem-inklusive-ny-arbejdspligt>

- <https://www.borger.dk/arbejde-dagpenge-ferie/Dagpenge-kontanthjaelp-og-sygedagpenge/Kontanthjaelp/Kontanthjaelp-30-eller-derover>

Estonia

Benefit	Subsistence benefit (<i>toimetulekutoetus</i>). It is complemented by the unemployment assistance scheme (<i>Töötutoetu</i>) by providing support to jobseekers who are not (or no longer) eligible for unemployment insurance benefits. The qualitative analysis in the table below is mostly based on the subsistence benefit.		
1_Adequacy ⁵⁰			
Adequacy		As a share of the poverty threshold	As a share of the income of a minimum wage-earner
	Single person	47 %[2023]	54 % (2024)
	Couple with 2 children	59 %[2023]	58 % (2024)
Benefit setting methodology	Yes, it is based on minimum expenditure on consumption of food, clothing, footwear and other goods and services to satisfy primary needs.		
Regular reviews and updates	Discretionary, amounts on indexed upon government decision.		
Split payments			
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ⁵¹ reaches 85 % (2024), close to the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 13 % ⁵² (2023)).		
Transparent and non-discriminatory eligibility criteria	There are no age restrictions and all legal residents in the country are entitled to the benefit.		
Application processing times	Usual practice is up to 5 days		
Rapid complaint and appeal procedures			
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Moderate		
Targeted active labour market policies	No – MI recipients are offered the same ALMP measures as regular unemployed		
Financial incentives to work	Earnings disregards/gradual tapering (phasing out) of benefits		
4_Enabling and essential services			
Access to enabling services	Childcare (paid provision with possible reduction of fees), healthcare (free of charge), housing [TBC], social inclusion services (free of charge). Linking benefits with social services has been a key challenge		
Access to essential services	Covered by housing expenses with limits set by local governments		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	No formal requirement		

⁵⁰ Information about the colour-coding is available in the Annex of Part 2 of the report.

⁵¹ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

⁵² This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

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

Adequacy

The subsistence level is based on minimum expenditure on consumption of food, clothing, footwear and other goods and services to satisfy primary needs. It depends on household income, household structure, subsistence level, housing costs and limits of deductible housing costs established by local governments.

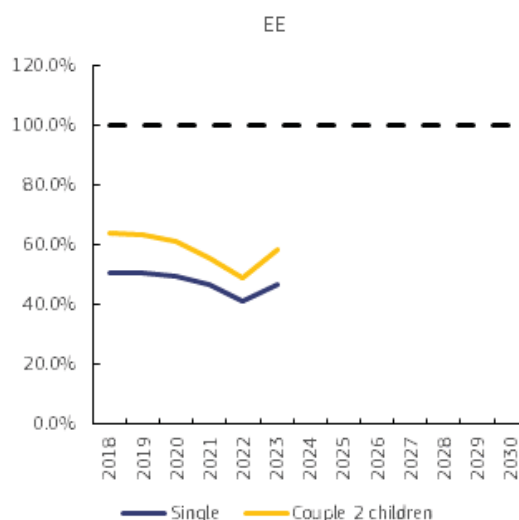
The **general formula for calculating** the subsistence benefit is: subsistence benefit = subsistence level + housing costs - income. The **level is fixed for each year** by the State budget. From 1st of June 2022, the subsistence level was EUR 200 per month for the first household member (or a single person) (100%), while in case of children under 18 years of age it is EUR 240 (120%) for each child. The subsistence level for the second and subsequent adult members of the family is EUR 160 per month (80%). Starting from 1 July 2022, the repayment of the loan (incl. the loan interest and the mandatory home insurance Premium) is taken account as housing expenses upon calculation of a subsistence benefit. Since 2016, the subsistence level for a single person household is higher than the minimum estimated food basket, but lower than the estimated subsistence minimum or absolute poverty line.

There are no restrictions on receiving other benefits at the same time as the subsistence benefit, but these are considered income in the calculation of the benefit (such as family benefits (parental benefit, child allowance and other monthly family benefits), work ability allowance and work-incapacity pensions and unemployment benefits). There are no separate housing allowances or support for essential services for recipients. However, upon determination of entitlement and amount of the benefit, housing expenses are considered within established limits set by local governments (rent, electricity, etc.). A lump sum

top-up benefit of EUR 15 per month is available to single-parent households (when children are less 18 years old).

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

Figure [EE].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

There are no age restrictions and all legal residents in the country are entitled to the benefit.

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

In 2022, 29.1% of households received support only once throughout the year, 17.6% received it twice, and 10.8% received it three times. Additionally, 8.5% of households received support in every month of the year.

In 2023, among households receiving subsistence support, 16.6% received it every month, and 20.3% received it once. In 2024, among households receiving subsistence support, 19.6% received it every month, and 18.1% received it once.

Until 2021, the number of recipients of subsistence benefits had consistently decreased over the years. However, in 2022, there was a significant increase in the number of benefit recipients, primarily influenced by the addition of recipients of temporary protection of Ukrainian origin (since March). In 2021, 9 806 households with 16 508 members received subsistence benefits, while in 2022, the numbers rose to 25 016 households with 48 731 members (approximately 3.6% of the Estonian population). In 2023, 19 591 households with 37 031 members received subsistence benefits, constituting about 2.7% of the Estonian population. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 13%. Of these, 41.3% (8 090 households) were recipients of temporary protection from Ukraine, and 58.7% (11 501 households) were households of permanent residents of Estonia. Temporary protection recipients accounted for 43.8% (16 202 individuals) of those receiving subsistence benefits, while 56.2% (20 829 individuals) were permanent residents of Estonia.

The number of recipients of subsistence allowance in 2024 decreased compared to 2023, primarily due to recipients of temporary protection in Ukraine. Preliminary data for 2024, indicate that 15 554 households with 27 827 members received subsistence benefits, constituting about 2% of the Estonian population. Of these, 30.4% (4 723 households) were recipients of temporary protection from Ukraine, and 69.6% (10 831 households) were households of permanent residents of Estonia. Temporary protection recipients accounted for 34.3% (9 538 individuals) of those receiving subsistence benefits, while 65.7% (18 289 individuals) were permanent residents of Estonia.⁵³

⁵³ According to the OECD database on asset-testing requirements for minimum income schemes, in Estonia: vehicles and household appliances do not affect eligibility or benefit amounts. However, savings and main residence affect eligibility with some exemptions.

Take-up

Currently, we are progressing with two key initiatives that impact the process of applying for subsistence support. The first initiative involves incrementally modernizing the existing system, with the objective of creating a standardized application form throughout Estonia.

The second initiative is linked to the aspiration to revamp the entire application system, where subsistence support is predominantly determined based on data. However, the conclusive outcomes regarding the automatic transfer of support to applicants, depending on various registry data, will only become evident upon the conclusion of the research and development project.

Our project, "Development of a new household methodology," is a sub-project within a collaborative effort among three ministries—the Ministry of Economy and Communications, the Ministry of the Interior, and the Ministry of Social Affairs—titled "Future-proof data economy ecosystem model and infrastructural solutions for secure management, handling, and valuation of data" in the personal state within the social field. This state ensures an overview of residents' needs for assistance, and services and support are proactively provided, taking into consideration individuals' specific requirements. The objective is to disburse benefits based on registry data, where the essential information is automatically gathered from different databases, and the system identifies people's needs for assistance based on this data.

Labour market activation

Both subsistence benefit recipients and those receiving unemployment allowance are required to meet activation criteria. Local governments can refuse or reduce subsistence benefits to people of working age or who are capable of working who are not studying or working and who have repeatedly and for no qualifying reason refused to accept suitable positions. In 2023, local governments refused to pay support in 265 cases, usually related to the activation criteria.

Subsistence benefit recipients who are registered as unemployed are subject to the same activation regime

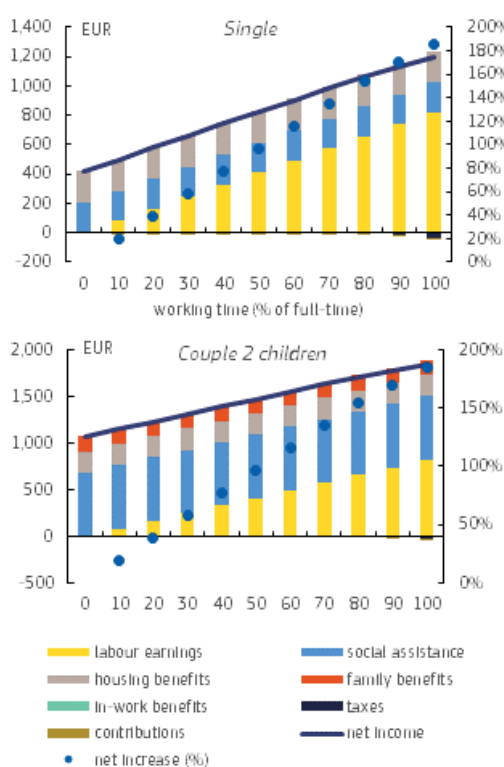
As well, other immovable property, land and bank account assets cause ineligibility.

as other registered unemployed or other unemployment allowance recipients (e.g. **individual action plan**). There are no data on the activation services received by the recipients of subsistence benefits. However, in 2023, 30.6% of household members receiving the benefit were registered unemployed. Subsistence benefit recipients continue to receive full benefits when participating in ALMP measures.

Work incentives

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

Figure [EE].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

Subsistence benefit is regulated by Chapter 8 of the Social Welfare Act, which is intended to ensure that the service is provided on the same terms across Estonia. Since the application and disbursement of the support are conducted through local government, it has happened that the application forms and required information for applicants have varied. The Ministry of Social Affairs plans to develop a unified form across Estonia.

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

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

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

Individualised support

In accordance with § 134 subsection 1 of the Social Welfare Act, it is stated that upon the grant of a subsistence benefit, the local authority shall assess whether the applicant for the benefit or his or her family member needs other social welfare assistance in addition to the subsistence benefit. The same Act in § 134 subsection 31 adds that a local authority shall ensure: 1) availability of debt counselling service to a subsistence benefit applicant with regard to whom enforcement proceedings have been initiated; 2) support services to a recipient of subsistence benefit in order to improve coping and financial skills of the person.

Recent or upcoming reforms

We have a total of six development activities planned, with two framing broader directions for subsistence support, two specifically addressing long-term changes to the subsistence support system, and two focusing on the modernization of the existing system, with results expected to be implemented in the coming years.

Broader directions framing subsistence support: Strategy and action plan for reducing poverty and inequality

On February 23, 2023, the Government of the Republic approved the Welfare Development Plan 2023–2030. The general goal of the plan is: Estonia is a country where people are cared for, inequality and poverty are reducing, and a long and high-quality working life is supported for all. Additionally, in the fall of 2023, a separate position was established within the Ministry of Social Affairs to develop a comprehensive cross-government and agency-wide concept and action plan on how to further reduce poverty and inequality in Estonia more effectively.

New method for calculating subsistence minimum

The previous methodology for calculating the subsistence minimum dates back to 2004. Estonia lacks an updated and transparent subsistence minimum, outlining the minimum expenses necessary for households to get by, considering various household

compositions. The current outdated methodology, which fails to account for different household types, is not a reliable basis for assessing the sufficiency of household income support. The main tasks of the update are: 1) to develop an adequate subsistence minimum tailored to the conditions in Estonia, including proposals for its regular updating; 2) to analyze, on a household-by-household basis, the adequacy and accessibility of subsistence benefit based on the newly developed subsistence minimum.

Future direction of the subsistence support system:

Identification of a person's need for help from the register data and automatic payment of subsistence benefit

The design of the self-sufficiency service is based on the analysis of the study "Effect of subsistence allowance and debts on socio-economic subsistence and labor market activity" and the earlier development of the subsistence benefit and financial counseling service. The goal is to design a service that improves a person's self-sufficiency, enabling them to manage their life better and ultimately reducing the need for subsistence benefit.

Designing a service that supports self-sufficiency

Our project "Development of a new household methodology" is a sub-project of a joint effort among three ministries—the Ministry of Economy and Communications, the Ministry of the Interior, and the Ministry of Social Affairs—titled "Future-proof data economy ecosystem model and infrastructural solutions for secure management, handling, and valuation of data" in the personal state within the social field. The state aims to have an overview of residents' needs for help, and services and support are offered proactively, taking into account individual needs for help. The goal is to pay out benefits based on registry data, where necessary information is automatically collected from different databases, and the system identifies people's needs for help based on the data.

Development of existing systems:

The modernization of subsistence benefit

Three main incremental developments are planned: 1) Develop a uniform application form for use in local governments when applying for subsistence benefit. 2) Create a system to support more systematic monitoring of housing cost limits in local governments. 3) Supplement STAR (data register for social services and benefits) technical solutions for monitoring purposes.

The modernization of debt counseling service

The debt counseling service is a mandatory social service of the local government. From previous studies and operational tests, it has become clear that the current debt counseling service does not function as needed. Organizing the debt counseling service system aims to improve the availability of high-quality service to all those in need.

Additional sources

The subsistence benefit

[Social Welfare Act–Riigi Teataja](#) § 131 – 135

The unemployment assistance scheme

[Avaleht | Töötukassa](#)

Greece

Benefit	Guaranteed Minimum Income (GMI)		
1_Adequacy ⁵⁴			
Adequacy		<i>As a share of the poverty threshold</i>	<i>As a share of the income of a minimum wage-earner</i>
	<i>Single person</i>	50 %[2023]	27 % (2024)
	<i>Couple with 2 children</i>	51 %[2023]	33 % (2024)
Benefit setting methodology	No		
Regular reviews and updates	No		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ⁵⁵ reaches 67 % (2024), significantly below the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 12 % ⁵⁶ (2024)).		
Transparent and non-discriminatory eligibility criteria	Eligible households must have a legal and permanent residence in Greece. The person who submits the application has to be adult (18 years and above).		
Application processing times	Due to the links to the tax and social security administration system, once an application is submitted, the applicant can automatically see the outcome (approved/rejected), with the granted GMI amount, to be made available one month after the application.		
Rapid complaint and appeal procedures	Yes, possibility to file a complaint to the competent authority. No maximum timeframe foreseen.		
Existence of national data on take-up rate	According to EUROMOD simulations using 2022 tax data (and following the model's uprating process), the program's take-up rate is estimated at 38.5%.		
3_Access to inclusive labour markets			
Activation requirements	Strict		
Targeted active labour market policies	Yes		
Financial incentives to work	Earnings disregards/gradual tapering/phasing out of benefit		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (free of charge), housing allowance, social inclusion services (free of charge). Access to social services is an integrated component of the scheme		
Access to essential services	Beneficiaries automatically eligible for additional benefits or subsidies (water and energy)		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Yes, a Social Background Integration Plan		

⁵⁴ Information about the colour-coding is available in the Annex of Part 2 of the report.

⁵⁵ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

⁵⁶ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

Following a pilot implementation, the Guaranteed Minimum Income (GMI) was rolled out nationwide in Greece in February 2017. GMI is a tax financed welfare program that is addressed to households living in extreme poverty providing cash assistance (equal to the difference between a beneficiary's assessed income and the guaranteed level). In addition to income support, the GMI has two other pillars: it aims to connect beneficiaries with other social programmes and services available at national and local level, and to (re)integrate beneficiaries into the labour market. The program is centrally organized, with public expenditure for 2024 amounting to EUR 525 672 247.66.

Adequacy

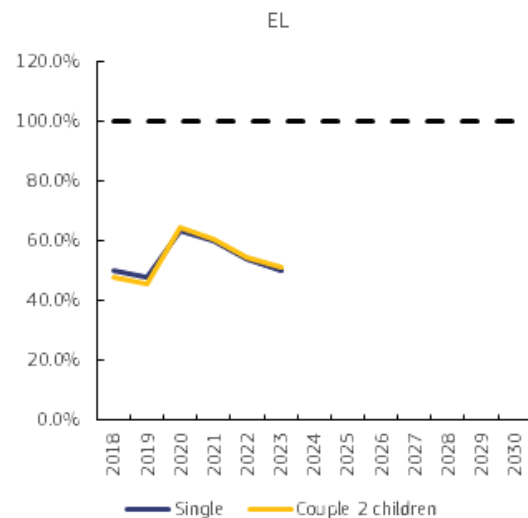
The guaranteed level of income depends on the household's size and composition: from January 2024, it is EUR 216 per month for the household head, EUR 108 for each additional adult, and EUR 54 for each child. In single-parent households, the first child counts as an adult. A ceiling of EUR 972 per month is set as the maximum benefit, irrespective of household composition. Benefit is paid every month, without split payment possibility.

An indexation mechanism or another methodology to set the benefit level has not yet been established, although the GMI level has been increased by 8%, effective from January 2024 payment. This is the first increase in the amount of the benefit since the scheme was launched nationally in February 2017.

GMI acts as a 'passport benefit' for a number of other schemes, with GMI recipients also eligible for additional benefits or subsidies, which are granted either automatically or on application. These might be: food and basic goods, provided by ESF+ (Priority 6: Food aid and material assistance, Human Resources and Social Cohesion' - HSRC Programme), social tariff for electricity bills, free entry to cultural sites – see section on enabling and essential services.

In 2024, the adequacy of the minimum income benefits corresponds to 42.99% of the poverty threshold and to 22.3% of the income of a low wage earner for a single household.

Figure [EL].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

In December 2024 the total number of households receiving the benefit was 172 687 and the total number individuals (household members) was 279 743. There is no age limit, i.e the total number covers also individuals over 65 years old. The number of individuals (household members) below 65 years old in December 2024 was 237 356. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 12%. Entitlement is based on subjective right: to be eligible to the program, households must simultaneously meet all income, assets and residency conditions laid down by the law. Beneficiaries can be single adults living alone or multi-person households consisting of individuals living under the same roof.⁵⁷ In both cases (single person or multi person households) the person who submits the application must be adult (18 years and above). Eligible households must have a legal and permanent residence in Greece. Homeless people are eligible, provided they are registered with municipal social services⁵⁸.

⁵⁷ Including children up to the age of 25 if in tertiary education regardless of their place of residence.

⁵⁸ In December 2024, 4.72% of all beneficiary units were homeless.

Temporary residents⁵⁹, individuals in residential care, assisted living, rehabilitation, monasteries, and prisons cannot apply.

The guaranteed amount for each household composition also serves as the income threshold. There are various disregards on incomes in the means test (on labour earnings (20%), disability benefits, daily allowances to unemployed workers in vocational training, and natural disasters and in case of labour market integration of homeless people and women victims of domestic violence, the total income for two reference periods). Household assets are assessed based on the previous year's tax return. The total taxable value of the household's housing wealth may not exceed EUR 90 000 for a single-person household, increased by EUR 15 000 for each additional household member, subject to an overall ceiling of EUR 150 000. Total capital income of household members on bank deposits in Greece or abroad may not exceed a given threshold (up to an overall ceiling of EUR 14 400). The imputed annual taxable income corresponding to passenger cars owned by the household may not exceed EUR 6 000.⁶⁰

Claimants can apply in person, at a municipal or community centre, or online⁶¹. The criteria for inclusion are always electronically cross-checked. However, the competent social services of the municipalities and the community centres process and submit applications on the platform when, for example, a social research has to be conducted or vulnerable groups have to be supported to submit their application or additional documents are required, e.g. for the verification of the place of residence, the composition and the living conditions of the household. Homeless people, households with guests⁶², single-parent families, and those with unprotected children can only apply in person.

Beneficiaries are obliged to file an annual tax return, consent to a social investigation, ensure that children attend school, enrol in obtaining compulsory education, attend counselling session, register and cooperate with PES. Due to the links to the tax and social security administration system, once an application is

submitted, the applicant can automatically see the outcome (approved/rejected), with the granted GMI amount, to be made available one month after the application. After a six-month period, beneficiaries must reapply and eligibility be reassessed. The benefit is automatically suspended if electronic cross-checks reveal discrepancies. Beneficiaries are notified and given two months to provide additional documentation. The provision of the benefit is also suspended if children are absent from school without justification. A new application is possible after six months, subject to the child's enrolment in school.

The acts of approval, rejection, etc, are notified to the beneficiary. Against those, the beneficiary may file an appeal to the competent authority.

Take-up

According to EUROMOD simulations using 2022 tax data (and following the model's uprating process), the program's take-up rate is estimated at 38.5%.

Labour market activation

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

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

⁵⁹ Thus excluding asylum seekers and refugees immigrants not granted permission to stay permanently.

⁶⁰ According to the OECD database on asset-testing requirements for minimum income schemes, in Greece: household appliances do not affect eligibility or benefit amounts. However, bank account assets, savings, main residence, other immovable property and land fully affect eligibility without exemptions.

⁶¹ <https://keaprogram.gr/pubnr/Account/Login>

⁶² 'Guests' are persons living in the household who are not classified as dependants for tax purposes. For instance, an adult (over the age of 25) non-disabled child who still lives in the parental home is no longer a dependant and is classified as a 'guest'.

constrained by the capacity of the local PES to provide for these different labour market activation measures, though progress has been made in this respect.⁶³

GMI beneficiaries have also been designated a 'priority group' in some activation programmes (vocational training, public work and internship schemes, hiring subsidies). Social inclusion policies have been provided since the inception of the scheme and data has been systematically recorded since mid-2021, in the framework of integration procedure with the labour market strand. At the application, municipal or community centre employees invite and advise or refer the claimants to claim other benefits, supplementary social services and goods, provided they meet the relevant eligibility conditions. Referrals are monitored by the case manager responsible for assessing the needs of the recipient household, based on which a Social Background Integration Plan is then drawn up (see Section on individualised support).

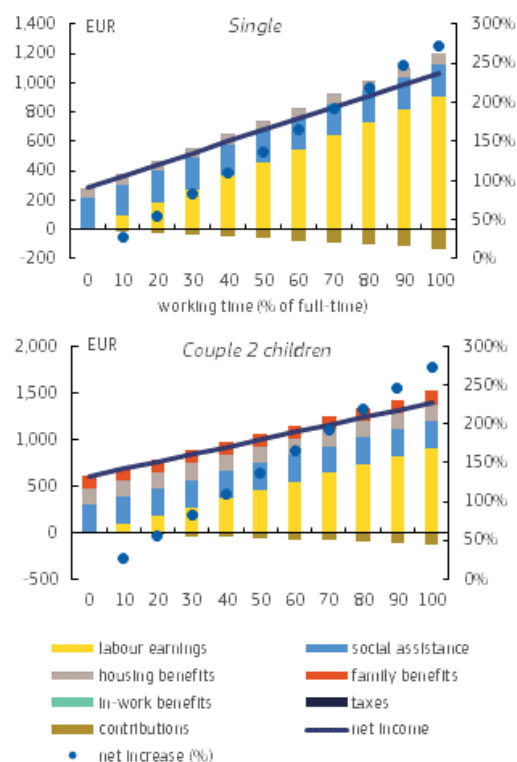
In the context of initiatives funded by the Recovery and Resilience Facility, the subproject "Social Reintegration of the Most Vulnerable Groups" emerged as an integral part of the wider policy to link GMI beneficiaries with the 2nd (social services) and 3rd (labour market activation) pillar of GMI. It is specifically designed to provide support to the most vulnerable groups, including GMI beneficiaries and homeless individuals, with the primary objective of facilitating their (re)integration into the labor market, through a comprehensive upskilling and employment program. Key implementation tools for this component include:

- Combined training programs customised to beneficiaries' skills and education level
- Labour cost subsidies for the recruitment of GMI beneficiaries and homeless people.

Work incentives

Recipients taking up employment continue to receive the same amount of GMI benefit until the end of six-month revision period.

Figure [EL].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

Complementary social services, benefits and goods for the members of the household, if they meet the criteria for inclusion in each programme:

- free **medical treatment** of persons not entitled to health benefits by a social security institution;
- referral and inclusion in **social care** and support structures and services;
- inclusion in programmes and social structures for tackling poverty;
- inclusion in programmes implemented under ESF+ (Priority 6: Food aid and material assistance, Human Resources and Social Cohesion -HSRC Programme);
- social tariff of **power providers**;
- social tariff of **water providers**;

⁶³ During 2024, 41 597 GMI registered unemployed beneficiaries have created an Individual Action Plan and 1 699 have participated in employment programs.

- social tariff for Municipality fees and Municipal Enterprises fees.

ESF+ (Priority 6: Food aid and material assistance, Human Resources and Social Cohesion HSRC Programme) - Former FEAD - has been totally integrated since 2017 in GMI eligibility rules and business processes. Each GMI's recipient unit can directly access ESF+ relative provisions through the GMI application platform. On December 31, 2024, 83.1% of GMI beneficiaries were participating in the Food Aid and Material Assistance measures provided by ESF+.

Tightening of the school attendance requirement:

Certification of adequate school attendance for minor household members who are required to attend the compulsory school grades is requested after the completion of the previous school year.

Individualised support

In the context of individualized support provision, a **Social Background - Integration Plan** template has been drawn up. The purpose of this plan is to establish a standardized reference tool for needs assessment within Community Centers, particularly under the purview of the second pillar, where counseling initiatives are currently in place, and individualized intervention plans are crafted for recipients of GMI. This tool comprehensively covers all aspects of an individual's life and is exclusively intended for use by social workers. The Social Background - Integration Plan template is already published on GMI platform as a reference tool for social workers with the overarching objective to furnish professionals with a consistent methodology for conducting individualized needs assessments and to facilitate uniform data collection practices⁶⁴. However, the use of the "Social Background - Integration Plan" is discretionary.

Recent or upcoming reforms

As part of a broader reform of the main, in budgetary terms, means-tested social assistance benefits, the authorities are advancing a reform of the GMI aimed at enhancing its adequacy, improving targeting, and strengthening incentives for labor market participation. While the reform does not alter the program's

structure, it focuses primarily on parametric adjustments and is planned for adoption in 2025.

Furthermore, the Technical Support Instrument project currently implemented in Greece titled "Strengthening social protection capacity and enhancing the labour market integration of the Minimum Income Scheme (MIS) beneficiaries by the application of Artificial Intelligence (AI) to the labour market supply and demand matching" seeks to strengthen the capacity of the authorities to develop digital solutions to support the labor market integration of GMI beneficiaries, leading to more sustainable and better quality career paths and social inclusion.

Additionally, Greece is actively promoting a series of measures and strategic reforms to meet the challenges faced, through the funding from the Recovery and Resilience Facility. Among these initiatives, the subproject "Social Reintegration of the Most Vulnerable Groups" emerged as an integral part of the wider policy for the interconnection of GMI beneficiaries with the 2nd (social services) and 3rd (labour market activation) pillar of GMI.

In this context, the subproject focuses on the support of the most vulnerable groups, i.e. GMI beneficiaries and homeless people, aiming at their (re)integration in the labour market, through (a) a comprehensive upskilling program and (b) an employment program, with a total budget of approx. €151.7 million:

(a) Training and Certification: Combined training programs customised to beneficiaries' skills and education level where upgrading their digital skills will be included, i.e. 80 hours of classroom-based training in high-demand sectors, such as office administration and sales. Upon completion, participants must pass certification exams, and

(b) Employment: Employers pre-select candidates based on qualifications and training completion. Participants completing training will be employed in full-time positions for 12 months. Private sector employers will be subsidized to cover wage and non-wage costs.

Additional sources

GMI platform: <https://keaprogram.gr/govnr/>

⁶⁴ Timeline is unknown for such plans, but according to December 2024 monitoring report and relevant data from GMI platform, numbers appear low: out of a total 172 687 households, 1 462 were invited

to a briefing session on additional benefits, services, and goods, of which 638 attended. Data on actual receipt of additional benefits, services, and goods are not yet available.

Spain

Benefit	Minimum living income (<i>Ingreso Mínimo Vital</i>). It is complemented by various regional schemes (<i>Rentas Mínimas de Inserción</i>). The qualitative analysis in the table below is mostly based on the minimum living income.		
1_Adequacy ⁶⁵			
Adequacy		<i>As a share of the poverty threshold</i>	<i>As a share of the income of a minimum wage-earner</i>
	<i>Single person</i>	74 %[2023]	57 % (2024)
	<i>Couple with 2 children</i>	74 %[2023]	59 % (2024)
Benefit setting methodology	No, but it is indexed to non-contributory pension.		
Regular reviews and updates	The benefit is updated on an annual basis, indexed to the non-contributory pension.		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ⁶⁶ reaches 68 % (2024), significantly below the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 11 % ⁶⁷ (2024)).		
Transparent and non-discriminatory eligibility criteria	Residence test requires the recipient to be either a national or a foreign resident holding a residence permit for at least the year prior to submitting the application, with exceptions. The claimant must be over 23, with exceptions.		
Application processing times	The maximum period to resolve the IMV application is six months from the date of submission. In practice, these 6 months are normally not consumed.		
Rapid complaint and appeal procedures	Yes, there is a procedure to file a complaint, and a response must be given in 45 days.		
Existence of national data on take-up rate	It is estimated that in 2023, around 44% of households below the income and asset threshold do not apply for the benefit. Estimates are based on tax agency information and census data received on a yearly basis.		
3_Access to inclusive labour markets			
Activation requirements	Moderate		
Targeted active labour market policies	No		
Financial incentives to work	Earnings disregards		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (free of charge except for dentist), housing allowance, social inclusion services (free of charge)		
Access to essential services	Energy support granted to IMV recipients upon request		
5_Individualised support			
Multi-dimensional needs assessment	Discretionary (common practice)		
Inclusion plan	Recipients have the right to a social inclusion plan developed by social services		

⁶⁵ Information about the colour-coding is available in the Annex of Part 2 of the report.

⁶⁶ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

⁶⁷ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

In 2020, the government adopted a nationwide minimum income scheme, the minimum living Income (*Ingreso Mínimo Vital*, IMV). It is complemented by various regional schemes (*Rentas Mínimas de Inserción*, RMI). In addition, a new means-tested child support supplement (*Complemento de Ayuda para la Infancia*, CAPI) was introduced in January 2022.

IMV is managed by the National Institute of Social Security (*Instituto Nacional de Seguridad Social*, INSS), although delegation to regions has been agreed in some of them. It is funded through the general budget of the Spanish state. The financing comes from public resources allocated to Social Security and social protection policies.

The gross accumulated amount in the IMV payrolls (including CAPI) in 2024 is EUR 4 368 070 883.

Adequacy

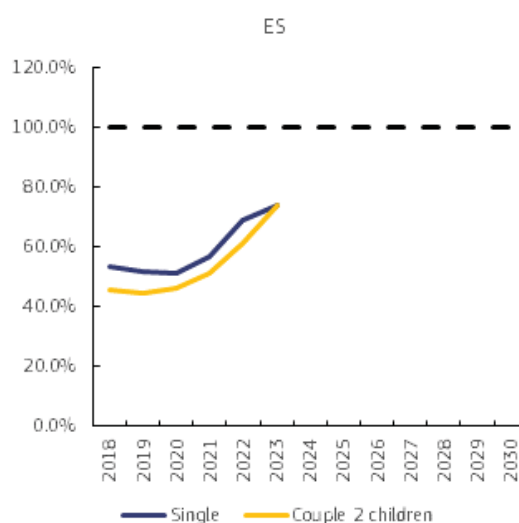
In regards with the IMV, the benefits are means-tested and are topping-up other income up to a certain guaranteed minimum threshold. The maximum amount of benefit depends on household composition: for a single person it is EUR 658.81, and it increases with each additional member up to five, with additional increases for single-parent households and people with disabilities (for example, for a couple with two children the benefit goes up to EUR 1 251.75)

In addition, with CAPI, which has higher income thresholds, the amount of benefit can be increased:

- EUR 115 for children younger than 3 years old.
- EUR 80.50 for children older than 3 years and younger than 6 years old.
- EUR 57.50 for children older than 6 years and younger than 18 years old.

IMV is updated on an annual basis, indexed to non-contributory pension. There is no specific and fix methodology for setting the non-contributory pension level although it considers the consumer price index and tends to reduce the gap relative to the poverty threshold⁶⁸. The IMV is a single monthly payment, no split payment is possible.

Figure [ES].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

Residence test requires the recipient to be either a national or a foreign resident holding a residence permit for at least the year prior to submitting the application, with exceptions of this requirement for:

- victims of gender violence.
- victims of human trafficking or sexual exploitation.
- minors incorporated into the cohabitation unit by birth, adoption, family reunification of sons and daughters, guardianship for adoption purposes, or permanent foster care.

The national scheme requires the claimant to be over 23, with exceptions of this requirement:

- for young people between 18 and 22 that have been living in residential care or foster care prior to their age of majority, within the three years prior to reaching adulthood.
- people between 18 and 22 that are orphaned and live alone.
- people under 23 (over 18 or emancipated minors) who have children or minors in foster care for adoption purposes or permanent family foster care.
- women over 18 who are victims of gender violence, human trafficking or sexual exploitation.

⁶⁸ Section 53, point 5 of Royal Decree 2/2023

- people between 18 and 22 that come from a penitentiary centre after being released from prison, provided that the deprivation of liberty has been for more than six months.

Homeless people have access to IMV.

Means-testing considers the total income of the household. Households must have been formed at least six months prior to claiming the benefit (2 years if aged 23–29). Income thresholds (which may match the maximum benefit amount minus EUR 10) are defined by the amount of the national means-tested non-contributory pensions for one person as its base (set every year in the budget). The determination of this amount is not linked to some economic or social indicator.

Asset test is considered. Main residence as well as movable assets are not considered when assessing the asset limits.⁶⁹

The IMV is available without restrictions in duration and reviewed annually. The maximum period to process the IMV application is six months⁷⁰ from the date of submission. After receiving the official notification in response to the IMV application, there is a period of 30 working days to file a complaint, and 45 days for receiving a response⁷¹.

The latest available data (December 2024) include approved claims since the introduction of the IMV, with an accumulated total of 943 620 benefits (households). Total household members were 2 805 670, of which 1 219 583 were children. In December 2024, the number of benefits (households) were 673 729 (with 2 047 755 household members, of which 842 035 were children); of those, 201 125 households (with 275 893 members) received only IMV; 220 157 households (with 794 961 members) received IMV and CAPI and 252 447 households (with 976 901 members) received only CAPI. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 11%.

In regards with the non-take-up, it is estimated that in 2023, around 44%⁷² of households below the income and asset threshold do not apply for the benefit.

Labour market activation

INSS will send the identification of beneficiaries aged from 18 to 64 years to the corresponding Public Employment Services (PES) for the automatic registration of beneficiaries as job seekers, with some exceptions:

- being employed or engaged in self-employment
- pursuing formal studies and being under 28 years old
- having signed the special agreement which regulates Social Security for caregivers of dependent persons
- receiving a contributory pension for permanent disability in the degree of absolute or severe disability, a non-contributory disability pension, or a contributory retirement pension
- having a disability rating of 65 percent or higher
- being recognized as dependent

The strategy for the IMV recipients undertaken by the PES will depend on the region.

Work incentives

There is a work incentive introduced in January 2023 in order to prevent individuals from losing their IMV benefits as they find a job or improve their employment situation. It considers the growth in earnings in terms of percentage of the minimum income. Growths in earnings in the percentage bracket from 0 to 60% are not included in the means test. Only a part of the earnings is considered in the percentage bracket from 60 to 100%, and everything in percentage bracket beyond 100%.

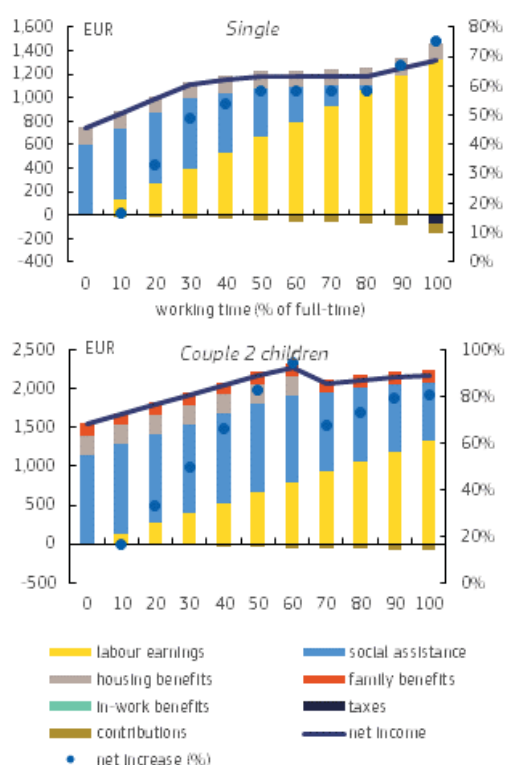
⁶⁹ According to the OECD database on asset-testing requirements for minimum income schemes, in Spain: main residence, vehicles and household appliances do not affect eligibility or benefit amounts. However, bank account assets, savings, other immovable property and land fully affect eligibility without exemptions.

⁷⁰ Article 28 of Law 19/2021

⁷¹ Article 71 of Law 36/2011

⁷² Internal estimates calculated by the Ministry of Inclusion, Social Security and Migrations on a yearly basis, using data on income and wealth from tax agency as well as census data coming from the Spanish Statistics Institute, both received on a yearly basis.

Figure [ES].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

Public education from age 3 to 18, social inclusion services and healthcare are free for residents, not only for IMV beneficiaries. The beneficiaries of the IMV are exempt from the user contribution to **outpatient pharmaceutical services**.

The Spanish government has several measures to ensure the access to **electricity and heating** for vulnerable households. There is an electric bill discount for vulnerable households (Bono Social Eléctrico⁷³), as well as a direct economic aid for heating bill (Bono Social Térmico⁷⁴). MI beneficiaries must specifically apply for these additional benefits. These benefits are cumulative to MI. Eligibility criteria are not linked to the MI eligibility criteria.

On the other hand, it was also established the prohibition to cancel the supply of electricity, natural gas and water to vulnerable households⁷⁵.

Individualised support

Minimum income recipients have the right to a social inclusion plan developed by social services. There is no obligation for the beneficiary to go to social services or participate in the plan, but they can choose to do so and in that case all regions have some provisions about the elaboration of the inclusion plan after the assessment of needs. This is also true for beneficiaries of regional minimum income schemes (in some cases, there is an obligation to participate in the plan).

Furthermore, recipients must participate in the inclusion strategies promoted by the Ministry of Inclusion, Social Security, and Migration, otherwise, they can be **sanctioned**⁷⁶.

Recent or upcoming reforms

Since November 2024, the non-contributory unemployment benefit is excluded from the income calculation when, at the date of application for the benefit, it has expired.

As indicated in Section on inclusive labour markets, there is a work incentive introduced in January 2023 to prevent individuals from losing all their IMV benefits suddenly as they find a job or improve their employment situation.

Since November 2024, for the purposes of applying for the IMV, a gateway has been established between the PES and the INSS, in such a way that 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 PES will inform the beneficiary about the possibility of submitting their data and that of their family unit to the INSS in order to process the IMV benefit.

Additional sources

- <https://www.seg-social.es/wps/portal/wss/internet/Trabajador es/PrestacionesPensionesTrabajadores/65850d68-8d06-4645-bde7-05374ee42ac7?changeLanguage=es>
- <https://www.inclusion.gob.es/en/web/inclusion/ingreso-minimo-vital/que-es>

⁷³ Royal Decree 897/2017

⁷⁴ Royal Decree 15/2018

⁷⁵ Royal Decree 1/2025

⁷⁶ Sanctions consist of the loss of benefits for one to three months; no sanctions are being imposed in practise so far.

Finland

Benefit	The social assistance (<i>Toimeentulotuki</i>), 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, <i>Perustoimeentulotuki</i>) which is implemented centrally, the supplementary social assistance (<i>Täydentävä toimeentulotuki</i>) to cover certain additional costs and the preventive social assistance (<i>Ehkäisevä toimeentulotuki</i>), administered and provided by wellbeing service counties. The qualitative analysis in the table below is mostly based on the basic social assistance.		
1_Adequacy ⁷⁷			
Adequacy		<i>As a share of the poverty threshold</i>	<i>As a share of the income of a low wage-earner</i>
	<i>Single person</i>	72 %[2023]	58 % (2024)
	<i>Couple with 2 children</i>	83 %[2023]	66 % (2024)
Benefit setting methodology	Yes, based on a reference basket of goods and services.		
Regular reviews and updates	Automatic annual indexation.		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ⁷⁸ reaches 95 %(2024), significantly above the EU average (83 %) the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 68 % ⁷⁹ (2023).		
Transparent and non-discriminatory eligibility criteria	In principle, social assistance is available for everyone residing in the country, no nationality or longer time requirements for legal residency applies, neither does any age criterion (as a rule, however, the maintenance liability of minor's rests with their parents).		
Application processing times	The law foresees a maximum of 7 workdays.		
Rapid complaint and appeal procedures	Administrative procedure in place (Kela's Appeal Management Centre) and possibility to appeal in front of a court. No maximum timeframe foreseen.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Gradual and proportionate		
Targeted active labour market policies	Yes		
Financial incentives to work	Earnings disregard, gradual tapering/phasing out of benefits		
4_Enabling and essential services			
Access to enabling services	Childcare (covered by the benefit), healthcare (covered by the benefit), housing allowance, social inclusion services (free of charge)		
Access to essential services	Costs are considered in MI benefits calculation		
5_Individualised support			
Multi-dimensional needs assessment	Discretionary (common practice)		
Inclusion plan	Yes, in 4 or 12 months (depending on age)		

⁷⁷ Information about the colour-coding is available in the Annex of Part 2 of the report.

⁷⁸ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

⁷⁹ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

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

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

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

Basic social assistance is financed by the state and municipalities in half, while the funding for supplementary and preventive social assistance is the responsibility of the wellbeing services counties. In 2023, the gross expenditure on social assistance amounted to EUR 778 million. EUR 727 million (93.4%) was granted in basic social assistance, EUR 29 (3.7%) million in supplementary social assistance and EUR 23 (2.9%) million in preventive social assistance.

Adequacy

The average amount of basic social assistance paid per person was EUR 402 in 2023. Social assistance is paid to most household to supplement other benefits but some households receive social assistance as their main source of income. Social assistance is not taxable. Social assistance is usually a single monthly payment for the

support of a household. Payment can be divided into instalments during one month but household members cannot request split payments.

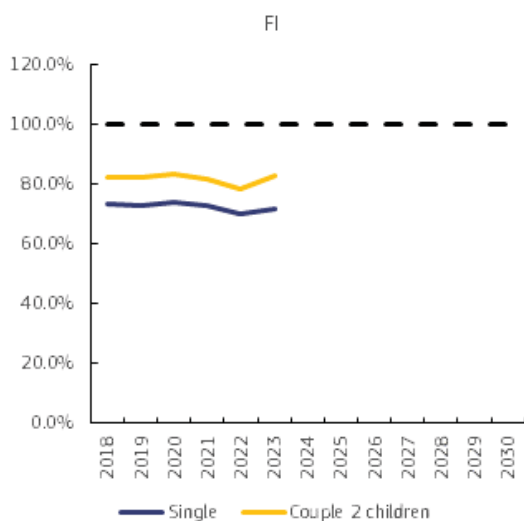
The basic amount of social assistance in 2025 is EUR 594 per month for a single person and EUR 1009 for a co-habiting couple. The basic amount for children under 10 is EUR 374 and for children aged 10-17 EUR 415. The basic amount is not the amount of basic social assistance. The basic amount is the amount needed to cover the essential costs of daily living, such as food and clothing after housing costs. Supplementary and preventive social assistance are always determined on a case-by-case basis, and the benefit amounts vary according to the needs of the beneficiary.

Due to the complementary nature of the system, the composition of the minimum income package of an unemployed person in 2024 was, for example, for a single person around EUR 1 301 (BSA EUR 242) and for a single parent and one child EUR 1 935 (BSA EUR 325). The amount varies according to municipality and housing costs.

The levels of MI benefits follow the consumer price index, mostly through their link to the national pension index. In principle, the national pension index is updated every year. In addition to increases due to index changes, the government can decide on ad hoc increases. Labour market subsidy and general housing allowance will not be index adjusted in 2024–2027 and the benefit level will remain the same as in 2023. However, social assistance will be index adjusted every year.

Figure [FI].1: Distance from the AROP

threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

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

In principle, social assistance is available for everyone residing in the country, no nationality or longer time requirements for legal residency applies, neither does any age criterion (as a rule, however, the maintenance liability of minor's rests with their parents).

In 2023, the total number of recipient households was 263 355. In these households, there were 386 947 individuals of which 93 254 (24%) were under 18 years old and 20,399 (5.3%) were 65 years old or older. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty

(aged less than 65) reached 68%. In total, 6.9% of the population received social assistance.

For social assistance, the income considered is defined as disposable income (after tax). Earned income exceeding EUR 150 per month reduces benefits, as well as all other social benefits (such as the LMS) and other incomes. Real property and assets owned by a person belonging to the household are considered. Wages and benefits deemed insignificant (EUR 50 for a single person and EUR 100 for a household per month) are exempted, together with regular income and assets of a child under 18 insofar as they exceed the expenses to be taken into account for the child, as well as reimbursement of travel-to-work and other work-related costs, activation supplements, certain social benefits (maternity benefits and disability allowances) and assets regarded as essential for living (e.g. owning a house or flat).⁸⁰

A decision on social assistance can be **appealed** through a rectification request. Regarding basic social assistance, it will be addressed to the Social Insurance Institution of Finland (Kela) and regarding supplementary and preventive social assistance to the wellbeing services counties. In both cases, the appeal is lodged with the regional Administrative Court and the Supreme Administrative Court.

Labour market activation

Unemployed social assistance clients must register as job seekers and take part in activities organised by the Public Employment Services (PES). To get the LMS, the claimant must register with the employment service. Beneficiaries can make use of all the various services offered by PES. In co-operation with a PES expert, the individual will draw up an employment plan, activation plan, or integration plan for immigrants. The implementation of the plan is assessed at regular intervals and is individually tailored and adapted to the claimant's personal needs.

The Act on Rehabilitative Work lays down provisions on rehabilitative work activities, which are social services. According to the Act, social welfare and employment services must, in cooperation with the client, draw up an **activation plan**. The plan may include rehabilitative work activities that are binding on the client.

Non-compliance with the activation plan can lead to a **temporary loss of right** to the LMS, and reduction in the

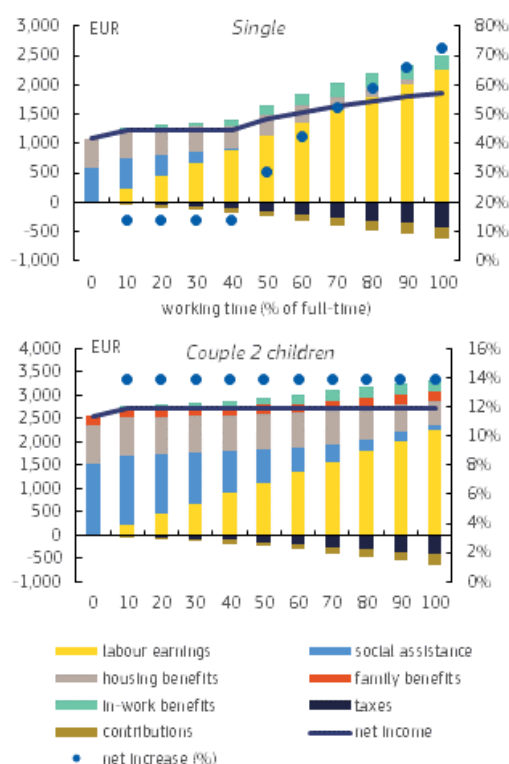
⁸⁰ According to the OECD database on asset-testing requirements for minimum income schemes, in Finland: main residence, household appliances and vehicles do not affect eligibility or benefit amounts. However, savings affect eligibility with some exemptions. As well,

bank account assets, land and other immovable property cause ineligibility.

social assistance of 20% for two months. If non-compliance continues, the benefit can be further reduced by an additional 20%, but for no longer than two months per time. The maximum reduction is 40%.

The multi-sectoral employment promotion service is a joint operating model of the PES, social services, and Kela. The model serves jobseekers who have been unemployed for a long period of time. In the multi-sectoral joint service model, various public authorities offer services on a one-stop-shop basis.

Figure [FI].23: Financial gains of moving into (part-time) employment



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 a low 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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

All people receiving MI benefits are entitled to the same **social care and healthcare services, education, training, and rehabilitation** as the rest of the population. Provisions on access to health and social services are laid down in the Act. Fees charged for services may be reduced or eliminated altogether if they would necessitate social assistance for the client. Fees for public healthcare, out-of-pocket costs of prescription medicines, **electricity, heating and water**

charges and a fee for sauna are considered as expenses when calculating the amount of social assistance. **Public transport, telephone and internet access costs** are included in the basic amount of social assistance.

Individualised support

There are several requirements to participate in activation or other labour market measures, many of them are based on an **individual assessment of the need** for various services. The assessment attempts to map all the relevant factors (e.g. health condition and ability to work) affecting the client's situation.

The Act on rehabilitative work requires that a **multi-sectoral activation plan** be drawn up for an unemployed person who has received either labour market support or social assistance for a certain period. For those aged under 25, the threshold is 4 months and for those aged over 25, the threshold is 12 months. The employment authorities, social welfare authorities and the client participate in drawing up the plan. The services suitable for the client are agreed on in the plan. The plan must be done within three months and the services agreed in the plan are obligatory for the client. Clients can be referred to rehabilitative work organised as social welfare services if they cannot be provided with employment services.

The Act on Social assistance requires that social assistance clients have access to Kela officials or social work professionals within 7 working days of their request. The client's right to request a joint meeting was added to the Act.

Recent or upcoming reforms

Multiple reforms that affect minimum income benefit receivers are being prepared or implemented in Finland. The Government will implement a reform of Social Assistance. The proposed amendments should strengthen the role of social assistance as a last-resort and short-term form of support to increase the recipients' incentives to promote their own livelihood and employment. The proposals also aim to achieve savings of 70 m € in social assistance expenditures. The Government will prepare a legislative proposal that will be transmitted to the Parliament in Autumn 2025. The reform is expected to enter into force in 2026.

Several reforms affecting the labour market subsidy and housing allowance entered into force in 2024. The removal of earnings disregard from both forms of support, removal of child supplement in labour market

support and cuts in housing allowance have the greatest effect on social assistance. The reforms are expected to increase the number of social assistance clients and social assistance expenditure.

The Government will implement a reform of basic income security to strengthen work incentives, streamline social security and simplify benefits. The reform aims to create a general social security benefit that would include a basic allowance for living costs, an allowance for housing costs and a discretionary allowance as last-resort social security. The criteria and grounds for being entitled to a basic income security benefit will vary depending on the claimant's life situation. The preparation of the new benefit model will advance in stages. The first stage concerns the general social security benefit for the unemployed combining basic daily allowance and labour market support, in practice, a basic allowance for living costs. The first stage also includes a design for a single application model for the Social Insurance Institution (Kela).

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

Additional sources

Act on Social assistance:

<https://www.finlex.fi/fi/laki/ajantasa/1997/19971412>

Social assistance on the website of the Ministry of Social Affairs and Health:

<https://stm.fi/en/income-security/social-assistance>

Basic social assistance on Kela's website:

<https://www.kela.fi/social-assistance>

On statistics on the website of the Finnish Institute for Health and Welfare:

<https://thl.fi/en/statistics-and-data/statistics-by-topic/social-services-adults>

France

Benefit	Active solidarity income (<i>Revenu de Solidarité Active</i>). It is combined with the activity bonus (<i>Prime d'Activité</i>), a means-tested top-up acting as an in work benefit for people with low incomes. The qualitative analysis in the table below is mostly based on the active solidarity income.		
1_Adequacy ⁸¹			
Adequacy		<i>As a share of the poverty threshold</i>	<i>As a share of the income of a minimum wage-earner</i>
	<i>Single person</i>	64 %[2023]	52 % (2024)
	<i>Couple with 2 children</i>	59 %[2023]	49 % (2024)
Benefit setting methodology	No		
Regular reviews and updates	Yes, automatic indexation to inflation		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ⁸² reaches 97 % (2024) significantly above the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 42 % ⁸³ (2023)).		
Transparent and non-discriminatory eligibility criteria	Claimants must be aged over 25 (with exceptions), be French or have held a residence permit authorising work for at least five years (with exceptions), and not be a pupil, student or trainee and not be on parental or sabbatical leave, unpaid leave or on stand-by.		
Application processing times	Less than 30 days is usual practice		
Rapid complaint and appeal procedures			
Existence of national data on take-up rate	A recent evaluation highlights that one third of eligible households do not take up the RSA on average each quarter and a fifth on a longer term basis.		
3_Access to inclusive labour markets			
Activation requirements	Gradual and proportionate		
Targeted active labour market policies	Yes		
Financial incentives to work	In-work benefits		
4_Enabling and essential services			
Access to enabling services	Childcare (paid provision with possible reduction of fees), healthcare (free of charge/supplementary), housing support (no targeted provision), social inclusion services		
Access to essential services	Service-specific support independently provided by local authorities		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Yes, a Commitment Contract [in 1 month and 6 weeks]		

⁸¹ Information about the colour-coding is available in the Annex of Part 2 of the report.

⁸² Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

⁸³ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

The active solidarity income (*revenu de solidarité active*, RSA) is the main minimum income benefit in France. It is combined with the activity bonus, a means-tested top-up acting as an in-work benefit for people with low incomes. The RSA was introduced in 2008, replacing the previous minimum income benefit (the RMI, *revenu minimum d'insertion*, which was created in 1988). Its purpose is “to provide its beneficiaries with adequate means of existence, in order to fight against poverty, encourage the exercise or return to a professional activity and help the social integration of the beneficiaries”.

Originally, the RSA consisted of two parts, the ‘RSA base’ (RSA socle) and the ‘RSA activity’ (RSA activité), an in-work benefit supplementing income from activity. As of 1 January 2016, the RSA activity as well as another tax in-work benefit – the employment bonus (*prime pour l'emploi*) – were replaced by a new scheme, the activity bonus (*prime d'activité*)⁸⁴.

Adequacy

[The amount of the **RSA basis** is calculated, for each household, by taking the differential between a lump sum (whose level varies according to the composition of the household and the number of dependent children) and household's resources (excluding some sources excluded by law). The parameters (amounts and annual revision) are set annually by decree, taking into account the evolution of consumer prices.

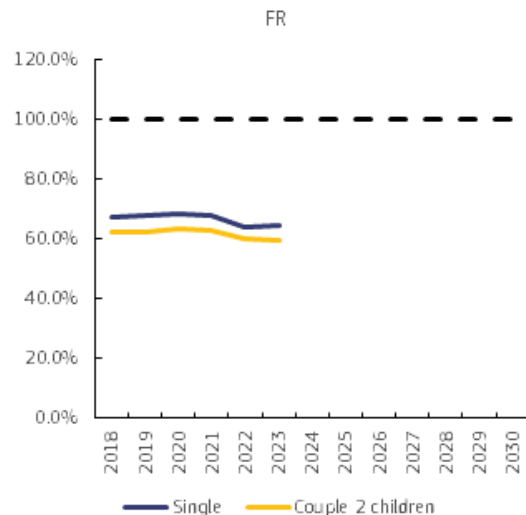
In 2024, the RSA basis is equal to EUR 635.71 per month (in gross terms, the RSA is not taxable) for single people without children. It reaches EUR 953.56 per month for couples without children, EUR 1 144.27 per month for couples with one child; and EUR 1 334.98 per month for couples with two children. For single parents, the amount was EUR 953.56 per month for households with one child, and EUR 1 144.27 per month for two children⁸⁵. For any additional children or household members, the increase was EUR 254.28 per month.

The amount of the **activity bonus** is calculated as well considering a lump sum and the composition of the

household. The lump sum was equal to EUR 622.23 in 2024. This amount initially increases with earnings and then is progressively phased out.

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

Figure [FR].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

In order to be eligible for the RSA, claimants must: be **aged over 25** (although the RSA is open, under certain conditions, to people aged 18-24 if they are single parents or have at least two years of professional activity during the last three years), be French or have **held a residence permit authorising work for at least five years** (this condition is not applicable to refugees, beneficiaries of subsidiary protection, stateless persons, and foreigners holding a residence card or a residence permit provided for by treaties and international agreements and conferring equivalent

⁸⁴ Law No 2015-994 of 17 August 2015 relating to social dialogue and employment: <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000031046061>.

⁸⁵ There are possible increases if the person becomes a single parent after a life event, such as a separation or the spouse's death. This increase is limited in time. If the event occurs after the dependent child turns 3, the increase lasts 12 months and must be paid during the 18 months following the date of the event. If the event occurs

before the dependent child turns 3, the increase lasts until the child turns 3. <https://drees.solidarites-sante.gouv.fr/sites/default/files/2023-09/MS2023-Fiche%2022%20-%20Le%20revenu%20de%20solidarit%C3%A9%20active%2028RSA%29.pdf>

rights), **not be a pupil, student or trainee** and **not be** on parental or sabbatical leave, **unpaid leave** or on stand-by. Anyone residing permanently in France is entitled to the RSA⁸⁶ (asylum-seekers are eligible to a specific allowance, *allocation pour demandeur d'asile*), including homeless people as long as a social centre provides a address for them.

The amount of the RSA depends on the resources of the households.⁸⁷ The amount of resources taken into account is the monthly average of the resources received during the three months preceding the request and the benefit is then calculated each trimester after the first request.

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

By the end of 2023, 1.86 million households (including spouses and dependent children, nearly 3.8 million people) were covered by the RSA (5.5% of the French population) and nearly 8.5 million people were covered by the activity bonus (including spouses and children), representing 13% of the French population. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty (aged less than 65) reached 42%. 22% of households receiving RSA basis also benefited from the activity bonus.⁸⁸

Regarding **non-take-up**, several studies have been conducted. Data concerning the RSA from a 2011 survey showed that the take-up rate for the RSA was on average 50% (64% among those eligible for the RSA base only, 67% among those eligible for both the RSA base and RSA activity, and 32% among those eligible for the RSA activity alone). Lack of knowledge, refusal of assistance, misunderstanding about the RSA on the part of those eligible essentially appear to be key drivers of non-take-up. Another evaluation of the activity bonus carried out in 2017 estimated a take-up rate of 73%. This level of non-take-up (27%) was much lower than in 2011. A recent evaluation⁸⁹ highlights that one third of eligible households do not take up the RSA on average each quarter and a fifth on a longer term basis.

The *Territoires Zero Non Recours* ("Zero Non-Take up Territories") experiment is provided for in article 133 of law no. 2022-217 of 21 February 2022, known as the "3DS" law, which stipulates that an experiment aimed at combating non-use of social rights must be conducted in 10 territories for a period of 3 years. The aim of the experiment is to promote access to rights by setting up local schemes to simplify administrative procedures, improve coordination between institutions, streamline user pathways and reach out to people who are furthest from the institutions by providing them with the necessary information and support tailored to their needs.

The Pacte des Solidarités, launched in 2023, extends this experiment: 39 territories were chosen to take part in this experiment, thanks to the additional funding provided by the Pacte des Solidarités. 11 territories have started the experiment in 2023 and the other 28 in 2024. The budget dedicated to this experiment amounts to 18 million euros between 2023 and 2026.

The aim of the experiment is to develop initiatives to reach out to those people who are furthest away from benefits and most affected by non-use, to establish or strengthen cross-disciplinary and partnership-based working between the various players involved in access to rights in the regions, to support change or consolidate professional practices, and to encourage the exchange and cross-fertilisation of data. It primarily concerns the RSA and the activity allowance, but all other national and local benefits and assistance may be included in the scope of the experiments.

Labour market activation

The law of December 18, 2023, for full employment aims to increase the activity rate and return to employment. This law created a new operator called "*France Travail*" on January 1, 2024, replacing Pôle Emploi, whose missions have been reinforced. Since then, several implementing decrees have clarified and brought the reform into action.

Since January 1, 2025, and continuing from the experiment launched in the spring of 2023 in 47 departments, RSA beneficiaries will now have access to

⁸⁶ Sub-section 1: Conditions for entitlement (Articles L262-2 to L262-12).

⁸⁷ A long list of resources is taken into account in calculating the right to the RSA, among which are income from salaried and non-salaried activity, exceptional resources (e.g. sale of a house), invested capital, rents, certain allowances or social benefits, and unemployment benefits. See: <https://www.service-public.fr/particuliers/vosdroits/F24585>.

⁸⁸ According to the OECD database on asset-testing requirements for minimum income schemes, in France: vehicles and household appliances affect eligibility with some exemptions. Bank account assets, savings, main residence, other immovable property and land fully affect eligibility without exemptions.

⁸⁹ [Mesurer régulièrement le non-recours au RSA et à la prime d'activité : méthode et résultats | Direction de la recherche, des études, de l'évaluation et des statistiques \(solidarites-sante.gouv.fr\)](#)

a joint pathway entry through France Travail and the departments, providing enhanced support for returning to employment. A redesign of the integration pathways has been initiated, including a **personalized assessment of the skills and needs** of each beneficiary through a **commitment contract** (see below), allowing for tailored solutions to the needs of each worker. This individualized approach aims to remove barriers to employment by taking into account the specifics of each situation, whether it's complementary training, mobility support, or better information to guide individuals toward sectors and jobs that are hiring.

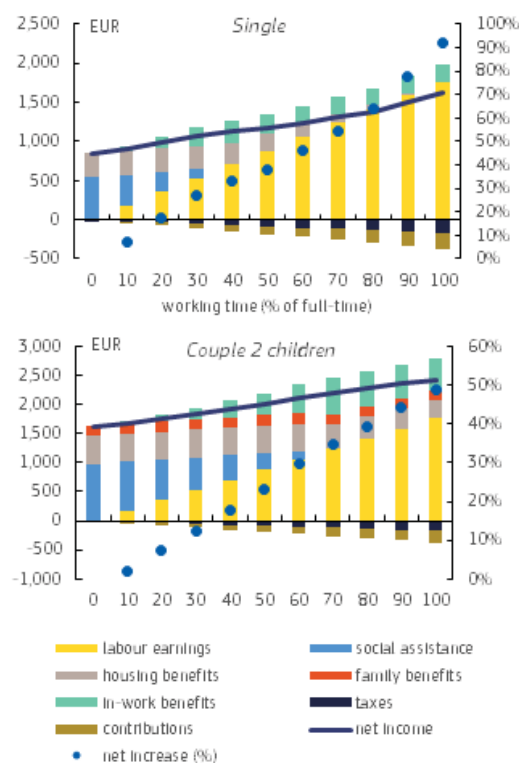
Furthermore, technical deadlines for contracting, orientation, and resuming skills with departmental councils in cases of non-orientation of job seekers within the expected timeframe will be specified. The law also establishes, from January 1, 2025, the automatic registration of all beneficiaries of the active solidarity income (RSA) as soon as they submit their benefit application, as well as young people followed by local missions and people with disabilities followed by a Cap Emploi agency, onto the France Travail lists. All these job seekers will benefit from guidance based on common criteria and a comprehensive diagnosis following a shared framework.

Job seekers will be required to sign a commitment contract, which will encompass current programs. This unified commitment contract will include "an action plan specifying social and professional integration goals" and an objective of 15 hours of activity per week (training actions, etc.) for job seekers needing support or RSA recipients. In case of non-compliance with the commitment contract, **sanctions** may be applied. In the coming months, the Government will specify by decree the sanctions and their implementation

Work incentives

The activity bonus mentioned above maintains a financial incentive to take up, or stay, in employment by allowing earned income to be partially combined with the benefit.

Figure [FR].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

RSA beneficiaries can benefit from several rights⁹⁰: universal **health** protection or complementary solidarity health, **housing** allowances, and reductions in housing taxes, and social telephony charges. They may also be able to access other forms of local assistance, such as reduced prices or free access to certain services (such as **transport** or school meals), depending on the measures taken by the local authorities and the services concerned. They also have access to child benefits and support for **childcare**.

Recent or upcoming reforms

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 their resources, this process proves to be complex and time-consuming for most.

⁹⁰ <https://www.service-public.fr/particuliers/vosdroits/F20237>

Starting in March 2025, following a successful pilot experiment in five departments, recipients will benefit from a major innovation of automatic pre-filling of their quarterly resource declarations.

The implementation of pre-filling will simplify these quarterly declarations: the recipients' resources, such as their salary and/or replacement income (unemployment benefits, daily allowances, disability or retirement pensions, etc.), will be pre-displayed, eliminating the need to manually declare them as was the case before.

The expected drastic reduction in the number of errors will put an end to situations where families, sometimes managing their budget on a day-to-day basis, suddenly have to repay large sums that stretch over many months or even years. These situations, which can be difficult for households, could lead to real destabilization of their life balance and sometimes disrupt their journey out of poverty.

By limiting the number of errors or frauds that each year result in significant financial adjustments for recipients, pre-filling is also expected to guarantee the payment of the 'right amount.'

The stabilization of households' financial situation through pre-filling will ultimately strengthen recipients' trust in our social benefits system and make it easier for everyone to access what they are entitled to.

Key milestones of the reform:

- 2022: Start of preliminary work for the deployment of the reform.
- Summer 2024: Deployment of the net social amount, a new aggregate displayed on payslips and benefit statements, which standardizes the income considered in the calculation of RSA and the activity bonus.
- October 2024: Pilot experiment of pre-displaying resources in the quarterly declarations of RSA and Activity Bonus recipients in five pilot Family Allowance Funds (CAF) (Alpes-Maritimes, Aube, Hérault, Pyrénées-Atlantiques, and Vendée).
- March 1, 2025: National rollout of the pre-filling of quarterly resource declarations for RSA and the Activity Bonus for CAF recipients under the general scheme.
- By summer 2025: Rollout of pre-display for recipients under the agricultural scheme."

Croatia

Benefit	Guaranteed Minimum Benefit (GMB)		
1_Adequacy ⁹¹			
Adequacy		As a share of the poverty threshold	As a share of the income of a minimum wage-earner
	Single person	31 % [2023]	29 % (2024)
	Couple with 2 children	48 % [2023]	44 % (2024)
Benefit setting methodology	No		
Regular reviews and updates	The base amount to calculate the benefit is established by Government Decision once a year.		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ⁹² reaches 68 % (2024), significantly below the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 9 % ⁹³ (2024)).		
Transparent and non-discriminatory eligibility criteria	A recipients must be a Croatian citizen resident in Croatia and a foreigner with permanent and long-term residence in Croatia (with exceptions). There are no age requirements.		
Application processing times	If it is not necessary to carry out an examination procedure, the deadline for deciding is 15 days, and if it is necessary to carry out an examination procedure, the deadline for making a decision is 30 days.		
Rapid complaint and appeal procedures	Yes, administrative procedure in place, and the administration must reply in 15 days. The claimant may then file a complaint to the Ministry, and if needed file a court case in front of the administrative court.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Strict		
Targeted active labour market policies	Yes		
Financial incentives to work	Gradual tapering/phasing out of benefits		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (free of charge), housing allowance, social inclusion services (free of charge)		
Access to essential services	Support provided through housing allowance and vulnerable consumers status not automatically granted to MI beneficiary		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Yes, a Social Integration Plan		

⁹¹ Information about the colour-coding is available in the Annex of Part 2 of the report.

⁹² Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

⁹³ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

The Social Welfare Act defines different social rights, including the 'Guaranteed Minimum Benefit' (GMB) that should ensure the fulfilment of basic needs of a person or a household. The base amount to calculate the GMB was established by Government Decision and household GMB cannot exceed the gross minimum wage. There is no specified methodology. According to the provisions of the Social Welfare Act, the basis on which the amount of the guaranteed minimum benefit is calculated is determined by the Government of the Republic of Croatia once a year.

Adequacy

The calculation basis of the GMB is EUR 160 since 1 January 2025.⁹⁴

The guaranteed minimum benefit for a single person amounts to:

- 100 % of the basis for a single person of working age
- 130 % of the basis for an elderly person and person incapable of work.

The GMB for a single person amounts to:

- 100 % of the basis for a single person of working age
- 130 % of the basis for an elderly person and person incapable of work.

The amount of the GMB for a household is determined as an amount representing the sum of shares for each household member, the share for each household member is:

- 70 % of the basis for a working age adult
- 95 % of the basis for an adult completely incapable of work and for an elderly person
- 120 % of the basis for a single working-age parent
- 135 % of the basis for a single parent completely incapable of work
- 70 % of the basis for a child
- 80 % of the basis for a child in one-parent family
- 90 % of the basis for a single parent's child
- 120 % of the basis for pregnant women and up to six months after childbirth.

The amount of the GMB for household may not exceed 150 % of the gross minimum wage in the Republic of Croatia (the amount of the minimum wage in the Republic of Croatia for the period from 1 January to 31 December 2025 is determined in the gross amount of 970 EUR⁹⁵). Also, the payment cannot be split among different members of the household. The full amount is issued to the designated representative of the household—the individual who submitted the request for GMB.

Rights to GMB function as a 'passport' to other benefits, such as one-time allowances, housing benefits, or benefit for energy buyers at risk (see section on enabling and essential services). A one-time allowance of up to EUR 331,80 for a single person or EUR 464,53 per household can be approved in one calendar year in cases of sudden difficulties in meeting basic needs

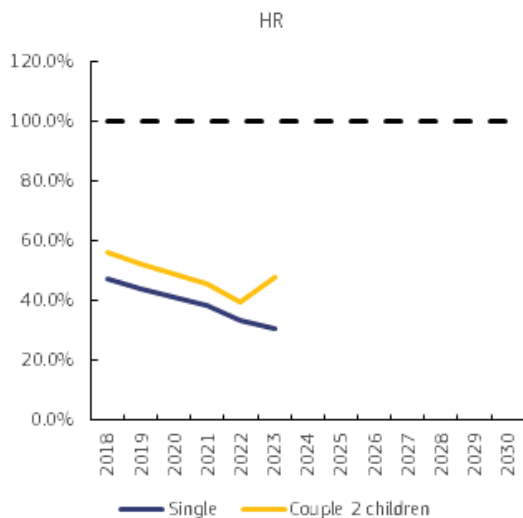
⁹⁴

https://narodne-novine.nn.hr/clanci/sluzbeni/2024_12_151_2480.html

⁹⁵

https://narodne-novine.nn.hr/clanci/sluzbeni/2024_10_124_2072.html

Figure [HR].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

Social welfare benefits and services are granted to:

- a Croatian citizen resident in Croatia and a foreigner with permanent and long-term residence in the Republic of Croatia;
- a stateless person with temporary or permanent residence and long-term residence in the Republic of Croatia.
- foreigners under subsidiary protection, an asylum seeker and a foreigner under temporary protection and their family members who legally reside in the Republic of Croatia,
- foreigner with the established status of a victim of human trafficking.

Under the conditions prescribed by the Social Welfare Act and by a special regulation.

Any other person may exceptionally be granted the right to one-time allowance and accommodation service under the conditions prescribed by this Act if required by the life circumstances in which the person finds him/herself.

There are no age requirements. Social welfare benefits can be used from birth until death, if the conditions in accordance with the Social Welfare Act are met.

Household disposable income earned in the one month before the claim is taken into account, including income from work, property or social benefits. A number of sources of income are not taken into account in the means-test, such as housing allowance, inclusive allowance, child support and social benefits from regional or local government.

People are not eligible for GMB if they own another apartment or house, own another property (dwellings or commerce) which can be used to provide resources (by selling it or renting), own a registered vehicle whose value exceeds the amount of (EUR 2 654), other than the one used for the transport of a disabled member of the household, an old person or a person with limited mobility, or if, according to welfare centre's qualified person's assessment, a registered personal vehicle is necessary due to lack of transport connections, have a lifelong or life-care contract for life until death as a support recipient, except in the case of initiation of proceedings for termination, nullity or cancellation of the contract. According to Article 147 of the Social Welfare Act (Official Gazette No. 18/22, 46/22, 119/22, 71/23 and 156/23, hereinafter: the Act), a beneficiary in the social welfare system who is not satisfied with the action or failure to act of a person in the social welfare sector may file a complaint with the director of the social welfare institution founded by the Republic of Croatia. The director of the social welfare institution is obliged to act on the complaint without delay and to inform the beneficiary in writing of the findings and the measures taken no later than 15 days from the date of filing the complaint.

If the beneficiary is not satisfied with the measures taken and the response of the director of the social welfare institution, he or she has the right to file a complaint with the Ministry of Labour, Pension System, Family and Social Policy within 15 days from the date of receipt of the notification. The Ministry decides on the merits of the complaint, and is obliged to inform the complainant of the findings and the measures taken within 30 days from the date of receipt of the complaint.

The provision of Article 143 of the Act stipulates that no appeal is permitted against the Ministry's decision, but an administrative dispute may be initiated before the Administrative Court of the Republic of Croatia.

There were 45 782 GMB beneficiaries in 2023, approximately 1.18% of the country's population, and 44 286 in 2024, approximately 1.14% of the country's population, showing a declining trend in recent years.

The numbers shown represent individuals, singles and household members of all age groups. Of 44 286 beneficiaries in 2024, 3 654 were people older than 65 years old. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty (aged less than 65) reached 9%. It is important to note that many individuals over 65 years old opt to exercise the right to national benefit for the elderly. In December 2024, there were 17 849 beneficiaries of said benefit.⁹⁶

No data are available on the non-take-up rate and no research has been undertaken in this area.

Labour market activation

Unemployed GMB beneficiaries capable of working (aged between 15-65) must be registered with the Croatian Public Employment Service (PES) and must accept any job offer within their capabilities, regardless of their qualifications or experience, including temporary and seasonal jobs. Exceptions to these rules apply to various group of people⁹⁷.

If recipients of GMB (specifically the claimants) refuse a job offer or terminate their employment, their right to GMB can be suspended for a period of 6 months. Claimants capable of working are required to take part in active labour market policy (ALMP) measures and have to participate as directed in community work programmes organised by local authorities for 30-90 hours per month. If they do not comply, their GMB entitlement is suspended.

According to data from the Croatian Employment Service, at the end of the year, the following number of unemployed beneficiaries of the guaranteed minimum benefit (GMB) was registered:

- 2020 – 17 909 GMB users.
- 2021 – 17 788 GMB users
- 2022 – 16 716 GMB users
- 2023. – 15 669 GMB users

For all unemployed (including unemployed GMB beneficiaries) registered with the PES, individual counselling within 15 days of registration is obligatory.

In addition, an individual employment plan (IAP) must be drawn up with a counsellor within 60 days. IAP includes job search activities. The client profiling is performed shortly after the registration. It is done by the employment counsellor and by the statistical profiling tool. The assessment combines education, skills, work experience, motivation, and obstacles. A re-profiling should be repeated at least once a year or more often depending on the changes in the person's profile.

If a person is still unemployed after 12 months from the registration, he/she enters a procedure specially designed for the long-term unemployed. This implies signing a Job Integration Agreement (JIA). The JIA is focused mainly on the activities provided by the PES or services and activities that the PES provides in cooperation with other institutions, such as educational institutions. It's main goal is integration into the labour market. The JIA also outlines the frequency of contacts and follow-up arrangements.

Number of GMB beneficiaries who are included in the Employment Policy Assets of the Croatian Employment Service:

- 2020 - a total of newly included persons in the measures – 23 245 people, of which 49 are GMB beneficiaries
- 2021 - a total of newly included persons in the measures – 31 401 persons, of which 60 persons are users GMB
- 2022 . - a total of newly included persons in the measures – 31 482 people, of which 132 persons are users of GMB
- 2023 - total newly included persons in the measures – 37 226 persons, of which 146 persons are beneficiaries of GMB
- 2024 - total newly included persons in the measures – 41 731 persons, of which 253 persons are beneficiaries of GMB

Data for 2020 is not representative due to Covid-19 restrictions on movement. GMB users appear to be less likely to be activated by ALMP measures and to

⁹⁶ According to the OECD database on asset-testing requirements for minimum income schemes, in Croatia: main residence and household appliances do not affect eligibility or benefit amounts. Land affect eligibility with some exemptions. Vehicles fully affect eligibility without exemptions. Savings and bank account assets affect eligibility and benefit amounts. Other immovable properties cause ineligibility.

⁹⁷ People who are within five years of entitlement to the old-age pension, children up to the age of 15, or older for the period of their regular education, or young adults up to 26 until the end of their

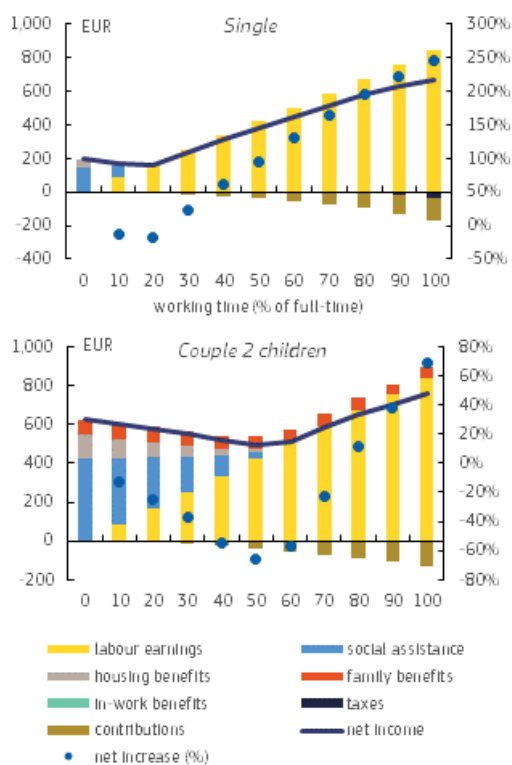
education, pregnant women and new mothers for up to six months after giving birth, parents caring for children up to the age of one for one child, up to three for twins, and up to 10 for three or more children, as well as parents on adoption leave, people wholly incapable of working, those established as being temporarily unemployable by a competent authority, according to special regulations, unemployed family members with no income, caring for a child or for an adult family member who is unable to take care of themselves, insofar as the care provided replaces institutional care under the Social Welfare Act.

participate most often in public works and ALMPs for training. When engaged in community work (initiated by a local community or civil society organizations), GMB is not suspended.

Work incentives

If a single person or a member of a household who is the beneficiary of the GMB is employed for a continuous period of at least 6 months, in the first 3 months of work the amount of the guaranteed minimum compensation is reduced by 50% of the recognized amount. The right to the GMB ends for a single person or a household after three months of work for the person referred to in paragraph 1 of this article, if the average income in the last three months exceeds the recognized amount of the GMB for a single person or a household.

Figure [HR].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

GMB beneficiaries have the right to **social services** prescribed by the Social Welfare Act. The services are: first social service, comprehensive assessment and planning service, counseling, professional assessment, psychosocial counseling, social mentoring, family mediation, psychosocial treatment for violence prevention, psycho-social support, early developmental support, assistance in inclusion in education programs, home assistance, day care, supported housing, accommodation.

Housing allowance, in accordance with Article 41 of the Social Welfare Act, refers to rent, utility fees, heating costs, water services, and costs incurred due to the needed work to increase the energy efficiency of the building.

The local government unit is obliged to recognize the right to housing allowance for beneficiaries of the guaranteed minimum benefit, after the beneficiaries proactively apply.

Furthermore, GMB beneficiaries have the right to benefit for the vulnerable **energy** buyer and housing allowance, which help them with paying their utility bills. The right for the vulnerable energy buyer and the right for the housing allowance are not approved automatically but by submitting a request.

Individualised support

Social mentoring is a service introduced by the Social Welfare Act of 2022 (OG 18/22, 46/22, 119/22, 71/23, 156/23) with the aim of providing professional assistance to long-term unemployed persons who are beneficiaries of the guaranteed minimum benefit, their children, persons with disabilities, beneficiaries after the termination of the right to accommodation or organized housing, victims of human trafficking and persons after serving a prison sentence. The aim of this service is to strengthen their abilities to more successfully resolve life difficulties and social integration. 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. The process includes at least ten structured meetings between a social mentor and a beneficiary, during which work is done to strengthen the beneficiary's skills and resources for overcoming life challenges. By the end of 2024, 157 social mentors were employed and provided services to 3 000 users.

Recent or upcoming reforms

In June 2023, the Amendments to the Social Welfare Act entered into force. With its adoption, the reasons for recognizing the right to the status of parent caregiver or caregiver have been expanded to include children with developmental disabilities or persons with disabilities who have a fourth-degree autism spectrum disorder. Additionally, the scope of beneficiaries eligible for caregiver status has been broadened, regardless of whether the child with developmental disabilities or the person with disabilities has another parent, whether the parents live with them, or whether they are able to provide the necessary care due to their own psychophysical condition.

Furthermore, by increasing the allowance and enabling the receipt of income from secondary earnings—provided that such activities do not contradict the purpose of the recognized caregiver status—the conditions for parent caregivers and caregivers have been further improved. The new provisions also allow for the continued use of caregiver status for a certain period after the death of a child with developmental disabilities or a person with disabilities for whom the caregiver was responsible, thereby alleviating the exceptionally difficult life circumstances following their passing.

The removal of the obligation to repay amounts received as guaranteed minimum benefits and the deletion of registration entries related to these payments have simplified access to the guaranteed

minimum benefit, which serves as a fundamental social benefit. Additionally, access to institutional care and organized housing has been facilitated through a redefinition of the registration system within the social welfare framework. Starting in 2025, the new adoption of the Law on Amendments to the Social Welfare Act is underway. The proposed amendments aim to achieve better coverage and adequacy of the guaranteed minimum benefit in households with children. Additionally, for able-bodied recipients of the guaranteed minimum benefit, their current health condition, which prevents them from responding to a call for unpaid community service work, will be considered a justified reason for non-compliance with such a call.

Furthermore, the proposed amendments will enable a greater number of elderly individuals to receive the social service of home assistance, thereby preventing institutionalization. It will also ensure that victims of domestic violence receive psychosocial counseling services for as long as needed and facilitate faster approval of professional assessment services. In addition, it will allow the approval of daycare services, exceptionally, for beneficiaries who have been granted placement in a foster family, as well as resolve ambiguities in the application of provisions regarding participation in the payment of social services.

Additional sources

<https://mrosp.gov.hr/>

<https://socskrb.hr/>

Hungary

Benefit	The minimum income scheme (<i>Aktív korúak ellátása</i>), composed of: i) employment substituting benefit (ESB) (<i>Foglalkoztatást helyettesítő támogatás</i>), for those who are deemed capable of work, when they are not working in public works; ii) a benefit for people suffering from health problems or taking care of a child (BHC) (<i>Egészségkárosodási és gyermekfelügyeleti támogatás</i>), iii) job seeker aid before pension (ABP) (<i>Nyugdíj előtti álláskeresési segély</i>).		
1_Adequacy ⁹⁸			
Adequacy		As a share of the poverty threshold	As a share of the income of a minimum wage-earner
	Single person	13 % [2023]	13 % (2024)
	Couple with 2 children	15 % [2023]	12 % (2024)
Benefit setting methodology	ESB and BHC: No criteria. ABP: link to minimum wage.		
Regular reviews and updates	ESB and BHC: Yes, discretionary upon decision of the government. ABP: updated in line with updates to minimum wage.		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ⁹⁹ reaches 82 % (2024), close to the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 11 % ¹⁰⁰ (2023))		
Transparent and non-discriminatory eligibility criteria	ESB: from age 18 to retirement age and legal residence, ability to work but inactive. BHC: same residence and age criteria as ESB, inability to work for health or caring reasons. ABP: same residence criteria as ESB and BHC, maximum of 5 years prior to retirement age and received unemployment benefit for at least 45 days in the preceding 3 years, but cannot receive it anymore.		
Application processing times	ESB and BHC: less than 60 days; ABP: less than 8 days		
Rapid complaint and appeal procedures	Yes, through administrative court. No maximum timeframe.		
Existence of national data on take-up rate	Yes, latest study from 2021 based on 2018 administrative data		
3_Access to inclusive labour markets			
Activation requirements	Strict		
Targeted active labour market policies	No		
Financial incentives to work	No, but income from simplified employment in certain positions is possible, and the benefit is not suspended at that time.		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (free of charge), housing (depending on municipality), social inclusion services, but there is no targeted provision		
Access to essential services	Protected consumer status automatically granted to MI beneficiaries		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	No formal requirement,		

⁹⁸ Information about the colour-coding is available in the Annex of Part 2 of the report.

⁹⁹ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

¹⁰⁰ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

The Hungarian minimum income (MI) scheme is **composed of three benefits** and connecting in kind services and provisions. Benefits are targeted at different life situations and include different incentives to work according to actual working capacity. The three benefits are as follows:

1. **employment substituting benefit** (ESB, *foglalkoztatást helyettesítő támogatás*) targeted to those inactive deemed capable of work and not employed in public works;
2. **benefit for people suffering from health problems or taking care of a child** (BHC, *egészségkárosodási és gyermekfelügyeleti támogatás*) received by those not deemed capable of work because of health reasons or caring responsibilities;
3. **job seeker aid before pension** (ABP, *nyugdíj előtti álláskeresési segély*) targeted jobseekers no longer able to claim unemployment benefits who are up to five years short of reaching the official retirement age;

These three benefits are considered as core MI and complemented by other in-kind and cash benefits and access to services. As take up numbers are of the same – and converging – magnitude with about 57 000, 17 000 and 45 000 people having received benefits 1-2-3 in 2024 respectively, there is no single major MI benefit in Hungary, but a group of three benefits.

Adequacy

Employment substituting benefit - ESB

The level of the ESB is **tied to the social reference base**, set at 80% since 2012. It is a **fixed amount** of HUF 22 800 (EUR 57), it does not depend on family size, composition or income, it is **indexed only according to government decision** without being linked to poverty or any other similar thresholds.

Equivalence scale for calculating the income threshold is using the following consumption units:

- The first adult: 1.0 (+0.2 if single parent)
- Spouse or partner: 0.9
- First and second child: 0.8
- Third and other children: 0.7
- Disabled child: 1.0 (if there are disabled and healthy children, the first healthy child counts 0.8).

If the first adult or the spouse (partner) is receiving disability support (*fogyatékosági támogatás*), they count 1.0+0.2, or 0.9+0.2.

Benefit for people suffering from health problems or taking care of a child (BHC)

The level of the BHC benefit is calculated based on the **consumption unit**, which shows the structure of the family. The monthly income of the family is supplemented to 95% of the social reference base (*szociális vetítési alap*, HUF 27 075 = EUR 68) per consumption unit.

The monthly amount of BHC is calculated as follows: (0.95*social reference base*consumption unit)-household monthly income

The consumption units are calculated as follows:

- The first adult: 1.0 (+ 0.2, if he/she is a single parent)
- Spouse or partner: 0.9
- First and second child: 0.8
- Third and other children: 0.7
- Disabled child: 1.0 (if there are disabled and healthy children, the first healthy child counts 0.8).
- If the first adult or the spouse (partner) is receiving disability support (*fogyatékosági támogatás*), they count 1.0+0.2, or 0.9+0.2

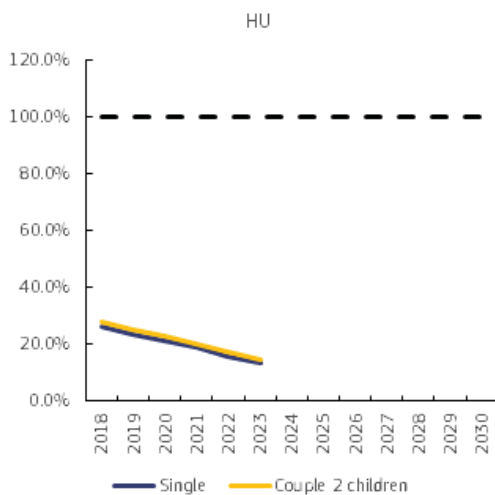
Maximum income threshold is linked to the net wage in public employment (that is linked to the minimum wage). Indexed according to government decision.

The maximum amount of the BHC is HUF 59 050 (EUR 148) per month in 2025. But this maximum is reduced to HUF 37 050 (EUR 93) if one parent is entitled to the ESB, representing a capping.

Job seeker aid before pension - ABP

Amounts are linked to the minimum wage (40%) set to increase annually until 2027 according to tripartite agreement.

Figure [HU].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

Eligibility criteria for ESB and BHC are the same.

They include an age requirement from age 18 to retirement age and the entitlement is determined on a family basis. The benefits can be claimed by any family member, but two claimants in a household can only be entitled to different benefits.

Asset test excludes the real estate where the claimant lives and the vehicle, which is used to transport a mobility-impaired person, but every other asset in the family is considered, if the value of the asset is above the limit defined by the Social Act.

Hungarian citizens, persons entitled to free movement and residence, third-country nationals with resident or immigrant status, stateless persons or persons recognised by the Hungarian authorities as refugees without minimum period of residence can apply for the benefits if they live in Hungary. The benefits are conditional on legal residence.

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

The entitlement to the ESB and BHS benefits is not time limited but subject to annual¹⁰¹ renewal and remains available for as long as the eligibility conditions are met.

According to administrative data, the average monthly number of individual beneficiaries receiving ESB or BHC benefits was 74154 in 2023¹⁰², a considerable decrease since 2016 (from over 130 000 beneficiaries), while significant regional variations exist by the ratio of population covered.¹⁰³ Hence, the ratio of the number of recipients of ESB or BHC to the size of the population at risk of poverty (aged 18-64) reached 11%.

There are regular complaint and **appeal** procedures in place.

Regarding **ABP**, **eligibility** criteria include being a jobseeker who is 5 years before reaching an official retirement age, having the minimum length of services set at 20 years and non-benefitting from an early retirement benefit.

There is no means-test for ABP and the benefit is set at a fix rate disregarding household composition or other criteria except residence. Hungarian citizens, persons entitled to free movement and residence, third-country nationals with resident or immigrant status, stateless persons or persons recognised by the Hungarian authorities as refugees without minimum period of residence can apply for the benefit if they live in Hungary.¹⁰⁴

The number of those receiving ABP decreased from 84 423 to 44 816 from 2016 to 2023.¹⁴

¹⁰¹ ESB eligibility is renewed annually, depending on proven work activities for at least 30 days in the preceding 12 months, beyond checking on other eligibility criteria. Benefit type 2 (social assistance) is renewed in every second year.

¹⁰² https://www.ksh.hu/stadat_files/szo/hu/szo0021.html The longitudinal comparability of the data is limited due to the changes in the system. Although ESB support has been available since 2009, the ESB could be supplemented by regular social assistance at the household level until 2016.

¹⁰³ https://www.ksh.hu/stadat_files/szo/hu/szo0060.html No separate data for those 65+.

¹⁰⁴ According to the OECD database on asset-testing requirements for minimum income schemes, in Hungary: main residence and household appliances do not affect eligibility or benefit amounts. However, bank accounts assets, savings, other immovable property, land and vehicles fully affect eligibility without exemptions.

There are also regular complaint and appeal procedures in place.

Labour market activation

ESB and ABP beneficiaries have to register with the Public Employment Services (PES), cooperate with the PES and accept any employment opportunity offered, including participation in public works. Refusal can result in **termination** of their benefits, although attempts have been made to avoid this in practice. All jobseekers, including ESB and ABP recipients are profiled and assigned an appropriate client category. The largest proportion of ESB/ABP beneficiaries are considered requiring complex support (either 'assisted by public works', 'to be developed', or 'at risk', i.e. most difficult to engage in employment).

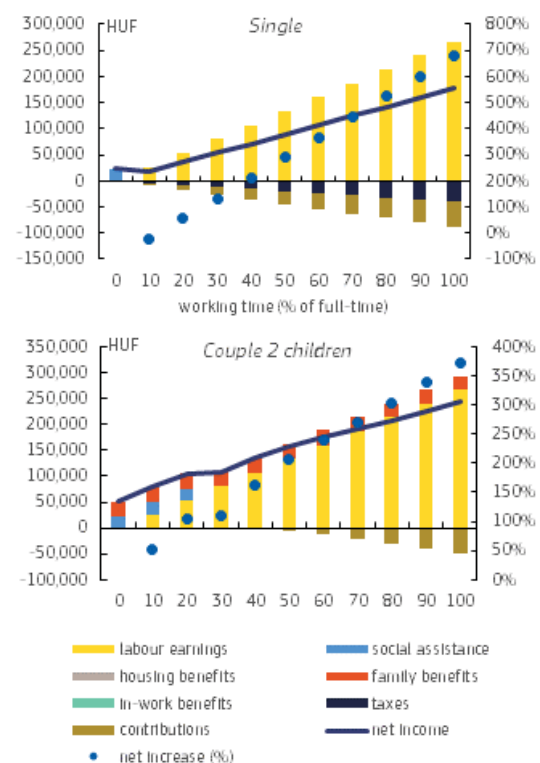
Beneficiaries normally report every three months and their compliance with the **individual action plan** is assessed and modified if necessary. The beneficiaries of the ESB and ABP, as other jobseekers at PES, have to participate in the public works' schemes, while the benefit is suspended and replaced by the public work wage, which in 2025 means a net income of HUF 145 400 per month in case of a public worker who works neither in a qualified, nor in a group leader position.

Regarding **recipients of BHC benefit, they may voluntarily request employment services**.

Work incentives

Apart from the public work scheme mentioned above, beneficiaries of **ESB, PRB and BHC can't be engaged in work activity**, except for some specific types of simplified employment. The benefits are suspended as of the month the beneficiary gets any income from regular work except from simplified employment. During the first 120 days of work benefit payment is only suspended but the entitlement is not ceased, only as of day 121. ESB beneficiaries can also participate in volunteer work or other activity to show cooperation and continue eligibility.

Figure [HU].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

Various services are offered to ESB, PRB and BHC beneficiaries requiring complex assistance. A new

element providing 'social information support' was introduced in 2020, partly in response to the COVID-19 pandemic.

Benefit recipients have free access to **healthcare**, can get the public health card, receive discount local travel, universal provisions, regular **child protection benefit** (that allows access to free schoolbooks, free/discount school meals, free meals during vacation, discount college fees, free legal fees, youth life start support, monetary support twice a year), inclusion in individual programs such as EU programs for the most needy, protected consumer status as regards utilities and occasional local benefits (providing some home maintenance support), but there are no formal mechanisms that promote access by recipients. Duration of benefits provision also accounts to pension eligibility.

There is **no general housing scheme** that exists in Hungary, but the local benefit helps paying housing costs, and beneficiaries fall under protected consumer status at utilities thereby ensuring flexible access, payment and continuous service provision.

Individualised support

ESB and PRB recipients are offered an individual labour market integration agreement/**action plan within 8 days of application based on individual needs assessment**. It is **compulsory** for severely disadvantaged applicants and based on the first interview and covers key elements determined jointly by the case manager and the claimant.

Individualised support to BHC recipients is based on voluntary cooperation with employment services.

Recent or upcoming reforms

Emerging Settlements Programme (FETE)

In 2019, the Government launched the long-term programme of "Emerging Settlements", a targeted programme to help the 300 most disadvantaged settlements in the country.¹⁰⁵

Settlements were selected on the basis of a complex poverty indicator developed with the help of the Hungarian Central Statistical Office (HCSO). The programme covers the selected 300 municipalities in phases, and its basis is the Presence Programme under the professional guidance of the charity organisation. It

is implemented with the involvement of churches, charity organisations and chief social officers. The Ministry of Interior provides continuous technical support.

The implementation of settlement programmes is based on the identification of local conditions, real professional presence and complex interventions designed according to individual diagnosis of clients and the communities. The overall aim of the Programme is to improve the social and infrastructural provision of deprived settlements and to bring about positive, forward-looking changes in the lives of the people and communities living there.

There are 312 000 people living in the 300 settlements with almost 5 000 children born every year mostly in Roma families, in a low-income environment (more than half of children receive regular child protection allowance). Infrastructure is underdeveloped, and there is a significant shortage of professionals, which also hampers access to (quality) public services for the local population; e.g. there is no General Practitioner in more than one third of the settlements. Most of the population in these settlements have low levels of education, and are unskilled.

In the programme launched in 2019, several measures have been implemented to respond to the above problems, such as early childhood interventions (e.g. early childhood kits, equipment that can be borrowed, device support for health visitors (diagnostic, childcare equipment), health improvements (general and paediatric eye screenings), improvement of housing conditions (life hazard prevention, home improvement). In the municipalities involved, municipal situation assessments and action plans were drawn up, the Presence Points were set up and social work with families has begun.

Additional sources

<https://kormanyhivatalok.hu/kormanyhivatalok/budapest/megye/aktiv-koruak-ellatasa>

¹⁰⁵ The Hungarian Charity Service of the Order of Malta coordinates it.

Ireland

Benefit	Ireland’s minimum income provision relies on two main schemes: i) Jobseeker’s Allowance (for people who do not qualify for or exhaust their Jobseekers Benefit entitlement) and ii) Supplementary Welfare Allowance (SWA) (to provide immediate assistance to people in certain circumstances). The qualitative analysis in the table blow is mostly based on the SWA.		
1_Adequacy ¹⁰⁶			
Adequacy		As a share of the poverty threshold	As a share of the income of a minimum wage-earner
	Single person	87 % [2023]	64 % (2024)
	Couple with 2 children	91 % [2023]	76 % (2024)
Benefit setting methodology	No		
Regular reviews and updates	Discretionary, reviewed in the context of the annual budget		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ¹⁰⁷ reaches 100 % (2024), significantly above the EU average (83%) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 38% ¹⁰⁸ (2024)).		
Transparent and non-discriminatory eligibility criteria	A person will normally qualify if they: i) are living in the State; ii) satisfy the means assessment; iii) have applied for any other benefit or allowance they may be entitled to; iv) have registered for work with their local Intreo Centre (if they are of working age); v) satisfy the residence condition.		
Application processing times	Average processing time is 1 week. The procedure does not foresee a specific timeframe but aims to provide a prompt service (in case of need, it can also be on the same day).		
Rapid complaint and appeal procedures	Yes, a person may appeal to the Social Welfare Appeals Office and should receive a reply in 15 days.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Gradual and proportionate		
Targeted active labour market policies	Yes		
Financial incentives to work	Earnings disregards, in-work benefits to recipients with children		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), housing support, healthcare (free of charge), no general preferential or automatic entitlement to social services but there are cases where receipt of certain payments can be a gateway to other supports		
Access to essential services	No preferential or automatic entitlement to essential services		
5_Individualised support			
Multi-dimensional needs assessment	Discretionary (common practice)		
Inclusion plan	No formal requirement		

¹⁰⁶ Information about the colour-coding is available in the Annex of Part 2 of the report.

¹⁰⁷ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

¹⁰⁸ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

Ireland’s minimum income provision relies on two main schemes - Jobseeker’s Allowance and Supplementary Welfare Allowance. The legislation governing both Jobseeker’s Allowance and Supplementary Welfare Allowance is the Social Welfare (Consolidation) Act 2005 (as amended). Both are national level schemes under the remit of the Department of Social Protection. Both schemes are funded through general Government expenditure.

Jobseeker’s Allowance is 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 (eligibility for which is based on Pay-Related Social Insurance contributions). Payment continues for as long as the person meets the eligibility requirements.

Recipients of the payment are legally required to engage with the Department of Social Protection’s employment services and to be genuinely seeking full-time work.

At the end of 2024 there were 108 000 people in receipt of Jobseeker’s Allowance. Expenditure on the scheme in 2025 is predicted to be EUR 1.78 billion.

The **Supplementary Welfare Allowance** scheme offers a “safety net to the safety net” within the overall social welfare system.

The main purpose of the scheme is to provide immediate and flexible assistance to people in certain circumstances.

Supports provided under the Supplementary Welfare Allowance scheme can consist of a basic weekly payment, a weekly or monthly supplement in respect of certain expenses, and Additional Needs Payments to assist with costs that cannot be met from a client’s own resources and are deemed to be necessary.

The Basic Supplementary Welfare Allowance is a weekly allowance paid to people who do not have enough income to meet their needs and those of their families but who do not qualify for assistance under other social protection schemes. Basic Supplementary Welfare Allowance may also be paid to customers awaiting the outcome of a claim or an appeal for a primary social welfare payment. Payment continues for as long as the person meets the eligibility requirements.

At the end of December 2024, there were 11 073 people in receipt of the Basic Supplementary Allowance. Expenditure on this element of the scheme is estimated at EUR 137 million in 2025.

Adequacy

Jobseeker’s Allowance - Rates of payment

Jobseeker’s Allowance rates are made up of a personal rate and increases for a Qualified Adult, and Child Support Payment(s) where applicable.

The rate of payment depends on the person’s income and the outcome of the means assessment. If a person has no means, is aged 25 or over, is single and has no children, they will get the full personal weekly payment of EUR 244. A full-rate Child Support Payment is usually payable for each qualified child who is normally resident with the jobseeker.

The current rates are as follows.

Jobseeker’s Allowance Rates - Over 25 – Weekly Payment Rate (from January 2025)	
Full personal payment	EUR 244
Extra payment for qualified adult	EUR 162
Child Support Payment for a qualified child under 12	EUR 50 (full-rate)
Child Support Payment for a qualified child 12 and over	EUR 62(Full rate)
Jobseeker’s Allowance Rates - Under 25 Rate - Weekly Payment Rate (from January 2025)	
Full personal payment (18 to 24)	EUR 153.70
Extra payment for qualified adult (18 to 24)	EUR 153.70

Note: If a jobseeker is aged 18 to 24, they are eligible for the full personal rate of EUR 244 per week if they meet any of these conditions:

- they have a qualified child,
- they are transferring directly to Jobseeker’s Allowance from Disability Allowance,
- they are participating in an approved training or education course - Back to Education Allowance,
- they were in the care of the Health Service Executive, Child and Family Agency (Tusla) during the 12 months before they reached the age of 18, or
- they are living independently and in receipt of Rent Supplement, Housing Assistance Payment, Rental Accommodation Scheme, Local Authority Housing

or housing provided by certain Approved Housing Bodies.

As with those aged 25 or over, the amount received will be less if they have means assessed.

If a jobseeker under 25 has completed a course of education, training, Community Employment, Rural Social Scheme or TÚS, they will revert to the appropriate age-related rate of Jobseeker's Allowance, if they had previously been in receipt of such a rate.

Basic Supplementary Welfare Allowance - Rates of payment

Basic Supplementary Welfare Allowance rates are made up of a personal rate and increases for a Qualified Adult, and Child Support Payment(s) where applicable.

Rates of payment are reviewed in the context of the annual Budget. Rates are not index linked. However, since 2011, the rate of Basic Supplementary Welfare Allowance has been set at EUR 2 less than the Jobseeker's Allowance rate.

Basic Supplementary Welfare Allowance – Weekly Rates of Payment from January 2025			
Age	Maximum personal rate	Increase for a qualified adult	Child Support Payment
Aged 25 and over	EUR 242	EUR 162	Under 12 Years EUR 50 12 years and over EUR 62
Aged 18-24	EUR 153.70	EUR 153.70	n/a

Reduced rates of Supplementary Welfare Allowance do not apply if the person is under 25 years of age and is:

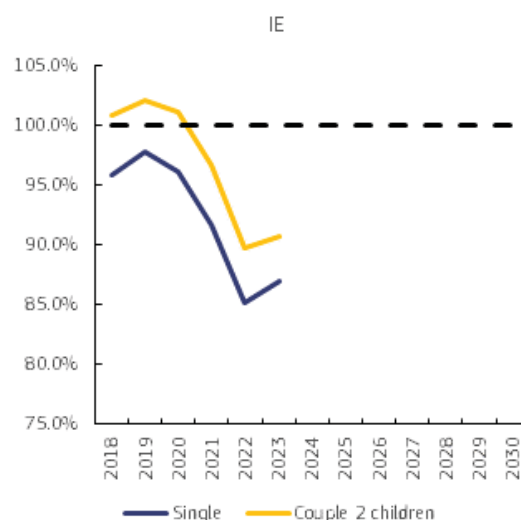
- living independently and getting a state housing support such as Rent Supplement, Rental Accommodation Scheme or Housing Assistance Payment,
- has dependent children, or
- was in the care of the Child and Family Agency (Tusla) for any period during the 12 months before reaching 18 years of age.

Split payments are not possible on either Jobseeker's Allowance or Basic Supplementary Allowance – payment is made to the claimant. However, in general, where a person and their spouse/civil partner or

cohabitant are both in receipt of a social welfare payment each will get a half-rate Child Support Payment for each child (where they are both eligible for this payment) (this arrangement does not apply to Basic Supplementary Welfare Allowance).

Updating of Payments - Rates of Payment for both schemes are kept under review in the context of the Annual Budget.

Figure [IE].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

Jobseeker's Allowance

To **qualify** for Jobseeker's Allowance, a person must:

- be over 18 and under 66 years of age
- satisfy a means test
- be habitually resident in Ireland
- be capable of work
- be available for full-time work
- be genuinely seeking work
- be fully or partly unemployed (at least 4 days out of work in every 7 days) [This condition does not apply to self-employed people.]

A person can work for up to 3 days a week and they may still get Jobseeker's Allowance for the other days.

All cash income to the customer (and, where relevant, to the customer's spouse, civil partner or cohabitant) is assessed except for specific exclusions. The assessment must reflect the income the customer may reasonably be expected to receive during the coming 12 months. Where this is not ascertainable otherwise, the income for the last 12 months should be taken as a guide, allowing for any factors which it is known will vary.

Income which is not assessed includes: income (e.g. rent) from property which has been assessed on the basis of its capital value (i.e. the market value of property that is not personally used or enjoyed); any payment made by the Department of Social Protection (including Supplementary Welfare Allowance); certain payments from the Health Service Executive or the Child and Family Support Agency, income from certain other grants, schemes or awards.

Where a Jobseeker's Allowance recipient has income from employment, the assessable income is gross earnings less deductions for Pay-Related Social Insurance, superannuation, the pension levy and union dues. Deductions in respect of income tax, private health insurance contributions and travel expenses are not allowed.

The person's net average assessable weekly earnings are assessed by reference to the previous 13 weeks (or another period if this is more representative of the person's normal working pattern). Earnings from insurable employment are assessed as means using the following method: A disregard of 20.00 a day for each day worked by the customer up to a maximum of 3 days each week applies (max. EUR 60 a week). Means are calculated as follows: assessable income less the relevant disregards and the balance is assessed at 60%. In the case of a couple, each person is assessed in exactly the same manner, assessable income less the relevant disregards and 60% of the balance is assessed as means.

The general formula used to assess the weekly value of capital for **Jobseeker's Allowance** is: the first EUR 20 000 is assessed as "nil"; the next EUR 10 000 is assessed at EUR 1 per EUR 1 000; the next EUR 10 000 is assessed at EUR 2 per EUR 1 000 and amounts in excess of EUR 40 000 are assessed at EUR 4 per EUR 1 000.

Supplementary Welfare Allowance

If a person has no income, they may be entitled to the basic **Supplementary Welfare Allowance**. If their weekly income is below the Supplementary Welfare Allowance rate for their family size, a payment may be

made to bring their income up to the appropriate Supplementary Welfare Allowance rate. If a person has claimed a social welfare benefit or pension but it has not yet been paid and they have no other income, they may qualify for basic Supplementary Welfare Allowance while they are waiting for their payment. However, the amount paid while the person is waiting will be deducted from the arrears of their social welfare payment. If a person has started work, they may qualify for basic Supplementary Welfare Allowance for up to 30 days while they are waiting for their wages. A person will normally qualify for Supplementary Welfare Allowance if they:

- are living in the State;
- satisfy the Supplementary Welfare Allowance means assessment;
- have applied for any other benefit or allowance they may be entitled to
- ;
- satisfy the habitual residence condition.

There is no minimum age for Basic Supplementary Welfare Allowance and so in certain circumstances a person under age 18 may claim the payment.

A person will not normally qualify for basic Supplementary Welfare Allowance if they are:

- in full-time work, that is, working for 30 hours or more per week (this condition does not apply to the person's spouse, civil partner or cohabitant. However, any income they have from work is taken into account in the means test.);
- in full-time education; or
- involved in a trade dispute. However, a person may claim Supplementary Welfare Allowance for their dependants.

For the purposes of Basic Supplementary Welfare Allowance, income includes: income from employment or self-employment (gross income less Pay-Related Social Insurance and reasonable travel expenses); income from Department of Social Protection (DSP) or Health Service Executive payments; any income in cash. Certain types of income are not assessed including: Child Benefit; Domiciliary Care Allowance; Foster Care Allowance payments received from the Child and Family Agency; and payments from certain other schemes or award.

To assess capital in the means test for Basic Supplementary Welfare Allowance: the first EUR 5 000 is assessed as 'nil'; the next EUR 10 000 is assessed at EUR 1 per EUR 1 000, the next EUR 25 000 is assessed

at EUR 2 per EUR 1 000 and amounts in excess of EUR 40 000 are assessed at EUR 4 per EUR 1 000.¹⁰⁹

Complaints and Appeals

When a decision is made by a Deciding Officer/Designated Person of the department, a person is entitled to know the basis on which the initial claim was disallowed. This should be set out in the decision letter issued to the person. Any person who is dissatisfied with a decision may submit an **appeal** to the Social Welfare Appeals Office within 21 days of the date of the letter giving the decision they wish to appeal. An appeal may be dealt with summarily or an oral hearing may be held.

All **complaints** to the Department of Social Protection will be investigated and dealt with promptly, impartially and in confidence and will have no negative impact on the complainant's claim or payment. The Department commits to acknowledging complaints within 3 days and responding within 15 days. If a person is not happy with the response, they can request a review by emailing Customerservice@welfare.ie. The review will be carried out by an independent Customer Service Officer, who will respond in writing within 20 working days. If a person remains unhappy with the Department's response after a review, they can refer their complaint to the Office of the Ombudsman, who offer an independent and free service.

People can also provide feedback to the Department by contacting any of the department's schemes or services areas directly; speaking with any Intreo Centre or Branch office staff member; or by using the "Leave Feedback" option on the bottom of the department's Gov.ie webpages.

The ratio of the number of recipients of minimum income to the size of the population at risk of poverty (aged less than 65) reached 38%.

Labour market activation

Job Search requirements – One of the eligibility requirements for Jobseeker's Allowance is that the person is genuinely seeking work. To satisfy this

condition, it is necessary for the person to demonstrate that they have taken some positive action and are making genuine efforts to secure employment. They must show that they have taken reasonable steps to secure employment during the relevant period and provide examples. The steps which a person is required to take must be reasonable in their case and offer them the best prospects of securing employment. The steps people are expected to take to seek work will vary from person to person and from one period to the next. In determining what are reasonable steps, the Deciding Officer should consider the nature and conditions of the employment sought and have regard to the individual circumstances of the person concerned in examining the steps taken to seek the type of employment in question. A person's skills, qualifications and experience may affect both the type of employment being sought and the range of steps which s/he may reasonably be expected to take to seek such employment.

Public Employment Service - The Department of Social Protection holds responsibility for the provision of Public Employment Services (PES) to unemployed jobseekers and other groups.

Intreo is a single point of contact for employment and income supports. The service is provided in Intreo centres throughout Ireland. Designed to provide a streamlined approach, Intreo offers practical, tailored employment services and supports for all jobseekers and employers. The services to jobseekers and others are provided under the Intreo brand both directly by the Department and via contracted Intreo partners. A distinctive client journey has been embedded into the employment services process, whereby jobseekers on the Live Register, after engaging with Intreo in the first 12 months, are referred firstly to the Intreo Partner National Employment Service and after 24 months, to the Intreo Partner Local Area Employment Service. In this way Intreo Partners will build on the supports provided to the jobseeker by Intreo and the jobseeker is referred to the most appropriate service at each point in time on their jobseeking journey.

The PES also provides a contracted Employment Service called **EmployAbility** (a nationally provided employment service dedicated to improving employment outcomes for job seekers with a disability).

¹⁰⁹ According to the OECD database on asset-testing requirements for minimum income schemes, In Ireland: main residence, land, vehicles and household appliances do not affect eligibility or benefit

amounts. However, other immovable property, savings and bank account assets affect eligibility and benefit amounts.

To support people who are distant from the labour market the Department of Social Protection also provides a range of **employment programmes** which involve work-experience/work placement. The PES works with **employers** to encourage and facilitate recruitment of the clients whom the Department serves. Towards this end the Department offers a number of employer centric services including *JobsIreland* (a free recruitment website).

Sanctions

Entitlement to a jobseeker payment is dependent on the customer being available for, capable of and genuinely seeking work. This reflects the concept of “rights and responsibilities” whereby people who are unemployed have the right to an income support from the State and a right to be supported in their efforts to secure employment but also have a responsibility to seek employment and to engage with the employment services offered by the State. A reduced rate of payment may be applied where a jobseeker, without good cause, fails to engage with the Intreo Employment Service or fails to participate in a suitable programme of education, training or prescribed employment scheme. Intreo Employment Service staff will make every effort to engage with and encourage jobseekers to avail of the employment supports available to them. The reduced rate sanction is a first-step alternative to the sanction of suspending payment entirely (which is the only other sanction). A reduced rate can be applied for up to 21 days. However, once a jobseeker resumes engagement the reduced rate is lifted immediately.

A person who would otherwise be entitled to a Jobseeker's Allowance payment may be disqualified from receiving the payment for a period up to (but not exceeding) 9 weeks, for any of the following reasons: refusal of offer of suitable employment; loss of employment because of wilful misconduct; leaving employment voluntarily without just cause; refusal or failure to engage with Employment Support Services where penalty rate applied.

Work incentives

It is possible to have some earning from employment and still qualify for a Jobseeker's Allowance Payment. There are 14,751 people working on a casual, part-time or short time basis and claiming Jobseeker's Allowance. The income is assessed such that they can retain earnings and receive Jobseeker's Allowance, for example if a person is working 3 days per week and earning EUR 300, they will receive EUR 100 per

week. For each day worked, there is a EUR 20 disregard applied and the remainder is assessed at 60%.

To assist capacity building jobseekers may also be referred to Activation Labour Market Programmes providing a steppingstone to employment in the open labour market.

Employment Support Schemes

The **Work Placement Experience Programme** (WPEP), is a 6-month voluntary work and training experience program. It is designed for jobseekers who are receiving a qualifying social welfare payment and have been unemployed for a specific period of time. The Programme allows employers to host jobseekers for work experience placements and helps participants build new skills and enhance their employability.

The **Community Employment (CE) programme** is designed to help people who are long-term unemployed (or suffer a particular disadvantage) to get back to work by offering part-time, temporary placements in jobs based within the local community. Participation on CE is for 19.5 hours per week

Tús is a **community work placement** scheme providing **short-term working** opportunities for unemployed people. The jobs are to benefit the community and are provided by community and voluntary organisations in both urban and rural areas. Work placements are for a maximum of 52 weeks. Tús participants work 19.5 hours per week.

The **Back to Work Enterprise Allowance** (BTWEA) scheme supports jobseeker allowance recipients to become self-employed. The scheme allows for part payment of benefits for two years.

In work supports

The **Working Family Payment** is a tax-free payment which provides an income top-up for employees, on low earnings with children. The payment made is 60% of the difference between weekly household income and the Working Family Payment income threshold that applies. The thresholds that apply are based on the number of children in a household. In addition to satisfying the income test, a person must be engaged in employment for at least 38 hours per fortnight.

The **Back to Work Family Dividend** is for people with children who are moving off a jobseeker's payment (after a certain period) or a lone parent payment and into employment. It is payable for two years. In year one, the rate of payment is 100% of the person's

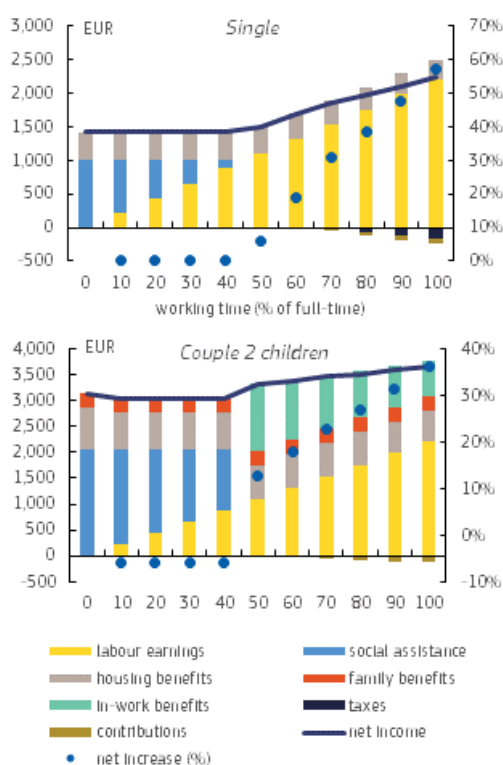
previous Child Support Payment (subject to a maximum payable rate equivalent to four children), In year two, 50% of that amount is paid.

Employer Supports

Jobsplus is an employer incentive which encourages and rewards employers who offer employment opportunities to individuals who are unemployed. It provides employers with two levels of payment: EUR 7 500 or EUR 10 000 over 18 months, with the level of payment depending on the age of the jobseeker and the length of time in receipt of a qualifying payment

The **Wage Subsidy Scheme** supports jobseekers with a disability into employment by offering private sector employers a subsidy. The scheme now pays a minimum subsidy rate of EUR 6.30 an hour to the employer, which can increase to EUR 9.45 per hour depending on the number of people employed under the scheme. The employment contract being offered must be of at least 15 hours per week and a subsidy can be claimed for a maximum of 39 hours per week.

Figure [IE].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3)

Enabling and essential services

Recipients of Jobseeker's Allowance or Basic Supplementary Welfare Allowance do not generally have preferential or automatic entitlement to social or essential services. However, there are cases where receipt of certain payments can be a gateway to other supports. For example, a person in receipt of Jobseeker's allowance may also qualify for:

- Rent Supplement - a payment that helps with the cost of a person's rent.
- Fuel Allowance - paid between October and April to help with cost of fuel. (This requires having been in receipt of Jobseeker's Allowance for at least 312 days and satisfying the qualifying conditions.)
- Back to School Clothing and Footwear Allowance - an annual payment to help with the cost of uniforms and footwear shoes for children who are attending school.
- A Medical Card - if their income is below a certain level

Individualised support

The Employment Personal Advisers and Job Coaches working in Intreo provide tailored supports for jobseekers, through group and one-to-one engagements, with a view to supporting jobseekers to obtain sustainable employment. Jobseekers must fully engage with this process with the exception of people aged over 62.

A person's Probability of Exit score determines their probability of from the Live Register to employment within 12 months. This facilitates categorisation of those who join the Live Register into those with a Low, Medium or High probability of exit to employment. The frequency of engagement by Employment Services officers with jobseekers is determined by these bands, with those determined to be most at risk of long-term unemployment, together with all those aged 30 or younger, receiving highest level of support.

The Employment Personal Adviser will assess job-readiness and, where appropriate, will identify barriers to employment for the jobseeker. Intreo provides a variety of supports which may include job matching to suitable employment opportunities, support with Curriculum Vitae preparation or interview training, referrals to further education or training, and

placement on employment support schemes where appropriate.

People working with an Employment Personal Advisor can use the Digital Pathways to Work on MyWelfare to upload information about their education, work history, and work preferences to their MyWelfare account in advance of meeting with an Employment Personal Advisor.

Recent or upcoming reforms

The Programme for Government 2025 “Securing Ireland’s Future” 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 on additional hours. The Working Age Payment will remove inconsistencies and anomalies in the current Jobseekers Allowance Scheme which discourage people from taking up employment. Draft proposals will be published for full consultation with stakeholders in advance of the final design of the scheme being agreed.

Additional sources

Jobseeker’s Allowance:

[gov.ie - Jobseeker's Allowance](https://gov.ie/en/jobseekers-allowance)

Basic Supplementary Welfare Allowance:
[gov.ie - Basic Supplementary Welfare Allowance](https://gov.ie/en/basic-supplementary-welfare-allowance)

Italy

Benefit	ADI (<i>Inclusion Allowance</i>) . It is complemented by the SFL (<i>Support for Training and Employment</i>), an active inclusion programme. The qualitative analysis in the table below is based on the Inclusion Allowance.		
1_Adequacy ¹¹⁰			
Adequacy		<i>As a share of the poverty threshold</i>	<i>As a share of the income of a low wage-earner</i>
	<i>Single person</i>	74 % [2023]	Not available
	<i>Couple with 2 children</i>	62 % [2023]	Not available
Benefit setting methodology	There is no methodology to set the economic value of ADI.		
Regular reviews and updates	No		
Split payments	Yes		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ¹¹¹ reaches 70% (2024), below the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 18 % ¹¹² (2024))		
Transparent and non-discriminatory eligibility criteria	The benefit targets specific categories of the population: families with minors, elderly, persons with disabilities or persons in “conditions of disadvantage”. In addition, to be eligible to ADI, after satisfying income/assets requirements, the applicant should have resided in Italy for 5 years the last two years continuously, whilst the other household members have to be resident in Italy at the moment of the request and for the whole duration of the measure. The applicant should be of legal age.		
Application processing times	In 80% of cases, the processing time takes around 1 month		
Rapid complaint and appeal procedures	Yes, administrative procedure in place and possibility for judicial appeal. No maximum timeframe foreseen.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Moderate		
Targeted active labour market policies	Yes		
Financial incentives to work	Earnings disregards		
4_Enabling and essential services			
Access to enabling services	Childcare (free), healthcare (subject to a ticket, with partial or total exemptions for low-income families), housing (households who pay rent are entitled to an additional amount under the minimum income benefit), social services (free). Access to social services is integrated in the program.		
Access to essential services	Beneficiaries automatically eligible for additional benefits or subsidies (water and energy)		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Yes, in 120 days		

¹¹⁰ Information about the colour-coding is available in the Annex of Part 2 of the report.

¹¹¹ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

¹¹² This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

Italy first introduced its national minimum income (MI) scheme, 'Inclusion Income', (*Reddito di Inclusione*) in 2018, replaced in 2019 by the 'Citizenship Income' (*Reddito di Cittadinanza* - RdC).

Starting from 1st January 2024, the RdC has been replaced by the "Inclusion Allowance" (*Assegno di Inclusione* - ADI) and a "Support for Training and Employment" (*Supporto Formazione e Lavoro* – SFL).

ADI is a means-tested, "categorical" and conditional cash transfer. It targets specific categories of the population: families with minors, elderly, persons with disabilities or persons in "conditions of disadvantage" (i.e. persons with addictions and pathologies that require health services, homeless, former inmates, young care leavers, victims of violence or trafficking). ADI is a top-up income support scheme, complemented by other benefits available to eligible households. Beneficiaries, after submitting the application to the National Institute of Social Security (INPS) are mandated to enrol by signing an online Digital Activation Pact (PAD) to receive the cash transfer, and to then start a multidimensional needs assessment with social workers in order to agree on a Social Inclusion Pact within 120 days of signing the PAD (see Section on labour market activation). Members considered employable also sign a labour activation pact with employment services. The application can be submitted online directly by the applicant or at CAF (local private fiscal centres that have signed an agreement with INPS to support Adi applicant only in the application process).

In addition to ADI, the law introduced an active inclusion program (SFL). While ADI is addressed to the household, SFL is designed for individuals between 18-59 years old whose households do not qualify for ADI. SFL defines these individuals as "having the potential to join the labour market" and provides them with a lump-sum "allowance" of EUR 500 per month, conditional on their participation in training activities, active labour policies, or in the so-called "community-volunteering" projects (PUCs), established under RdC and still active under ADI. The SFL benefit lasts a maximum of 12 months renewable for maximum additional 12 months under specific circumstances.

The 2025 Budget Law authorised an amount of approximately EUR 5 731 million to cover the disbursement for the economic benefit in 2025. A dedicated fund to finance social services for ADI

beneficiaries that are part of the 'essential levels of services' (LEPS) has been made available since 2018. The fund amounted to EUR 414 million in 2023. Municipalities may also use municipal funds for the activation of services.

Adequacy

The ADI benefit for a single household tops-up annual income to EUR 6 500, EUR 8 190 for households composed of people all aged 67 or older, or by people aged 67 or older and other family members all in conditions of severe disability or not self-sufficient. Independently of household size, ADI recipients receive an annual additional amount up to EUR 3 640 to cover their rented accommodation (or up to EUR 1 950 for households composed of people all aged 67 or older, or by people aged 67 or older and other family members all in conditions of severe disability or not self-sufficient). Therefore, the maximum monthly benefit for a single member household is set at EUR 845, while the minimum benefit is set at EUR 480. The benefit amount is made available through a card ("*Carta di Inclusione*"). The household can request to split the benefit amount among adult household members that have "parental responsibility" or are included in the equivalence scale.

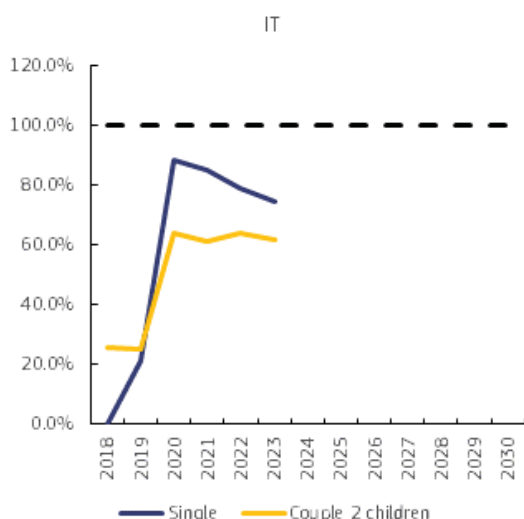
Eligibility checks are conducted monthly, and the benefit is paid monthly for up to 18 months. It can be renewed for additional 12-month periods by submitting a new application, with a one-month suspension of payment between each renewal.

The equivalence scale is used to adjust the benefit amount and the income test threshold for other households, starting from 1 and 0.5 to each additional member with disability, 0.4 to each additional adult of 60 years or older. A 0.4 is added for one adult household member with care responsibilities, and 0.3 to each additional adult in "condition of disadvantage", 0.15 for each child/youth up to the second one, and 0.10 for each child/youth after the second. The equivalence coefficient cannot exceed 2.2, irrespective of household size (2.3 if there is a household member with disability).

ADI is compatible with employment or other programs allowances. It may be provided to recipients of other cash and in-kind welfare benefits. Households with children are eligible to the "Universal single allowance" (AUU), that is defined based on the ISEE. The AUU offers higher amounts in the lowest ISEE classes, in which ADI households fall and can be fully cumulated with AUU.

ADI and SFL benefits are somehow cumulative. Activable individuals in ADI households – without parental responsibilities – can apply to SFL. ADI can also be topped up by regional income support schemes. This provision is expected to increase the adequacy of the benefit received with respect to cost-of-living differentials between Italian regions.

Figure [IT].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

To be eligible to ADI, after satisfying the categorical eligibility criteria, households have to satisfy a set of income/assets requirements, and the applicant should have resided in Italy for 5 years the last two years continuously, whilst the other household members have to be resident in Italy at the moment of the request and for the whole duration of the measure. Convicted individuals cannot apply for the benefit for 10 years after their final sentence. No age criterium is established for ADI eligibility, provided that the household satisfies the categorical criteria described above and that the applicant is at least 18 years old. Instead, SFL is available only for individuals between 18 and 59 years of age.

The means test is set based first on the ISEE considering both income and assets (where assets are valued at 20% of their amount) with a maximum equivalized value of EUR 10 140. Then, the income test is set as the annual equivalised income should not be higher than EUR 6 500, where the equivalised income is computed using an equivalence scale different to that used by the ISEE.¹¹³

All benefits from poverty programs (national and regional), benefits included in the ISEE and not currently disbursed, disability benefits, universal single allowance (AUU), and other one-off economic supports assigned by social workers in the ADI personalised projects are disregarded from the income assessment. Claimants should not possess real estates' assets with a value higher than EUR 30 000, calculated excluding the primary residence up to the maximum value of EUR 150 000. Financial assets cannot be higher than EUR 6 000, increased by EUR 2 000 for each additional household member, up to a maximum of EUR 10 000. The financial assets threshold is increased by EUR 1 000 for each child from the third child onwards; the threshold is also increased by EUR 5 000 for each household member with disability (EUR 7 500 for those with severe disability). Eligibility conditions also apply to durable goods, such as vehicles beyond certain categories.

In 80% of ADI applications, it takes one month to assess the eligibility criteria. In case the application is rejected, the household can request within 30 days a re-examination to the INPS local office or can proceed with a judicial appeal.

The number of households receiving ADI benefit for at least one month in 2024 was 760 000, corresponding to 1.8 million of individuals. The total number includes also individuals above 65 years old, which account to around 12% of the total number of ADI individual beneficiaries. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty (aged less than 65) reached 18%. With respect to RdC, on average, 60% of former RdC households received subsequently the ADI benefit, while 25% applied to neither ADI nor SFL, the residual 15% of RdC beneficiaries applied to ADI/SFL but was not eligible for it. At the moment, there is no available data on the reasons why 25% of RdC beneficiaries did not apply to ADI nor SFL. The issue is

¹¹³ According to the OECD database on asset-testing requirements for minimum income schemes, in Italy: main residence and household appliances do not affect eligibility or benefit amounts. However, vehicles affect eligibility with some exemptions. As well,

bank account assets, savings, other immovable property and land fully affect eligibility without exemptions.

addressed to the Scientific Committee appointed under the law to evaluate the outcomes of the measure.

Labour market activation

Entitlement to ADI is strongly linked to beneficiaries' involvement in social inclusion activities and participation to active labour market measures, depending on characteristics of household members. All members of the household aged 18-59 – who exercise parental responsibility and have no causes of exclusion as defined in the law¹¹⁴ – are required to actively participate in training, employment and active policy measures and sign, in addition to the Social Inclusion Pact, also a Personalized Service Pact (PSP) with Public Employment Services (PES).

Individuals assigned to PES are profiled through a quantitative assessment (i.e. an index of their likelihood of remaining unemployed in a 12-month period), then undergo a face-to-face interview about their motivational and soft skills. Once profiled, a PSP is defined, within 60 days of the referral to PES, together with PES officials.

A set of sanctions, ranging from suspension to loss of benefit, is applied to recipients who do not take part in Active Labor Market Programs (ALMPs) or do not participate in regular meetings with PES without justification.

The benefit is suspended if the recipient does not show up at PES (or Social Services) or sign individual pathways with PES within specific deadlines. Instead, if the recipient is summoned to a meeting with PES (or social services) and does not participate without a justification, the benefit is lost. Moreover, the recipient loses the benefit also in the case he/she refuses to sign the personal Pact with PES or does not accept without a justification a congruous job offer or does not regularly attend the training offered by PES.

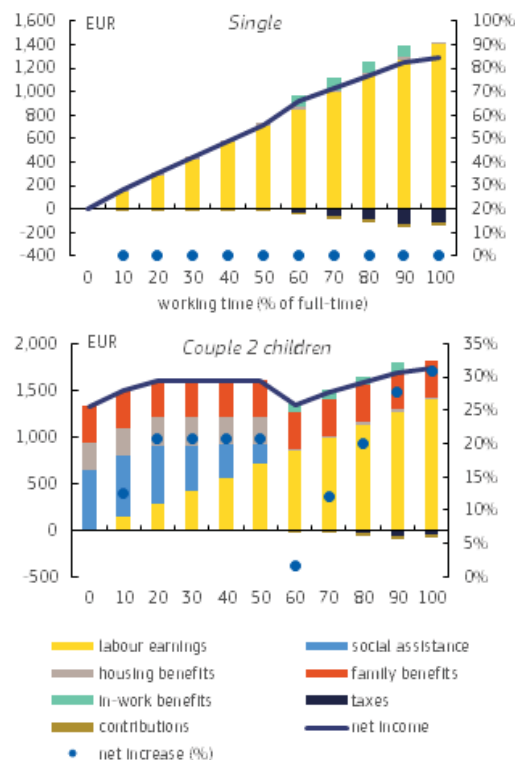
The law also foresees measures for the re-integration into the labour market of ADI beneficiaries, providing incentives to employers and for self-employment.

Work incentives

If a member of the household starts working or participating in an active labour market measure while receiving ADI, the higher income does not contribute to

the determination of the economic benefit up to a maximum limit of EUR 3 000 gross per year.

Figure [IT].2: Financial gains of moving into (part-time) employment



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 a low 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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

Based on the provisions of Title V of the Italian Constitution, social assistance falls under the exclusive legislative power of the Regions, while administrative functions are the responsibility of Municipalities. On the other hand, the Constitution assigns to the national level the exclusive competence to set the “Essential levels of social benefits and services” (LEPS), which delimit the exercise of the autonomy of local entities by identifying standards that must be guaranteed throughout the national territory. The multidimensional assessment, the definition of the Social Inclusion Pact

¹¹⁴ Such as employment, school attendance, care responsibilities, assessment of non-activatability by social services, oncological illness, direct pension holders, etc.)

and the activation of specific services are recognised as LEPS.

A key provision to ensure the continuity of access to enabling services is the strengthening of local social services. To support the recruitment of social workers, in 2020 the government created a specific LEPS, mandating the presence of 1 social worker for every 5 000 residents in each cluster of municipalities (*Ambito territoriale sociale* - ATS) with a view to achieving a more advanced target of one social worker per 4 000 residents. According to the latest data available (2023), more than 60% ATS reached the target of 1:5 000 and 45% have reached the target of 1:4 000.

A second LEPS related to the “supervision of social workers” was introduced with the goal of promoting quality social services by providing operators with tools to ensure their well-being and preserve their balance. It foresees a minimum number of 16 hours per year for a group of maximum 15 social workers.

ADI beneficiaries are also automatically entitled to water, sanitation, gas and energy bonuses, which allow them to pay lower tariffs ¹¹⁵.

Individualised support

Entitlement to ADI is strongly linked to beneficiaries’ involvement in social inclusion activities. All household adult members must participate in a social inclusion pathway and sign a Social Inclusion Pact with social services within 120 days of signing the PAD, except for persons over 60 years old or with disabilities or victims of violence, that can participate on voluntary bases. Adults aged 18-59 present in the household, other than parents, are directed to request SFL. These activities are managed by the municipality or the ATS.

A set of sanctions (from suspension to loss of benefit) occur if the household fails to attend meetings or activities with social workers without justification. ADI beneficiaries assessed as activable to work must participate in both ALMP programmes and comply with the Social Inclusion Pact.

Social workers perform, when needed with a multidisciplinary team defined by the social service

involving operators belonging to the network of territorial services (such as employment, education, health specialists and psychologists) a multidimensional assessment (MA) to identify household needs and appropriate services. The MA is carried out using the GePI platform, a country-wide case management information system that the Ministry made available to social workers. A variety of services can be activated, such as support for care activities, family mediation and parenting support, educational support, on the job training, cultural mediation, proximity services, emergency services¹¹⁶. Orientation for housing and referral to specialised services is also provided.

As of January 2025, social workers completed the preliminary assessment and Social Inclusion Pact (PaIS) for, respectively, 94% and 61% of the active beneficiaries. Moreover, 89% of households with obligations to the PaIS signature have signed one. These percentages have increased remarkably with respect to RdC, where, in 2023, 38% of households have started a social inclusion pathway and 22% signed a PaIS within 6 months.

Recent or upcoming reforms

The Budget Law 2025 increased:

- The benefit top-up from EUR 6 000 to EUR 6 500 for a single household. The rent contribution from EUR 3 360 to EUR 3 640 for a single household.
- The income test from EUR 6 000 to EUR 6 500 per year, multiplied by the equivalence scale.
- The maximum value of ISEE from EUR 9 360 to EUR 10 140.

Additional sources

- Website for social workers and territorial administrators, providing information and tools for the implementation of the measure: <https://www.lavoro.gov.it/adi/>
- Website providing information to citizens on access requirements and how to apply: <https://siisl.lavoro.gov.it/#/scopri-servizio-adi-detail>

¹¹⁵ These benefits are established at national level and consist of both in-kind benefits (the ‘water bonus’) and in reduced tariffs (the ‘waste tax’ rebate, the ‘electricity bonus’, the ‘gas bonus’). Bonuses apply if the ISEE is not higher than EUR 9 530 for families with a maximum of 3 dependent children, not higher than EUR 20 000 for large families

with at least 4 dependent children. The ISEE threshold to access ADI are detailed in the next section.

¹¹⁶ A specific fund (“Quota Servizi Fondo Povertà”) is made available to ATS to finance some of the above-mentioned services that constitute essential levels of services (LEPS).

Lithuania

Benefit	The minimum income support available to the working-age population includes a social benefit (<i>Socialinė pašalpa</i>) and the reimbursement for the cost of heating, hot water and drinking water (<i>Būsto šildymo išlaidų, geriamojo vandens išlaidų ir karšto vandens išlaidų kompensacijos</i>) from municipalities. The qualitative analysis the table below is mostly based on the social benefit.		
1_Adequacy ¹¹⁷			
Adequacy		As a share of the poverty threshold	As a share of the income of a minimum wage-earner
	Single person	68 % [2023]	40% (2024)
	Couple with 2 children	93 % [2023]	58% (2024)
Benefit setting methodology	Yes, based on assessment of minimum consumption needs.		
Regular reviews and updates	Automatic (indexed to minimum consumption needs basket of previous year).		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ¹¹⁸ reaches 84 % (2024), close to the EU average (83%) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 10 % ¹¹⁹ (2024)).		
Transparent and non-discriminatory eligibility criteria	The benefit can be received by citizens of Lithuania or those with a long-term permit to reside in Lithuania. The age criteria is not applied (children (<18) and elderly (65+) may be recipients under some conditions).		
Application processing times	The law sets a maximum of 1 month.		
Rapid complaint and appeal procedures	Yes, a procedure is set by the law. There is no maximum timeframe.		
Existence of national data on take-up rate	Depending on the studies, figures differ (34% in 2021 according to an assessment based on SILC data and EUROMOD microsimulation, and another 2022 study found rates between 27 and 49 percent).		
3_Access to inclusive labour markets			
Activation requirements	Strict		
Targeted active labour market policies	Yes		
Financial incentives to work	Income disregards, Gradual tapering/phasing out of benefit		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (free of charge), housing costs compensation, no targeted access to social inclusion services. The provision of social services is insufficient.		
Access to essential services	No preferential or automatic entitlement to existing energy and water support schemes		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Discretionary (common practice)		

¹¹⁷ Information about the colour-coding is available in the Annex of Part 2 of the report.

¹¹⁸ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

¹¹⁹ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

In Lithuania, the minimum income (MI) support available to the working-age population¹²⁰ includes social benefit and reimbursement for the cost of heating, hot water and drinking water from municipalities. These are two separate measures regulated by the same Law, however right to social benefit does not guarantee automatic right to reimbursement for the cost of heating, hot water and drinking water since different eligibility conditions apply (see Section on enabling and essential services). Monetary social assistance (MSA) is centralised in terms of eligibility criteria, conditionality rules and the formula for estimating the amount of social benefit. The provision of MSA is implemented by the municipalities, having some discretion in defining the conditions for entitlement. MSA is financed from municipal budgets.

Expenditures on MSA in 2021 amounted to EUR 128.1 million, in 2022 – EUR 201.5 million, 2023 – EUR 277.3 million, 2024 – EUR 215.4 million.

Adequacy

The threshold for MSA depends on household (HH) composition and the duration of its receipt and is set using the amount of the state supported income (SSI). The SSI must not be less than 50% of minimum consumption needs (MCN¹²¹) of last year. Income threshold is set to 1.1 x SSI per one HH member.

The amount of social benefit payable is the difference between the threshold and the disposable income of recipients after applicable deductions. This amount is reduced over time for those of working-age and capable of working, but MSA recipients who find employment may be eligible for extra payments.

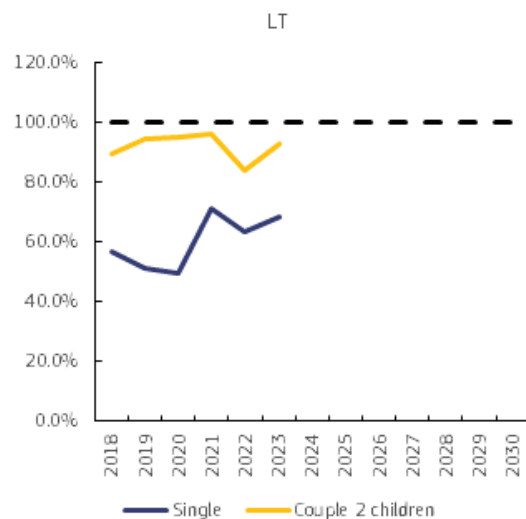
The amount of social benefit for single beneficiaries in the first 6 months is the difference between 1.4 x SSI and the actual income, maximum EUR 309.4 per month. For months 6-12 it decreases to 1.2 x SSI maximum EUR 265.2 per month and after 12 months further to 1.1 x SSI -maximum EUR 243.1 per month.

The amount of social benefit for people living together is 100% of the difference between 1.1 x SSI per person per month and the actual income per family member for the first family member maximum EUR 243.1 per month, 90% of the same difference for the second

member maximum EUR 218.79 per month and 70% of the same difference for the third and any additional family members maximum EUR 170.17 per month.

The amount of social benefit payable is reviewed every 3 months and depends on income, family composition, duration of benefit receipt and employment status. Benefit is paid every month, without split payment possibility.

Figure [LT].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

The eligibility conditions for MSA include residence, an income and assets test, and – for those fit to work – employment or willingness to work. The age criteria is not applied (children (<18) and elderly (65+) may be recipients if they comply with other eligibility conditions).

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

¹²⁰ Regulated by the Law on Monetary Social Assistance for Low-Income Residents.

¹²¹ The calculation of the MCN is based on national statistical data on hh expenditure and nutritionists' information on minimum food requirements and indexed annually to price changes.

Income is tested after deducting taxes, social contributions and applicable exemptions and is averaged over the previous 3 months. The current threshold is 1.1 x SSI per person per month. The applicable exemptions include family benefits (child benefit, targeted guardianship (curatorship) benefit supplement, child temporary care benefit), several types of targeted compensation, some other types of social benefits, such as unemployment insurance benefit, monetary donations, and a proportion of earnings and earnings-related income. The size of the earning disregards-work related income and unemployment benefit differs by HH¹²².

Part of the work income and unemployment social insurance benefit is not included in family income establishing person's right to cash social assistance: 20 % – for persons who do not have children (adopted child) or single person; 25 % – for persons raising 1-2 children (adopted child); 30 % – for persons raising 3 or more children (adoptive child); 35 % – for individuals raising 1-2 children (adopted child); 40 % – for individuals raising 3 or more children (adopted child). The assets test considers the value of real estate and movable assets, which may not exceed a defined value. The assets test may restrict access to MSA for those with high-value assets.¹²³

Social benefit is received by around 2.2% of the total population in 2024 (an annual average of 64 253 recipients)¹²⁴ and this varied substantially across municipalities. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 10%. In 2024, around 32.98% of recipients received it for more than 12 months in a row. 28.16% of beneficiaries returned to the social assistance system within a year in 2024.

There is little information on non-take-up of MSA in Lithuania. An assessment¹²⁵¹²⁶ based on SILC data and EUROMOD microsimulation showed the non-take-up of social benefit was around 34% (as of 2021). The rate of non-take-up was higher among single parents and couples with 1-2 children. Other study commissioned by the Ministry of Social Security and Labour (MoSSL)

was conducted in 2022. It showed that the main reasons of non-take-up of MSA are related with the lack of information, complex procedures, shadow income, social barriers and stigmatization. According to this study non-take-up of social assistance is much higher and using different research methods can vary between 27% and 49%.

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

Social benefit is awarded for a period of 3 months and may be renewed (unlimited number of renewals) following a new application and a new income assessment.

The decision on payment social benefit must be made no later than 1 month from the receipt of the application.

The decision on the granting or non-granting of MSA may be appealed in accordance with a simplified administrative procedure established by the Law on Administrative Procedure of the Republic of Lithuania.

Labour market activation

Those of working-age who are unemployed must register with the Employment Service (PES) or with another Member State's employment service. These conditions do not apply to people caring for children under 3 (or 8 in some exceptional cases), people with disabilities, those in education, and some vulnerable groups.

Registration with the PES as an unemployed person requires people to be actively looking for a job and to be willing to work. An individual plan on employment activities is signed within 30 days of registration, lasting up to one year. Recipients who register with the PES are subject to the same activation regime as other registered unemployed. If a person does not comply with activation requirements, the provision of MSA to the adult family member is terminated and may be re-granted no earlier than 6 months from the date of termination of the unemployed status. In this case,

¹²² The size of the disregards varies from 20% for a single person to 40% for a family with three children or more.

¹²³ According to the OECD database on asset-testing requirements for minimum income schemes, in Lithuania: main residence does not affect eligibility or benefit amounts. However, savings, bank account assets and household appliances affect eligibility with some exemptions. As well, vehicles, land and other immovable property fully affect eligibility without exemptions.

¹²⁴ In 2023 – 2.4 % (an annual average of 68,7 thous. recipients)

¹²⁵ Gabnūtė-Baranauskė, V. (2025). *Spragos ir slenksčiai Lietuvos gyventojų pajamų apsaugos sistemoje* (Doctoral dissertation, Vilniaus universitetas.), <https://doi.org/10.15388/vu.thesis.719>

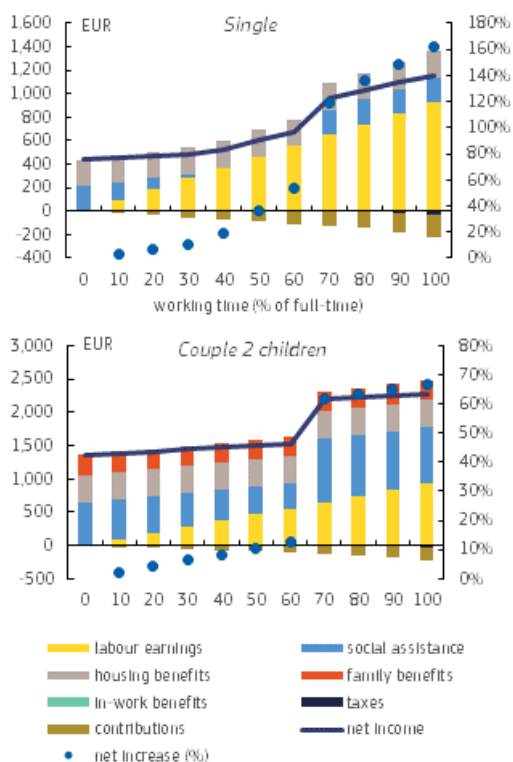
¹²⁶ Gabnūtė, V., Vencius, T., & Navickė, J. (2020). The Benefit non-take-up in the Context of Cash Social Assistance Reform in Lithuania. *Socialinė Teorija, Empirija, Politika Ir Praktika*, 21, 96-121. <https://doi.org/10.15388/STEPP.2020.25>

social benefit is granted only to children. In addition, municipalities can assign MSA recipients who are fit to work, but who are not in work and do not participate in ALMP measures through the PES or in programmes on increasing of employment, to perform unpaid community work (i.e. 'socially-useful activities'), which often involve manual work. However, individual needs assessments for social services are rarely carried out, because they are not mandatory by law.

Work incentives

Recipients who start working are entitled to receive social benefit, with some tapering. When an unemployed beneficiary finds a job (after being registered as unemployed for 6 months), an additional social benefit is payable for a maximum period of 12 months in a degressive manner. For 1-3 months of payment the amount of additional social benefit is equal 100% of the average amount of the social benefit paid during the last 6 months prior to employment, for 4-6 months of payment – 80% of the average amount of the social benefit paid during the last 6 months prior to employment, for 7-12 months of payment – 50% of the average amount of the social benefit paid during the last 6 months prior to employment.

Figure [LT]2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

Municipalities are responsible for organising social services and carrying out individual evaluations of needs for social services, which gives them discretionary power to decide whether such assessment is needed. The information and statistics on the social services provided to MSA recipients are actually very limited. The available data and research indicate that social services provided to MSA recipients are insufficient, are rarely based on an assessment of the individual needs of beneficiaries and lack integration with employment services.

As mentioned before, social benefit and reimbursement for the cost of heating, hot water and drinking water are regulated under the same law, however, social benefit recipients do not get automatic right to this measure (separate application is needed, and different eligibility rules are applied). Reimbursement for the cost of heating, hot water and drinking water is granted for a period of 3 months. If the application for reimbursement is submitted 1 month before the beginning of the heating season or during the heating season, compensations are granted for the entire period of the heating season. The decision on reimbursement must be made no later than 1 month from the receipt of the application. Reimbursement for the cost of heating, hot water and drinking water is received by around 4.9% of the total population in 2024 (an annual average of 142 500 recipients (persons)).

Individualised support

Changes in the Law on Employment came into force July 1st, 2022. New provisions regarding the new status of a "person getting ready for the labour market" are laid down with this amendment.

Status of a "person getting ready for the labour market" is granted, when unemployed person is not prepared for the labour market for specific reasons (lack of social skills, motivation, debts, addictions, care responsibilities (children /family members), transportation problems etc.). After identifying persons getting ready for the labour market, both the PES and municipal institutions should provide comprehensive assistance (including social, health, education,

counselling or other support services, as well as responsibilities and obligations according to the agreement between the municipal case manager and a person) in solving the unemployment problems by implementing programs on increasing of employment before offering this group employment or participation in ALMP. Persons getting ready for the labour market are covered by compulsory health insurance and can apply for social assistance. The goal is to identify the problems and obstacles of the person, that limit employment and to individually assess the person's situation, to identify the need for services that will help to prepare for integration into the labour market.

Recent or upcoming reforms

Pilot model of employment-promotion and motivation services for social assistance recipients has been implemented in 45 municipalities in 2019-2022. It was targeted at long-term unemployed social assistance recipients. The evaluation of the implementation of the Model demonstrated that the Model made a significant contribution to the social integration and integration of the most vulnerable groups into the labour market, which is why from 2023 onwards, programmes on increasing of employment are implemented in accordance with the Model's good practices and framework in all municipalities. Two target groups can participate in the programmes on increasing of employment that are implemented in all municipalities: the unemployed (from socially vulnerable groups, e.g. persons released from imprisonment, persons addicted to narcotic, psychotropic or other substances, victims of human trafficking, political prisoners and deportees, refugees, recipients of social assistance, persons experiencing social risk, long-term unemployed etc.) and persons getting ready for the labour market.

Municipal case managers together with the help of case teams (composed of the representatives of municipal institutions, the PES, service providers, psychologists

and other persons) identify and eliminate circumstances limiting the employment of target groups by using service providers that provide different services or organising measures such as temporary employment or other.

The services are designed to address barriers to employment: accompanying and helping target groups to receive social services, health, educational and other services; acquiring social skills and/or motivation to work; helping with the implementation of work duties and the care or nursing of a family member or a person living together; encouraging persons with debts to return to the labour market by providing legal and financial literacy consultations; assisting a person in arriving from their permanent place of residence to the place of provision of services and/or organization of measures; psychological consultations to seek for treating addictions to alcohol, narcotics, psychotropic and other psychoactive substances, gambling; other.

After providing the necessary services to the target groups, the municipal case manager together with the case team evaluates and decides whether the person is ready to return to the labour market and accept job offers, or whether it is appropriate to apply other services and/or measures.

Additional sources

MoSSL prepared and published information on the types of social support and social insurance benefits according to life cases on its website¹²⁷. In order to learn about the types of social support and social insurance benefits based on life cases, and to have the information presented in the same way on all municipal websites, the MoSSL prepared a banner with the same design for publicity and called on municipalities to upload it to their homepage.

127 <https://socmin.lrv.lt/lt/veiklos-sritys/socialine-parama-kas-man-priklauso?lang=lt>

Luxembourg

Benefit	Social inclusion income (<i>Revenu d’Inclusion Sociale</i>). 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 the table below is mostly based on the social inclusion benefit.		
1_Adequacy ¹²⁸			
Adequacy		<i>As a share of the poverty threshold</i>	<i>As a share of the income of a minimum wage-earner</i>
	<i>Single person</i>	79 % [2023]	81 % (2024)
	<i>Couple with 2 children</i>	82 % [2023]	79 % (2024)
Benefit setting methodology	Yes, based on a reference budget		
Regular reviews and updates	Yes, automatic indexation based on inflation and regularly updated, in line with updates to the minimum wages.		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ¹²⁹ reaches 75% (2024), below the EU average (83%) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 22% ¹³⁰ (2024)).		
Transparent and non-discriminatory eligibility criteria	Applicants need to have resided in Luxembourg for at least 5 years during the last 20 years (except for Luxembourgish nationals, nationals of an EU/EEA Member State, Swiss nationals, refugees and stateless persons). A minimum age of 25 years criterion applies, with exceptions.		
Application processing times	Applications are processed at the time of submission (with exceptions).		
Rapid complaint and appeal procedures	Yes, in front of the Social Security Arbitration Tribunal. No maximum timeframe.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Gradual and proportionate		
Targeted active labour market policies	Yes		
Financial incentives to work	Earnings disregards		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (automatic health insurance and possible reduction of patient charges), education and training/language classes (reduced fees), housing support and rent subsidy, social services (free of charge). Access to social services is an integrated component of the scheme		
Access to essential services	Automatic access to water and energy support schemes for MI beneficiaries		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Yes, in 3 months		

¹²⁸ Information about the colour-coding is available in the Annex of Part 2 of the report.

¹²⁹ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

¹³⁰ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

The Social inclusion income (*Revenu d'inclusion sociale*: REVIS) was introduced in 2018 to ensure basic means of subsistence for its recipients¹³¹. It supports jobseekers, individuals who are (temporary) unable or unavailable to work, and even workers in (full-time) employment, who may claim the social inclusion benefit as a top-up to reach the minimum amount guaranteed by the REVIS.

REVIS 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 REVIS system is governed at national level by the Ministry of Family Affairs, Solidarity, Living together and Reception of Refugees, and three institutions are involved in managing the scheme: FNS (*Fonds national de solidarité*) is the first contact point for new claimants as the paying and control authority, ONIS (*Office national d'inclusion sociale*) is responsible for organising social support and activation measures and ADEM (*Agence pour le développement de l'emploi - PES*) for the screening and skills profiling of applicants, and for services for jobseekers.

The scheme is essentially financed by Central Government budget. The total cost of the benefits was 260 million in 2024, for a total of approximately 11 000 households.

Adequacy

Social inclusion benefit is meant to be determined in relation to essential items and corresponding amounts of a reference budget¹³² (defined as a priced basket of goods and services that ensures a decent standard of living in society).

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

On 1st January 2025, the gross monthly social inclusion benefit comprises a basic flat rate amount per adult (EUR 925.36), a basic flat rate amount per child (EUR 287.30) or an increased amount per child in case of single-parent household (EUR 372.20), an amount for common household expenses (EUR 925.36) or an

increased amount for common household expenses for households with children (EUR 1 064.19). An additional tax credit equivalent (ECI) of 90 EUR is paid to every adult recipient of the household.

Household type examples	Gross amount
Single person	1 850.71 + 90 (ECI)
2 adults	2 776.06 + 180 (ECI)
1 adult 1 child	2 361.74 + 90 (ECI)
2 adults 2 children	3 489.48 + 180 (ECI)

As a package with the cost-of-living benefit and energy allowance, annually paid automatically to all REVIS recipients, the total amounts to EUR 2 142.13 for a single person household.

Split payment is not foreseen by law. On request by the social welfare office, the benefit can partly be paid to the social welfare office to allow for payments of energy and water supply as well as for housing costs.

The activation benefit provides support for those who participate in activation measures as part of an activation agreement. It is provided monthly based on the hourly minimum wage multiplied by the number of hours the person works. It is subject to social contributions and income tax like wages and salaries. The payment is separated from the social inclusion benefit and can therefore be made to another beneficiary.

A design feature of the REVIS allows recipients to have 25% of their professional earnings excluded from the calculation to incentivise work intensity and make work pay.

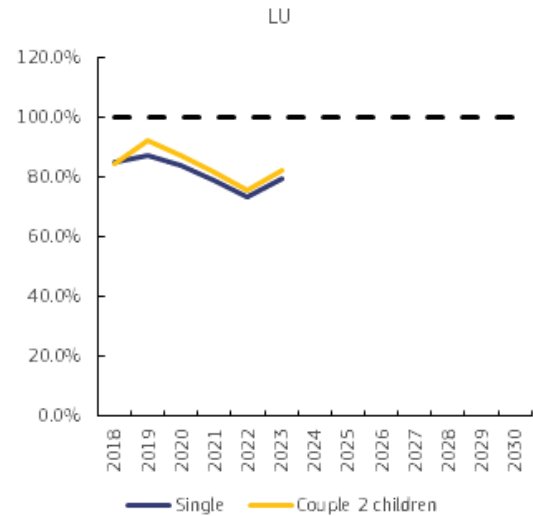
The REVIS tops up household's total gross income to the calculated minimum income scale and can be combined with other benefits. Several benefits are entirely disregarded.¹³³ There are several in-kind benefits

¹³¹ Link <https://legilux.public.lu/eli/etat/leg/loi/2018/07/28/a630/jo>
¹³² However, the REVIS law has no explicit mention of the reference budget.
¹³³ Family allowances; back-to-school allowance; birth allowance; housing benefits, special allowance for severely disabled

people; long-term care insurance payments; other state financial aid, aid from social welfare offices and private social welfare charities.

available, although they are not exclusive to REVIS recipients.

Figure [LU].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

Applicants need to have resided in Luxembourg for at least 5 years during the last 20 years (except for Luxembourgish nationals, nationals of an EU/EEA Member State, Swiss nationals, refugees and stateless persons). No distinction is made between temporary and permanent residence. Refugees are eligible, but not asylum seekers. Registration at a reference address can be granted a.o. by social welfare offices and allows access to REVIS for the homeless.

A minimum age of 25 years criterion applies. Dependents under 25 and children living in the same household as their parents receive benefits through the households. There are however conditions for people under 25 to be beneficiaries.¹³⁴

¹³⁴ Persons under 25 years, may claim if they are raising a child; those who are at least 7 months pregnant or are over 18 years and, due an illness or a disability, are unable to earn a living to the standard set by law or are a carer for a person receiving long-term care insurance.

¹³⁵ Professional income (i.e. wages and salaries), earned income of a person under 25, income replacement benefits (sickness, maternity, unemployment, work-related accident or illness, parental leave allowance, etc.), pensions, benefits received as part of an employment programme, rent received on owned property, maintenance/support payments; direct or indirect donations made by the applicant or beneficiary, inherited assets.

Regarding the means test, all household members' full gross income and all other financial assets need to be declared.¹³⁵ Some type of income is (partially) disregarded, including wages, pensions and unemployment benefits. Assets are partially disregarded¹³⁶

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

In December 2024 a total of 11 273 households benefited from REVIS, comprising 26 306 members, including 2 422 members over 65 years old. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty (aged less than 65) reached 22%.

Age group	Total
<18	8 973
18-64	14 911
>=65	2 422
Total	26 306

There are currently no official figures on (non) take-up as there are no mechanisms to monitor it. However recent studies show very high estimates of non-take-up rates for additional means tested allowances: 40% for the cost-of-living benefit and 80% for the rent subsidy and contributed to qualitative evaluation of reasons for non-take-up¹³⁸.

Recent efforts to increase take-up include an online calculator established in 2023¹³⁹, allowing also to calculate the effects of additional income from work, and a communication campaign in 2024 with video material and leaflets in 8 languages¹⁴⁰ (LU, FR; DE, EN, PT, AR, TI, FA) to reach a broad population of potential claimants.

¹³⁶ For movable assets a disregard of 23610 EUR applies

¹³⁷ According to the OECD database on asset-testing requirements for minimum income schemes, in Luxembourg: main residence, household appliances and vehicles do not affect eligibility or benefit amounts. However, bank account assets, savings, other immovable property and land affect eligibility and benefit amounts.

¹³⁸ Link: https://www.csl.lu/app/uploads/2024/02/24-02-19-rapport-liser-non-recours_final.pdf

¹³⁹ Link <https://fns.public.lu/en/revis/calculateur.html>

¹⁴⁰ Link: <https://mfsva.gouvernement.lu/en/actualites/2024/revis.html>

Applications are processed at the time of submission and benefits are paid starting the month of reception of the claim, independent of processing time. Assessment can take longer processing times based on complexity of the file and if the file is incomplete.

The Social Security Arbitration Tribunal is the first instance jurisdiction in matters of disputes regarding the social inclusion benefits, and appeals can be lodged within 40 days after reception of the decision. The appeal is made by simple petition on paper, is free of charge and does not require the involvement of a lawyer.

The generally available non contentious appeal procedures also apply, allowing for quick revision of an announced decision, to be addressed without particular form to the author of the contested administrative decision or their hierarchical superior.

Labour market activation

As availability to work is a condition for people to be eligible for benefits, each adult applicant aged below 65 undergoes **mandatory initial screening and skills profiling**. This screening allows to assess the applicant's ability to integrate into the primary employment market. Claimants must be looking for employment and remain registered as a jobseeker, otherwise the benefit may be withdrawn (see below). They can benefit from the entire offer of the Active labour Market Policy (ALMP) measures available for jobseekers at ADEM. Employers benefit from generally available financial support measures¹⁴¹. Claimants who are deemed not job-ready straightaway are referred for personalised activation and social inclusion support, under the responsibility of the ONIS.

Applicants with specific needs in terms of social and professional activation are provided with an **activation plan** to improve capabilities and employability and increase their chances of finding employment in the primary labour market. Obligations can include participation in public works activation measures, and all participants are entitled to the activation benefit, at the amount of the minimum wage. This allowance can be maintained for 3 months in case of transition into competence of ADEM and registration as a jobseeker, thus breaking the barrier of potential financial loss and facilitating the transition into labour market.

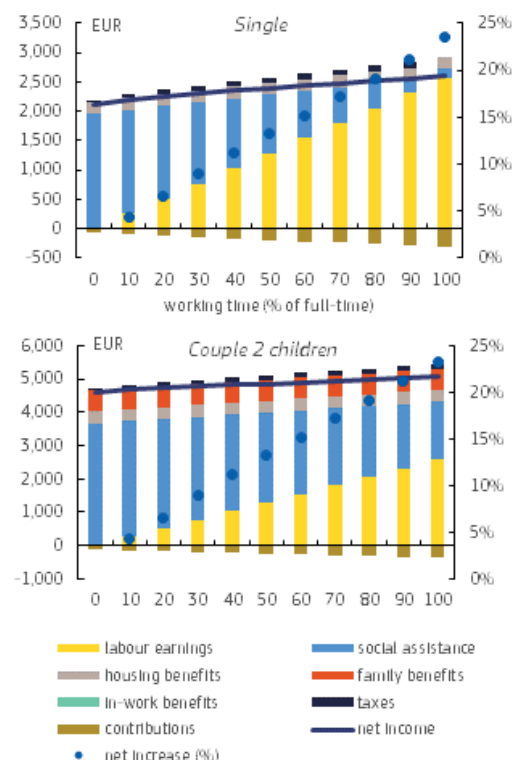
Regarding sanctions, benefits may be suspended or stopped after prior notification if conditions required

are no longer met (including the collaboration with ADEM). Sanctions for recipients under the responsibility with ONIS are gradual in 3 stages whereby the person first receives a written warning, then a 20% reduction and eventually a total suspension for 3 months.

Work incentives

Earnings and benefits can be combined and 25% of earnings is disregarded without time limit from the calculation of the social inclusion benefit, so that recipients can continue to receive benefits as a top up.

Figure [LU].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

All recipients benefit from health insurance and can be affiliated with pension insurance under certain conditions. Recipients also benefit from reduced fare in early childhood education and care facilities (childcare service vouchers with a specific tariff and 34 free

¹⁴¹<https://adem.public.lu/en/employeurs/demandeur-aides-financieres.html>

childcare hours per week for REVIS recipients¹⁴²), as well as from a reduced fare for language classes¹⁴³.

Access to water and to a minimum supply of domestic energy is guaranteed to any person meeting the eligibility conditions for the right to social assistance. These services are managed by social welfare offices¹⁴⁴.

Specific offers are put in place for recipients of the cost-of-living allowance¹⁴⁵ (including connectivity voucher for fixed internet subscription¹⁴⁶, free second-hand computers, or the “culture for all passport” to promote equal access to culture and leisure, provided by publicly financed associations). All REVIS recipients are eligible for these services, and a regional social inclusion agent (*agent régional d’inclusion sociale* – ARIS) can help with effective access to these and other services.

Individualised support

As a follow-up to the initial screening and skills profiling, the job-ready recipient can, as a registered jobseeker, benefit from the support of a professional counsellor at ADEM. To better organise the personalised assistance, a collaboration agreement is signed between the jobseeker and ADEM, defining concrete steps to facilitate the professional integration of the jobseeker.

Recipients with specific needs in terms of social and professional activation are invited to ONIS, to be informed about their rights and duties, and complete a first needs assessment. A case manager (ARIS) at the social welfare offices of the residence of the recipient is assigned, and he/she draws up an activation plan, which is submitted to ONIS for approval. This activation plan is concluded for one year and can be renewed, or a new activation plan can be established at any time.

Activation measures include participation in public works, targeting either to allow for a first activation and evaluation, or to acquire skills and prepare for a transition into labour market, and allowing some recipients to stay activated according to their abilities and availability for a longer period. For recipients even further away from the labour market, preparatory measures (e.g. language classes or free language practice classes, skills assessments, basic skills acquisition, practical training) and rehabilitation

measures are offered intended to restore or improve fitness for work or to increase individual autonomy.

The ARIS collaborates locally with the welfare office, specialized services on national level, and with local associations to target needs and facilitate integration of the recipients. Moreover, he facilitates access to social services, financial and in-kind benefits (e.g. rent subsidy and housing aids, energy advice and subsidies, tax credits, access to social grocery stores, furniture, clothes, computers, culture for all passport, subsidized legal aid, ...).

The work of the ARIS is coordinated by ONIS, who provides directives, individual counselling, inspection and financing of these specialized services. They are exclusively competent for REVIS recipients assigned by ONIS, with a limited caseload. ONIS also finances several associations providing possibilities for activation measures, the necessary guidance and training offers.

Recent or upcoming reforms

As a major step towards administrative simplification and substantial contribution to the fight against non-take-up, every household receiving social inclusion benefit perceives since January 2025 automatically the cost of living benefit and the energy allowance, also administered by the National Solidarity Fund. This automatic granting of these two benefits underlines the significance of the REVIS scheme as part of a minimum income package including other financial and in-kind benefits.

The National Action Plan for the Prevention and Fight against Poverty to be published in 2025 may also address the phenomenon of non-take-up, and additional efforts to facilitate access to certain benefits are underway.

Recent changes to the REVIS system include the increase of the benefits in line with adaptations to the minimum wage on 1st of January 2025, and the maintaining and increase of the tax credit equivalent temporarily re-introduced in 2023.

An upcoming reform of the National Solidarity Fund¹⁴⁷ aims to create internal appeal procedures. Claimants who are not satisfied with the decision will have 40 days to appeal at the board of FNS, in addition to existing non-contentious appeal and judicial appeal.

¹⁴² Link <https://men.public.lu/fr/systeme-educatif/enfance/02-gratuite.html>

¹⁴³ Link <https://www.lifelong-learning.lu/particuliers/aides-formation-particulier/bon-a-tarif-reduit/en>

¹⁴⁴ Link <https://guichet.public.lu/en/citoyens/sante-social/action-sociale/aide-financiere/aide-sociale.html>

¹⁴⁵ Link <https://guichet.public.lu/en/citoyens/sante-social/action-sociale/aide-financiere/allocation-vie-chere.html>

¹⁴⁶ Link <https://voucher.myconnectivity.lu/en/>

¹⁴⁷ Bill 8382 <https://www.chd.lu/fr/dossier/8382>

Albeit not a structural change, the development concerning support and activation measures is going strong, as several new offers were introduced in 2024 and 2025, partly financed via the European social fund (ESF+), including:

Creation of new activation measures and strengthening of partner associations providing activation measures for REVIS recipients, by financing additional agents assuring supervision at the place of assignment

Development of job-oriented language courses and specific training courses tailored to the needs of REVIS recipients, either in preparation of public works activation, or at the place of assignment

Additional sources

- *FNS*
<https://fns.public.lu/en/revis.html>

- *ONIS:*
<https://onis.gouvernement.lu/en/onis/organigramme.html>
- *Guichet:*
<https://guichet.public.lu/fr/citoyens/aides/famille-education/revenus-modestes/revenu-inclusion-sociale-revis.html>
- *Evaluation of the scheme 2023:*
<https://mfsva.gouvernement.lu/en/support/recherche.gouvernement2024+en+actualites+toutes+actualites+communiqués+2023+07-juillet+21-hahn-rapport-evaluation-revis.html>
- *Information campaign:*
<https://mfsva.gouvernement.lu/en/actualites/2024/revis.html>
- *Reference budget:*
<https://statistiques.public.lu/en/donnees/methodologie/methodes/conditions-sociales/budget-reference.html>

Latvia

Benefit	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 the table below is mostly based on the GMI benefit.		
1_Adequacy ¹⁴⁸			
Adequacy		As a share of the poverty threshold	As a share of the income of a minimum wage-earner
	Single person	44%[2023]	35% (2024)
	Couple with 2 children	54%[2023]	52% (2024)
Benefit setting methodology	% of median income		
Regular reviews and updates	Automatic (indexed annually according to median income changes)		
Split payments	Yes		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ¹⁴⁹ reaches 72% (2024), below the EU average (83%) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 29% ¹⁵⁰ (2024)).		
Transparent and non-discriminatory eligibility criteria	The benefit is conditional on residence and can be received by citizens; third-country nationals who have received a permanent residence permit; and citizens of the EU, EEA and Switzerland. No age requirements apply.		
Application processing times	The legal act sets 30 days as a maximum		
Rapid complaint and appeal procedures	Yes, administrative procedure and possibility to appeal in front of the court, which should take a decision within 30 days.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Strict		
Targeted active labour market policies	No		
Financial incentives to work	Earnings disregards		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (free of charge), housing allowance, social housing, social inclusion services (free of charge). Access to social services is an integrated component of the scheme		
Access to essential services	Support provided through housing allowance and vulnerable consumers status not automatically granted to MI beneficiary		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Yes, a Rehabilitation Plan (within 1 month)		

¹⁴⁸ Information about the colour-coding is available in the Annex of Part 2 of the report.

¹⁴⁹ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

¹⁵⁰ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

The aim of social assistance is to provide material support to low-income households (whether or not the persons are employed) to ensure income at the level of the guaranteed minimum income threshold and to cover expenses related to the costs of housing, as well as to provide support for the payment of certain expenses and in crisis situations. The legal framework of social assistance is regulated by State (Law) and social assistance benefits are administrated and paid by municipal social service offices from the municipal budget and co-financed by national government (30%).

I Basic social assistance benefits are as follows:

- 1) guaranteed minimum income (GMI) benefit – monetary benefit for the payment of minimum daily expenses;
- 2) housing benefit – material support for covering expenses related to the costs of housing.

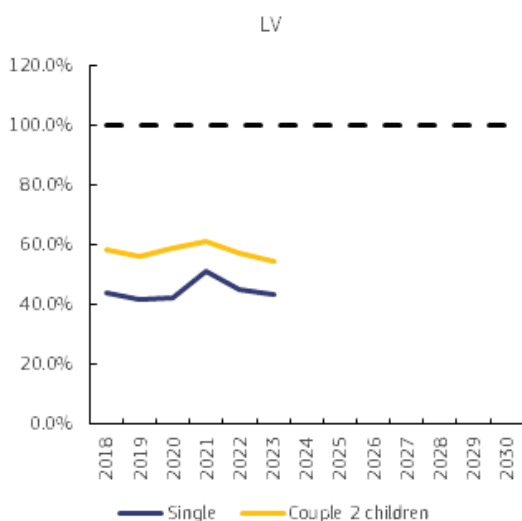
II Additional social assistance benefits are as follows:

- 1) allowance for payment or covering of certain expenses – material support for persons to ensure social functioning and independent life;
- 2) benefit in a crisis situation – promptly provided material support for preventing or mitigating the consequences of external events.

Total expenditure in 2024 was EUR 68 680 410, including GMI EUR 13 771 620, housing EUR 47 042 075 and additional social assistance EUR 7 866 715.

Adequacy

Figure [LV].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of

AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

From January 1, 2025 the GMI threshold is set at 166 EUR for the first or single person household and 116 EUR for each subsequent person in the household.

The amount of the GMI benefit is calculated as the difference between the sum of the GMI threshold for a household and the total household income over the last three full calendar months, as well as irregular income over the full last 12 calendar months. The social assistance benefits are disregarded from income test (see the full list in the attachment).

For GMI benefit recipients the housing expenditures are paid fully in accordance with the minimum norms of expenditure items set out in the regulatory framework.

There is no option to request split payments in several parts but it is done once per month. However, there is an option to split payments by household members in case either of them doesn't fulfil with the co-participation obligations.

Coverage and take-up

When estimating the assistance, all participants of the household are taken into account regardless of their age, all disposable income of every household member is taken into account as well as movable and immovable property. In some cases, the applicant can be younger than 18 years old. Since 1st January 2021, the new amendments in Law of Social Services and Social Assistance entered in force, defining additional income and property positions which are not taken into account during the assessment of the material situation of the household for receiving social assistance.

The principal amount of the loan granted for the purchase of the only dwelling and interest payments, as well as part of the income from the alienation of the property used for the purchase of the only dwelling are disregarded from income.

The main eligibility criteria are: income, savings, movable and immovable property.¹⁵¹

A person may contest the decision of the local government social service office regarding conformity or non-conformity with the status of a person in need or low-income household and the social assistance granted or refused to the local government council during one month.

A person may appeal the decision taken by the local government council to a court in accordance with the procedures laid down in the Administrative Procedure Law.

The total number of households received social assistance benefits in 2024 amounted to 70 384, where are 114 080 individuals of which 41 205 persons are at the pensionable age. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 29%.

Labour market activation

All non-employed and able to work GMI benefit recipients aged 15-64 (with some exceptions) are required to register as unemployed at the Public Employment Services (PES), actively seek work and participate in Active Labour Market Policies (ALMPs). Registration at PES must be within one month of filing for benefits.

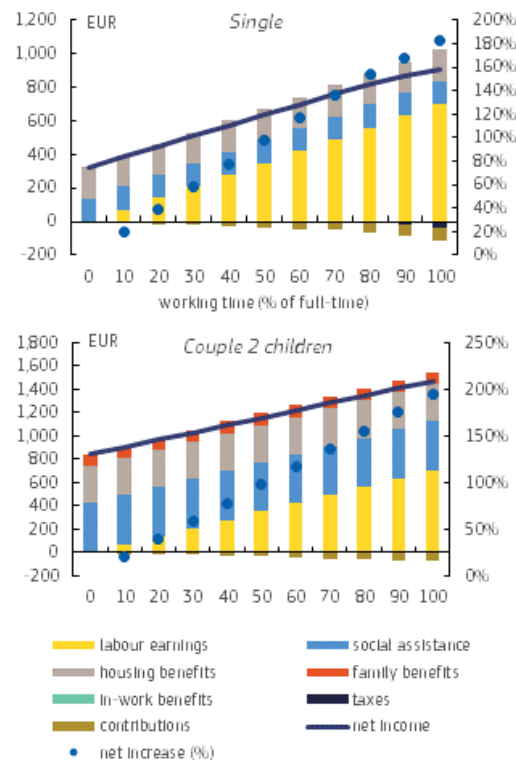
After being registered as unemployed, a person signs an **individual job search plan**, the same way as recipients of unemployment benefits. They are also obliged to participate in the ALMP measures specified in the individual job search plan, cannot refuse suitable job offers twice, and should document at least 3 job applications in a two-month period. Anyone failing to comply with these rules loses their unemployment status and if they are a GMI beneficiary, their GMI benefit payments are suspended for 3 months as it is possible to renew the unemployment status with PES after 3 months. If there is a crisis situation, it is possible to receive social assistance for one month. If there are children in family, it is possible to assign GMI only for

children. In general, each situation is considered and evaluated individually.

Work incentives

To facilitate transition from benefits to work, after starting employment for three months the earnings at the amount of the monthly minimum wage from this new employment are disregarded.

Figure [LV].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

Minimum income beneficiaries can qualify for the status of person in need or low-income household as well as for Municipalities Social Assistance benefits, which is granted in the context of income. Such status are important for receiving other services, but not for receiving benefits.

¹⁵¹ According to the OECD database on asset-testing requirements for minimum income schemes, in Latvia: main residence, other immovable property and household appliances do not affect eligibility or benefit amounts. However, vehicles affect eligibility with

some exemptions. As well, bank account assets, savings and land fully affect eligibility without exemptions.

Minimum income beneficiaries that apply for the status of persons or households in need are automatically granted the status of vulnerable consumers too and may receive various services at reduced price or free of charge, such as support from the ESF+ programme for Addressing Material Deprivation, reduced medical and health care costs, reduced costs or exemption from payment for children's meals in educational institutions, student loans, subsidised energy (reduced electricity costs), reduced real estate tax rates, free legal advice services, reduced rent in social housing, etc.

At the same time, municipalities also play a major role, as they can determine various benefits (for example, transport benefits, real estate tax exemption) for different groups of persons, including persons in need and low-income persons.

Regarding housing benefit, it includes basically all housing related expenses - rent, maintenance, waste disposal, electricity, heating, gas, water, internet and telephone services, repair costs and loan interest, performance of energy efficiency measures of a multi-apartment residential house, payment of land lease, payment of the immovable property tax in accordance with the procedures laid down in legal acts, taking into account the tax reliefs specified for the person, expenditures for housing insurance, sanitation services. Besides the installation, replacement or verification of one water meter once during the period specified in regulatory enactments, gas cylinders with a total volume of up to 108 litres per calendar year for the household, maintenance of chimneys and ventilation in individual residential houses or apartments where maintenance is performed individually, etc. Individualised support

Individualised support

Each GMI benefit recipient has an individualized support. In cooperation with the client a **rehabilitation plan** at the municipal social service office is prepared within 1 month, based on **multidimensional needs assessment** and defining specific goals and tasks that the person has to undertake, or, if necessary, an assistant, mentor or family assistant can help. If necessary, the support person goes with the client to institutions and helps to fill out documents and provides other necessary support. The **rehabilitation plan is compulsory** which means that it is based on the specific needs of the person. The assessment is made

by social worker during interview with a person, but there is no specific multi-dimensional frame of assessment used except persons with mental health disorders. For this target group a special assessment tool has been developed, which is used in the client assessment process.

The timeline is defined in cooperation with the client and is usually guided by the real possibilities of determining in what period of time what exactly needs to be done. In some case there can be given 1 month period, in some other cases 3 or 6 months or even a year – depending on the complexity and scope of the task.

Recent or upcoming reforms

In 2023 the minimum income reform was fully implemented. From 2021 to 2023 to increase the minimum income thresholds from 1st January 2021 the relative method was applied in the calculation of the minimum income thresholds (before that – no linkage to any socioeconomic indicator). The relative method envisages calculating the minimum income thresholds – GMI threshold, income threshold for household in need, low - income household's income threshold, as well as other minimum state pensions benefit amounts - as a percentage of the median income (according to the equivalence scale chosen by Latvia - 1, 0.7, 0.7¹⁵²), stipulating that the minimum income thresholds shall not be set lower than 20% of the median income. Still until July 2023, the minimum income thresholds were set in legal acts in EUR but calculated from the median minimum income and the revision was set at least every three years. From July 2023 the minimum income thresholds were expressed in percentage of the median income and the revision was defined annually instead of at least every three years.

From 1st July 2023, the GMI threshold was set at 20% of the median income, but from 1st January 2025 the GMI threshold was increased and set at 22% of the median income.

The law stipulates that the GMI threshold shall be reviewed each year according to the median income. Median income has been published on the website of the Central Statistics Office and in legal acts in year N the median income year -3 is applied. E.g. in 2024, the median income of 2021 is used. Besides, the Latvian Central Statistics Office publishes EU-SILC based income

¹⁵² The median income according to the Latvian chosen equivalence scale (1, 0.7, 0.7) in 2018 was EUR 544.41

data referring to the year of income and not the year of survey as it is performed by EUROSTAT. In the legal acts it is stipulated that if the current median income does not change or decrease during the accounting year, the thresholds for minimum income shall remain at the previous year's level.

Additional sources

<https://www.lm.gov.lv/en/social-assistance>

https://employment-social-affairs.ec.europa.eu/specific-analytical-support-social-protection-committee-peer-review-meeting-minimum-income-adequacy-0_en

Malta

Benefit	The minimum income support is provided the so-called social assistance (<i>Għajjnuna Soċjali</i>) and the unemployment assistance (<i>Għajjnuna għal-Diżimpjieg</i>). The qualitative analysis of the table below is mostly based on the social assistance benefit.		
1_Adequacy ¹⁵³			
Adequacy		<i>As a share of the poverty threshold</i>	<i>As a share of the income of a minimum wage-earner</i>
	<i>Single person</i>	70%[2023]	59% (2024)
	<i>Couple with 2 children</i>	54%[2023]	66% (2024)
Benefit setting methodology	Yes, linked to minimum wage (60%)		
Regular reviews and updates	Legislation and applicable rates are annually assessed and adjusted during the budget process (mid-October).		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ¹⁵⁴ reaches 71 % (2024), below the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 3 % ¹⁵⁵ (2024)).		
Transparent and non-discriminatory eligibility criteria	Legal residence. No age criteria.		
Application processing times	Less than 30 days, according to the quality service procedure.		
Rapid complaint and appeal procedures	Appeal to the Social Security Umpire. No maximum timeframe for a reply.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Strict		
Targeted active labour market policies	Yes		
Financial incentives to work	Gradual tapering/phasing out of benefit		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (except for dentist), housing allowance, social services (free of charge). Access to social services is an integrated component of the scheme		
Access to essential services			
5_Individualised support			
Multi-dimensional needs assessment	Yes, beneficiaries may be eligible for complimentary essential benefits and may also be referred to other professional services (as required).		
Inclusion plan	No formal requirement.		

¹⁵³ Information about the colour-coding is available in the Annex of Part 2 of the report.

¹⁵⁴ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

¹⁵⁵ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

The minimum income (MI) support is provided by two benefits in Malta, the so called Social Assistance (SA) (*Għajjuna Soċjali*) and the Unemployment Assistance (UA) (*Għajjuna għal-Diżimpjeg*).

Social assistance is means tested, available to heads of households, who are unfit for work for medical reasons and where the financial means fall below the level established by the Social Security Act.

Unemployment Assistance is received by unemployed, fit for work and benefit receipt is subject to a capital resources and income test. The claimant has to be registered for seeking work.

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

Adequacy

The maximum benefit is EUR 139.13 per week in 2025 for the first adult and a further EUR 8.15 per week for each additional and eligible member of the household.

The benefit entitlement is effectively equivalent to 60% of the national minimum wage. The benefit varies according to the means of the household and the number of adults and dependent children in the household. For instance, a couple with 2 children receives EUR 163.58 per week, while a single person with no dependants EUR 139.13 per week.

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

the beneficiaries if required. These include free dental treatment, free spectacles and free hearing aids.

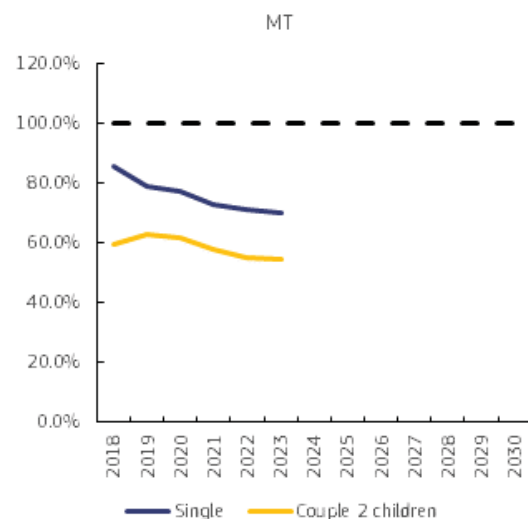
As from 2025, the weekly allowance for the first adult has been revised up to EUR 139.13, the increase corresponding to the full cost-of-living adjustment (COLA) given for the year 2025.

The specific rates are derived utilising the OECD's tax-benefit model (<https://www.oecd.org/en/data/tools/oecd-calculator-of-taxes-and-benefits.html>).

Although, to derive the 2023 rates, the assumptions related to what the rates are reflecting, are required.

These assumptions include family dynamics (single, couple, children, etc.) labour market characteristics (without a job/employed) and benefits considered (unemployment, SA, family benefits, housing benefits, etc.).

Figure [MT].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

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

eligibility is identical to SA except for the employment status.¹⁵⁶

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

The capital means requires that for a couple it should not exceed EUR 26 000 and EUR 16 000 for a single person. The house of residence, the first private car, a garage for private use and a summer residence are excluded from the Capital Resources Test. As of 2022 any inheritance with a value of EUR 14 000 to EUR 30 000 in respect of individuals and EUR 23 000 to EUR 50 000 in respect of a couple will also not be taken into consideration.

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

Number of SA beneficiaries decreased from 9 241 in 2013 to just under 3 158 by the end of 2024. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 3%. UA beneficiaries went down from 6 119 in 2013 to just under 210 in 2024. The significant reduction in the number of beneficiaries is due to the introduction of the Tapering of Benefits Scheme and the In-Work Benefit Scheme. Such activation schemes contributed to move away beneficiaries from the benefit dependency. A high percentage, reaching 80% of tapering beneficiaries, mostly women, kept their employment following the three-year tapering of benefits scheme.

During the first year of the Covid-19 pandemic, the number of social assistance beneficiaries remained stable. It did not increase as a result of Covid-19 as a result of a series of job retention measures

implemented. No changes to the social assistance were needed.

The scheme forms part of a broader strategy to support vulnerable households under the National Strategy for Poverty and Social Inclusion 2025–2035, which seeks to reduce poverty and improve living standards. Malta's approach includes the use of administrative data from social security systems to identify eligible households for the payment of the Additional Cost of Living Mechanism, Supplementary Allowance or Children's Allowance, and Energy Benefit ensuring that the data sources are interconnected and systematically utilized for effective targeting. In cases where specific data is unavailable, income levels serve as a proxy for identifying those in need. Such additional benefits compliment the payment of the SA/UA.

Applicants are supported in the digital application through the servizz.gov hubs across the islands.

Labour market activation

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

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

The Maltese Unemployment Benefit has a very close link to employment services, which go together and are part of the stipulated conditions for receiving this

¹⁵⁶ According to the OECD database on asset-testing requirements for minimum income schemes, in Malta: main residence and household appliances do not affect eligibility or benefit amounts. However, other immovable property and vehicles affects eligibility

with some exemptions. As well, bank account assets, savings and land fully affect eligibility without exemptions.

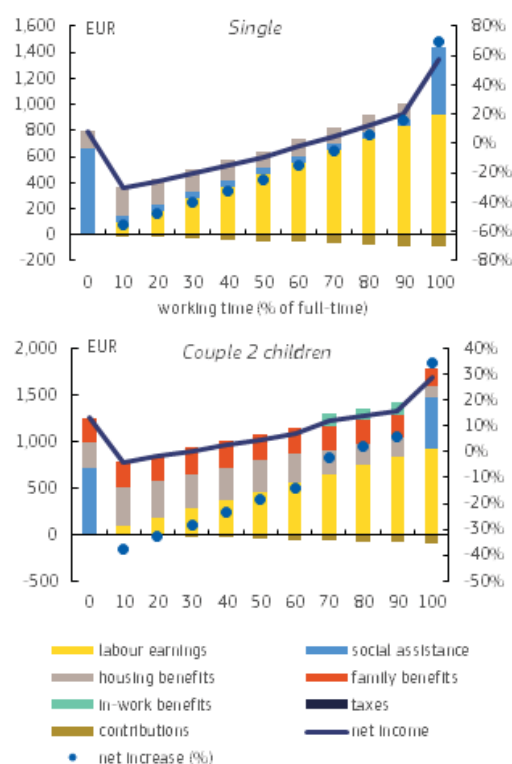
benefit. Services offered by the Maltese Public Employment Services (PES) include job-matching, offering support and guidance, and facilities for jobseekers to enhance, update and develop their skills. Jobsplus strives to assist clients in finding the right job by providing tailor-made guidance services in accordance to the **individual needs**. Unemployed persons who register with the PES are allocated an **employment advisor** who becomes their primary contact point and together discuss the current employment situation, suitable career paths and other prospective options including training. This is done through an individualised career guidance and the development of **Personalised Action Plans (PAPs)** for employment. Moreover, Jobsplus also offers specialized inclusive employment services which are specifically designed for persons with disability, former substance abusers, former prison inmates, and individuals with other socio-economic difficulties.

Work incentives

If beneficiaries start working, the benefits are tapered and not completely stopped immediately, but are continued to be provided in a tapered manner: 75% for the first year, 55% for the second year and 35% of the rate for the third year. The employer is also provided 25% of the benefit for a period of 3 years. The Sant Report (2024), clearly indicates that the tapering of benefits led to stable employment for Unemployment Assistance, Social Assistance and Single Unmarried Parents beneficiaries.

Additionally, Work Placement Schemes offer financial incentives to employers to hire long-term unemployed individuals, easing their transition back into the workforce.

Figure [MT].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

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

The Health Social Work Services which are present in diverse health settings; the Domestic Violence Services

which includes the social work service, the STOP! Service, the Risk assessors' team and the emergency Domestic Violence shelter, Ghabex; the Intake and Family Support Service which include the sub teams on Homelessness, Human Trafficking and Sex Work Support Programme together with the Support line 179, Loneliness Helpline 1772, Besmartonline, and the After-Hours Emergency Service.

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

Entitlement to **public health services** is practically universal. All those who are covered by the Social Security Act, either through payment of contributions or through a mechanism of exemption from payment, are covered. Foreigners covered under the Social Security Act are entitled to the same care as nationals. Temporary visitors from EU Member States have direct access to public health care upon presentation of a European Health Insurance Card (EHIC), together with an identification document. If the relevant forms are not presented, persons who receive treatment would be required to pay the incurred costs.

Housing support is available through social housing schemes and rent subsidies, ensuring that low-income families have stable living conditions.

MI beneficiaries are granted the **energy benefit** in an automatic manner. Such a benefit supports beneficiaries in the payment of utilities (energy, water, sanitation). Minimum income beneficiaries with children in Malta are also in receipt of the 'Scheme 9' benefit including school uniform, stationery, healthy lunch. Students without an internet connection or computer at home are also provided with these facilities.

Materially deprived families are also provided by food packages through EU and nationally funded schemes.

Individualised support

Social assistance beneficiaries do not have a mandatory inclusion plan, but a monitoring mechanism is in place, whereby beneficiaries who are encountering social difficulties are referred to receive social work services by the Foundation for the Social welfare Services.

Recent or upcoming reforms

Additional sources

<https://socialsecurity.gov.mt/en/>

The Netherlands

Benefit	Social assistance (<i>Algemene bijstand</i>)		
1_Adequacy ¹⁵⁷			
Adequacy		<i>As a share of the poverty threshold</i>	<i>As a share of the income of a minimum wage-earner</i>
	<i>Single person</i>	93%[2023]	77% (2024)
	<i>Couple with 2 children</i>	75%[2023]	62% (2024)
Benefit setting methodology	Yes, link to minimum wage.		
Regular reviews and updates	Yes, automatic semi-annual indexation		
Split payments	Yes, for couples, even though not codified in legislation		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ¹⁵⁸ reaches 96% (2024), significantly above the EU average (83%) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 30% ¹⁵⁹ (2024)).		
Transparent and non-discriminatory eligibility criteria	Applicants must: i) have legal residence in the Netherlands and ii) be over 18 years old.		
Application processing times	The statutory maximum decision period is eight weeks.		
Rapid complaint and appeal procedures	Yes, an objection can be filed to the municipality (which has 12 weeks to decide) and subsequently an appeal to the administrative court.		
Existence of national data on take-up rate	The non-take-up rate of MI benefits in 2021 stood at 37% (160.000 households) of all potentially eligible households. For a third of these households, non-take-up lasted a year or longer.		
3_Access to inclusive labour markets			
Activation requirements	Moderate		
Targeted active labour market policies	Yes		
Financial incentives to work	Earnings disregards and lump-sum monetary rewards		
4_Enabling and essential services			
Access to enabling services	Childcare (means-tested), early childhood education (free of charge), healthcare (except for dentist), housing allowance, social inclusion services but there is no targeted provision		
Access to essential services	Financial or in-kind service-specific support provided at local level or at lower cost (social housing, waiving local duties for sanitation, etc.)		
5_Individualised support			
Multi-dimensional needs assessment	Discretionary (common practice)		
Inclusion plan	Discretionary (common practice)		

¹⁵⁷ Information about the colour-coding is available in the Annex of Part 2 of the report.

¹⁵⁸ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

¹⁵⁹ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

Social assistance (*algemene bijstand*) is the non-contributory, means-tested guaranteed minimum income scheme. It supplements monthly incomes up to the social minimum. It is regulated by the Participation Act (*Participatiewet*) since 2015.^{160 161 162} The scheme aims to support persons with work capacity who (temporarily) need support in providing for their livelihood. Its overall objective is that each citizen participates in society according to their ability and provides for their own livelihood as much as possible.

The scheme is governed at the national level by the Ministry of Social Affairs and Employment. The ministry is responsible for the overall functioning of the scheme, monitoring and evaluation. Municipalities (local governments) administer the scheme, including responsibilities such as admission, monitoring and sanctioning, activation, in-work support and sheltered employment. Municipalities also offer PES services for minimum income recipients. Additionally, the Public Employment Service (*UWV*) is responsible for the activation of minimum income (MI) recipients who also receive benefits related to previous employment (e.g. unemployment or disability benefits).

Local governments receive financing for the scheme from the national budget, but also carry limited budgetary risk. Grants are based on a macroeconomic model, and previous expenditure (small municipalities) or a risk model based on household data and local exogenous factors (large municipalities).¹⁶³ In 2024 local governments received EUR 6,55 billion in grants to provide benefits. Financing for administering the scheme and the activation of recipients is provided via a separate grant.

Overall monitoring of the MI scheme by the ministry is continuous, based on official statistics. This is complemented by topical research and qualitative

investigations by, amongst others, the Netherlands Labour Authority. By law a comprehensive evaluation is required every seven years.

Adequacy

Minimum income support is a safety net of last resort. It tops up other income, if any, and provides monthly financial support up to the social minimum. The social minimum is a standard amount of disposable income per month that should – in combination with other cost-specific benefits – cover living expenses that are generally considered essential. **It is linked by legislation to the minimum wage.** The minimum wage is based on the (expected) average contract wage. The linkage ensures that moving into full-time work pays while also allowing benefit recipients to share in the benefits of increased prosperity. It also ensures automatic semi-annual indexation.

The level of the social minimum depends on the age and living situation of the recipient(s). The living situation is determined by the presence of a partner, children (for recipients aged below 21) and/or other adults (aged 27 or older) in the household, and whether the recipient lives in an institution for long-term care. The municipality can adjust the social minimum in individual cases if essential living expenses deviate from the norm.

For a couple, the social minimum is the net minimum wage of a single earner, without considering the employee tax credit (*arbeidskorting*).¹⁶⁴ For most other living situations, the social minimum is a percentage of the standard amount for couples. Regarding the number of adults sharing a home¹⁶⁵, the percentage is determined by a cost-sharer formula (*kostendelersnorm*): $(40\% + 30\% * N) / N$,

¹⁶⁰ Social assistance has been in place since 1965, establishing a legal right.

¹⁶¹ For the self-employed, municipalities operate a separate scheme with similar benefits, loans and/or business credit: Decree on Social Assistance to the Self-Employed (*Besluit bijstandverlening zelfstandigen 2004*).

¹⁶² For persons who have reached the statutory pension age (67), social assistance takes the form of the AIO supplement (*Aanvullende inkomensvoorziening ouderen*). Recipients of the AIO supplement have fewer years of social security contributions than required for a state pension (first pillar, AOW) on the MI-level for the elderly. The supplement is administered on the national level by the SVB (*Sociale Verzekeringsbank*), which also administers state pensions. At the end of 2024, 61.000 persons received the supplement. Benefit expenditures amounted to EUR 0,45 billion in 2024.

¹⁶³ Municipalities carry surpluses and deficits on the grant based on the assumption that these are the result of local policies and administration. For municipalities with large deficits a collective safety net exists.

¹⁶⁴ The social minimum still takes into account 57.5% of a tax-credit for single-earner households that has already been phased out for all other households. The phase-out in the social minimum will resume between 2028-2039 and will lower it further by 8.5%. In calculating the benefit of those aged 67 and older, an old-age tax credit is taken into account.

¹⁶⁵ Young adults aged 26 or below, students and people paying commercial rent do not count as cost sharers. Exemptions are possible if it involves a preconceived temporary stay or - currently - refugees from Ukraine.

where N is the number of cost sharers, including the recipient. This accounts for economies of scale in the household.

Social minimum, for selected combinations of age and living situations (per 1 January 2025):

<i>Aged 21-66</i>	
Couples (100%)	EUR 1 922.07
Single person (70%)	EUR 1 345.45
<i>Aged 18-20</i> ^{166 167}	
Couples	EUR 664.34
Single person	EUR 332.17
<i>Aged 67 and older</i>	
Couples (100%)	EUR 2 053.48
Single person (70%)	EUR 1 501.07
<i>Recipient with:</i>	
1 cost sharer (50%)	EUR 961.04
2 cost sharers (43,33%)	EUR 832.90
3 cost sharers (40%)	EUR 768.83
Etc.	
<i>Living in a long-term care facility</i> ¹⁶⁸	
Couples (100%)	EUR 763.69
Single person (70%)	EUR 471.03

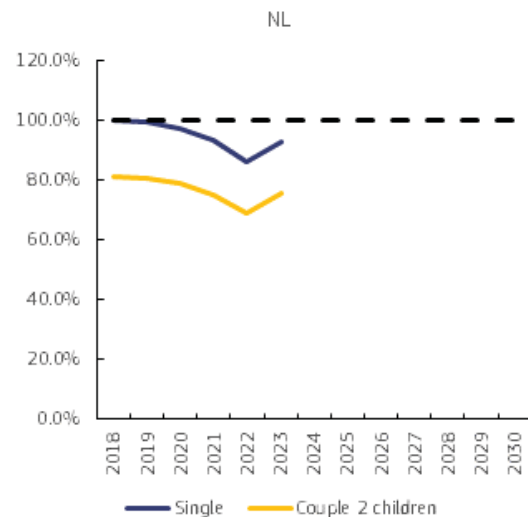
The resulting benefit level includes a 5% holiday allowance that is paid out yearly. Social assistance is taxable income. Income taxes and social security contributions are calculated on top of the net benefit and paid by the municipality on behalf of the benefit recipient. ¹⁶⁹

Minimum income benefit recipients also receive supplementary forms of income support that are

available to households in general. These depend on the household situation and are means-tested. ¹⁷⁰ All child-related income support is provided via these benefits, which is why MI benefit levels generally do not depend on the presence of children. ¹⁷¹

Municipalities can provide an annual individual income supplement (*Individuele inkomenstoelag*) under the Participation Act to long-term MI recipients. ¹⁷² Special social assistance (*bijzondere bijstand*) for unexpected and special costs is provided by the municipalities under the Participation Act. It needs to be claimed separately and is available to low-income households, including recipients of social assistance.

Figure [NL].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

In order to be **eligible** for social assistance, applicants must: i) have legal residence in the Netherlands and ii) be over 18 years old. In addition, recipients cannot meet various exclusion criteria. ¹⁷³ People experiencing

¹⁶⁶ The social minimum for young adults (aged 18-20 years) is based on the level of the child benefit and the parental obligation to maintain children until age 21. If parents do not contribute, the municipality can provide a supplement to the benefit.

¹⁶⁷ Separate standard amounts exist for young couples of mixed age categories and with or without children.

¹⁶⁸ Includes a supplement to pay health insurance and the average deductible.

¹⁶⁹ By law half of the benefit counts towards each partner's taxable income. Couples can request split payment of the benefit, but this is not codified in legislation.

¹⁷⁰ These include the child benefit (not means-tested), child budget, housing benefit, healthcare benefit and childcare benefit.

¹⁷¹ E.g., in 2025 a couple with two children (aged >12) receives about EUR 1 480 per month in housing (assumed rent: EUR 700), healthcare and child benefits, and the child budget; a single person about EUR 550 per month.

¹⁷² Time threshold and the amount varies across municipalities.

¹⁷³ I.a. persons who are: on unpaid leave, serving or evading a custodial sentence, in military service, on a labour strike, 18-20

homelessness can receive social assistance if they are registered in the municipality and have received a postal address. As long as the claimant can work, he/she must always be available to the labour market and must accept generally acceptable jobs if offered to them. Moreover, claimants might also be required to take part in work experience or other skill-enhancing activities organised by the municipality. As the basic rule is that recipients of social assistance should be residing in the Netherlands and be available to the labour market, the possibility of exporting the benefit is normally not allowed. Net monthly income may not exceed the applicable social minimum (see section 2). As a rule, all disposable income is considered and deducted from the amount of social assistance. Some forms of income are (partially) disregarded.¹⁷⁴ Applicants whose net assets exceed the threshold are not entitled to MI benefits. All means, whether in cash or in kind are considered in determining entitlement to social assistance. The value of assets is determined according to their full market value. Some assets are disregarded.¹⁷⁵ Assets belonging to underage dependents are included. Any debts for which repayment cannot be postponed (this excludes study debts and family loans) are subtracted. A separate asset test exists for home equity; for excess home equity above a threshold, social assistance is provided as a mortgage loan.^{176 177}

Applications for MI can be submitted online¹⁷⁸ or in person with the municipality. Applications are processed at the time of submission.¹⁷⁹ The statutory maximum decision period is eight weeks. No official figures for the actual duration are available, which would differ across municipalities. The date of application will count as start of payout if the application is approved. Municipalities can provide an advance if processing takes longer than four weeks. Access to MI benefits is continuous, as long as eligibility

is maintained. Recipients must immediately declare any relevant changes in their disposable means and living situation. Eligibility is also tested automatically against available administrative data. Applicants and recipients are entitled to lodge an objection against a decision regarding their benefit with the objection committee of the municipality. This must be done within six weeks. If the outcome is unsatisfactory, they can file an appeal with the administrative courts.

At the end of 2024 about 405 000 persons¹⁸⁰ in 343 000 households received social assistance (3.5% of the population aged 18-67). Hence The ratio of the number of recipients of minimum income to the size of the population at risk of poverty (aged 18-67) reached 30%. The non-take-up rate of MI benefits in 2021 stood at 37% (160 000 households) of all potentially eligible households.¹⁸¹ For a third of these households, non-take-up lasted a year or longer.

Labour market activation

MI recipients are required to register as a jobseeker with the PES, with some exemptions.¹⁸² They have to search for, accept and keep a generally acceptable job, and accept services offered by the municipality aimed at labour market activation and cooperate in assessing the recipient's possibilities for labour market participation, or perform socially useful activities. Recipients also have to cooperate in individual needs assessment and drawing up, implementing and evaluating an individual plan of action, if applicable. This plan sets out the support provided by the municipality, the recipient's obligations with respect to labour market participation, and the consequences of any non-compliance. The municipality follows up the execution of the action plan and periodically evaluates (and possibly adjusts) it, in consultation with the recipient.¹⁸³ Support can include (on the job) coaching,

years old and living in a care facility, or in a debt restructuring with an initial income above the social minimum.

¹⁷⁴ Fully: i.a. housing benefit, healthcare benefit, family benefits, income earned by children under age 27, special social assistance, tax credits for persons with a work-disability, interest on disregarded assets, means received for the livelihood of persons who are not part of the recipient unit.

In part: i.a. gifts, volunteer compensation, student finance.

¹⁷⁵ I.a.: assets in kind that are either generally common or necessary given the recipient's circumstances; savings accumulated during the period in which the benefit is received; enumerated (public) compensation schemes to cover material and immaterial damages; other compensation for damages and donations, as far as the municipality believes these are appropriate.

¹⁷⁶ In 2025 the asset threshold is €15 540 for couples and single parents and €7 770 for single persons. The threshold for home equity is EUR 65 500. These thresholds are indexed yearly based on the CPI.

¹⁷⁷ According to the OECD database on asset-testing requirements for minimum income schemes, in the Netherlands: household appliances do not affect eligibility or benefit amounts. However,

vehicles and savings affect eligibility with some exemptions. As well, bank account assets, main residence, other immovable property and land fully affect eligibility without exemptions.

¹⁷⁸ Werk.nl is a joint platform with the PES on which applicants register as job seekers at the same time.

¹⁷⁹ Persons aged 18-26 must search for work or an education during four weeks before the application is processed.

¹⁸⁰ Underage dependents are not counted because the MI benefit does not depend on their presence.

¹⁸¹ Based on an analysis of household-level administrative data (2023). Structural monitoring has not yet been implemented.

¹⁸² Exemptions can be granted to persons with a complete and permanent work-disability, single parents of young children (aged <5; although training requirement applies), others if urgent cause.

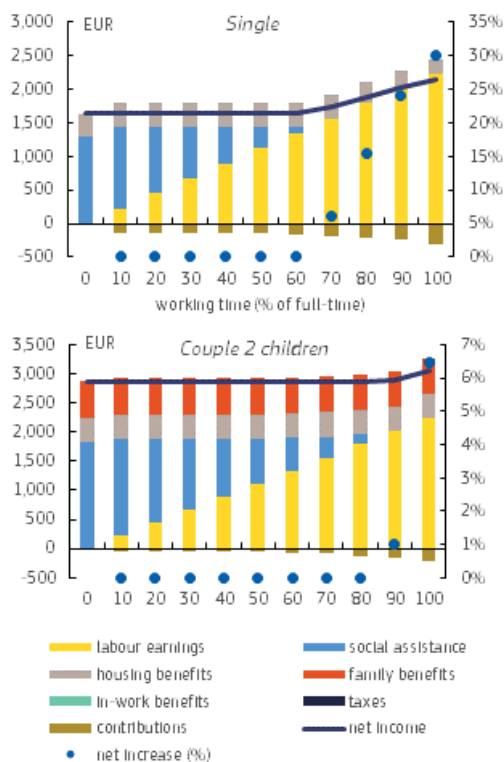
¹⁸³ Municipalities decide whether a plan of action is drawn up. They are obligated by law to do so for persons with a partial work disability aged 18-26.

schooling or training, wage cost subsidies or sheltered work facilities. The Participation Act stipulates that the social assistance benefit can be temporarily lowered, up to 100%, in case the recipient fails to fulfil the obligations.

Work incentives

To incentivise parttime work, municipalities can disregard 25% of net income from work up to a maximum amount¹⁸⁴ for a period of six months. For specific groups (single parents, persons with a partial work disability) this period can be extended, but the percentage and maximum amount disregarded will be lower (about 15%). Municipalities can also, on an individual basis, occasionally award a net amount if this contributes to paid employment for the recipient.¹⁸⁵

Figure [NL].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

¹⁸⁴ EUR 273 per month in 2025.

¹⁸⁵ The maximum net amount is EUR 3 263 in 2025. A similar award from a third party can be disregarded from the income test instead. Persons aged 18-26 are not eligible.

Enabling and essential services

All persons receiving MI benefits are entitled to the same enabling and essential services as the rest of the population. These include **healthcare, social care and long-term care services, financial services, early childhood education and childcare, and education**. For many of these services' specific benefits (see section 2) or financial support are available. These are generally disregarded in the income test for MI benefits (student financing is an exception). Eligibility is unrelated to the MI scheme. Other costs related to **essential services** (e.g. utility bills, health insurance premium and deductible, transport costs) are considered covered by the MI benefit. During 2023-2025, low-income households with high energy costs can apply to the Temporary Energy Emergency Fund to cover their energy costs in excess of 8% of their income.

Municipalities can provide in-kind support, e.g. a communal health insurance policy, means of transport or school supplies, and can waive local sanitation levies.¹⁸⁶ Additional support is often available for social participation (e.g., for sports and cultural activities).

While many sources of support are available to guarantee access to essential services, their fragmentation and application procedures are causes of non-take-up. Yet among MI recipients in 2021, the non-take-up rate for housing and healthcare benefits was 2.2% and for the child budget 0.9%.

Individualised support

Municipalities are free to shape their own procedures and work processes, from application to re-integration, so no description can be given that applies to all local implementations of the Participation Act. In general, a **case manager** (income counsellor) is assigned when someone applies for social assistance or when the application has been approved (admission and managing might be separated tasks). In many municipalities a financial review checks whether all available sources of income and in-kind support are utilized by the MI recipient. A **separate case manager** is assigned for re-integration (job counsellor). This case manager can assess what support and services are necessary for the recipient(s) to be able to provide in their own income. This support can include, for example, re-integration instruments, health care, language courses, childcare and debt counselling or restructuring. The case manager and the recipient can

¹⁸⁶ The monetary value varies across municipalities, but is estimated at EUR 100 per month for a single person and EUR 250 for a household of two parents and two children.

draw up a **plan of action**. These are aimed at labour market integration but might contain intermediate steps such as the services listed above and social participation (volunteering, social interactions).

Recent or upcoming reforms

The housing benefit and child budget are being reformed and increased during 2024-2026. The measures improve the adequacy of income support, including for households on the minimum income level. The government has submitted the Balanced Participation Act (*Participatiewet in balans*) to parliament. If enacted, implementation starts in 2026. The aim is to balance several areas of the Participation Act with respect to its three main pillars: livelihood security, re-integration, and legality. The law contains 21 proposed measures to better match rules and support to the abilities and circumstances of MI recipients, provide recipients with more legal certainty about their rights and obligations, and give case managers more scope of discretion. Other relevant measures are in various stages of legislation and will affect social security as a whole, including the GMI scheme. The Proactive Services Act (*Wet Proactieve Dienstverlening SZW*) is in the advisory stage. Its main aim is to reduce non-take up. The new law would provide a clear legal basis for selected government institutions to process and exchange available information to inform potential beneficiaries and to reduce the information that applicants are required to submit. The Enforcement of Social Security Act (*Wet*

handhaving sociale zekerheid) is also in the advisory stage. Its aim is to reduce the strictness and severity of monitoring and sanctioning, which should stimulate take-up and part-time work, but also improve overall well-being of recipients. Separately, sanctions for MI recipients will be harmonized nationally and with other social security schemes and made more gradual. A fundamental revision of the Participation Act is in the design stage. One of the overall aims is to reduce the complexity of the GMI scheme for recipients, municipalities and (prospective) employers.

Additional sources

- [Full text of the Participation Act \(Dutch\)](#)
- [Semi-annual factsheet \(Dutch\)](#)
- [Semi-annual overview of prevailing standard amounts for income and assets test \(Dutch\)](#)
- [Government assessment of the Participation Act for the fundamental reform \(Dutch\)](#)
- [Journal article on the evolution of Dutch GMI adequacy \(English\)](#)
- [Report of an independent committee on the adequacy of the social minimum \(Dutch\)](#)
- [Factsheet on non-take up of GMI benefits by the Netherlands Labour Authority \(Dutch\)](#)

Poland

Benefit	Guaranteed Minimum Income scheme (GMI), including the „Temporary benefit”		
1_Adequacy ¹⁸⁷			
Adequacy		As a share of the poverty threshold	As a share of the income of a minimum wage-earner
	Single person:	30 %[2023]	24 % (2024)
	Couple with 2 children:	62 %[2023]	48 % (2024)
Benefit setting methodology	Yes, based on a reference budget.		
Regular reviews and updates	Yes, every three years.		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ¹⁸⁸ reaches 70% (2024), below the EU average (83%) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 26% ¹⁸⁹ (2023)).		
Transparent and non-discriminatory eligibility criteria	Adult persons (18+ years) with Polish citizenship who live and reside in the country may apply for the benefit, with exceptions to the age limit. Foreigners may also be eligible if they live and reside in Poland with permission to settle, if they are a long-term resident of the EU countries, or under other specific circumstances. Applicants are also requested to experience at least one difficult situation in addition to poverty, such as orphanhood, homelessness, unemployment, disability or illness, addition or being in a crisis situation.		
Application processing times	Within 30 days, or within 2 months in complex situations.		
Rapid complaint and appeal procedures	Yes, to local appeal boards. No maximum timeframe foreseen.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Strict		
Targeted active labour market policies	Yes		
Financial incentives to work	Gradual tapering/phasing out of benefit		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (free of charge), housing allowance, social services (free of charge), one-stop-shop. Access to social services is an integrated component of the scheme		
Access to essential services	Service-specific support with separate application processes		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Yes, a social contract		

¹⁸⁷ Information about the colour-coding is available in the Annex of Part 2 of the report.

¹⁸⁸ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

¹⁸⁹ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

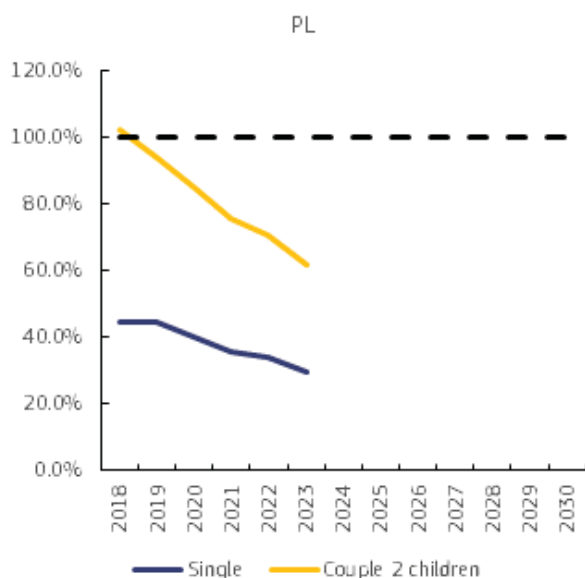
Poland has a guaranteed minimum income scheme (GMI) since 2004. The benefit called a “temporary benefit” for those capable of working, provided within social assistance, is one of the main elements of the Polish GMI scheme.

Legislation and some government programmes are the responsibility of the central level government, and the implementation of the minimum income legislation, social work and local social assistance programmes lays at municipal level. The local social assistance centre decides the period for which the allowance is granted. Granting the allowance is the own statutory task of the local authority (municipalities) and is financed by central government.

According to the statistical report prepared by the Ministry of Family, Labour and Social Policy, the amount of expenditure on temporary benefits in 2023 was PLN 487 051 710 (around EUR 113 965 596).

Adequacy

Figure [PL].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

The amount of the benefit is set as the difference between the income criterion and the household income, and a minimum of 50% of that difference is guaranteed. The local authority (a municipal council) may increase the minimum amount of temporary benefit, by way of a resolution. A minimum (PLN 20= EUR 4.6) is set for all households and a maximum for single-person households (PLN 823= EUR 192).

The benefit can be granted to a person running a single household or to a family household. According to the Law, it is assumed that a family means persons related or unrelated yet forming a de facto relationship, living and running a household together, so they are supposed to have a common budget to run a shared household. The Law doesn't say specifically about possibility to request split payments, however, at the same time this does not exclude individual solutions for individual needs.

As a rule, a decision on granting the benefit shall be issued within 30 days and this is set by the Law.

Coverage and take-up

The main conditions for entitlement to cash social assistance are having an income less than the income threshold: PLN 1010 (EUR 236) for a one-person household or PLN 823 (EUR 192) per person in a family and experiencing at least one difficult situation in addition to poverty, as listed by the Social Assistance Act.

Social assistance may be claimed or in some cases provided without the need for an application (may be granted ex officio). A compulsory household interview/needs assessment has to take place no later than 14 days after the application is submitted, and within two days in urgent cases. Decisions on social assistance benefits are made by social assistance centers within 30 days of the application or within two months in complex cases.

The decision may be **appealed** to local appeal boards. Recipients of minimum income support have to report changes in their situation and the family interview is typically repeated every six months.

According to the report by the Ministry of Family, Labour and Social Policy, the number of persons who were granted social assistance in 2023 was 1 322 434. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 26%. There were 421 470 individuals and persons living in families who were granted the temporary benefit in 2023, including individuals and persons living in family

households. This number mainly does not cover men over 65 and women over 60 years old.

There are no systematic analyses of the scale and reasons for non-take up of social assistance benefits by those entitled to them.

Labour market activation

Beneficiaries who are entitled by their unemployed situation have to register at the labour office. A social contract is the activation instrument used in relation to unemployed beneficiaries and non-complying leads to sanctions. MI recipient who is registered within local labour office as unemployed is obliged to accept a suitable job offer or another form of assistance presented by this office.

Unemployed person loses the status of an unemployed person and the right to unemployment benefit for a specified period of time in case the unemployed refuses without just cause:

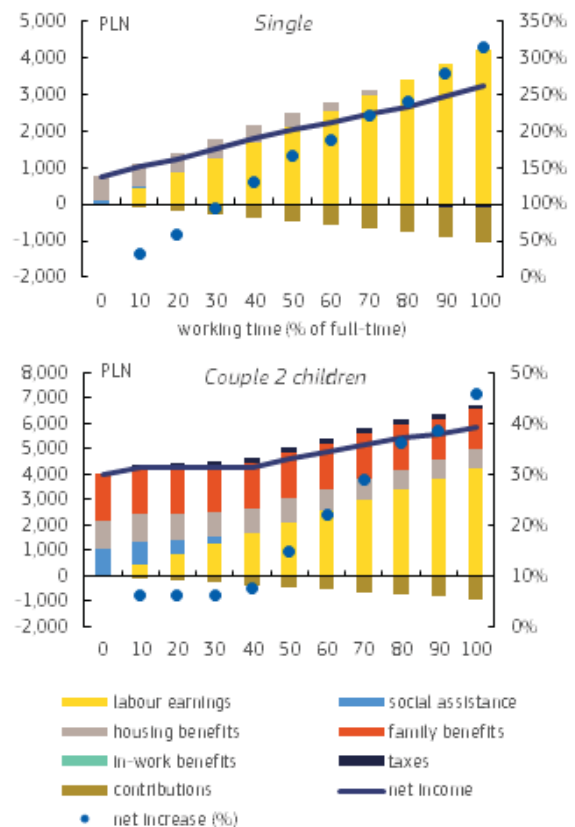
- to accept an offer of suitable work or another form of assistance specified in the act or to undergo medical or psychological examinations to determine the ability to work or participate in another form of assistance specified in the act;
- to participate in activities under the Activation and Integration Programme, carried out by the labour office, other entities on its behalf or by a social assistance centre or a social services centre.

After the labour market reform comes into force, these regulations will be less restrictive.

Work incentives

Beneficiaries with a social contract who take up a job can continue to receive the benefit for two months, without any change.

Figure [PL].2: Financial gains of moving into (part-time) employment



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. . The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

Social Service Centers were established to improve the development and integration of **social services** provided at local level. The social services offered by social service centers may be addressed to individuals, families, social groups, groups with specific needs or residents at local level in general. Social service centers aim to integrate social services, to facilitate access to them for all residents, including minimum income beneficiaries.

The costs of **essential services** borne by the beneficiaries are identified while carrying out needs assessments, e.g. monthly expenses of a person/family on rent, electricity. However, separate income criteria apply. The MI beneficiaries don't have the automatic access to services delivered by other support systems. They need to apply separately since these services are provided by other types of support systems, where separate income criteria apply.

Individualised support

A **social contract** is an individualized support agreement concluded by a social worker with the person applying for assistance. It takes into account the individual needs and preferences of the client. The timing of the social contract is adjusted individually to the life situation and the needs of the person. The needs assessment is updated when there has been a change in the beneficiary's life circumstances and also despite the lack of changes – not less frequently than every 6 months.

There are two types of social contract:

type A social contract - concluded to solve a difficult life situation of individuals or families;

type B social contract - concluded to strengthen life activity and independence and professional life of a person or to counteract social exclusion, concluded with a person in a difficult labour market situation.

The Law provides for a social contract, **does not impose an obligation to conclude the contract**.

Before the decision is made, a social worker carries out the **needs assessment**, which involves among others the analysis of the occupational situation of a person applying for the benefit. Based on that analysis and the needs assessment a decision on granting the benefit is made, along with the **individual support plan**. Within that plan there are proposed forms of assistance, e.g. a social contract.

The **individual needs assessment is compulsory**, this is defined in the Law. It includes the analysis of the living

conditions of a person applying for assistance, e.g. identifying whether a person has access to hot and cold water, electricity, heating. Within the individual needs assessment, it can be determined what kind of support and care services are needed, in particular regarding persons with disabilities.

Not complying with social contract of the A-type may form a basis for limitation of the amount or scope of social assistance benefits, denial of benefit, repeal of decision on granting the benefit, or suspension of cash benefits under social assistance. However, the Law also says that in the event of denial of benefit or limitation of the amount or scope of social assistance benefits, the situation of dependants of a person applying for the benefit or collecting the benefit should be taken into account.

Recent or upcoming reforms

There has been established a dedicated team with the aim of analysing the effectiveness of the social assistance system. The team consists of different stakeholders, including independent experts and practitioners.

As part of the ongoing labour market reform and a new act will be introduced: on the labour market and employment services. This act assumes that people not registered with the labour office, including MI recipients, will be able to use the office's services: career counselling, job placement, pilot programmes and programmes implemented by the labour employment office, which are financed by the ESF.

Those MI recipients who are registered as unemployed will enjoy the full support of local labour office, on general basis.

Portugal

Benefit	Social integration income (<i>Rendimento Social de Inserção</i>)		
1_Adequacy ¹⁹⁰			
Adequacy		<i>As a share of the poverty threshold</i>	<i>As a share of the income of a minimum wage-earner</i>
	<i>Single person</i>	33 % [2023]	51 % (2024)
	<i>Couple with 2 children</i>	58 % [2023]	53 % (2024)
Benefit setting methodology	No, but it is indexed in relation to the social support index.		
Regular reviews and updates	The law sets out annual indexation.		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ¹⁹¹ reaches 62 % (2024), significantly below the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 13 % ¹⁹² (2024)).		
Transparent and non-discriminatory eligibility criteria	Claimants have to i) have legal residence (residence conditions apply to third-country nationals) ; ii) be in severe poverty; iii) sign the insertion contract ; iv) be aged 18 or over; v) and other conditions apply (see below).		
Application processing times	Less than 30 days is usual practice.		
Rapid complaint and appeal procedures	Applicants may file a complaint to the Social Security Institute and should be answered within 30 days. The applicant can also file a complaint in front of the court.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Strict		
Targeted active labour market policies	Yes		
Financial incentives to work	Earnings disregard		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (free of charge), housing (only in severe circumstances), social inclusion services (free of charge). Access to social services is an integrated component of the scheme		
Access to essential services	Service-specific support with separate application processes		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Yes, in 2 months		

¹⁹⁰Information about the colour-coding is available in the Annex of Part 2 of the report.

¹⁹¹ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

¹⁹² This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

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

The RSI is funded by general taxes (State budget transfers). The Social Security Institute is responsible for regulating and managing the scheme at the national level.

Implementation is handled at the local level by the scheme’s local units, which are made up of local representatives of public bodies in social security, employment and vocational training, education, and health, and by local authorities. Representatives of public/private bodies of non-profit entities may also be invited to play a role. As of April 2022, the co-ordination of the local insertion units became the responsibility of municipalities. The local insertion units’ competences include approving the insertion agreement, organising its implementation, and monitoring and evaluation. The autonomous regions of Azores and Madeira have own responsibilities in terms of regulation and implementation.

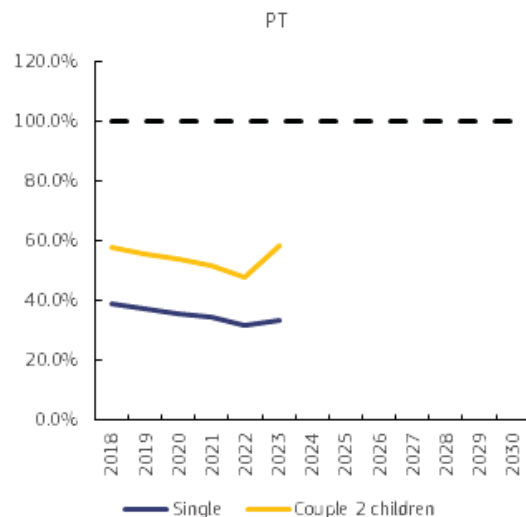
The expenditure on “Social insertion income” was 25.8 million euros (December 2024), representing an increase of 7.8% compared to the same period last year. Source of financing: General State Budget (OGE).

Adequacy

The RSI is a monthly differential benefit corresponding to the difference between the maximum rate of the RSI and households’ total income. The maximum rate of the monthly benefit, in 2024, it was EUR 237.25 for claimants (100%), EUR 166.08 for each of the other adults in the household (70%), and EUR 118.63 for each child under 18 years of age (50%).

The RSI may be cumulated with other benefits, however these benefits can not be disregarded in the assessment of the household income level and calculation of the RSI amount paid (family allowances, as well as disability and dependency benefits, are not taken in to account).

Figure [PT].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

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

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

accepted, only 50% of work income (after contributions) will be considered.¹⁹³

Citizen can complain about the decision granting the RSI to the social security department; or file an appeal under the terms established in the Code of Administrative Procedure with the social security, or appeal to the court of law.

In 2024, the scheme had 225.952 recipients¹⁹⁴ (52,5% females and 47,5% males). Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 13%. The average amount of the benefit was EUR152.32 per month, per recipient and EUR 322.54 per household. In terms of age groups, 30.9% of beneficiaries were under 18 years old, 9.4% were 18-24, 36.4% 25-54, 17.9% 55-64 and 5.3% 65 or over. These beneficiaries were part of 114 940 households (2024). The size of the families was: 27.2% lived in single-person households, 16.6% lived in households with two people, 16.1% in households with three people, 15.2% lived in households with four people and 24.8% in households with five or more people.

Labour market activation

Besides the income component, the RSI includes an insertion contract with a set of rights and duties that claimants have to sign in order to continue to be entitled to receive the benefit. The insertion contract is preceded by a multi-dimensional needs assessment and must be signed by both the claimants and other household members within a period of 45 days from the date the application was approved. It covers areas such as education, employment, health, training, housing and social action. The contract implies that all beneficiaries meeting the conditions for activation are registered with the PES and are available for a set of integration measures and that a set of actions and tasks will be developed to support the gradual social, labour market, and community integration of the family. There are some exemptions from participating in the integration contract, like people with temporary incapacity for work, people with disabilities.

Whenever the insertion contract includes employment integration in collaboration with the PES, it is mandatory for recipients to engage in a personal

employment plan, with the exceptions of people who are already working, people who present a medical certificate attesting that they do not meet the conditions for work, and informal primary caregivers recognised by the competent social security services. If the insertion contract is not signed, either by the claimant or by other members of the household, penalties apply, including the RSI request being rejected and not being submitted again within the next 12 or 24 months, depending on who refused to sign.

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

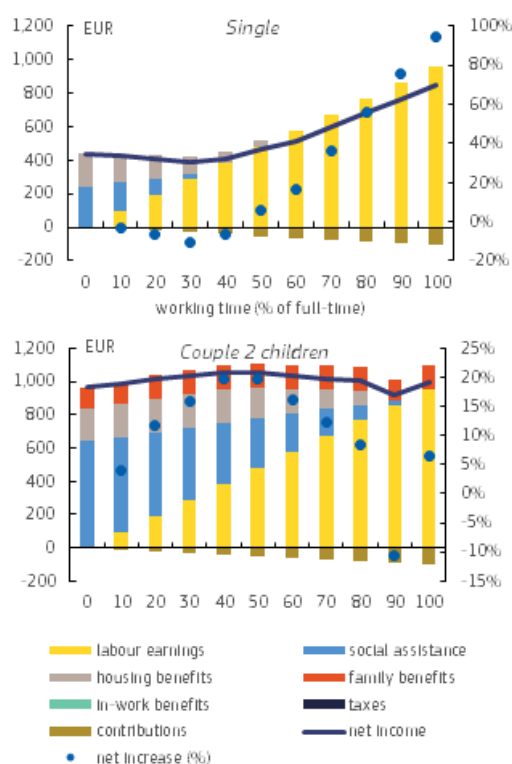
Work incentives

In most cases, it is not possible to distinguish RSI recipients from other categories of unemployed people in data on participants in active labour market policies (ALMPs). The exception is the employment-insertion contract (CEI+) measure, which aim entails work at public/private non-profit companies for a maximum period of 12 months. When RSI beneficiaries start working via the CEI+, they are entitled to a monthly allocation of 100% of the IAS (EUR 509.26, in 2024), which replaces the RSI.

¹⁹³ According to the OECD database on asset-testing requirements for minimum income schemes, in Portugal: household appliances and vehicles do not affect eligibility or benefit amounts. However, bank account assets, savings, main residence, other immovable property and land affect eligibility and benefit amounts.

¹⁹⁴ https://www.seg-social.pt/estatisticas-detalle/-/asset_publisher/GzVlhCL9jqf9/content/rendimento-social-de-inserc-8?filter=anual

Figure [PT].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

Based on the needs identified in the insertion contract, RSI beneficiaries can receive counselling in specific areas – health, housing and other areas such as food and personal hygiene. Personal targeted social services are provided principally by state-supported private organisations.

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

Regarding essential services, eligibility criteria are linked but they have to apply separately.

Individualised support

The case manager is appointed within a month and the tailor-made inclusion plan within 2 months. The inclusion plan will address all priority areas needed according to the multi-dimensional needs assessment.

The case manager will articulate with the different local services, such as education, health, employment, training, housing, etc.

The inclusion plan will be at the most 12 months long and at the end of that time a new needs assessment will take place in order to establish a new inclusion plan. That inclusion plan can be revisited at all times, should an unexpected change happen.

Recent or upcoming reforms

One of the main changes regarding the RSI was related to the transfer of competencies that has already taken place throughout the continental territory (in 2022-2023) and with regard to the RSI, the Municipalities took over the coordination of the NLI, with the Institute of Social Security (ISS) no longer coordinating them and becoming a partner. As for monitoring beneficiaries, the technical case managers are currently from the Municipalities or Private Social Solidarity Institutions that have signed protocols with them for this purpose. The articulation between RSI provision and RSI Insertion continues to be carried out via application, responsibility of Institute of Social Security.

Among the measures included in the Strategy to Combat Poverty in Portugal (2021-2030) the reassessment of Social Integration Income is central in the framework of social policies to combat poverty.

There is an ongoing analyse on the possibility of reforming the system, namely by creating a single social benefit (*Prestação Social Única*) aimed at reducing poverty.

Additional sources

https://www.seg-social.pt/estatisticas-detalle/-/asset_publisher/GzVlhCL9jqf9/content/rendimento-social-de-inserc-8
https://www.seg-social.pt/estatisticas-detalle/-/asset_publisher/GzVlhCL9jqf9/content/rendimento-social-de-inserc-8?filter=anual

Romania

Benefit	The minimum inclusion income includes two components: the inclusion aid and the aid for families with children.		
1_Adequacy ¹⁹⁵			
Adequacy		As a share of the poverty threshold	As a share of the income of a minimum wage-earner
	Single person	9 % [2023]	14 % (2024)
	Couple with 2 children	33 % [2023]	34 % (2024)
Benefit setting methodology	No		
Regular reviews and updates	Yes, increased automatically annually.		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ¹⁹⁶ reaches 87% (2024), close to the EU average (83%) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 19% ¹⁹⁷ (2024)).		
Transparent and non-discriminatory eligibility criteria	MI is granted if no other means of income can be obtained, to low-income people or families, irrespective of their age or employment status. Applicants should have legal residence, irrespective of their nationality. Eligibility is conditional on proof of willingness to work for all family members of working age who are fit to work and unemployed.		
Application processing times	The law foresees a maximum of 30 days		
Rapid complaint and appeal procedures	Yes, rapid administrative procedure in place, as well as the possibility to appeal in front of a court.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Strict		
Targeted active labour market policies	Yes		
Financial incentives to work	Earning disregards, gradual tapering/phasing out of benefits		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), health insurance and healthcare services (free of charge), housing insurance, education and training (free of charge, beneficiaries are automatically entitled to social inclusion services (free of charge)		
Access to essential services	Support provided through vulnerable consumers status not automatically granted to MI beneficiary		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Yes, an Individual Mediation Plan in 3 months		

¹⁹⁵ Information about the colour-coding is available in the Annex of Part 2 of the report.

¹⁹⁶ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

¹⁹⁷ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

Romania has a minimum income support scheme, the minimum inclusion income (MII), stipulated by Law no. 196/2016 on minimum inclusion income, with subsequent amendments and additions.

The MII is implemented since January 2024 and is a means-tested program of last resort aiming to ensure the minimum standard of living for families and single persons in the situation of difficulty, as well as to prevent the risk of poverty among children and stimulating their participation in the education system.

The MII scheme includes two components: the inclusion aid (IA) and the aid for families with children (AFC).

Governance structure: at national level, the Ministry of Labour, Family, Youth and Social Solidarity is responsible for the design of the MII scheme, including for providing methodological guidance and oversight, for the organisation of the social/employment services in the scheme, for monitoring and assessment of the implementation, and handing out payments, through the National Agency for Payments and Social Inspection. At county level, the overall administration of the MII scheme is ensured by 41 County Agencies for Payments and Social Inspection and the Agency for Payment and Social Inspection of the Municipality of Bucharest.

Benefit payments are processed, social services are monitored/ assessed/ inspected, and employment services are provided by the county-level. Eligibility testing, calculation of benefits and any additional needs assessment are done by local authorities. Social services are organised and mainly financed by local authorities and decentralised bodies (with local budgets).

Source of financing: the MII scheme is a national means-tested program financially supported from the State budget.

Total expenditure on minimum inclusion income (MII) scheme amounted to: 1 701 483 650 lei (340 296 730 euro) in 2024 and during January-March 2025 to 514 160 049 lei (102 832 009 euro), of which:

- inclusion aid (IA): 1 358 687 347 lei (271 734 469 euro) for an average number of 219 569

families/single persons in 2024 and during January–March 2025, 406 715 509 lei (81 343 101 euro) for an average number of 232 167 families/single persons;

- aid for families with children (AFC): 338 602 805 lei (67 720 561 euro) for an average number of 110 216 families in 2024 and during January–March 2025, 107 165 720 lei (21 433 144 euro) for an average number of 118 142 families;
- payments for the mandatory home insurance (PAID component of MII): 4.193 498 lei (838 699 euro) for a total number of 48 800 housing in 2024 and during January–March 2025, 278 820 lei (55 764 euro) for a total number of 3 273 housing;

Adequacy

Figure [RO].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Amount of support: the two components are granted based on the income of the family/single person, with maximum thresholds updated in March 2025, as follows:

- **the inclusion aid:** up to an adjusted monthly net income¹⁹⁸ of 366 lei or an adjusted monthly net

¹⁹⁸ The adjusted monthly net income is determined by dividing total family income by family size. Family size is based on an equivalence scale composed of the coefficient "1" for one family member and

"0.5" for other family members. For example, a family with 3 members will have a size of 2 (1+0.5+0.5).

income of 533 lei in the case of a single person aged at least 65 years old.

- **aid for families with children:** up to an adjusted monthly net income of 930 lei.

The amount of the Inclusion aid is calculated as the difference between the maximum amount of the Inclusion aid for the whole family / single person, and the net household income in the month preceding the claim. The maximum amount of the Inclusion aid for the whole family / single person is equal to 366 Lei/ month multiplied by the equivalence scale. The minimum **amount of the Inclusion aid** component is 50 lei per month.

Number of person in the family	Equivalence coefficient	MII - Inclusion aid max. amount lei (family income= 0)
1	1	366
2	1.5	549
3	2	732
4	2.5	915
5	3	1 098
6	3.5	1 281
7	4	1 464
8	4.5	1 647
9	5	1 830
10	5.5	2 013

The monthly amounts of the aid for families with children varies with the income thresholds, the number of children and the family structure.

Frequency of updating: the monthly level of the MII, respectively of its components, is increased annually, ex officio, in March, every year, with the average annual inflation rate of the previous year, definitive indicator, communicated by the National Institute of Statistics. In the situation where the average annual inflation rate has a negative value, the last value of the minimum inclusion income and its amounts is kept.

Split payment of the MII to individual member of the beneficiary household is not possible, as both components of the MII scheme are paid to the

family/household, or, as the case may be, to the single person. The holder of the MII is the person who meets the eligibility conditions provided by law and who request the right, personally or through a representative, and the beneficiary of the MII is the family/household or the single person.

Coverage and take-up

Main eligibility conditions: MII is a social support that guarantees a certain standard of living if no other means of income can be obtained. MII is granted to low-income people or families, irrespective of their age or employment status. All people are eligible for any of the component of the MII, if they are legal residents of the country, irrespective of their nationality. Those without legal residency (or homeless people) are also eligible for the benefits under certain circumstances, such as registration with the local public social assistance services.

Eligibility is conditional on proof of willingness to work for all family members of working age who are fit to work and unemployed.

Income test: Eligibility is also based on income and assets of the recipient's household. The reference net monthly income includes all the income sources of the family members/single person that are earned/received in the month prior the claim of the MII benefit, net of any income tax payments and social security contributions. It also includes the amount of the unemployment indemnity, as well as selected family allowances and other social benefits. Excluded income components are specifically presented by law^{199, 200}.

In order to maintain the right to the inclusion aid, persons who can work are taken into account when determining the number of family members for determining the family's adjusted income level only if they are in one or more of the following situations:

as well as those obtained as a domestic provider; amounts received as support, provided from the state budget or non-reimbursable funds, granted under the law or under approved operational programs.

²⁰⁰ According to the OECD database on asset-testing requirements for minimum income schemes, in Romania: main residence and household appliances do not affect eligibility or benefit amounts. However, vehicles and land affect eligibility with some exemptions. As well, bank account assets and savings fully affect eligibility without exemptions. Other immovable property causes ineligibility.

¹⁹⁹ State allowance for children; social benefits for persons with disabilities; all types of scholarships or other forms of financial support intended exclusively for supporting the education of pre-schoolers, pupils and students and educational incentive (including tickets for kindergarten); sums received as a result of participation in professional training programs, if they do not have the title of salary income; sums occasionally received from individuals or legal entities, including emergency aid received or occasional amounts granted from the state or local budget; heating benefits and the energy supplements; monthly food allowance regarding the measures to prevent the spread of AIDS in Romania and to protect people infected with HIV; income earned from occasional activities of day labourers

are registered with the territorial agency for employment as persons looking for a job, and have not refused a job or participation in the services to stimulate employment and professional training offered by these agencies; carry out activities of an occasional nature, established according to the requests submitted to the town hall by legal entities, authorized natural persons, individual businesses or family businesses that need labor, according to the Law; perform specific activities, provided by Law no. 111/2022; at the mayor's request, perform actions works of local interest, under the conditions provided by the Law.

Asset test: Assets of the family are also evaluated. The evaluation of assets is made to establish the eligibility for MII. The lists of assets that leads to the exclusion of the minimum inclusion income is published as Annex 4 of the Government Decision no. 1154/2022²⁰¹.

Application processing times: according to law, the right to the MII is granted starting with the month following the registration of the application. The verification of the data and information provided in the application form, as well as the processing of the data is carried out by the staff of the public social assistance service at the city hall level, through electronic system and based on the requested supporting documents.

The approval or rejection of the application shall be made by order of the mayor, upon completion of the verifications, which should be communicated to the beneficiaries within a maximum of 5 days from the date of issue.

Continuity of access: Indefinite, as long as the conditions for receipt are met. Frequency/periodicity of benefit payments: monthly.

Coverage: in January 2025, a total number of 676 442 individual recipients of MII program for both components, of which 39 556 are individuals over the age of 65 years old. From the total number of individual recipients, a total number of 283 418 are children from the entitled families. **Therefore, the total number of**

adults recipients under the age of 65 years old, is 353 468. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 19%.

Non-take up: both the local and national level, provides the necessary information about the eligibility conditions in order to access the new program. The simplification of the application submission was considered, by allowing to request the MII in electronic format in order to reach out to all the beneficiaries. Calculations of the take-up rate of minimum income benefits are not carried out systematically.

Complaint and appeal procedures: the approval or rejection of the request of the right to the minimum inclusion income is made by order of the mayor. The mayor's order rejecting the request for the right to the minimum inclusion income contains the reasons that led to the rejection. The mayor's orders are communicated to the beneficiaries within a maximum of 5 days from the date of their issuance. The rejection of the request may be appealed by every person in accordance with the provisions of the *Administrative Litigation Law* no. 554/2004, with subsequent amendments and additions. The procedure of complaint and appeal is simply, rapid and free of charge.

Every person who considers injured/harmed in his legitimate right or in a legitimate interest by a public authority, by an administrative act, may address to the competent administrative court to cancel the act, to recognize the right, to claim or his legitimate interest and to repair the damage was caused. The procedure for solving the requests/claims in contentious-administrative is stipulated in Law of the litigation-administrative proceedings no. 554/2004. Before addressing to the competent court of administrative contentious, the person has to request to the issuing public authority or to the superior authority, if any, within 30 days from the date of communication of the act, the revocation, in whole or in part, of the act.

²⁰¹ *Immovable properties:* buildings, 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.

Movable properties (in working conditions): more than one vehicle older than 10 years, with the right to drive on public roads; one vehicle with the right to drive on public roads less than 10 years old, except for those used and/or adapted for the transport of people

with disabilities; sloops, motorboats, yachts or other types of boats, except for those necessary for transport, in the case of people who live in the area of the "Danube Delta" Biosphere Reserve; if at least one of the family members holds, as the holder, one or more bank deposits, and the total amount of these deposits is greater than 3 times the value of the average gross salary provided by the State Social Insurance Law.

If the beneficiary of social rights considers himself harmed by the decision issued by a public institution with regard to his/her right, he/she may address a complaint in the attention of the following institutions: the President of Romania, the Romanian Government, the Ministry of Labour, Family, Youth and Social Solidarity (the General Directorate of Social Assistance Policies), the National Agency for Payments and Social Inspection, the county agencies for payments and social inspection, the local public authorities (city halls, county councils, prefectures).

Labour market activation

Registration with PES, availability to work and job search requirements: registration with PES is mandatory for the MII application only for the component of inclusion income, in case of persons who are capable to work. Claimants who are out of work and are capable of work²⁰² are required to register with the employment service, engaging in the activities defined in the individual mediation plan (e.g. attending educational or training courses), accepting any job offered by the employment office.

Individualised mediation plans, with an assessment of employability, are compulsory for all long-term unemployed. The territorial agencies for employment register the beneficiaries of the minimum inclusion income, as persons looking for a job and elaborate the individual mediation plan. Registered persons benefit free of charge from professional training/reconversion services and measures to stimulate employment, provided by the legal regulations in force.

Sanctions: ceasing the right to social inclusion when the person able to work from the family entitled to inclusion aid is found in the following situations:

- refuses the employment or mediation services (the recipient can then reapply only after 12 months);
- refuses twice to perform the seasonal activities;
- refuses to participate in the "Second chance" educational programmes.

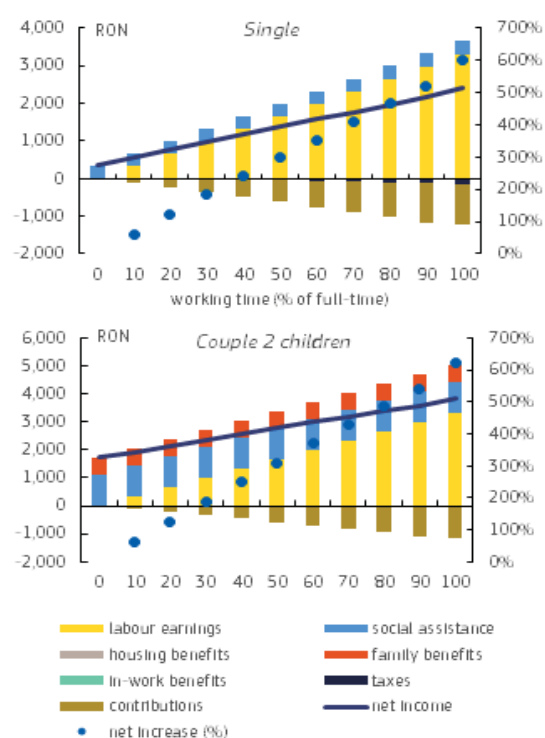
Work incentives

If one or more family members earn income based on an individual work contract, service report or other legal form of employment, or the family members carry

out independent or agricultural activities, 50% of these incomes, but not more than 500 lei per family, are disregarded/deducted when determining the family's adjusted net monthly income.

For the able to work persons entitled to inclusion aid, 6-month extension of the social inclusion aid, in the amount received prior to the employment, if was signed an employment contract or a service report for at least 24 consecutive months.

Figure [RO].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

The new program contains an integrated package of support measures in key areas: **employment, social services, education, health and housing**, all helping to reduce the risk of poverty and social exclusion.

capable of work is not obliged to register with the employment service.

²⁰² **A person capable of work is:** (a) aged between 16 years and the standard retirement age, (b) not in a form of pre-university full-time education, (c) in good health (both physically and mentally) to work. The law also identifies specific circumstances when a person who is

Depending on the needs of the family/single person, the minimum inclusion income is accompanied by the following complementary social assistance measures, granted in cash and/or in kind:

a) incentives: special incentive measures for participation in the labor market, granted in cash or representing deductions applied to the person's income;

b) contributory facilities: insurance in the social health insurance system, without payment of the social health insurance contribution.

c) other complementary rights: financial transfers and/or support in kind, with the aim of facilitating social inclusion and preventing the risk of social exclusion, granted to beneficiaries of the minimum inclusion income or other categories in special situations, which consist of: payment of the mandatory housing insurance; granting of community and emergency aid; access to financial support measures to promote and support the attendance of educational courses; access to available social services (the applicant is registered, ex officio, for social services);

Families/single persons entitled to minimum inclusion income, regardless of its component, are part of the category of **vulnerable consumers** defined in article 4, paragraph (1), letter a) of Law no. 226/2021²⁰³.

This law establishes the criteria for classifying families and single persons as vulnerable energy consumers and provides social protection measures for them in terms of access to energy resources to meet the essential needs of the household, in order to prevent and combat energy poverty. Persons are entitled to social protection measures for vulnerable energy consumers, namely: house heating aids granted during the cold season for the four heating systems (centralized heating, electricity, natural gas and heating with solid or liquid fuels), and energy supplement granted during the entire year. MII beneficiaries have to apply for these benefits separately.

Individualised support

For each person requesting MII registered as a person looking for a job, the territorial employment agency prepares the **individual mediation plan**, according to the Law, within a maximum period of 3 months from

the date of communication by the local public administration authorities of the list of the persons able to work.

In addition, on the date of registration of the application for the granting of MII, the person is automatically registered as an applicant for social services. The beneficiaries have access to available social services, depending on the needs identified, in order to overcome difficult situations.

The staff of the public social assistance service carry out the assessment of the persons/families entitled to MII and develop, based on the identified needs and risks, an **intervention plan**.

Recent or upcoming reforms

The reform of the MII program is implemented since 1st of January 2024, targeting the most vulnerable persons.

The indexation of the MII levels/ thresholds in order to increase the adequacy of the benefits was ensured during 2024-2025.

In the following period, the main focus of the reform will be to promote the labour market inclusion of persons who are able to work. The employment incentive measures are included in the current legislation on minimum inclusion income.

In addition to the MII scheme, the Government decided the implementation of the measure of capping prices for electricity and natural gas, until March 31, 2025, according to GEO no. 27/2022 and the extension of the measure until June 30, 2025 for electricity and until 1st of April 2026 for natural gas, according to GEO no. 6/2025. Recently, was approved the introduction of a new mechanism for household electricity consumers in order to protect the vulnerable households from energy poverty in the coming period, according to GEO no. 35/2025. The support has a monthly value of 50 lei and will be granted between July 1, 2025 and March 31, 2026. This support can also be requested by MII beneficiaries, and can be cumulated with MII rights and with the social protection measures for vulnerable energy consumers, stipulated by Law No. 226/2021.

Additional sources

<http://beneficiifamiliale.mmuncii.ro/a/risc-saracie-persoane-cu-venituri-mici/fisa-electronica-de-prezentare-a-ajutorului-de-incluziune-componenta-a-venitului-minim-de-incluziune>

²⁰³Law no. 226/2021 on the establishment of social protection measures for vulnerable energy consumers, with subsequent amendments and additions.

<http://beneficiifamiliale.mmuncii.ro/a/risc-saracie-persoane-cu-venituri-mici/fisa-electronica-de-prezentare-a-ajutorului-pentru-familia-cu-copii-componenta-a-venitului-minim-de-incluziune>

<https://www.mmanpis.ro/venitul-minim-de-incluziune-vmi/>

Sweden

Benefit	Social assistance (Ekonomiskt bistånd)		
1_Adequacy ²⁰⁴			
Adequacy		As a share of the poverty threshold	As a share of the income of a low wage-earner
	Single person:	61 % [2023]	54 % (2024)
	Couple with 2 children:	67 % [2023]	59 % (2024)
Benefit setting methodology	Yes, linked to reference basket of goods and services.		
Regular reviews and updates	Generally adjusted annually, based on a decision of the government, following changes in Swedish Consumer Price Index and other surveys.		
Split payments	Yes, in exceptional cases.		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ²⁰⁵ reaches 91 % (2024) above the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 17 % ²⁰⁶ (2023)).		
Transparent and non-discriminatory eligibility criteria	Anyone with the right to stay in the country may be eligible for social assistance. Permanent residence is not required. Applicants should be 18 years old (with exceptions).		
Application processing times	Less than 30 days is usual practice.		
Rapid complaint and appeal procedures	Appeal in front of the administrative court. No maximum timeframe.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Strict		
Targeted active labour market policies	No- MI recipients are offered the same ALMP measures as regular unemployed		
Financial incentives to work	Earnings disregards		
4_Enabling and essential services			
Access to enabling services	Childcare (free of charge), healthcare (free of charge), housing (housing costs covered by the benefit + housing allowance), social inclusion services but no targeted provision and low fees may apply		
Access to essential services	Costs are considered in MI benefits calculation		
5_Individualised support			
Multi-dimensional needs assessment	Discretionary (common practice)		
Inclusion plan	Discretionary (common practice), often in 3 months		

²⁰⁴ Information about the colour-coding is available in the Annex of Part 2 of the report.

²⁰⁵ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

²⁰⁶ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report.

Description of the national scheme

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

The social assistance scheme is tax-financed and organised at local level by municipalities and administrated by the social services. The legislative framework is however set at national level. The expenditure for 2023 amounts to SEK 10 387 million.

The National Board of Health and Welfare has a supervising role, provides guidance for the municipalities, and is responsible for national statistics on social services.

Adequacy

The social assistance should ensure the individual a reasonable standard of living. The financial social assistance consists of two parts, the livelihood support (*försörjningsstöd*) and other support for living in general (*bistånd till livsföringen i övrigt*). The minimum resource level within the livelihood support is based on a national norm (*riksnorm*) intended to cover the costs of a specific basket of goods and services, e.g., food, clothing and footwear, play and leisure, disposable articles, health and hygiene, daily newspapers and telephone. The national norm also has an individual part that depends on the size of the household; the number of children and their ages, whether children and young people eat lunch at home²⁰⁷, and whether the adults in the household are single occupants or cohabitants. The national norm is not automatically indexed but **is generally adjusted annually** based on the Swedish Consumer Agency's price and consumption surveys and according to changes in the Swedish Consumer Price Index, subject to decisions by the government.

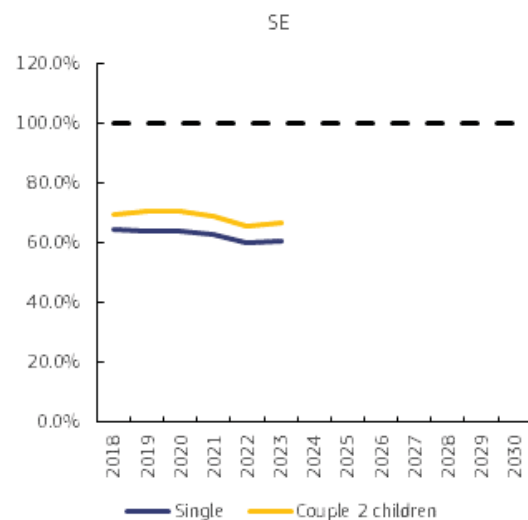
To exemplify, in 2025 the national norm for a single person without children is, SEK 5 180 (EUR 452), for a couple without children, SEK 8 450 (EUR 737), for a couple with two children (aged 4 and 8), SEK 15 880 (EUR 1 386), and a single parent with two children (aged

4 and 8), SEK 12 500 (EUR 1 091).

Complementing the national norm, the livelihood support also consists of additional support to cover reasonable costs. After an individual assessment, municipalities can provide additional support to cover the costs of accommodation, electricity, work travel, home insurance, trade union membership, and unemployment insurance fund membership. Housing costs are usually covered in full, often in combination with a separate income-tested housing benefit from the social security scheme.

Social assistance is granted for one month, after which a new application needs to be made. Generally, there is no review or adjustment to payments in between, even if circumstances change. By default, it is the household that apply for social assistance. The social services should only exceptionally provide financial assistance to one party of a household alone.

[Figure [SE].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

Anyone with the right to stay in the country may be eligible for social assistance. Permanent residence is not required. Refugees are entitled on equal terms with other residents, as long as their residence permit is

²⁰⁷ Free school lunches to all children is provided in Sweden

valid. Asylum-seekers receive a specific allowance, outside of the social assistance scheme.

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

Household income is normally calculated on the basis of incomes in the previous month and as a general rule, all the income and benefits of households, whatever their nature or origin, are taken into account in the means test. In case of taking up employment, individuals that have received social assistance for a period of six consecutive months are entitled to have 25% of earnings from work exempted (for a period of up to two years). Also, some capped amount of earnings²⁰⁸ by young people of school age during vacations are exempted. Assets are taken into consideration in the means test, if they are not regarded as essential for the household to become self-sufficient. Typical examples that could be taken into consideration are stocks or bonds, a car, a summer house, or expensive consumer electronics.²⁰⁹

According to data from the National Board of Health and Welfare, around 260 000 people received social assistance in 2023, around 2.5% of the Swedish population (2.7% of the working-age population aged 18-64). Hence, The ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 17%.. Neither official data on take-up, nor recent in-depth investigations on the issue are available.

Appeals against decisions on social assistance eligibility can be made to the administrative court.

Labour market activation

All applications for social assistance are subject to an **individual assessment**, whereby social services on a discretionary basis decide whether the applicant is

considered able to work and should participate in a labour market activation programme. In most cases, people who are fit to work are required to be registered with be registered with the Public Employment Service (PES) and actively look for work, accept available job offers, and participate in national labour market programmes or other municipal activation measures if necessary. In those cases, the applicant may qualify for activity support for unemployed, and receive social assistance as a top-up. Failure to comply with these work-related requirements may result in the **complete withdrawal or a temporary reduction** of benefits.

Local labour market activation measures are organised at municipal level and differ extensively. They may include various measures aimed at preparing recipients to participate in the active labour market policy programmes of the public employment services. Evaluations of such local programmes are scarce, but generally report weak effects on employability and self-sufficiency. Evaluations of national active labour market policies do not always make a distinction between recipients of social assistance and recipients of unemployment benefits. Sweden has the ability to distinguish between social assistance and unemployment benefits in the available data, as there are separate administrative registers for both. However, this distinction is not always made in real time or consistently reflected in the official statistics.

Work incentives

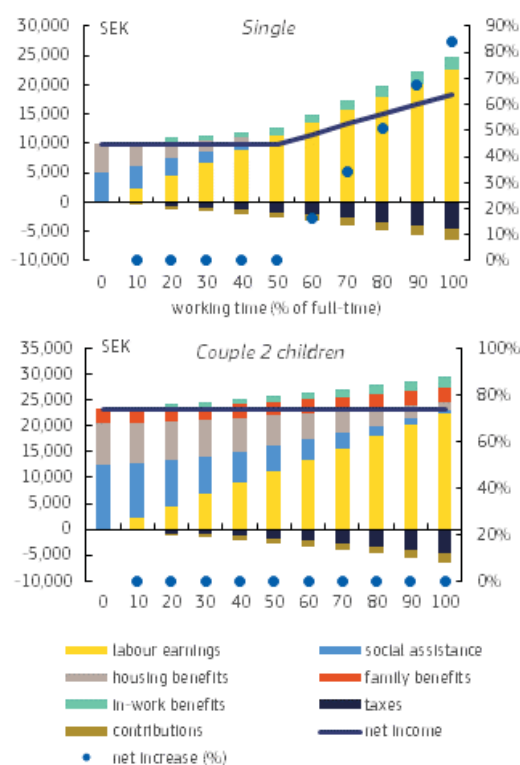
Individuals that have received social assistance for a period of six consecutive months are entitled to have 25 % of earnings from work exempted.

²⁰⁸ Annual income below one 'price base amount', which is used in the tax and social security legislation to establish various income thresholds.

²⁰⁹ According to the OECD database on asset-testing requirements for minimum income schemes, in Sweden: household appliances do

not affect eligibility or benefit amounts. However, main residence, other immovable property and vehicles affect eligibility with some exemptions. As well, land, savings and bank account assets fully affect eligibility without exemptions.

Figure [SE].2: Financial gains of moving into (part-time) employment



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 a low 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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

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

In Sweden the supply to **essential services**, as electricity and water, is generally good. As described in section 2, individuals can apply for additional support for reasonable costs as accommodation and electricity. Access to water and heating is usually part of the housing cost in rental homes and is not paid separately.

Individualised support

The social services are obliged to help people in the application process and most municipalities have special application forms, to be submitted digitally or at their offices. After the application has been submitted, the person is usually scheduled for an interview to assess the needs.

There is **no legal obligation on social services to establish an individual action plan**, but such plans are used in many municipalities. Data on the actual number of social assistance recipients receiving an individual action plan is not collected, but, according to a survey, the majority of municipalities carried out multidimensional assessments of needs and established individual action plans within three months.

Regulation for the individual needs assessment does not exist, but a multidimensional perspective is recommended by the National Board of Health and Welfare, particularly if dependency is considered to be long-lasting. Social services are recommended to perform a wider and more detailed screening of the underlying circumstances for claiming social assistance to identify appropriate support measures at an early stage and to set adequate requirements on the people concerned.

Recent or upcoming reforms

The Government is working on different proposals and measures that can help increase incentives for work and reduce long-term dependency on benefits.

The Government has also 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. The new act came into force on 1 July 2025.

Additional sources

[Ekonomiskt bistånd – handbok för socialtjänsten](#) – The National Board of Health and Welfare guidance on financial social assistance

[Riksnormen för försörjningsstöd 2025 information note on the national norm or 2025](#)

[En förebyggande socialtjänstlag - Regeringen.se](#) – a New Social Services Act

Slovenia

Benefit	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.		
1_Adequacy ²¹⁰			
Adequacy		<i>As a share of the poverty threshold</i>	<i>As a share of the income of a minimum wage-earner</i>
	<i>Single person</i>	53 %[2023]	62 % (2024)
	<i>Couple with 2 children</i>	70 %[2023]	71 % (2024)
Benefit setting methodology	Yes, based on minimum cost of living		
Regular reviews and updates	Yes, once a year, on the basis of a government act.		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ²¹¹ reaches 88 % (2024) above the EU average (83 %) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 39 % ²¹² (2024)).		
Transparent and non-discriminatory eligibility criteria	Criteria are: i) permanent residence with exception; ii) no age restriction (with exceptions); iii) ability to work for CSA/actively addressing social distress for CSA and SI.		
Application processing times	Law foresees a maximum of 2 months		
Rapid complaint and appeal procedures	Yes, appeal to the Ministry, with a decision under 2 months.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Moderate		
Targeted active labour market policies	Yes		
Financial incentives to work	In-work benefits/allowances		
4_Enabling and essential services			
Access to enabling services	Childcare (paid provision with possible reduction of fees), healthcare (costs of hospitalisation, health insurance), long-term care (exemption of payments), education and training (scholarships, subsidies), housing (rent subsidy), social inclusion services (free of charge). Access to social services is an integrated component of the scheme		
Access to essential services	Costs are considered in MI benefits calculation		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	Discretionary (common practice)		

²¹⁰ Information about the colour-coding is available in the Annex of Part 2 of the report.

²¹¹ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

²¹² This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report

Description of the national scheme

Two main minimum income support available: the **social cash assistance** (*denarna socialna pomoč*, CSA) and the **income supplement** (*varstveni dodatek*, IS) that complements it. Both benefits are non-contributory, means-tested and not taxable.

CSA acts as a final safety-net provided to persons who are unable to secure their material needs for reasons beyond their control. The purpose of CSA is to provide for minimum needs at a level which allows basic subsistence. Two types of CSA to tackle exceptional circumstances: ordinary and extraordinary - *izredna denarna socialna pomoč* (ordinary (IDP) and two other specific types). While CSA is primarily intended to provide last-resort short-term income support (several months), IS provides additional longer term financial support to cover the costs of living (e.g. maintenance of housing, replacement of durables, etc.).

All working-age people have an entitlement to CSA, while IS is available only to those who cannot be expected to improve their social situation through their own efforts.

Funding: Central Government budget. Amount of expenditure in 2024:

- for ordinary and extraordinary CSA (without two specific types of extraordinary CSA): EUR 273 076 210.11,
- for IS: EUR 59 698 066.77

Adequacy

The level is linked to the basic minimum income- BMI (*osnovni znesek minimalnega dohodka*) which is now set at EUR 484.88 and is **adjusted once a year** based on the growth of consumer prices in the previous year. The indexation is included in a government act.

The amount is adjusted in parallel with adjustments of the BMI and is determined as the difference between the sum of the amounts of minimum income (weights) for each family member and the total household income.

The weights for CSA are defined for nine basic household member types, with additional weights for working 60-128 hours or 128+ hours per month (labour allowance), and for children maintained by only one parent:

- first adult, or a single person: 1,
- first adult, or a single person, working between 60 and 128 hours per month: 1.26,
- first adult, or a single person, working more than 128 hours per month: 1.51,
- a single person aged between 18 and 26, registered with the Employment Service living at the same address as their parents, provided that the parents have means to support themselves: 0.7,
- every next adult person working less than 60 hours per month: 0.57,
- every next adult person working between 60 and 128 hours per month: 0.7,
- every next adult person working more than 128 hours per month: 0.83,
- each child of the claimant, as long as they are obliged to support these children in accordance with the rules governing their duty of maintenance: 0.59.
- increase for each child in a single-parent family if no subsistence benefits for child support are received: 0.18.

The weights for IS are defined for five basic household member types:

- single person: 1.47
- single person (permanently unemployable or incapable of work or unemployed and over 63 years women and 65 years men) who lives with persons who are not members of his family and have sufficient means of subsistence): 1.31
- if both adults are eligible for IS: 1st adult: 1.25 and 2nd adult: 1.04
- if one adult qualifies for IS: 1st adult: 1.25 and 2nd adult 0.57
- families with children, independently of the number of children in the family: 0.11.

The income eligibility threshold for entitlement to the IS is the sum of the minimum income (weights) for a single person or family, plus the relevant amount of IS.

No possibility of split payment.

Individualised support for exceptional needs (*izredna denarna socialna pomoč*):

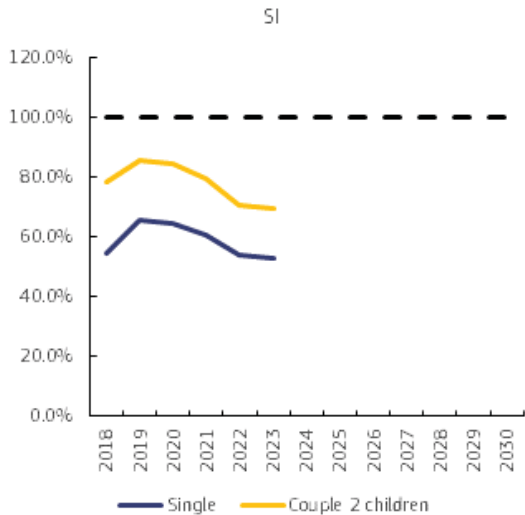
The maximum monthly benefit

- EUR 485 (BMI) for a single person who is not in employment,
- EUR 1 333 for a family of four with two school-age children and no employment.
- The maximum benefit in a calendar year:
- EUR 2 424 for a single unemployed person (five times BMI),
- EUR 6 667 for a family of four with two school-age children and no employment.

Twice the benefit level can be granted, for example, for electricity bills, to buy a washing machine, cooker, firewood, etc., but not to pay off debts.

Three times the benefit level can be granted in case of natural disasters and force majeure.

Figure [SI].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation) a linear trend towards

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

In 2024 the average number of beneficiaries of CSA was 72 000; that of IS was 25 800; and Extraordinary social assistance (IDP) 9 100. Hence, the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 39%.

Looking at the average number of beneficiaries by age (below and equal or over 65 years) and by type of

income benefice indicastes the following

Average number of beneficiaries in 2024

	Below 65 years	Equal or above 65 years
Social cash assistance	64322	5274
Income supplement	7910	900
Extraordinary social assistance	11941	9357

Main eligibility conditions

- permanent residence with exception
- no age restriction (exception: for IS for elderly, not working persons, which are not permanently unemployable or not permanently incapable for work, age restriction is 63 for women and 65 for men)
- ability to work for CSA/actively addressing social distress for CSA and IS.

Income test

Includes child benefit (without the additional amount for a one-parent family and the addition for children who are not enrolled in kindergarten, reduced of an amount that equals 20% of the child benefit amount for the first child in the first income bracket, multiplied by the number of children), old age pension and unemployment insurance, inheritances, gifts, income from agricultural and entrepreneurial activities and all wages and earnings that are subject to income tax, as well as non-taxable personal earnings. Income tax liabilities and social security contributions are subtracted from the reference incomes.

Asset test

Real estates and other assets (including financial assets, savings on current or other accounts where they do not constitute an income, company or cooperative shares and vehicles) are considered with exceptions.^{213 214}

²¹³Example: the house where the person/family resides and has permanent residence, worth up to EUR 120 000; a vehicle for personal use up to a EUR 13 576.64 and a vehicle adapted for people with disabilities; savings of up to three times the BMI for a single person, or up to three times the BMI, with a limit of EUR 2 500/year per family (for the unemployed, those permanently incapable of

working or above retirement age and not employed, savings up to EUR 2 500/year for a single person and EUR 3 500 for households with more than one person are excluded).

²¹⁴ According to the OECD database on asset-testing requirements for minimum income schemes, in Slovenia: household appliances do

Duration and continuity of access of CSA and IS: Up to 3 months for the first time and prolonged for 6 additional months (12, in special circumstances). Renewed for additional periods if the conditions remain unchanged (need to re-apply). If the beneficiary's social situation cannot be expected to improve because of age over 63 for women and over 65 for men, illness or disability, or other circumstances, CSA and IS may be granted for a maximum period of one year (need to re-apply).

For those who are assessed as permanently/fully unemployable and fulfil other specified conditions (not having properties), having a permanent incapacity for work, or being above the retirement age, CSA and SI are granted permanently. Once a year, the Centre for Social Work verify whether the persons still fulfil the conditions for entitlement to CSA or SI and issue a new decision (continuous benefit receipt as long as eligibility is maintained).

Frequency/periodicity of benefit payments: monthly.

Time to process the application for CSA and IS: On average less than 30 days (exception: if special determination procedure is required).

Appeal procedures: An appeal may be lodged within 15 days of the date of service of the decision in writing or orally on the record with the social work centre. The appeal is free of charge. The Ministry responsible for social affairs decides on an appeal against a decision of a social work centre. The appeal does not stay the execution. The appeal is usually decided within the statutory time limit, i.e. two months from the date of receipt of the appeal. Disputes against decisions of the Ministry are decided by the competent social welfare court.

Labour market activation

All unemployed CSA recipients are required to register with the Public Employment Services (PES). The first **employment plan** is prepared no later than 15 days from registration.

A recipient failing to fulfil the obligations set out in the employment plan is removed from the unemployed persons register and denied the CSA (e.g. if they refuse suitable or suitable employment, work illegally, are not

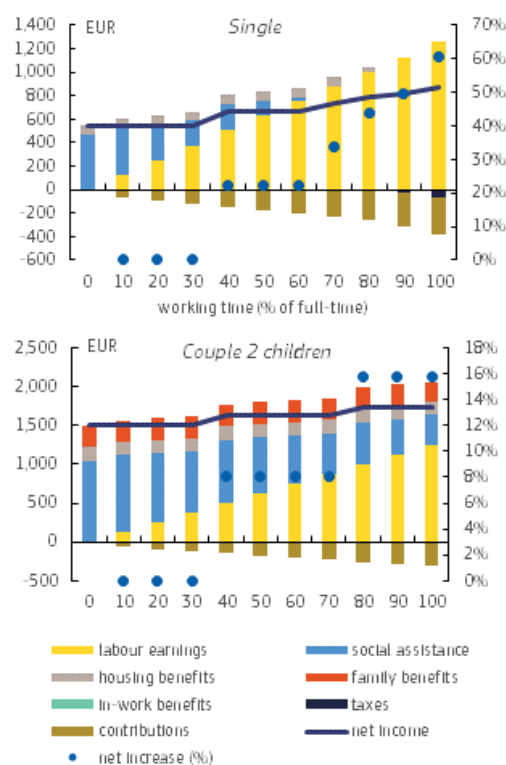
actively seeking employment, refuse to sign an employment plan).

Work incentives

Labour allowance - a supplement (increase) to the income threshold for CSA of a working adult, designed to encourage to work or maintain motivation to work. As long as the person is active/working the additional weights are:

- 0.13 BMI for second adult, working between 60 and 128 hours per month,
- 0.26 BMI for a single person, working between 60 and 128 hours per month, and for second adult, working more than 128 hours per month
- 0.51 BMI for first adult, or a single person, working more than 128 hours per month.

Figure [SI].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

not affect eligibility or benefit amounts. However, vehicles, bank account assets, savings, main residence and other immovable

property affect eligibility with some exemptions. Land affects eligibility and benefit amounts.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

Recipients have access to several enabling services:

- **social inclusion services** - in accordance with the Social Assistance Act, Social Work Centers provide first social assistance, personal assistance, assistance to the family for the home and support for victims of crime.
- **social assistance programs** complement the social assistance services and are intended for the prevention and solution of social hardships of victims of violence, addiction, mental health, homeless, children and minors deprived of adequate family life and with problems in growing up, elderly persons, disabled persons,.
- **early childhood education and care** (accessible network of kindergartens) with the right to the reductions of childcare fees,
- **healthcare** (the right to the payment of the contribution for compulsory health insurance and the right to pay a compulsory health contribution),
- **long-term care** (the right to exemption of payment of social services),
- **education** (the right to state scholarship and training, subsidies for eleveses and lunches for pupils , eleveses subsidy for students in secondary school),
- **housing** (the right to a rent subsidy and to the allocation of non-profit housing).

MI beneficiaries are, subject to meeting other legally prescribed conditions, automatically granted the above-mentioned health rights and have to apply for the rest above-mentioned rights. The rights are cumulative to MI.

MI beneficiaries are not automatically granted additional support to access **essential services**. They can receive essential services depending on their needs, like all other people in need. They can receive services such as subsidized public **transport** (discounts on buses and trains for students, pensioners) or free public transport (pensioners, European Disability Card holders, war veterans and everyone over 65 years of age), **basic bank account** (Slovenian banks must offer affordable basic accounts, even for those with low income), regulation of banking fees (caps on fees for essential banking services), **financial literacy programs** (to educate citizens about budgeting, savings, and

responsible borrowing), awarding computer equipment to the socially weakest (not only MI beneficiaries), universal **broadband access to digital communications** (Slovenia is expanding high-speed internet infrastructure to rural areas through public-private partnerships), **free public Wi-Fi** (available in many cities, libraries, and public buildings), **digital literacy programs** (training for seniors and disadvantaged groups to improve their digital skills), e-government services (online access to essential services, including healthcare, tax filing, and social benefits).

The cost of food and non-alcoholic beverages, clothing and footwear, housing, water, electricity, gas and other fuel, healthcare, transportation, communications and education are considered in the calculation of the amount of the MI benefit.

To lower the costs of living low-income households (not only MI beneficiaries) can receive Extraordinary CSA (see above) for certain extraordinary needs, housing costs (for electricity bills, to buy a washing machine, cooker, firewood, etc.).

The Slovenian government has several measures to ensure access to **energy and water** essential services (regulation of electricity and gas prices, subsidies for energy-efficient renovations, ban on disconnections for vulnerable households, energy consulting for the energy poor, a project office with regional advice points for energy poverty, providing comprehensive multidisciplinary assistance (technical, social and personal assistance) for the energy poor in one place).

Some municipalities provide additional financial assistance to socially weaker citizens to bridge the current material threat (for the payment of the most necessary living expenses (electricity, communal services, heating, etc.), to help with the purchase of firewood for heating).

In periods of economic crises or increased living costs, municipalities, in cooperation with the state, implement measures to ease the burden on vulnerable groups and families. These measures may include payments of energy supplements, food subsidies or other forms of financial assistance.

Individualised support

If someone is found to be temporarily unemployable, is moved from the unemployed persons register to the register of temporarily unemployable persons and some of them have been voluntarily referred to social activation and offered personal social assistance

services. Inclusion in a **social activation programme** is not obligatory and non-take-up does not have any consequences for CSA eligibility (target groups: beneficiaries/recipients of CSA, people registered as unemployed and inactive, people with complex social problems (inactive people are those who cannot be classified among the employed, nor even among the unemployed – e.g. housewives, who are not employed and are not actively looking for work)). The purpose of social activation programs is to strengthen the social inclusion, increase employment opportunities, raise motivation, strengthen existing and acquire new social and functional competences to effectively deal with obstacles that prevent people from vulnerable target groups from entering the labour market.

Assessment of social needs may start as soon as the person is granted CSA. In practice, social needs of selected CSA beneficiaries are assessed with priority at both individual and household level. The beneficiary may choose from among different social assistance services or public or development social assistance programmes (for example addiction treatment) and social activation programmes. An **agreement on active resolving of social problems** with centre for social work is concluded if deemed necessary.

Recent or upcoming reforms

Possible upcoming reforms to income support (the draft legal changes are being prepared):

- to regulate more frequent calculation of minimum living costs and a revision to the methodology of calculating them
- verifying the fulfilment of the conditions for continuing to receive the right to the IS by social work centers (the aim is to automate the allocation or simplify the procedure and improve accessibility).

Reforms to enabling and essential services:

- due to the abolition of voluntary supplementary health insurance and its transfer to compulsory health insurance, we have introduced a new right, to pay a compulsory health contribution, which expanded the number of beneficiaries,
- expansion of the number of beneficiaries of the right to the payment of the contribution for compulsory health insurance
- the reform of long-term care (the aim is to adequately upgrade and unify the regulation of long-term care in a way that enables its implementation in practice and offers the user a wide range of customized care services and to ensure its fiscal sustainability) - the law has already been passed and is in the phase of gradual implementation in practice; amendments are underway to facilitate the implementation of the adopted law,
- new housing legislation (construction of new public housing and renovation of existing public housing) - the draft legal changes are prepared and in coordination between ministries,
- reform of the health system (effective wide access to public health through e.g. digitalisation of healthcare, regulation of absenteeism, etc.) - the reform is taking place in stages (some laws have already been passed, some legal changes are prepared and in the parliament procedure and other are still waiting to be prepared),
- new pension legislation (age limit, contribution percentage, reference period and coordination) - the government has prepared the starting points, negotiations with social partners are underway.

Additional sources

<https://www.gov.si/podrocja/socialna-varnost/https://www.gov.si/assets/ministrstva/MDDSZ/sociala/Mesecno-porocilo-socialni-transferji-december-2024.docx>

Slovak Republic

Benefit	Assistance in material need includes: benefit in material need, protection allowance, activation allowance, allowance for dependent child, housing allowance. The qualitative analysis in the table below is mostly based on the benefit in material need.		
1_Adequacy ²¹⁵			
Adequacy		As a share of the poverty threshold	As a share of the income of a minimum wage-earner
	Single person	26 % [2023]	29% (2024)
	Couple with 2 children	40 % [2023]	38% (2024)
Benefit setting methodology	No		
Regular reviews and updates	Yes, automatic annual indexation.		
Split payments	No		
2_Coverage and take-up			
Benefit recipient rate	The benefit recipient rate ²¹⁶ reaches 91 % (2024) above the EU average (83%) (the ratio of the number of recipients of minimum income to the size of the population at risk of poverty reaches 17 % ²¹⁷ (2024)).		
Transparent and non-discriminatory eligibility criteria	Beneficiaries should be citizens of the Slovak Republic or for foreigners legally residing in the territory of the Slovak Republic in accordance with national rules. There is no age limit, the applicant must first claim other legal claims, and there are conditions related to activation.		
Application processing times	In simpler matters, without delay. In more complex matters, within 30 days.		
Rapid complaint and appeal procedures	Yes, administrative procedure. No maximum timeframe foreseen.		
Existence of national data on take-up rate	No		
3_Access to inclusive labour markets			
Activation requirements	Moderate		
Targeted active labour market policies	Yes		
Financial incentives to work	Earning disregards		
4_Enabling and essential services			
Access to social services	Childcare (free of charge), healthcare (health insurance), housing allowance, social inclusion services		
Access to essential services	Support for energy provided through the housing allowance		
5_Individualised support			
Multi-dimensional needs assessment	Yes		
Inclusion plan	No formal obligation		

²¹⁵ Information about the colour-coding is available in the Annex of Part 2 of the report.

²¹⁶ Computed as the share of working age individuals (18-64) receiving any benefits (other than old age benefits) among the population at-risk-of poverty and living in (quasi-) jobless households.

²¹⁷ This ratio is complementary information to the benefit recipient rate. Details on the computation of this ratio are provided in the Annex to part 1 of the report

Description of the national scheme

The minimum income scheme (assistance in material need) is set up to be income-tested, meaning that it is a supplementary system that supplements income to the amount of entitlement to assistance in material need of a given household.

In order to be eligible to assistance in material need, the income of household members must be below the subsistence minimum and households members should not be able to secure income or increase income by working, exercising property rights or other rights or claims to secure income or an increase in income. Material need is determined by assessing the income, assets and the possibility of exercising the legal rights of household members.

A natural person and members of the household are not in material need, even if the income of the household members does not reach the amount of the subsistence minimum, if they can ensure basic living conditions and solve material need with property or by applying claims.

Assistance in material need is provided on a monthly basis.

Assistance in material need includes:

- benefit in material need
- protection allowance
- activation allowance
- allowance for dependent child
- housing allowance.

Total expenditure on assistance in material need in 2024 amounted to EUR 143 828 460.52. The average monthly number of households receiving assistance in material need in 2024 was 61 902.

Adequacy

The **calculation** of the amount of assistance in material need is based on the difference between the sum of entitlements to the different components of assistance in material need listed above and the household's income. Assistance in material need is calculated and paid as one payment, but entitlements of less than one euro per month are not paid.

The **indexation** of the assistance in material need is linked to the indexation of subsistence minimum. The indexation of assistance in material need is made each year to 1st January current year with link of indexation of subsistence minimum to 1st July previously year.

Indexation of subsistence minimum is adjusted by the growth in the cost of living of low-income households (CPI - low-income houses).

The amounts of **benefit in material need** are:

- EUR 86.50 per month for an individual
- EUR 164.50 per month for an individual with a child or with maximum four children
- EUR 150.30 per month for a childless couple
- EUR 224.90 per month for a couple with a child or with maximum four children
- EUR 240.20 per month for an individual with more than four children
- EUR 303.20 per month for couples with more than four children.

The amount of **protective allowance** for each member of the household is EUR 86.80 per month.

The amount of **activation allowance** for each member of the household is EUR 86.80 per month.

The amount of **allowance for dependent child** for each child (ages 6-15) is EUR 24.20 per month.

The amount of the **housing allowance** is:

- EUR 97.00 per month for a household with one member and
- EUR 164.70 per month for a household with two household members,
- EUR 209.00 per month for a household with three members of the household,
- EUR 253.30 per month for a household with four household members,

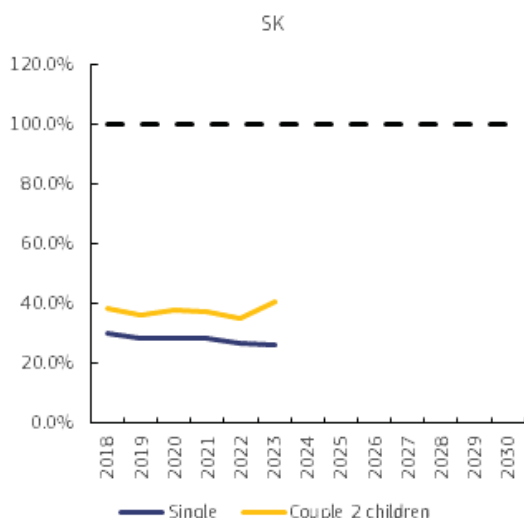
- EUR 297.40 per month for a household with more than four household members.

Subsistence minimum is per month

- First adult EUR 273.99,
- Second adult EUR 191.14,
- Child EUR 122.77.

For households with children, the automatic "child benefit" is not counted as income for the purposes of assessing and providing assistance in material need, meaning that it supplements the minimum assistance scheme. Child benefit is EUR 60 per child per month (no indexation).

Figure [SK].1: Distance from the AROP threshold



Note: equivalised disposable income of jobless households (single person, couple with two children) receiving social assistance, as % of AROP threshold. A line is also shown at 100% of the AROP threshold (which is one of the options foreseen as a reference to be achieved by 2030 in the Council Recommendation)

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Coverage and take-up

The main conditions for the benefit have been explained in Section on adequacy.²¹⁸ Regarding the eligibility conditions to individual allowances, they have their own eligibility criteria.

Before claiming assistance in material need, claimants should exercise their rights to other benefits providing basic living conditions, such as alimony, compensation income for temporary incapacity, sickness insurance, pension insurance, accident insurance, etc.

The right to assistance in material need is exercised by submitting a written application to the Office of Labor, Social Affairs and Family according to the citizen's place of permanent residence or by submitting an application by electronic means signed with a guaranteed electronic signature. In simple cases, especially if a decision can be made on the basis of submitted documents, the administrative authority shall decide without delay. In other cases the administrative authority shall be obliged to decide on the matter within 30 days from the commencement of the proceedings.

If the recipient is not satisfied with the amount of assistance in material need paid, he or she may appeal against the received payment within 15 days of receiving it at the relevant office of labour, social affair and family.

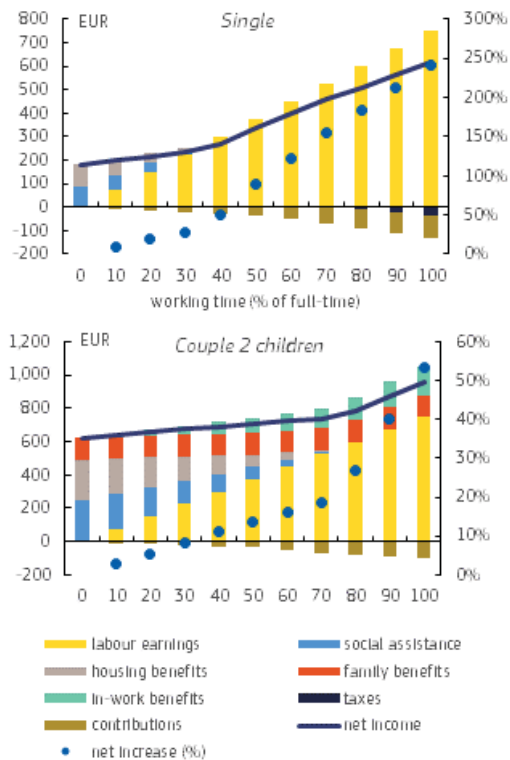
The ratio of the number of recipients of minimum income to the size of the population at risk of poverty reached 17%.

²¹⁸ According to the OECD database on asset-testing requirements for minimum income schemes, in Slovakia: household appliances and main residence and land do not affect eligibility or benefit amounts. However, vehicles, savings and bank account assets affect eligibility with some exemptions. Other immovable property cause ineligibility.

Labour market activation

The conditions for job search and participation in active labour markets are intended primarily for job seekers. This means that if a recipient of material need assistance is a job seeker, he/she must meet the conditions as a job seeker. If a job seeker improves his qualifications through education for better employment on the labour market, participates in active labour market measures, he /she may be entitled to an activation allowance.

Figure [SK].2: Financial gains of moving into (part-time) employment



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. The charts concern the income year 2024.

Source: Own calculations based on output from the OECD tax-benefit model (version 2.6.3).

Enabling and essential services

MI benefit recipients have access to support services including social services, healthcare, social work and employment services.

Recipients of material assistance have access to social services if they are in social need within the meaning of the Social Services Act. An unfavourable social situation is defined as a threat to a natural person by social exclusion or a limitation of their ability to integrate socially and independently solve their problems

- due to the fact that they do not have the necessary conditions to satisfy their basic needs,
- due to their lifestyle, addiction to addictive substances or addictive harmful activities,
- due to the threat to their development due to their disability, if it is a child under seven years of age,
- due to severe disability or adverse health condition,
- due to the fact that they have reached the age required for entitlement to an old-age pension,
- due to the performance of care for a natural person with severe disability,
- due to the threat of the behaviour of other natural persons or, if they have become a victim of the behaviour of other natural persons, or

- h) due to remaining in a spatially segregated location with the presence of concentrated and generationally reproduced poverty,
- i) due to the loss of housing or the threat of the loss housing.

In the event of inability to pay the costs of electricity or gas, the household consumer is informed to contact the relevant office of labour, social affairs and family and request assistance in material need (which also includes a housing allowance intended to partially cover the costs associated with housing).

Individualised support

In the case of resolving the social situation of recipients of material assistance, the facts necessary for assessing the entitlement to material assistance are verified at the place of residence of the applicant for material assistance or recipient, cooperation is also carried out with the local government in connection with the completion of the necessary information needed for assessing the entitlement to material assistance. On the other hand, the office informs the applicant or recipient of assistance in material need, or members of the applicant's or recipient's household, about the possibilities for resolving material assistance, whether by providing advice, e.g. in cooperation with debt counselling centres, mediation, or cooperation with other departments within the office, for example with employment services or with other institutions, such as schools, non-profit organizations, social services facilities, and healthcare.

Recent or upcoming reforms

In 2025, an amendment was adopted, which adjusts some of the conditions for the right to aid in material need, introduces motivational support measures, either by more favourable income accounting, by increasing the activation contribution in the case of household members who are employed or have been employed. The amendment entered into force on 1 September 2025.

Additional sources

<https://www.employment.gov.sk/sk/rodina-socialna-pomoc/hmotna-nudza/>

[https://www.upsvr.gov.sk/socialne-veci-a-rodina/socialne-veci/pomoc-v-hmotnej-nudzi-nahradne-vyzivne-statne-socialne-davky-a-dotacie-pre-deti/pomoc-v-hmotnej-nudzi.html?page_id=964362,](https://www.upsvr.gov.sk/socialne-veci-a-rodina/socialne-veci/pomoc-v-hmotnej-nudzi-nahradne-vyzivne-statne-socialne-davky-a-dotacie-pre-deti/pomoc-v-hmotnej-nudzi.html?page_id=964362)

<https://www.employment.gov.sk/sk/uvodna-stranka/informacie-media/aktuality/praca-namiesto-davok-praxi-minister-prace-predstavil-pilotny-projekt-cistenia-vodnych-tokov.html>

<https://www.employment.gov.sk/sk/uvodna-stranka/informacie-media/aktuality/spustame-legislativny-proces-zavedenie-prace-namiesto-davok.html>

Annex: Colour-coding in first page tables on the country profiles

The first page tables of the country profiles give a quick overview of the implementation of the main provisions of the Council Recommendation in each Member States. They mirror the “snapshot tables” presented in Part 1 of the report. This Annex recalls the justifications for the colour-coding of each row of the tables, as presented in Part 1 of the report.

1_Adequacy			
Benefit setting methodology	Member State does not have a clear methodology to set the level of the minimum income benefit.		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).
Regular reviews and updates	Member State without periodic review or indexation.		Member State with periodic review and/or indexation.
Split payments	Member State does not provide the possibility to request split payments.		Member States provides the possibility to request split payments.
2_Coverage and take-up			
Transparent and non-discriminatory eligibility criteria	Member State's age and residence criteria are non-transparent and/or very	Member State's age and residence criteria are transparent and somewhat discriminatory.	Member States has transparent and non-discriminatory age and residence criteria. ²¹⁹

²¹⁹ 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.

	discriminatory, or the benefit only covers selected groups.		
Application processing times	There is no limit or the limit is set at more than 30 days.	It is usual practice that the application granting takes less than 30 days.	The law or a procedure sets out that the application granting should take less than 30 days.
Rapid complaint and appeal procedures		A procedure is in place, but it takes more than 30 days or there is no foreseen timeframe.	There are rapid procedures in place (maximum 30 days).
Existence of national data on take-up rate	There is no data on the non-take-up of minimum income benefits	There is data on the non-take-up of minimum income benefits, but it is not recent.	There is recent national data on the non-take-up of minimum income benefits.
3_Access to inclusive labour markets			
Activation requirements	Strict activation requirements. This might include, in case of non-compliance, immediate deprivation of MI benefits and deregistration from PES as well as an obligation to accept whatever quality job, even public works.	Moderate activation requirements. 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.	Graduate and proportionate activation requirements. 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.
Targeted active labour market policies	Active labour market policies are not targeted to minimum income recipients and/or vulnerable groups.		Active labour market policies are targeted to minimum income recipients and/or vulnerable groups.

Financial incentives to work	Low financial incentives to work.		Higher financial incentives to work.
4_ Enabling and essential services			
Access to enabling services		Member States, where minimum income recipients may pay some fees and/or no targeted provision of the services.	Member States, where access to enabling services is granted free of charge and/or access to services is an integrated component of minimum income schemes.
Access to essential services		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.	Member States, where minimum income recipients are automatically granted additional support to access essential services, or the cost of these services is explicitly considered in the calculation of the amount of the minimum income benefit.
5_ Individualised support			
Multi-dimensional needs assessment		Member States, where it is a usual practice to carry out a multi-dimensional needs assessment but there is no formal obligation.	Member States with a formal obligation to carry out a multi-dimensional needs assessment.

Inclusion plan	Inclusion plans are not carried out.	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.	Member State, where there is a formal obligation to conclude an inclusion plan in less than three months.
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