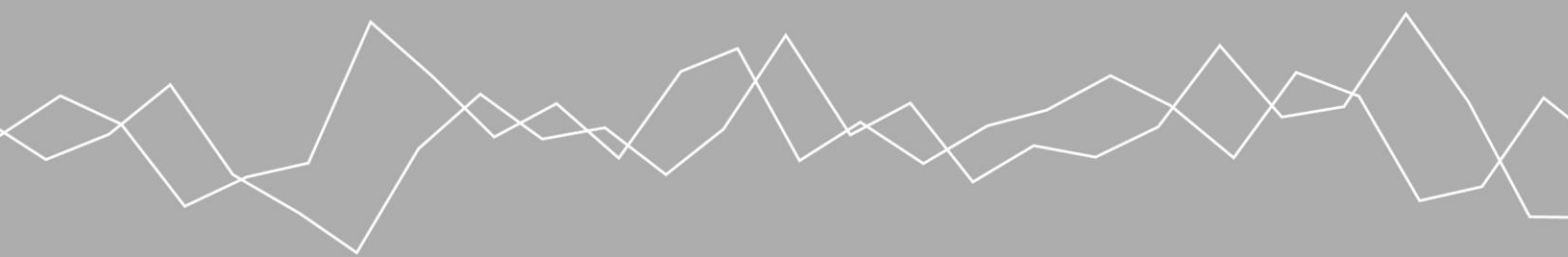


Social assistance and minimum income benefits



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A comparison between five European countries

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Abstract

This study describes and compares minimum income schemes in five European countries: Belgium (Flanders), Denmark, France, Germany, and the United Kingdom. It considers minimum income schemes aimed at three groups: persons of working age, pensioners, and households with children. We describe the structure of the minimum income schemes in these countries, their shares of recipients, and their non-take-up. Furthermore, we reconstruct the effective minimum income level that these minimum income schemes provide. We find that in addition to the base minimum income transfers, all studied countries provide supplementary transfers, such as housing, healthcare or child benefits. The designs of both the base income transfers and supplementary benefits differ a lot between the five countries. The German system stands out as relatively simple. The net monthly minimum income for persons of working age and families with children is typically between 40 and 60 percent of the net median income, and higher for pensioners than for persons of working age. Germany is the exception, with higher minimum income levels for families with children and similar levels for pensioners. The shares of recipients of social assistance range from 2 to 10 percent, which can be partly explained by differences in the structure and eligibility of the minimum income scheme. We find substantial non-take-up rates. Automatic eligibility determination (Flanders, and Denmark and Germany, for some benefits) or a combined efficient application for social benefits (UK) can reduce non-take-up.

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1 Introduction

This paper describes and compares both the institutional and the effective social minimum in five European countries: Belgium (Flanders), Denmark, Germany, France, and the United Kingdom. The institutional and effective social minimum may differ as a result of social assistance and supplementary benefits targeted at specific low-income groups and/or targeted at specific costs such as housing or healthcare. European welfare states typically have devised intricate systems of such supplementary benefits. As a result, the effective minimum income level is differentiated between groups according to age, household composition, and sometimes also location and housing.

The countries Belgium, Denmark, Germany, France, and the United Kingdom were selected because they span a broad scope of relevant policy options for the social minimum. These countries differ in the targeting of their system (universal versus specific), conditionality (the extent to which conditions are attached to receiving support), and modality (the form of support: cash, vouchers, or in-kind). Moreover, there is sufficient accessible study material available for these countries.

Our main research questions are:

- What package of policy instruments do countries use for the income protection of households with little or no other income sources?
- What is their effective minimum income level, for different groups?
- How many persons or households make use of minimum income benefits?
- How much non-take-up of minimum income benefits is there and which factors contribute to non-take-up?

To answer these research questions, we use relevant studies and data sources on social security for minimum households in the five countries. These sources are selected based on the quality and reliability of the data and studies. Furthermore, we reconstruct the effective minimum income level for a set of standard households, including people of working age, households with children, and the elderly.

The comparison of five countries sheds light on the relative performance of the different social security systems. Important lessons can be derived for the optimal design of an integrated social assistance and supplementary benefits system. The optimal design depends amongst others on efficient targeting to households who are in need most, and effective carrot-and-stick policies to stimulate paid work.

This paper adds to the earlier literature by going into the institutional detail more precisely, constructing the effective minimum income levels, comparing these effective minimum income levels between subgroups, and relating policy inputs (structure, benefit amounts) to effective targeting (share of recipients, non-take-up) of minimum income benefits. The construction of effective minimum income levels has been done before for Belgium (Frederickx et al., 2021). Earlier international comparison studies on minimum income schemes have focused on the trade-off between work disincentives and fiscal spending (Coady et al., 2021), the adequacy, coverage, and effectiveness of minimum income schemes in Europe (Frazer & Marlier, 2016), the designs, effectiveness, and policy challenges of minimum income benefits in OECD countries (Immervoll, 2009), and

income support targeted specifically at single parents (Aerts et al., 2022) or pensioners (OECD, 2021).

We start our paper by providing an operational definition of minimum income, giving a brief overview of the data sources used, and explaining the methodology used for reconstructing the effective minimum income (Section 2). Subsequently, we describe the relevant policy instruments which define minimum income schemes in the five countries (Section 3). We then present the effective minimum income level for different groups (Section 4), the differentiation of the minimum income level in the five countries (Section 5), the actual use of minimum income schemes (Section 6), and non-take-up (Section 7). Note that these sections describe the main results, and that more detailed information is provided in a series of appendixes. The discussion and conclusion (Section 8) describe our main findings, and their interpretation.

2 Methodology

In this section, we start by giving a definition of minimum income. This definition is the basis for the selection of relevant regulations. We then briefly describe how an overview of these regulations in each country is constructed, and how the effective net minimum income is calculated in each country.

2.1 Definition of minimum income

The underlying idea of a ‘minimum income’ is that it should be sufficient for individuals or families to meet their base living costs. Among the countries examined in this study, only Flanders provides a clear definition of minimum income. The other four countries lack a precise definition. In Flanders, municipalities evaluate the adequacy of the minimum income based on so-called reference budgets, which are differentiated per municipality.

For the purpose of this study, we consider the country-specific minimum incomes that are effectively in place through a combination of social welfare benefits and statutory provisions. To be precise, we define the minimum income as *the total amount of transfers that a household with little or no other income sources is entitled to receive*. We include all benefits accessible to individuals or households with little to no primary income. Transfers that are universally provided to households, such as child allowance, are also taken into consideration.

There are some limitations to the statutory provisions incorporated in our analysis. We omit instruments aimed at ‘very specific groups’, such as the French asylum seeker benefit and subsidies for the homeless’ accommodations. We also do not take into account student grants. In principle, in-kind benefits are also not taken into account. We do, however, take into account the housing benefit or takeover of housing and electricity costs, as is the case in France and Germany. These arrangements allow payments to be made directly to the landlord and effectively reduce the rent burden for eligible recipients. This direct payment to the landlord is only applied in very specific situations and the monetary value of these benefits is readily available. Finally, we do not take into account one-time payments, for example birth grants, but only use policy instruments that consistently contribute to the income level of the lowest income households.

2.2 Sources

We describe the minimum income schemes in Denmark, Flanders (Belgium)¹, France, Germany, and the United Kingdom (UK), based on a review of government and legal documentation, government-commissioned reports, scientific papers, and statistical data sources.

¹ The regions of Brussels, Wallonia, and Flanders each have different minimum income benefits. We focus on the minimum income benefits in Flanders.

For an overview of the minimum income benefits, we consult EUROMOD Country Reports, Social Security Reports by the European Commission, and OECD TaxBen Country Reports. We complement this overview with more detailed information on the minimum income schemes obtained from government and legal documents specific to each country.

In order to define the shares of recipients of the minimum income schemes in each country, we calculate the shares of people receiving the different benefits. Information on the number of recipients is sourced from local statistical databases, such as Statistics Denmark and DeStatis. The shares are our own calculations based on the number of recipients and the relevant population group.

Information on non-take-up of the different minimum income benefits is obtained both from studies commissioned by the governments and from the academic literature. This information is either based on register data or survey data. For some benefits, the estimates of non-take-up are scarce. Therefore, we also include estimates with limited external validity, as they only focus on a specific subgroup of the eligible population. We also include estimates with a limited internal validity related to the quality of sampling procedures. In our overview, we make explicit which take-up estimates have lower internal or external validity and what this implies for their interpretation. Sources for take-up rates are provided for validation. Note that in some cases, when benefits are paid out automatically without having to apply, non-take-up is assumed to be (virtually) zero.

2.3 Construction of minimum income

We construct the monthly net minimum income in Denmark, Flanders (Belgium), France, Germany, and the UK, being defined as the total net income from all available benefits to an individual or household with zero primary income. We both present minimum income as an absolute number, and as an equivalized share of the equivalized median income in each country.

This minimum income is determined by adding up all available gross minimum income benefits, while deducting income taxes. Benefits that are transferred quarterly or yearly instead of monthly, are divided by three or twelve, respectively, in order to represent a monthly value. We present all minimum income levels in euros. We equivalize the net monthly minimum income levels for all households using the equivalence factors from the OECD-modified scale.² Then we divide these equivalized levels by the equivalized median income of each country, in order to increase comparability between countries and household types.

We construct the monthly net minimum income in each country for six standard households: single persons, couples, single parents, couples with children, single pensioners and pensioner couples. We assume that all households have been living in their home country for their entire life. We assume that all households have no labor income, no assets, and no work history. The only exception is Denmark, where we assume that they meet the required minimum work history for social assistance eligibility. Additionally, we assume that all people in the households are not disabled. The adults in the single person and couple household are assumed to be forty years old (Table 1). Pensioners are assumed to have reached the relevant retirement age and still live independently.

² See the OECD-website, <https://www.oecd.org/els/soc/OECD-Note-EquivalenceScales.pdf>.

For countries with a non-contributory first pillar pension we assume that pensioners have a full-build up. We assume that the pensioners do not have any dependent children. Children are assumed to be of age six and ten. We assume that all children are in school at the level corresponding to their respective age. In Section 5.1, we show how the minimum income varies by the number and age of the children. In the case of a single parent, we assume that the other parent still contributes financially to the livelihood of the children, so that there is no additional right to support because of lack of alimony. However, we do not take alimony into account when calculating the minimum income level.

For comparability, we assume that all households in each country live in a similar home in terms of rental price and size. In our main specification, we assume that households live in the capital city, in a rental home of 90 square meters with three bedrooms and a rental price of 750 euros per month. In the case of Flanders, we assume that the households live in Leuven. In Section 5.2, we show how the minimum income level varies with other assumptions regarding the rent or location of the house. Furthermore, we assume that this is a regular private-market rental home and not provided through social or public housing. Finally, we assume that the apartment meets possible quality requirements to be eligible for housing benefits.

Table 1. Household assumptions

	Household composition	Age	Other
Working-age population	Single	40	
	Couple	40, 40	
Pensioner	Single	Pension age	Live independently, do not have any dependent children.
	Couple	Both pension age	Live independently, do not have any dependent children.
Family with children	Single with two children	6, 10, 40	Children are in school, other parent contributes financially.
	Couple with two children	6, 10, 40, 40	Children are in school.

Note. All households are assumed to have no labor income, no assets, and no work history (except in Denmark, where they meet the required minimum work history for social assistance eligibility). We also assume that household members are not disabled. All households live in a rental house of 90 square meters with three bedrooms and a rental price of 750 euros per month.

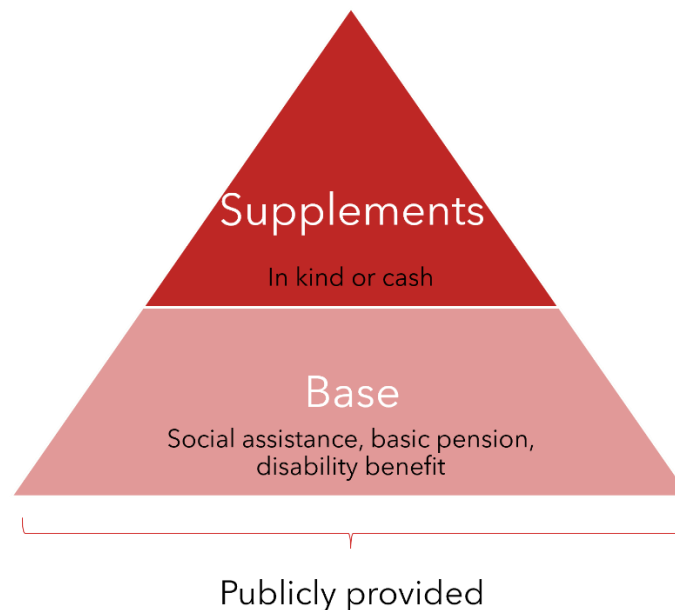
3 Characterization of minimum income schemes

We give an overview of the most important similarities and differences between the minimum income schemes in Denmark, Flanders (Belgium), France, Germany and the UK. A description of all considered policy instruments is given in Appendix A. We start this section by discussing the general structure of the minimum income benefits, followed by a more detailed description of the policy instruments, their eligibility criteria, and their activation features.

3.1 General structure

All five countries under examination exhibit similarities in the structure of their minimum income schemes. The minimum income benefits can be divided into two broad categories; base minimum income benefits and supplementary benefits (Figure 1). Base minimum income benefits are generally targeted towards households in the lowest end of the income distribution. Supplementary benefits, on the other hand, are granted in addition to base social assistance or other income sources, with the aim of targeting more specific groups or covering specific expenses. Supplementary benefits are often available to a larger group than just social assistance recipients.

Figure 1. Graphical representation of general structure of minimum income benefits



Note. The distinction between base minimum income benefits and supplementary benefits is not always clear. Base minimum income benefits are generally more broadly accessible and are solely provided to individuals in the lowest end of the income distribution. Supplementary benefits, on the other hand, are granted in addition to base minimum income benefits or other income sources, with the aim of targeting specific groups or covering specific expenses. These supplementary benefits are available to a larger proportion of the income distribution.

The distinction between base minimum income benefits and supplementary benefits is not always strict. Base minimum income benefits can to a certain degree be differentiated (e.g. according to household composition) and supplementary benefits are sometimes more specifically targeted than in other cases. Germany stands out as an exception where the distinction is very strict, as households in Germany receive either base social assistance, a minimum pension or disability benefits (automatically including the takeover of housing and energy costs) or supplementary benefits, such as housing or child benefits. So in Germany, combining base minimum income benefits and supplementary benefits is not possible.

3.2 Base minimum income benefits

The primary purpose of a base minimum income benefit is to ensure a guaranteed minimum income for households in either the working-age or pension-age. Such a minimum benefit is typically designed to be broadly accessible, targeting households who do not receive income from employment or wealth. A base minimum income benefit typically decreases rapidly as primary income increases. Consequently, and as expected, base minimum income benefits primarily cover individuals situated at the lowest end of the income distribution.

This subsection discusses the available base minimum income benefits in Denmark, Flanders, France, Germany, and the UK. We discuss the base benefits separately for people of working age, for families with children, and for pensioners. A corresponding overview of base benefits is given in the second column of Table 2.

3.2.1 Persons of working age

All five countries offer social assistance to individuals of working age. Most countries have a different base benefit scheme for (partially) disabled persons. Only in the UK the disability benefit is not a separate base benefit, but granted as a supplement on top of social assistance. Moreover, Flanders and Denmark offer an integration benefit for individuals or households who do not meet the residence requirements of social assistance.³

With the exception of Denmark, social assistance is allocated at the household level and the level is determined by the income and composition of the household. In Denmark, social assistance is provided to individuals and irrespective of whether the recipient is single or part of a couple. Having children is, however, taken into account to determine the level of the benefit.

³ See Section 3.2.4 for more information on the residence requirements.

Table 2. Types of base and supplementary benefits

	Base benefits	Supplementary benefits
<i>Working-age population</i>		
Denmark	Social assistance, disability benefit, integration allowance	Free general healthcare (in kind), two housing benefits. [a]
Flanders	Social assistance, disability benefit, integration allowance	Healthcare benefit, housing benefit, social rates for gas, water, electricity, and telecommunication (earmarked), extra locally provided assistance. [b]
France	Social assistance, disability benefit	Free health insurance (earmarked), three housing benefits, activity bonus. [c]
Germany	Social assistance, disability benefit ^a	Free health insurance (earmarked), housing benefit, takeover of housing and energy costs (in kind). [d]
UK	Social assistance	Disability allowance, free general healthcare (in kind), housing benefit, discounts on public transport and energy costs (earmarked), extra locally provided assistance. [e]
<i>Families with children</i>		
Denmark	Increased social assistance	In addition to [a]: General child benefit, special child benefit.
Flanders	Increased social assistance	In addition to [b]: Child allowance, child benefit, school bonus.
France	Increased social assistance	In addition to [c]: Multiple child benefits, school benefit.
Germany	Increased social assistance	In addition to [d]: Child allowance, child benefit.
UK	Increased social assistance	In addition to [e]: Child benefit, childcare allowance.
<i>Senior citizens</i>		
Denmark	First pillar pension (non-contributory)	Free general healthcare (in kind), extra free healthcare for elderly (in kind), healthcare allowance (earmarked), housing allowance for pensioners, pension supplements.
Flanders	Minimum pension	Same as [b].
France	Minimum pension	Same as [c].
Germany	Minimum pension	Same as [d].
UK	First pillar pension (non-contributory ^b), minimum pension	In addition to [e]: extra assistance, such as cold weather payments and TV subscriptions.

Note. The table includes the most important minimum income benefit schemes. It does not provide an exhaustive list, and most countries offer additional small allowances or in-kind benefits to specific groups. In all countries, families with children are also eligible for benefits aimed at the working-age population or pensioners, based on the parents' age. Supplementary benefits are benefits that can be received on top of the base benefits or on top of other sources of income.

^a Individuals in Germany receive either social assistance or a disability benefit, or the different allowances. Social assistance and the disability benefit cannot be combined with housing and family allowances. Social assistance and the disability benefit include the takeover of housing and energy costs.

^b The first pillar pension system in the UK is technically contributory, as pension credits accumulate by paying National Insurance contributions, but individuals who receive social assistance (Universal Credit) also accumulate pension credits.

Across all five countries, spousal earnings are considered when assessing eligibility for social assistance. In France, all income of all household members is taken into account. In Flanders, income of adult children or family members in the first degree may be taken into account, but the municipality decides if and how these incomes are taken into account.

Compared to the other countries, Denmark stands out with significant differentiation in the amount of social assistance based on household characteristics such as age of the applicant,

education, and being the breadwinner (Appendix A.1.1). When someone in Denmark applies for social assistance, a distinction is made between applicants younger and older than thirty years. For applicants younger than thirty years old, further differentiation is made between those with and without completed education. In general, the amount of social assistance is higher for applicants who completed education. Furthermore, for applicants younger than thirty years old, additional differentiations are made based on age (younger than 25), living independently, taking care of children, pregnancy, and mental health. For applicants older than thirty years, differentiation is solely based on breadwinnership. The amount of assistance is higher for applicants who are primary earners.

In the UK the amount of social assistance also depends on the age of the applicant, but not on any other distinctions made in Denmark. For applicants under 25 years of age, the amounts are lower than for applicants above 25. Flanders, France and Germany do not differentiate the amount of social assistance according to age, education or breadwinnership.

3.2.2 Children

All countries offer higher social assistance benefits for households with children. In Flanders and Denmark, the increase is independent of the actual family size; the presence of children is the only criterion. In the UK the amount of social assistance only increases up until two children. France and Germany, on the other hand, provide an additional amount for every child. In France, the additional amount per child is independent of the age of the children, but differs for the first, second and third child. From the fourth child onward, the additional amount remains unchanged and equal to the additional amount given to the third child. In Germany the additional amount rises in correspondence with the age of the children and remains constant as the number of children increases. The amounts of social assistance for different household types can be found in Appendix A.

3.2.3 Senior citizens

In Denmark and the UK, non-contributory first-pillar pension systems are in place, wherein the primary criterion for eligibility is legal residency. Individuals must reside in Denmark for 40 years and in the UK for 35 years to qualify for a full first pillar pension. This implies that the build-up is 2.5 percent per year in Denmark and roughly 2.86 percent per year in the UK. The first pillar pensions in Denmark and the UK are paid on an individual level. In the UK, the amount of the first-pillar pension is the same for everyone who has reached the full build-up requirement. However, in Denmark, a part of the first-pillar pension is income-dependent: a higher current primary income leads to lower first-pillar pension income. In the UK, if the number of contribution years falls short, individuals are eligible for a minimum pension, which provides an income benefit nearly equivalent to the first pillar pension (for the eligibility requirements see Section 3.4.2 and Appendix C). Denmark, in contrast, does not provide such a safety net for individuals with insufficient contribution years.

On the other hand, Flanders, France, and Germany have contributory first pillar pension systems, which exclude individuals who received a minimum income benefit during their (entire) working age. In addition, these countries have established minimum pensions with requirements similar to

social assistance. The minimum pensions are determined and granted based on a household's current income. In Flanders and France, the amounts provided are higher than those of social assistance for households with zero income. In Germany the amounts are exactly the same.

3.3 Supplementary benefits

Supplementary benefits are provided in addition to base minimum income benefits, the only exception being Germany where households can either opt for social assistance or supplementary benefits. These supplementary benefits are also accessible to individuals or households not receiving base minimum income benefits, aiming to augment their labor or pension income. Typically, the benefits are targeted towards specific groups such as households with children, or intended to cover specific costs such as housing and healthcare costs. Generally, the supplementary benefits aimed at the working-age population can also be received by families with children, and the benefits aimed at families with children can also be received by pensioners with children.

This section discusses the available supplementary benefits in Denmark, Flanders, France, Germany, and the UK. Again, we discuss the supplements separately for people of working age, for families with children, and for pensioners, corresponding with the third column of Table 2.

3.3.1 Persons of working age

In all countries, minimum income households receive either in-kind or financial compensation to assist with the costs of (base) rent. The housing benefit is always dependent on the rent price⁴, the household size and the household income. In Denmark, Germany⁵, and the UK, the amount also varies with the size of the living area.

Germany has two different schemes for financial compensation to assist with housing cost. We primarily examine the scheme that encompasses the takeover of housing costs for all households receiving social assistance. The second scheme in Germany is designed to provide housing benefits specifically to low-income households that do not rely on social assistance. Denmark and Flanders also have two different schemes for housing benefits. In Denmark, the standard housing benefit is supplemented with the 'special' housing benefit when households receive social assistance and the rent exceeds a threshold determined by the household's size and type. In such instances, the special housing benefit covers all the cost above the threshold. In Flanders, there is a prescribed threshold for the standard housing benefit, beyond which the eligibility ceases entirely. Nevertheless, if households have been on the waiting list for social housing for a minimum of four years, but are still residing in a house with a rent that exceeds the maximum limit, they become exempt from the maximum rent criteria and get the 'special' housing benefit.

In several countries, low-income households may also receive additional compensations for gas, water, and electricity expenses. Flanders, Germany, France, and the United Kingdom provide such compensations. In France, however, this compensation consists of a fixed amount and is not based

⁴ In Flanders the rent price only matters for eligibility and not for the benefit amount.

⁵ Only the take-over of housing costs depends on living area in Germany, the other housing benefit does not.

on the actual costs of gas, water and electricity. Flanders offers social tariffs for gas, water and electricity. In Germany, households receiving social assistance, and thus the take-over of housing cost, have their electricity costs covered up to a maximum amount determined by household size, heating type, and living area size. Households making use of the other housing benefit in Germany are not covered for gas, water, and electricity expenses. In the UK, municipalities receive government funding to implement local anti-poverty policies, and some municipalities allocate this funding to provide compensation for energy costs.

In all of the studied countries, there are additional measures in place to subsidize healthcare costs through healthcare benefits, although the specific implementation methods differ greatly between countries. For instance, Germany and France provide free base health insurance coverage to their residents. Denmark and the UK offer free (base) healthcare services for (low-income) households. In Flanders, individuals receiving social assistance are generally required to contribute 25 percent of healthcare costs as co-payment. However, this percentage can be further reduced based on specific income circumstances. Furthermore, there exists a maximum annual amount that a household has to pay out of pocket for medical expenses, and this maximum amount increases proportionally with income levels.

3.3.2 Children

All of the countries included in this study have provisions for additional allowances and benefits specifically targeted towards families with children. The types of regulations and eligibility criteria vary across countries. Flanders and Germany have a child allowance, which is an amount given to parents, irrespective of their financial situation. Additionally, both countries have a child benefit which gradually decreases as income increases. In Germany, the child allowance is added to social assistance, but the child benefit cannot be received simultaneously with social assistance. Denmark, France and the UK also have child benefits, which have more generous eligibility criteria compared to the child benefits in Flanders and Germany. In France, the child benefit decreases with income but never reaches zero. In Denmark and the UK the child benefit only reaches zero at a (very) high income levels.⁶

Additionally, many countries have implemented in-kind or earmarked policy instruments for children. For instance, Germany and the UK provide provisions for food and school activities. These are not taken into account in this paper (see Section 2).

3.3.3 Senior citizens

In Flanders, France, Germany, and the UK, pensioners are entitled to the same supplements as people of working age.⁷ In France and Germany, these are the only available supplements to pensioners, while Flanders and the UK also offer additional supplements that are specifically aimed at pensioners. In Flanders, additional assistance is provided to elderly individuals with minimum income through the municipality. In the UK, there are two additional benefits specifically for the

⁶ In Denmark the child benefit only starts to decrease with annual income above 107.653 euros and in the UK the child benefit is roughly zero with an annual income of 53.000 euros.

⁷ With the exception of slightly different housing benefit scheme for pensioners compared to individuals of working age in the UK.

elderly; cold weather payment and a TV subscription. In Germany, similar to social assistance, it is not possible to combine the supplements for pensioners with the minimum pension benefit.

In Denmark, pensioners are not eligible for the supplements available to individuals of working age, except for the child benefits. Instead, Denmark offers different benefits to minimum income pensioners. Denmark has a different housing benefit for pensioners, which is more generous compared to the housing benefit for individuals in the working age. Additionally, they provide an exclusive healthcare benefit for pensioners on top of base healthcare coverage. Furthermore, low-income pensioners receive a personal supplement in addition to the first pillar pension. Denmark also offers supplements for television and heating expenses.

3.4 Benefit caps

In addition to the base minimum income benefits and supplements, Denmark and the UK also have a benefit cap that ensures that the sum of multiple benefits cannot exceed some maximum amount. The benefits that are affected by these caps differ between Denmark and the UK.

In Denmark, the cap limits the total amount received from social assistance and the two housing benefits for people of working age and families. There is no benefit cap in Denmark for pensioners. Furthermore, other supplements, such as family benefits are not capped in Denmark. The level of the benefit cap is higher for households with children and for single person households. The benefit cap generally keeps increasing with the number of children in the household.⁸

In the UK, the benefit cap limits how much a household can receive from social assistance, housing benefits, child benefits and child allowances. Pensioners are also not affected by the benefit cap in the UK. The benefit cap does not apply to individuals with a disability or who care for someone with a disability. The level of the benefit cap depends on someone's location (living inside or outside Greater London) and household composition (being a single adult or not). This results in only four different benefit caps. The level is higher for households living in Greater London and for households with more than one single adult.

3.5 Eligibility criteria

This section discusses the eligibility criteria for base minimum income benefits in Denmark, Flanders, France, Germany, and the UK, separately discussed for persons of working age and senior citizens. Base minimum income benefits for families with children have the same eligibility criteria as social assistance for persons of working age. The text highlights the most important differences in criteria and a detailed overview can be found in Appendix C. Moreover, the eligibility criteria for all the supplementary benefits are not discussed in the main text, but can be found in Appendix C as well.

⁸ Unless the parent is younger than 30 years old. Then, the level of the benefit cap only increases with the number of children up to two children.

3.5.1 Persons of working age

The accessibility of minimum income schemes varies significantly among countries. In all countries, the eligibility for social assistance and most of the supplemental benefits are determined through means testing. In Flanders, Denmark, Germany, and the UK, social assistance requires both an income and an asset test. In contrast, France only employs an income test for determining eligibility. In all countries, there is no strict income threshold, but rather a gradual reduction in the amount of social assistance as income increases. The details of this reduction policy are outlined in Section 3.6.

The assets test differs between countries, including the types of assets considered, the threshold amount and the reduction in eligibility beyond the threshold. In Germany, there is a strict limit on assets, above which individuals lose the right to receive social assistance. In Flanders and the UK, the asset test is implemented in a tiered manner, where the amount of social assistance decreases with assets. In Denmark, the municipality determines on the basis of assets owned that a person with little or no income can still provide for himself and thus is not entitled to assistance.

In addition to means testing, Flanders, Denmark, and the UK impose requirements for eligibility within their respective social assistance. In Flanders, having the Belgian nationality is a prerequisite for qualifying for the social assistance benefit. Denmark and France have requirements related to the minimum duration of residency in the country. In France, this requirement is set at three months for EU citizens and five years for non-EU citizens. In Denmark, EU citizens do not have a residency requirement, but non-EU citizens must have resided in Denmark for at least nine out of the past ten years. Furthermore, Denmark also considers one's employment history as a requirement for social assistance. To be eligible, individuals are required to have completed a minimum of 2.5 years of full-time (or equivalent) work within the previous ten years. For individuals who cannot meet nationality, residency, or employment requirements, alternative (less generous) safety nets have been established.

3.5.2 Senior citizens

To qualify for a first pillar pension or minimum pension, individuals must always meet specific criteria related to age and residency in their respective countries. In the UK, the first pillar pension requires a minimum of ten years of contributions, indicating a legal residency of ten years prior to reaching the pension age. In Denmark, individuals must have resided in the country for at least three years before reaching the pension age and continue to live there presently. Additionally they need to hold Danish nationality. Furthermore, a portion of the first pillar pension in Denmark is subject to income testing. In Flanders, France, Germany and the UK, eligibility for a minimum pension is determined through means testing. In Flanders, Germany and the UK, both income and assets are considered, while in France, only income is evaluated. To be eligible, pensioners must reside in the respective countries, with six months per year being sufficient in France. In Flanders, having the Belgian nationality is a prerequisite.

3.6 Activation features

The countries under review use different activation strategies, combining incentives and penalties, to facilitate the reintegration of social assistance recipients into the labor market. These activation strategies can create financial incentives but can also contain active guidance or educational or training options.

The financial activation features, shown in Table 3, can be divided into carrot and stick strategies. The incentive approach, commonly referred to as the "carrot strategy", includes allowing recipients to earn additional income without a full reduction in social assistance. The implementation of penalties as part of the activation strategies, commonly known as the "stick strategy", involves the use of mandatory reintegration projects and financial sanctions to address inactivity among social assistance recipients.

Flanders and Germany grant an earnings exemption for, respectively, the first 291.63 and 100 euros earned per month. Income below this threshold does not affect the amount of social assistance received. However, any earnings beyond the exemption threshold lead to a reduction in the amount of social assistance. In Flanders, every euro earned above the exemption decreases social assistance by one euro. In Germany, the reduction in social assistance varies depending on the amount earned. For earnings above the exemption threshold until 1,000 euros, social assistance is reduced by 80 eurocents per euro earned. For earnings between 1,000 and 1,200 euros (or 1,500 euros for families with children), the reduction is 90 eurocents per euro earned. Any earnings above 1,200 euros (or 1,500 euros for families with children) lead to a decrease in social assistance by one euro.

Table 3. Overview of financial activation features in social assistance

	Denmark	Flanders	France	Germany	UK
<i>Carrot strategies</i>					
Earnings exemption	3.73 €/h ^a	291.63 €/m	None	100 €/m	300 – 500 €/m ^b
Benefit reduction rate	1	1	1 ^c	0.8 – 1 ^d	0.55
<i>Stick strategies</i>					
Requirements	Work 225 hours in first year, job search requirements	Demonstrate active job search	Job search requirements	Job search requirements	Job search requirements
Sanction for not meeting requirement	Benefit reduction	Benefit refusal	Benefit reduction or suspension	Benefit reduction	Benefit reduction or suspension

Note. Overview of financial incentives in social assistance in the studied countries, divided by carrot (incentives) and stick (penalties) strategies. Earnings exemptions determine the threshold income below which earnings do not affect the benefit level of social assistance. Every euro earned above the threshold reduces the benefit level with the benefit reduction rate.

^a Only for the first 160 hours worked per month

^b Only applies to families with young children or individuals with a reduced working ability.

^c Individuals with low primary income may receive an activation bonus in France. The activation bonus implies that a single person household with social assistance faces a benefit reduction rate of 0.39.

^d In Germany, the benefit reduction rate varies depending on the amount of income. For earnings above the exemption threshold until 1,000 euros, social assistance is reduced by 80 eurocents per euro earned. For earnings between 1,000 and 1,200 euros (or 1,500 euros for families with children), the reduction is 90 eurocents per euro earned. Any earnings above 1,200 euros (or 1,500 euros for families with children) lead to a decrease in social assistance by one euro.

The UK has a similar structure, but the exemption only applies to families with young children or individuals with a reduced working ability. The exemption is roughly 300 euros per month for households receiving housing benefits and 500 euros per month for households not receiving housing benefits. In general, each euro earned (or above the exemption if this applies) decreases the base social benefits with 55 eurocents.

Denmark follows a different approach, where earnings lead to a direct reduction in base social benefits. However, the first earned 3.73 euros per hour of labor are exempted from deduction for a maximum of 160 hours worked per month.

The system in France knows no earnings exemption or favorable reduction scheme. Instead, individuals receive an activation bonus, which is an additional benefit on top of social assistance and earned income. The activation bonus amount differs with household characteristics and household income. For a single person household on social assistance with an income below 586.23 euros per month, the activation bonus amounts to 61 percent. Thus, effectively, an additional euro earned leads to a reduction of social assistance by 39 eurocents for a single person household. Reductions are similar for other types of households, particularly when individuals transition from having no income to earning something.

In Denmark, France⁹, Germany, and the UK, social assistance recipients are obligated to apply for jobs and required to accept suitable job offers. Social assistance recipients in Denmark, France, and Germany are provided with assistance in their job application process. Rejecting suitable job offers in Germany can result in a reduction of social assistance. In Denmark, Flanders and France, not meeting the job search requirements may result in a deduction or (temporary) complete suspension of the social assistance benefit. In the UK, social assistance recipients are expected to search for work for at least 35 hours a week. If they do not meet this search requirement, penalties may be imposed such as a reduction or complete suspension of the social assistance benefit.

Denmark, on the other hand, imposes financial sanctions for inactivity. In Denmark, individuals receiving social assistance who fail to work a minimum of 225 hours within the first year of social assistance face a reduction in benefit amount in the following year.

In Flanders and Denmark reintegration projects focus more on the individual level. In Flanders, much assistance is offered from the municipal centers with job applications, or recipients are employed through the municipality. Additionally, social assistance recipients in Flanders follow a personalized reintegration trajectory. In Denmark, social assistance recipients receive active guidance throughout the reintegration process. Moreover, specific emphasis is placed on the education of young social assistance recipients. Individuals under the age of 30 who apply for social assistance without having completed their education are required to pursue educational attainment first. During this period, they receive a monthly benefit amount equivalent to student grants, which is lower than what they would have received if they had completed their education prior to applying for social assistance.

⁹ In France, the search requirement only affects social assistance recipients with no income or less income than 500 euros on average during the last three months.

4 Effective minimum income

The effective net monthly minimum income for six different household types is presented in Table 4. A detailed reconstruction can be found in Appendix B. Note that a higher net minimum income level in one country does not necessarily imply a higher standard of living, as the costs of living may differ between countries.

The effective minimum income is highest in Denmark for all household types, except for single parents with two children. For this category, the effective minimum income is higher in both Flanders and the UK. The effective minimum income is mostly lowest in France and the UK.

In almost all countries, the minimum income is higher for pensioners than for people of working age. In the UK, this difference is highest, as the minimum income level of pensioners is about 60 percent higher than the minimum income of a person in the working ages, mostly for couples. In France pensioners face a minimum income level that is about 50 percent higher; in Denmark about 30 percent, and in Flanders 15 percent. This is due to the fact that the base minimum income benefits for people of working age tend to be lower than for pensioners. Germany stands out in this aspect, as minimum income level for the working-age population is at the exact same level as for the elderly in Germany. In Denmark, the housing benefits for pensioners are also higher than the housing allowance for people of working age. Furthermore, pensioners in Denmark and the UK do not fall under the benefit cap, while people of working age do.

Table 4. Reconstructed net monthly minimum income level for different household types

	Denmark	Flanders	France	Germany	UK
Single person without children	1,465	1,289	855	976	1,047
Couple without children	2,291	1,686	1,141	1,445	1,216
Single parent with two children	2,086	2,232	1,615	2,305	1,660
Couple with two children	3,347	2,265	1,795	2,763	1,699
Single pensioner	2,027	1,510	1,246	976	1,461
Pensioner couple	2,761	1,981	1,810	1,445	2,172

Note. Net monthly minimum income levels are reconstructed from available policy instruments in 2022. Where applicable, income taxes are deducted. A more detailed reconstruction can be found in Appendix B. Individuals are assumed to make optimal use of the available instruments. Calculations assume that the households have no income and no work history (except in Denmark, where they meet the minimum work history requirement). The adults in each household are forty years old. Pensioners are assumed to have reached the relevant retirement age and still live independently. Children are assumed to be of age six and ten. The children are assumed to be in school. Additionally, the people in the household are not disabled, and they have no assets, so relevant asset limits do not play a role. Pensioners do not have any dependent children. For housing benefits, a rental home of ninety square meters, located in the capital (Leuven in the case of Flanders), with a rent of 750 euros per month is assumed. In-kind benefits are not included, except for the takeover of housing and energy costs in Germany. The exchange rate used for Denmark is 1 DKK: 0.13 euros and for the United Kingdom, it is 1 pound: 0.89 euros.

Families with children have a higher net monthly minimum income than households without children in all countries. However, the additional financial support for families with children differs a lot between countries. In Denmark and the UK, single parents with two children have a net

monthly income that is about 600 euros higher than for single persons without children. This difference between single parents without and with children is 42 percent in Denmark and 59 percent in the UK. In Flanders, single parents with two children have a net monthly income that is about 950 euros (73 percent) higher than that of single persons without children. In France, this difference is about 750 euros (89 percent), and in Germany about 1350 euros (136 percent).

The amounts can be compared better for different types of households when they are corrected for the number of adults and children in the household and divided by the equivalized median income in each country. By dividing by the median income, a correction is made for the cost of living in each given country.

The resulting equivalized minimum incomes are remarkably equal across the five countries (Table 5). All shares lie between 45 and 57 percent, where France and the UK are at the lowest end of this range and Flanders at the highest.

In line with the results in Table 4, the equivalized net monthly minimum income level for pensioners as a share of the median income is higher for pensioners than for people of working age (without children) in all countries but Germany. Namely, in Germany, the share of median income for single pensioners lies at 51 percent, while for the other countries it ranges between 63 (UK) and 68 percent (Denmark).

In Flanders, Germany and France, the equivalized monthly minimum income level is higher for single parents than for single persons. In the UK, it is the same between single parents and single persons. Only in Denmark is the equivalized monthly minimum income higher for single persons without children than for single parents with two children.

Finally, in all countries, except for Denmark, couples with children have lower minimum income levels than single parents when corrected for household size.

Table 5. Equivalized net monthly minimum income level as a share of equivalized median income for different household types

	Denmark	Flanders	France	Germany	UK
Single person without children	49%	57%	45%	51%	45%
Couple without children	51%	50%	40%	50%	35%
Single parent with two children	44%	61%	54%	75%	45%
Couple with two children	54%	47%	45%	69%	35%
Single pensioner	68%	66%	66%	51%	63%
Pensioner couple	62%	58%	64%	50%	62%

Note. Net monthly minimum income levels from Table 4 are used. Income levels are equivalized using OECD equivalence factors.

5 Differentiation

The five countries each differentiate their minimum income schemes in their own way. Differentiation can take place either within the social assistance scheme or through the supplementary benefits. In this section, we present the impact of differentiation based on age of the children, the number of children, rent price, and location.

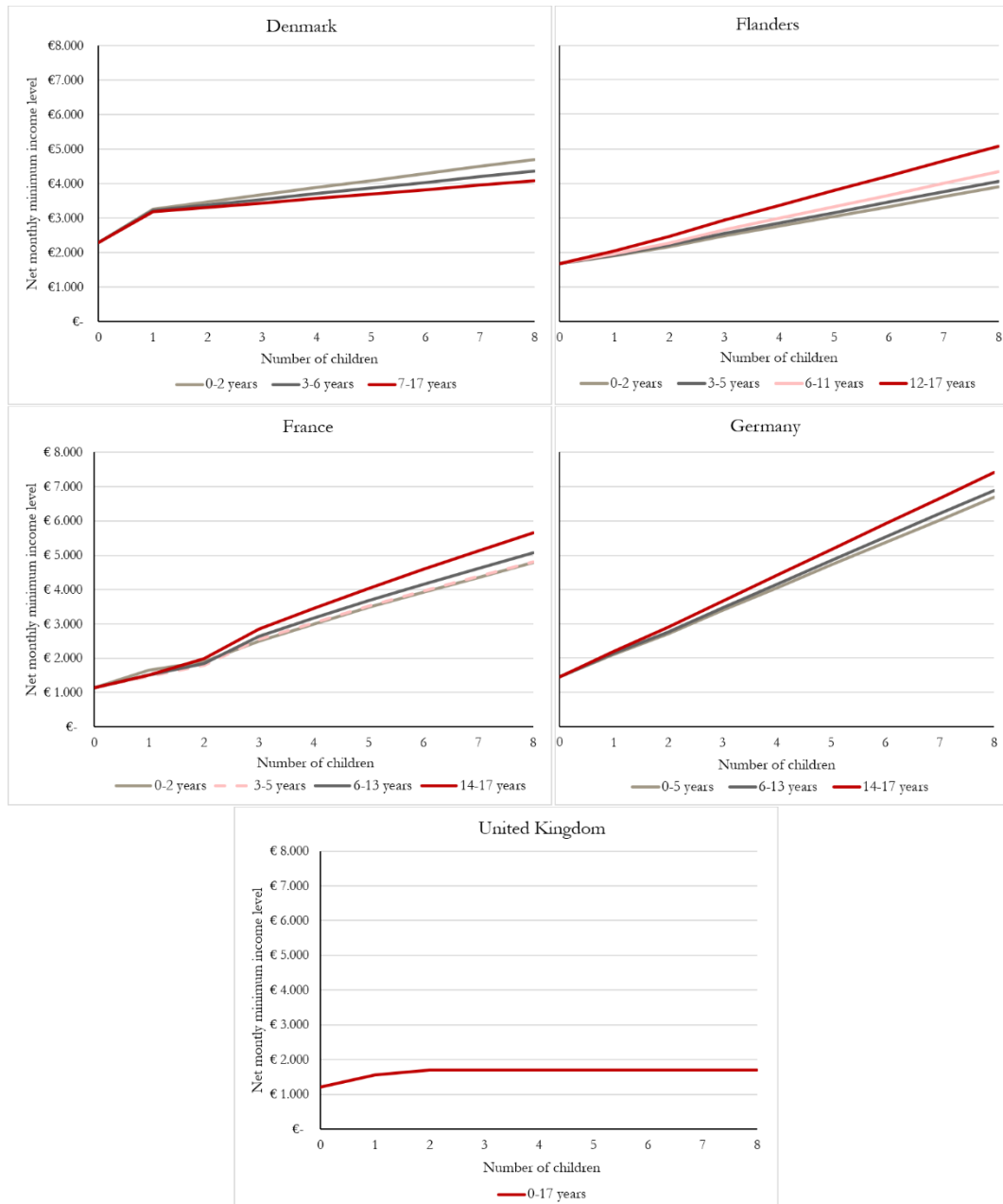
5.1 Age and number of children

In Section 4 (Table 4), we show that all countries differentiate their minimum income levels based on whether households have children or not. This results from differences in base minimum income benefits as well as in supplementary benefits. The reconstructed minimum income levels in Section 4 assume that there are two children aged six and ten. However, it does not consider the distinction between the age and number of children. To address this, Figure 2 illustrates the effects for a couple with different numbers of children of different ages. Once again, we assume that households have no labor income, assets, or working history. Moreover, all the assumptions regarding the age of the parents, schooling, disability and housing stay the same (see Section 2.3). The net monthly minimum income is represented on the vertical axis, calculated by summing up all available gross minimum income benefits and subtracting income taxes. The number of children is indicated on the horizontal axis.

In Denmark, Flanders, France and Germany the effective minimum income levels increase with the number of children. The steepest increase per additional child is seen in Germany. On the other hand, the United Kingdom stands out as an exception, where the amount only increases for the first two children and remains the same thereafter.

In Denmark, Flanders, France, and Germany, the age of the children also plays an important role. In Flanders, France, and Germany, the minimum income level is higher for households with older children, while in Denmark, it is lower for households with older children. Once again, the UK differs, as the age of the children does not affect the minimum income level.

Figure 2. Effective minimum income, given the number of children and their age



Note. Minimum income level is given for a couple with a changing number of children under the assumptions of Section 2.3. All children are assumed to be of the same age, to show, independently, the effect of the age and the number of children. For Flanders, children 0-2 years are assumed not to go to preschool education and do not receive the school bonus, children 3-5 years attend preschool education, children 6-11 years attend primary school and all children aged 12-17 years attend secondary school. For Flanders, families with children of ages 3-4 years or 5 years receive nearly the same minimum income (children of 5 years receive 1.35 euro more per child) and are drawn as one line. For France, families with children aged 6-10 and 11-13 years receive nearly the same minimum income (children of ages 11-13 years receive 1.80 euro more per child) and are shown as one line. Additionally for France, families with children ages 14 years or 15-17 years receive nearly the same minimum income (children ages 15-17 receive 1.19 euro more per child) and are drawn as one line.

These discrepancies between countries can be attributed to variations in social assistance and supplementary benefits offered by each respective country. To maintain clarity and provide a comprehensive overview this will be done on a country-by-country basis.

In Denmark, having children is the sole factor that increases the amount of social assistance just once, without any distinction between different numbers of children or their ages. This results in a steep increase when going from zero children to one. Further, in Denmark, there is an additional child benefit that remains constant for each child but decreases when children turn two and again when children turn six. As a consequence, we observe linear increases after the first child, where the benefit amount for older children is consistently lower than that for younger children.

In Flanders, social assistance only increases by 30 euros for households with children, without any distinction between different numbers of children or their ages. The higher amounts for additional children are, thus, caused by the supplementary benefits. Flanders has a child allowance, where the allowance is higher for the second child than for the first child, and it further increases for the third child and each additional child. Additionally, the child allowance rises with the age of the child.¹⁰ Moreover, Flanders offers a child benefit that is the same amount for the first two children and a higher amount for the third and each additional child. The child benefit is independent of age. Additionally, Flanders provides a school bonus and school benefit for each child, which increase with the child's age and school level, respectively. The combination of benefits based on age and those based on school level results in five distinct age categories for Flanders. However, as the category 3 to 4 years old and 5 years old only differs 1.35 euro per 5-year old child this is drawn as one combined line.

In France, there are numerous benefits targeted at families, leading to six distinct age categories. However, in some cases, the amounts per age category only differ by a few euros. Therefore, only four categories are drawn. The categories 6 to 10 years and 11 to 13 are combined, as well as 14 years and 15 to 17 years. The differences between categories stem from four main benefits. First, the amount of social assistance increases for each additional child, where the age of the children does not impact the additional amount of social assistance. Instead, there is a fixed additional amount for each child, where the amount for the first child is higher than for the second child, but the amount for the third (or each additional after the third) child is again higher than the second child. This creates a kink in the steepness of the benefit curve after the first and second child. Second, France offers a young child benefit that provides the same amount for each additional child under three years of age. Consequently, the line representing the age category of 0 to 2 years is above the amount for older children when considering the first child. Third, however, if a family has at least two children, with the oldest being older than three years, they can apply for the older child benefit. This benefit starts with a base amount for two children and is further supplemented for children older than fourteen. Beyond that, the amount increases significantly for each additional child, with the benefit for the third child being higher than the total for the first two children combined. This accounts for the steep increase observed after the second child. Fourth, France provides a school benefit for each child, which increases with age. This leads to further increases in minimum income for households with older children.

¹⁰ This is based on children born before 2019. From 2019 onwards the amount per additional child is the same and there is no longer an additional age allowance.

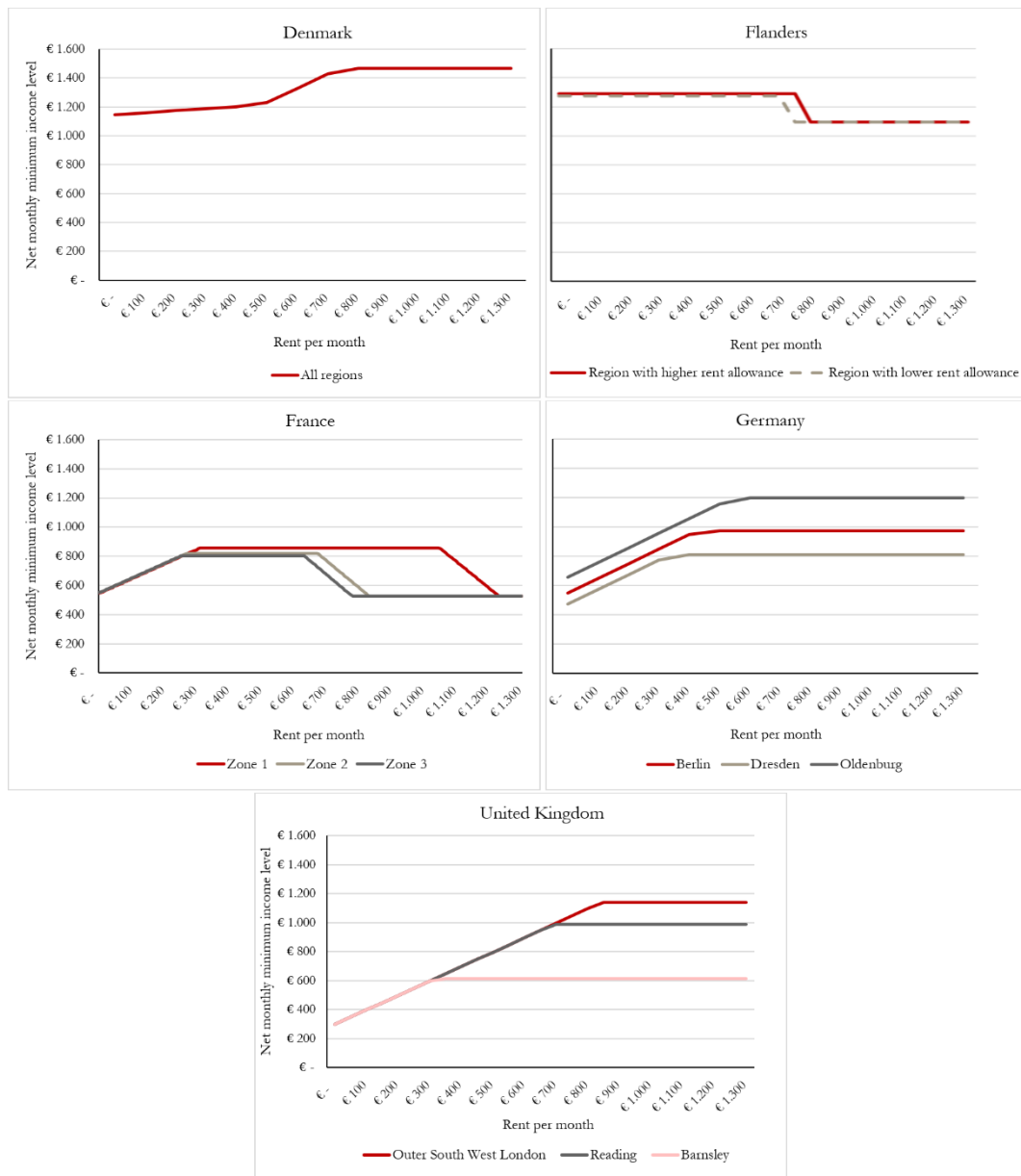
In Germany, the amount of social assistance increases for each additional child. The amounts for an additional child remain the same, but they are slightly higher for older children. Further, the child allowance remains constant regardless of the child's age, but it does increase with the number of children in the household. Additionally, the housing benefit also rises with the number of children. This together explains the relatively linear increases in the benefit amounts concerning the number of children, where the lines for older children are consistently above those for younger children.

In the UK the amount of social assistance only increases for the first two children independent of age. Further, the child benefit amount is also not influenced by the child's age but increases for each additional child. The benefit for the first child is higher than for any subsequent child. However, a further increase in benefits after two children does not occur due to the presence of the benefit cap (see more in Section 5.3). Regarding age-dependent benefits in the UK, the housing benefit is the only one, but this is not reflected in the graph because the housing benefit is already maximized based on the assumption we made about the rent price in London. Different assumptions could potentially lead to higher housing benefits for households with older children. As a consequence, distinct age categories could emerge for the UK as well, wherein the amount of benefits would be higher for households with older children.

5.2 Regional variation

In Section 4 we made assumptions about the rent price and rent location. We assumed that the rent price was 750 euro and that the household lives in the capital city. The minimum income benefit a household can receive is however quite sensitive for these assumptions. This is shown in Figure 3 for a single-person household without children. All the other assumptions regarding, age of the person, disability and housing size stay the same (see Section 2.3). The net monthly minimum income is represented on the vertical axis, calculated by summing up all available gross minimum income benefits and subtracting income taxes. The rent price is indicated on the horizontal axis.

Figure 3. Dependence of minimum income benefits on rent price and location



Note. Minimum income level is given for a single person without children under the assumptions of Section 2.3. For Flanders the regions with higher rental allowances can be found at <https://www.vlaanderen.be/eenwoning-huren/gemeenten-met-hogere-huurprijs-voor-huursubsidie-huurpremie-en-mijn-verbouwlening>. The drop in net monthly income, in Flanders, does appear when a household has been on the waiting list for social housing for at least four years. For France, Zone 1 consists of Paris and other new cities in the Paris region, Zone 2 comprises all cities with more than 100,000 inhabitants and other new cities and Zone 3 encompasses the rest of France. In Germany in all regions the maximum amount for energy compensation in that region is used regardless of the rent price.

In Denmark, Germany, and the UK, the minimum income level rises with higher rent prices until the benefit reaches its maximum, and then the minimum income level remains constant. In France, a similar pattern is observed for low rent prices, but when the rent prices become higher, the eligibility for the benefit decreases, leading to a decrease in the minimum income level. In Flanders, the minimum income level is not influenced by the rent price, except for a cutoff at rent prices around 710 or 790 euros. Beyond this cutoff, households are no longer eligible for the benefit, resulting in a drop in their benefit income. It is worth noting that the cutoff does not appear when households

have been on the waiting list for social housing for at least four years. In that case the minimum income stays at the same level.

Germany, the UK, and, to a lesser extent, Flanders and France implement regional variations in benefit levels within their respective minimum income schemes through the housing benefit. Denmark does not have regional variation, and therefore the benefit amount in Denmark is independent of the region. In Germany and the UK, differentiation arises from variations in the takeover of housing costs and housing benefit, respectively. The (maximum) amount in these countries is determined on a municipality basis, taking into account the prevailing housing costs in each specific area. Figure 3 illustrates the minimum income level in three municipalities for Germany and the UK,¹¹ demonstrating that minimum income level can differ by over 400 euros. Similarly, in Flanders and France, the maximum housing benefit slightly varies by region, with more expensive regions offering slightly higher benefits (Figure 3). In Flanders, the only difference is a higher cut-off point.

Additionally, both Flanders and the UK grant local governments significant autonomy in supplementing benefits, allowing for additional flexibility at the local level. However, this is not taken into account in the calculations.

5.3 Effect of benefit cap

The benefit cap in the UK, as discussed in Section 3.5, may reduce the overall effective differentiation. The benefit cap may dampen the differentiation, since the cap itself is less differentiated than the underlying benefits. In the UK the benefit cap is determined by only two factors; being a single adult or not and living inside Greater London or not. As a result, there are four distinct benefit caps in total. A single parent with one child faces the same benefit cap as a couple with two children, even though social assistance is higher for couples and the child benefits for two children are higher than for one. Especially in expensive regions of the UK, where the housing benefit is high to compensate for higher costs, the benefit cap may effectively imply no differentiation between single parents, couples without children, and couples with (different number of) children. This is clearly visible in Figure 2, where the benefit amount is capped after two children.

The benefit cap in Denmark has less of a dampening effect on the overall differentiation of the minimum income benefits for two reasons. First, the benefit cap itself in Denmark is largely differentiated based on the individual and household characteristics of the recipient, resulting in 18 different possible levels of the cap. Second, the benefit cap in Denmark covers less benefits. Namely, it covers only social assistance and the two housing benefits for people of working age. Hence, differentiation remains possible within the benefits that are not covered by the cap, such as the child benefits. Therefore, the benefit cap does not play such a significant role for the minimum income level in Denmark as shown in Figure 2.

¹¹ Please note that this list is not exhaustive and may not encompass the regions with highest and lowest benefits. In the UK, we had access to an overview of maximum benefit amounts per municipality, revealing that Outer South West London ranked among the top ten highest regions, with only Central London showing substantially higher amounts. On the other hand, Barnsley featured among the ten lowest regions, with no significant distinctions within the lowest ten. However, for Germany, we did not have a comparable overview, so we had to rely on common sense to choose the different regions.

6 Shares of recipients

The share of recipients of minimum income benefits provides important insights into the socio-economic situation and the effectiveness of social policies. The shares are calculated by dividing the number of recipients by the relevant population group. Table 6 presents an overview of the shares of recipients of base minimum income benefits as well as supplementary benefits in Flanders, Denmark, France, Germany and the UK. This overview presents the proportion of the target population receiving minimum income benefits and are based on the most up-to-date available data. What group is defined to be the target population, the data year, and the sources are available in Appendix D.

6.1 Social assistance

The shares of recipients of social assistance vary widely between 2 and 10 percent. Germany and the UK have a relatively high share of people of working age receiving social assistance, with 7 and 10 percent, respectively (see Table 6). The high share of individuals receiving social assistance in the UK is partly related to the inclusion of individuals receiving disability benefits within the category of social assistance recipients. In contrast, the other examined countries consider disability benefits as a distinct benefit category. Flanders and Denmark have a relatively low share of people of working age receiving social assistance, with usage rates around 2 percent. France falls in the intermediate range with a share of 4 percent.

These differences in usage of social assistance can be related to eligibility criteria, non-take-up, and the relevance of social assistance in the entire social security system. Nevertheless, no definitive explanations for the difference were found in the literature. Consequently, we had to rely on our own interpretation to provide the following explanations.

In a system with few alternative safety nets for disabled and long-term unemployed persons, the relevance of social assistance can be relatively large. This might be the case in the UK. On the other hand, generous social insurance schemes may prevent the use of social assistance. Concerning eligibility, Flanders, Denmark and France employ stricter income tests than Germany and the UK. This is also a likely explanation for the difference in use of social assistance. In Denmark, the social assistance program is structured as a temporary safety net. Individuals receive social assistance for a limited duration, and the aim is to reintegrate into the workforce quickly. This objective is manifested in the imposition of financial sanctions when welfare recipients fail to work a minimum of 225 hours during their initial year of receiving social assistance. Consequently, the number of individuals receiving social assistance is relatively low in Denmark.

The high use in the UK may also be related to more take-up as a result of more efficient application procedures. The UK has recently combined the applications of six major benefits into one single application process. As a result, individuals applying for other benefits are automatically considered for social assistance without the need for a separate application. This integration of benefits may

contribute to an increase in the number of social assistance recipients since individuals, although not specifically applying for it, may still receive social assistance as a result.

6.2 Children

Child allowances in Flanders and Germany have a high share of recipients, with nearly 100 percent of children receiving the child allowance. However, there is a notable difference in the percentage of households receiving child benefits for children under 18 between these countries. In Flanders, 25 percent of households with children under 18 receive child benefits in addition to the child allowance. On the other hand, in Germany, only a small fraction of households (4 percent) receive child benefit. In contrast to Flanders and Germany, Denmark, France, and the UK do not have a child allowance. Instead, they offer child benefits with less strict eligibility criteria, resulting in higher shares of recipients. In Denmark, at least 75 percent of households with children under 25 receive a child benefit. In France, at least 59 percent of households with children under 21 receive a child benefit. Moreover, in the UK, 86 percent of households with dependent children¹² receive a child benefit.

The existing literature does not offer conclusive explanations for the disparities observed in the distribution of recipients for child benefits. Nonetheless, we can provide a plausible rationale for the 100% share of child allowance in Flanders and Germany. This can be attributed to the streamlined automatic payment process and the universal eligibility criteria. Similarly, the school bonus in Flanders, with a 98% coverage rate, extends to every child attending school and is also paid automatically. It is worth considering that the coverage rates of child benefits in Denmark, France, and the UK tend to surpass those of Flanders and Germany. This discrepancy may be attributed to the comparatively less stringent income criteria associated with child benefits in Denmark, France, and the UK. As a result, a greater number of households are deemed eligible for these benefits in these countries. Lastly, difference may also simply stem from the population group in the denominator.

6.3 Senior citizens

The shares of people receiving the non-contributory first pillar pension in Denmark and the UK are 92 and 98 percent, respectively. Despite the UK's high usage rate, approximately 10 percent of pensioners still relies on a minimum pension scheme. This suggests that the pension accumulation in the first-pillar pension alone is incomplete for part of the retired population. In Flanders, France, and Germany, the shares of recipients of the minimum pensions range from 3 to 5 percent.

The data for Germany reveals that the share of recipients receiving minimum pensions is lower compared to the share of recipients receiving social assistance. This observation raises several potential interpretations. It could suggest that numerous households, despite relying on social assistance during some time of their working years, have managed to accumulate contributory first pensions. It is also plausible that this discrepancy could be attributed to a time effect, indicating that the difference stems from different cohorts with different shares of recipients of social

¹² Dependent children are children aged 0 to 15 or children aged 16 to 18 who are a full-time students in a family with parents.

assistance. Another contributing factor could be the difference in asset test for social assistance and minimum pension, where the asset test for a minimum pension is (slightly) stricter. In Flanders, on the other hand, the asset test for a minimum pension is less strict than for social assistance, which may (partly) explain the higher share of recipients of minimum pensions.

Table 6. Share of recipients of different minimum income benefits

	Denmark	Flanders	France	Germany	UK
<i>Working-age population</i>					
Social assistance	2%	2%	4%	7%	10%
Integration allowance	1%	unk.	n/a	n/a	n/a
Disability benefit	6%	unk.	2%	3%	unk.
Housing benefit	9% / 2% ^a	1% / 1% ^b	7% / 3% / 6% ^c	2%	unk.
(Partially) free health insurance	n/a	unk.	13% / 3% ^d	n/a	n/a
Activity bonus	n/a	n/a	10%	n/a	n/a
<i>Families with children</i>					
Child allowance	n/a	100% ^e	n/a	100% ^e	n/a
Child benefit	74% / 24% / 16% ^f	25%	22% / 59% ^g	4%	86%
School benefit	n/a	33% ^h / 98% ⁱ	unk.	unk.	n/a
<i>Senior citizens</i>					
Minimum pension	n/a	5%	4%	3%	11%
Non-contributory first pillar pension	92%	n/a	n/a	n/a	98%
Housing benefit for pensioners	27%	n/a	n/a	n/a	n/a

Note. The table contains the most recently available shares of recipients. These shares are calculated as the number of recipients as a share of the target population, which need not be the same for all benefits in all countries. For countries with multiple of the same type of benefits, these benefits are distinguished by a bar between the shares of recipients. All different shares, the relevant target populations, and sources are available in Appendix D. n/a = not applicable as a benefit of this type does not exist in this country, unk. = usage rate unknown.

^a Regular housing benefit / special housing benefit for social assistance recipients.

^b Regular housing benefit / special housing benefit for people on the waiting list for public housing.

^c Three housing benefits: personal housing benefit / family housing benefit / social housing benefit.

^d Free health insurance / partially free health insurance.

^e Estimated at 100%, because parents automatically receive child allowance until the month the children turn 18.

^f Child benefit for young children / child benefit for older children / special child benefit for single parents.

^g Child benefit for young children / child benefit for older children.

^h The source mentions a usage rate of at least one-third of the children under 18.

ⁱ School benefit / school bonus.

7 Non-take-up

The non-take up of social benefits refers to eligible households or individuals who do not claim the social benefits to which they are entitled. Table 7 presents an overview of the most recent rates with high validity of non-take of minimum income benefits, derived from various studies conducted in the countries examined. More details about the data year and source can be found in Appendix E. Additionally, Appendix E includes older studies and studies with lower validity as well. Given the diverse settings, conditions, data collections and research methods under which these studies were conducted, it is not possible to assert any trends regarding the increasing or decreasing efficacy of these benefits over time. Comparisons between different countries should be done very carefully, because there are many disparities in the methodologies employed.¹³ This also becomes clear when different studies of the same benefit and same country are compared in Appendix E.

7.1 Social assistance

The estimated non-take up of social assistance in Belgium, France, and Germany is quite substantial. Estimates range between 30 and 50 (Goedemé et al., 2022; Caritas France, 2021; Bruckmeier & Wiemers, 2018) percent, indicating that out of every 10 individuals eligible for social assistance, approximately 3 to 5 individuals do not claim the benefits they are entitled to receive.

In the case of Flanders, we expect that part of the explanation for the high levels of non-take up can be attributed to the application process for social assistance, which necessitates the submission of up to ten documents. Individuals entitled to lower benefit amounts may perceive this requirement as disproportionate to the benefits received, potentially deterring their application. It is worth noting that approximately 15 percent of those who do not take up social assistance would be eligible for benefits below 100 euros per month. Conversely, 66 percent of non-take up individuals would be entitled to amounts exceeding 500 euros per month (Goedemé et al., 2022).

In Germany the main explanations for the high non-take-up are ignorance, stigma, and low benefit amounts (Harnisch, 2019). Another contributing factor in Germany is that social assistance cannot be concurrently received with other benefits. Consequently, estimates of non-take up may be higher due to households being ineligible for social assistance as they are already using other benefits (Bruckmeier & Wiemers, 2018).

The high non-take-up of social assistance in France can be attributed to a lack of knowledge, stigma, and the fear of losing other allowances and benefits (Domingo & Pucci, 2014). Due to its status as a last resort, many residents believe that they will (also) not be eligible for social assistance after exhausting other allowances and benefits (Hannafi et al., 2022; Caritas France, 2021; Chareyron and Domingues, 2018).

¹³ See Section 2.2 for more information on the possible methodologies to calculate non-take-up.

Regarding Denmark and the UK, there are no studies examining the non-take up of their respective social assistance. Kvist (2015) suggests that non-take-up is not perceived as a substantial concern in Denmark, consequently resulting in a lack of research dedicated to this topic. In the case of the UK, a recent reform has been implemented; however, to date, no studies have examined the extent of non-take-up for this new scheme.

7.2 Supplementary benefits

Where available, the literature estimates substantial non-take-up of supplementary benefits for people of working age. In this section we discuss the result found for healthcare, housing and child benefits.

7.2.1 Healthcare benefits

In Flanders the non-take up of the reduced co-payment system for healthcare is estimated to be between 39 and 52 percent. In France, non-take-up of (partially) free health insurance is around 30 and 70 percent (DREES, 2022a). However, in France, non-take-up is lower when individuals are entitled to a completely free health insurance. Then, DREES (2022a) estimates non-take-up to be around 31 percent. Non-take-up of the free health insurance in Germany is not known.

7.2.2 Housing benefit

Non-take-up of housing benefits is estimated to be around 32 percent in Denmark (Hansen and Hultin, 1997). The non-take-up of housing benefits is especially high among single person households. An explanation for this might be the low benefit amounts these households can receive, reducing the financial motivation to start the application process. In Denmark, the housing benefit for pensioners, has relatively low non-take-up, when compared to non-take-up of housing benefits for people of working age. Hansen and Hultin (1997) estimate that about 12 percent of the eligible seniors do not make use of the housing benefit for pensioners, whereas this was 32 percent for people of working age. According to them, this relates to the fact that the level of the housing benefit for pensioners is higher than for people of working age.

In Flanders, the non-take up of housing benefit is estimated to be around 2 percent. However, the non-take up of the special housing benefit is substantially higher at levels between 53 and 63 percent (Van den Broeck and Vermeir, 2023). In an attempt to address the high non-take up of the special housing benefit, the Flanders government has taken measures by sending letters to eligible households. However, the language used in these letters might be too complex and difficult for recipients to comprehend, potentially hindering their understanding of the benefits they are entitled to (Van den Broeck & Vermeir, 2023). Moreover, other contributing factors are the complexity of the application process and the associated administrative burden (Van den Broeck & Vermeir, 2023).

In France, Simon (2000) concludes that non-take-up of one available housing benefit is about 1 to 5 percent. However, this likely underestimates the actual non-take-up in the population as the studied sample consisted only of individuals that already made use of child benefits. Hence, this estimate has lower external validity for the whole population.

Non-take-up of housing benefits is estimated to be around 50 percent by Voigtländer (2013, in Appendix E) in Germany, while Bruckmeier and Wiemers (2018) estimate non-take-up to be higher at about 82 to 91 percent. The estimate of Bruckmeier and Wiemers assumes that households make the optimal choice between social assistance and supplementary benefits. However, households might be classified as non-takers because they have made the non-optimal choice to use social assistance instead of supplementary benefits. Receiving social assistance makes them actually ineligible for housing benefits, implying that they should not be taken into account in non-take up rates. Upon examining how many non-takers cannot take housing benefit, because these non-takers already use base minimum income benefits, they find that 9 percent of the non-takers use base minimum income benefits. Consequently, when accounting for this factor, the non-take up estimate would be lower. Moreover, Bruckmeier and Wiemers (2018) mention that unclaimed housing benefits are often low amounts and of temporary duration.

Table 7. Non-take-up of minimum income benefits

	Denmark	Flanders	France	Germany	UK
<i>Working-age population</i>					
Social assistance	unk.	43-46%	29-39%	39-47% ^a	unk.
Integration allowance	unk.	unk.	n/a	n/a	n/a
Disability benefit	unk.	unk.	unk.	unk.	unk.
Housing benefit	32%	2% / 53-63% ^b	1-5% ^c	82-91% ^d	unk.
(Partially) free health insurance	n/a	n/a	31-32% / 67-72% ^e	n/a	n/a
Healthcare benefit	n/a	39-52%	n/a	n/a	n/a
Activity bonus	n/a	n/a	23%	n/a	n/a
<i>Families with children</i>					
Child allowance	n/a	0% ^f	n/a	0% ^f	n/a
Child benefit	0% ^g / 5% ^g	0% ^f	27%	83-93% ^h	9-10%
School benefit	n/a	0% ^f	unk.	n/a	n/a
<i>Senior citizens</i>					
Minimum pension	n/a	42-59%	50%	62%	64-68%
Non-contributory first pillar pension	unk.	n/a	n/a	n/a	unk.
Housing benefit for pensioners	12%	n/a	n/a	n/a	n/a

Note. The table contains the estimated non-take-up rates. When multiple non-take-up rates are available for one benefit, we include the most recent estimate that is not suffering from selection bias. For countries with multiple of the same type of benefits, these benefits are distinguished by a bar between the non-take-up rates. All different non-take-up rates, the data year, and sources are available in Appendix E. n/a = not applicable as a benefit of this type does not exist in this country, unk = non-take-up rate unknown.

^a This estimate assumes optimal use of regulations, which means using social assistance if this gives a higher total benefit amount compared to using rent allowance and/or child allowance. When the authors correct for non-optimal use they find that 7.9 percent of non-take-up in social assistance is explained by the use of housing allowance and 0.6 percent by the use of child allowance.

^b Regular housing benefit / special housing benefit for people on the waiting list for public housing.

^c This estimate has low external validity, because it is based on a survey amongst people who already received family benefits. It is an underestimation for the whole population.

^d This estimate assumes optimal use of regulations, which means using rent allowance if this gives a higher total benefit amount compared to using social assistance. When the authors correct for non-optimal use they find that 9.1 percent of non-take-up in housing benefit is explained by the use of social assistance.

^e Free health insurance / partially free health insurance.

^f Estimated at 100%, because parents automatically receive child allowance until the month the children turn 18.

- ^g Child benefit for young and older children / special child benefit.
^h This estimate assumes optimal use of regulations, which means using child benefit if this gives a higher total benefit amount compared to using social assistance. When the authors correct for non-optimal use they find that 14.3 percent of non-take-up in child benefit is explained by the use of social assistance.

7.2.3 Child benefits

There are large differences between non-take-up of child benefits between countries and between benefits within countries. Part of this difference is due to the fact that some countries automatically determine eligibility for child benefits, resulting in zero non-take-up as parents do not have to apply for the benefits. This is the case for all child regulations in Flanders, the general child benefit in Denmark, and the child allowance in Germany.

However, even between benefits that are not automatically paid to eligible parents, non-take-up differs widely. In Denmark and the UK, non-take-up of child benefits is estimated to be around 5 and 9 to 10 percent, respectively (Hansen and Hultin, 1997; Gov.uk, 2021). This implies that most eligible households use the benefits.

In Germany, on the other hand, non-take-up of the child benefit is estimated to be 60 to 70 percent (Bonin et al., 2018, in Appendix E). Bruckmeier and Wiemers (2018) find an even higher non-take-up of the child benefit in Germany, namely at level of 83 to 93 percent. However, as with the housing benefit, this latter estimate assumes that households make the optimal choice between social assistance and supplementary benefits. According to Bruckmeier and Wiemers, non-take-up would be about 14 percent lower if this optimal choice would not be assumed. Further, they mention that unclaimed child benefits are often low amounts and of temporary duration. However, the data for the simulations of Bruckmeier and Wiemers (2018) only cover a small percentage of the population, which might lead to lower external validity.

Non-take-up of child benefits in France lies between the previous estimates at about 27 (Caritas France, 2021) percent. However, this estimation was made based on a non-representative sample, as it only included French residents who were affiliated with Caritas France¹⁴.

7.3 Minimum pensions

Similar to social assistance, the minimum pension schemes in Flanders, France, Germany and the UK have high non-take-up of 40 to 70 (Buslei et al., 2019; Goedemé et al., 2022; Meinzel, 2022) percent. One possible explanation for the high-none take up in Flanders (42-59%) is that the authors did not have a random sample of elderly individuals at their disposal. They only had access to private households and not to elderly individuals residing in care institutions, where the usage of the service is higher (Goedemé et al., 2022). This, of course, also has implications for the external validity of the study. In France, the non-usage is especially high among potential recipients who would receive very little (Meinzel, 2022).

Non-take-up of the non-contributory first pillar pension schemes in Denmark and the UK is unknown. However, as the share of recipients of these first pillar pension schemes is above 90 percent

¹⁴ Caritas France is a non-profit organisation recognised by French law.

in both countries (see Section 5), non-take-up cannot be above 10 percent. We expect that the non-uptake of the non-contributory first pillar pensions will be virtually to zero, considering that these benefits are widely known and have been anticipated by people throughout their entire lives.

8 Discussion and conclusion

This study described and compared guaranteed minimum income schemes in five European countries: Belgium (Flanders), Denmark, France, Germany, and the United Kingdom. We reviewed government and legal documentation, government-commissioned reports, scientific papers, and statistical data sources. Moreover, we reconstructed the effective minimum income level for a set of standard households in three age groups: the working age, children, and the elderly.

We found that the designs of both minimum income and supplementary benefits show similarities but also large difference between the five countries. Namely, all countries provide both base minimum income benefits and supplements. The German system stands out as relatively simple, as social assistance recipients do not have to rely on supplementary benefits in order to achieve a minimum income level.

The studied countries have a strong differentiation of minimum income benefits (including social assistance) and supplementary benefits. This differentiation concerns both age (working age, families with children, senior citizens) and particular expenses (housing, healthcare). The larger countries in our sample (France, Germany, UK) also vary their minimum income benefits by location and rent price; in Flanders and Denmark this is much less the case.

Furthermore, countries use a large variation of activation policies, such as earnings exemptions for labor income in addition to social assistance, financial sanctions in case of inactivity, job search requirements, and schooling for young welfare recipients. Earnings exemptions and job search requirements are most common.

The net monthly minimum income for persons of working age and families with children is typically between 40 and 60 percent of the net median income, taking into account household equivalence scales. The exceptions are German families with children (around 70%) and UK couples without children (35%).

In most countries, this effective minimum income level is higher for pensioners than for persons in the working ages. In the UK, pensioners' minimum incomes are about 60 percent higher than the minimum incomes of people in the working ages; in France about 50 percent; in Denmark about 30 percent and in Flanders 15 percent. Germany is the exception, pensioners with a minimum income receive as much as persons in the working ages. In Germany the base minimum income benefit for the working-age population is equal to that of the elderly and there are no different supplements. In the other countries, the base minimum income benefits for people of working age are lower than for pensioners. In Denmark, the housing benefits for pensioners are also higher than the housing allowance for people of working age. Furthermore, pensioners in Denmark and the UK do not fall under the benefit cap, while people of working age do.

Germany is also the exception when it comes to families with children. In Denmark, single parents have a net monthly minimum income level that is about 42 percent higher than that of single persons without children is 42 percent in Denmark. In the UK, this difference is about 59 percent;

in Flanders about 73 percent; in France about 89 percent, and in Germany about 136 percent. When accounting for household size, families with children are about as well off as households without children in most countries. This implies that minimum income schemes related to the presence of children actually compensate for the concerning expenses in a comparable way as for adults. However, in Germany this compensation for children's expenses is larger than for adults. As a result, families with children who depend on a minimum income are relatively well off in Germany.

We also saw that the use of social assistance differs quite strongly between the studied countries. In Denmark and Flanders just 2 percent of the working age population receives social assistance benefits, whereas in the UK this percentage equals 10.

There is a trade-off between targeting and transparency. Transparency is important, because it has a strong association with take-up. We find relatively high non-take-up rates. Automatic eligibility determination (Flanders, and Denmark and Germany, for some benefits) or a combined efficient application for social benefits (UK) can reduce non-take-up. This can effectively lead to a decrease in poverty.

This paper did not study the effect of the studied minimum income schemes on poverty. Minimum income schemes are generally intended to prevent poverty. However, since the reconstructed minimum income levels are, in most cases, lower than the often-used at-risk-of-poverty threshold of sixty percent of the median income, the minimum income schemes have little effect on the share of people that falls below this poverty line (Frazer & Marlier, 2016). Instead, Frazer and Marlier (2016) argue that minimum income benefits do reduce the depth of poverty as they do lower the gap between a households' monthly income and the poverty threshold. This interpretation is in line with the effect on poverty of the minimum income benefits in France, as shown in DREES (2022c). This study finds that the minimum income schemes reduce poverty by 1.7 percentage-points (9.6%), and reduce the depth of poverty by 6.6 percentage-points (23.7%). They find similar poverty effects of the different supplemental benefits. In all countries studied in this paper, except Denmark, food banks exist. This can be a sign of the inadequacy of minimum income benefits at preventing poverty, as food banks generally step in when there is food poverty among low-income households.

Further research may want to study the effects of the minimum income benefits on poverty and explore how these poverty effects relate to the construction and operationalization of these minimum income benefits as presented in this paper. Furthermore, this paper provides a starting point for further research wishing to study how many people depend on the minimum income level.

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Appendix A Description of considered policy instruments

Appendix A.1 Denmark

Appendix A.1.1 Working-age population

Social assistance (*Kontanthjælp*)

Social assistance in Denmark is called the *Kontanthjælp*, the “cash assistance”. This assistance is granted to individuals who, due to illness, unemployment or no longer living with a partner, do not have enough income to make ends meet. Social assistance is taxed.

Eligibility conditions:

- Income test: All income is fully deducted from the monthly benefit, except for the first 3.73 euros per hour of labor income for a maximum of 160 hours per month.
- Asset test: The municipality can determine on the basis of assets that someone with little or no income can still take care of themselves and is therefore not entitled to social assistance. The first 1,300 euros (or 2,600 euros for couples) in assets is not taken into account. Assets in the form of one's own home are only taken into account to the extent that the municipality considers them to be more than strictly necessary to live in decently.
- Because of a ‘social event’ the recipient no longer earns enough money to provide for himself or his family, where a ‘social event’ is, for example, illness, unemployment or no longer living with a partner.
- Other social security benefits do not cover the “need for support” of the recipient.
- The recipients lived in Denmark for at least 9 out of the previous 10 years (non-EU citizens only).
- The recipient worked for at least 2 years and 6 months fulltime (or the equivalent of fulltime) in the previous 10 years (non-EU citizens only).

The maximum benefit amount differs by age, living independently, breadwinnership, and education:

Personal characteristics	Education completed		No education completed	
	Ready for work	Not ready for work	Ready for education	Ready for activity
Younger than 25 years, living at home	473.72	473.72	359.58	473.59
Younger than 25 years, living away from home	981.76	981.76	834.6	981.76
25-29 years, living at home	473.72	473.72 (1,523.34 with activity allowance)	359.58	1,522.95
25-29 years, living away from home	981.76	981.76 (1,523.21 with activity allowance)	834.60	1,523.08
Younger than 30 years with a child living at home	1,353.56	1,353.56 (2,024.23 with activity allowance)	1,168.18	2,024.23
Younger than 30 years, single parent	1,934.66	1,934.66 (2,023.97 with activity allowance)	1,669.20	2,024.23
Younger than 30 years, female, at least 12 weeks pregnant	1,523.08	1,523.08	1,523.08	1,523.08
Younger than 30 with mental illness, breadwinner	2,024.10	2,024.10	2,024.10	2,024.10
Younger than 30 years of age with mental illness, living abroad	1,523.08	1,522.95	1,523.08	1,523.08
Over 30 years old, breadwinner with children		2,024.10		
Over 30 years old, other		1,523.08		

Source: Borger.dk.

Note. Maximum social assistance benefits per month in Denmark for different personal characteristics in 2022. Amounts are given in euros per month and converted from Danish kroner to euros with an exchange rate of 1 DKK : €0.13.

Integration allowance (*Selvforsørgelses- og hjemrejseydelse eller overgangsydelse*)

Individuals who cannot meet the residency and work history requirements of social assistance, can receive the integration allowance. This is an alternative benefit for persons who have not lived in Denmark for at least nine years in the past 10 years or worked the equivalent of two years and six months full-time, and is thus effectively the lowest safety net in the Danish social system. The amount of this allowance is also lower than that of social assistance.

Eligibility conditions:

- Same as social assistance.

The maximum benefit amount differs by age, living independently, breadwinnership, and whether the applicant is also entitled to child allowance:

Personal characteristics	Amount per month
Parent entitled to child allowance	1,619.28
Parent without entitlement to child allowance	1,133.08
Over 30 years old, other	809.64
Younger than 30 years, not living at home	809.64
Younger than 30 years, living at home	348.79

Source: Borger.dk.

Note: Maximum amount of integration allowance per month in 2022. Amounts are given in euros per month and converted from Danish kroner to euros with an exchange rate of 1 DKK : €0.13.

Disability benefit (*Førtidspension*)

For Danes with a disability, there is the so-called *Førtidspension*, literally translated as the "early retirement pension". This scheme is only for individuals who have not yet reached retirement age and have a permanent disability that prevents them from working. The disability benefit is taxed.

Eligibility conditions:

- Income test: Individuals with non-labor income above 2,565.94 euros per month (single person) or 2,181.14 euros per month (each person in couple) are not eligible.
- Asset test: None.
- Have a permanently low work capacity, making it impossible to work.
- Being a Danish citizen.
- Live permanently in Denmark.
- Have lived in Denmark for at least three years since the age of 15.

The maximum benefit amount differs by the composition of the household:

Household type	Maximum amount
Single person	2,565.94
Couple	2,181.14

Source: Borger.dk

Housing benefit (*Boligsikring*)

The standard housing benefit (*Boligsikring*) is paid in Denmark only to households in the working-age population. The standard housing benefit can be received on top of social assistance, the integration allowance, or the disability benefit. There is also an additional special housing benefit (*Særlig støtte*), for social assistance recipients with high rental costs.

Eligibility conditions:

- Income test: 18 percent of earned income above 19,253 euros per year is deducted. For the second, third and fourth child in the household, this threshold increases with 5,070 euros.
- Asset test: There is no separate asset test, but a percentage of assets is used as income in the income test. 10 percent of assets between 101,374 and 202,761 euros is included in the income test. 20 percent of assets above 202,761 euros is included.
- The recipient should live permanently in Denmark.

The maximum benefit amount differs by rent (excluding electricity, television, gas, and hot water costs), the area of the house (A), and the composition of the household:

Household type	Formula	Maximum amount
Household without children	$0.15 * Rent * \frac{\min(A, 65 m^2 + (20 m^2 * \text{Number of people in household}))}{A}$	5,700.24 (7,125.30 if more than 3 children)
Household with children	$0.6 * Rent * \frac{\min(A, 65 m^2 + (20 m^2 * \text{Number of people in household}))}{A}$	5,700.24

Source: Borger.dk

Note: A is the area of the house in squared meters.

Special housing benefit (*Særlig støtte*)

Social assistance recipients with high rental costs can receive the special housing benefit in addition to the general housing benefit.

Eligibility conditions:

- Income test: All net income above the relevant social assistance or integration allowance level is fully deducted.
- Asset test: There is no separate asset test, but a percentage of assets is used as income in the income test. 10 percent of assets between 101,374 and 202,761 euros is included in the income test. 20 percent of assets above 202,761 euros is included.
- The net rent (rent - regular housing benefit) should be at least 416 euros per month for households without children and at least 604.50 euros per month per adult in the household for households with children. In the case the household has more than one child, the rent limit decreases with 110.50 euros per child in addition to the first child.

The maximum benefit amount differs by rent (excluding electricity, television, gas, and hot water costs):

Household type	Formula
Household without children	$Net\ rent - 416$
Household with 1 child	$Net\ rent - 604.50$
Household with 2 or more children	$Net\ rent - (604.50 - (\text{Number of children} - 1) * 110.50)$

Source: Borger.dk

Benefit cap (*Kontanthjælpsloftet*)

There is a maximum on the total amount a person may receive in social assistance, regular housing benefit and special housing benefit. Persons who exceed the cap are not cut from their social assistance but from their housing supplements. Thus, because social assistance is taxed as income but housing supplements are not, this means that the cap has no effect on the amount of income tax.

This benefit cap differs by age, education, and the household composition:

Personal characteristics	Single	Cohabiting
Younger than 30, without children, without completed education	1,354.60	1,257.62
Younger than 30, with one child, without a completed education	1,968.33	1,648.14
Younger than 30, with two or more children, with no completed education	2,017.86	1,625.91
Younger than 30 years, without children, with completed education	1,410.24	1,312.61
Younger than 30, with one child, with completed education	2,068.69	1,728.22
Younger than 30, with two or more children, with completed education	2,118.48	1,711.06
Over 30 years old, without children	1,842.23	1,523.08
Over 30 years old, with one child	2,110.29	2,024.10
Over 30 years of age, with two or more children	2,160.21	2,024.10

Source: Borger.dk.

Note: The table shows the maximum social assistance amounts plus housing supplements per month in 2022. These depend on personal and household characteristics. Amounts are given in euros per month and converted from Danish kroner to euros with an exchange rate of 1 DKK : €0.13.

Appendix A.1.2 Families with children

Child benefit (*Børne- og ungedelse*)

Families with children under 18 years old are eligible for the child and youth benefit (*Børne- og ungedelse*). The child benefit is split between the benefit for younger children, aimed at children up to 14 years of age and the benefit for older children, aimed at children between 15 and 17 years of age.

Eligibility conditions:

- Income test: 2 percent of earned income above 107,653 euros per year is deducted from the benefit amount.
- Asset test: None.
- Children are aged between zero and 17 years old.
- The child and parents both live in Denmark.
- Parents lived or worked at least 6 out of previous 10 years in Denmark.
- Parent is fully liable for tax in Denmark.

The maximum benefit amount differs by age of the children:

Age group	Amount per quarter
0 - 2 years	616,98
3 - 6 years	488,28
7 - 14 years	384,15
	Amount per month
15 - 17 years	128,05

Source: Borger.dk.

Note: Maximum child benefit per child in 2022, depending on the age of the child. The child benefit for younger children is paid quarterly and the child benefit for older children is paid monthly. Amounts are given in euros per month and converted from Danish kroner to euros with an exchange rate of 1 DKK : €0.13.

Special child benefit (*Børnetilskud*)

Specific groups of parents can receive additional child benefit on top of the regular child benefit. This scheme is intended, for example, for single parents, pensioners and parents in education.

Eligibility conditions:

- Income test: Varies per target group (see table below).
- Asset test: None.
- Children are aged between zero and 17 years old.
- Be part of specific target group.
- Child and parents living in Denmark.
- Parent or child is a Danish citizen (required for most special child benefits).

The maximum benefit amount differs by target group:

Target group	Amount per quarter	Income-dependent
Single parent	200.98 (fixed amount) + 197.21 per child	No
Parent of twins ^a	325.52	No
Parent of triplets ^a	651.04	No
Both parents are retired	200.98 + 569.40	Decreases by three percent of each euro earned above 39,221.52 euros per year.
One parent is retired	504.27	Decreases by three percent of each euro earned above 27,521.52 euros per year (singles) or 39,221.52 euros per year (cohabitants).
One or both parent(s) are in education	259.09	Decreases by ten percent of each euro earned above 20,748 euros per year (singles) or 31,096 euros per year (cohabitants).
One or both parent(s) are taking an internship	0.55 x (max. student grant - income)	Income is directly included in calculation of allowance.
Father is unknown or paternity investigation ongoing	569.40	No
One parent is deceased	569.40	No
Both parents are deceased	1,138.80	No

Source: Borger.dk.

Note: Maximum amount of special child allowances per quarter in 2022. Amounts are given in euro 's per month and converted from Danish kroner to euro 's with an exchange rate of 1 DKK : €0.13.

^a Only for children under the age of seven.

Appendix A.1.3 Senior citizens

Non-contributory first pillar pension (*Folkepension*)

The *Folkepension* is the most general pension scheme in Denmark. Almost everyone is eligible for this scheme, but the amount a person can receive in pension increases the longer a person lives in Denmark. The pension consists of a base amount and a supplement, both of which are income-related.

Eligibility conditions:

- Income test:

- Base amount: 30 percent of income above 45,331 euros per year is deducted from the benefit amount.
- Supplementary amount: 30.9 percent (for single persons), 16 percent (for pensioners cohabiting with another pensioner), or 32 percent (pensioners cohabiting with a non-pensioner) of income above 27,521.52 euros per year (single person) or 39,221.52 euros per year (couple) is deducted from the benefit amount.
- Asset test: None.
- Have reached the relevant pension age.
- Have lived at least forty years in Denmark between age 15 and pension age, otherwise 2.5 percent of maximum benefit for each year of living in Denmark and being a citizen.

The maximum benefit amount differs by household composition:

	Single	Cohabiting
Basic	851.11	851.11
Supplement	971.36	494
Total	1,822.47	1,345.11

Source: Borger.dk.

Note: Maximum non-contributory first pillar pension amounts in 2022 per person per month by family composition. Amounts are given in euros per month and converted from Danish kroner to euros with an exchange rate of 1 DKK : €0.13.

Pension supplements

In addition to the non-contributory first pillar pension, seniors can receive additional benefits in specific situations. For example, there is a supplement for television costs (*Mediecheck*), an elderly supplement (*Ældrecheck*), a benefit for heating costs (*Varmetillæg*), and a personal supplement (*Personligt tillæg*). Eligibility depends, in most cases, on the personal supplement percentage, which is calculated from any additional earnings on top of the non-contributory first pillar pension.

Personal supplement percentage

The personal supplement percentage decreases with income earned on top of the non-contributory first pillar pension. This includes all income on which income tax is paid, including any income from a second pillar pension. For singles, the personal supplement percentage decreases by one percent for every 71.11 euros earned above 4,550 euros per year. From an income above 11,661 euros per year, the personal supplement percentage is zero for a single person. For cohabitants, the personal supplement percentage decreases by one percent for every 143.52 euros a household earns above 9,009 euros per year. The percentage is zero for cohabitants at an annual income of 23,361 euros in addition to the first pillar pension.

Television supplement (Mediecheck)

The television supplement (*Mediecheck*) is an annual supplement of 121.94 euros. The benefit is untaxed and is paid only to recipients of the first pillar pension with a personal supplement rate of one hundred percent.

Elderly supplement (Ældrecheck)

The elderly supplement amounts to 2,418 euros per year and is paid only to recipients of the first pillar pension with a personal supplement rate higher than zero percent and less than 12,090 euros in liquid assets. This allowance is taxed.

Heating supplement (Varmetillæg)

The heating supplement covers the annual costs of heating higher than 715 euros for single persons and higher than 1,072.50 euros for cohabitants, up to a maximum of 2,951 euros per year (plus 884 euros for each adult in the household if there are more than two adults). The heat allowance is paid only to pensioners with a personal supplement rate higher than zero and is untaxed.

Personal supplement (Personligt tillæg)

Seniors who have difficulty making ends meet can receive a personal supplement. The municipality determines whether the pensioner is indeed unable to make ends meet and how much personal supplement he or she can then receive. There are no national guidelines on the amount of the benefit. This supplement is untaxed.

Housing benefit for pensioners (*Boligyldelse*)

Pensioners receive a separate housing benefit in Denmark.

Eligibility conditions:

- Income test: 22.5 percent of income above 22,555 (+ 5,941 per child between 2 and 4 children) euros per year is deducted.
- Asset test: There is no separate asset test. Instead, 10 percent of assets between 118,742 and 237,510 euros, and 20 percent of assets above 237,510 euros is included as income in the income test.
- Children are aged between zero and 17 years old.

The maximum benefit amount differs by housing costs and the number of children:

Household type	Formula	Maximum amount
Pensioners with 0-3 children	$0.75 * (Rent + 949)$	6,676.80
Pensioners with 4 or more children	$0.75 * (Rent + 949)$	8346

Source: Borger.dk

Appendix A.2 Flanders

Appendix A.2.1 Working age population

Social assistance (*Leeffloon*)

The *leeffloon* is the fundamental social assistance allowance in Flanders and also in the rest of Belgium. The amount of assistance is determined at the federal level, but its distribution is carried out by municipal centers. Moreover, municipalities have some degree of freedom about additional benefits next to the federal decided social assistance. Social assistance is not taxed.

Eligibility conditions:

- Income test: Up to a threshold of 291.63 euros per month, any income is exempted and does not affect the amount of social assistance received. Beyond the threshold, the social assistance decreases by one euro for every extra euro of income earned.
- Asset test: Assets are deducted from social assistance. For financial assets the deduction is based on a bracket system. For financials assets below 6,200 euro the percentage taken into account is 0 percent, between 6,201 and 12,500 euro the percentage taken into account is 6 percent and

above 12,501 euro the percentage take into account is 10 percent. Additionally, a yearly cadastral income is assigned to a house. The cadastral income is a fictional amount based on the annual net income that the house would generate in rent. The cadastral income is deducted from the social assistance benefit based on the following formula: $[cadastral\ income - (759\ euro + 125\ euro \times \#children)] \times 3$

- Reside in Belgium.
- Possess Belgian nationality.
- Between 18 years and pension age (currently 65).
- Be willing to work.
- Exhaust all other eligible benefits first before applying for this assistance.

The maximum benefit amount differs by household type:

Household type	Amount
Singe person house hold	729.20
Couple/single parent/all other household types without children	1,093.80
Couples with child(ren)	1,478.22

Source: Vlaanderen.be

Note. Maximum social assistance benefits per month in Flanders for different household types in 2022. Amounts are given in euros per month.

Disability benefits (*invaliditeitsuitkering*)

When it is officially determined that a person cannot work after having been disabled for longer than a year, he/she can get disability benefits (*invaliditeitsuitkering*). Within the first year of disability different schemes apply, which are partly paid by the employer and partly by social security regulations.

Eligibility criteria employee:

- Have worked for 180 days over a one-year period. Certain periods of inactivity, such as paid leave or sickness, are considered as working days.
- Have paid the minimum social contributions.
- Be recognized as disabled for at least one year.

Eligibility criteria self-employed:

- Have completed a waiting period of 6 months or be exempted from that waiting period.
- Be able to prove that you have paid enough social contributions during a reference period prior to your disability to be eligible for benefits.
- There should be no interruption of more than thirty days between the start date of your disability and the last quarter (or equivalent period) for which you paid social contributions or were exempted from social contributions.
- Be recognized as disabled for at least one year.

As an employee, the amount of the benefit is calculated based on your family situation, the salary you earned at the time you stopped your professional activity and the time you have disabled. The compensation per day cannot be higher than the amount given in the table below:

Start disability	Amount (July 2022)
family with children	104.55
single persons	88.47
couples	64.34

Source: riziv.fgov.be

Note. Maximum disability benefits for employees per day in Flanders for different households in 2022 for persons disabled from 2022 onwards. The amounts differ slightly by different starting dates of disability (see riziv.fgov.be). Amounts are given in euros per day.

As a self-employed person, a flat rate amount is calculated based on your family situation. It also takes into account whether you continue your self-employed activity during your incapacity for work:

Amounts when the business of the self-employed is closed down	Amount (July 2022)
Family with children	68.88
Single persons	54.85
Couples	47.03
Amounts when the business of the self-employed is not closed down	
Family with children	68.88
Single persons	54.85
Couples	42.07

Source: riziv.fgov.be

Note. Disability benefits self-employed per day in Flanders for different households in 2022. Amounts are given in euros per day. The part of the table is when the self-employed activity is continued and the bottom part of the table is when the self-employed activity is stopped.

Social tariffs for gas, water and electricity (*Sociale tarieven voor beschermde afnemers*)

When a person qualifies for a minimum benefit (social assistance or basic pension), they are classified as "*beschermde afnemers*" and they are eligible for social tariffs. There is a significantly reduced price for electricity and natural gas. The eligible individual pays a rate that corresponds to the lowest rate on the commercial market. There is a social tariff for water, where only twenty percent of the consumption has to be paid by the eligible individual. Further, they receive a fifty percent discount on the connection of a landline telephone.

Housing benefit and special housing benefit (*Huursubsidie and Huurpremie*)

The main housing benefit in Flanders is *huursubsidie*, which helps low income households to pay for the rent. The special housing benefit is referred to as *huurpremie* and it is essentially the same in amount and eligibility criteria as *huursubsidie*, except for the difference in the maximum allowable rent. For *huurpremie*, the maximum allowable rent criteria drops, but households must have been on the waiting list for social housing properties for a minimum of four years to qualify for this benefit.

Eligibility conditions:

- Income test: The maximum income is 2,341.08 euros per month for a single individual and 3,513.00 euros per month for couples, plus 196.33 euros per month per additional person in their household.
- Asset test: n/a.
- Live in Flanders.
- Rent price (only for *huursubsidie*): The maximum rent is 718.25 euros per month for a single individual (or 790.08 euros per month in a more expensive region). The maximum rent is increased by 20 percent for each additional person in the household, up to a maximum increase of 50 percent. If the rental price exceeds the maximum rent, the housing benefit cannot be used.
- Been on the waiting list for social housing property for at least 4 years (only for *huurpremie*).

The maximum housing benefit amount differs by income, household size and region:

The amount is calculated based on the following formula:

$$\text{Housing benefit} = 0.75 \times (R) - (Y) / 55,$$

where R is always the maximum rent calculated with the criteria above even if the actual rent is lower than this (or higher in case of *huurpremie*) and Y is yearly household income. The housing benefit amounts to a maximum of 177.24 euros per month (or 194.96 in more expensive regions) for a single person household and is increased by 29.54 euros per month (or 32.49 in more expensive regions) per additional person in the household, up to the fourth person. If the aforementioned formula results in a higher amount than this maximum, the housing allowance will be capped at this maximum value.

Reduced co-payment (*Verhoogde tegemoetkoming*)

Belgium has a compulsory health insurance system with a co-payment system. Individuals pay the full amount to the healthcare provider and usually receive approximately 75 percent reimbursed by the insurer (the remaining 25 percent is co-payment). However, a person on social assistance benefits has different rules. A person on social assistance is entitled to the so-called "*derdebetalersregel*" (third-party payment system). Under this system, the person only needs to pay the co-payment to the doctor, instead of paying the full amount upfront. However, the percentage of co-payment can be reduced, and this is known as "*verhoogde tegemoetkoming*" (increased reimbursement). The increased reimbursement is granted if the person is eligible for one or more selected benefits (social assistance, disability benefit or minimum pension) or the household income is lower than 20,292.59 euros per year plus 3,756.71 euros per household member. The amounts that a person has to pay depends on the treatment.

Maximum healthcare expense (*Maximum factuur*)

There is the *maximumfactuur* (maximum bill), which sets an upper limit on the total annual amount that a household has to pay for healthcare costs. This concerns a cap on the annual co-payment expenses.

Every household is eligible for this maximum bill, but the maximum bill increases with income:

Yearly income	Maximum bill healthcare
from 0,00 to 11.120,00 euro	250.00
from 11.120,01 to 19.894,05 euro	506.79
from 19.894,06 to 30.583,38 euro	732.03
from 30.583,39 to 41.272,75 euro	1,126.20
from 41.272,76 to 51.516,72 euro	1,576.68
from 51.516,73 euro	2,027.16

Source: Rijksinstituut voor ziekte- en invaliditeitsverzekering

Note: Maximum healthcare bill per year in Flanders for different household incomes in 2022. Amounts are given in euros per year.

Appendix A.2.2 Families with children

In Flanders, there are several benefit and allowances that fall under the child regulations, which is called the *groei pakket*. This sub appendix discusses the child regulations that are paid to minima households on a regular basis within the *groei pakket*.

Child allowance (*basisbedrag*)

The child allowance (*basisbedrag*) is an amount that each child gets independent of the financial situation of the parents.

Eligibility conditions:

- Income test: n/a.
- Asset test: n/a.
- The child always get the child allowance when he/she is between 0 and 18. This can be extended to 25 years based on either of the two criteria below:
 - Children with specific support needs (disability).
 - Children who attend school for at least 17 hours per week.
- Child has to live in the household.

The amount of child allowance differs based on the number of children in the household and the age of the children:

Number of children	Amount
First child	99.70
Second child	184.47
Third child and every additional child	259.49

Additional amount based on age	First child	Second child and every additional child
From 6 years	16.36	32.63
From 12 years	24.92	49.86
From 18 years	28.72	63.40

Source: Fons.be and groei.pakket.be

Note: Maximum child allowance per month in Flanders for different number of children of different ages in 2022. Amounts are given in euros per month. The first table gives the amount per child based on the 'order' of the child within the household. The additional age amount should be added to amount per child. The lower amount for the first child only applies if the household does not receive child benefit.

These amounts are based on children born before 2019, after 2019 new amounts are taken into account. For more information about the new amounts see fons.be or groeipakket.be

Child benefit (*sociale toeslag*)

The child benefit is the an income-dependent component of the child regulations. This is an additional benefit that can be received per child if household incomes fall below certain thresholds.

Eligibility conditions:

- Income test: For families with one or two children the maximum income is 40,281.40 euros per year and for families with three or more children the maximum income is 64,945.93 euros per year.
- Asset test: n/a.
- The child always get the child allowance when he/she is between 0 and 18. This can be extended to 25 years if the children fulfill study and/or employment conditions.
- Child has to live in the household.
- Live in Flanders.

The amount of child allowance differs based on the number of children in the household and the age of the children:

Number of children	Amount
First child	65.75
Second child	46.45
Third child and every additional child	20.52

Source: [Fons.be](https://fons.be) and groeipakket.be

Note: Maximum child benefit per month in Flanders for different number of children in 2022. Amounts are given in euros per month. These amounts are based on children born before 2019, after 2019 new amounts are taken into account. For more information about the new amounts see fons.be or groeipakket.be

School benefit (*participatietoelage*)

School benefits (*participatietoelage*) are intended to cover education expenses for low income household. The amount of the benefit depends on threshold amounts that are related to the household situation. A household earns 'points' based on its composition. These points then determine income thresholds: a minimum and a maximum. If a household falls below the corresponding minimum income threshold, it is eligible for the full benefit as shown in the table below. If a household earns above the corresponding maximum income threshold, it is not eligible for the school benefit. If a household earns the maximum income threshold, it is eligible for the minimum benefit. If the income falls between the thresholds, a proportional amount between the minimum and full benefit is awarded. A household dependent on social assistance (*leefloon*) is eligible for the exceptional benefit. If students follow internal education, are married, or are self-employed, there is no exceptional benefit, and the benefit is calculated based on the points system.

Eligibility conditions:

- Income test: Based on the points system
- <22 years and in pre-, primary or secondary school
- All students in special education or in applied science nursery school
- Education in Dutch languages

The maximum amount of school benefit differs based on the education type and income:

	Minimum-benefit	Full benefit	Exceptional benefit
Pre-school	107.47	107.47	107,47
Primary school	125.41	195.04	253,26
With secondary education:			
Married, single student or self-employment	738.91	3,387.57	-
Student in year 3 of 3th degree fulltime technical or vocational training	Intern: 751.52	Intern: 1,928/75	Intern: -
	Extern: 290.80	Extern: 1,173.24	Extern: 1,377,56
Fulltime secondary education	Intern: 626.27	Intern: 1,607.24	Intern: -
	Extern: 242.24	Extern: 977.60	Extern: 1,147.84
Part-time secondary education	203.70	556.98	718.54
Nursery school (applied science)	859.98	Intern: 37,73.03	-
		Extern: 1,256.34	

Source: Fons.be and groeipakket.be

Note: School benefit per year in Flanders for children in different types of education in 2022. Amounts are given in euros per year.

School bonus (*schoolbonus*)

The school bonus is paid to all families with children, regardless of the household's financial situation. The bonus is paid yearly in August.

The amounts depend on the age of the child:

Age of the child	Amount
0-4 jaar	21.65
5-11 jaar	37.88
12-17 jaar	54.12
18-25 jaar	64.94

Source: Fons.be and groeipakket.be

Note: School bonus per year in Flanders for children of different ages in 2022. Amounts are given in euros per year.

Appendix A.2.3 Senior citizens

Minimum pension (*Inkomensgarantie voor ouderen*)

The social assistance benefit (*leefloon*) described above does not apply to the elderly. Instead, a minimum income for the elderly is guaranteed through an minimum pension (*Inkomensgarantie voor Ouderen*), which is implemented nationally.

Eligibility conditions:

- Income test: Different sources of income are taken into account in different manners. Pension income is taken into account for 90%, work income is taken into account for 75% after the exemption of 5,000 euro per month and other social benefits are not taken into account. The sum of the income sources taken into account are compared to the maximum amount of minimum pension. The applicant is entitled to the minimum pension when this total sum is lower than the maximum benefit applicable (see table below). In this case the difference between the sum of income and the maximum minimum pension benefit is paid out.
- Asset test: Assets are deducted from social assistance. For financial assets the deduction is based on a bracket system. For financial assets below 6,200 euro the percentage taken into account is 0,00 %, between 6,201 and 18,600 euro the percentage taken into account is 6,00 % and above 18,601 euro the percentage taken into account is 10,00%. Additionally, a yearly cadastral income is assigned to a house. The cadastral income is a fictional amount based on the annual net income that the house would generate in rent. The cadastral income is deducted from the social assistance benefit based on the following formula: $[\text{cadastral income} - (743.68 \text{ euro} + 123.95 \text{ euro} \times \# \text{children})] \times 3$.
- Reside in Belgium.
- Possess Belgian nationality, with some exceptions.
- Be 65 years of age or older (current pension age).

The maximum benefit amount differs by household type:

Householdtype	Amount per person
Single person	1,460.03
Couple	973.36

Source: sfpd.be

Note: Minimum pension per month in Flanders in 2022. Amounts are given in euros per month.

Appendix A.3 France

Appendix A.3.1 Working age population

Social assistance (*Revenu de Solidarité active*)

Social assistance in France is called the *Revenu de Solidarité active*. This is untaxed income support for people who do not earn enough to make ends meet. This scheme is meant to be the very last safety net for French residents. A person can only claim assistance when all other schemes have been exhausted (such as when temporary unemployment benefits expire).

Eligibility conditions:

- Income test: All income is fully deducted. Implying no eligibility with 600 €/m (single person).
- Asset test: None.
- At least 25 years old; or be under 25 and have children; or be between 18 and 25 and have worked for at least two of the last three years.
- Have lived in France continuously for at least three months (for French people and other EU-citizens); or have lived in France continuously for at least five years (for non-EU citizens).
- Live in France at least nine months a year.
- Recipient is not a student, intern or trainee unless they are a single parent or earn more than five hundred euros per month.

The maximum benefit amount differs by household composition:

	Single	Single person (increased amount)	Couple
Without children	598.54	768.60	897.82
One child	897.82	1,024.80	1,209.80
Two children	1,077.38	1,281.00	1,256.94
Supplement per additional child above two children	239.42	156.9	239.42

Source: DREES (2022c).

Note: Monthly amounts of French basic assistance (*Revenu de Solidarité active*) in euros on July 1, 2022, by household type. Increased amounts may apply for single persons in case the recipient is pregnant or is a single parent due to a life event (such as the death of the partner).

Disability benefit (*Allocation aux adultes handicapés*)

Persons with labor disabilities do not receive social assistance (*Revenu de Solidarité active*), but a disability benefit (*Allocation aux adultes handicapés*). This benefit is intended to provide all adults (over the age of 20) with a work disability with a minimum income.

Eligibility conditions:

- Income test: For a single person, for every euro earned from regular work under 512.79 euros per month, twenty cents is deducted from the monthly benefit. For every euro above 512.79 euros per month, sixty cents is deducted from the benefit. For couples without children, income from regular work below 774.89 euros per month is not deducted from the allowance. Income above 774.89 euros per month is deducted sixty cents from the allowance. For recipients with children, the maximum allowed income increases by 478.53 euros per child per month.
- Asset test: None.
- At least 20 years old.
- Have been declared at least eighty percent incapacitated; or have been declared between fifty and seventy-seven percent incapacitated and experience long-term and substantial limitations in any work.
- Live stably and permanently in France.

The maximum benefit amount is not differentiated:

	Maximum amount
All eligible households	956.65

Source: DREES (2022c).

Personal housing benefit (*Aide personnalisée au logement*)

France has three different housing benefits: the personal housing benefit (*Aide personnalisée au logement*), the family housing benefit (*Allocation de logement familiale*) and the low-income housing benefit (*Allocation de logement sociale*). The three supplements cannot be received in combination. Receipt of one of the supplements therefore prohibits receipt of the other. By default, the first step is to see if an applicant meets the requirements for the personal housing benefit. Only when that is not met will the other two housing benefits be considered.

Eligibility conditions:

- Income test: Income reduces the monthly benefit level, but decrease depends on household characteristics (see formula for benefit level). For a single person the maximum income is 1,150 euros per month.
- Asset test: None.
- Recipient should live in France.
- House should meet criteria, such as offering the property to low-income people, a guarantee of a certain level of housing or a certain length of the lease. This is determined on a case-by-case basis in consultation between the government, the owner and the property manager.
- The home must meet current health and safety standards.
- The home must be occupied by the recipient for at least eight months of the year.
- The home is at least 9 m² in case of a single person and 16 m² in the case of two people (plus 9 m² per additional person). However, it is possible to still receive a housing allowance even if the minimum area requirement is not met. This can be determined at the discretion of officials of the disbursing regional governments.

The benefit amount differs by household income, region, and household composition, and is given by the following formula:

$$\text{Housing benefit} = F(\text{Rent} + \text{Fixed amount} - \text{Copayment}) - 5,$$

where $F()$ is a function that determines how much of the rent is covered by the housing benefit. Up to the first rent ceiling, the corrected rent equals the full rent plus a fixed amount and minus a co-payment amount. Between the first and second rent ceiling, the corrected rent equals the first ceiling plus the fixed amount and minus the co-payment. From the second rent ceiling onwards, the corrected rent decreases proportionally until it is zero from the third rent ceiling onwards. The rent ceilings differ by households composition and region:

Household composition	1st rent ceiling			2nd rent ceiling			3rd rent ceiling		
	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3
Single	308.50	268.87	252.00	1,048.90	672.18	630.00	1,234.00	833.50	781.20
Couple without children	372.07	329.10	305.48	1,265.04	822.75	763.70	1,488.28	1,020.21	946.99
Single or couple with one child	420.52	370.32	342.52	1,429.77	925.80	856.30	1,682.08	1,147.99	1,061.81
Per additional child	61.01	53.90	49.09	207.43	134.75	122.73	244.04	167.09	152.18

Source: Republique Francaise (2019).

Note: Rent ceilings for three different zones in France and different household compositions, as of July 1, 2022. Zone 1 consists of Paris and other new cities in the Paris region. Zone 2 consists of all cities with more than 100,000 inhabitants and other new cities. Zone 3 consists of the rest of France. From the second rent ceiling, the benefit decreases proportionally until it is zero at the third rent ceiling.

The fixed amount also differs by household composition:

Household composition	Amount
Single or couple without children	56.12
Supplement per child	12.72

Source: Republique Francaise (2019).

Note: Fixed amount of housing allowance for different household compositions, as of July 1, 2022.

Finally, the co-payment differs by household income and household composition, and is given by the following formula:

$$\text{Copayment} = P_0 + \text{personal\%} * (\text{net household income} - R_0),$$

where P_0 equals 8.5 percent of the rent ceiling plus the fixed amount, and R_0 equals 4,949 euros for a single person and 7,090 euros for a couple and then increases with the number of children in the household. The personal percentage also depends on the household situation and the recipient's rent. The rate varies between zero percent and 3.83 percent. See Republique Francaise (2019) for a complete overview of the structure of the co-payment.

Family housing benefit (*Allocation de logement familiale*)

France has three different housing benefits: the personal housing benefit (*Aide personnalisée au logement*), the family housing benefit (*Allocation de logement familiale*) and the low-income housing benefit (*Allocation de logement sociale*). The three supplements cannot be received in combination. Receipt of one of the supplements therefore prohibits receipt of the other. The family housing benefit is only considered when someone is not eligible for the personal housing benefit.

Eligibility conditions:

- Income test: Income reduces the monthly benefit level, but decrease depends on household characteristics (see formula for benefit level). For a single person the maximum income is 1,150 euros per month.
- Asset test: None.
- Recipient should live in France.
- Recipient should be part of a household with children or with an invalid family member, be a pregnant woman, or be part of a young couple without children (sum of ages lower than 55 years).
- The home must meet current health and safety standards.
- The home must be occupied by the recipient for at least eight months of the year.
- The home is at least 9 m² in case of a single person and 16 m² in the case of two people (plus 9 m² per additional person). However, it is possible to still receive a housing allowance even if the minimum area requirement is not met. This can be determined at the discretion of officials of the disbursing regional governments.

The benefit amount is equal to the benefit amount of the personal housing benefit (see above).

Low-income housing benefit (*Allocation de logement sociale*)

France has three different housing benefits: the personal housing benefit (*Aide personnalisée au logement*), the family housing benefit (*Allocation de logement familiale*) and the low-income housing benefit (*Allocation de logement sociale*). The three supplements cannot be received in combination. Receipt of one of the supplements therefore prohibits receipt of the other. The low-income housing benefit is only considered when someone is not eligible for the personal housing benefit.

Eligibility conditions:

- Income test: Income reduces the monthly benefit level, but decrease depends on household characteristics (see formula for benefit level). For a single person the maximum income is 1,150 euros per month.

- Asset test: None.
- Recipient should live in France.
- Recipient should have a low income (determined by discretion of the disbursing government).
- The home must meet current health and safety standards.
- The home must be occupied by the recipient for at least eight months of the year.
- The home is at least 9 m² in case of a single person and 16 m² in the case of two people (plus 9 m² per additional person). However, it is possible to still receive a housing allowance even if the minimum area requirement is not met. This can be determined at the discretion of officials of the disbursing regional governments.

The benefit amount is equal to the benefit amount of the personal housing benefit (see above).

(Partially) free health insurance (*Complémentaire santé solidaire*)

France has a (partially) free health insurance (*Complémentaire santé solidaire*) for low-income individuals. The insurance reimburses the "100 percent santé" level of French health insurance. Among other things, this reimburses all daily hospital expenses, the deductible on medications and nursing care, and care for audiology, teeth and vision.

Eligibility conditions:

- Income test: Once a year, based on income in the previous 12 months, it is determined whether a person is entitled to the free health insurance. If this income is below 798 euros per month on average, the insurance is completely free. If the average income is between 798 and 1077 euros per month, a small contribution per month applies and increases with age. For example, 16-29 year olds pay eight euros per month and those over 70 pay 30 euros per month.
- Asset test: None.
- Recipient should have lived in France in a stable manner for at least three months.

Activity bonus (*Prime d'activité*)

The *Prime d'activité* is an activity bonus for low-income households. It is intended both for recipients of social assistance (*Revenu de Solidarité active*), as well as for recipients of unemployment benefits or persons who do not receive social benefits but are on low wages. It effectively lowers the benefit reduction rate for recipients of social assistance.

Eligibility conditions:

- Income test: Once a year, based on income in the previous 12 months, it is determined whether a person is entitled to the free health insurance. If this income is below 798 euros per month on average, the insurance is completely free. If the average income is between 798 and 1077 euros per month, a small contribution per month applies and increases with age. For example, 16-29 year olds pay eight euros per month and those over 70 pay 30 euros per month.
- Asset test: None.
- Recipient is not a student, unless the student is a single parent and is over eighteen years old; or is over eighteen years old and earns more than 1,008 euros per month.
- Recipient lives in France in a stable way.
- Recipient earns money from professional activities or from unemployment benefits.

The benefit amount differs by household income, region, and household composition, and is given by the following formula:

$Activity\ bonus = 0.61 * Income + Varying\ amount - \max(Income - Correction, 0)$, where the varying amount increases with monthly household income from work. For incomes below 640.15 euros per month, the varying amount is zero. Between 640.15 and 1,302 euros per month, the varying amount is about 25.8 percent of income above 640.15 euros per month. For incomes higher than 1,302 euros per month, the amount is 170.60 euros. The correction ensures that the activity bonus decreases after a certain income threshold. The correction amount differs by household composition:

	Single	Single person (increased amount)	Couple
Without children	586.23	752.79	879.35
One child	897.35	1,003.72	1,055.21
Two children	1,055.21	1,254.65	1,231.08
Supplement per additional child	234.49	250.93	234.49

Source: DREES (2022c).

Note: Household-dependent adjustment amounts of the activity bonus (*Prime d'activité*) in euros on July 1, 2022, by household type. Single persons may temporarily receive an increased amount if the recipient is pregnant or is a single parent due to a life event (such as the death of the partner).

Appendix A.3.2 Families with children

Child benefit for young children (*Prestation d'accueil du jeune enfant (paje)*)

Early childhood benefits include a number of schemes designed only for parents of children under the age of three. These are the base allocation (*Allocation de base*), and the parenting benefit (*Prestation partagée d'éducation (prepare)*).

Base allocation (*Allocation de base*)

Eligibility conditions:

- Income test: Benefit is reduced by 50 percent if parents earn between 2,998 and 3,582 euros per month. If the household contains only one earner, these thresholds are 2,268 and 2,710, respectively. For each additional child in the household, the lower threshold increases by 544 euros per month, and the upper threshold by 650 euros per month. Households earning more than the upper threshold are not eligible for the base allocation.
- Asset test: None.
- Child is younger than three years old.

The maximum benefit amount is not differentiated:

	Benefit amount
All eligible households	182

Source: DREES (2022c).

Note: Base allocation amounts in euros per month in July 2022.

Parenting benefit (*Prestation partagée d'éducation (prepare)*)

Eligibility conditions:

- Income test: None.

- Asset test: None.
- Child is younger than three years old.
- Parent stops working completely or partially to take care of the child.
- The parent must have worked in the two years prior to the birth of the first child. In the case of the birth of a second child, a parent must have worked for two years in the four years prior to the child's birth.

The maximum benefit amount differs by how much less the parent starts working and the number of children in the household:

	Benefit amount
Parent completely stops working	422,21
Parent works half a week less	272,94
Parent works one day a week less	157,45
One parent does not work and household has three or more children	690,13

Source: DREES (2022c).

Note: Parenting benefit in euros per month in July 2022.

Child benefits for older children (*Entretien de l'enfant*)

The child benefits for older children are intended for parents of children between the ages of 3 and 20. These benefits include the family benefit (*Allocations familiales*), additional family benefit (*Complément familial*), and school benefit (*Allocation de rentrée scolaire*).

Family benefit (Allocations familiales)

Eligibility conditions:

- Income test: The benefit is reduced by 50 percent if the parents earn between 5,840 and 7,783 euros per month. The benefit is reduced by 75 percent if the parents earn more than 7,783 euros per month.
- Asset test: None.
- At least two children under the age of 20.
- At least one child over the age of 3.

The maximum benefit amount differs by the number of children in the household and the age of the children:

	Benefit amount
Two children	139.84
Per additional child above two children	179.16
Additional amounts for children older than 14 (per child)	69.92

Source: DREES (2022c).

Note: Family benefit in euros per month in July 2022.

Additional family benefit (Complément familial)

Eligibility conditions:

- Income test: The benefit is reduced by about one-third if the parents earn between 1,998 and 3,996 euros per month. If the household contains only one earner, these thresholds are 1,634

and 3,266, respectively. For each additional child in the household, the lower threshold increases by 272 euros per month, and the upper threshold by 544 euros per month. Households earning more than the upper threshold are not eligible for the base allocation.

- Asset test: None.
- At least three children.
- At least one child over the age of 3.

The maximum benefit amount is not differentiated:

	Benefit amount
All eligible households (full amount)	273.02
All eligible households (reduced amount)	182.00

Source: DREES (2022c).

Note: Additional family benefit in euros per month in July 2022.

School benefit (Allocation de rentrée scolaire)

Eligibility conditions:

- Income test: Households with an income higher than 2,114 euros per month (plus 488 euros per month per additional child in the households) are not eligible.
- Asset test: None.
- Child goes to school.

The maximum benefit amount differs by age of the child:

	Age	Benefit amount
6-10 years old		392.05
11-14 years old		413.69
15-18 years old		428.02

Source: DREES (2022c).

Note: School benefit in euros per year in July 2022

Appendix A.3.3 Senior citizens

Minimum pension (*Minimum vieillesse*)

The French minimum pension (*Minimum vieillesse*) guarantees a minimum income for all pensioners who have such a low work-related pension accrual that they fall below the income limit of the minimum pension scheme. Thus, if a resident has less pension accrual than the benefit amount of the minimum pension scheme, this scheme supplements net income up to the maximum monthly amount of the minimum pension.

Eligibility conditions:

- Income test: All income from work, work-related pension plans, property rentals and inheritances is fully deducted from the benefit amount.
- Asset test: None.
- Recipient is at least 65 years of age, or has reached the sector-specific minimum early retirement age and is disabled.

- Permanent residence in France for at least six months per year.

The maximum benefit amount differs by household composition:

Household composition	Benefit amount
Single person	917
Couple	1,423

Source: DREES (2022b).

Note: Minimum pension in euros per year in January 2022.

Appendix A.4 Germany

Appendix A.4.1 Working age population

Social assistance (*Arbeitslosengeld II*)

Social assistance in Germany is called *Arbeitslosengeld II*. This assistance is granted to individuals who are unable to provide for a living themselves and are capable of working at least 3 hours per day. Social assistance is not taxed.

Eligibility conditions:

- Income test: The first 100 euros per month can be earned freely without reducing the benefit amount. Thereafter, the reduction is 80% for incomes between 100 and 1,000 euro per month, 90% for incomes between 1,000 and 1,200 euro per month (or to 1,500 euro per month for families with children) and 100% for incomes above 1,200 euro per month (or above 1,500 euro per month for families with children).
- Asset test: A maximum allowable amount of assets is calculated for each individual in the household. These assets are combined to determine the maximum allowable household asset. Once the maximum asset limit is surpassed, the right to assistance is forfeited. There is no gradual reduction as in the income test. For each adult, there is a minimum amount of assets (in savings) set at 750 euros, which increases based on age. For individuals born before 1948, an additional 520 euros is added to the standard 750 euros for each year of age. For individuals born after 1948, 150 euros per year of age is added to the standard 750 euros. In addition to this calculation, there are different maximum limits for various age cohorts. When these limits are reached, the above calculation no longer applies. For individuals born before 1948, the maximum allowable asset (in savings) is 33,800 euros; for those born between 1948 and 1958, it is 9,750 euros; for those born between 1958 and 1963, it is 9,900 euros; and for those born after 1963, it is 10,050 euros. For children in the household, a separate amount of assets (in savings) of 3,100 euros per child is added to the calculation of maximum household assets. In addition to savings, a household may possess non-cash assets (such as owning a house). For individuals born before 1958, the maximum allowable non-cash assets are 48,750 euros. For those born between 1958 and 1963, the limit is 49,500 euros, and for those born from 1964 onwards, the limit is 50,250 euros. Moreover, essential household items, such as a suitable motor vehicle, pension insurances and a house of a certain size are not considered in the asset test.
- The recipient is between 15 and 66 (current pension age).
- The recipient lives in Germany.
- The recipient does not receive housing or child benefits.

- The recipient is available for work for at least 3 hours per day.

The maximum benefit amount differs by household size and the age of the children:

Household characteristics	Amount
Single person	449.00
Per person in couple	404.00
Additional per child (0-5 years)	285.00
Additional per child (6-13 years)	311.00
Additional per child (14-17 years)	376.00
Additional per child (18-24 years)	360.00

Source: EUROMOD Germany and bundesregierung.de

Note. Maximum social assistance benefits per month in Germany for different household characteristics in 2022. Amounts are given in euros per month.

Disability benefit (*Sozialhilfe*)

For disabled individuals with reduces working capability, a separate disability benefit (*Sozialhilfe*) applies. This is for people who cannot work for three hours per day. These individuals cannot claim general social assistance because a requirement for general assistance is that you are capable of working.

Eligibility conditions:

- Income test: The allowable income is determined by applying a 30 percent reduction to the gross income. This allowable income is then compared to the maximum amount that someone can receive in minimum pension benefits (see table below). In cases where the allowable income exceeds the maximum amount, the individual is not eligible to receive minimum pension benefits. Conversely, if the allowable income falls below the amount, the difference between the two values is paid as minimum pension benefits.
- Asset test: The asset limit is set at 5,000 euros per adult and 500 euros per child in the household
- Declaration from the doctor that someone is unable to work for more than three hours per day for at least 6 months.
- The recipient is between 15 and 66 (current pension age).
- The recipient lives in Germany.
- The recipient does not receive housing or child benefits.

The maximum benefit amount differs by household size and the age of the children:

Household characteristics	Amount
Single person	449.00
Per person in couple	404.00
Additional per child (0-5 years)	285.00
Additional per child (6-13 years)	311.00
Additional per child (14-17 years)	376.00
Additional per child (18-24 years)	360.00

Source: EUROMOD Germany and bundesregierung.de

Note. Maximum disability benefits per month in Germany for different household characteristics in 2022. Amounts are given in euros per month.

Takeover of housing costs (*Übernahme von Wohn- und Heizkosten*)

For everyone receiving general assistance or social assistance, housing expenses (accommodation and heating) are also covered (*Übernahme von Wohn- und Heizkosten*). This means that people receive the actual amount they spend, provided it remains below a certain threshold. These thresholds are determined by each municipality to take into account the general rental prices per region. The eligibility criteria are the same as for social assistance. Moreover, income is deducted from the benefits in the same way as in social assistance. One can basically see the sum of social assistance and the takeover of housing cost as one amount when calculating income effects. As the thresholds are determined by municipality, we took Berlin as the main municipality in this paper.

The maximum benefit amount differs maximum rent price in the region, household characteristics, and heating. An overview of maximum amounts for Berlin is given in the following table:

	Living costs	Heating costs	Warm water costs	Total
1-person household	426.00	94.00	7.00	527.00
2-person household	515.45	112.20	9.00	636.65
3-person household	634.40	150.40	11.00	795.80
4-person household	713.70	169.20	12.00	894.90
5-person household	857.82	191.76	14.00	1.063.58
Additional amount for each extra person in the household	+100.92	+22.56	+2.00	+125.48

Source: Berlin.de

Note. Maximum takeover of housing costs per month in Germany for different personal characteristics in Berlin, 2022. Amounts are given in euros per month. The amounts are for a house that is not a social rental property, has a living area of up to 250 square meters, and is heated by natural gas district heating.

Housing benefit (*Wohngeld*)

The housing benefit (*Wohngeld*) is paid to all low-income households who need help with covering their rent expenses. The housing benefit cannot be received on top of social assistance.

Eligibility conditions:

- Income test: Minimum income of 837 euros per month and maximum income of 3,246 euro per month.
- Asset test: n/a.
- The recipient should live in Germany and must be registered at the address for which housing benefit is claimed.
- The rent must be between 395 and 1,200 euro per month.
- The recipient cannot use social assistance at the same time.

The maximum benefit amount differs maximum rent price in the region and household characteristics, and is given by the following formula:

$$\text{Housing benefit} = 1.15 * [M - (a + b * M + c * Y) * Y],$$

where Y is income, a,b and c are parameters depending on the household characteristics (see <https://www.wohngeld.org/wohngeldgesetz-wogg/anlage2/>) and M is a maximum amount per region (the average value is 1,200 euro).

Free health insurance

For people on social assistance without health insurance, they receive the same healthcare as individuals who have the basic health insurance mandated by the government.

Appendix A.4.2 Families with children

Child allowance (*Kindergeld*)

The child allowance (*Kindergeld*) is an amount that each child gets independent of the financial situation of the parents.

Eligibility conditions:

- Income test: n/a.
- Asset test: n/a.
- The child always get the child allowance when he/she is between 0 and 18. This can be extended based on either of the two criteria below:
 - Additional requirement to be eligible for children between 18 and 25 years: complete school, vocational training or first degree or work at least 20 hours per week when they do second degree or do a year of socially relevant voluntary work.
 - Additional requirement to be eligible for children between 18 and 21 years: be unemployed and available to the labor market.
- Child has to live in the household.
- Live in Germany.

The amount of child allowance differs based on the number of children in the household:

Number of children	Amount
One or two children (amount per child)	219.00
Three children (amount per child)	225.00
Each additional child (amount per child)	250.00

Source: EUROMOD Germany and bundesregierung.de

Note: Amounts of child allowance per month in Germany in 2022. Amounts are given per child in euros per month.

Child benefit (*Kinderzuschlag*)

Child benefit (*Kinderzuschlag*) is a benefit for families with low income and low assets in Germany. Families receiving social assistance are not eligible for child allowance because they already receive an increased amount through social assistance.

Eligibility conditions:

- Income test: Minimum income of 600 euro per month (single parent) or 900 euro per month (couple). For every euro of income above the minimum threshold the benefits reduce by 45 cents.
- Asset test: The maximum allowable assets are 60,000 euros for the first family member and 30,000 euros for each additional family member, with the exception of single-parent households, for which the maximum allowable assets are 120,000 euros.
- Eligible for child allowance.
- Live in Germany.

- Younger than 25 years.
- Live in the same households as the family.
- Not married.

The maximum amount is not influenced by any specific characteristic and is set at a maximum of 219 euros per child per month (July 2022).

School benefit

This is part of the child benefit in Germany for children who are in school. In addition to the monthly child benefit, parents will receive a one-time extra amount of 156 euros in August if the child attends school (without a scholarship). The costs for excursions, transportation to school, extracurricular additional lessons, and school meals are also reimbursed. Furthermore, there is an amount of 15 euros per month per child available to participate in social and cultural activities such as sports clubs or music lessons. These extras are provided as in-kind benefits, except for the extra amount in August.

Appendix A.4.3 Senior citizens

Minimum pension (*Bedarfsorientierte Grundsicherung im Alter*)

There is a minimum pension (*Bedarfsorientierte Grundsicherung im Alter*) for people older from 66 years who cannot make ends meet because they have not accumulated enough pension, for example, due to being on social assistance or being occupationally disabled. This scheme is essentially an extension of general assistance after reaching the retirement age, with different eligibility requirements. This scheme also includes the takeover of housing costs (*Übernahme von Wohn- und Heizkosten*).

Eligibility conditions:

- Income test: The allowable income is determined by applying a 30 percent reduction to the gross income. This allowable income is then compared to the maximum amount that someone can receive in minimum pension benefits (see table below). In cases where the allowable income exceeds the maximum amount, the individual is not eligible to receive minimum pension benefits. Conversely, if the allowable income falls below the amount, the difference between the two values is paid as minimum pension benefits.
- Asset test: The asset limit is set at 5,000 euros per adult and 500 euros per child in the household
- The recipient is 66 or older (current pension age).
- The recipient lives in Germany
- The recipient does not receive housing or child benefits

The maximum benefit amount are actually the same as in social assistance, so they differ by household size and the age of the children (if any in the household):

Household characteristics	Amount
Single person	449.00
Per person in couple	404.00
Additional per child (0-5 years)	285.00
Additional per child (6-13 years)	311.00
Additional per child (14-17 years)	376.00
Additional per child (18-24 years)	360.00

Source: EUROMOD Germany and bundesregierung.de

Note: Maximum social assistance benefits per month in Germany for different household characteristics in 2022. Amounts are given in euros per month.

Appendix A.5 The United Kingdom

Appendix A.5.1 Working age population

Social assistance (*Universal credit*)

Universal Credit is the general social assistance scheme in the United Kingdom. The assistance can be granted to both employed, unemployed, and disabled individuals. Social assistance is not tax, but is taken into account in the benefit cap.

Eligibility criteria:

- Income test: The social assistance (including additions such as housing benefit) is reduced by 55 cents for every euro earned by the applicant or partner until the benefit reaches zero euros. For individuals with the care of young children or those with a condition that affects their work capacity, there is an exemption from income reduction before the social assistance benefit is reduced. For these groups, 304.89 euros per month is exempted when housing benefit is also received, and 507.85 euros per month if there is no housing benefit received.
- Asset test: There is an asset test with a gradual reduction of social assistance (including additions such as housing benefit). To receive the full amount of social assistance (including additions such as housing benefit), the recipient must possess less than 5,317.80 euros. For every 221.85 euros above 5,317.80, the social assistance (including additions such as housing benefit) is reduced by 3.86 euros per month.
- Between 18 and 66 (current pension age). There are some exceptions under which 16 and 17 years old can also receive social assistance, which are; health conditions or disability, caring for someone who gets health or disability related benefits, being responsible for a child, living with a partner that uses Universal Credit and having a child, being pregnant and expect in the next 11 weeks. To be eligible if you are 16 or 17 you need one of the listed criteria and cannot have parental support, such as living with your parents
- Live in the UK.
- Not be in full-time education or training.
- Settled or pre-settled status under the EU Settlement Scheme.

The maximum amount of social assistance depends on the household size and the age of the recipient:

Household size	Amount
Single person (under 25)	235.14
Single person (above 25)	296.83
Couple (at least one under 25)	369.10
Couple (both above 25)	465.95
First child and second child	+216.77 per child
Third and each additional child	+0.00 per child

Source: gov.uk

Note. Maximum social assistance amounts for different household sizes in the UK in 2022. Amounts are given in euros per month and converted from pound to euros with an exchange rate of 1 pound : €0.8863. There is an exemption for which an additional amount can also be received for third and additional children in case of twin, domestic adoption, or in a fostering agreement

Disability benefit (*Employment and Support Allowance*)

Persons can apply for the disability benefit (Employment and Support Allowance) if they have a disability or health condition that affects how much they can work. Basically all persons can apply; employed, self-employed or unemployed. The disability benefit is generally not under the benefit cap.

Eligibility criteria:

- Income test: Incomes from other benefits are not taken into account. However, payments from a private pension are taken into account. The disability benefit will not be affected by private pension incomes below 326.45 euro per month. However, for all private pension income above this, each additional euro decrease disability benefits with 50 cents.
- Asset test: n/a.
- Under pension age (currently 66).
- Worked as an employee or self-employed before disability started.
- Paid enough National Insurance contributions in the last 2/3 years (National Insurance Credits help to fill gaps when National Insurance contributions haven't been paid. National Insurance Credits can be received when receiving benefits, being unemployment or having an illness)

The maximum disability benefit amount depend on whether the claim is already assessed, the age of the person and the working ability of the person:

Condition	Amount
During assessment: under 25 years of age	258.09
During assessment: over 25 years of age	325.69
After assessment: able to get back to work	325.69
After assessment: unable to get back to work	497.36

Source: gov.uk

Note. Maximum disability benefit under several criteria in the UK in 2023. Amounts are given in euros per month and converted from pound to euros with an exchange rate of 1 pound : €0.8863.

Housing benefit (*Housing payment*)

A housing benefit is a supplement to social assistance. This benefit applies to renting from housing corporations or in the private market. Tenants receive full or partial reimbursement of their rental costs, depending on the rental price, size of the house, household size and the age of the children. The housing benefit is taken into account in the benefit cap.

Eligibility criteria:

- Income test: The housing benefit (including additions such as social assistance) is reduced by 55 cents for every euro earned by the applicant or partner until the benefit reaches zero euros. For individuals with the care of young children or those with a condition that affects their work capacity, there is an exemption from income reduction before the housing benefit is reduced. For these groups, 304.89 euros per month is exempted (when housing benefit is also received).
- Asset test: There is an asset test with a gradual reduction of housing benefit (including additions such as social assistance) , the recipient must possess less than 5,317.80 euros. For every 221.85 euros above 5,317.80, the housing benefit (including additions such as social assistance) is reduced by 3.86 euros per month.
- Live in the UK.
- Rent price: Either the rent price is covered or the maximum benefit depending on your area and household size.
- Household size: there is a reduction in the maximum covered amount based on the number of bedrooms the house has and the household size. Couples, two children under 16 of the same gender, and two children under 10 regardless of gender are expected to share one bedroom. This is the criteria for calculating how many bedrooms the house should have based on the household composition. With one empty bedroom, the maximum benefit is reduced by 14 percent, and with two or more empty bedrooms, the maximum benefit it is reduced by 25 percent.

The benefit amount is either the rent price or the maximum benefit amount (with possible deductions from empty rooms). The maximum benefit amount depends on the region, the number of bedrooms and the household size:

	CAT A	CAT B	CAT C	CAT D	CAT E
Barnsley	236.20	322.61	353.53	419.86	570.10
Central London	592.19	1134.87	1,405.36	1,697.02	2,280.38
Outer South West London	449.01	928.05	1,171.12	1,414.20	1,900.31
Reading	344.70	702.68	839.68	1,016.46	1,369.99

Source: gov.uk

Note. Maximum housing benefit amounts for four different regions in the UK in 2022. Amounts are given in euros per month and converted from pound to euros with an exchange rate of 1 pound : €0.8863. The categories are classified as follows: CAT A: Own bedroom and (at least one of the following) shared kitchen, bathroom, toilet, and/or living room. CAT B: Own bedroom, kitchen, bathroom, toilet, and living room. CAT C: Two bedrooms. CAT D: Three bedrooms. CAT E: Four bedrooms.

Free health insurance

The National Health Service (NHS) is the government-funded free healthcare system in the United Kingdom and is available to all citizens.

The national health service covers at least:

- Consultations with your GP / nurse.
- Hospital treatment in Accident & Emergency (A&E).
- Minor injuries treatment in clinics.
- Treatment with a Specialist or Consultant if you have been referred by your GP.

- Contraception and sexual health services.
- Maternity services.

Additional services and regulation might be in place for recipients of social assistance.

Benefit cap (*Benefit cap*)

The benefit cap is the maximum amount that is paid out in benefit. This cap applies to the sum of all benefits (social assistance, housing allowance, child allowances, and child benefits). In principle, the cap applies to everyone above 15 and under the pension age. However, there are some exceptions. For instance, if the household cares for a disable person. Additionally, the cap does not apply if the net income, besides social assistance, is at least 639.69 euros per month. Furthermore, the cap does not apply in the first nine months of receiving social assistance. This is extended to the first twelve months if the net income in the twelve months before receiving assistance was at least 639.69 euros per month.

The benefit cap depends on household size and household location:

Household size / Location	Within Greater London	Outside Greater London
Single person household	1,138.16	989.70
Multiple person household	1,698.74	1,477.17

Source: gov.uk

Note: Benefit caps in 2022. Amounts are given in euros per month and converted from pound to euros with an exchange rate of 1 pound : €0.8863

Appendix A.5.2 Families with children

Child benefit (*Child benefit*)

The child benefit is available to all household with a low income. The child benefit is taken into account for the benefit cap.

Eligibility conditions:

- Income test: With incomes until 44,315 euro per year households get the full benefit amount. For households with an income between 44,315 and 53,178 euro per year an additional tax is paid (*High Income Child Benefit Charge*). For incomes above 52.178 euro per year the additional tax is as high as the benefit amount, implying no eligibility for child benefit.
- Asset test: n/a.
- For all children under 15. Additionally, for children between 15 and 20 if they are still in school.
- Live in the UK.

The amount of child benefit depends on the number of children in the household:

Number of children	Amount per child
First child	83.72
Second and each additional child	55.51

Source: gov.uk

Note: Amount of child benefit per child for different household sizes in 2022. Amounts are given in euros per month and converted from pound to euros with an exchange rate of 1 pound : €0.8863

Appendix A.5.3 Senior citizens

Non contributory first pillar pension (*New State Pension*)

The *New State Pension* system was introduced in 2016, simplifying the process by consolidating two pensions in the old system into one. The pension amount increases proportionally with the contributed number of years. Contributions are made in three ways: by paying premiums, by receiving pension points (for example, while on social assistance), or by purchasing pension points.

Eligibility criteria:

- Income test: n/a.
- Asset test: n/a.
- At least 10 years of contribution for the minimum amount and 35 years of contribution for the maximum amount.
- 66 years (current pension age) or older.
- Live in the UK.

The amount depends on the years of contributions:

Years of contributions	Amount
0-9 years	0.00
10 years	203.32
Each additional year above 10 years	+20.31
35 years (maximum amount)	711.09

Source: gov.uk

Note. Amount of first pillar pension per person based on the years of contributions in 2022. Amounts are given in euros per month and converted from pound to euros with an exchange rate of 1 pound : €0.8863

Minimum pension (*Pension credit*)

Minimum pension (*Pension credit*) is an supplement to the non-contributory first pillar pension if pensioners did not accumulate enough first pillar pension contributions over their working life.

Eligibility criteria:

- Income test: The difference between income and the maximum amount of minimum pension (see table below) is paid as long as income is lower than the maximum amount of minimum pension. Exempt from the calculation of income for minimum pension are personal independence payments, reduction of municipal taxes, and housing allowance.
- Asset test: For assets below 8,863 euros in savings or investments, the minimum pension you can receive remains unaffected. For assets above 8,863 euros a deduction will take place. For every 443.15 euros in assets above 8,863 euro, 3.86 euros per month is deducted from the minimum pension.
- 66 years (current pension age) or older.
- Live in the UK.

The maximum minimum pension depends on household situation:

Household situation	Amount
Single person	701.31
Couple	1,070.38
Disability	+266.54
Informal caregiver	+149.20
Care for children	+216,41 per child

Source: gov.uk

Note. Amount of maximum minimum pension per household situation in 2022. The amount for single and couple are total amounts, the other are additions if applicable. The amount for the first child is increased from 216.41 to 256.75 if the child is born before 6th of April 2017. Amounts are given in euros per month and converted from pound to euros with an exchange rate of 1 pound : €0.8863

Appendix B Details on reconstruction of minimum income

Appendix B.1 Denmark

Table B1. Detailed reconstruction of minimum income level in Denmark

	Single person	Couple	Single parent	Couple, parents	Single pensioner	Pensioner couple
1. Social assistance (<i>Kontanthjælp</i>)	11,716.00	23,432.00	15,570.00	27,286.00	0	0
2. Housing benefit (<i>Boligsikring</i>)	817.31	865.38	3,461.54	3,461.54	0	0
3. Special housing benefit (<i>Særlig støtte</i>)	1751,92	1703,85	0	0	0	0
4. Total (1+2+3)	14,285.23	26,001.23	19,031.54	30,747.54	0	0
5. Cap on SA + housing benefits (<i>Kontanthjælpsloftet</i>)	14,171.00	23,432.00	16,617.00	31,140.00	0	0
6. Total after cap (min(4,5))	14,171.00	23,432.00	16,617.00	30,747.54	0	0
7. Child supplement (<i>Børne- og ungedelse</i>)	0	0	2,237.00	2,237.00	0	0
8. Special child supplement (<i>Børnetilskud</i>)	0	0	1,526.67	0	0	0
9. Non-contributory first pillar pension (<i>Folkepension</i>)	0	0	0	0	14,019.00	20,694.00
10. Housing benefit for pensioners (<i>Boligydelse</i>)	0	0	0	0	4,280.00	4,280.00
11. Pension supplements	0	0	0	0	1628,17	1628,17
12. Total gross monthly income	14,171.00	23,432.00	20,380.67	32,984.54	18,299.00	24,974.00
13. Total net monthly income	11,267.27	17,624.55	16,048.19	25,748.33	15,595.06	21,235.13
14. Total net monthly income (€)	1,464.75	2,291.19	2,086.26	3,347.28	2,027.36	2,760.57

Source: Own calculations based on Borger.dk.

Note. Amounts in DKK unless otherwise specified. Net monthly minimum income levels are reconstructed from policy instruments in 2022. Individuals are assumed to make optimal use of the available instruments. Calculations assume that the households have no income and no work history (but they meet the minimum work history requirement). The adults in each household are forty years old. Pensioners are assumed to have reached the relevant retirement age and still live independently. Children younger than 12 years old are assumed to be of age six and ten. Children older than 12 years old are assumed to be of age 13 and 15. The children are assumed to be in school. Additionally, the people in the household are not disabled, and they have no assets, so relevant asset limits do not play a role. Pensioners do not have any dependent children. For housing allowances, a rental home of ninety square meters, with a rent of 750 euros per month is assumed. In-kind benefits are not included. The exchange rate used for Denmark is 1 DKK: 0.13 euros.

Appendix B.2 Flanders

Table B2. Detailed reconstruction of minimum income level in Flanders

	Single person	Couple	Single parent	Couple, parents	Single pensioner	Pensioner couple
1. Social assistance (<i>Leefloon</i>)	1,093.80	1,458.40	1,478.22	1,478.22	0.00	0.00
2. Housing benefit (<i>Huursubsidie</i>)	194.96	227.45	259.94	292.43	194.96	227.45
3. Child allowance (<i>Kinderbijslag</i>)	0.00	0.00	333.16	333.16	0.00	0.00
4. Child benefit (<i>Kinder toeslag</i>)	0.00	0.00	112.20	112.20	0.00	0.00
5. School allowance (<i>Schooltoeslag</i>)	0.00	0.00	42.21	42.21	0.00	0.00
6. School bonus (<i>Schoolbonus</i>)	0.00	0.00	6.31	6.31	0.00	0.00
7. Minimum pension (<i>Inkomensgarantieouderen</i>)	0.00	0.00	0.00	0.00	1,314.96	1,753.28
8. Total gross monthly income	1,288.76	1,685.85	2,232.04	2,264.53	1,509.92	1,980.73
9. Total net monthly income	1,288.76	1,685.85	2,232.04	2,264.53	1,509.92	1,980.73

Source: Own calculations based on Vlaanderen.be, premiezoeker.be, fons.be.

Note. Amounts in Euro. Net monthly minimum income levels are reconstructed from policy instruments in 2022 in Flanders. Individuals are assumed to make optimal use of the available instruments. Calculations assume that the households have no income and no work history (but they meet the minimum work history requirement). The adults in each household are forty years old. Pensioners are assumed to have reached the relevant retirement age and still live independently. Children younger than 12 years old are assumed to be of age six and ten. Children older than 12 years old are assumed to be of age 13 and 15. The children are assumed to be in school. Additionally, the people in the household are not disabled, and they have no assets, so relevant asset limits do not play a role. Pensioners do not have any dependent children. For housing allowances, a rental home of ninety square meters, with a rent of 750 euros per month is assumed. In-kind benefits are not included.

Appendix B.3 France

Table B3. Detailed reconstruction of minimum income level in France

	Single person	Couple	Single parent	Couple, parents	Single pensioner	Pensioner couple
1. Social assistance (<i>Revenu de solidarité active</i>)	598.54	897.82	1,077.38	1,256.94	0	0
2. Housing benefit (<i>Aides au logement</i>)	328.63	386.79	510.23	510.23	328.63	386.79
3. SA correction for housing benefit	-71.82	-143.65	-177.77	-177.77	0	0
4. Family allowance (<i>Allocations familiales</i>)	0	0	139.84	139.84	0	0
5. Extra family allowance (<i>Complément familial</i>)	0	0	0	0	0	0
6. School allowance (<i>Allocation de rentrée scolaire</i>)	0	0	65.34	65.34	0	0
7. Minimum pension (<i>Minimum vieillesse</i>)	0	0	0	0	917	1,423
10. Total gross monthly income	855.35	1,140.96	1,615.02	1,794.58	1,245.63	1,809.79
11. Total net monthly income	855.35	1,140.96	1,615.02	1,794.58	1,245.63	1,809.79

Source: Own calculations based on DREES (2022a), DREES (2022b), République Française (2019).

Note. Amounts in euros. Net monthly minimum income levels are reconstructed from policy instruments in 2022. Individuals are assumed to make optimal use of the available instruments. Calculations assume that the households have no income and no work history. The adults in each household are forty years old. Pensioners are assumed to have reached the relevant retirement age and still live independently. Children younger than 12 years old are assumed to be of age six and ten. Children older than 12 years old are assumed to be of age 13 and 15. The children are assumed to be in school. Additionally, the people in the household are not disabled, and they have no assets, so relevant asset limits do not play a role. Pensioners do not have any dependent children. For housing allowances, a rental home of ninety square meters, with a rent of 750 euros per month is assumed. In-kind benefits are not included.

Appendix B.4 Germany

Table B4. Detailed reconstruction of minimum income level in Germany

	Single person	Couple	Single parent	Couple, parents	Single pensioner	Pensioner couple
1. Social assistance (<i>Arbeitslosengeld II</i>)	499.00	808.00	1,071.00	1,430.00	0.00	0.00
2. Takeover of housing costs (<i>Übernahme von Wohnkosten</i>)	426.00	515.45	634.40	713.70	426.00	515.45
3. Takeover of heating costs (<i>Übernahme von Heizkosten</i>)	101.00	121.20	161.40	181.20	101.00	121.20
4. Child benefit (<i>Kinderzuschlag</i>)	0.00	0.00	438.00	438.00	0.00	0.00
5. Minimum pension (<i>Bedarfsorientierte Grundsicherung im Alter</i>)	0.00	0.00	0.00	0.00	449.00	1,071.00
6. Total gross monthly income	976.00	1,444.65	2,304.00	2,762.90	976.00	1,444.65
7. Total net monthly income	976.00	1,444.65	2,304.00	2,762.90	976.00	1,444.65

Source: Own calculations based on [bundesregierung.de](https://www.bundesregierung.de), [berlin.de](https://www.berlin.de), [kindergeld-auszahlungstermine.com](https://www.kindergeld-auszahlungstermine.com).

Note. Amounts in Euro. Net monthly minimum income levels are reconstructed from policy instruments in 2022. Individuals are assumed to make optimal use of the available instruments. Calculations assume that the households have no income and no work history. The adults in each household are forty years old. Pensioners are assumed to have reached the relevant retirement age and still live independently. Children younger than 12 years old are assumed to be of age six and ten. Children older than 12 years old are assumed to be of age 13 and 15. The children are assumed to be in school. Additionally, the people in the household are not disabled, and they have no assets, so relevant asset limits do not play a role. Pensioners do not have any dependent children. For housing allowances, a rental home in the private market of ninety square meters in Berlin with district heating, with a rent of 750 euros per month is assumed. In-kind benefits are not included.

Appendix B.5 United Kingdom

Table B5. Detailed reconstruction of minimum income level in United Kingdom

	Single per- son	Couple	Single par- ent	Couple, par- ents	Single pen- sioner	Pensioner couple
1. Social assistance (<i>Universal Credit</i>)	334.91	525.75	491.99	682.83	0.00	0.00
2. Housing benefit (<i>Housing payment</i>)	846.21	846.21	846.21	846.21	846.21	846.21
3. Child benefit (<i>Child benefit</i>)	0.00	0.00	534.58	534.58	0.00	0.00
4. Non-contributory first pillar pension (<i>New State Pension</i>)	0.00	0.00	0.00	0.00	802.32	1,604.64
5. Total (1+2+3+4)	1,181.12	1,371.96	1,872.78	2,063.62	1,648.53	2,450.85
6. Cap on benefits (<i>Ben- efit Cap</i>)	1,284.17	1,916.67	1,916.67	1,916.67	-	-
7. Total after cap (min(5,6))	1,181.12	1,371.96	1,872.78	1,916.67	1,648.53	2,450.85
8. Total gross monthly income	1,181.12	1,371.96	1,872.78	1,916.67	1,648.53	2,450.85
9. Total net monthly in- come	1,181.12	1,371.96	1,872.78	1,916.67	1,648.53	2,450.85
10. Total net monthly in- come (€)	1,046.83	1,215.97	1,659.85	1,698.74	1,461.09	2,172.19

Source: Own calculations based on gov.uk.

Note. Amounts in pounds unless otherwise specified. Net monthly minimum income levels are reconstructed from policy instruments in 2022. Individuals are assumed to make optimal use of the available instruments. Calculations assume that the households have no income and no work history. The adults in each household are forty years old. Pensioners are assumed to have reached the relevant retirement age and still live independently. Children younger than 12 years old are assumed to be of age six and ten. Children older than 12 years old are assumed to be of age 13 and 15. The children are assumed to be in school. Additionally, the people in the household are not disabled, and they have no assets, so relevant asset limits do not play a role. Pensioners do not have any dependent children. For housing allowances, a rental home of ninety square meters, with a rent of 750 euros per month in the area Outer South West London in category D (three bedrooms) is assumed. In-kind benefits are not included. The exchange rate used for United Kingdom is 1 pound: 0.8863 euros.

Appendix C Detailed eligibility requirements

	Denmark	Flanders	France	Germany	UK
Working age population					
Income test	All income is fully deducted, except the first 3.73 €/h of labor income.	All income after 291.63 €/m is fully deducted. Implying no eligibility with 1,400 €/m (single person)	All income is fully deducted. Implying no eligibility with 600 €/m (single person)	100 €/m can be earned freely, for 100-1,000 €/m 80% deduction, for 1,000-1,500 €/m 90% reduction. Implying no eligibility with 1,200 €/m (single person)	Income is 55% deducted, except for persons who care for young children and persons with reduced working ability then 304.89 €/m (with housing benefit) or 507.85 €/m (without housing benefit) is not reduced. This implies no eligibility with 600 €/m (single person only social assistance).
Asset test	Discretionary	Linear reduction to zero from €6,200 - €140,000 in cash-assets. Additionally, cadastral income is deducted according to : [cadastral income - (759 euro + 125 euro x #children)] x 3	n/a	Hard cut-off after the limits: Cash assets €10,050-33,800 per individual (dependent on age) + €3,100 per child Non-cash assets €48,750-50,250 (dependent on age)	Linear reduction to zero from €5,300 - €16,000 in cash-assets
Social assistance					
Age	n/a	Between 18 and 65 (pension age)	≥25 years <25 years and have kids 18-25 years and worked 2 out of last 3 years	Between 15 and 66 (pension age)	Between 18 and 66 (pension age) In specific circumstance 16 or 17
Relation with other benefits	Other social security benefits do not cover "need for support"	No other social security benefits	No other social security benefits	No housing or child benefits	n/a
Residency	Lived in Denmark for at least 9 out of previous 10 years (non-EU citizens only)	Live in Belgium (Flanders)	Lived in France for the last 3 month (EU-citizens) or lived in France for the last 5 years (non-EU-citizens) Live 9 months per year in France	Live in Germany	Live in UK
Nationality	n/a	Belgian nationality	n/a	n/a	n/a
Other	Worked for at least 2 years and 6 months in the previous 10 years (non-EU citizens only)	Available for work	No student, internship or traineeship, unless being a single parent or at least earning 500 €/m	Available for at least 3 hours of work per day.	Not be in full time education or training Settled or pre-settled status under the EU Settlement Scheme

Integration allowance	General	Not meeting the residency or work history requirement of social assistance. Other requirements of social assistance stay the same.	Not receiving social assistance because not meeting the Belgium nationality criteria. Other requirements of social assistance stay the same.	n/a	n/a	n/a
	Income test	Non-labor income: 2,565.94 €/m (single person), 2,181.14 €/m (each person in couple)	n/a	Yes, but depends on personal and household characteristics, and source of income.	70% of income is deducted from the benefit, implying max 641€/m (single adult), this max increases with household size.	Income test: Only private pension income is taken into account. No deduction below 326.45 €/m, for each additional euro there is 50 cent reduction
Disability benefit	Asset test	n/a	n/a	n/a	€5,000 per adult and €500 euro per child	n/a
	Age	> 40 years (< 40 only in special cases)	n/a	> 20 years	n/a	Between 16 and 66 (pension age)
	Relation with other benefits	Income from other benefits deducted	n/a	No social assistance or pension income	No benefits	Can be received in addition to social assistance
	Residency	Live permanently in Denmark	Live in Flanders	Live stably and permanently in France	Live permanently in Germany with valid residence permit.	Live in the UK
	Nationality	Danish citizen	n/a	n/a	n/a	
	Other	Lived in Denmark for at least 3 years since age 15	Worked for 180 days in the year before disability. Have paid the minimum social contributions. Be recognized as disabled for at least one year. Some different requirements for self-employed (see A.2.1)	>80% disabled or 50-79% disabled and substantial work restricted	At least not able to work for 3 hours per day for a minimum of 6 months, declared by a doctor.	Worked before Paid enough National Insurance contributions
Housing benefit	Income test	<u>Housing benefit:</u> 18% of income above 19,253 €/year (+5,070 per child between 2 and 4 children) is deducted <u>Special housing benefit:</u> All net income above the relevant social assistance or integration allowance level is fully deducted.	<u>Housing benefit & Special housing benefit</u> Each €/y reduces benefits by 1/55 percent. Resulting in max income of 2,500-4,100 €/m (depending on household size and location)	<u>Personal housing benefit & Family housing benefit & Low-income housing benefit</u> Income reduces benefits, but decreases depends on household characteristics. For a single person the max income is 1,150 €/m	Reduces with income according to formula depending on household size. There is a min income of 837 €/m and max of 3,246 €/m.	Yes, but depends on household characteristics, other benefits and area. The deduction of housing benefit is the same as social assistance, income is 55% deducted.

Asset test	<u>Housing benefit:</u> 10% of assets between €101,374 and €202,761, 20% of assets above €202,761 included in income test.	<u>Housing benefit</u> n/a	<u>Personal housing benefit</u> n/a	n/a	Same as social assistance.; linear reduction to zero from €5,300 - €16,000 in cash
	<u>Special housing benefit:</u> 10% of assets between €101,374 and €202,761, 20% of assets above €202,761 included in income test.	<u>Special housing benefit</u> n/a	<u>Family housing benefit</u> n/a <u>Low-income housing benefit</u> n/a		
Age			<u>Personal housing benefit</u> n/a	n/a	Only for the amount of benefit
	<u>Housing benefit</u> n/a	<u>Housing benefit</u> n/a	<u>Family housing benefit</u> Families with children, pregnant women, households with disabled person or couples with sum of ages <55 years		
	<u>Special housing benefit</u> n/a	<u>Special housing benefit</u> n/a	<u>Low-income housing benefit</u> Mainly young adults, students, households without children or disabled persons		

Relation with other benefits	<p><u>Housing benefit</u> Reduced if social assistance, housing benefit and special housing benefit are higher than benefit cap. Income from social assistance is taken into account in income test.</p> <p><u>Special housing benefit</u> Receive social assistance. Reduced if social assistance, housing benefit and special housing benefit are higher than benefit cap. Income from social assistance is taken into account in income test.</p>	<p><u>Housing benefit & Special housing benefit</u> n/a</p>	<p><u>Personal housing benefit & Family housing benefit & Low-income housing benefit</u> A fixed amount is deducted from social assistance if receiving housing benefit.</p> <p>A household can only receive one type of housing benefit.</p>	Not using social assistance.	Part of social assistance
Residency	<p><u>Housing benefit</u> Living permanently in Denmark.</p> <p><u>Special housing benefit</u> Living permanently in Denmark.</p>	<p><u>Housing benefit & Special housing benefit</u> Live in Flanders</p>	<p><u>Personal housing benefit & Family housing benefit & Low-income housing benefit</u> Live in France</p>	Live in Germany with valid residence permit.	Live in the UK
Nationality	<p><u>Housing benefit</u> n/a</p> <p><u>Special housing benefit</u> n/a</p>	<p><u>Housing benefit & Special housing benefit</u> n/a</p>	<p><u>Personal housing benefit & Family housing benefit & Low-income housing benefit</u> n/a</p>	n/a	n/a
Rent price	<p><u>Housing benefit</u> n/a</p> <p><u>Special housing benefit</u> Net rent (rent - regular housing benefit) > 416 €/m (households without children), net rent > 604.50 €/m/adult (households with children), - 110.50 €/m per child after first child)</p>	<p><u>Housing benefit</u> Under 718.25 or 790.08 €/m for single person (depending on region) with addition of 20% per additional person to max addition of 50%</p> <p><u>Special housing benefit</u> n/a</p>	<p><u>Personal housing benefit & Family housing benefit & Low-income housing benefit</u> Max rent price depending on region</p>	Minimum of 395 €/m and maximum of 1,200 €/m	Yes, either your rent price is covered or the max benefit in your area depending on house size. Max benefit differs from 200-1,600 €/m

				<u>Personal housing benefit</u> Condition of the housing of certain standard and size and duration of lease agreement		
	Other	<u>Housing benefit</u> n/a	<u>Housing benefit</u> n/a	<u>Family housing benefit</u> Condition of the housing of certain standard and size and duration of lease agreement	Registered at the address.	n/a
		<u>Special housing benefit</u> n/a	<u>Special housing benefit</u> On the waiting list for social housing for at least 4 years	<u>Low-income housing benefit</u> Condition of the housing of certain standard and size and duration of lease agreement		
(Partially) free health insurance or other healthcare benefits	Income test	n/a	<u>Reduced co-payment</u> 20,300 €/y for single person plus 3,800 €/y per additional person. <u>Maximum healthcare expenses</u> Max yearly healthcare expense depends on income brackets. The lowest bracket (<11.000 €/y)max expense of €250, highest bracket (>50,000 €/y)max expense of €2,000.	Gradual reduction to zero from 800 - 1,100 €/m	Be on social assistance	n/a
	Residency	n/a	<u>Live in Flanders</u>	Lived in France for last 3 months	Live in Germany	Live in UK
	Nationality	n/a	n/a	n/a	n/a	n/a
	Other	n/a	n/a	n/a	n/a	n/a
Activity bonus	Income test	n/a	n/a	Income needs to be from work or unemployment benefit. The income test depends on household characteristic.	n/a	n/a
	Residency	n/a	n/a	Live stable and permanently in France	n/a	n/a
	Other	n/a	n/a	No student, or being a student and single parent or being a student and earning 1,000€/m	n/a	n/a
Families with children						

	Age	n/a	0-25	n/a	0-25	n/a
Child allowance	Other	n/a	Additional requirements for 18-25: special need or >17 hours of school.	n/a	Additional requirements for 18-25: completing school, vocational training or degree for first time or work >20 h/w and do second degree or year of socially relevant voluntary work.	n/a
					Additional requirements for 18-21: unemployed and available to the labour market	
Child benefit	Income test	<u>Child benefit:</u> 2% of income above €107,653 per year is deducted <u>Special child benefit:</u> Varies per target group of special child benefit (see Appendix A)	< 65.000 €/y	<u>Young children</u> <3,600€/m (couples with two-earners), <2,700€/m (couples with one earner) plus 650 €/m for each additional child (after the first) in the household <u>Older children</u> No, only the amount decreases with income, but never becomes zero	Minimum income of 600 €/m (single parent) and of 900 €/m (couple). 45 cents reduction per euro above minimum	< 54.000 €/y for general eligibility and <44,300 €/y for full eligibility
	Asset test	<u>Child benefit:</u> n/a <u>Special child benefit:</u> n/a	n/a	<u>Young children</u> n/a <u>Older children</u> n/a	Max of €60,000 first person plus €30,000 extra person. Except single parents max of €120,000	n/a
	Age	<u>Child benefit:</u> 0-17 <u>Special child benefit:</u> 0-17	0-18 and additionally 18-25 if they fulfill study and/or employment conditions	<u>Young children</u> <3 years <u>Older children</u> <20 years, at least one child >3 years	0-25	0-15 and additionally 15-20 if they are in school
	Relation with other benefits	<u>Child benefit:</u> n/a <u>Special child benefit:</u> n/a	All child policies in Flanders are one package	<u>Young children</u> n/a <u>Older children</u> n/a	Not using social assistance. Also eligible for school benefit	n/a

Residency	<p><u>Child benefit:</u> Child and parents living in Denmark. Parents lived or worked at least 6 out of previous 10 years in Denmark</p> <p><u>Special child benefit:</u> Child and parents living in Denmark.</p>	Live in Flanders	<p><u>Young children & Older children</u> Live in France</p>	Live in Germany	Live in the UK	
Nationality	<p><u>Child benefit:</u> n/a</p> <p><u>Special child benefit:</u> Parent or child is a Danish citizen (required for most special child benefits)</p>	n/a	<p><u>Young children</u> n/a</p> <p><u>Older children</u> n/a</p>	n/a	n/a	
Other	<p><u>Child benefit:</u> Parent is fully liable for tax in Denmark</p> <p><u>Special child benefit:</u> Be part of specific group targeted by special child benefit, such as single parents or pensioners.</p>	Children have to live in the household	<p><u>Young children</u> n/a</p> <p><u>Older children</u> At least 2 children</p>	Eligible for child allowance	n/a	
School benefit	Income test	n/a	<p><u>School benefit</u> Eligibility on a point system (depending on income, household size and education)</p> <p><u>School bonus</u> n/a</p>	<2,100€/m plus 490 €/m for each additional child (after the first)in the household	Same as child benefit	n/a
	Age	n/a	<p><u>School benefit</u> <22 in pre-, primary or secondary school</p> <p><u>School bonus</u> 0-3 even if not in school 4-25 if in school</p>	6-18 years	Same as child benefit	n/a

	Other	n/a	<u>School benefit</u> Education in Dutch language All students in special education or applied science nursery school	n/a	Same as child benefit plus be in school	n/a
			<u>School bonus</u> n/a			
Senior citizens						
Minimum pension	Income test	n/a	Max pension income 1,600 €/m (single person) or 2,200 €/m (couple) Max work income 6,900 €/m (single person) or 7,600 €/m (couple)	<917 €/m from work, pension or asset income (single adult) or <1,423 €/m (couple)	70% of income is deducted from the benefit, implying max 641€/m (single adult), this max increases with household size.	Max 710 €/m (single person) of max 1,100 €/m (couple)
	Asset test	n/a	Gradual reduction of financial assets till zero from €6,200 till €190,000. Additionally, cadastral income is deducted according to : [cadastral income – (743.68 euro + 123.95 euro x #childeren)] x 3	n/a	Max €5,000 per adult plus €500 per child	Assets under €8,900 do no effect benefit, thereafter each €440 reduces benefits with €3.86 per month
	Age	n/a	≥65 (pension age)	≥65 (pension age) or the pension age in the sector	≥66 (pension age)	≥66 (pension age)
	Relation with other benefits	n/a	n/a	n/a	n/a	n/a
	Residency	n/a	n/a	Live at least 6 m/y in France	Live permanently in Germany with valid residence permit.	n/a
	Nationality	n/a	Belgian nationality, with some exceptions	n/a	n/a	n/a
	Other	n/a	n/a	n/a	n/a	n/a
Non-contributory first pillar pension	Income test	Base amount: 30% of income above 45,331 €/y is deducted Supplementary amount: 30.9% (single), 16% (cohabiting with pensioner), or 32% (cohabiting with non-pensioner) of income above 27,521.52 €/y (single person) or 39,221.52 €/y (couple) is deducted	n/a	n/a	n/a	n/a
	Age	> pension age	n/a	n/a	n/a	≥66 (pension age)

	Residency	2.5% build up of for each year of living in Denmark and being a citizen	n/a	n/a	n/a	n/a
	Nationality	2.5% build up of for each year of living in Denmark and being a citizen	n/a	n/a	n/a	n/a
	Other	n/a	n/a	n/a	n/a	At least 10 years of contributions (pay premium, receive points (if you are in social assistance for instance) or buy points)
Housing benefit for pensioners	Income test	22.5% of income above 22,555 (+ 5,941 per child between 2 and 4 children) €/y is deducted	n/a	n/a	n/a	n/a
	Asset test	10% of assets between €118,742 and €237,510, 20% of assets above €237,510 included in income test.	n/a	n/a	n/a	n/a
Pension supplements	Income test	<u>Television supplement:</u> < 4,550 €/y (single), < 9,009 €/y (couple)	n/a	n/a	n/a	n/a
		<u>Elderly supplement:</u> < 11,661 €/y (single), < 23,361 €/y (couple)				
		<u>Heating supplement:</u> < 11,661 €/y (single), < 23,361 €/y (couple)				
		<u>Personal supplement:</u> Discretionary				

	<u>Television supplement:</u> n/a				
Asset test	<u>Elderly supplement:</u> < €12,090	n/a	n/a	n/a	n/a
	<u>Heating supplement:</u> n/a				
	<u>Personal supplement:</u> n/a				
Relation with other benefits	Receive first pillar pension	n/a	n/a	n/a	n/a

Appendix D Detailed overview of shares of recipients

Table D1. Share of recipients of different minimum income benefits

Country	Year	Benefit	Share of recipients	Share calculated out of	Source
Belgium	2021	Social assistance (<i>Leefloon</i>)	2%	Individuals in the working-age population	Jaarboek Armoede en Sociale Uitsluiting (2022)
(Flanders only)	2022	Housing benefit (<i>Huursubsidie</i>)	1%	All households	Jaarverslag 2022 Wonen-Vlaanderen
(Flanders only)	2022	Special housing benefit (<i>Huurpremie</i>)	1%	All households	Jaarverslag 2022 Wonen-Vlaanderen
	2021	Minimum pension (<i>Inkomensgarantie voor Ouderen</i>)	5%	Individuals of age ≥ 65	Jaarboek Armoede en Sociale Uitsluiting (2022)
(Flanders only)	2021	Child allowance (<i>Basisbedrag</i>)	100% ^a	Families with children of age < 18	Opgroeien.be
(Flanders only)	2021	Child benefit (<i>Sociale toeslag</i>)	25%	Families with children of age < 18	Opgroeien.be
(Flanders only)	2021	School bonus (<i>Schoolbonus</i>)	98%	Families with children of age < 18	Opgroeien.be
(Flanders only)	2022	School benefit (<i>Schooltoeslag</i>)	33% ^b	Families with children of age < 18	Opgroeien.be
Denmark	2022	Social assistance (<i>Kontanthjælp</i>)	2%	Individuals in the working-age population	Jobindsats.dk
	2020	Integration allowance (<i>Selvforsørgelses- og hjemrejseydelse eller overgangsydelse</i>)	1%	Individuals in the working-age population	Statistics Denmark
	2022	Disability benefit (<i>Førtidspension</i>)	6%	Individuals in the working-age population	Jobindsats.dk
	2021	Housing benefit (<i>Boligsikring</i>)	9%	All households	Statistics Denmark
	2017	Special housing benefit (<i>Særlig støtte</i>)	2%	All households	Statistics Denmark
	2020	Housing benefit for pensioners (<i>Boligyldelse</i>)	27%	Individuals of age ≥ 66	Statistics Denmark
	2021	First pillar pension (<i>Folkepension</i>)	92%	Individuals of age ≥ 66	Statistics Denmark
	2021Q4	General child benefit, young children (<i>Børne- og ungeydelse</i>)	74%	Families with children of age < 25	Statistics Denmark
	2021Q4	General child benefit, older children (<i>Børne- og ungeydelse</i>)	24%	Families with children of age < 25	Statistics Denmark
	2021Q4	Special child benefit for single parents (<i>Børnetilskud</i>)	16%	Families with children of age < 25	Statistics Denmark
France	2021	Social assistance (<i>Revenu de Solidarité Active</i>)	4%	Households in the working-age population	DREES (2022c)
	2021	Activity bonus (<i>Prime d'Activité</i>)	10%	Households in the working-age population	DREES (2022c)
	2021	Free health insurance (<i>Complémentaire santé solidaire</i>)	13%	Individuals in the working-age population	DREES (2022c)

	2021	Partially free health insurance (<i>Complémentaire santé solidaire</i>)	3%	Individuals in the working-age population	DREES (2022c)
	2020	Disability benefit (<i>Allocation aux adultes handicapés</i>)	2%	Individuals of age >= 20	DREES (2022c)
	2020	Housing benefit (<i>Aides personnelles au logement</i>)	7%	Households in the working-age population	DREES (2022c)
	2020	Housing benefit (<i>Allocation de logement familiale</i>)	3%	Households in the working-age population	DREES (2022c)
	2020	Housing benefit (<i>Allocation de logement sociale</i>)	6%	Households in the working-age population	DREES (2022c)
	2020	Minimum pension (<i>Minimum vieillesse</i>)	4%	Individuals of age >= 65	DREES (2022b)
	2020	Child benefit, young children (<i>Prestation d'accueil du jeune enfant (paje)</i>)	22%	Families with children of age < 21	DREES (2022c)
	2020	Child benefits, older children (<i>Entretien de l'enfant</i>)	59%	Families with children of age < 21	DREES (2022c)
Germany	2022	Social assistance (<i>Arbeitslosengeld II</i>)	7%	Individuals in the working-age population	de.statista.com
	2022	Disability benefit (<i>Sozialhilfe</i>)	3%	Individuals in the working-age population	de.statista.com
	2021	Housing benefit (<i>Wohngeld</i>)	2%	All households	DeStatis
	2016	Minimum pension (<i>Bedarfsorientierte Grundsicherung im Alter</i>)	3%	Individuals of age >= 66	Blank en Türk (2018)
	2021	Child benefit (<i>Kinderzuschlag</i>)	4%	Families with children of age < 18	DeStatis
	2021	Child allowance (<i>Kindergeld</i>)	100% ^a	Families with children of age < 18	DeStatis
UK	2022	Social assistance (<i>Universal credit</i>)	10%	Individuals in the working-age population	Stat-Xplore
	2020	First pillar pension (<i>State pension</i>)	98%	Individuals of age >= 65	Stat-Xplore
	2022	Pensioner allowance (<i>Pension credit</i>)	11%	Individuals of age >= 65	Stat-Xplore
	2021	Child benefit (<i>Child benefit</i>)	86%	Families with dependent children ^b	gov.uk

Note. The table contains the most recently available shares of recipients. The second column of the table specifies the respective data year for each benefit. Furthermore, as some benefits in Flanders are set at the national level, numbers on the shares of recipients for these benefits are also calculated at the national level. Hence, the first column specifies which shares are calculated at the national level and which for Flanders only.

^a Estimated at 100%, because parents automatically receive child allowance until the month the children turn 18.

^b The source mentions a share of at least one-third of the children under 18.

- ° Dependent children are children aged 0 to 15 or children aged 16 to 18 who are a full-time students in a family with parents.

Appendix E Detailed overview of non-take-up rates

Table E1. Non-take-up of minimum income benefits

Country	Year	Benefit	Non take-up	Source
Belgium (Flanders only)	2006	Social assistance (<i>Leefloon</i>)	56-76%	Bouckaert & Schokkaert (2011)
	2019	Social assistance (<i>Leefloon</i>)	43-46%	Goedemé et al. (2022)
	2019	Reduced co-payment (<i>Verhoogde tegemoetkoming zorkosten</i>)	39-52%	Goedemé et al. (2022)
	2020	Housing benefit (<i>Huursubsidie</i>)	2%	Van den Broeck & Vermeir (2023)
	2020	Special housing benefit (<i>Huurpremie</i>)	53-63%	Van den Broeck & Vermeir (2023)
	2019	Minimum pension (<i>Inkomensgarantie voor Ouderen</i>)	42-59%	Goedemé et al. (2022)
	N/A	Child allowance (<i>Basisbedrag</i>)	0% ^a	N/A
Denmark	1993	Housing benefit (<i>Boligsikring</i>)	32%	Hansen & Hultin (1997)
	1993	Housing benefit for pensioners (<i>Boligyldelse</i>)	12%	Hansen & Hultin (1997)
	1993	Special child benefit (<i>Børnetilskud</i>)	5%	Hansen & Hultin (1997)
	N/A	General child benefit (<i>Børne- og ungedelse</i>)	0% ^a	N/A
France	2010-2011	Social assistance (<i>Revenu de Solidarité Active</i>)	28-35%	Chareyron (2018)
	2010-2011	Social assistance (<i>Revenu de Solidarité Active</i>)	36%	Domingo & Pucci (2011)
	2018	Social assistance (<i>Revenu de Solidarité Active</i>)	34%	Hannafi et al. (2022)
	2019	Social assistance (<i>Revenu de Solidarité Active</i>)	29-39%	Caritas France (2021)
	2016	Activity bonus (<i>Prime d'Activité</i>)	23%	DGCS (2017)
	2019-2021	Free health insurance (<i>Complémentaire santé solidaire</i>)	31-32%	DREES (2022a)
	2019-2021	Partially free health insurance (<i>Complémentaire santé solidaire</i>)	67-72%	DREES (2022a)
	1999	Housing benefit (<i>Aides Personnelles au Logement</i>)	1-5% ^b	Simon (2000)
	2016	Minimum pension (<i>Minimum vieillesse</i>)	50%	Meinzel (2022)
	2019	Child benefits (<i>Prestations familiales</i>)	27%	Caritas France (2021)
Germany	2011	Social assistance (<i>Arbeitslosengeld II</i>)	38-45%	Bruckmeier & Wiemers (2011)
	2013	Social assistance (<i>Arbeitslosengeld II</i>)	39-47% ^c	Bruckmeier & Wiemers (2018)
	2005-2014	Social assistance (<i>Arbeitslosengeld II</i>)	54-58%	Harnisch (2019)
	2008-2010	Housing benefit (<i>Wohngeld</i>)	48-51%	Voigtländer (2013)
	2013	Housing benefit (<i>Wohngeld</i>)	82-91% ^d	Bruckmeier & Wiemers (2018)
	2010-2015	Minimum pension (<i>Bedarfsorientierte Grundsicherung im Alter</i>)	62%	Buslei et al. (2019)
	2013	Child benefit (<i>Kinderzuschlag</i>)	83-93% ^e	Bruckmeier & Wiemers (2018)
	2016	Child benefit (<i>Kinderzuschlag</i>)	60-70%	Bonin et al. (2018)
UK	N/A	Child allowance (<i>Kindergeld</i>)	0% ^a	N/A
	2020	Pensioner allowance (<i>Pension credit</i>)	64-68%	gov.uk
	2020	Child benefit (<i>Child benefit</i>)	9-10%	gov.uk

Note.

^a This benefit is automatically paid out, so non-take-up should be around zero percent.

^b This estimate is an underestimation, because it is based on a survey amongst people who received family benefits

- ^c This estimate assumes optimal use of regulations, which means using social assistance if this gives a higher total benefit amount compared to using rent allowance and/or child allowance. When the authors correct for non-optimal use they find that 7.9 percent of non-take-up in social assistance is explained by the use of housing allowance and 0.6 percent by the use of child allowance.
- ^d This estimate assumes optimal use of regulations, which means using rent allowance if this gives a higher total benefit amount compared to using social assistance. When the authors correct for non-optimal use they find that 9.1 percent of non-take-up in rental allowance is explained by the use of social assistance.
- ^e This estimate assumes optimal use of regulations, which means using child benefit if this gives a higher total benefit amount compared to using social assistance. When the authors correct for non-optimal use they find that 14.3 percent of non-take-up in child benefit is explained by the use of social assistance.