

THE BELGIAN MINIMUM INCOME SYSTEM

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1. General overview of the Belgian Social Protection System

1.1. General view of the Belgian Social Protection System

In the Belgian social protection we distinguish two systems: the classical system of social security based on the principle of insurance against social risks and social protection based on the principle of subsistence security for everybody.

As such the Belgian system combines features of the Bismarck system, a form of solidarity between workers and the Beveridge system that by means of taxes foresee the same lump sum benefit for every citizen.

Grossly, the entire classical social security system is divided into three sectors: a sector for salaried persons (such as bank employees, workers in a car assembly plant), a sector for self-employed persons and a sector for civil servants (of the Belgian federal government).

The classical social security (for salaried persons) contains seven branches

1. Old-age and survivor's pensions
2. Unemployment
3. Insurance for accidents at work
4. Insurance for occupational diseases
5. Family benefits
6. Compulsory insurance for medical care and benefits
7. Annual vacation.

Self-employed persons are insured for five social security branches (medical care, incapacity for work or invalidity, maternity insurance, family benefits, pensions and bankruptcy). Self-employed persons join and pay social contributions to a social insurance fund for self-employed people.

Civil servants can be divided into two categories: staff of local and provincial authorities and that of other administrations. The first category of civil servants falls within the remit of the ORPSS (Office for particular social security schemes). For the other civil servants, the authority that employs them is responsible for the collection and payment of contributions, except for the contributions for medical care, which are allocated to the salaried persons' scheme.

When we refer to 'social assistance' or the 'residuary systems' we mean concretely:

1. Integration income (and social assistance in the broad sense)
2. Income guarantee for the elderly;
3. Guaranteed family benefits;
4. Benefits for disabled persons

1.2. Financing of the Belgian Social Protection System

The financing in the three sectors of the social security is organised differently.

In the salaried persons' scheme, both employees and employers have to pay contributions to the National Social Security Office (NSSO). Still, employers and employees are not alone to finance our social security. The federal government annually pays a fixed amount to the NSSO (6.339.477.000 EUR in 2014) and to the National Institute for the Social Security of the Self-employed (NISSE)

(1.378.648.000 EUR in 2014). In addition, the overall financial management of the social security scheme for employed persons received a special balance grant of 5.553.852.000 EUR in 2014.

The self-employed pay their quarterly social security contribution to the social insurance fund they are affiliated with. The overall financial management of the social security scheme for self-employed persons received a special balance grant of 617.095.000 EUR in 2014.

For statutory civil servants, a theoretical basic employer's contribution of 17.82% is due but, in practice, it is lower than this percentage because it does not fall under the scope of certain branches of social security. These civil servants only have to pay personal contributions of 7.5% to the Fund for survivors' pensions as well as a personal contribution of 3.55 % to the health care branch of the sickness and invalidity insurance. The latter contribution, raised with the employer's share (3.85%), is transferred to the NSSO.

Since a number of years, Belgium also uses alternative financing sources to fund its social security system. Alternative financing consists partly of a percentage of VAT revenue. In 2014, 9.244.010.000 EUR of total VAT revenue were transferred to the social security scheme for salaried persons, and 738.237.000 EUR to the social security scheme for self-employed persons and 3.669.271.000 EUR to the health insurance scheme. In addition, an amount of 2.151.997.000 EUR from other tax receipts, such as excise duties and personal and corporate income taxes, was transferred to social security as alternative financing.

The social assistance system is financed with taxes and is not salary-based. Besides, there are always specific conditions to be met. Every grant of a social benefit is preceded by a means test.

1.3. Expenditure for the Social Protection in Belgium

Herewith the most important figures on the expenditure for the social protection system in Belgium.

Table 1. Expenditures for Social Protection in Belgium, some key figures, 2013

All amounts in 1.000 euro

1. Social security for salaried persons, total	43.057.093
1.1. Benefits (sickness)	6.237.176
1.2. Pensions	21.689.303
1.3. Family benefits	4.685.653
1.4. Accidents at work	207.487
1.5. Occupational diseases	269.416
1.6. Unemployment	9.957.066
1.7. Invalidity pensions for miners	1.857
1.8. System of seafarers	9.135
2. Social security for the self-employed	4.048.577
2.1. Benefits (sickness)	380.505
2.2. Pensions	3.214.070
2.3. Family benefits	447.125
2.4. Bankruptcy insurance	6.877
3. Health Care	25.679.041
4. Social Assistance	3.612.772

4.1. Social assistance for people on active age	1.237.057
4.2. Income guarantee for the elderly	490.287
4.3. Benefits for disabled persons	1.885.431

In 2013, social protection expenditure amounted in Belgium to 30.2% of GDP, which is about 1 percent above the EU28-average (28.6% in 2012, for 29,9% in Belgium in 2012) and slightly higher than the average for the Euro area.

The evolution of social benefits expenditure kept in line with the European evolution, with a steep increase of the expenditure level in percentage of GDP as from 2007, due to the increase of the volume of benefits and the lesser or negative growth of GDP. Over the period 2008-2012, the expenditure level in percentage of GDP remained above the EU28 average and was very similar to the expenditure rate of the Euro area.

The effectiveness of social transfers can be measured by analysing their impact on the poverty risk. In 2014, the social benefits reduced the at-risk-of-poverty rate from 27.5.3% to 15.5%, i.e. a reduction by 44% (EU28: 34%). Between 2004 and 2014 the effectiveness of the social transfers for the total population shows a slightly decreasing trend from 49% to 44%. Whereas the effectiveness of social protection decreased for the population in the active age and for children in the same period, it increased slightly for the elderly.

An analysis of the level of the minima (social security and social integration income) shows that, especially for couples with children, the minimum benefits are below the at-risk-of-poverty threshold. Invalidity benefits and full pensions for single persons are above the at-risk-of-poverty threshold. Some minima, such as the minimum pensions for self-employed persons and the income guarantee for the elderly have been increased significantly during the last years.

For more information on the Belgian social protection system:

<http://socialsecurity.belgium.be/en/publications/everything-you-have-always-wanted-know-about-social-security>

2. Social assistance in Belgium: the minimum income scheme for people on active age

As said above, the social assistance system in Belgium has several strands. In this chapter we are zooming in on the strand for people on active age who are not entitled to any other social benefit or income that guarantees a decent living.

It is important to note that besides the minimum income scheme for people on active age, in Belgium there also exists a scheme for people who are not entitled on it. This scheme is called the social support system.

The right to social support, which is refunded by the Federal Government in accordance with the Law of 2 April 1965 on the assumption of responsibility for assistance granted by the Public Centre for Social Welfare (PCSW), can be provided in a variety of forms (in-kind support, financial support, guidance, etc.).

This allows individuals to claim rights to social aid who may otherwise fall outside the scope of the right to social integration due to their nationality, age or available resources. These individuals could include the following:

- foreign nationals in possession of a residence permit who are not registered in the civil registry (regularised migrants, family reunifications, etc.)
- asylum seekers
- illegal immigrants who do not have the right to "urgent" medical attention

Non-nationals holding a residence permit and who are not registered in the civil registry may receive equivalent social integration income or may benefit from an employment measure. Asylum seekers may benefit from material support or equivalent social integration income.

This scheme has not been included in the description of the Belgian minimum income system described below.

2.1. Introduction, nature of rights and administrative organisation of the Belgian minimum income system.

Legislation regarding the right to social integration falls within federal jurisdiction and is executed by local Public Centres for Social Welfare (PCSWs). Every municipality has a PCSW and there are a total of 589 PCSWs in Belgium. PCSWs are public institutions that are separate legal entities from the municipality and that possess their own assets. In general, the right to social integration is granted to the applicant by the PCSW of the municipality in which the applicant claims habitual residence, as established by conducting a social inquiry. Potential beneficiaries of social integration must comply with all conditions of the law regarding nationality, age, place of residence, lack of sufficient resources and willingness to work. All of these conditions must be met simultaneously. If an applicant does not meet one of these conditions, he/she may apply for social aid.

The right to social integration is primarily regulated by the Law of 26 May 2002 on the right to social integration, and the Royal Decree of 11 July 2002 on the general regulation regarding the right to social integration. The PCSW in each municipality has been tasked with guaranteeing the right to social integration for those who meet the conditions of the law and lack sufficient resources. The

ultimate objective is to achieve maximum integration and participation in social life. A PCSW has three instruments at its disposal: employment, integration income and individualised social integration projects, or a combination of these three.

Each of these scenarios provides the person in question with an income from which to live. Employment is understood to mean a fully-fledged job to which all labour law regulations apply, including wage protection regulations. If employment is not (yet) possible, the person is entitled to financial intervention known as social integration income. Granting the right to social integration income may be accompanied by the establishment of an individualised project for social integration between the individual and the PCSW. The choice of the most appropriate path is made in consultation with the individual and with the objective of achieving maximum integration and social participation.

This involves a residual right to which the applicant may only lay claim if he/she has exhausted all other potential means of obtaining resources, including the right to any social benefits that may apply and to maintenance payments to which he/she may be entitled. The social support system is not the same as "social security", which is based on a system of contribution payments (contributions connected to exercising a professional activity).

If all of the conditions regarding the right to social integration have been met, then social support becomes a right that must be granted. If this is not the case, the individual concerned may appeal to the labour court. This is a matter of public policy.

2.2. Conditions for granting support

2.2.1. The condition of nationality

The right to social integration is granted to:

- Belgian nationals
- citizens of the European Union or members of their family who are accompanying or joining them and have been granted a residence permit for longer than three months according to the provisions of the Law of 15 December 1980 on entry to Belgian territory, residence, establishment and removal of foreign nationals. Individuals belonging to this category may only benefit from the right to social integration following the first three months of residence.
- non-nationals registered in the civil registry
- stateless persons who fall under the Convention Relating to the Status of Stateless Persons, signed in New York on 28 September 1954 and approved by the Law of 12 May 1960
- recognised refugees within the meaning of Article 49 of the Law of 15 December 1981 relating to access to Belgian territory, stay, establishment and removal of third-country nationals.

2.2.2. The condition of age

The right to social integration is granted to adults. Granting of rights has been extended to include:

- minors emancipated by marriage
- minors with one or more dependent children
- minors who are pregnant.

There is no maximum age limit. However, as the right to social integration is a residual right, verification is to be obtained regarding whether the individual concerned qualifies for the Income Guarantee for the Elderly (IGO).

This condition also applies to the spouse or life partner of those entitled to social integration income in Category 3 (persons with dependants).

2.2.3. The condition of residence in Belgium

All individuals with habitual residence in a Belgian territory are considered to be persons who actually live in Belgium insofar as they are permitted to reside in the Kingdom's territory. In practice - but with some exceptions - this generally entails being registered in the civil registry or in the foreigners registry.

This is to be established by conducting a social inquiry.

This condition also applies to the spouse or life partner of those entitled to social integration income in Category 3 (persons with dependants).

2.2.4. The condition of insufficient resources

The applicant lack sufficient resources, is not entitled to claim resources and is not able to obtain resources independently or in any other way.

This condition also applies to the spouse or life partner of those entitled to social integration income in Category 3 (persons with dependants).

Well-defined rules for calculating resources have been specified by law. These involve the following aspects:

- taking into account the resources of other persons (A.)
- calculating applicable resources (B.)
- resources that may not be taken into consideration (C.)

A. Taking into account the resources of other persons

Resources of individuals cohabiting with the applicant are taken into account as follows:

- a) the PCSW is obliged to take into account the resources of the applicant's spouse(s) with whom he/she cohabits as well as the resources of persons regarded as members of the applicant's de facto family

- b) if the applicant lives with one or more first-degree adult ascendants or descendants, then the resources of those persons may be taken into account, either partially or entirely. In other words, the resources of the father, mother or adult children of the individual involved may be taken into account. The PCSW has the authority to decide whether to take into account the resources of the individuals mentioned. On the grounds of equity and fairness, the PCSW may decide not to consider these resources due to additional financial burdens associated with other children or adults, or due to the financial circumstances of the family nucleus (debts, excessive medical costs, etc.)
- c) in other situations where cohabitation involves persons not benefiting from this law, the resources of these individuals (siblings, grandparents, uncles, aunts, unrelated persons, etc.) may not be taken into account

If the applicant is entitled to Category 3 social integration income (persons with dependants) then all of the spouse's or life partner's resources are taken into account.

Resources of the individuals in cohabitation as described in a) or b) may only be taken into account for the amount that is higher than the social integration income stipulated for that category for each of these individuals. In the event of cohabitation between one or more first-degree adult ascendants and/or descendants, each individual will be allocated the notional amount for cohabiting persons for the purpose of calculating resources.

B. Calculating applicable resources

Apart from regulatory or legal exceptions, all of the applicant's available resources (annual net income) of any type whatsoever are considered applicable, including social benefits.

If the applicable amount is lower than the social integration income, the person concerned is entitled to an additional exemption based on the Category (1, 2 or 3) to which the beneficiary belongs:

- 155 EUR to beneficiaries in Category 1 (cohabitants)
- 250 EUR to beneficiaries in Category 2 (single persons)
- 310 EUR to beneficiaries in Category 3 (persons with dependants).

This applies, inter alia, to the following resources:

- net professional income
- income from social benefits

Examples: unemployment benefits, allowances for the disabled, allowances for sickness and invalidity, retirement or survivors' pension, etc.

- income from real estate
 - **If the applicant owns developed real estate** (e.g., a house), the overall cadastral income (the sum of all cadastral income from the developed real estate in his/her possession) is reduced by 750.00 EUR. This concerns non-indexed cadastral income (C.I.). The reduction is increased by 125.00 EUR per child receiving a child benefit. The increase of 125.00 EUR also applies to each child for which the applicant's spouse or life partner is eligible to receive child support benefits, if the applicant falls under Category 3 (persons with dependants).

Developed real estate located abroad is taken into consideration in the same way as developed real estate located in Belgium.

If the applicant owns undeveloped real estate (e.g. a plot of land), the overall cadastral income is reduced by 30.00 EUR.

- The exemptions are applied over all developed and undeveloped real estate respectively and should, if necessary, be divided amongst the various properties. Regardless of whether the applicant is the owner or joint usufructuary, both the C.I. of the real estate as well as the exemption is multiplied by the fraction representing the share to which he/she is entitled.
- In both scenarios, that amount is then multiplied by 3, resulting in the applicable amount.
- If the **real estate is encumbered by a mortgage**, then the applicable amount for determining resources is reduced by the amount of the annual mortgage interest, on the condition that:
 1. the debt was incurred by the applicant for the applicant's personal use and that the applicant can demonstrate any capital derived from the location
 2. the applicant demonstrates that the mortgage interest due was paid for the year prior to the start date of the ruling. The amount of the reduction may not be higher than half the applicable amount. The amount of the mortgage interest is multiplied by the fraction representing the share that the applicant is entitled to as the owner or joint usufructuary.
- If the **real estate was acquired against a life annuity**, the amount the applicant actually pays in life annuity is deducted when calculating the resources that are taken into account. However, this reduction may not be higher than half of the amount to be taken into consideration. The amount of the life annuity must be multiplied by the fraction representing the share of the corresponding property to which the applicant is entitled.
- If the applicant **is letting real estate**: in the event that the income generated by letting is more than the result of the calculation using cadastral income, then the income from letting the property (and not the cadastral income) is taken into account when calculating resources.

If the applicant is the owner or joint usufructuary, the amount of the rent will be multiplied by the fraction representing the share of the corresponding property to which the applicant is entitled

- If the applicant for social integration income in Category 3 (persons with dependants) is the owner or joint usufructuary, the cadastral income, the exemption, the amount of the mortgage interest, the amount of the life annuity and the amount of the rent, as stated above, is multiplied by the fraction representing the share of the corresponding property to which the applicant and his/her spouse or life partner is entitled.
- **income from personal assets**

Personal assets are understood to mean:

- Fiduciary money (e.g., money received as inheritance)
- Money in a current account or a savings account
- Securities, shares, bonds and funds
- Money that the person concerned has voluntarily 'secured'
- Tax reimbursements

A fixed percentage is adhered to per bracket

- 0% for the bracket of €1 to €6,200
- 6% for the bracket of €6,201 to €12,500
- 10% for the bracket of €12,501 and over

In the case of a shared account, the capital will be multiplied by the percentage that represents the applicant's share of the capital (the numerator is equal to 1 and the denominator is equal to the number of persons on the account).

The amount for each bracket is also multiplied by this fraction.

- **income from the sale of goods**

The sale of goods (sale and donations) are taken into account if the sale of goods occurred less than 10 years prior to the application for social integration income.

On the grounds of equity and fairness, the PCSW may decide not to include the sale of goods in the calculation method. For example, in the event of severe medical costs incurred since the date of sale, or in the case of responsible reinvestment. Any remaining money is treated as personal assets.

- **benefits in kind**

Benefits in kind (e.g., meals) are not taken into account so as not to discourage harmony in the applicant's domestic environment.

Exceptions include household-related costs (rent, service charges to the renter, etc.) in the applicant's primary place of residence, if they are paid by a third party with whom he/she does not live. Such a defrayal of costs concern more of a regular income for the applicant rather than a benefit in kind in the strictest sense of the word.

C. Resources that are not applicable

When calculating resources, there is a limited list of exemptions that are not applicable. The most important exemptions are:

- assistance provided by the Public Centre for Social Welfare in terms of the Organic Law of 8 July 1976 on Public Centres for Social Welfare
- family benefits in aid of the (minor or adult) children insofar as the applicant is legally eligible to receive benefits in accordance with Belgian law or foreign social legislation, is raising the children, and is entirely or partially responsible for them.
- maintenance payments or an advanced payment of the maintenance if received for (minor or adult) children who are unmarried, dependent on the applicant or if the applicant is raising them.
- productivity or incentive bonuses provided and paid by various competent authorities concerning individual professional training in companies, for a period of no more than six months
- allowances and contributions made by the Provinces for relocation, installations and rent granted to the person concerned

- amounts granted for educational allowances for specific study costs and those granted to the applicant by the Communities for his/her benefit or the benefit of his/her dependent children. Upon consultation with the Ministerial Council, the King may rule by decree on the meaning of specific study costs.
- contributions, benefits and allowances from the Community for housing young adults in foster families
- payments made by the sub-regions for the costs of non-medical assistance and services provided by third parties to persons with a limited capacity for self-care, as well payments received for non-medical assistance and services by non-professional care providers from persons in need of care
- refundable tax credits
- payments received as a volunteer
- monthly compensation paid by an internship provider to a young job-seeking intern for a short-term, entry-level internship due to unemployment.

A number of other resources are partially exempt:

- In order to promote the socio-professional integration of the recipient of social integration income who is commencing employment or vocational or further training, the net income acquired is taken into account with a maximum deduction of 234.55 EUR (the amount applicable on 1/12/2012) per month for a total period of three years. The benefits of this exemption start on the first day of the activities specified. This benefit will be suspended for the periods during which the person is not entitled to a claim and in such a case can be tallied for a period ending six years later:
- the net income from artistic activities for which there are irregular returns. This exemption amounts to (1/12/2012) 2,814.65 EUR per year.
- for persons younger than 25, for whom social integration income is accompanied by an individualised project for social integration. On the grounds of equity and fairness, and for the purpose of improving an applicant's chances of integration into the professional sphere, the PCSW may permit the person concerned to commence, continue or resume a full-time study in a programme offered by an educational institute that is recognised, organised or subsidised by the Community. In this case, the net income earned as a result of employment qualifies for a deduction amounting to 65.42 EUR (amount on 1/12/2012) per month for young adults benefiting from a study grant. This amounts to 234.55 EUR per month (amount on 1/12/2012) for young adults not receiving a study grant, in order to encourage work experience and to stimulate independence. This deduction applies to the period stipulated for the individualised project for social integration:

2.2.5. Condition of willingness to work

Apart from the fact that the applicant must have insufficient resources, he/she must also prove that he/she is prepared to work, with the exception of health-related reasons or on the grounds of equity and fairness.

This condition also applies to the spouse or life partner of the recipient of social integration income in Category 3 (persons with dependants), insofar as this person's own income is below that of the social integration income Category 1 (cohabitants).

2.2.6. Rights to other benefits

The applicant may only claim rights to benefits to which he/she is entitled in accordance with Belgian or foreign social legislation. The right to social integration is to be seen as a social safety net of last resort.

This condition also applies to the spouse or life partner of those entitled to social integration income in Category 3 (persons with dependants).

2.3. The manner in which the right to social integration may be granted

The right to social integration may consist of employment and/or social integration income, which may or may not be accompanied by an individualised project for social integration.

These three tools for social integration may be customised for the individual, in combination or as separate elements. The individualised project for social integration is not a right in and of itself. It is linked to social integration income. In certain circumstances, it may be a condition for obtaining the right to social integration income. In all cases, the individual receives an income from which to live: be it an income resulting from employment, an income in the form of benefits or a combination of the two.

The manner in which the right to social integration is granted is also dependent upon the applicant's age. The priority for young adults, meaning beneficiaries under the age of 25 years, shall be placed on the right to social integration by means of employment, adjusted to their personal situation and abilities, within three months of application. The right to social integration in the form of a social integration income shall only be granted in exceptional cases.

2.3.1. Employment

Any person meeting the general conditions of eligibility for the right to social integration may be granted this in the form of employment. For young adults not older than 25 years, this shall be the exclusive manner for which they shall be granted social integration, with the exception of those who are unable to work for health-related reasons or on the grounds of equity and fairness.

The Public Centre for Social Welfare may provide this employment opportunity using all means at its disposal. The basic principle involves a legitimate job opportunity, meaning that an employment contract that adheres to all labour law regulations, including wage protection regulations is entered into. This employment contract may be requested for inspection within a regular employment scheme with the PCSW acting as mediator.

The PCSW may also require specific employment regulations that have been subsidised by the federal and/or regional authorities.

There are two types of employment measures within the framework of the PCSW that are intended for those entitled to social integration or social assistance benefits. The first entails an employment opportunity in which the PCSW itself is acts as the employer, or in which it provides support for or the actual training of the employee. The second is employment in a well-defined project in which

the PCSW provides financial support with regard to the employer's wage costs. Those entitled to social integration for which employment is not (immediately) possible may have an individualised project for social integration designed for them with the ultimate aim of obtaining an employment contract. This project, which shall be established following joint consultation between the PCSW and the individual eligible for social integration, represents both a path to employment for the applicant as well as a commitment made by both parties - the PCSW and the person eligible - to ensuring that this path culminates in success.

If such an individualised project for social integration has been chosen for a young person as an alternative to obtaining an employment contract, such a project must be negotiated with the individual within three months following the submission of the application.

2.3.2. An individualised project for social integration

For some applicants entitled to social integration, the realisation of this right in the form of employment is not (yet) feasible or desirable. This could be the case if the applicant does not possess the necessary work attitude or is a young adult who wishes to commence, continue or resume their education.

Depending on the expectations, skills, abilities and needs of the person concerned, and bearing in mind the means available to the Centre, the social worker will outline a customised project in consultation with the individual.

An individualised project for social integration is established through a formal contract between the parties concerned. At a minimum, this includes the PCSW and the person entitled to social integration. It is also possible for third party support (e.g., from a training centre or a centre for mental health care) to be requested in order to realise specific project goals.

The project may be focused on integration into the professional sphere or integration into society by means of training or studies. The following social integration projects may be differentiated accordingly:

- individualised projects for social integration leading to an employment contract within a specified period of time (employment projects)
- individualised projects for social integration focused on training (training projects)
- individualised project for social integration regarding studies in a full-time curriculum (educational projects).

Both the Centre and the person entitled to social integration may request an individualised project for social integration. Such a request entails obligations for the other party involved in the project.

The individualised project for social integration remains mandatory if it concerns an employment project or educational project.

In accordance with the spirit of the law, an individualised project for social integration is mandatory for young adults who do not have immediate access to the labour market. Preparation for the project focuses on increasing the applicant's professional employment opportunities through vocational training, completion of a study, a process of socialisation or other such initiatives. The most suitable approach for each person depends on his/her unique personal situation, his/her wishes and the available opportunities for achieving social integration. On the grounds of equity and fairness, the PCSW may permit the young person concerned to commence, continue or resume

a full-time study programme for the purpose of improving the applicant's chances of integration into the professional sphere. In this case, a mandatory individualised project for social integration with regards to studies will be established.

The applicant may be entitled to social integration income during the course of this project.

2.3.3. Social integration income

Social integration income is an indexed income that enables the beneficiary to lead a dignified existence.

The granting and retention of social integration income may be linked to an individualised project for social integration, either at the request of the person concerned or the PCSW. Depending on the needs of the person concerned, the focus of the project is either on professional mobilisation or social integration.

Persons younger than 25 are only entitled to receive social integration income in four specific situations:

- a young person is entitled to social integration income from the moment of application until the moment the individual engages in work based on an employment contract
- a young person is entitled to social integration income if he/she has committed to and is actively carrying out an individualised project for social integration
- a young person is entitled to social integration income if he/she is unemployable due to health-related reasons or on the grounds of equity and fairness
- a young person is entitled to social integration income if the income he/she obtains from employment is not sufficient to lead a dignified existence.

The applicant's family situation is taken into account when determining the amount of social integration income.

The category to which the applicant belongs will be based on the findings of a social inquiry conducted by the Public Centre for Social Welfare. The basic purpose of this social inquiry is to determine the actual situation, even if it differs from the individual's administrative situation.

Beneficiaries are divided into three categories:

2.3.4. A. Category 1: Cohabitants

This describes individuals who live under one roof and who generally organise their domestic affairs communally. Cohabiting partners may each claim an individualised right to social integration regardless of the type of relationship they have opted for: marriage, cohabitation contract, de facto family, etc.

2.3.5. B. Category 2: Single persons or homeless persons with whom an individualised social integration project has been established

Single persons are individuals who live alone and do not belong to any of the other categories.

A homeless person who is temporarily or briefly housed by a relative or friend and has been living with them for a limited period of time may also be eligible for Category 2 social integration income, if an individualised project for social integration (IPSI) has been established with them.

The contents of the IPSI comprise the steps that the person concerned should take in order to cease his/her situation of homelessness.

A homeless person living alone has the implicit right to Category 2 social integration income, regardless of whether or not an IPSI has been established (e.g., the individual lives on the street).

2.3.6. C. Category 3: Persons with dependants

These are individuals who live together with a dependent family with at least one unmarried minor present.

"Dependent family" is understood to mean: a spouse, a life partner (the person with whom the applicant forms a de facto family), an unmarried minor child or multiple children of which one is an unmarried minor child.

The granting of Category 3 social integration income also covers the rights of the spouse or life partner. This means that the spouse or life partner may not apply for social integration income. Half of the social integration income is paid to the applicant and the other half is paid to the spouse or life partner with whom he/she lives. A different distribution may be applied on the grounds of equity and fairness.

Social integration income is expressed in terms of a fixed annual amount.

To calculate the monthly social integration income, divide the annual amount by 12.

The values contained in Article 14 of the Law of 26 May 2002 are the non-indexed base amounts. They are linked to the pivot index. If this index is exceeded, the social integration income amounts will be adjusted.

The new amounts apply from the first month following the month in which the index amount equalled or exceeded the pivot index.

Social integration income amounts as of 1 April 2016

Table 2. Social integration income amounts as of 1 June 2016

	Base amount	Annual social integration income as of 1 April 2016	Monthly social integration income as of 1 April 2016
Category 1 Cohabiting person	€5,155.80	€6,939,19	€578,27

<u>Category 2</u> Single person	€7,733,71	€10,408,80	€867,40
<u>Category 3</u> Persons with dependants	€10,311,62	€13,878,41	€1,156,53

If a person has a reliable income that is lower than the amount of social integration income, the difference will be paid out to ensure that the income is equal to the social integration income amount.

2.4. Recovery of excess payments

2.4.1. Payment recovery from the recipient

Social integration income will be recovered from the recipient if:

a) the decision for granting social integration income has been revoked with retroactive effect.

In the event of an error on the part of the PCSW, the Centre may recover the undue amount or may partially or completely waive repayment at its own initiative or at the request of the claimant.

Undue payments made as a result of fraudulent actions taken by the beneficiary accrue interest immediately from the moment of initial payment.

b) the person concerned obtained income that he/she was entitled to in the period during which the social integration income was paid out.

In such a case, recovery of payment is limited to the amount of the income that should have been taken into account when calculating the social integration income, had the applicant had access to the information at the time of calculation.

By operation of law and to the extent of the amount in question, the Centre may be subrogated to the rights of the beneficiary in regard to the income mentioned above.

The PCSW may only forgo recovery of payment based on a case-by-case decision or on the grounds of equity and fairness as stated in the decision. The person concerned may cite grounds of equity and fairness in order to prevent recovery of payment. If the costs or efforts involved do not offset the expected result, then recovery of payment is not to be enforced. Except in the case of malice or fraud, the recovery of unduly paid benefits is officially waived in the case of death of the beneficiary, if he/she had not yet been made aware of the recovery of payment prior to the time of death.

2.4.2. Recovery of payment from maintenance debtors

Under certain circumstances and by virtue of its right, the PCSW must recover social integration income from the following maintenance debtors:

- 2.4.3. A. The parents, adoptive parents and biological parents of children whose father's identity is unknown, from which the child seeks allowances for living expenses, upbringing and appropriate education in accordance with Article 336 B.W.

Recovery of payment is limited to social integration income granted to their descendants, adopted children and/or children whose father's identity is unknown, provided that they have not yet reached adulthood or provided that they remain legally eligible for child support after reaching that age.

- 2.4.4. B. Children and adopted children.

Recovery of payment is limited to the social integration income granted to their ascendants and/or adoptees insofar as it becomes apparent that the beneficiary's assets have decreased significantly in the 5 years prior to commencement of the service.

B. Spouse and ex-spouse.

If an enforceable court decision rules in favour of the applicant and grants the payment of maintenance, then recovery of payment is limited to the amount of the maintenance payment in question.

Recovery of payment is set at the amount to which the maintenance debtors are bound and within the period in which social integration income was paid, insofar as a maintenance obligation existed for the maintenance debtor during the period that the social integration income was paid.

If the granting of social integration income is not expected to continue for more than 3 months, then recovery of payment is not to be enforced. If the costs or efforts involved do not offset the expected result, then recovery of payment is not to be enforced. Employment costs incurred by the PCSW may not be recovered. The PCSW may only forgo recovery of payment based on a case-by-case decision or on the grounds of equity and fairness as stated in the decision. The person concerned may cite grounds of equity and fairness in order to prevent recovery of payment.

2.4.5. Recovery of payment from liable third parties

By virtue of its right, the PCSW will recover social integration income from the party who is liable for the injury or illness which resulted in the payment of social integration income.

The limitation period for recovery of payment is 5 years.

If the injury or illness is the result of a crime, recovery of payment may be brought forward at the same time of the criminal proceedings and before the same court.

The PCSW may only forgo recovery of payment based on a case-by-case decision or on the grounds of equity and fairness as stated in the decision. The person concerned may cite grounds of equity and fairness in order to prevent recovery of payment.

If the costs or efforts involved do not offset the expected result, then recovery of payment is not to be enforced.

2.5. Procedure and appeals

The right to social integration is officially granted by the PCSW following an application.

Applications are submitted verbally or in writing during PCSW service hours. Locations and opening hours can be found in the official announcements made by the Municipal Council.

The Centre will either send or hand the applicant a proof of receipt indicating the period of investigation for the application, the applicant's right to be heard and the applicant's obligation to immediately report any new information that may affect his/her right to social integration.

The PCSW's Council for Social Welfare will come to a decision on each application based on the dossier compiled by a sworn social worker. The social worker will first conduct a social inquiry as well as an investigation of available resources. This is followed by a reasoned administrative decision.

Prior to making a decision, the person concerned must be heard by the Council for Social Welfare if he/she so wishes. He/she may be accompanied or represented by counsel.

The PCSW must come to its decision within 30 days of receiving the application. The decision must be sent to the person concerned by registered mail within eight days.

Decisions regarding applications enter into effect on the day that the application is received and official decisions may be made with retroactive effect.

The person concerned may appeal the PCSW's decision through the labour courts in his/her place of residence. A decision may be appealed within three months of receiving notification of the decision or after establishing that a decision has not been made by the Centre within the period granted to the PCSW.

2.6. Governmental grants

The Federal Government subsidises a minimum of 55% of all social integration income granted by PCSW in accordance with the Law of 26 May 2002. The remaining amount is paid by the PCSW and therefore indirectly by the Municipality. PCSWs with a large number of beneficiaries receive higher subsidies. PCSWs that served an average of at least 500 beneficiaries every month over the course of the year before the previous year receive a 65% subsidy. Those with at least 1000 beneficiaries receive 70%.

Other grants increase the subsidy to:

- 65, 75 or 80% when social integration income is linked to an individualised project for social integration for persons younger than 25 years, if the PCSW permits the person concerned, on the grounds of equity and fairness, to commence, continue or resume a full-time study in a programme offered by an educational institute that is recognised, organised or subsidised by the Community
- 100% for a maximum of two years for all social integration income granted to persons who no longer maintain a status of homeless as a result of moving into housing that serves as a primary residence, or to persons who stayed long-term in outdoor recreational housing or weekend housing because they were unable to find other accommodation and have since left this housing situation to move into accommodation that serves as a primary residence.
- 100% of the increase of social integration income (the so-called installation allowance) granted to homeless persons who no longer maintain their status as homeless as a result of moving into accommodation that serves as a primary residence, or to beneficiaries of social integration income who leave outdoor recreational housing or caravan parks indefinitely
- 100% for a maximum of five years if social integration income is granted to a beneficiary who is registered in the foreigners registry and until the day of his/her registration in the civil registry
- 75% for a maximum of six months if the person concerned is following a course (minimum of 10 hours per week) or gaining work experience (minimum of 10 hours and a maximum of 20 hours per week) within the context of a contract for an individualised project for social integration and under certain conditions.

There are no regional grants to subsidise the social integration income. As will be explained under 4.3.1. Financial support, the PCSW can decide to complement the social integration income with a supplementary financial support.

3. Key figures and data on the Belgian minimum income system

The statistics for the number of beneficiaries are based on the requests for reimbursement submitted monthly by the 589 Public Centres for Social Welfare (PCSW) to the FPS Social Integration. Only the PCSW services that are provided with financial support by law from the Belgian Federal Service for Social Integration (POD MI) are presented in this report. This does not represent all of the support provided by the PCSWs.

3.1. Beneficiaries of social integration rights

The number of beneficiaries of social integration rights has risen significantly since 2004. While the average increase of beneficiaries of social integration rights per month was between 0.7% and 3.5% from 2004 to 2008, it reached 9.1% in 2009. Although the increase has slowed since 2009, the rate of 4.9% in 2010 remained higher than the percentages determined during the economic and financial crisis at the end of 2008.

Table 3. Average number of beneficiaries of social integration rights in Belgium per month and per size category of municipalities since 2003

Right on social integration	Monthly average	Growth				
		Belgium	Small	Medium	Large	5XL
2003	81.442	-	-	-	-	-
2004	83.936	3,1%	0,1%	3,1%	4,3%	3,2%
2005	85.387	1,7%	1,0%	1,7%	2,5%	1,2%
2006	88.341	3,5%	0,9%	2,8%	4,6%	4,2%
2007	90.001	1,9%	-1,5%	0,9%	3,0%	3,3%
2008	92.372	2,6%	0,4%	1,9%	3,7%	3,3%
2009	100.739	9,1%	9,4%	8,0%	8,9%	10,2%
2010	105.671	4,9%	4,7%	4,5%	4,7%	5,7%
2011	104.693	-0,9%	1,2%	-0,3%	-0,4%	-3,1%
2012	105.413	0,7%	2,8%	2,1%	2,3%	-3,7%
2013	108.988	3,4%	3,7%	3,1%	4,5%	2,2%
2014	113.238	3,9%	3,4%	2,7%	4,8%	4,5%
2015*	126.645	12,1%	14,9%	12,6%	11,2%	11,2%

* First ten months of the year. Percentage changes compared to the same period last year.

We recorded a subsequent drop in the number of beneficiaries of social integration rights per month in 2011, followed by a slight recovery in 2012.

Since 2013, trends have clearly been on the rise yet again: the number of beneficiaries rose to 3.4% in 2013 and to 3.9% in 2014.

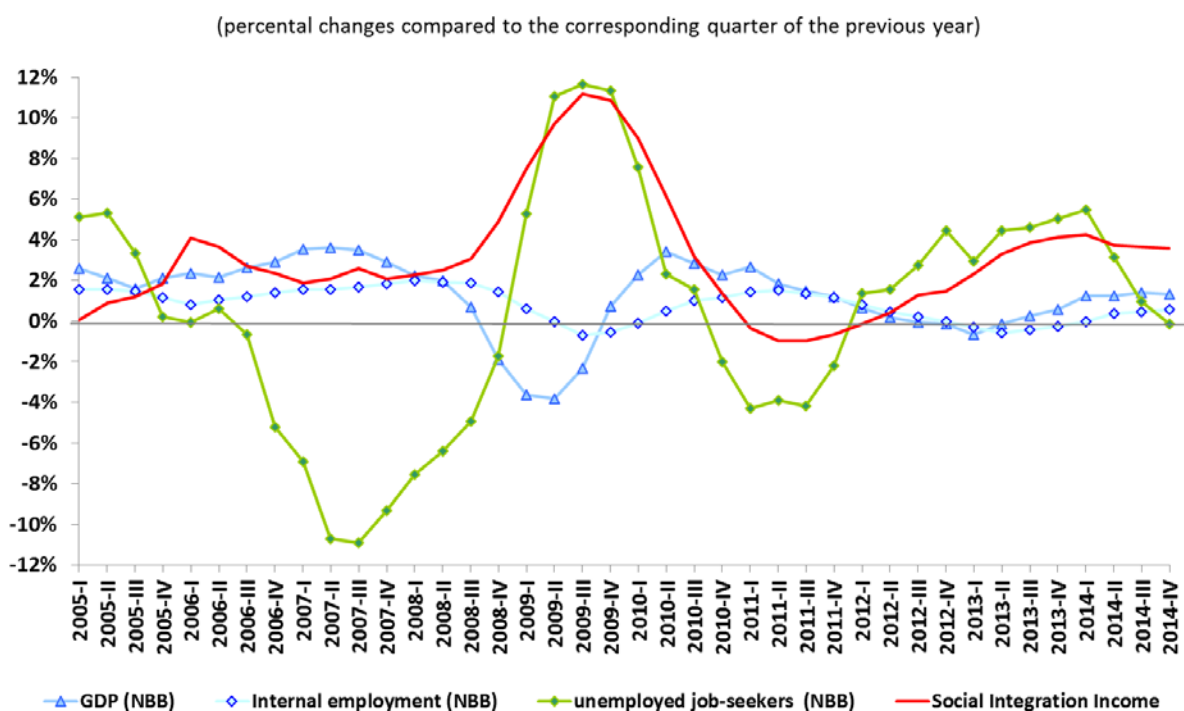
The first ten months of 2015 saw a dramatic rise in the number of beneficiaries of social integration rights, with an average growth of 12.1%. This is the highest percentage ever recorded. That equates to an average of 126,645 beneficiaries per month, compared to 113,238 in 2014. This increase must be linked to the influx of individuals to the PCSWs who had reached the end of their right to professional integration benefits.

As can be seen in the graph below, there is a strong correlation between GDP trends, domestic

employment, the number of job-seekers and the number of individuals entitled to social integration rights. The correlation between the economic and financial crisis of 2008 and the significant rise in the number of job-seekers is immediately clear, as well as the number of beneficiaries entitled social integration rights.

The graph below also indicates that the drop in the number of beneficiaries of social integration rights in 2011 was preceded by an improvement in the economic climate (growth of the GDP, rise in employment and a drop in the number of unemployed job-seekers).

Figure 1. Percentage of growth of the number of beneficiaries of social integration rights per quarter in light of certain economic indicators



In 2013, the economic trends that had an growing influence on the number of persons entitled to social integration rights were the lack of any increase in the GDP (0.0%), the loss of jobs (-0.4%) and the rise in the number of unemployed (+4.3%). Another factor was the extension of the period granted for professional integration rights for new job-seekers.

2014 was characterised by an improvement in the economic climate with an increase in the GDP of 1.3%, an increase in total employment of 0.3% as well as a slight increase in unemployment of 2.3%.

Figures from 2015 confirm a strengthening of the economic climate (GDP +1.4%, employment +0.7%). The drop in the number of unemployed entitled to benefits (-3%) can be attributed mainly to structural changes in regulations regarding unemployment insurance rather than the actual state of the economy.

3.2. Beneficiaries of social integration income

Social integration income is a minimum income for persons who do not possess sufficient

resources, or who do not have any claim to resources, or are not capable of acquiring resources through their own efforts, or any other feasible manner. Social integration income is an indexed income that is intended to allow beneficiaries to lead a dignified existence.

Although the average number of beneficiaries of social integration income per month rose by 2.3% from 2003 to 2008, we have seen a more significant increase in the rate of growth since the end of 2008. In 2009, the percentage of growth was 9.8%, which was clearly much higher than was seen in the previous years. The increase slowed in 2010 but was still higher than in the past at 4.9%.

Table 4. Average number of social integration income beneficiaries in Belgium per month and per inhabitant category since 2003

SIC	Monthly average	Growth				
		Belgium	Small	Medium	Large	5XL
2003	74.098	-	-	-	-	-
2004	75.583	2,0%	-1,4%	2,4%	3,0%	2,0%
2005	76.329	1,0%	0,6%	1,2%	2,1%	-0,3%
2006	78.778	3,2%	0,7%	2,5%	4,3%	4,0%
2007	80.484	2,2%	-0,6%	1,6%	3,3%	2,7%
2008	83.053	3,2%	0,6%	2,0%	4,5%	4,2%
2009	91.195	9,8%	10,0%	8,4%	9,5%	11,6%
2010	95.632	4,9%	4,3%	4,4%	4,9%	5,6%
2011	94.931	-0,7%	1,5%	0,0%	0,0%	-3,2%
2012	95.634	0,7%	2,5%	1,9%	2,7%	-3,6%
2013	98.884	3,4%	3,9%	3,0%	4,7%	2,0%
2014	102.634	3,8%	3,2%	2,4%	4,4%	4,8%
2015*	115.137	12,4%	15,6%	13,2%	11,6%	11,3%

* First ten months of the year. Percentage changes compared to the same period last year.

One explanation for the abnormal growth in the number of beneficiaries of social integration income in 2009 and 2010 can be traced to the worsening of the socio-economic context as a result of the economic and financial crisis. It is important to bear in mind that the entire increase in social integration income beneficiaries cannot be solely attributed to the economic crisis. The years of economic growth that led up to the crisis did not stop the number beneficiaries of social integration income from increasing structurally by an average of 2.3% per year. We can imagine that the worsening conditions of the labour market, which hit the weakest employees the hardest (the youth, temporary employees, part-timers, fixed term contracts, etc.), contributed to the abnormal rise in the number of social integration income beneficiaries in 2009 and 2010.

Following the number of beneficiaries entitled to social integration income, we noted a slight drop in the monthly average of social integration income beneficiaries in Belgium in 2011 (-0.7%). This drop could be seen primarily in the five largest cities (-3.2%). 2012 showed a slight increase in the number of social integration income beneficiaries, with the exception of the five largest cities, which continued dropping (-3.6%).

2013 was characterised by an increase in the number of social integration income beneficiaries: the average number of beneficiaries rose by 3.4%. There was a general increase across all the categories, but it was slightly less apparent in the five largest cities.

In 2014, we already had more than 100,000 beneficiaries per month. The rise in the number of beneficiaries was quite notable in the five big cities (+4.8%) and in the large municipalities (+4.4%).

Along with economic factors, countless other structural factors influenced the increase of social integration income beneficiaries. Other more specific factors could include:

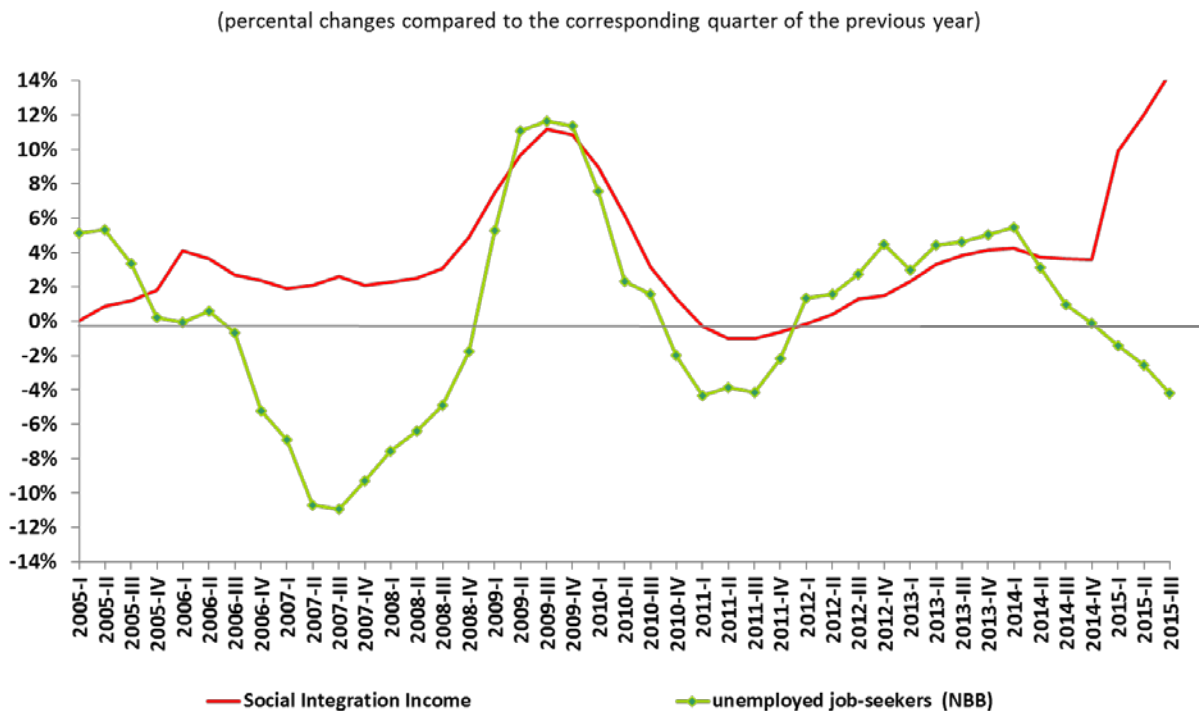
- the growing uncertainty of at-risk groups (low-skilled, part-time employees, one parent families, immigrants, etc.)
- the emergence of new beneficiaries of PCSW support in addition to other resources
- transferring the beneficiaries of an equivalent minimum social integration income to receiving social integration rights after registering in the civil registry
- moving job-seekers over to PCSWs as sanctioned by the National Employment Service (RVA)
- changes to the law regarding the unemployment insurance and more specifically the restrictions on the duration of professional integration benefits and the extension of the duration of professional integration internships to one year for new job-seekers; the refusal of the right to integration benefits as a result of not actively participating in a range of individual pathways toward integration; stricter implementation of the phased reduction of unemployment benefits and the implementation of the DISPO procedure (the possibility of excluding those eligible for integration benefits based on a procedure for activating positive job-search attitudes).
- The limitation on the duration of professional integration benefits came into effect on 1 January 2015. The impact of this measure on a number of social integration income beneficiaries was clearly seen in the first ten months of 2015.
- The average number of beneficiaries rose by 12.4% in the first ten months of 2015 in comparison to the same period in the preceding year. This rise cannot solely be attributed to the "limitation on integration benefits". Information from the PCSWs confirms that this measure has impacted a number of social integration income beneficiaries.
- In general, beneficiaries cohabiting with a dependent family have increased the most (+18.7%).

Trends in the number of social integration income beneficiaries have been affected by structural as well as economic factors. We have noted strong correlations between the trend in the number of job-seekers and the number of social integration beneficiaries.

The graph below shows that the latest social integration income beneficiary growth phase started in the second quarter of 2012 and was preceded by an increase in the number of job-seekers. The number of social integration beneficiaries can also increase structurally even if there is a drop in the number of job-seekers, as was the case during the second half of 2006 and the last quarter of 2008.

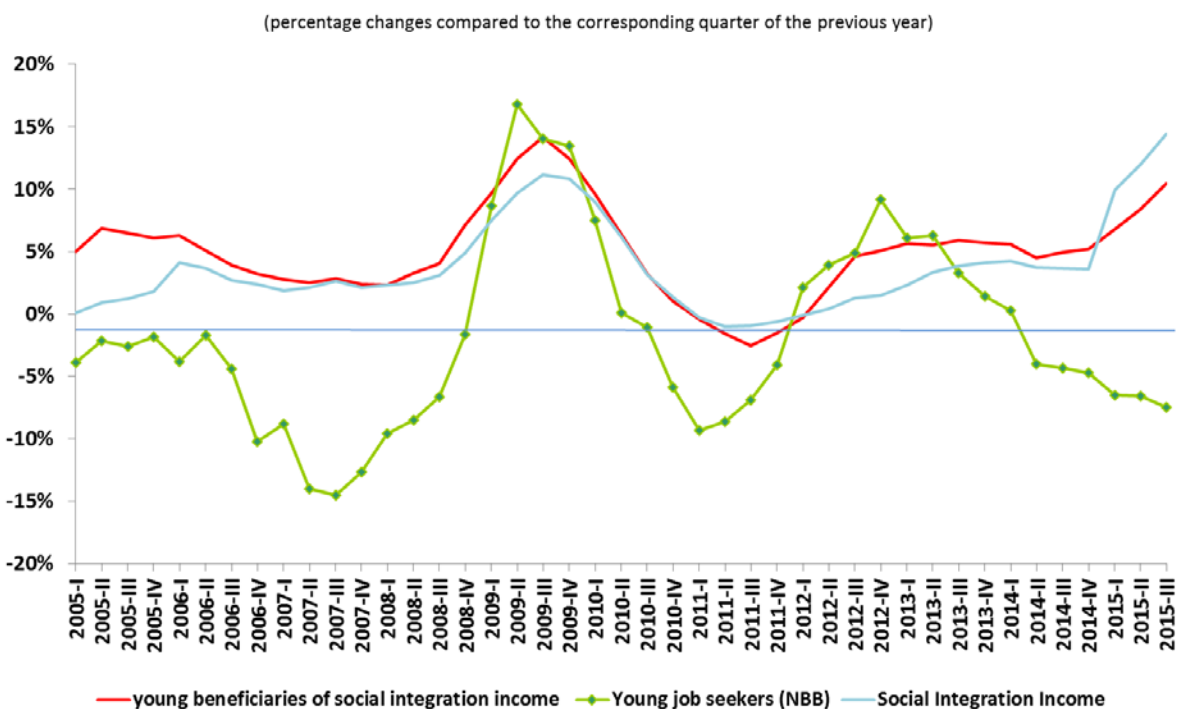
2015 was an exception, as stated above, that can largely be explained by the transfer of a number of social assistance recipients at the end of their professional integration to the PCSWs.

Figure 2. Quarterly trends in the number of social integration income beneficiaries and the number of job-seekers.



This phenomenon is more pronounced among those younger than 25 years of age. In the most common overall trends, we have noted both an increasing and decreasing tendency in the number of young beneficiaries of social integration and young job-seekers or those following a professional integration internship. An exception was in 2015, which was characterized by the transfer of those benefiting from unemployment benefits to the PCSWs.

Figure 3. Quarterly trends in the number of young beneficiaries of social integration income and the number of young job-seekers

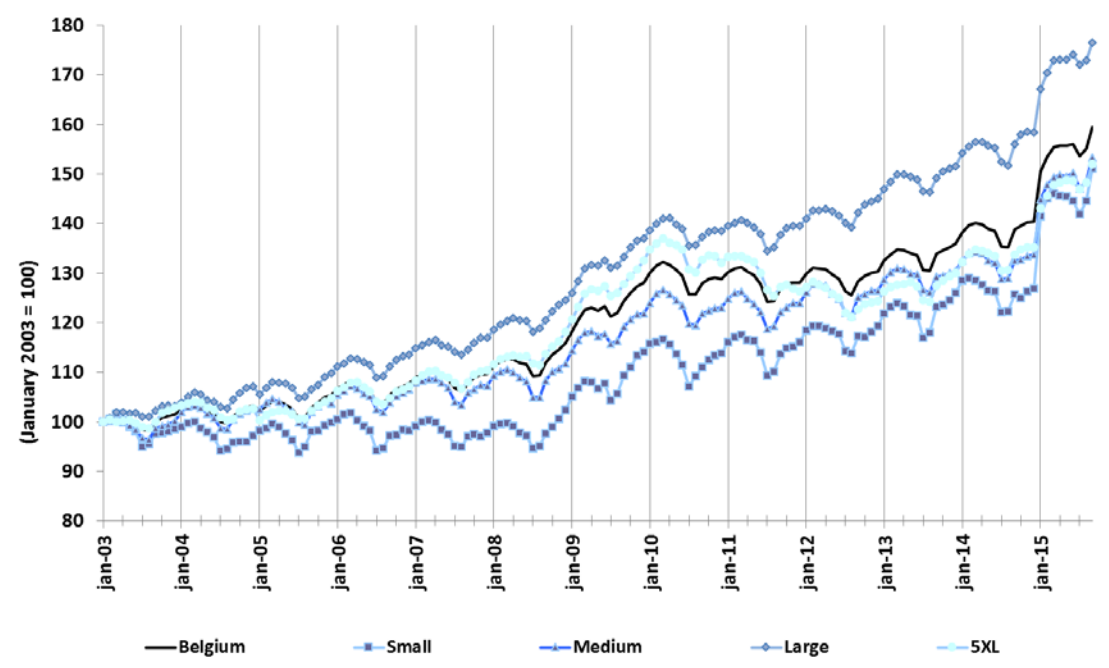


The monthly number of young beneficiaries of social integration income under 25 years increased by 5% in 2014, compared to 3.8% for all social integration income beneficiaries.

During the first ten months of 2015, the number of young beneficiaries of social integration income increased by 8.7%, while this number increased by 12.4% for all beneficiaries. This can be explained by the fact that the first waves of unemployed individuals were excluded from the National Employment Service due to the end of the internship provision. This affected those who were on average older than 25 years.

The graph below shows that the monthly trends in the number of social integration income beneficiaries is seasonal, primarily peaking in March/April and reaching its lowest level in July/August. These periods correlate with the start and end of professional integration internships for young job-seekers and with student jobs for student social integration income beneficiaries respectively.

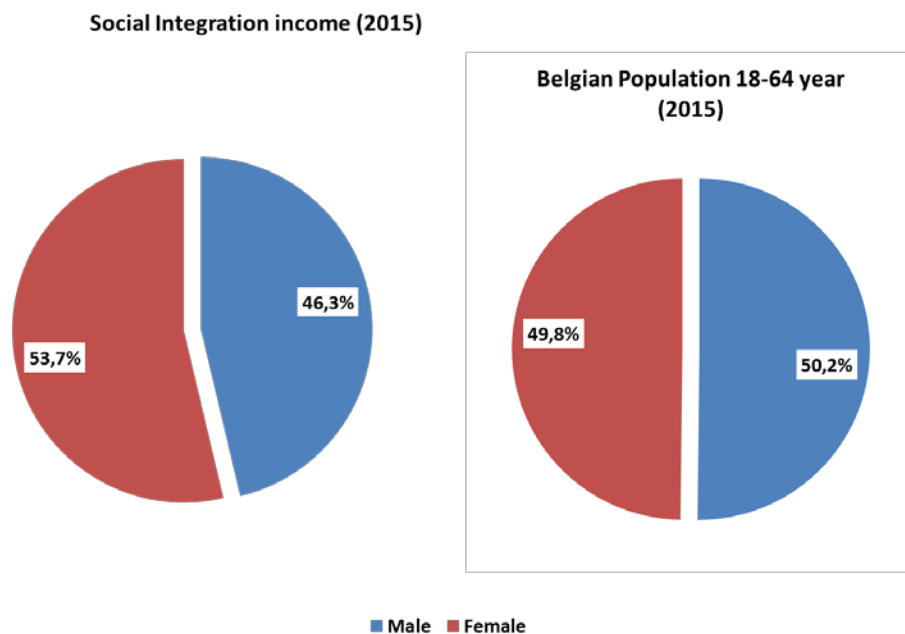
Figure 4. Monthly trends in the number of social integration income beneficiaries in Belgium per size of the municipalities since January 2003 (based on 100 in January 2003)



3.3. Profile of social integration income beneficiaries

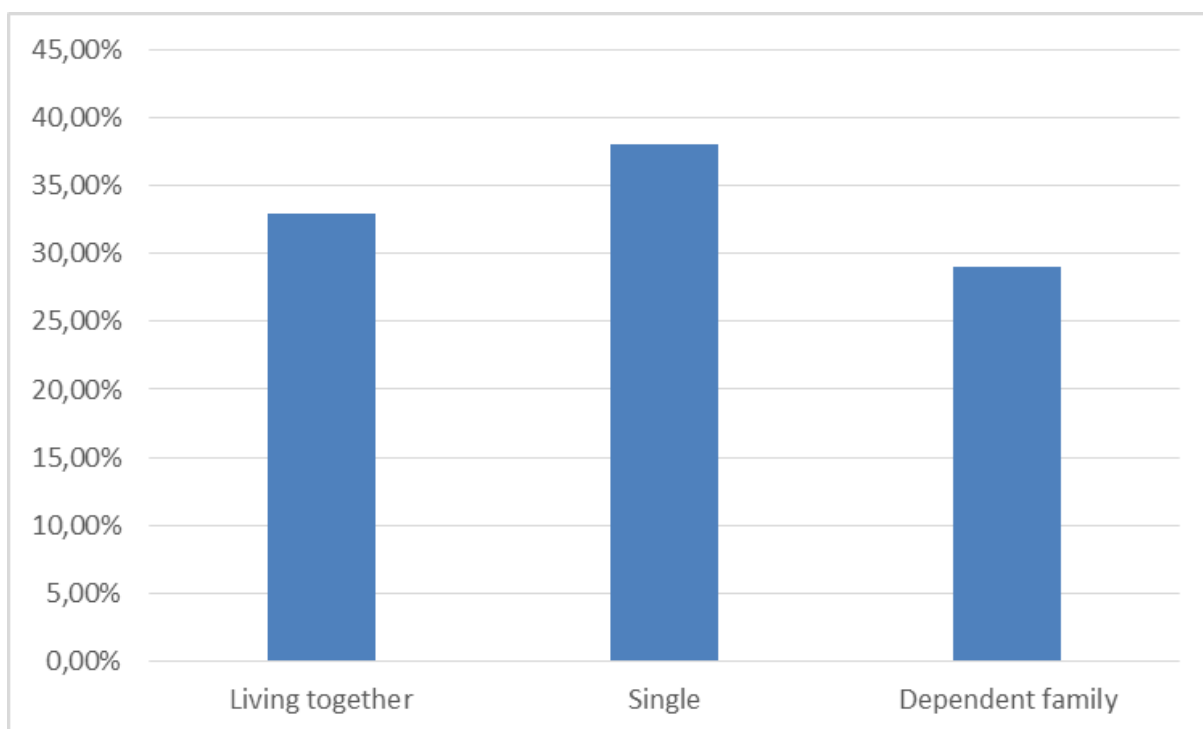
Social integration income beneficiaries are primarily women. The percentage of women who receive a social integration income is 4.9% higher than the percentage of the population on 1 January 2015.

Figure 5. Social integration income beneficiaries 18-64 years by gender, 2015



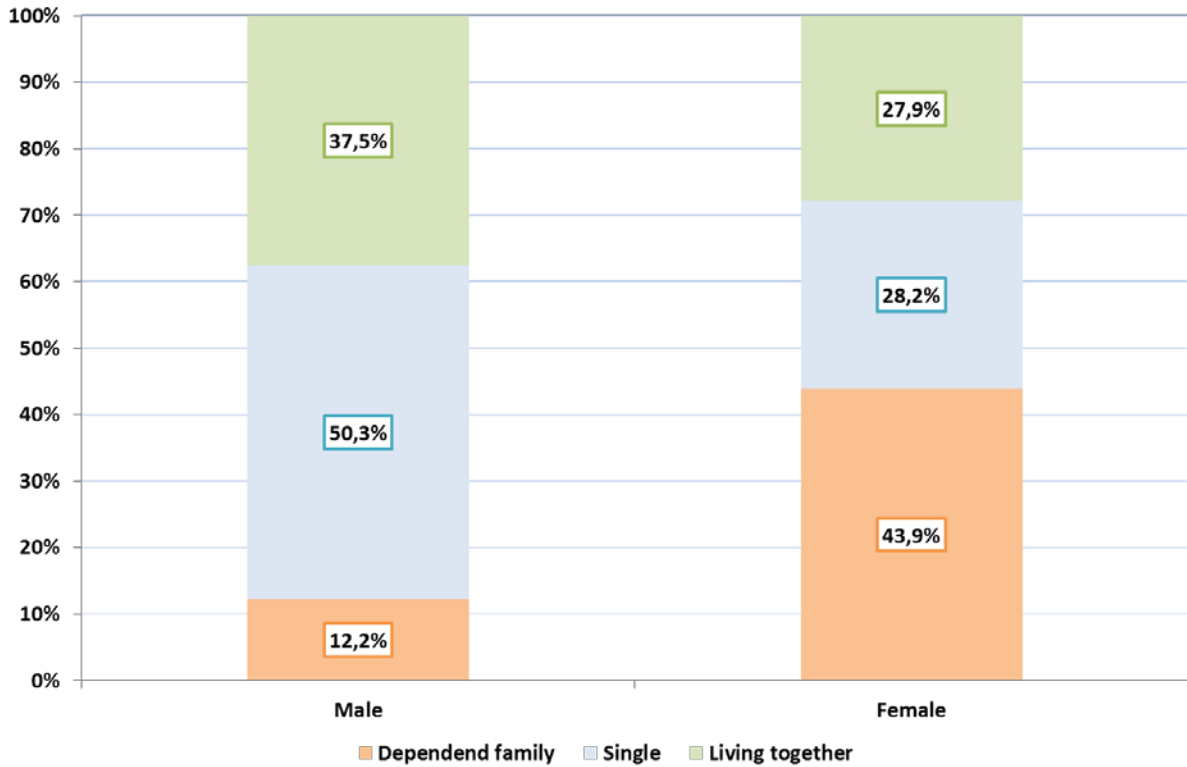
Two in every five social integration income beneficiaries are single (38.1%). Just over a quarter (29%) have a dependent family. The remaining third (32.9%) are cohabitants.

Figure 6. Social integration income beneficiaries and family category, 2015



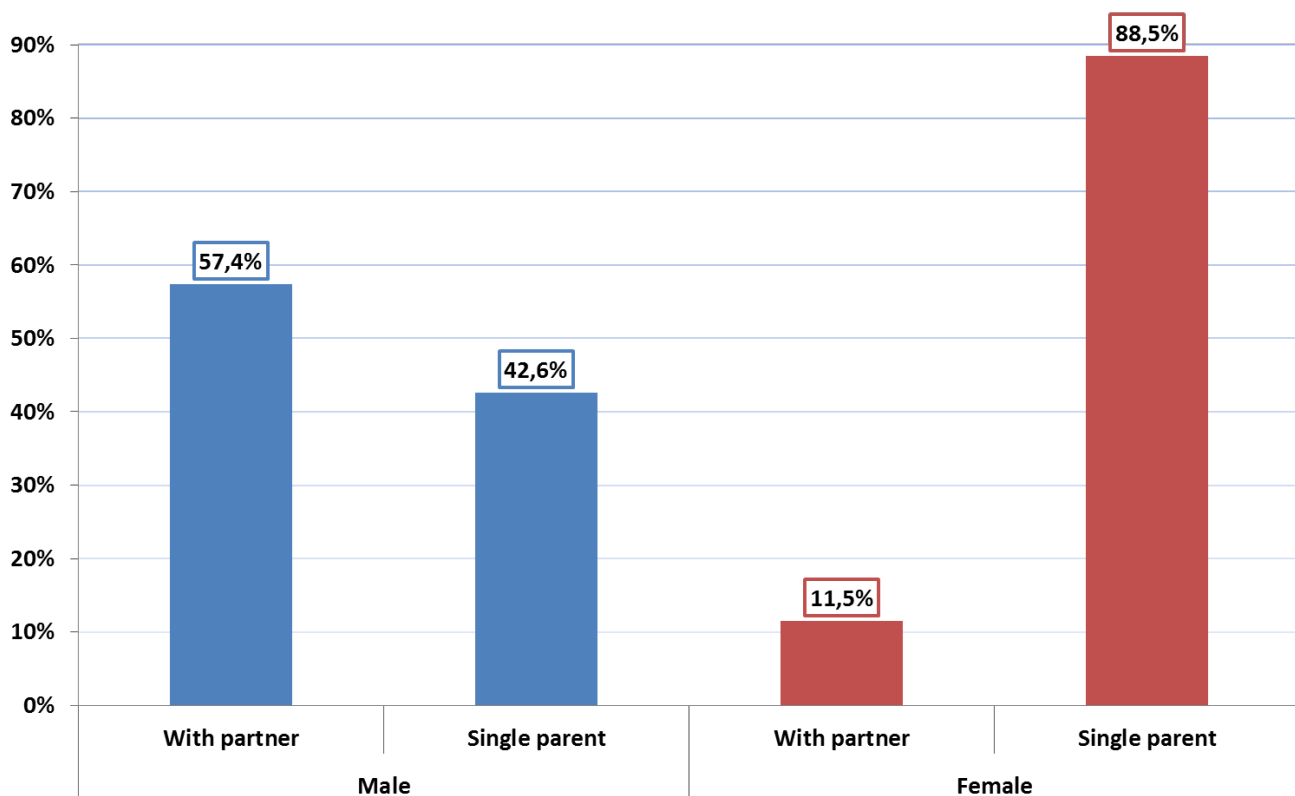
More women (43.9%) have a dependent family than men (12.2%). Most single social integration income beneficiaries are men (50.3%).

Figure 7. . Social integration income beneficiaries, gender and family category, 2015



88.5% of the women with a dependent child or children are single parents. This percentage drops to 42.6% for men with a dependent child or children.

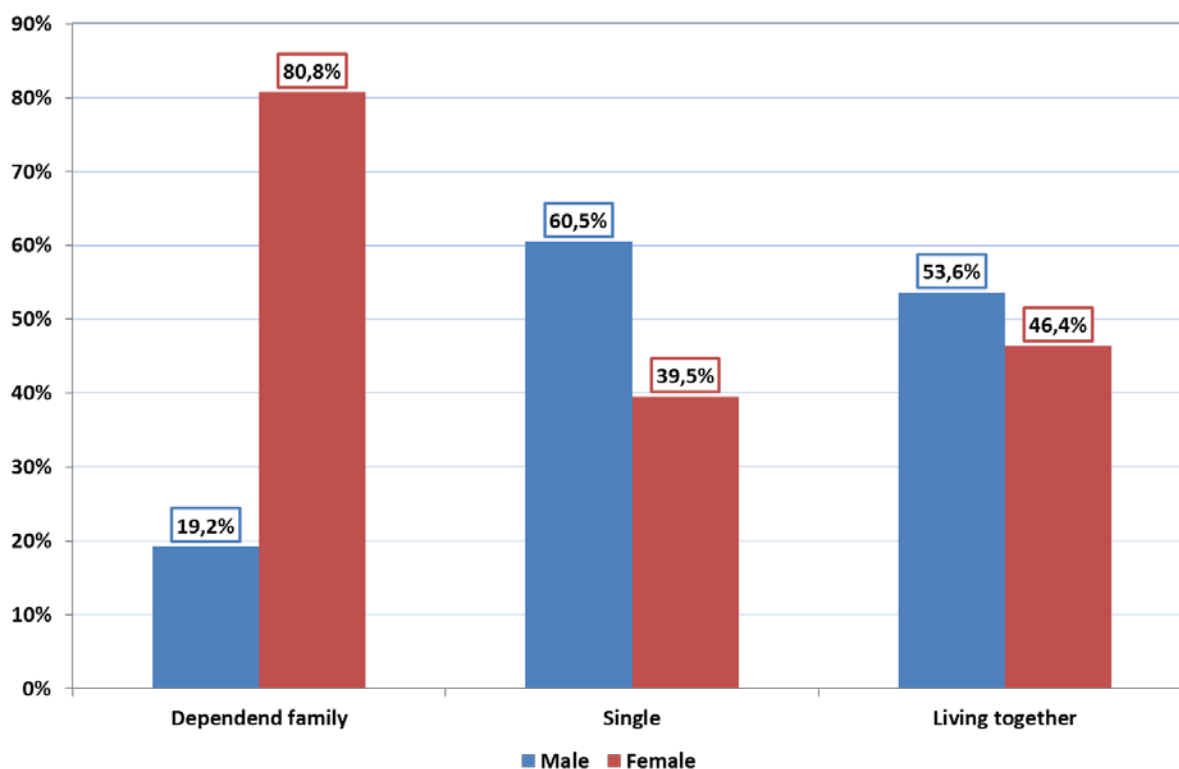
Figure 8. Social Integration Income 2015, gender and actual living situation



More women who receive a social integration income have dependent families than men. In 2015, 43.9% of the women had a dependent family compared to only 12.2% of men. More than half of the men are single.

Woman top the list of beneficiaries with a dependent family: they make up 80.8% of beneficiaries in this category. More men are found among singles (60.5%).

Figure 9. Number of male and female social integration income beneficiaries per family category (2015)



Alongside factors such as a low level or a lack of education and professional inactivity, being a single parent is one of the reasons for increased risk of poverty and heightened isolation.

88.5% of women with a family are single parents, compared to just 42.6% of men in this category. In addition, families receive more support from the PCSW than the national average.

3.4. Duration of social integration income grants per gender

In order to calculate the duration of grants, all persons who received social integration income for the first time between 1 January 2006 and 31 December 2013 were tracked from 2006 to 2015.

For these persons, the total number of days for which social integration income was granted was calculated, disregarding any periods of interruption. Thus, 296,376 people were tracked regarding the duration of their grants.

Women who received social integration incomes did so for longer periods than men.

Expressed in months, the median duration for granting social integration income to females beneficiaries was 13.7 months, compared to 11.4 months for men.

Regardless of the family situation, the median duration was longer for women than men.

Table 5. Duration of social integration income grants per gender and family category

SIC	Median duration Months		
	Single	Living together	Dependent family
Male	9,1	8,0	6,3
Female	9,1	8,4	11,1

It is not surprising to see that women with a dependent family have a longer duration of grants than single or cohabiting women. The same is not true for men who have a shorter duration of grants if they have a dependent family.

Women with a dependent family and a life partner have a duration of grants closer to that of their male counterparts in the same situation. Women who are single parents show a median duration of grants that is double that of men in the same situation.

Table 6. Duration of social integration income grants beneficiaries with a dependent family

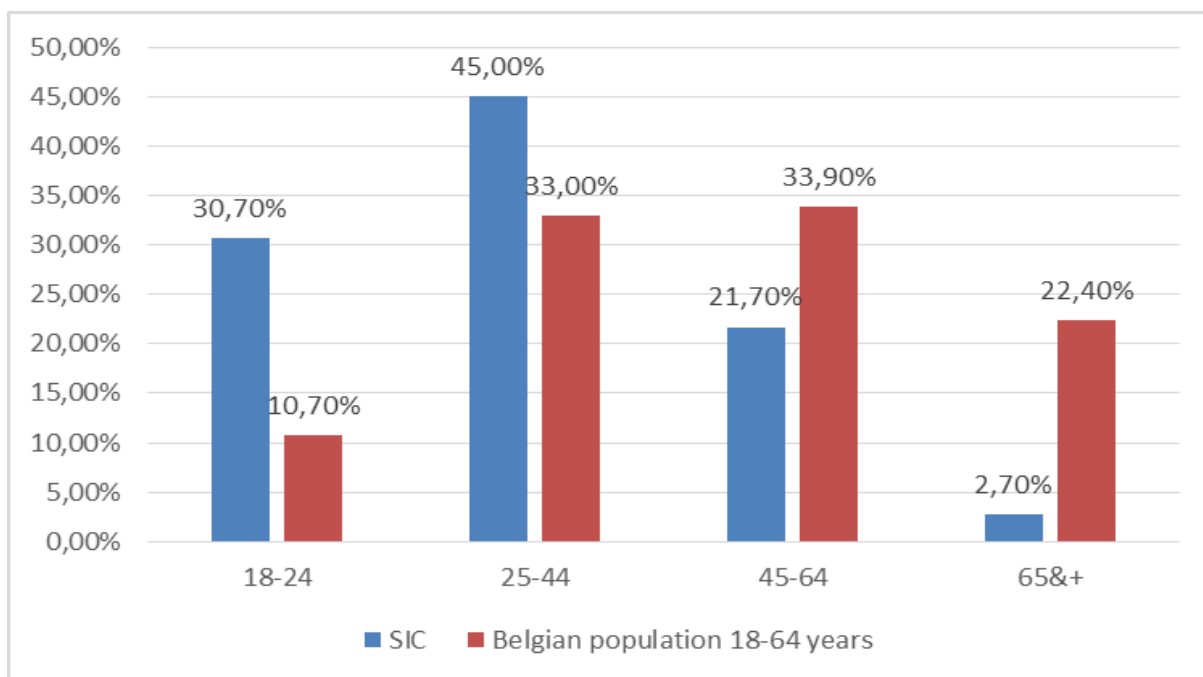
SIC	Median duration Months	
	Single parent	With partner
Male	5,7	6,1
Female	11,0	6,0

3.5. Social integration income beneficiaries according to age

Social integration income beneficiaries between 18 and 24 years and, to a lesser extent, 25 and 44 years, are comparatively overrepresented in the national population of 18 years and older ¹. Beneficiaries aged 65 years and older are primarily persons who do not, for whatever reason, meet the grant conditions for a guaranteed minimum income for the elderly (IGO).

¹ Only those aged 18 and older are taken into consideration for this. Aside from exceptions determined by law, social integration income beneficiaries must be adults, meaning 18 years or older. For information purposes, recipients under the age of 18 years made up less than 0.2% of social integration income beneficiaries in 2015.

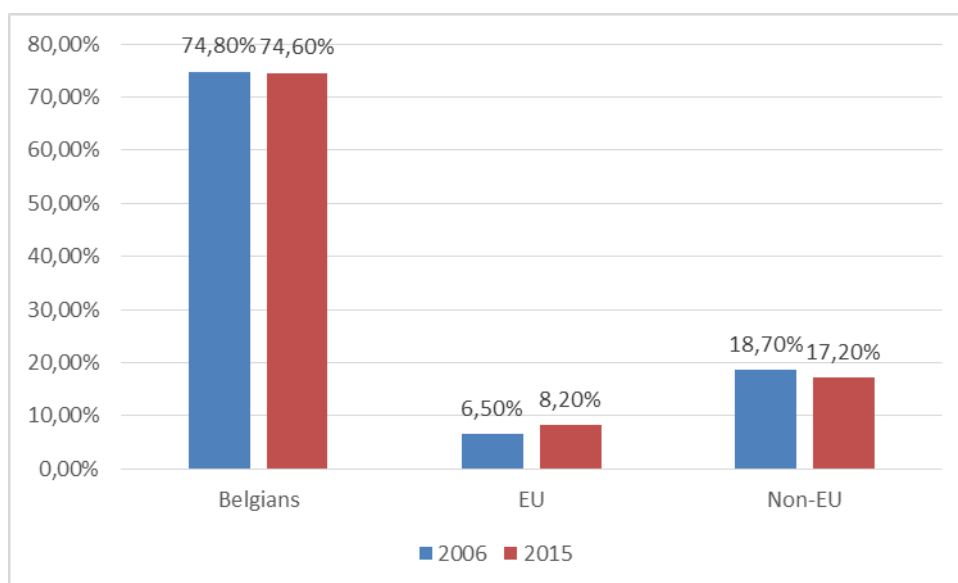
Figure 10. Social integration income beneficiaries according to age compared with general population, 2015



3.6. Social integration income beneficiaries according to nationality

Social integration income beneficiaries are primarily Belgian nationals. In 2015, less than one in ten beneficiaries came from a country in the European Union and approximately one in six were non-European nationals. The distribution of beneficiaries per nationality group has remained stable since 2006.

Figure 11. Social integration income beneficiaries according to nationality, 2006-2015



3.7. Students entitled to social integration (ETUD)

Since the introduction of the Law of 2002 on the right to social integration, beneficiaries younger than 25 years have been obliged to enter into an individualised project for social integration (IPSI) with the PCSW. The integration project is primarily aimed at increasing their possibilities of professional integration by providing them, for example, with the opportunity to pursue a course or full-time studies.

On the grounds of equity and fairness, and for the purpose of improving an applicant's chances of integration into the professional sphere, the PCSW may permit the person to commence, continue or resume a full-time study in a programme offered by an educational institute that is recognised, organised or subsidised by the Community.

The specific conditions for students remain applicable until the end of their studies, even if the student turns 25 years old during the course of his/her studies.

If approved by the PCSW, beneficiaries aged 25 years and older may also commence, continue or resume a full-time course

Table 7. Average student beneficiaries of social integration income in Belgium per month and per size category since 2003

Students SIC	Monthly average				
	Belgium	Small	Medium	Large	5XL
2003	4.381	664	1.301	1.370	1.047
2004	5.472	818	1.708	1.784	1.161
2005	6.620	1.000	2.110	2.108	1.402
2006	7.816	1.089	2.496	2.515	1.716
2007	8.664	1.227	2.716	2.768	1.953
2008	9.246	1.324	2.965	2.899	2.059
2009	9.929	1.432	3.293	3.032	2.172
2010	10.795	1.567	3.585	3.292	2.352
2011	11.001	1.655	3.553	3.525	2.268
2012	11.395	1.745	3.689	3.768	2.194
2013	12.291	1.848	3.976	4.186	2.282
2014	13.220	1.926	4.181	4.597	2.517
2015*	14.199	2.032	4.371	5.003	2.793

* First ten months of the year. Percentage changes compared to the same period last year.

The number of student beneficiaries has increased dramatically, in particular during the period from 2003-2008: the average percentage of growth during that period was 16.1%, compared to an average of 6.1% between 2009 and 2014.

In 2014, the increase in student beneficiaries of social integration income increased to 7.6%, compared to just 3.8% for all other social integration income beneficiaries. The increase was 7.8% during the first 10 months of 2015.

While the percentage of students was only 5.9% in 2003, it has now reached 12.3%.

The majority of student beneficiaries of social integration income are women (57.3%), although they only make up 49.5% of the population aged 18-24 years.

3.8. Employees applying for PCSW support

Paid employment is the best guarantee against poverty. However, paid employment does not provide full protection. A person may be employed but still need to appeal to the PCSW for support.

Employees who require the assistance of the PCSW are understood to be employees whose earned income is insufficient for family needs and who receive a supplement in the form of social integration income or social aid.

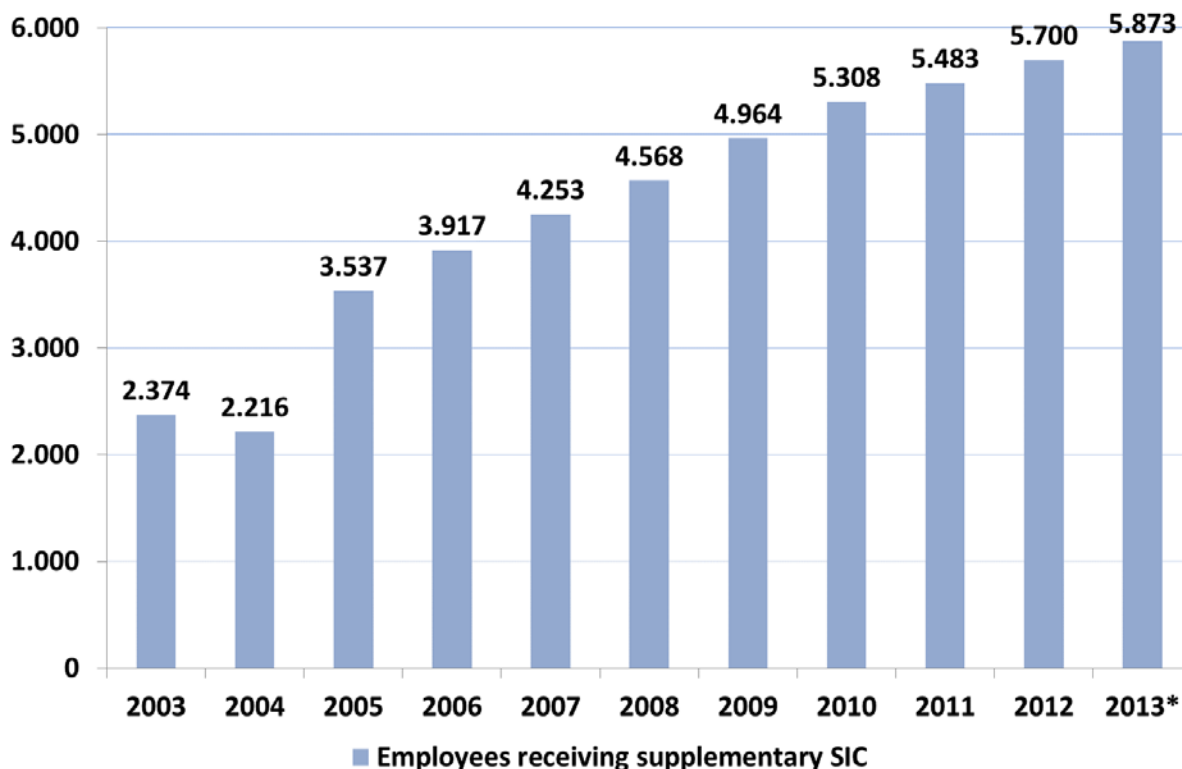
If a person starts to work as a social integration income recipient, then exemption of the employment income may be obtained for the purpose of calculating the income linked to granting social integration income. This exemption of professional income is intended to promote the socio-professional integration of the recipient of social integration income who is commencing employment or vocational training. This encourages individuals who are assisted by the PCSW to gradually reintegrate into the labour market.

Employment should be on a part-time basis and the Socio-Professional Integration (SPI) exemption may only be incorporated once and for no longer than 3 years. The SPI exemption applies to part-time and temporary jobs, with shortened or irregular hours such as for temporary workers, seasonal workers or occasional workers.

Please note that full-time employees are not entitled to social integration income or the SPI exemption if the minimum wage is higher than the social integration income.

The total number of employees receiving supplementary social integration income grew in the period between 2003 and 2013, as can be seen in the graph below.

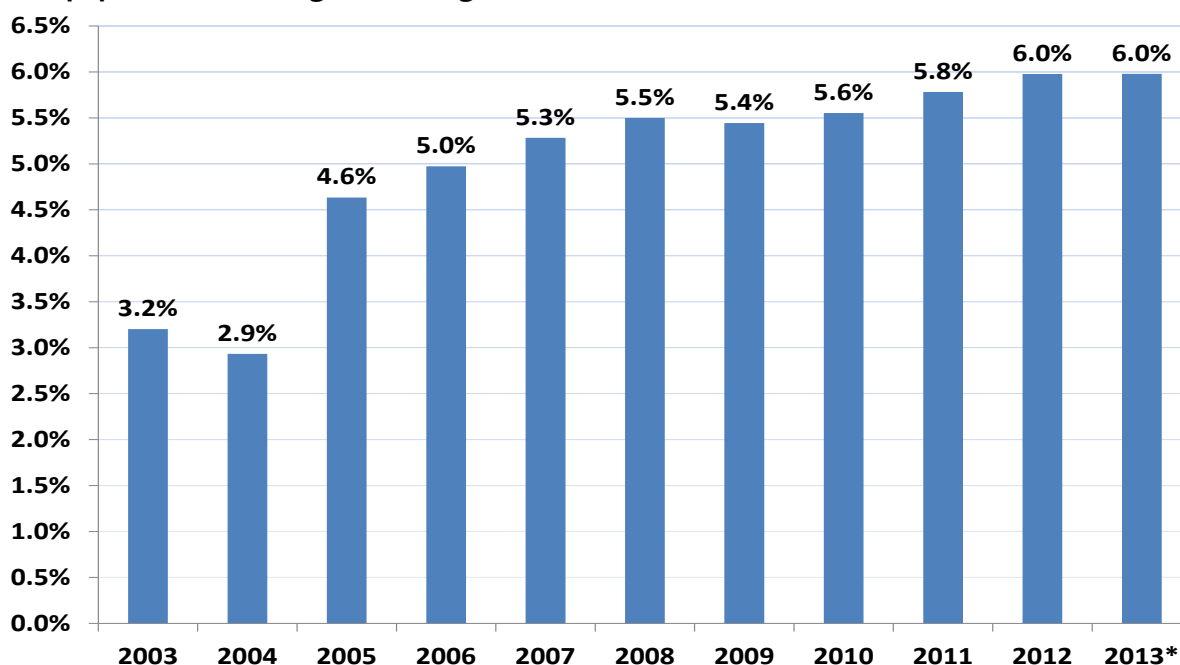
Figure 12. Trends in the number of employees receiving supplementary social integration income



Following a slight drop in 2004, the growth experienced between 2005 and 2012 was uninterrupted, with an average annual percentage of growth of 6.1%. This growth subsided somewhat in 2013 with an average growth in the number of employees receiving supplementary social integration income of 4% during the first 8 months.

The number of employed individuals receiving supplementary social integration income is expressed as a percentage of the number of persons entitled to social integration. In 2013, the percentage of employees receiving supplementary social integration income was 6% of the total. That number was only 3.2% 10 years earlier. With the exception of a slight decrease in 2009, the number of employees receiving supplementary social integration income out of the total population receiving social integration income has been steadily on the rise.

Figure 13. Number of employees receiving supplementary social integration income out of the total population receiving social integration income

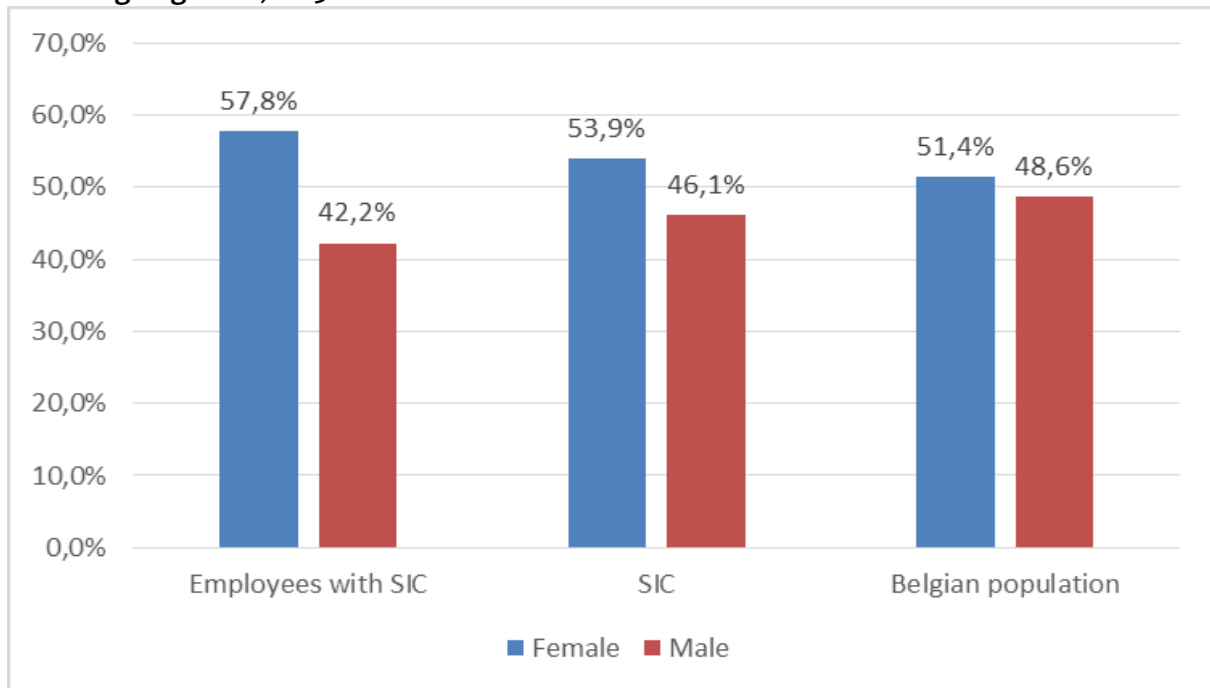


3.8.1. Profile of employees who have requested PCSW support in the form of a social integration income

The employees who have requested PCSW support are primarily female Belgian nationals living in Flanders, between the ages of 25 and 44 years with dependent families. The male applicants are primarily single, 25 to 44 years old, Belgian nationals and also living in Flanders. However, this overview is quite general and a deeper analysis of the profile of employees appealing to the PCSW for assistance can be found below. This analysis was conducted without regard to the region in which the employee resides.

Women are overrepresented in the group of persons working and receiving supplementary social integration income, both compared to the percentage they represent in the overall Belgian population as well as in the population of beneficiaries of social integration income. In 2013, 57.8% of individuals receiving supplementary social integration income were women, compared to 42.2% who were men, although only 53.9% of social integration income beneficiaries are women and 46.1% are men.

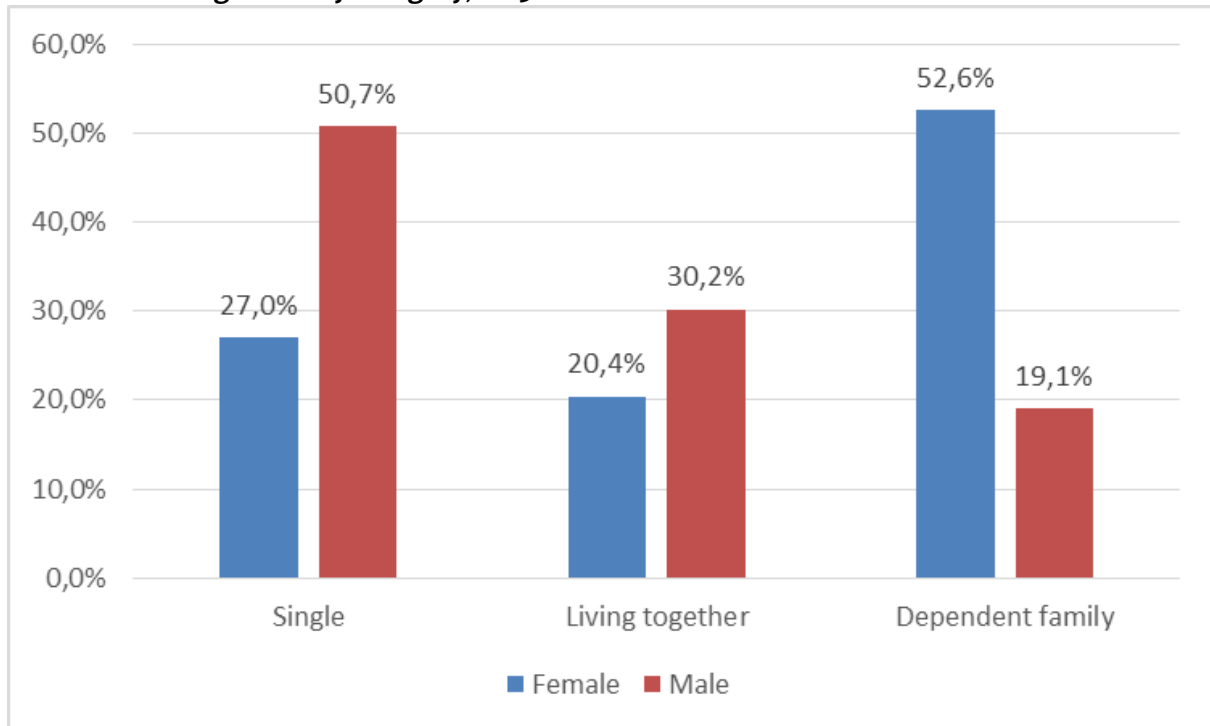
Figure 14. Distribution of employees receiving supplementary social integration income according to gender, 2013



More than half of men who work and receive supplementary social integration income are single, whereas most woman can be found in the category with "dependent family/child".²

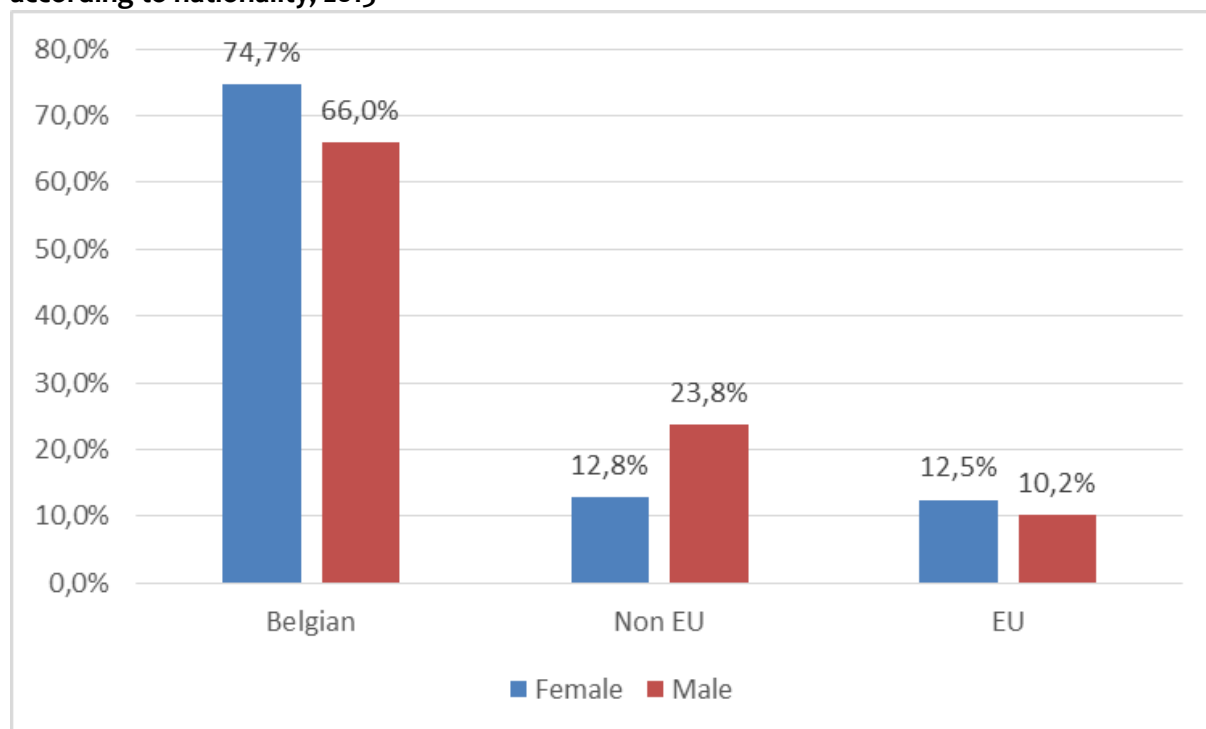
² As a reminder: The category of "dependent family/child" includes both cohabitants (spouses or life partners), and single parent families.

Figure 15. Distribution of male/female employees receiving supplementary social integration income according to family category, 2013



There is very little difference in the distribution between men and women in terms of age. The majority of employees applying for social integration income are between 18 and 44 years of age. There is little difference in the distribution of male and female employees receiving supplementary social integration income according to nationality. However, there is a slightly larger proportion of men than women who are non-European.

Figure 16. Distribution of employees receiving supplementary social integration income according to nationality, 2013



3.8.2. Sector of employment for employees receiving PCSW support

Based on aggregated data from the data warehouse labour market and social protection, which is managed by Crossroads Bank for Social Security (CBSS), it is possible to create a more detailed profile of the employees appealing to the PCSW for supplementary support to their professional incomes. This includes both employees receiving supplementary social integration income as well as those receiving supplementary financial aid.

Only 1 person in 10 receiving a combined income from employment and supplementary social integration income is employed in the public sector.

Individuals who combine PCSW support with employment are primarily active in the temporary employment sector (41.7%, December 2011 figures). The next group are those working in the hotel sector at 24%, followed at some distance by those working for provincial and local government services (9.6%). The other sectors that include people working and receiving supplementary social integration income are the retail sector, healthcare facilities, cleaning industries, the socio-cultural sector and the construction sector.

Table 8. Sector of activity

Sector of activity	2011-4
Temporary employment	41,7%
Hotel and catering industry	24,0%
Provincial and Local Government	9,6%
Independent retail	5,8%
Health facilities and services	5,1%
Cleaning	5,0%
Socio-cultural sector	4,9%
Construction	3,8%

Source: CBSS

3.9. Activation measures

Over the past few years, activation measures have guided the PCSW in its development of true expertise regarding the socio-professional integration of their beneficiaries.

These measures were regionalised from 1 July 2014. The most common activation measure applied by the PCSW is employment, in compliance with Article 60, §7 of PCSW legislation. This allows the PCSW to provide employment to individuals who have left or have been excluded from the labour market, with the intention of integrating these individuals into the social security system and professional life. The PCSW acts as employer in the majority of these cases. The Centre may employ individuals for their own services or for the services of a third party employer. The PCSW receives a subsidy from the Federal Government for the duration of the employment and benefits from an employer contribution exemption.

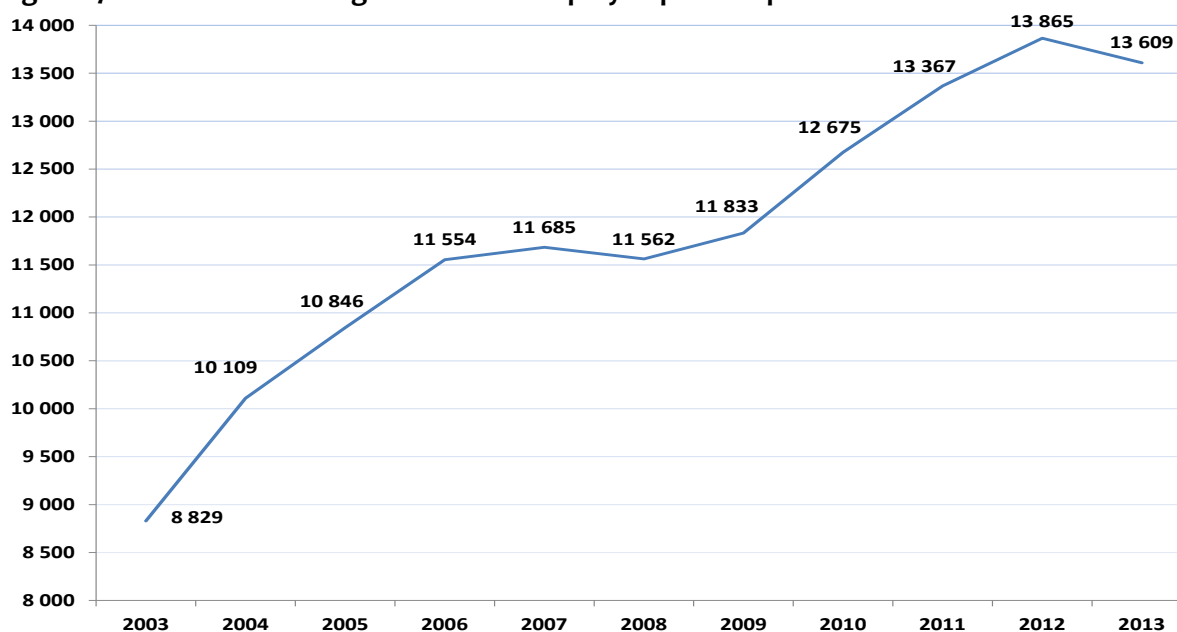
For employment in compliance with Article 61, the PCSW works together with a third party employer in order to fulfil its employment duties. In special circumstances, the PCSW may work together with a private employer in order to create employment for the beneficiary. In this case, the Centre receives a subsidy from the Federal Government for the support and possible education of the employed person. This contribution covers any support and training costs, the so-called assistance and training allowance.

3.9.1. Trends and profile of activated persons since 2003

With the exception of 2008, we have experienced a continuous increase in the average number of persons being activated from 2003 to 2012. This number dropped slightly in 2013 to an average of 13,609 people being activated per month, or 1.5 times more than in 2003. Although the number of

activated persons represented by PCSW³ users was 7.8% in 2003, 11.4% were activated in 2013.

Figure 17. Trend in the average number of employed persons per month



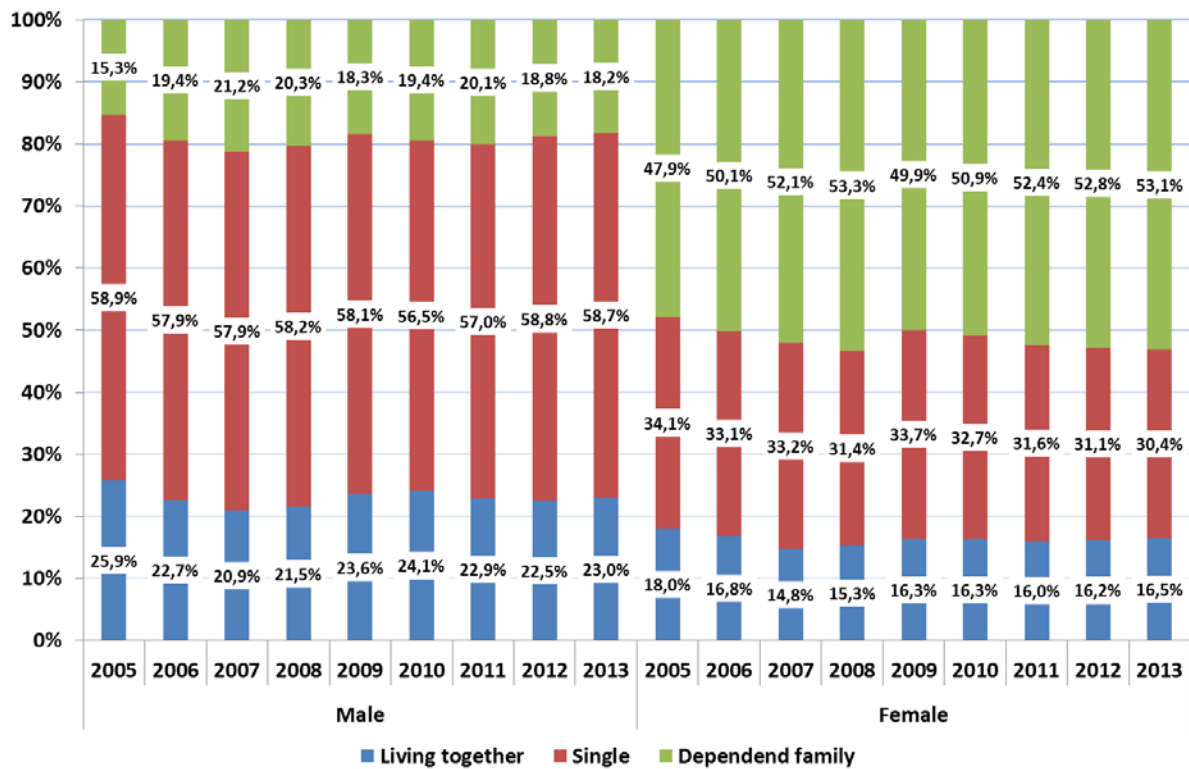
Of those activated in 2013, 56.9% were men, compared to 43.1% who were women. The distribution between activated men and women was reversed in 2009. We have transitioned from a situation where women represented the slight majority, to a situation where the number of men is steadily increasing. For comparison: in 2013 more women than men benefited from social integration income or financial aid (51.6% vs. 48.4%).

More than half of employed men (57%) and women (58.3%) were between 25 and 44 years of age in 2013. That was followed by beneficiaries aged 45 and older. Whereas men in this age category only made up 26% of the total in 2003, the total was 27.9% in 2013. The trend has been reversed for women in this age category with the percentage dropping from 31.8% to 28.1% in the period from 2003 to 2013.

Women benefiting from activation measures are primarily members of dependent families. They represent more than half of activated women in 2013. This is explained by the fact that 41.6% of women benefiting from social integration income or financial aid are found in this age category. In contrast, the men are primarily single.

³ This concerns the total population of those entitled to social integration income, financial aid or employment measures, or a combination of these three.

Figure 18. Distribution of activated persons according to gender and family category



4. The local Public Centres for Social Welfare

4.1. Legal basis

This year the local Public Centres for Social Welfare (PCSW) celebrate their 40th anniversary. They were set by the law of 8 July 1976 that replaced the old law of 1925 on the Committees for Public Assistance. The mission of the PCSW is defined in article 1 of the law:

“Every person has the right to social services. The objective is to guarantee everybody the possibility to live a life in human dignity. There are Public Centres for Social Welfare established which, under certain conditions, have the mission to ensure this services.”

A PCSW is a public instance and every municipality in Belgium has to have one. So there are 589 PCSW in Belgium.

4.2. Structure of the PCSW

The law from 1976 organises the structure and the management of a PCSW. It is important to note that since the constitutional reform of 1993, the communities are responsible for the organic regulations.

Each PCSW is governed by a Council for Social Welfare, consisting of nine to fifteen members, depending on the size of the municipality or city. They are elected by the installation of the new City Council by the City Council. Every six years, therefore a new Council for Social Welfare will be elected. The members are not directly elected by the population (it is a local but indirect election).

The Council for Social Welfare is a collegial body and makes decisions in a meeting. The Council meets once or more per month.

The President of the Council for Social Welfare will be nominated by and from the members of the Council. He is head of the PCSW. He signs all the outgoing correspondence together with the secretary and he chairs the meetings of the Council.

As personnel every PCSW has to have a secretary, a financial manager (receiver) and at least one social worker.

The Secretary attends -without the right to vote- the meetings of the Council makes the report and inform the Council on the applicable law. He manages the Human Resources but under responsibility of the President and the Council. He signs together with the President all outgoing correspondence.

The receiver, under his personal and financial responsibility, collects the PCSW funds and makes the payments as approved by the Council.

The Social Service has to have at least one social worker.

4.3. Mission and task of a PCSW

The way in which a PCSW has to guarantee the right to social services is not specified. Every PCSW can fill this in in autonomy, depending on the local needs. To this end a PCSW can offer services ranging from prevention to problem solving. This includes physical, social or psychological help. Social Services can refer a person to other services or initiatives, or rely on the cooperation with others. The free choice of the client is always central.

To ensure the service to which a PCSW is held, a PCSW may decide to organize itself or collaborate with other organisations. Other governmental levels as the federal or regional levels can confine tasks to the PCSW.

4.3.1. Financial support

The PCSW received from the federal government the task and subsidies to grant the minimum income to everybody who is entitled to it, as described above. In addition, PCSW often provide supplementary support to the beneficiary of an integration income (as well as to recipients of other social benefits), through additional cash benefits. Supplementary support is intended to adjust the amount of support to both the individual needs of the client and the local (budgetary) conditions and possibilities. Supplementary support is not regulated by law. PCSW enjoy considerable discretion in the award of supplementary benefits. However, most PCSW have developed own standards on who is eligible, for what kind of support and how to determine the level of support. More and more PCSW start to use the reference budgets to determine the supplementary financial support.

For more information see : Supplementary financial support by local welfare agencies and inactivity traps by Natascha Van Mechelen, Kristel Bogaerts, Dieter Vandelannoote, 2013

<http://www.fle mosi.be/uploads/159/Fle mosi%20DP19%20Van%20Mechelen,%20Bogaerts,%20Vandelannoote.pdf>

4.3.2. Material support

The material support provided by the PCSW, can consist of

- financial aid, as for example an intervention in the rent to pay or medical expenses
- material assistance (e.g. clothing, meals, assistance to those who are homeless)
- services (handyman service, moving services, childcare, ...)
- medical assistance (emergency medical service outside the public road)

Persons who have questions about the services of the PCSW, their social rights (such as family allowances, health insurance, pension), about housing, health care, administrative documents and so on, can get information and advice.

The PCSW are privileged partners in the distribution of the food packages as foreseen by the FEAD (Fund for European Aid to the Most Deprived).

4.3.3. Other types of social services

In the context of law on Consumer Credit, the PCSW can intervene as debt mediator. The federal government has the PCSW also involved in the reception of candidate political refugees. The asylum seekers allocated to the various municipalities through a distribution plan. The PCSW can also offer employment counselling, in collaboration with the Public Employment Service. The PCSW provides services to homeless people by providing temporary housing facilities, providing an installation premium, offering an address of reference...

According to the local needs the PCSW can set up and exploit hospitals, nursery homes, child care facilities, cleaning and home care services for families and the elderly, social restaurants, social groceries, psycho-social and pedagogical guidance, legal advice, ...

As illustrate above, every PCSW has at least a minimal legal defined activity. According to local needs and budgets this can be supplemented by additional forms of social services. As a consequence none of the 589 PCSW are the same. For illustration. The PCSW from Antwerp, the biggest Belgian city, had in 2015 nearly 1.000 employees, next to the autonomous managing authorities for the three general and six specialised hospitals (6.000 employees) and the services for elderly (services at home, residential flats and retirement homes) accounting for 3.700 employees. In the smallest city of Belgium, Mesen, the PCSW has only two employees, the secretary and the social worker. For their financial manager they make use of a regional pool of receivers.

5. The social integration income and derived social rights

As mentioned under 2.2.4. The condition of insufficient resources well-defined rules for calculating resources have been specified by law. The PCSW is obliged to take into account the resources of the applicant to verify the right on and the amount of a social integration income. All of the applicant's available resources of any type whatsoever are considered applicable, including social benefits. But there is a limited list of exemptions that are not applicable with among them the family allowances and child benefits.

But being on a social integration income gives the beneficiary some additional social rights and advantages. A non-exhaustive list of derived social rights:

Rights within the competences of federal authorities:

- Reduced tariffs for gas, electricity, telephone and internet
- The increased reimbursement for health expenses
- Free legal assistance
- Reduction card for the trains
- Heating allowance
- Specific assistance for the payment of alimony in favour of children or help for children in care

Rights within the competences of regional authorities:

- Increased child benefits, supplementary family allowance for single parents
- Various measures in social housing, including the rental subsidy for social housing
- Free transport on buses and tramways
- Increased scholarships
- Exemption for several regional taxes.

Besides the federal and regional derived social rights, the most of the provincial and local authorities foresee exemptions on taxes to pay or additional grants or rights.

6. The PSCW and the regional Public Employment Services

Public Employment Services (PES) are, in Belgium, organised at regional level. There are 4 PES : Actiris for the Brussels region, VDAB for Flanders, Forem for Wallonia and Arbeitsamt der DG for the German-speaking Community. The objectives of the PES are enhancing and contributing to a better efficiency of the labour market for jobseekers, employees, employers and trainees. They provide counselling, labour mediation, enhancing competencies with the purpose of lifelong participation in the labour market and enhancing the integration of people with disabilities.

The regional PES are organised on a sub-regional level. For example the Flemish PES consists of one head office in Brussels and 19 offices in five provinces. Note that there are 308 municipalities in Flanders.

The PES are not responsible for the payment of unemployment allowances and other relevant social benefits. Unemployment benefits are paid by the National Employment Office (RVA) while other relevant social benefits are paid by the PSCW. The PES are in charge of the initial registration of unemployment and for the monitoring of jobseekers' availability for work. They are also responsible for forwarding formal unemployment benefit applications to the RVA.

Since 15 February 2014 the PSCW are obliged to verify if the beneficiaries of the social integration income are registered at the PES, with exception for those who are exempted because of health or equity reasons. One of the conditions to obtain a social integration income is the willingness to work. See 2.2.5. Condition of willingness to work. The PSCW have to provide the necessary guidance for the beneficiaries to register at the PES.

The registration as a job seeker has a number of obligations and consequences. The jobseeker has to respond on the vacancies that the PES gives him, he must produce evidence that he is actively looking for work and he must respond if he is summoned by the regional employment services.

As mentioned above, the PES do not have offices in every municipalities. To enhance the accessibility of the services from the PES for their beneficiaries, a lot of PSCW concluded a cooperation agreement with the PES. This agreement may include: regular permanencies by the PES in the offices of the PSCW, the organisation of information sessions for the beneficiaries of the social integration income, development of common training or employment projects, use of the same instruments for the screening and indicating of jobseekers and beneficiaries of the social integration income...

7. As conclusion some current challenges for the Belgian Minimum Income Scheme

7.1. The influx of beneficiaries of international protection

In 2015 Belgium registered 44.660 asylum applicants, nearly doubling the figures for 2014 (22.710 asylum applicants). It can be expected that more than 50 % of them will be granted the international protection status, either as a refugee or a beneficiary of subsidiary protection.

In Belgium, the communities (Flemish, French and German) and the regions (Flanders, Wallonia and Brussels) are responsible for integration policies. As a consequence, legal aspects, practices, policies and budgets attributed to integration differ from one entity to the other.

However, various competences, such as social security, taxation and to a limited extent employment regulations are still the responsibility of the federal government.

A beneficiary of international protection can apply for the social integration income (or the equivalent integration income) with the PCSW from the moment he actually moves into the house allocated in a specific municipality. At the initial stage, the social integration income is the most important social benefit, but the beneficiary of international protection can also apply for a one-time installation allowance, a prepayment on family benefits and a compensation of medical costs as long there is no health insurance. Once the application for social aid has been approved, the beneficiary of international protection can also apply for other social benefits such as a social pass for public transportation, culture vouchers, a social tariff for gas and electricity, financial compensation for educational courses, etc.

It can be expected that the number of people with an international protection status that will apply for the social integration income will increase considerably. For the PCSW this means additional efforts and expenses. Actually a proposition of law is deposited in the parliament to increase the federal subsidies to the PCSW to support them in their efforts to integrate in the local communities the beneficiaries of international protection.

7.2. The extension of the individualised project for social integration

As explained in 2.3.2. An individualised project for social integration, the individualised project is mandatory for beneficiaries younger than 25 years. The government submitted in the Parliament a proposal to change the law on the social integration income to extent this obligation to all the new applicants for a social integration income, regardless of age. The law will come into effect from the 1st of September 2016.

The objective of the reform is to support the social inclusion, professional integration and empowerment of beneficiaries of the social integration income. The individualised project for social integration can be seen as a customized tracking and monitoring tool and a real contract with rights and obligations for both parties: the PCSW is committed to help the person and the beneficiary is committed to take the necessary steps to integrate in the society for example by looking for a job, follow a training or apply for an internship.

The change in the legislation also introduces the possibility for the beneficiaries to participate in a community service on a voluntary basis. This will be a part of the contract signed by the beneficiary and the PSCW.

7.3. The updating and harmonisation of the categories

As explained in 2.3.3. Social integration income beneficiaries are divided into three categories: cohabitants, single persons and persons with dependants. The Belgian government decided to investigate whether these three categories still respond to the recent changes in family and household patterns. At this moment a research is being conducted to study the various new situation that the PSCW are confronted with. It concerns people for who the existing categories are not sufficiently attuned to their situation.

As a result of the different historical evolutions of the different branches of our social protection system, the different benefit systems have different definitions of the categories. For example, depending on the specific situation, a person who in the unemployment insurance system is considered as head of the family can fall in the system of the social integration income under the category of cohabitant. To increase the consistency and to enhance the automatic exchange of information between the different branches of our social protection system, a harmonisation of the categories is necessary. At this moment a task force of officials from the different social protection institutions are studying the possibility of a harmonisation.

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