

Minimum income across all ages: a focus
on elderly people
| ETUC-ETUI Workshop
19 may 2022

Rute Guerra
Social Protection Committee (Vice-chair)

Social Protection Committee (SPC)

Advisory body to the European Council of Ministers of Social Affairs that consists of delegates from all Member States and the European Commission.

Social Protection Committee (SPC)

***Monitor the social situation across the EU for
all age groups of the population (...)***

SPC' activities

- *Dedicated **thematic exchanges** (ex: non-take-up of benefits);*
- ***Peer reviews** : showcase a particularly good practice or gather expert advice from other countries to inform the process of preparation of a major policy reform;*
- *European Semester : **review the implementation** of Country Specific Recommendations in the area of SPC competence;*
- *Develop various monitoring tools and benchmarking frameworks (ex: **benchmarking framework in Minimum Income**)*
- *(...)*

Concerning minimum incomes...

- Means-tested minimum income schemes **exist in all EU Member States...** These schemes **vary significantly** in terms of adequacy, coverage, take-up, articulation with labour market activation measures and provision of enabling goods or services.
- ...when discussing minimum income guarantees, we should ***look at the existing schemes available*** for working age population together with the ones available for retired people.
- there are **common challenges and some similarities** (allow comparisons to monitor policy development)



benchmarking frameworks for minimum income
(identified indicators to assess adequacy of minimum incomes)

Concerning minimum incomes...

- **Joint SPC-COM report** will be delivered in June 2022;
- **Network of national experts (MINET);**
- **Thematic discussions** (some findings):

- Means-tested minimum income schemes exist in all EU Member States to provide income replacement for those without sufficient means of existence. They may supplement low wages and pensions. These schemes vary significantly in terms of adequacy, coverage, take-up, articulation with labour market activation measures and provision of enabling goods or services;

- Evidence from some Member States points to more significant non-take-up rates among the younger persons.

*- **The non-take up of benefits appears to be high in all the Member States** considered in some comparative studies typically ranging around 30% to 40% of the eligible population *to minimum income benefits and sometimes as high as 50%.**

Concerning minimum incomes...

- The main factors, leading to this high non-take-up of social rights include: complexity of procedures, lack of awareness, fear of stigmatisation, unwillingness to declare income, and the relevance of the support offered.

- An important challenge in view of designing effective policies to tackle NTU consists in monitoring it by comparing the size and composition of the group of those who are potentially eligible to receive the social benefit considered with the size and composition of the group that actually receives the benefit.

(...)

○ **Pension Adequacy Report 2021 (ex. main findings):**

- Income inequality in old age persists, but thanks to the redistributive impact of pension and tax systems, it is lower than in working age in most Member States.

- Minimum old-age benefits can be an important adequacy safeguard for those with short careers or low incomes. Member States have put in place diverse minimum income schemes, which are often non-contributory and needs-based. The share of older people who rely on minimum benefits, more often women, has remained generally stable over the past three years, while at the same time new measures were adopted in a number of countries to expand the minimum income protection in old age

○ **Thematic Discussions on Pensions(CSR)**

underline that

Means-tested minimum income schemes play an important role in fighting poverty and promoting social inclusion by providing income replacement for those without sufficient means of existence.

And that SPC intends to continue engaging in this important topic, within the scope of the activities mentioned above

Thank you for your attention

<https://ec.europa.eu/social/main.jsp?catId=758>