

period<sup>44</sup> by households intended to relieve them from the financial burden of a number of risks or needs, made through collectively organised schemes, or outside such schemes by government units and non-profit institutions serving households (NPISHs).

It includes the value of any social contributions and income tax payable on the benefits by the beneficiary to social insurance schemes or to tax authorities.

To be included as a social benefit, the transfer must meet one of two criteria:

- Coverage is compulsory (under law, regulation or a collective bargaining agreement) for the group in question.
- It is based on the principle of social solidarity (i.e., if it is an insurance-based pension, the premium and entitlements are not proportional to the individual's exposure to risk of the people protected).

The Social benefits collected at the household level are the following:

- Family/children related allowance (HY050G)/ (HY050N)
- Housing allowances (HY070G)/ (HY070N)
- Social exclusion not elsewhere classified (HY060G)/ (HY060N)

The family/children function refers to benefits that:

- provide financial support to households for bringing up children<sup>45</sup>,
- provide financial assistance to people who support relatives other than children.

**It includes:**

- income maintenance benefit in the event of childbirth: flat-rate or earnings-related payments intended to compensate the parent for loss of earnings due to absence from work in connection with childbirth for the period before and/or after confinement or in connection with adoption,
- birth grant: benefits normally paid as a lump sum or by instalments in case of childbirth or adoption,
- parental leave benefit: benefit paid to either mother or father in the event of interruption of work or reduction of working time in order to bring up a child, normally of a young age,
- family or child allowance: periodical payments to a member of a household with dependent children to help with the costs of raising children,
- alimonies or supports paid by government (central or local) if the spouse for some reason does not pay the alimony/child support. The amount paid by the government should not be recorded in variables HY080 and HY081,
- family and children related tax credits;
- other cash benefits: benefits paid independently of family allowances to support households and help them meet specific costs, such as costs arising from the specific needs of lone-parent families or families with handicapped children. These benefits may be paid periodically or as a lump sum.

**It does not include:**

- payments made by employers to an employee in lieu of wages and salaries through a social insurance scheme when unable to work through maternity leave, where such payment cannot be separately and clearly identified as social benefits (these payments are included under 'Gross cash or near-cash employee income' (PY010G)),
- additional payments made by employers to an employee to supplement the maternity leave pay entitlement from a social insurance scheme, where such payments cannot be separately and clearly identified as social benefits (these payments are included under 'gross cash or near-cash employee income' (PY010G)),
- payments for fostering children, which should be included under PY010. Please note that payments for fostering children differ from transfers paid by the government. When these transfers paid by the government are paid as a form of social benefits to households with foster children, they can be included under HY050.

The net income series corresponds to the gross income components but the tax at source or the social insurance contributions or both are deducted. Flags used are two-digit flags and missing is not allowed. The main source should be defined as it is explained in the section of the flags. If HY050 is constructed as part of several components, then the main source should be defined based on the value of the share of each source used and then to define the first digit. The second digit will be based on the type of collected value.

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<sup>44</sup> In order to get a closer measure of the well-being of the household, the lump-sum benefits received during the income reference period shall be treated according to Eurostat technical recommendations. In the same way, lump-sums received before the income reference period could be taken into account and imputed according to Eurostat recommendations.

<sup>45</sup> The benefits received with the salary for bringing up children are included under HY050.