



Exploratory study: filling in the knowledge gaps and identifying strengths and challenges in the effectiveness of the EU Member States' minimum income schemes

Country Fiche - Austria

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February 2022



EUROPEAN COMMISSION

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Directorate-General for [Name of the Directorate-General]
[Name of the Programme/Activity]

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Summary

This report deals with two different schemes of social protection, namely “unemployment assistance” (UA) provided by the national statutory unemployment insurance scheme, and the minimum income schemes implemented by the federal provinces, through a benefit called “means-tested minimum income” (MMI) or “social assistance” (SA) (depending on federal province). UA is included in this report, as this insurance-based benefit is, in principle, available for an indefinite period of time; and it therefore to some degree (and more so than in many other countries) substitutes for minimum income benefits in the narrow sense.

UA and MMI/SA together are likely to have a very substantial impact on poverty alleviation and on reducing the poverty gap faced by recipient households. However, at the same time some substantial challenges are evident.

Unlike unemployment insurance benefits in many countries, UA is in principle available without a maximum time limit. But for many recipients, benefit caps apply; and low benefit levels, resulting from the largely linear benefit formula, mean that top-up payments from MMI/SA are very common. Furthermore, it should be borne in mind that UA is only granted to people who are fit and available for work.

At the same time, as shown in Section 3 of this report, the benefit levels of MMI/SA (together with universal family allowance) usually only just about reach the level of the extreme poverty threshold (40% of median equivalised household income), and households that receive MMI/SA are much more often affected by severe material deprivation than other groups. Furthermore, non-take-up of MMI/SA, estimated at around 30% despite improvements during the last decade, remains a problem.¹

A general major challenge is caused by the governance structure of MMI/SA. The Basic Social Assistance Act of 2019 stipulates maximum rather than minimum standards, and essentially no minimum national standards exist anymore. At the same time legislation by the federal provinces on MMI/SA exhibits substantial variations regarding concrete rules on access, benefit levels, and implementation procedures. Evidently, irrespective of attempts to conduct regular exchange between the federal provinces on the implementation of MMI/SA, the situation is marked by a lack of effective national co-ordination, and by an element of legal uncertainty.

Another point worth stressing is that it appears that the institutions responsible for implementing MMI/SA usually do not offer an integrated provision of targeted social services, and also lack the resources to serve as a well-established link to other providers of such services. The same holds for the Public Employment Service (PES), which concentrates on active labour market policies (ALMPs) and has no adequate resources and accurate knowledge to provide case-management in the broader sense, including other types of targeted social services. This means that recipients of UA and of MMI/SA often have to inform themselves about additional advice and support made available by the different other providers of social services, of which many are social NGOs. Overall, the landscape of such service-providers appears to be rather fragmented in many federal provinces.

Unlike targeted social services in the broader sense, assistance in accessing the labour market appears to be rather well organised via the PES, offering a wide range of different ALMP measures. Thereby, the PES deals both with recipients of UA and with recipients of MMI/SA (if they are available and fit for gainful employment).

Overall, it should be stressed that there is only limited additional empirical evidence on the actual impact and broader outcomes of MMI/SA, and its actual interaction with UA. This is caused by, amongst other things, the substantial variations between the

¹ Fuchs *et al.* (2019; 2020).

MMI/SA schemes of the federal provinces, which makes proper evaluation difficult and resource intensive.

The following sections, first, outline the features of the MI support in place; secondly, describe the eligibility criteria and coverage and consider the adequacy of the financial support provided and the links with other benefits; thirdly, examine the extent of integration with labour market measures to help those supported into employment; fourthly, consider the access provided for the people concerned to social services; fifthly, summarise the governance mechanisms in place; and, finally, review the evidence on the impact on reducing poverty and assisting beneficiaries to find work.

An annex outlines the underlying situation in terms of the relative number of people at risk of poverty or social exclusion and the changes that have occurred over recent years, as well as the characteristics of the people concerned – their gender, age, employment status, education level, country of birth and the structure of the households in which they live. As such, it provides the context in which MI support is operating and indicates the groups on which support needs to be targeted.

1 Description of national schemes providing minimum income support

This report deals with different schemes of social protection.

There is **means-tested minimum income** (MMI; *Bedarfsorientierte Mindestsicherung*) or **social assistance** (SA; *Sozialhilfe*), which is mainly – irrespective of some earlier and current attempts at national co-ordination – the responsibility of the federal provinces (*Bundesländer*).

The report also addresses **unemployment assistance** (UA; *Notstandshilfe*), which is a benefit funded and provided by the unemployment insurance system, and which can be obtained once the maximum duration of unemployment benefit (UB; *Arbeitslosengeld*) has been reached. UA can – in principle – be received for an indefinite time. It therefore to some degree (and more so than in many other countries) substitutes for the minimum income scheme in the narrow sense, which is MMI/SA.

Between 2010 and 2019 the minimum income scheme in the narrow sense was usually called **MMI**, which replaced the earlier scheme called **SA** (Fink 2015; Fink/Leibetseder 2019; Woltran 2019; Natili 2019, 283ff.). This resulted from an agreement between the Federal Republic and the federal provinces, called the “treaty according to §15a of the Austrian constitution” (hereafter: “15a treaty”), which outlined the most important features, basic principles and minimum standards of the MMI.² At the same time legislative responsibility remained with the federal provinces, each of which had its own legislation on minimum income. The 15a treaty expired at the end of 2016, and the Federal Republic and the federal provinces could not find a compromise on a renewed agreement. This meant that competency for the MMI scheme then was in principle again completely located at the level of the federal provinces, and that the short period of formal co-ordination had come to an end. However, in spring 2019 the national centre-right coalition government of the Austrian People's Party (ÖVP) and the Austrian Freedom Party (FPÖ) introduced the Basic Social Assistance Act (*Sozialhilfe-Grundsatzgesetz*³). However, unlike the earlier 15a treaty, the Basic Social Assistance Act does not define minimum standards, but

² For the full text of the treaty and additional parliamentary material see: https://www.parlament.gv.at/PAKT/VHG/XXIV/II/II_00677/index.shtml.

³ BGBl. I No 41/2019 revised by BGBl. I No 108/2019: <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20010649>.

instead sets maximum standards that may not be exceeded by the minimum income schemes of the federal provinces. The Act came into effect on 1 June 2019 and the federal provinces were expected to adapt their legislation on minimum income by the end of 2019. However, several of them were reluctant to do so, due (amongst other things) to a case then before the Constitutional Court (*Verfassungsgerichtshof*). In December 2019 the court overrode parts of the Basic Social Assistance Act (amongst other things maximum benefit levels for children) on the grounds that they violated the constitution.⁴ By November 2021 six federal provinces (Lower Austria, Upper Austria, Salzburg, Styria, Carinthia, and Vorarlberg) had changed their legislation on MMI/SA to bring it into line with the Basic Social Assistance Act.⁵ But in Vienna only parts of the act had been implemented⁶, and in Tyrol and Burgenland no major changes had been made.⁷ As part of this reform, in many federal provinces the earlier MMI was also renamed, back to the term used before 2010, which is SA.

Because the Basic Social Assistance Act defines maximum rather than minimum standards, there is no national minimum standard across the nine federal provinces, and benefits are regulated differently across federal provinces. For this reason, the following sections try to describe general principles and give, where necessary, concrete examples from two federal provinces, namely Vienna and Lower Austria. These federal provinces are selected because a comparatively high share of MMI/SA recipients lives there (at yearly average around 66% in Vienna and 7% in Lower Austria),⁸ and because Vienna has relatively generous benefits, whereas Lower Austria is more on the restrictive side.

Unlike MMI/SA, unemployment insurance (and therefore also **UA**) is the sole responsibility of the Federal Republic. Information on UA given below therefore applies to the whole country without regional differentiation.

Spending on MMI/SA amounted to €959.2 million gross in 2020.⁹ Net spending for UA was €1,868.86 million in 2020 (Arbeitsmarktservice 2021, 79).

Some changes to UA were introduced because of COVID-19. The UA benefit level was temporarily increased to that of UB, retroactively from 16 March 2020 and until September 2020. This regulation was repeatedly extended until the end of September 2021.. Furthermore, until the end of January 2022 three one-off lump-sum payments for recipients of UB and UA were granted in the context of COVID-19.¹⁰

In the same context, resources of the Hardship fund for families have been used to provide additional financial support to parents with children, who have been in receipt of MMI/SA in 2020 (50 Euros per child per month for maximum two months). In 2021,

⁴ For the full text of the decision by the Constitutional Court see:

https://www.ris.bka.gv.at/Dokumente/Vfgh/JFT_20191212_19G00164_00/JFT_20191212_19G00164_00.html.

⁵ For some household constellations (especially for households with 3 or more children or three or more adults) this implied a reduction of benefit levels when compared with benefits according to the earlier 15a treaty.

⁶ This includes higher benefit levels for specific household constellations and, again for specific household constellations, a higher threshold of assets not to be taken into account concerning eligibility conditions.

⁷ Federal Ministry of Social Affairs, Health, Care and Consumer Protection:

<https://www.sozialministerium.at/Themen/Soziales/Sozialhilfe-und-Mindestsicherung.html>.

⁸ Data for 2020; source: Statistik Austria:

https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_NATIVE_FILE&RevisionSelectionMethod=LatestReleased&dDocName=073976 & own calculations.

⁹ Source: Statistik Austria:

https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_NATIVE_FILE&RevisionSelectionMethod=LatestReleased&dDocName=068819.

¹⁰ For details see: <https://www.ams.at/regionen/oberoesterreich/news/2020/09/Einmalzahlung> , <https://www.ams.at/regionen/wien/news/2020/12/die-oesterreichische-bundesregierung-unterstuetzt-arbeitsuchende> , and <https://www.ams.at/regionen/wien/news/2021/12/die-oesterreichische-bundesregierung-unterstuetzt-arbeitsuchende>

households receiving MMI/SA have been given further financial support according to a new Act, the "COVID-19-Act against poverty" (one-off payments up to 300 Euro for households with children; one-off payment up to 100 Euros as a fuel and heating benefit for all households receiving MMI/SA on a certain key date). This law provides the legal foundation for further subsidies in 2022, which will be paid out to cope with increased cost of living, including higher heating costs (300 Euro per household paid out by the Federal Provinces; "*Teuerungsausgleich für Haushalte im Sozialhilfe- bzw. Mindestsicherungsbezug*").

1.1 Eligibility

As a basic principle, claimants are only eligible for **MMI/SA** if they are neither able to raise the resources for basic subsistence through "own efforts" (work, use of own income, assets and property), nor through entitlements to social insurance or other priority benefits (principle of subsidiarity). The point of reference for "own" income is the common household, plus other people who are liable for maintenance.

Regarding income, defined maximum benefits at the same time serve as **income thresholds**, as means-tested benefit calculation follows a "Euro per Euro principle". This means that (with some exceptions, see Section 2 below) one additional Euro of other income reduces the total benefit by one Euro. Once other income surpasses the maximum benefit level, no MMI/SA can be granted.

To define the maximum benefit level, the "equalisation supplement reference rate" (ESRR; *Ausgleichszulagenrichtsatz*) for pensions is usually used.¹¹

Besides the pension scheme, the ESRR is also used as a point of reference in other social protection schemes. In 2021, the monthly net ESRR for a single person amounted €949.50.¹²

According to the Basic Social Assistance Act, income/benefits in 2021 could generally not surpass:

- €949.50 for single adults (100% of the monthly net ESRR);
- €1,329.20 for a household with two adults (70% of the net ESRR for each adult person); and
- €427.30 for every additional adult in the household (45% of the net ESRR for each additional adult, i.e. from the third adult).

Furthermore, the Basic Social Assistance Act at the same time stipulates that the total benefits granted to adults living in a common household must not exceed 175% of the net ESRR, which equalled €1,661.50 in 2021. However, irrespective of this general rule, legislators in the federal provinces are allowed to stipulate a monthly minimum benefit of €190 (20% of the ESRR) for each adult in a household, even in cases where this implies that the 175% threshold is exceeded.

The threshold/benefit level is further increased for dependent children in the household. However, the maximum benefit levels originally stipulated for children living in households with more than one parent were abolished by a decision of the Constitutional Court (of 12 December 2019), on the grounds that they violated Article 7 of the Federal Constitutional Law (*Bundesverfassungsgesetz*), which deals with the

¹¹ The ESRR defines the minimum pension for people who (according to their insurance record, age etc.) are in principle eligible for a pension benefit from the statutory pension scheme, but for whom the insurance record together with the benefit formula would result in a very low pension benefit, i.e. of a level lower than the ESRR. The ESRR regularly gets indexed according to the consumer price inflation. However, in recent years, the ESRR was repeatedly increased at a higher level due to political decision

¹² In 2021, the monthly gross ESRR for a single person amounts to €1,000.48, on which a health insurance contribution of 5.1% applies. This results on a monthly net ESRR of €949.50. It should be noted that the minimum pension according to the ESRR is granted 14 times per year, i.e. with two monthly extra payments. However, regarding MMI/SA no such extra payments or corresponding increased income thresholds exist

"principle of equality" (*Gleichheitsgrundsatz*), and also Article 1 on the rights of children.¹³ As a consequence, no common threshold/maximum benefits are currently defined at the national level, and federal provinces apply their own rules – between which there are some substantial differences.

For example, in Lower Austria the minimum benefits/amounts taken into account for the income thresholds for children in households with more than one parent are as follows:¹⁴

- €237.37 (25% of the ESRR) in the case of one child;
- €190 (20% of the ESRR) per child in the case of two children;
- €142.40 (15% of the ESRR) per child in the case of three children;
- €118.70 (12.5% of the ESRR) per child in the case of four children; and
- €114 (12% of the ESRR) per child in the case of five or more children.

When compared with Lower Austria, Vienna has much more generous rules regarding children when setting the maximum benefit/income threshold. Here, the amount taken into account is €256.40 (27% of the ESRR) per month for every child.

The income thresholds / maximum benefit levels for adults mentioned above have been implemented by most federal provinces, but not by Vienna, where most recipients of MMI/SA live. Vienna grants 100% of the ESRR for single adults, and 75% of the ESRR for adults living in common households with other adults (no matter how many adults live in the household). Also, the cap on benefits to adults (usually 175% of the ESRR) does not apply in Vienna. This means that the federal province of Vienna has refused to implement the related maximum standards stipulated by the Basic Social Assistance Act and grants more generous benefits than foreseen by it.¹⁵

For means-testing (*Vermögensfreibetrag*) against income, most types of income are taken into account, including benefits from different strands of social protection. However, some exceptions exist, of which the most important are as follows.

Social protection benefits: family allowance (*Familienbeihilfe*); long-term care cash benefit (*Pflegegeld*); and child tax credit (*Kinderabsetzbetrag*).

Private financial transfers: voluntary welfare transfers from charitable organisations, or other benefits from third parties that are provided without any legal obligation, unless they have already been granted for an uninterrupted period of four months or are so high that social assistance benefits are no longer required.

Besides income, **assets** are also taken into account in means-testing for MMI/SA.

Many types of movable assets, which are capable of being capitalised, are included in the means test. However, the following personal objects are generally not seen as assets to be utilised/capitalised: objects necessary to carry out an occupation or to satisfy intellectual/ cultural needs; essential household items; a car if it is needed due to one's occupation or disability or if no sufficient public transport infrastructure exists. Besides these exceptions, according to the Basic Social Assistance Act, financial assets (savings) of up to €5,697 (600% of the monthly net ESRR) per person are excluded from means-testing.¹⁶

¹³ For the full text of the decision by the Constitutional Court see: https://www.ris.bka.gv.at/Dokumente/Vfgh/JFT_20191212_19G00164_00/JFT_20191212_19G00164_00.html.

¹⁴ For children of single parents somewhat higher maximum benefits/income thresholds apply. For details see: https://www.noel.gv.at/noel/Sozialhilfe/Richtsaeetze_Sozialhilfe.html.

¹⁵ This could theoretically be brought before the Constitutional Court by the Federal Government, initiating a request to repeal the Vienna Minimum Income Act. However, no such steps have been taken hitherto.

¹⁶ This means that savings etc. above this threshold have to be used for subsistence and housing costs before MMI/SA may be granted.

In addition, owner-occupied dwellings are considered as own resources (assets), to be taken into account in means-testing. MMI/SA authorities can register a lien within the land registry in favour of the federal province in cases where MMI/SA has been granted for three years or longer.

Besides means-testing against income and assets, rules on **residency** and **citizenship** apply. EU/EEA citizens can only get MMI/SA if they are employed or if they have been living in Austria for a minimum of five years. Citizens of other countries normally must have had legal residence in Austria for at least five years. Unlike recognised refugees, since the introduction of the Basic Social Assistance Act, people with subsidiary protection status are generally stipulated to be excluded from access to full MMI/SA. Usually, they are only able to receive SA at a level equivalent to "basic supply" (*Grundversorgung*), which is also granted to asylum-seekers. However, the federal province of Vienna is again more generous than other federal provinces. Here, people with subsidiary protection status living in a private dwelling can get MMI up to the usual benefit level.

UA may be granted if a person continues to be unemployed after reaching the maximum benefit duration of UB and if at the same time a "hardship" situation ("*Notlage*") applies. However, there is no general definition of hardship (i.e. in the sense of a common threshold). What is important in this context is that, first, personal earned income from employment (as for UB) may not surpass the "marginal earnings threshold" (*Geringfügigkeitsgrenze*) for social insurance (€475.86 gross per month in 2021). Once earned income from employment exceeds this threshold, the person concerned may no longer be defined as unemployed, and neither UB nor UA can be received.

Second, for UA (unlike UB) other personal¹⁷ income – under paragraph 2(2) of the Income Tax Act (*Einkommenssteuergesetz*) – is also taken into account when calculating the level of the benefit. In particular this includes capital income and income from rent or leasing.¹⁸ All personal income from these sources reduces the benefit level of UA according to a "Euro for Euro" principle. Once income from these other sources (aggregated with earned income from employment; see above on earned income below the "marginal earnings threshold") reaches the UA benefit level, no UA is granted.

Overall, it is evident that eligibility criteria in terms of means-testing are rather strict for MMI/SA, although it varies between federal provinces. Regarding UA, means-testing is of very minor importance, as UA is in principle an insurance-based benefit, with uniform rules set by national legislation.

1.2 Coverage

At the time of writing, no detailed assessment of the **coverage of MMI/SA** is available for Austria. However, to get some basic idea one can compare the number of benefit recipients with the number of people at risk of poverty (i.e. relative income poverty) or at risk of poverty or social exclusion (AROPE), by federal province (see Table 1). When using these data to calculate pseudo-coverage rates (the two columns towards the right), substantial differences become evident between federal provinces. The pseudo-coverage rate for people at risk of poverty or social exclusion varies between 6.5% in Carinthia and 31% in Vienna; and the rate for people at risk of poverty varies between 7.7% in Carinthia and 39.8% in Vienna. A more detailed analysis of these results would go beyond the scope of this report. However, it can be assumed that the huge variation in the coverage rate is – amongst other things –

¹⁷ This means that income of other household members is not being taken into account.

¹⁸ Mandatory maintenance payments (*gesetzlicher Unterhalt*) are only taken into account to the degree that they surpass the "marginal earnings threshold" (*Geringfügigkeitsgrenze*) for social insurance (€475.86 gross per month in 2021).

caused by differences in housing conditions, where areas with a higher share of owner-occupied dwellings tend to have a lower share of recipients of MMI/SA, because of the possibility for MMI/SA authorities to taken a lien under the land registry in favour of the federal province in cases where MMI/SA has been granted for three years or longer. Furthermore, social stigmatisation may be higher in rural areas, compounded by the fact that the mayors of municipalities in many federal provinces are consulted during the application process for MMI/SA.

*Table 1. People at risk of poverty or social exclusion (AROPE), people being at risk of poverty and recipients of Minimum Income / Social Assistance; yearly averages 2018-2020**

Federal Province	At risk of poverty or social exclusion (AROPE)	At risk of poverty (60% of equivalised household income)	Recipients of Minimum Income / Social Assistance		
				as % of people facing AROPE	as % of people at risk of poverty
	in 1,000	in 1,000	in 1,000		
Burgenland	39	(31)	2.98	7.6%	(9.6%)
Carinthia	97	81	6.26	6.5%	7.7%
Lower Austria	208	159	24.02	11.5%	15.1%
Upper Austria	169	147	16.64	9.8%	11.3%
Salzburg	76	(58)	11.80	15.5%	(20.3%)
Styria	195	160	23.56	12.1%	14.7%
Tyrol	118	95	15.60	13.2%	16.4%
Vorarlberg	88	73	12.03	13.7%	16.5%
Vienna	514	401	159.59	31.0%	39.8%
Total	1,504	1,207	272.48	18.1%	22.6%

Note: Yearly averages (2018-2020) are used because cell-count is low in EU-SILC for some federal provinces; numbers in brackets indicate that the range of variation lies between 1/3 and 2/3 of the estimated value. Yearly averages for 2018-2020 are also used for recipients of MMI/SA.

Sources: EU-SILC: Statistik Austria (2020); Statistik Austria Minimum Income Statistics:

https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_NATIVE_FILE&RevisionSelectionMethod=LatestReleased&dDocName=068819 and own calculations.

Estimates of non-take-up of MMI/SA, resulting from microsimulation, are scarce for Austria. According to Fuchs *et al.* (2019; 2020), non-take-up of MMI/SA was reduced from a national average of 51% in 2009 to 30% in 2015 (more recent estimates are not available). This positive development was caused by a number of changes introduced due to the 15a treaty of 2009 (see above, Section 1), including: the

introduction of minimum standards representing a binding benefit level; the provision of health insurance for beneficiaries of MMI/SA in the form of an electronic insurance card; and the fact that applications for minimum income benefit since the reform of 2009/2010 can be made at the district authorities (*Bezirkshauptmannschaften*), providing a higher level of anonymity compared with municipality offices. Remaining non-take-up, according to Fuchs *et al.* (2019, 6), is especially caused by the fact that there is no effective one-stop-shop for recipients of low unemployment benefits, who could get MMI/SA as a top-up, that stigma (although declining) continues to be substantial, and that administrative processes generally still show considerable room for improvement (for example in terms of waiting times until a decision is taken, the scope of proofs to be provided, or the quality of information provided by responsible authorities). Action explicitly aimed at improving take-up, for example awareness campaigns, has therefore been taken.

Regarding **UA**, non-take-up appears to be a non-issue in public debates. Take-up is probably very high, because UA is an insurance-based benefit, and means-testing is of only very minor importance (see above Section 1.1), and social stigma appears to be low.

1.3 Adequacy

Table 2 provides data on monthly benefit levels for MMI/SA in Lower Austria and Vienna for different selected household compositions. As family allowance and the child tax credit are universal benefits in Austria, the table also indicates benefit levels including these universal transfers for families with children. These benefit levels can then be compared with the at-risk-of-poverty threshold (60% of median equivalised household income), with the extreme at-risk-of-poverty threshold (40% of median equivalised household income), and with net monthly minimum wages. Note that there is no statutory minimum wage in Austria. However, more than 95% of private sector employees are covered by a minimum wage set within a collective agreement. The lowest minimum wage according to collective agreements amounted to around €1,522 gross per month in 2021. Note that although wages are paid 14 times per year in Austria, the figures in Table 2 represent net yearly wages divided by 12 (months). In the case of couples, it has been assumed that both people are employed full time and that both earn the minimum wage. Wages are indicated with and without universal family allowance and child tax credit. Overall, benefits show somewhat higher generosity in Vienna than in Lower Austria, and these differences would even be greater in households with more than two children (see above Section 1.1). Furthermore, it is evident that benefits (including universal family allowance and child tax credit) are around the level of the extreme at-risk-of-poverty threshold (40% of the median of equivalised household income), but considerably lower than the other two benchmarks.

Table 2. Minimum income / Social Assistance benefit levels in Vienna and Lower Austria, (extreme) poverty threshold(s), and net monthly minimum wages (€)

	Minimum Income / Social Assistance		Minimum Income / Social Assistance plus universal family allowance ¹		At-risk-of-poverty threshold (60% of the median)	Extreme at-risk-of-poverty threshold (40% of median)	Net monthly minimum wage ²	Net monthly minimum wage plus universal family allowance ^{1, 2}
	Lower Austria	Vienna ⁴	Lower Austria	Vienna ⁴				
Single adult	949.50	949.50	949.50	949.50	1,327.80	983.40	1,460.20	1,460.20
Couple without children	1,329.20	1,424.20	1,329.20	1,424.20	1,991.60	1,475.10	2,920.50	2,920.50
Couple with one child ³	1,566.60	1,680.50	1,746.90	1,860.80	2,390.00	1,770.20	2,999.50	3,179.80
Couple with two children ³	1,709.00	1,936.90	2,083.80	2,311.70	2,788.30	2,065.20	2,999.50	3,374.30

Notes:

¹This includes universal family allowance and child tax credit.

²This is the monthly net minimum wage according to the collective agreement with the lowest wage for full-time employment. It amounted to €1,522 gross per month in 2021. Wages are paid 14 times per year in Austria. The numbers indicated here are the corresponding net yearly wage divided by 12 (months). In the case of couples, it has been assumed that both people are employed full time and that both earn the minimum wage.

³The example assumes that both children are aged 3-6.

⁴For Vienna, benefit levels only indicate maximum benefits according to the MMI scheme, although – under specific circumstances – additional special housing benefits ("rent allowance") may be available (no such special additional allowance exists in Lower Austria). Benefit levels and minimum wages are for 2021, and at-risk-of-poverty thresholds are according to EU-SILC 2020 (relating to income in 2019).

Sources: Minimum Income / Social Assistance Acts; Statistik Austria EU-SILC 2020; Austrian Chamber of Commerce (Wirtschaftskammer Österreich); and own calculations.

For easier readability, Table 3 shows the level of MMI/SA including universal family allowance and child tax credit relative to the (extreme) at-risk-of-poverty threshold(s) and net monthly minimum wages plus universal family allowance and child tax credit (in percentage terms).

Table 3. Minimum Income / Social assistance benefit levels relative to (extreme) poverty threshold(s) and income from net monthly minimum wages

	Minimum Income / Social Assistance plus universal family allowance¹					
	as % of the at-risk-of-poverty threshold (60% of median)		as % of the extreme at-risk-of-poverty threshold (40% of median)		as % of the net monthly minimum wage plus universal family allowance ^{1, 2}	
	Lower Austria	Vienna ⁴	Lower Austria	Vienna ⁴	Lower Austria ⁴	Vienna ⁴
Single adult	72%	72%	97%	97%	65%	65%
Couple without children	67%	72%	90%	97%	46%	49%
Couple with one child ³	73%	78%	99%	105%	55%	59%
Couple with two children ³	75%	83%	101%	112%	62%	69%
Average across household compositions	72%	76%	97%	103%	57%	60%

Notes and sources: See Table 2.

Statistik Austria (2020)¹⁹ provides an overview of the more concrete living conditions of households receiving MMI/SA. Using average data from the EU-SILC²⁰ waves 2017-2019, the analysis shows that 47% of people living in households with MMI/SA were at risk of poverty (income below the 60% of the median threshold), whereas the figure for people in households without MMI was 13%.

Furthermore, no less than 24% of the population in MMI/SA households faced severe material deprivation (enforced inability to pay for at least four out of nine items), whereas the figure was 2% for people living in households without MMI/SA benefits. The following deprivation items, in particular, showed comparatively high numbers for people in households with MMI/SA.

Inability to face unexpected expenses: 53% in households without children and 81% in households with children (in households without MMI/SA: without children, 16%; with children, 19%).

Inability to pay rent, mortgage or utility bills etc on time: 8% in households without children and 9% in households with children (in households without MMI/SA: without children, 1%; with children, 2%).

¹⁹ For data dealing with 2015-2017 see Statistik Austria (2018a; 2018b).

²⁰ European Union statistics on income and living conditions.

Inability to go on holiday: 40% in households without children and 62% in households with children (in households without MMI/SA: without children, 11%; with children, 12%).

Inability to afford a car: 29% in households without children and 51% in households with children (in households without MMI/SA: without children, 4%; with children, 4%).

Inability to afford to eat meat or fish every second day: 17% in households without children and 20% in households with children (in households without MMI/SA: without children, 4%; with children, 4%).

Inability to buy new cloth: 19% in households without children and 22% in households with children (in households without MMI/SA: without children, 3%; with children, 4%).

As noted in Section 1.1, maximum levels of MMI/SA are set by using the ESRR of the statutory pension scheme, and then multiplying the ESRR by a weight according to household composition. As already mentioned, the weight given to different household members (especially children) varies between federal provinces, resulting in different benefit levels. Besides that, it is important to know that the ESRR is not in any sense evidence-based (for example, calculated according to a basket of goods or model household budgets). In fact it derives from a political decision in 1955, and has since then been indexed and adapted – but in a largely path-dependent manner.

However, on the positive side, levels of MMI/SA are usually indexed on a yearly basis, together with the ESRR. Furthermore, the ESRR in recent years has been repeatedly increased by more than prices. Both pensioners and recipients of MMI/SA have benefited from that.

UA is – in principle – calculated as a fraction of UB, which it replaces once the maximum duration of UB is reached. **UB** is calculated as follows:

the “basic amount” (*Grundbetrag*): 55% of the early daily net income from employment;

plus “supplementary amount” (*Ergänzungsbeitrag*): where the monthly benefit resulting from the basic amount is lower than the gross ESRR (i.e. €1,000.48; see above), it may be increased up to the level of the gross ESRR (but see condition below);

plus “family supplements” (*Familien-Zuschlag*): for every dependent family member, a family supplement of €0.97 per day may apply (value for 2021) (but see condition below).

Points 2 and point 3 above are subject to the following conditions: in cases where no family supplements apply, the total daily net wage-replacement rate may not exceed 60%; in cases where family supplements apply, it may not exceed 80%.

UA generally amounts to 92% of the basic amount of UB, if the basic amount surpasses the ESRR. If it is lower than the ESRR, UA amounts to 95% of the basic amount of the UB, plus 95% of the supplementary amount plus any family supplements.

At the same time, special benefit caps may apply for UA. They depend on the benefit duration of the preceding UB, whereby the benefit duration of UB varies according to the earlier insurance record. UB is usually granted for 20 weeks. However, the maximum duration may be extended according to the following rules:

to 30 weeks in the case of 156 weeks (three years) of employment subject to unemployment insurance;

to 39 weeks if the beneficiary is aged at least 40 and has 312 weeks (six years) of employment subject to unemployment insurance within the previous 10 years; and

to 52 weeks if the beneficiary is at least 50 and has 468 weeks (nine years) of employment subject to unemployment insurance within the previous 15 years.

In cases where the preceding maximum benefit duration of UB was 20 weeks, for subsequent UA a cap of €1,000.48 (i.e. at the level of the gross ESRR) per month applies. In cases where the maximum duration for UB is 30 weeks, UA is capped at €1,167 per month (116.6% of the gross ESRR).²¹ In cases where UB was obtained for 39 or 52 weeks, no such benefit cap applies for UA.

Overall, these rules (i.e. a largely uniform wage-replacement rate, which only changes to a small degree according to the earlier earned income, and the benefit caps on UA) often tend to imply rather low benefits from UA. Furthermore, UA (different to MMI/SA) is not indexed, which causes a devaluation of the benefit in cases of long-term unemployment. As a consequence, a substantial number of UA recipients get MMI/SA as a top-up to low benefits from unemployment insurance.

According to data compiled by Statistics Austria,²² 207,122 people received MMI/SA in 2020 (for more details see also Pratscher 2021). Of these, 14,112 (6.8%) were employed and received minimum income as a top-up to low earned income; and 63,952 (30.9%) were unemployed and available for employment.²³ Of this latter group, 36,092 people (56%) got MMI/SA as a top-up to low benefits from unemployment insurance. This number equals a share of around 10% of all recipients of UB and UA (totalling 362,160 in 2020²⁴).

²¹ This is the „minimum subsistence level“ (*Existenzminimum*) according to the Austrian Enforcement Regulation (*Exekutionsordnung*). It is equal to the ESSR, increased by 1/6 of the ESRR.

²² Statistik Austria, https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_NATIVE_FILE&RevisionSelectionMethod=LatestReleased&dDocName=068824.

²³ In total 108,399 (52.3%) were not available for employment due to different reasons: 34.3% were not in employment age; 7.8% were incapable to work due to health issues / invalidity / disability; 4.3% were pupils who had started their school education before the age of 18; 4.3% were looking after children; 0.3% were looking after relatives in need of long-term care; 1.3% were not available for employment due to other reasons.

²⁴ Statistik Austria, https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_NATIVE_FILE&RevisionSelectionMethod=LatestReleased&dDocName=020064.

1.4 Links with other benefits

MMI/SA and UA have the following links to other social benefits.

- Recipients of MMI/SA and of UA are covered by public health insurance. Additionally, recipients of UA are also covered by pension insurance.
- In some federal provinces, recipients of MMI/SA or of UA have access to additional housing benefit ("rent support") in cases of high housing costs.
- In most federal provinces, a specific means-tested allowance for heating costs exists for low-income households. To get the heating costs allowance, potential beneficiaries have to apply for it via the municipality, and the related regulations concerning means-testing and the level of the benefit vary between the different federal provinces. The benefit varies between around €110 per year in Carinthia²⁵ and €270 per year in Vorarlberg.²⁶ Regarding means-testing, low income for single adults is usually defined as an income at, or somewhat above, the level of the monthly net ESRR, and household composition is taken into account.

2 Links with labour market activation

Recipients of **UA** are in all cases registered with the Public Employment Service (PES; *Arbeitsmarktservice*). For them, regarding active labour market policy (ALMP), the same rules apply as for people receiving UB. Both groups have – irrespective of short-term illness – to be fit and available for work. No tapering of benefits from unemployment insurance exists. However, recipients of UB and UA are allowed to have earned income from employment up to the marginal earnings threshold of social insurance, without losing their benefits. In 2021, the marginal earnings threshold amounted to €475.86 gross per month and it is indexed on a yearly basis.

For recipients of both UA and UB, an individualised "supervision agreement" (*Betreuungsvereinbarung*) with the PES is obligatory. Amongst other things, it covers planned participation in ALMP measures.

Recipients of UA have, in principle, access to the same ALMP measures as recipients of UB. However, some measures are explicitly targeted at the long-term unemployed. More generally, the PES provides three main types of ALMP, as follows:

- "Qualification" – for unemployed people as well as for people in active employment.
- "Employment promotion", for example via company integration subsidies (i.e. wage subsidies for employers of former long-term unemployed people; short-time work benefits; employment projects, such as providing training and jobs in socio-economic enterprises and other employment projects; labour foundations; and mobility subsidies).
- "Support" – with a wide range of different measures applied (e.g. including different types of counselling for both the long-term unemployed and employers).

These ALMP instruments are also accessible by recipients of **MMI/SA**, if they are fit and available for work and therefore registered with the PES (for an overview see also Heitzmann/Matzinger 2020; Meier/Tiefenbacher 2019).

²⁵ In Carinthia, two different benefit levels exist for the heating allowance, according to two different household income thresholds. €110 is granted to households with a low income, and €180 to households with a very low income. For more details see: <https://www.ktn.gv.at/Verwaltung/Amt-der-Kaerntner-Landesregierung/Abteilung-4/Heizzuschuss>.

²⁶ <https://vorarlberg.at/-/heizkostenzuschuss>

According to legislation in the federal provinces, MMI/SA recipients who are fit and available for work have to register with the PES. This means that they also have an individualised supervision agreement with the PES. Furthermore, the MMI/SA acts of federal provinces also partly address some types of "case management", "integration plans" or "integration agreements" etc. to be organised by the institutions responsible for MMI/SA in the federal provinces,²⁷ in which benefit recipients have to participate. However, it appears that the actual implementation of such measures varies to a considerable degree between federal provinces, and that they only apply to specific groups of benefit recipients (i.e. in the first instance to those supposed to be available for work).

According to data provided by the PES, a total of 94,001 recipients of MMI/SA were registered with the PES as unemployed in 2020.²⁸ Of these, 47,739 (51%) participated in ALMP measures; 27,677 participated in qualification measures, and 8,030 participated in "employment incentives". Around 15,256 managed to find a job (nearly half of these cases were accounted for by an ALMP measure of the employment incentive type) (Arbeitsmarktservice 2021).

If recipients of MMI/SA do not comply with ALMP or other activation measures they may be sanctioned by the welfare offices, according to the MMI/SA acts of the federal provinces. According to the Basic Social Assistance Act, the Federal Provinces have to establish "efficient" control and sanctioning mechanisms, which shall – especially – apply in cases, where recipients do not comply with activation measures/are unwilling to take on a job. However, the Act does not stipulate specific requirements on the level of deductions or determines predefined percentages for the benefit reduction (except for violations of integration obligations). Therefore, the sanctioning regimes differ to a considerable degree in the Federal Provinces. Sanction were imposed on a total of 3,478 recipients of MMI/SA in 2020.²⁹

In case of sanctions and related benefit reductions by the PES (concerning recipients with low benefit levels from unemployment insurance and top-up by MMI/SA), the relevant regulations for MMI/SA recipients do not provide for compensation in the (full) amount of these benefit reductions. According to the Basic Social Assistance Act claimants can receive SA up to a maximum of 50% of the difference (so-called partial compensation). Yet, the implementation by Federal Provinces is quite heterogeneous regarding this point.

Concerning tapering of benefits for recipients of MMI/SA who take up gainful employment, a framework has been in place since 2010 (under an agreement between the Federal Republic and the federal provinces according to paragraph 15a of the Austrian Constitution). The Basic Social Assistance Act of 2019 also allows for tapering of MMI/SA benefits when recipients start work again. According to paragraph 7(6) of the 2019 act, up to 35% of the income earned by MMI/SA recipients who start gainful employment may be disregarded for means-testing. However, it appears that the different federal provinces have used this option to very differing extents. According to data collected by Statistics Austria, this kind of tapering was overall used in 2,373 cases in 2020, of which 1,259 were in Salzburg, and only one in Vienna (data for

²⁷ I.e. the responsible unit of municipal administration in Vienna and of the district authorities in the other federal provinces.

²⁸ This figure is higher than the yearly average of recipients of MMI/SA indicated in Section 1.3 above. This is due the fact that it indicates the yearly sum of recipients of MMI/SA registered with the PES, not the yearly average number.

²⁹ Statistik Austria:
https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_NATIVE_FILE&RevisionSelectionMethod=LatestReleased&dDocName=068823.

Lower Austria, Styria and Vorarlberg are missing).³⁰ These data indicate that this instrument overall is of minor importance only.

3 Links to social services and integrated provision of targeted social services

Most MMI/SA legislation by federal provinces stipulates that MMI/SA benefits are not limited to cash benefits and/or benefits in kind, but also entail "advice and support" (or similar). However, the evidence on how this issue is actually dealt with is limited. According to criticism by social NGOs and the Austrian Anti-Poverty Network (*Armutskonferenz*), the welfare offices or district authorities responsible for the implementation of MMI/SA often lack the resources for proper case-management and additional social services / social work. In this context it is also worth mentioning that legislation by federal provinces on MMI/SA lacks explicit reference to multidimensional needs assessments.

Available (but somewhat outdated) research on this issue points in the same direction (Bergmann *et al.* 2012; Riesenfelder *et al.* 2014). Implementation of MMI/SA by the federal provinces often fails to integrate targeted social services, and related programmes in place are often in the form of pilot programmes only, restricted to a small number of MMI/SA recipients or specific geographical areas. Overall, the strengthening of integrated case-management or one-stop-shops has been debated for some time, but with only limited impact on actual organisational arrangements.

As a consequence, recipients of MMI/SA often have to inform themselves about additional advice and support, made available by different social services providers, of which many are social NGOs. Overall, the landscape of such service-providers appears to be rather fragmented in many federal provinces.

At the same time the PES concentrates on ALMPs in the narrow sense, and has no resources for case-management regarding other targeted social services etc.

4 Governance mechanisms

Between 2010 and 2019 the minimum income scheme in the narrow sense was usually called **MMI**, which replaced the earlier minimum income scheme called **SA**. This resulted from the 15a treaty, which outlined the most important features, basic principles and minimum standards of the MMI.³¹ At the same time legislative responsibility remained with the federal provinces, each of which had its own legislation on minimum income. The 15a treaty expired at the end of 2016, and the Federal Republic and the federal provinces could not find a compromise on a renewed agreement.

This meant that the competency for the MMI scheme then was in principle again completely located at the level of the federal provinces and that the short period of formal co-ordination had come to an end. However, in spring 2019 the national centre-right coalition government of the Austrian People's Party and the Austrian Freedom Party introduced the Basic Social Assistance Act. However, different from the earlier 15a treaty, the act did not define minimum standards, but instead set maximum standards that could not be exceeded by the minimum income schemes of the federal provinces, which continue to be regulated in more detail in the legislation (MMI/SA acts) of the federal provinces.

³⁰ Statistik Austria:

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

³¹ For the full text of the treaty and additional parliamentary material see:

https://www.parlament.gv.at/PAKT/VHG/XXIV/I/I_00677/index.shtml.

As already mentioned in Section 1.1 of this report, in December 2019 the Constitutional Court abolished parts of the Basic Social Assistance Act (amongst other things maximum benefit levels for children) on the grounds that they violated the Austrian National Constitution (*Bundesverfassung*).³² However, the current coalition government of the Austrian Peoples' Party and the Green Party, in office since early January 2020, has not addressed this issue, meaning that parts of the Basic Social Assistance Act have just been suspended by the Constitutional Court without being replaced.

Furthermore, until November 2021 only six out of nine federal provinces (Lower Austria, Upper Austria, Salzburg, Styria, Carinthia, and Vorarlberg) have changed their legislation on MMI/SA to bring it into line with the Basic Social Assistance Act. In Vienna, some provisions of the act were implemented, and in Tyrol and Burgenland no major changes were introduced. Regulations that are not in line with the Basic Social Assistance Act could theoretically be challenged by the Federal Government before the Constitutional Court. However, no such step has been taken hitherto.

The concrete implementation of MMI/SA is in the competency at the responsible unit of the municipal administration (*Magistrat*) in Vienna and of the district authorities in the other federal provinces. In addition to the legislative acts on MMI/SA, the federal provinces also issue more concrete implementation guidelines (*Vollzugshandbücher*) and partly also decrees on specific questions.

Overall, regarding MMI/SA, the current situation is marked by a lack of co-ordination, legal uncertainty,³³ and substantial differentiation between the federal provinces. The programme of the current coalition government does not include any proposal to settle this dissatisfactory and problematic situation. It appears that the two coalition partners could not find a common understanding on this issue. They obviously "agreed not to agree" and decided to leave the issue untouched.

ALMP and financial benefits provided in the context of unemployment insurance, such as UB and **UA**, are the sole responsibility of the Federal Republic. Actual implementation is by the PES, where most of the planning for ALMP is also done both at national and regional levels. The concrete interaction with clients takes place at the local offices of the PES, of which there is currently a total of 104 (Arbeitsmarktservice 2021, 5).

For recipients of MMI/SA who are also registered with the PES, a regular exchange of data takes place between the PES and the institutions responsible for MMI/SA at the level of the federal provinces. This is, however, not done for the purpose of monitoring but to check compliance with the recipients' obligations with respect to measures from the PES.

5 Impact of MI schemes

UA together with **MMI/SA** is likely to have a substantial impact on poverty alleviation and on reducing the poverty gap faced by recipient households. MMI/SA provides a very substantial part of the household income³⁴ for around 207,000 people in 2020, of which around 75,000 were children.³⁵ As MMI/SA is a benefit of "last resort", this

³² For the full text of the decision by the Constitutional Court see:

https://www.ris.bka.gv.at/Dokumente/Vfgh/JFT_20191212_19G00164_00/JFT_20191212_19G00164_00.html

³³ This is also caused by the fact that the concrete implementation rules of MMI / SA leave considerable room of discretion for implementing bodies (Leibetseder *et al.* 2015; Meier/Tiefenbacher 2019).

³⁴ For actual average benefit levels according to household constellations, see: Statistik Austria:

https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_NATIVE_FILE&RevisionSelectionMethod=LatestReleased&dDocName=118663.

³⁵ Statistik Austria:

https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_NATIVE_FILE&RevisionSelectionMethod=LatestReleased&dDocName=068820.

income would not be replaced by other existing social protection schemes if MMI/SA did not exist.

Regarding UA, registry data by the PES recently indicated an average number of around 177,500 benefit recipients in 2020 (Arbeitsmarktservice 2021, 80). However, it should be noted that – according EU-SILC data for 2019 – around 675,000 people each year live in households where at least one member (at least temporarily) receives UA. If UA did not exist, estimates/simulations suggest that only around half of the affected households could receive MMI/SA instead, whereas the other half would not be eligible to MMI/SA due to stricter means-testing (Kranawetter *et al.* 2018). If UA did not exist, the total at-risk-of-poverty rate would increase from 13% to 14% (i.e. the number of people affected would rise by around 120,000), and the total poverty gap would increase from 20% to 23%.³⁶

Irrespective of these positive effects, some substantial challenges are nonetheless evident, as follows.

- Benefits from unemployment insurance are, in principle, calculated according to a linear benefit formula, resulting in rather low benefits for people with previously low income from gainful employment.
- At the same time UA is in principle available without a maximum time limit, but for many recipients benefit caps apply; and low benefit levels, resulting from the largely linear benefit formula, mean that top-up payments from MMI/SA are very common.
- Furthermore, it should be borne in mind that UA is only granted to people who are fit and available for work.
- At the same time the benefit levels of MMI/SA (together with universal family allowance) only just about reach the level of the extreme poverty threshold (40% of the median equivalised household income), and households of recipients of MMI/SA are much more often affected by severe material deprivation than other groups.
- Furthermore, non-take-up regarding MMI/SA, estimated at around 30%, continues to be a problem.
- Another point worth stressing is that it appears that the institutions responsible for implementing MMI/SA usually do not provide an integrated provision of targeted social services and that they also lack the resources to serve as a well established link to such services offered by other service providers.

A general major problem is caused by the governance structure of MMI/SA. The Basic Social Assistance Act of 2019 stipulates maximum standards, and minimum national standards no longer exist. At the same time, legislation by federal provinces on MMI/SA leads to substantial variation between federal provinces regarding concrete rules on access, benefit levels, and implementation procedures. Evidently, the situation is therefore characterised by a lack of effective co-ordination.³⁷

³⁶ Microsimulation results done with SORESI/EUROMOD, based on EU-SILC 2019.

³⁷ This applies irrespective of the fact that after the Basic Social Assistance Act was enacted a platform for a regular exchange of expert experience on SA was established by the Federal Ministry of Social Affairs, Health, Care and Consumer Protection. Besides exchanging experience, the purpose of these meetings is – in particular – to discuss technical and legal questions regarding the Basic Social Assistance Act and the legislation of the federal provinces. It also addresses issues, which the federal provinces wish to discuss in a bigger circle (e.g. disciplinary implementation matters, execution questions and case law) and offers the opportunity to discuss possibilities for improvement together with colleagues from the other federal provinces (mutual learning) and for developing solutions for specific problems. However, this platform tends to be an instrument of “soft governance”, with hitherto limited impact on actual policy outputs outcomes regarding effective co-ordination in the sense of minimum standards regarding regulations and implementation.

A related situation applies regarding empirical evidence on the actual impact and broader outcomes of MMI/SA and its actual interaction with UA. This is caused by the variation between the MMI/SA schemes of the federal provinces mentioned above, which makes proper evaluation difficult and resource-intensive. In this regard only some basic data on the implementation of the MMI/SA schemes are available at the central level, which is compiled by Statistik Austria.³⁸ The Federal Ministry of Social Affairs, Health, Care and Consumer Protection recently commissioned an evaluation study on the MMI/SA schemes of the federal provinces. The results of the evaluation study are expected for the first quarter of 2023. The aim of this study is it – among other things – to analyse, how “poverty-proof” the last safety net is and to identify development potentials with regard to the Basic Social Assistance Act.

³⁸ See:

https://www.statistik.at/web_de/statistiken/menschen_und_gesellschaft/soziales/sozialleistungen_auf_landesebene/mindestsicherung/index.html.

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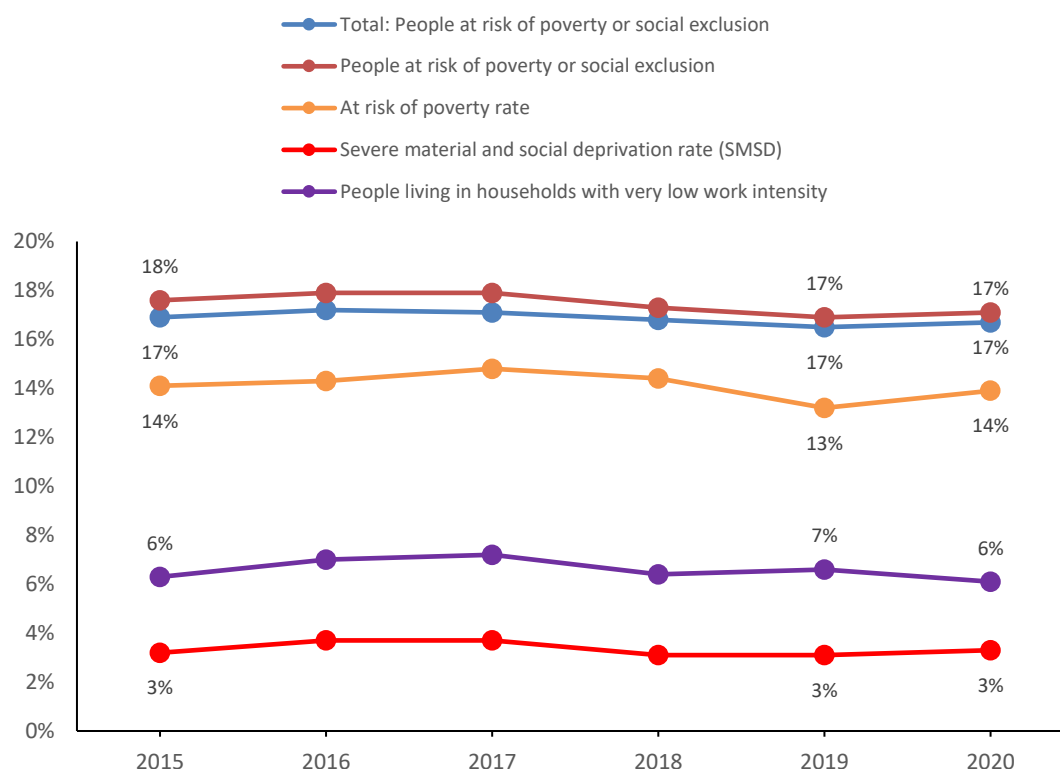
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7 Annex

Figure 1. AROPE indicator and components, Austria, 2015-2020 (%)



Note: The line for "Total: People at risk of poverty or social exclusion" indicates the trend for overall population, while the other lines show the figures for individuals aged 0-64.

Source: Eurostat EU-SILC indicators [ilc_peps01n], [ilc_li02], [ilc_mdsc11] and [ilc_lvhl11n]. Data downloaded on 14/02/2022.

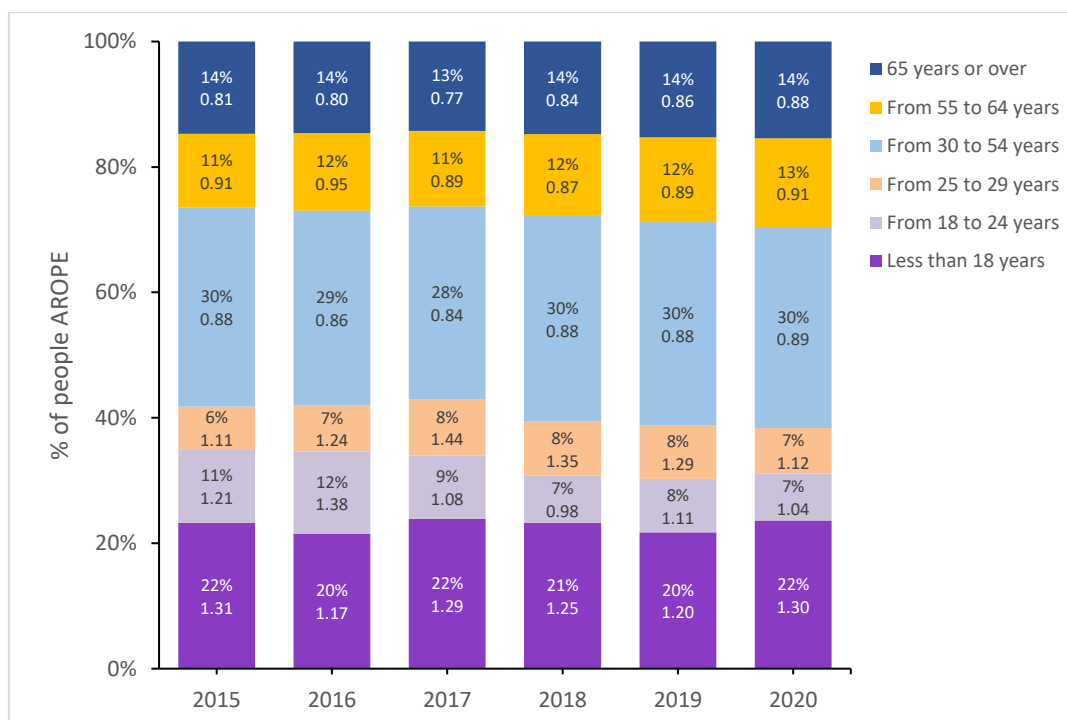
In 2020, the share of total population at risk of poverty or social exclusion (AROPE) in Austria stood at 16.7%, while that of those aged 0-64 was slightly higher at 17.1%, implying that older people aged 65 and over was lower than average.. Over the period 2015-2020, there was a small reduction in the risk for those aged 0-64.

Most of the people at risk of poverty or social exclusion, 13.9 % of those aged 0-64, had household disposable income of below 60% of the median in 2020 (i.e. they were at risk of poverty). The proportion at risk was much the same as 5 years earlier.

Just over a third of those aged 0-64 at risk of poverty or social exclusion lived in households with very low work intensity. 6.1%, the proportion remaining much the same over the period 2015-2020.

Only around 20% of those at risk of poverty or social exclusion were affected by severe material and social deprivation in 202, just 3.3% of those aged 0-64), the proportion also remaining largely unchanged over the 2015-2020 period.

Figure 2. Division of people aged 0-64 at risk of poverty or social exclusion by age group, Austria, 2015-2020 (%)



Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk

.Source: Eurostat EU-SILC indicators [ilc_peps01n], own calculation. Data downloaded on 14/02/2022.

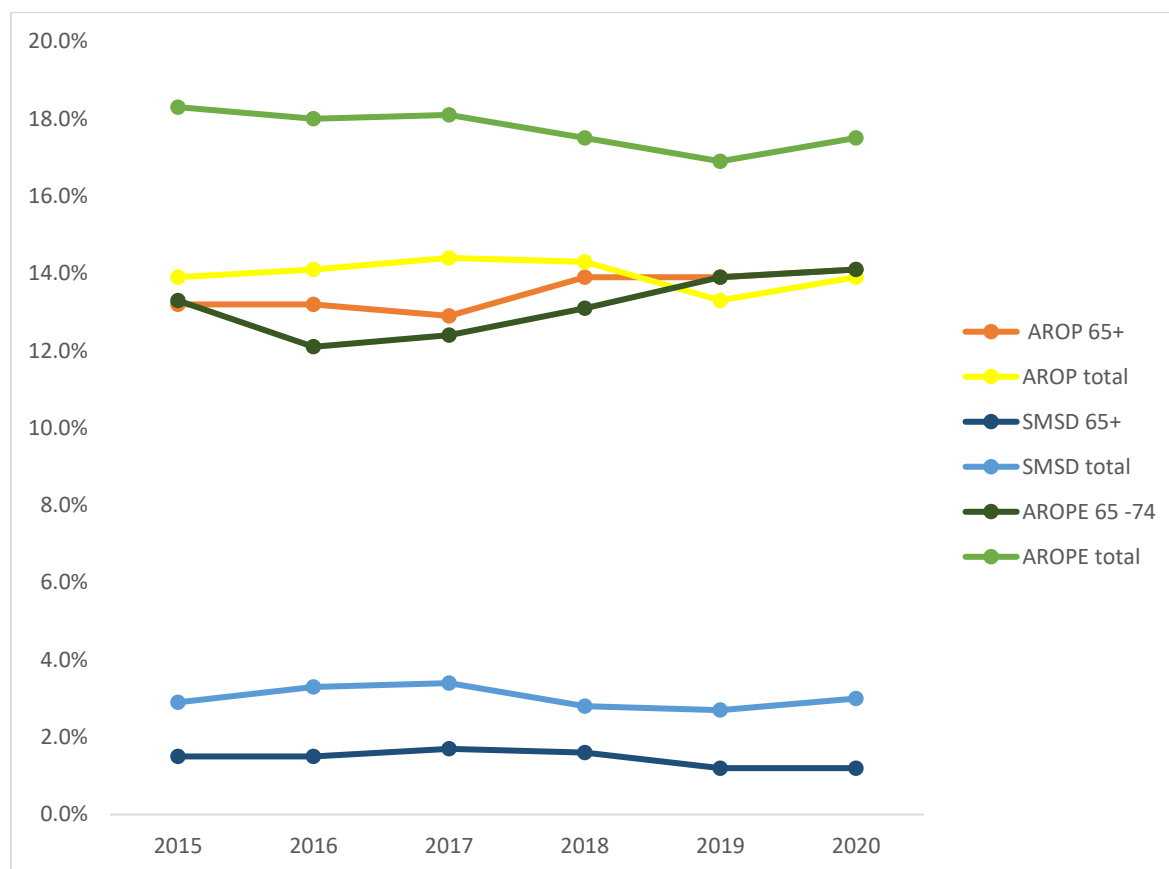
Slightly fewer women than men aged 0-64 were at risk of poverty or social exclusion in 2020 (49% of the total) and since the number of women in this age group was only marginally smaller than men, this means that women were also slightly less likely to be at risk than men, which is the reverse of the situation over the preceding 5 years.

In general, older people aged 65 and over, as implied in Figure 1, are less likely to be at risk of poverty or social exclusion than those younger, these making up only 14% of the total at risk in 2020.

Children under 18, by contrast are significantly more likely to be at risk than average, making up 22% of the total at risk in 2020.

Young people aged 18-24 and more especially those aged 25-29 are also more likely than to be at risk of poverty or social exclusion, the two groups together making up 14% of the total at risk, i.e. the same as those of 65 and over.

Figure 2. AROPE indicator and components total and 65+ in comparison, Austria, 2015-2020 (%)

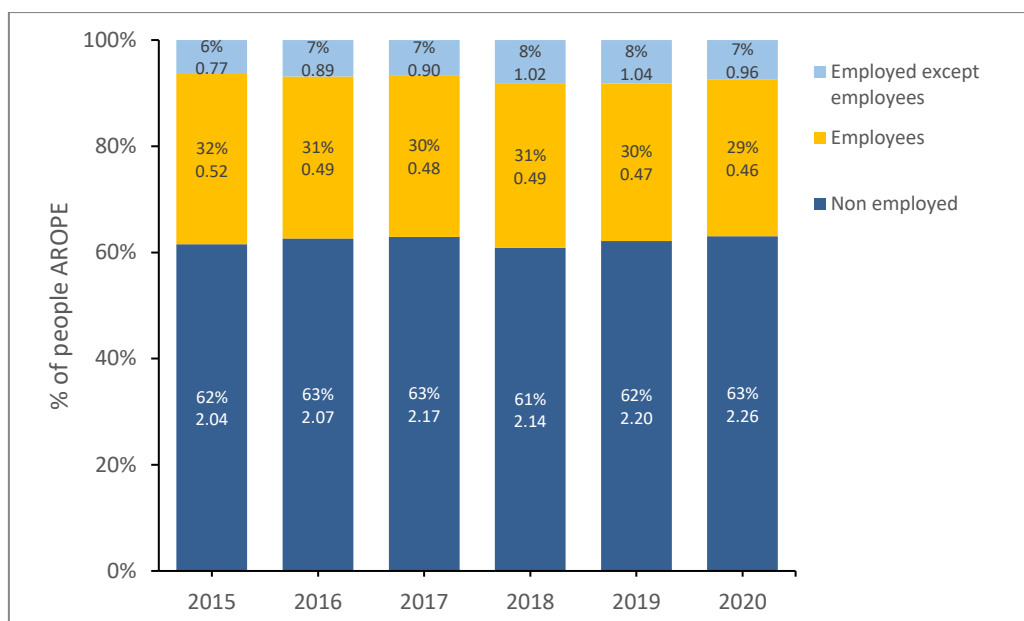


In 2020, 14.1 % of people aged 65+ had a household disposable income of below 60% of the median (AROP). Compared to the total population this were slightly more in this age – group (+0.2%).

The share of total population at risk of poverty or social exclusion (AROPE) in the age group 65 – 74 was about 3.4 % less than in the total population and stood at 14.1 %.

In the age group of 65+ 1.2 % faced severe and material deprivation, whereas in the total population it were about 3 %.

Figure 3. *Division of people aged 18-64 at risk of poverty or social exclusion by most frequent economic activity status, Austria, 2015-2020 (%)*

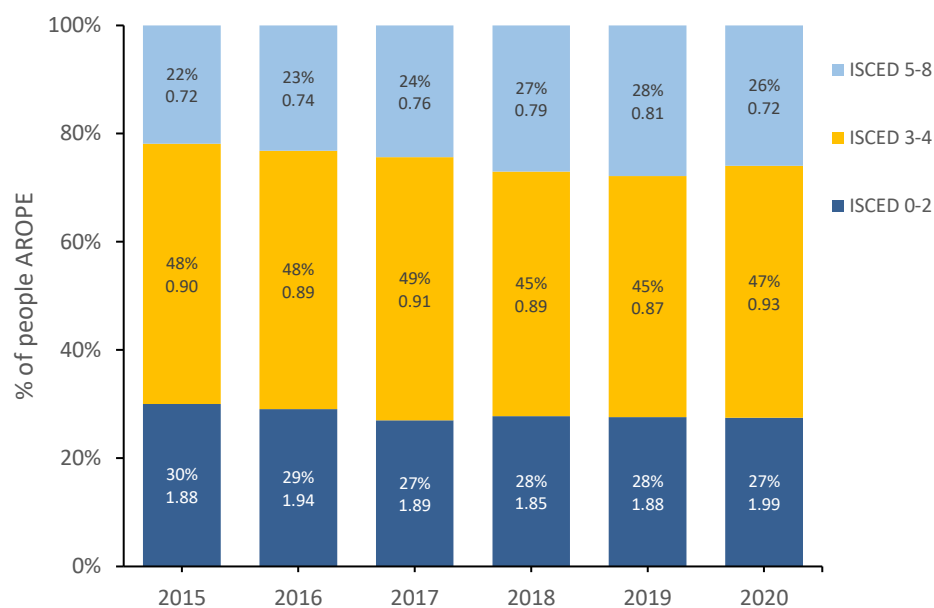


Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk. Source: Eurostat EU-SILC indicators [ilc_peps02n] and [ilc_lvhl02], own calculation. Data downloaded on 14/02/2022.

People aged 18-64 not in work are considerably more likely than those in employment to be at risk of poverty or social exclusion, making up 63% of the total at risk in 2020. The likelihood increased over the period 2015-2020, offsetting the reduction in the numbers out of work.

Among those in employment, the self-employed are far more likely than employees to be at risk, the likelihood also tending to increase over the 2015-2020 period, though their relatively small numbers mean that they accounted for only 7% of the total at risk in 2020.

Figure 4. *Division of people aged 18-64 at risk of poverty or social exclusion by education level, Austria, 2015-2020 (%)*

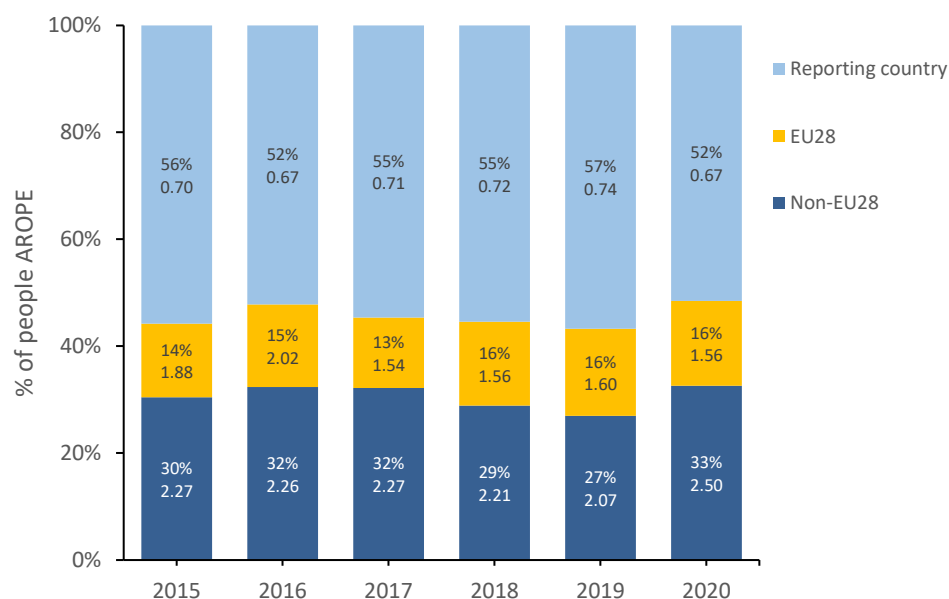


Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk. Source: Eurostat EU-SILC indicators [ilc_peps04n] and [ilc_lvps04], own calculation. Data downloaded on 14/02/2022.

People aged 18-64 with only basic schooling (ISCED 0-2) are much more likely to be at risk of poverty or social exclusion than those with higher education levels, though because of their relatively small numbers, they made up only just over a quarter (27%) of the total at risk in 2020.

People in this age group with tertiary education (ISCED 5-8) are the least likely to be at risk of poverty or social exclusion, but they still made up 26% of the total at risk in 2020, only marginally less than those with low education.

Figure 5. *Division of people aged 18-64 at risk of poverty or social exclusion by country of birth, Austria, 2015-2020 (%)*

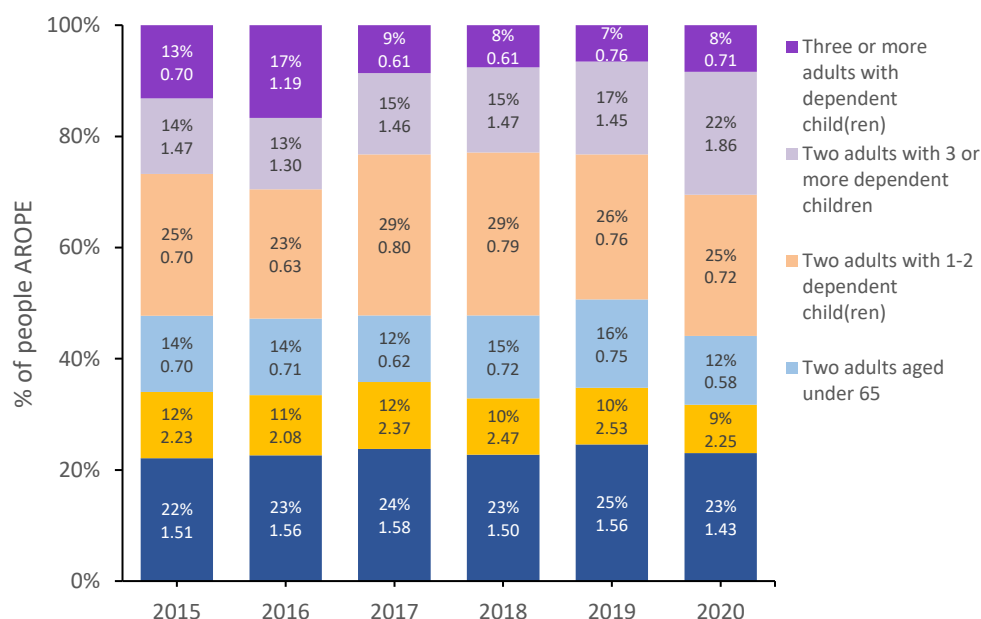


Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk. Source: Eurostat EU-SILC indicators [ilc_peps06n] (Data downloaded on 14/02/2022) and EU-SILC microdata, own calculation.

People aged 18-64 born outside the EU are substantially more likely to be at risk of poverty or social exclusion than those born in Austria, these making up a third (33%) of the total at risk in 2020.

People in the same age group born in another EU country are also much more likely to be at risk than those born in Austria, accounting for 16% of the total at risk, meaning that those born outside Austria accounted for almost half of the total at risk.

Figure 6. Division of people at risk of poverty or social exclusion by household type, Austria, 2015-2020 (%)



Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.

Note that the chart does not include all household types. In particular, it excludes those aged under 65 living in a household with three or more adults without children, who are difficult to distinguish in the published data.

Source: Eurostat EU-SILC indicators [ilc_peps03n] and [ilc_lvps02], own calculation. Data downloaded on 14/02/2022.

People aged under 65 living alone are more likely to be at risk of poverty or social exclusion than others. This is even more the case for those living alone with children, the two groups together making up almost a third of the total at risk in 2020, though because of their relatively small numbers those with children accounted for only 9% of the total.

Couples with 1-2 children had only a slightly higher risk of poverty or social exclusion than those aged under 65 without children in 2020, though because of their numbers, they made up a quarter of the total at risk.

Couples with 3 or more children, by contrast, were far more likely to be at risk, making up 22% of the total at risk.

Table 4. *At risk of poverty rate before and after social transfers, excluding old age benefits, for those aged 0-64, Austria, 2015-2020*

	Before social transfers, excl. old-age benefits (%)	After social transfers (%)	Effect of social transfers on atrop rate (%-point change)
2015	27.8	14.1	-13.7
2016	28.7	14.3	-14.4
2017	27.1	14.8	-12.3
2018	27.0	14.4	-12.6
2019	28.2	13.2	-15.0
2020	25.2	13.9	-11.3

Source: Eurostat EU-SILC indicators [ilc_li02] and [ilc_li10]. Data downloaded on 14/02/2022.

Social transfers had the effect of reducing the at-risk-of-poverty (atrop) rate by 11 percentage points in 2020, cutting the number at risk by 45%. This is slightly less than in any of the preceding 5 years, when in most cases the reduction was around half.

Table 5. *At risk of poverty rate and persistent at risk of poverty rate for those aged 18-64, Austria, 2015-2020*

	At risk of poverty rate (%)	Persistent at risk of poverty rate (%)	Persistent rate as % of annual rate
2015	13.0	7.3	56.2
2016	13.6	6.7	49.3
2017	13.5	8.6	63.7
2018	13.0	9.5	73.1
2019	12.8	7.7	60.2
2020	12.7	7.2	56.7

Source: Eurostat EU-SILC indicators [ilc_li02] and [ilc_li21]. Data downloaded on 14/02/2022.

57% of the people of working age (18-64) at risk of poverty in 2020 were at persistent risk, i.e. they were consistently at risk for a number of years rather than being at risk for only one year, or temporarily. This is slightly below the average of the preceding 5 years.

Table 6. Table 6: Equalisation supplement/boni – variable values for the year 2022

Adjustment of the reference values in accordance with § 759 Abs. 5 ASVG ¹⁾		1.030
Pensioners resident in Austria are entitled to an equalisation supplement		
	increase compared to the year before	Reference value
for single pensioners (applies also for widows/widower):	+ 3.0%	€ 1030.49
for pensioners, living with spouse ²⁾ in the same household:	+ 3.0%	€ 1625.71
Increase for each child, whose net income does not reach 355,54 €:	+ 3.0%	€ 159.00
I AZ-/Pension bonus indicating at least 360 contribution month (compulsory insurance) ¹⁾		€ 1141.83
<i>maximum amount of Bonus I</i>		€ 155.36
II AZ-/Pension bonus indication of min. 480 contribution months ¹⁾		€ 1364.11
<i>maximum amount of the Bonus II</i>		€ 396.21
III AZ-/Pension bonus for pensioners, living together with spouse ²⁾ in the same household, indicating of at least 480 contribution months (compulsory insurance) ¹⁾		€ 1841.29
<i>maximum amount of the Bonus III</i>		€ 395.78
Reference value for orphans pensioners		
a) until the 24th years of life	+ 3.0%	€ 379.02
in case of both parents died	+ 3.0%	€ 569.11
b) after reaching the 24th birthday	+ 3.0%	€ 673.53
in case both parents died	+ 3.0%	€ 1030.49
BGBl. II No. 590/2021 of 27th December 2021 (valorisation and		

adjustment for 2022)

1) BGBl. I No. 210/2021 of 13th December 2021 (PAG 2022)
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2) this also applies to same sex-couples living together within a registered partnership
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