

Belmod

**The non-take-up of social assistance in Belgium:
policy proposals**
Final Report BELMOD Project

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ABBREVIATIONS

BAPN	Belgian Anti-Poverty Network
CBSS	Crossroads Bank for Social Security
CIS	Customer Information System
DG HAN	Directorate-General for Persons with Disabilities
DREES	La direction de la Recherche, des Études, de l'Évaluation et des Statistiques
DWH LM & SP	Data warehouse Labour Market and Social Protection
DWP	Department for Work & Pensions
ERFS	Enquête revenus fiscaux et sociaux
EU-SILC	EU-Statistics on Income and Living Conditions
FPB	Federal Planning Bureau
FRS	Family Resources Survey
GIB	Guaranteed income for the elderly
HB	Housing Benefit for Pensioners
HMRC	Her Majesty's Revenue and Customs
IGO	Income guarantee for the elderly
INSEE	Institut National de la Statistique et des Études Économiques
IPCAL	Impôt des personnes physiques calculé
IT	Integration allowance
IVT	Income replacement allowance
JRC	Joint Research Centre
KI	Cadastral income
NRNB	Non-receiving non-beneficiaries
NRB	Non-receiving beneficiaries
NTU	Non-take up
RB	Receiving beneficiaries
PA	Prime d'activité
PC	Pension Credit
PSM	Policy Simulation Model
QSE	Quarterly Statistical Enquiry
NIHDI	National Institute for Health and Disability Insurance
RSA	Revenu de Solidarité Active
The Service	Combat Poverty, Insecurity and Social Exclusion Service
SFPD	Federal Pension Service
SHBE	Single Housing Benefit Extract
THAB	Allowance for Assistance for Elderly People
VT	Increased reimbursement
WPLS	Work and Pensions Longitudinal Study

1 INTRODUCTION

The BELMOD project was launched in 2019, with funding from the European Commission's Easi programme, and coordinated by the FPS Social Security. The formal partners were the University of Antwerp and the University of Essex, but there were collaborations with various institutions: the KULeuven, the Federal Planning Bureau (FPB), the National Institute for Health and Disability Insurance (NIHDI), the Federal Pension Service (SFPD), the Combat Poverty, Insecurity and Social Exclusion Service (the Service) and the Belgian Anti-Poverty Network (BAPN).

Now that the project is coming to a close in June 2022, we can state that the two main objectives have been achieved:

1. We have developed a new microsimulation model, the BELMOD model. To this end, the previous simulation model of the FPS Social Security (MIMOSIS), has been transformed into a modern simulation tool. This new tool is based on the European microsimulation model EUROMOD, which makes it possible to simulate changes in both social assistance and social security, and runs on administrative data for a very large sample of the Belgian population (see Annex 1 for more details).
2. We used this model to examine the impact of a number of measures aimed at reducing the non-take-up (NTU) of the social assistance in Belgium. Among other things, we simulated a harmonisation of the own home exemption and of maintenance allowance received in the means tests for the following benefits and allowances: the income support, the income guarantee for the elderly (IGO), the income replacement allowance (IVT) and integration allowance (IT) for persons with disabilities, the increased reimbursement (VT) for health expenses and the allowance from the social heating fund.

In this report, we present the results concerning non-take-up (objective 2). We describe the reasons for non-take-up, especially from the perspective of what the role of a public administration can be in improving the take-up of social assistance (part 2). We list the most important policy measures with, where possible, the results of the simulations. We show the budgetary impact of a possible policy change, the changes in the profile of the target group and the impact on the poverty risk (part 3). Finally, we give the floor to the stakeholders (part 4) and summarise the main conclusions (part 5).

Part 4 of this report presents the outcome of various consultations with highly diverse stakeholders in Belgian poverty policy. This stakeholder consultation was organised by the Combat Poverty, Insecurity and Social Exclusion Service. The stakeholder consultation played an important role in the selection of the simulated measures and provided valuable, high quality information on the pre-conditions that need to be met in order to make further

automation of entitlements or harmonisation of regulations successful. The Service and BAPN summarise the main conclusions from the stakeholder consultation in Part 4.

Part 4 illustrates a key strength of the BELMOD project: it is the result of intense collaboration between a wide range of institutions. There was collaboration both across the boundaries of different government administrations, and between government administrations and academia, between government administrations and consultative organisations, and between government administrations and the BAPN. The FPS Social Security would therefore like to expressly thank all its partners in this project for the pleasant and valuable collaboration.

Finally, we would like to emphasise that this collaboration does not have to stop with the end of the European funding of the BELMOD project. Building further on the collaborations that have been put in place, we hope that the BELMOD microsimulation model can continue to provide a significant impetus for the further development of a data-driven Belgian social protection system.

2 REASONS FOR NON-TAKE-UP

Reasons for non-take-up are examined from different scientific perspectives, each with its own focus. It is therefore difficult to interpret non-take-up in a single causal framework. Below, we concisely highlight a number of perspectives, in turn. We start with one of the oldest and most popular theoretical frameworks developed in the 1980s, the rational choice model. We then discuss more recent research within behavioural economics, and the counter-arguments developed from this perspective against the rational choice model. Finally, we address the role of regulation and implementation.

2.1 Rational considerations

The rational choice model falls within traditional economics. In this model, individuals are deemed to be perfectly rational and utility-maximising actors who make choices based on an informed cost-benefit analysis. Non-take-up is therefore seen as the result of a rational and conscious consideration at the level of the person in need, in which the costs of taking up an entitlement are estimated to be higher than the benefits.

Assessing the benefits or utility of applying to receive a social entitlement depends on the needs of the individual and the extent to which the entitlement meets those needs. When it comes to social assistance, these needs depend on income, debt, health, etc., but also the stability of these factors. As such, within the rational choice model, the focus is primarily on the economic or financial benefits of taking up or not taking up an entitlement, which includes both the benefit itself, but also the duration of the entitlement and the benefits derived from

it such as, for example, social fares for public transport (Hernanz, Malherbet, & Pellizzari, 2004).

The cost of applying or not applying for an entitlement is commonly classified into three categories:

- **Information costs** are the expected or experienced time and effort required to gather information about the existence of government benefits, eligibility criteria, the application procedure, and the potential consequences of applying.
- **Process or application costs** refer to the expected and experienced time, money, and energy required by the application procedure. This includes, for example, the costs associated with travel, filling out forms, waiting times, etc. Here, applicants may encounter physical and/or administrative barriers.
- The **psychological and social costs** relate to stigma, which may stem from negative social attitudes of peers, caregivers, policymakers, or the general public opinion (Baumberg, 2016).

2.2 Behavioural barriers

The idea that the non-take-up of social entitlements would be the result of a perfectly rational consideration has been strongly criticised in recent decades from the psychology and behavioural sciences. Research in behavioural economics has shown that behavioural barriers prevent individuals from always making the most optimal decisions. In the context of NTU, this manifests itself not only in the choice of individuals to apply for an entitlement or not, but also in the development of policy by policy makers (e.g. George, Walker, & Monster, 2020). People use rules of thumb (heuristics) and make predictable errors (cognitive biases) when making decisions, what Ariely and Jones (2008) call "predictable irrationality". In addition, it appears that these behavioural constraints are more pronounced among people in precarious situations, which is precisely the target group that needs social assistance (Mani, Mullainathan, & Shafir, 2013).

Some of the behavioural barriers that can lead to the non-take-up of social entitlements are, according to Baicker, Congdon, and Mullainathan (2012):

- **Choice overload & complexity:** the more choices there are, the more difficult it is to make a decision, which can result in procrastination or even avoidance. This points to the importance of **simplifying** benefit systems to increase uptake.
- **Limited understanding of the costs and benefits of entitlements:** this constraint leans toward the information costs from the rational choice model, but focuses more on the clarity and ease of understanding of the information. As such, to increase the take-up

of social entitlements, it is not only important to make information available, but also to pay attention to how the information is presented.

- **Misconceptions about the risks:** here heuristics and cognitive biases play a major role. For example, people give more weight to more recent events than to events from further in the past (i.e., availability heuristics) (Thaler & Sunstein, 2008) and often overestimate low probabilities and underestimate high probabilities (Kahneman & Tversky, 1979). These biases mean that risks are misjudged, and the most optimal choice is not always made.

Even if people decide to take up an entitlement, they may still refrain from actually applying for it for a number of reasons (Baicker et al., 2012). The behavioural sciences highlight barriers such as present bias, hassle costs, loss aversion and status quo bias. These barriers often prevent people taking the step of actually applying.

To reduce the non-take-up of social entitlements, policymakers or government bodies need to be aware of these behavioural barriers and cognitive biases, and respond to them when making new policies or policy reforms. Automatic allocation, guidance on the application process or simplifying the procedure can reduce the hassle costs and increase take-up.

Government administrations should also be aware of the importance of nudging. Nudging refers to strategies designed to 'nudge' people's choice behaviour in a desired direction without forbidding any options or significantly changing their economic incentives (Thaler & Sunstein, 2008). One example of a nudging technique that can be used to encourage take-up of social entitlements is framing, i.e. formulating or choosing words and images in such a way that certain aspects are highlighted, which can also play on cognitive biases (e.g. Farrell, Smith, Reardon, & Obara, 2016; Hossain & List, 2012). For example, in a no-show study by the FPS Social Security (see section 3.5.2), the sentence (freely translated) "It is **important that you are present** at the stipulated appointment with doctor [name of doctor]" was added to the invitation to the medical evaluation, to emphasise that attendance is necessary in order to go any further with the application (Versavel & Kouwenhoven, 2020).

2.3 Secondary and tertiary NTU: the role of regulation and implementation

Another criticism of the rational choice model is the prevalence of secondary and tertiary NTU. The rational choice model only focuses on primary NTU, which simply means that potential beneficiaries (knowingly or unknowingly) do not claim their entitlement. But NTU is not just the result of the individual choice behaviour of the person applying for assistance. As such, Van Oorschot (1996) also refers to secondary and tertiary NTU.

Secondary non-take-up refers to the impact of the government administrations responsible for implementing an entitlement. This impact can be both direct, as administrations make

mistakes in the application procedure (e.g., when decisions are made based on biased information), with the result that the applicant is unjustly rejected, and indirect (e.g., when the practical organisation of an application is a stumbling block for the person applying for assistance) (Van Oorschot, 1996). The literature also often points to the dual role that government administrations tend to play (Van Oorschot & Roosma, 2015). They must simultaneously ensure that the assistance is effectively provided to those who are entitled to it, and guard against non-entitled persons still attempting to claim it. This creates a trade-off between the rigour of the application procedure and full take-up of the social entitlements (Kleven & Kopczuk, 2011).

Much more than the strictly rational approach, focused on the person applying for assistance, this perspective prompts reflection in terms of policy solutions on the government administration side. Important factors on the administration side are the number of applications for assistance per assistance provider or case manager (the caseload), their training and remuneration, and the opportunities for collaboration with other agencies providing assistance (Hahn, 2015; Van Oorschot, 1994). Indeed, these factors have an impact on the quality of guidance that persons applying for assistance receive. This guidance partly determines the information and process costs on the side of the person applying for assistance, but also reduces the risk of errors on the side of the case manager. Administrations can also counter the non-take-up of assistance by simplifying the application procedure and offering tailored information. In both cases, there needs to be a focus on using appropriate nudging techniques, such as framing or adjusting the default option (e.g., automatic allocation), in order to lower the information and application costs for the person applying for assistance (Bertrand, Mullainathan, & Shafir, 2006; Madrian & Shea, 2001).

Tertiary non-take-up refers to the situation where vulnerable people are not entitled to social services because they do not meet the conditions, for example having an address or showing willingness to work (Van Oorschot, 1996). Tertiary NTU therefore refers to the effectiveness or fairness of the dividing line of who is entitled to assistance and who is not. In the strict sense, tertiary NTU is not NTU, given that tertiary NTU refers to persons who are formally excluded from certain social entitlements, while NTU refers to non-take-up by entitled persons. But it is a concept that policymakers should be aware of when determining the access conditions to assistance, as the tertiary NTU may explain why this assistance does not adequately manage to tackle poverty. Tertiary NTU points to the need for changes in regulation.

Besides defining who is entitled to assistance and who not, there are other elements in the regulations that determine the degree of non-take-up. For example, it appears that benefits in cash have a higher take-up than benefits in kind, which is partly explained by the flexibility of benefits in cash. Benefits in cash, as opposed to benefits in kind, may be spent on needs

that individuals perceive as more urgent than the needs for which the benefits are intended (GAO, 2005).

Another element in the regulations is that assistance can be universal (for everyone), categorical (for specific population groups, e.g., those over 65 or single parents) or selective. With selective social assistance, access conditions are applied, e.g., the level of means of subsistence or willingness to work. By definition, the information and application costs here are higher than for universal benefit systems. NTU will therefore be higher in selective systems, but also depends greatly on the simplicity and transparency of the legislation and/or application procedure (Baker, 2010; Deacon & Bradshaw, 1983; Van Oorschot, 2002; Van Oorschot & Kolkhuis, 1989). Simplicity and transparency not only reduce the information cost for persons in need, but also facilitate the work of the implementing administrations, reducing the likelihood of errors and secondary NTU. By way of example, Van Oorschot (1994) has shown that assistance systems in which the means test is based on a commonly used income concept (e.g., taxable income) are less prone to administrative errors than more specific income concepts (e.g., actual monthly income). Psychosocial costs also play a role in selective systems, given that the strict distinction between those in need and those not in need can create stigma (Holford, 2015). A categorical system, whereby services are provided based on easily observable socio-demographic characteristics, can reduce the complexity of application procedures, thereby increasing take-up. The downside of a categorical system is that vulnerable groups do not always converge with categorical characteristics, leading to tertiary NTU.

The regulations not only determine the nature of the assistance (in cash versus in-kind, universal versus selective), they also determine the scope of the assistance. The scope of the assistance refers to the amount, duration and any waiting period. When people estimate the impact of assistance on their current living conditions to be relatively small, non-take-up is more likely (Hernanz et al., 2004).

Finally, a good balance needs to be found between the unambiguity with which the regulator defines the law and leeway for the professional judgment of the assistance provider. Too much power of discretion for the assistance provider leads to more uncertainty regarding the outcome of an application, and can have a negative impact on the take-up of social services (Behrendt, 2002).

As such, regulations and administrations play a crucial role in countering non-take-up. Their task is to minimise the information, process, and psychosocial costs, and remove behavioural barriers, taking into account possible cognitive biases, both on the part of the person applying for assistance, and of the administrators or policymakers themselves. In the next section, we discuss some of the policy measures that can be taken in this context. Among other things, we call for further automation, and specifically more proactive identification, simplification of

legislation and the application procedures, with a specific focus on nudging techniques taken from the behavioural sciences.

3 POLICY SOLUTIONS

The reasons for non-take-up are complex and are situated at different levels: at the level of the person in need, the administration, and the regulation. This complexity of reasons therefore means that non-take-up cannot be solved with one all-encompassing policy measure, but that solutions need to be explored from different angles. The previous section already highlighted the importance of further automation and simplification of the allocation of assistance, in order to reduce information and application costs for persons in need, and reduce the potential for errors within administrations. Moreover, these two solutions can be mutually reinforcing: administrative simplification facilitates automation. Indeed, a highly complex application procedure is also much more difficult to automate. In sections 3.1-3.4, we will explore the potential for further automation and simplification in more detail, with section 3.3 focusing on an important pre-condition for further automation: having accessible and quality data.

Section 3.5 then emphasises the importance of clear and straightforward communication and the use of nudging in providing assistance, and the education and sensitisation of social workers, assistance providers and citizens. To improve the take-up of entitlements, it is important to have a good insight into how small changes can determine people's behaviour.

Finally, in section 3.6, we explore the possibility of setting up a tool for monitoring NTU in Belgium. In the United Kingdom, there is a long tradition of measuring trends in NTU. Both the extent of take-up in the various assistance schemes, and the profile of the NTU population, are regularly brought into focus there. This has shown, for example, significant differences in non-take-up between assistance schemes. Roughly 9 out of 10 persons entitled to Income Support and Employment and Support Allowance actually take up the benefit, while for Pension Credit, the ratio is only 6 out of 10 persons¹. Section 3.6 describes the British instrument, as well as recent French research into a similar measurement method. We will then examine the possibilities of setting up such a monitoring tool in Belgium as well.

¹ [Income-related benefits: estimates of take-up: financial year 2018 to 2019 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2018-to-2019)

3.1 Proactive allocation

3.1.1 What is proactive allocation?

In this report, we distinguish between proactive allocation and proactive identification. These are two different types of automation. On the topic of automation, the narrow definition is often assumed to be the automatic opening of an entitlement, or what we call proactive allocation in this report.

With a proactive allocation of an entitlement, the competent government body will examine whether or not a person is eligible for a given entitlement, without prior request from the potential beneficiary and without requiring the latter to take any steps (e.g., submit supporting documents). Following the examination, the entitlement is either granted or not granted to the entitled person. This form of automation assumes that the government body has all the necessary data to test the access conditions, often through electronic data flows.

3.1.2 The buffer database

The construction of the so-called buffer database has given a considerable impetus to the proactive allocation of social benefits in Belgium, at least of derived entitlements. The buffer database - managed by the CBSS - temporarily stores a number of key data from about 10 institutions, including: the Federal Pensions Service, the PPS Social Integration, the FPS Social Security, the health insurance funds and regional services such as Opgroeien and IRISCARE. On the basis of the buffer database, it is possible to find out who, among other things, is entitled to the income guarantee for the elderly, guaranteed income for the elderly (GIB), the income support, the income replacement allowance, the allowance for help to the elderly (THAB) and the increased reimbursement. The data is updated every quarter. In particular, this database makes the fully automatic and proactive allocation of so-called derived entitlements possible, which are social benefits that depend on the right to another social entitlement. Thanks to the buffer database, the allocation of the social tariff for gas and electricity is almost entirely automated, and partly also the increased reimbursement (if it is a derived right). Provincial and local governments can also use the buffer database. For example, the reduction in the provincial tax for a number of social statutes in East Flanders is granted proactively.

Social tariff for gas and electricity

The social tariff, a measure to keep natural gas and electricity bills affordable for precarious households, is automatically allocated based on data from the buffer database. The FPS Economy, which is responsible for allocating this social tariff, sends a quarterly customer list based on these data to gas and electricity suppliers, to whom they need to charge the social

tariff. In limited cases, it is not possible to automatically apply or renew the social tariff. In such cases, the entitled person still needs to take steps on their own (PPS Social Integration, 2017). We will return to this in section 3.3.

Increased reimbursement

Individuals who are entitled to an increased reimbursement (VT in Dutch) pay less in personal contribution for health care expenses (see National Institute for Health and Disability Insurance [NIHDI] (2017) for more info). For a number of individuals, the VT is a derived right. For example, individuals with an IGO (income guarantee for the elderly) or disability allowance are, by definition, entitled to a VT. Beneficiaries of an income support are also entitled to VT if they have been receiving an income support for three consecutive months, are affiliated with an insurance institution and have paid sufficient contributions. Thanks to various data flows, this allocation is fully automatic.

Other

In addition, there are other entitlements that are proactively allocated (e.g. without using the buffer database), such as the maximum bill, the lump sum for the chronically ill, etc.

3.1.3 Extension possibilities?

Besides the current use of the buffer database, there are opportunities to extend the proactive allocation of entitlements. For example, criteria other than entitlement to welfare benefits could be included for the identification of vulnerable groups. Persons in collective debt settlement are an example of a precarious group that could benefit from an extension of derived rights, as well as the long-term unemployed or disabled. Information on (long-term) unemployment and disability is already available through electronic data flows and could therefore be incorporated into the buffer database relatively easily. Other criteria such as the statuses of orphans and unaccompanied minors pose a bigger challenge, given that paper certificates are used, but can also contribute to extending the proactive allocation of entitlements. We therefore call for the further electronic unlocking of data, which can also contribute to opportunities for proactive identification where allocation is not possible.

Because proactive allocation is mainly suitable for the allocation of derived rights, the possibilities for expansion are limited. Therefore, other forms of automation, such as proactive identification (see Section 3.2), should also be used. The Combat Poverty, Insecurity and Social Exclusion Service (2013) distinguishes two other forms of automation in addition to proactive allocation and proactive identification: updating and administrative simplification. With updating, changes in the income or family situation of an entitled person, which is already known to the competent government service, will be automatically examined to determine

whether or not an extension of the entitlement can be granted. Administrative simplification refers to the various possibilities for making application procedures more simple, and avoiding the need for citizens to repeatedly supply information that is already available. Although administrative simplification is not, strictly speaking, part of automation, it is still important because it facilitates the procedure for an application for both citizens and the administration. Thus, an attempt is being made to reduce the number of supporting documents required to the necessary minimum. For example, it is unnecessary to ask the family composition of someone who is already known to be a single unemployed person.

Another form of automation is being studied by the Centre for Sociological Research of the KULeuven². Based on data fluxes from the CBSS, a decision advice for social workers is automatically generated regarding eligibility for the income support. It is then within the professional autonomy of the social worker whether or not to follow this advice. How promising this route is still to be seen in the final results of an exploratory study in 12 Flemish cities.

A final note on proactive allocation: In the elaboration of automation, attention should be paid to a reversed logic whereby the availability of data determines the allocation criteria and whereby the social right does not (fully) reach the original target group (Eurofound, 2015). An adjustment of the eligibility conditions can in fact lead to tertiary NTU, whereby persons in a vulnerable situation are not granted any rights and others in a similar or less vulnerable position can apply for these rights (Buysse et al., 2017, Van Oorschot, 1996). Even if this problem can be avoided and the target group is still fully reached, these adjustments must not compromise the principles of a fair means test (see sections 3.4 and 4.2.4). Proactive identification is therefore often preferable to proactive allocation.

3.2 Proactive identification

3.2.1 What is proactive identification?

Automatic or proactive identification is a less far-reaching form of automation to increase the take-up of income-replacing benefits and cost-reduction measures among vulnerable groups, thereby reducing their risk of poverty. With automatic identification, the competent public authority will take initiatives to trace the potential beneficiary and encourage him to submit an application. The group of potential beneficiaries will be estimated based on electronically available data. They may then be asked to provide missing information if they wish to take up the entitlement.

² See project proposal:

<https://www.kenniscentrumvlaamsesteden.be/overhetkenniscentrum/Documents/Jaarverslag2021/Onderzoek%20naar%20gebruikersprofielen%20in%20kader%20van%20de%20toekenning%20van%20leefloon.pdf>

3.2.2 The proactive flux in the context of the increased reimbursement

In Belgium, proactive identification is already used in the ex officio examination for the income guarantee for the elderly (IGO) and in the context of the increased reimbursement for health care costs (VT). In 2015, "the proactive flux" was launched. This data flux ensures that low-income households are notified of their potential entitlement to an increased reimbursement. Multiple agencies are involved in the underlying data exchanges. More specifically, the health insurance funds provide the NIHDI with a list of potential beneficiaries who do not yet receive VT. Through the Crossroads Bank for Social Security (CBSS) and the FPS Finance, the NIHDI then identifies low-income households and sends these data to the health insurance funds. Based on this information, the health insurance companies advise the identified individuals to apply for VT.

An evaluation by the National Institute for Health and Disability Insurance ([NIHDI], 2018) of the proactive flux VT as organised over the period 2015-2017 shows that it has had a significant impact on the take-up of the VT. In total, as of 1 January 2018, the entitlement to VT was granted to 19.27% of the persons insured who were contacted by the health insurance funds in the context of the proactive flux.

The proactive flux has therefore clearly contributed to a higher take-up of VT, but it is not without drawbacks. The proactive flux uses data from the tax return. This means that it is based on an outdated picture of the income situation, namely from 2 years prior. Given the income instability of many low-income households, this means many families are contacted who are no longer in a precarious situation. Or conversely, it is possible that some of the entitled families will not be contacted because their low income situation is quite recent.

3.2.3 Extension possibilities: results of the BELMOD study

To address the shortcomings of the proactive flux, we explored the possibilities of developing an income concept based on more current data. These are the data that are part of the data flows managed by the CBSS (see below). The effectiveness of the income concept was tested using the microsimulation model BELMOD.

We conducted this study on a current income concept for three forms of assistance:

- the income replacement allowance and integration allowance for persons with disabilities;
- the income guarantee for the elderly;
- the increased reimbursement.

For the VT, it was investigated whether the current proactive flux could be improved by a current income concept (see BELMOD report 'Identification proactive IM'). This exercise will

be further developed in collaboration with the NIHDI and the results will be included in the work of the NIHDI on further refining the proactive flux.

In the analysis and results below, we focus on the income replacement allowance (IVT in Dutch) and integration allowance (IT in Dutch). The aim of this study is to explore the possibilities of an alarm bell procedure for the income replacement allowance and integration allowance. This alarm bell procedure would allow individuals with a medical recognition for an allowance, but whose income was too high at the time of their application³, to be followed up to identify fluctuations in income using more current data than tax records. If there is a drop in income and the person with a disability would pass the means test based on the more current data, the person can then be contacted and encouraged to submit a new application.

IVT/IT: Current means test

To be eligible for the allowance for persons with disabilities, a means test is carried out, in addition to a medical examination. The means test includes the annual joint and separate taxable net income for income tax purposes of both the person with a disability and the person with whom they form a household. **This income relates to the reference year, namely the second calendar year before the application or review.**

To carry out the means test, the FPS Social Security receives electronic data flows from the tax administration (Y-2) and the National Registry, which are supplemented by the information supplied by the applicant when they submit the application (e.g., the actual composition of the household).

If no data is available in the personal income tax of the applicant or the person with whom they form a household, the DG Persons with a disability (DG HAN) of the FPS Social Security takes into account the actual income for the year in question. To this end, the applicant and the person with whom they form a household are expected to provide all necessary information in a questionnaire. In this case, the cadastral income may also be partially taken into account.

If the income in the year before the application is at least 20% higher or lower than in the second year before the application (except when the change is due to a recent entry into the labour market), the FPS Social Security may request the tax return for the year before the application. The applicant must notify the FPS Social Security of any changes in their income sources.

³ This is a relatively large group: a rejection of an application (new or a review) is caused by too high an income in 46.0% of cases. For example, 16,576 individuals with disabilities received a negative decision in 2019 because their income was above the limit.

IVT/IT: Current income concept

We are looking for a process to proactively identify persons with disabilities with significant fluctuations in their income. The current income concept that we are examining here is the sum of various income elements that are recorded relatively quickly for administrative purposes and that can be used without any additional administrative burden on the citizen. These are the following income elements:

- Wages and salaries
- Annual holiday pay
- Income from self-employment (net of operating expenses, charges and losses)
- Benefits from the NEO
- Sickness and disability benefits
- Benefits related to an accident at work, an accident on the way to work, or an occupational disease
- Pensions
- Social assistance benefits (including for the elderly)
- Overseas social security benefits
- For IGO: Income from immovable property (cadastral income)

Most of these data are part of the data flows managed by the Crossroads Bank for Social Security. The main source institutions are: the National Register, the National Social Security Office, the National Institute for the Social Security of the Self-Employed, the National Employment Office, the Federal Pension Service, the National Intermutual College, the Federal Agency for Occupational Risks, the FPS Social Security, the PPS Social Integration, the FPS Finance, and the agencies for the payment of child benefits.

In most cases, these are gross incomes, i.e., without deduction of social security contributions and withholding taxes. In terms of how up-to-date the above income elements are, it varies from 3 months to 12 months. An important exception is professional income from self-employment. Currently, these data are known with a delay of 24 to 36 months.

Another important limitation of the current income concept is that administrative data (both the national register and tax returns) do not provide an accurate picture of actual family composition. For example, data from the national register are based on the official address and only reflect the relationship of family members to the reference person.

IVT/IT: Simulations

The aim of these simulations is to answer the following question: can we use current administrative income data to proactively identify fluctuations in income among individuals with a medical recognition IVT/IT, and then encourage these individuals to submit a new

application? The focus is on individuals who already have medical recognition for an allowance, as a medical recognition cannot be simulated.

The BELMOD model was used for the microsimulations. The dataset used contains pseudonymized 2015 (income) data for a random sample of approximately 335,000 households and comes from the Data Warehouse Labour Market and Social Protection (DWH LM & SP) of the CBSS, tax returns and the register of assets.

As mentioned above, in most cases the tax return from two years prior to the application is used to grant the IVT and/or IT. For each variable in the tax data (also called IPCAL codes) used by the FPS Social Security to determine whether someone is entitled to IVT or IT, an alternative, more current, variable was selected from the DWH LM & SP. A summary of the tax data and selected alternatives can be found in BELMOD Report 'Identification proactive ARR et AI' on the [website](#).

However, not every IPCAL code has an alternative. For example, no current administrative data is available on moveable assets, maintenance allowances, or deductible expenditures. Current administrative data mainly contain information on employment and replacement income, but even this information is not always complete. As a result, the current income concept will always be an underestimate of the income taken into account in the means test.

IVT/IT: Results

Figure 1 shows the number of actual IVT and/or IT recipients (i.e., some 186,700 beneficiaries) and the number of those identified based on the 2015 current income concept. In total, the current data allows us to proactively identify approximately 167,400 individuals with a recognised disability, i.e., their estimated income is below the income limits for IVT or IT.

The available administrative data we used provide around 25,400 potential beneficiaries, in addition to the +/- 142,000 identified actual beneficiaries. This means that around 25,400 individuals with a recognised disability would be contacted, to encourage them to submit a new application or to refer them to their health insurance fund or Public Centre for Social Welfare (PCSW) to further investigate whether a new application would actually have a positive outcome. This identification results in a potentially large workload for the government agencies, but, more importantly, may also result in higher take-up of IVT and/or IT.

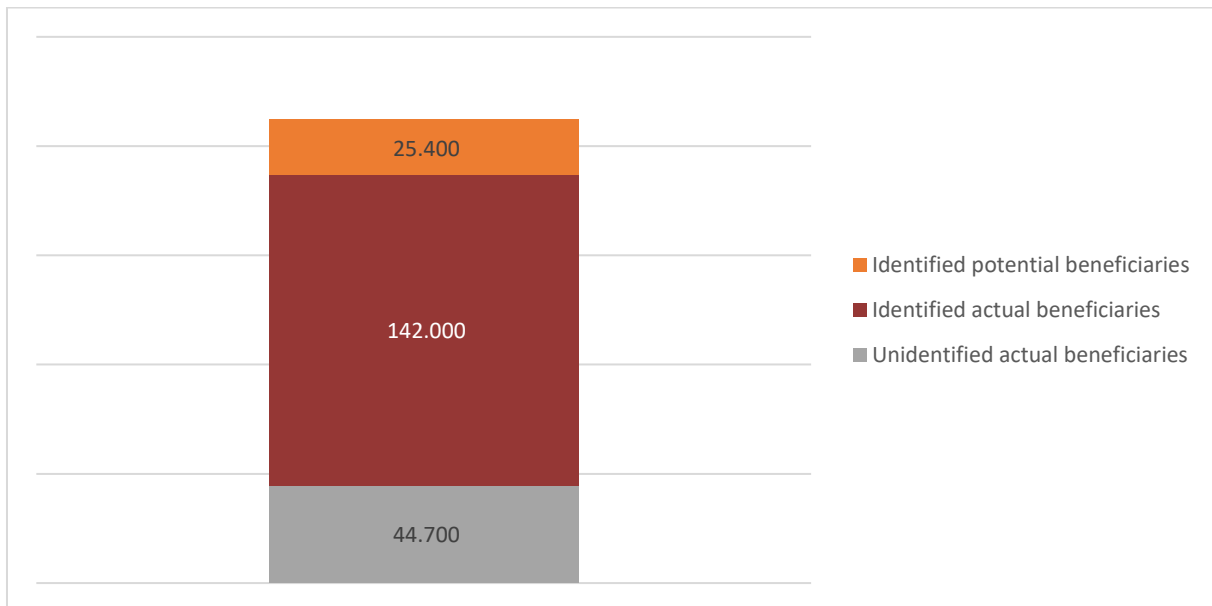


Figure 1. Rounded-off number of actual, potential, and not-identified beneficiaries (IVT and/or IT), using current incomes

An important side note here is that we do not identify around 44,700 actual beneficiaries, or 23.9% of all actual beneficiaries, with the current income concept.

An important explanation for why current data flows cannot perfectly estimate the number of potential beneficiaries is that there is less data available to reconstruct the current income than to reconstruct the taxable income based on tax returns. BELMOD Report 'Identification proactive ARR et AI' provides a complete overview of the gaps in current data flows, including information to verify residency requirements, actual family composition, etc. These gaps in the available information mean that not all individuals identified with the current income concept as potentially eligible are also actually entitled to IVT and/or IT. This also means that the current data flows are not particularly suitable for a fully automatic allocation of allowances for persons with a disability.

Finally, it also implies that a current income concept does not allow for the identification of all potential beneficiaries and that proactive identification using current incomes may not be the only measure to increase take-up. There is still a need for accompanying measures, such as simplifying legislation, clear communication, etc. In short, the measures proposed in the other sections of this report.

IGO: Results

We conducted a similar exercise to see if a current income concept can be used to proactively identify persons entitled to an income guarantee for the elderly (see BELMOD Report 'Identification proactive GRAPA'). As shown in Figure 2, the number of potential beneficiaries

who do not receive IGO is much higher than for IVT and IT. The high number of potential beneficiaries is due to both incompleteness of the current income concept and NTU of the IGO. Firstly, this age group is much more prone to measurement errors. This is because many elderly persons have incomes that fluctuate around the IGO amount, whereby missing incomes can cause household income to fall below the limit based on current data, while their income is above the limit according to the SFPD. Moreover, NTU plays a stronger role in the simulations for the IGO than it does for the IVT and IT. After all, the simulations for the IVT and IT were limited to persons with disabilities who already have a medical recognition, and who had therefore already found their way to the right authority.

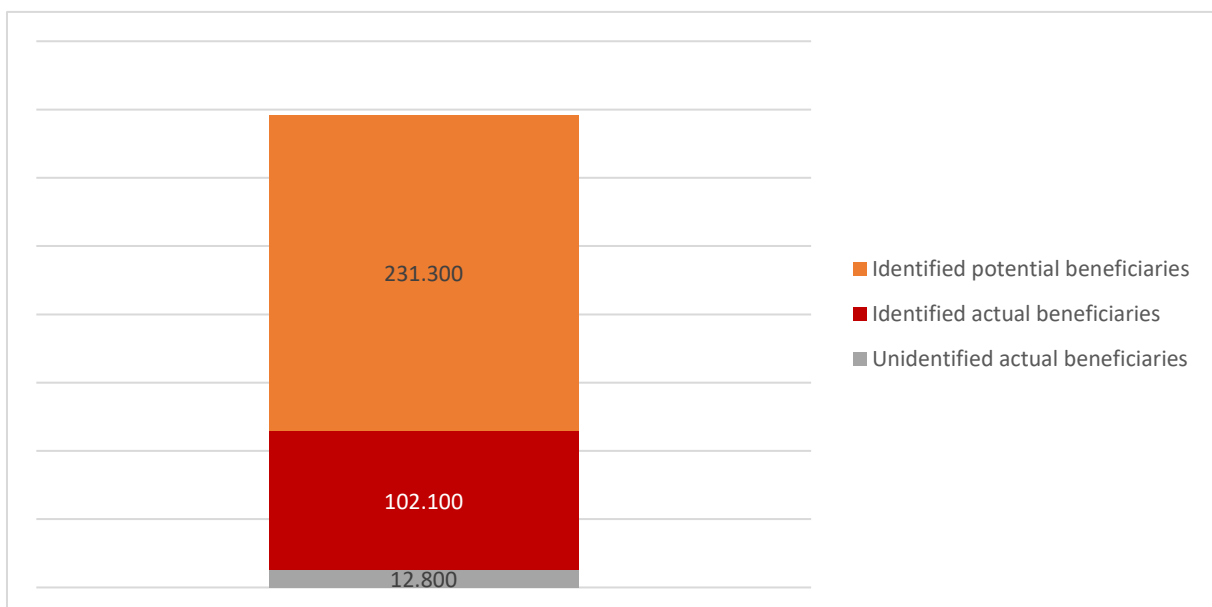


Figure 2. Rounded-off number of actual, potential, and not-identified beneficiaries (IGO), using current incomes

Conclusions

What becomes clear from this exercise is that the current data fluxes do not contain enough information to allocate assistance measures automatically on the basis of these data. This also means that proactive identification requires additional measures to reach those who are not identified on the basis of a current income concept (see also section 4.1.3).

This exercise is a first step in exploring the possibility of using a current income concept for the proactive identification of potential beneficiaries. A refinement of these results is possible, but requires an expansion of the BELMOD input dataset (planned for spring 2023). Among other things, we want to explore which income groups are most subject to fluctuations in income, or how adding information on the socio-demographic and socio-economic characteristics of the individual can make the current income concept even more targeted (e.g., gender, family composition, long-term unemployment).

To conclude, the implementation of proactive identification processes requires a thorough adaptation of the existing functioning of the relevant public administrations. It has to be examined for which current data additional data flows need to be set up, how they can be integrated into IT infrastructure, and how the identification procedure can be worked out from a technical perspective. Finally, it is crucial to have the necessary resources (time, personnel, budget) to perform the identification and devise a suitable communication strategy to contact the identified persons and process any new applications (see section 3.5).

3.3 Accessible and high-quality data

An important prerequisite for further automation is the availability of up-to-date and high-quality digital data (Observatory for Health and Well-being of Brussels Capital, 2016; Combat Poverty, Insecurity and Social Exclusion Service, 2013). In the case of proactive allocation, deficient data may lead to conflicting data and, consequently, to blockages in the allocation of the social right. In the case of social tariffs for gas and electricity, for example, there are cases where the identification data of the customer, as supplied by the gas and electricity suppliers to the FPS Economy, do not match the identification data in the national register (Buyse et al., 2017). To overcome this problem, control processes must be in place that can detect and correct errors in computerised files (Combat Poverty, Insecurity and Social Exclusion Service, 2013).

High-quality data is also an important requirement for proactively identifying entitled persons. In such cases, incomplete, inaccurate, or incorrect information results in too many citizens being contacted. Proactive identification then becomes difficult to achieve for the competent administrations due to the heavier administrative burden which, in addition, means less time available for guiding applicants. For citizens, frequent communication based on incorrect or inaccurate information could have a counterproductive effect on the take-up of entitlements.

Further improvements in automation are therefore strongly dependent on further access to or development of register data. Certain components of the means test are (partially) missing from the administrative data. In the case of income from movable assets, only the taxable and declared income are known. The information relating to immovable property assets is more complete, but not very representative due to the use of the cadastral income. Indeed, the last revision of the cadastral income was in 1980, based on data from 1975. This means that the cadastral income usually does not reflect the current average normal income of the property, unless it is an immovable property that has recently undergone substantial modifications, which, moreover, were correctly declared, so that a re-estimation of the cadastral income took place. Otherwise, for the self-employed, income data are only known with a delay of 24 to 36 months, more recent and current incomes are therefore unavailable. Finally, data on, for example, collective debt settlement are also unavailable. The disclosure of this data would

therefore offer opportunities in the fight against non-take-up, especially if this is accompanied by an expansion of the buffer database (see section 3.1.2).

That said, it remains recommended to provide parallel application procedures, in addition to proactive allocation or via a response to proactive identification, especially the option for citizens to start their own application (from scratch). Proactive systems are often characterised by a focus on only those people who are already known in the system (Eurofound, 2015) and less flexibility in taking into account difficulties in certain individual cases (Observatory for Health and Well-being of Brussels-Capital, 2016; Combat Poverty, Insecurity and Social Exclusion Service, 2013). By providing parallel application procedure, an undesirable "all-or-nothing" situation is avoided and also takes into account the importance of personal contact with individuals in a problematic situation, which is often cited by actors in the field (Combat Poverty, Insecurity and Social Exclusion Service, 2013). Social protection relies to a large extent on a tailored approach and remains a work by people, for people (FPS Social Security, 2019), it must therefore be possible to use any time savings associated with automatic allocation to reach and guide the target group (Buisse et al., 2017). Finally, under the EU General Data Protection Regulation, everyone also has the right to "not be subject to a decision based solely on automated processing".

3.4 Simplified and harmonised legislation

Most theoretical frameworks emphasise the importance of simple regulation in countering non-take-up. The rational choice model points to the information costs of individuals in need as a major reason for non-take-up. The simpler the legislation, the less time and effort individuals have to invest in collecting information about their entitlements. Moreover, recent studies from the behavioural sciences show that complexity prompts behaviours that are strongly correlated with non-take-up, such as procrastination or even decision avoidance. In addition, complexity increases the likelihood of error on the part of the agency providing assistance and thus the likelihood of secondary non-take-up. And as already stated, administrative simplification facilitates automation. In other words, there are various good reasons to invest in simplified legislation.

In the context of the BELMOD study, we primarily sought measures to harmonise the legislative framework for the different assistance schemes in Belgium. The premise is that a harmonised means test for entitlement to an income support, IGO, IVT/IT, VT, and the heating allowance (the social heating fund allowance) contributes to regulatory simplicity and improved take-up of these entitlements. As a starting point for this exercise, a comparative analysis was made of the means test linked to each of these entitlements. Summary [sheets](#) can be found on the BELMOD web page. These sheets were presented at the stakeholder consultation organised in cooperation with the Combat Poverty, Insecurity and Social

Exclusion Service and the Belgian Anti-Poverty Network (see chapter 4 for more details). At this stakeholder meeting, various concrete proposals for harmonisation were put forward, the main aim of which was to create a fairer means test. Here, we looked at how the four basic principles of a fair means test (completeness, reality, timeliness and simplicity; see fiche 1) and the applicant's interest (see chapter 4) can be reconciled in a means test and how important each principle should be.

From these proposals for harmonisation, taking into account the technical limitations of the model and time constraints, the following policy proposals were retained for further investigation⁴:

- A generalisation of the own home exemption
- A generalisation of the exemption for maintenance allowances received for dependent children
- A generalisation of regarding paid maintenance allowances as a deductible expenditure

Below we first describe the current legislation for each measure. This is followed by the content of the simulations, as well as the results.

3.4.1 Current means test

There are large differences between the social assistance systems in the comprehensiveness of the means test. This was an important finding from the preliminary study (see fiches). The least broad means tests are those based largely on gross taxable income as reported on the personal income tax return (e.g., IVT). A much broader means of subsistence concept is used for the income support. A comprehensive overview of all the means of subsistence available to the actual family has been drawn up via a social inquiry.

Between these two extremes are the means tests that are also based on a comprehensive overview of means of subsistence, but are compiled via an extensive questionnaire and a sworn statement rather than based on a social survey (e.g., IGO). The means tests differ both in the subsistence resources that are investigated or surveyed, and in the exemptions that

⁴ As such, of the many recommendations put forward during the stakeholder consultations, only a limited number were retained for simulations. During the stakeholder consultations, the need to harmonise family definitions and the way in which other family members' means of subsistence are taken into account in the means test was highlighted (see also Gilman et al, 2021). Given the limited family information in the BELMOD input dataset, it was not possible to simulate a harmonisation of family definitions. An improvement in the status, in the form of an increase in assistance benefits for cohabitants to 80% of the assistance scale for single persons was however simulated. These simulations are not reported here; they relate to an improvement rather than a harmonisation of the status.

may be applied to them⁵. Below we discuss the differences between the assistance schemes in the offsetting in the means test of owning a home, and receiving and/or paying maintenance allowances.

Immovable property: own home

Under the current assistance schemes, any owner, occupier, leaseholder, long lease owner or usufructuary of an immovable property (houses, apartments, land and so on) is assumed to earn income from immovable property, even for the property they occupy themselves (FOD Financiën, n.d.). This income from immovable property is reflected per property in the cadastral income (KI), i.e. "the average normal net income of one year." However, the income from immovable property is included or excluded in the means tests for the examined benefits and allowances, in different ways. Here we focus on income from the own home.

For the income support⁶ and the income guarantee for the elderly⁷, no distinction is made between the own home and other immovable property. As regards income from built immovable property owned in full ownership or usufruct by the applicant, three times the overall KI will be taken into account, after a partial exemption is applied.

The income taken into account for the means test of the income replacement allowance⁸ and integration allowance is the jointly and separately taxable income taken into account for the assessment of personal income tax and additional taxes for the year - 2. This does not take into account the income from immovable property assets. In the case where an applicant and the person with whom they form a household has not filed an income tax return for the year - 2, then the KI does come into play. In this case, the actual income for the year of application is determined based on data provided by the applicant. If the applicant or the person with whom they form a household owns their own home, the KI will be taken into account if it is higher than EUR 3,000.00. This amount is increased by EUR 250.00 for each dependent of the disabled person or the person with whom the disabled person forms a household.

The means test for the increased reimbursement⁹ includes the indexed KI, rent or rental value of the own home. An exemption is applied to this amount in each case, which is increased for each additional family member.

⁵ With regard to non-take-up, significant differences in means tests are considered complex and therefore undesirable. In this report, we will not elaborate on the desirability of these differences in light of the specific target group of each social assistance scheme and the related question of the extent to which it is justified to apply a different means test to a general social assistance system than to a categorical social assistance system or whether there are differences between the categorical social assistance systems themselves.

⁶ Art. 25 Royal Decree of 11 July 2002 on the general regulation of the right to social integration

⁷ Art. 35-36 Royal Decree of 23 May 2001 on the general regulation of income guarantee for the elderly

⁸ Art. 8 Royal Decree of 6 July 1987 on the income replacement allowance and the integration allowance

⁹ Art. 21 & 27 Royal Decree of 15 January 2014 on the increased insurance allowance referred to in Article 37, § 19 of the Law on compulsory insurance for medical care and benefits, coordinated on 14 July 1994

For the heating allowance¹⁰, the gross taxable income of the household is taken into account. This also takes into account the immovable property assets of the consumer and their household, but it excludes the KI of the own house.

Maintenance allowance received

Regarding the maintenance allowance received, there are also differences in the way the means tests studied deal with them. For example, for the income support¹¹, the maintenance allowance received by the entitled person for the benefit of their dependent children is exempt. With the IGO¹², maintenance allowance between ascendants and descendants is exempt. The means tests for IVT/IT¹³, VT,¹⁴ and heating allowance¹⁵ take into account taxable income, including taxable maintenance allowance.

Maintenance allowance paid

Finally, we look at where maintenance allowance paid counts as deductible expenditure. Maintenance allowance paid is usually not deducted. The only exception in this regard is IGO¹⁶ whereby maintenance allowance paid is always deducted.

3.4.2 Simulations

Immovable property: own home

During the stakeholder consultation, it was argued that immovable property income from the own home should not be included in means testing, as a home is essential for living and the value of the home is only realised when the home is sold. However, this is not the only option to achieve harmonisation; another option, for example, is a harmonised partial exemption on the own home (see BELMOD report 'Harmonisation et simplification de la législation').

Given that the own home is not taxable, the immovable property assets of the own home are not included in the means test for IVT/IT and the heating allowance, but is included in the test for the living allowance, IGO and VT. Consequently, the income support, IGO, and VT were simulated without including the cadastral income of the own home in the means test¹⁷. Here,

¹⁰ Art. 251 Program Law of 22 December 2008

¹¹ Art. 22 Royal Decree of 11 July 2002 on the general regulation of the right to social integration

¹² Art. 19 Royal Decree of 23 May 2001 on the general regulation of income guarantee for the elderly

¹³ Art. 8 Royal Decree of 6 July 1987 on the income replacement allowance and the integration allowance

¹⁴ Art. 27 Royal Decree of 15 January 2014 on the increased insurance allowance referred to in Article 37, § 19 of the Law on compulsory insurance for medical care and benefits, coordinated on 14 July 1994

¹⁵ Art. 251 Program Law of 22 December 2008

¹⁶ Art. 39 Royal Decree of 23 May 2001 introducing a general regulation on income guarantee for the elderly

¹⁷ The partial exemption (as specified in Art. 27 RD of 15 January 2014 on the increased insurance allowance referred to in Article 37, § 19 of the Law on compulsory insurance for medical care and benefits, coordinated on 14 July 1994) only applies to the own home. Consequently, this exemption is not applied in the simulation.

the assumption was made that the built property with the highest cadastral income corresponds to the own home, since the data from the register of assets do not allow a distinction to be made between the own home and properties for use by others. Given the lack of the required information in this regard, we assume properties that are not encumbered by a mortgage, and that were not acquired by payment of an annuity.

Maintenance allowance received

As regards maintenance allowance received, it was argued during the stakeholder consultations that maintenance allowance received for the benefit of a child should not be included in the means tests, as they serve to cover ordinary and extraordinary costs for children.

Maintenance allowance received for the benefit of a child are not included in the means tests for the income support and IGO. However, maintenance allowance received is taxable, so it does get taken into account in the means tests of the IVT/IT, VT and heating allowance. Consequently, in the simulations, for these allowances, the maintenance allowance received is not included in the means tests. It should be noted, however, that the data from the tax return does not allow for a distinction between the different types of maintenance allowance. In the simulations, it is assumed that maintenance allowance received by persons over 65 are maintenance payments to an ex-partner, and that maintenance allowance received by persons under 65 are for the benefit of a child.

Maintenance allowance paid

Third, based on the view that only the means actually available to the applicant on a monthly basis should be taken into account, it was suggested during the stakeholder consultation that maintenance allowance paid should be considered as deductible expenditure.

For the simulations, this means that in the means tests for the income support, VT and heating allowance, maintenance allowance paid must be deducted. Again, the limitation is that no distinction can be made between maintenance allowances for children and other maintenance allowance.

Total impact of the harmonisation proposals

Finally, we simulate the overall effect of the three proposals to harmonise means testing. As such, in the means tests of the benefits and allowances studied, the own home and the maintenance allowance received were not included and maintenance allowance paid was considered as deductible expenditure.

3.4.3 Results

The tables below show the impact of the simulated measures, each consisting of four parts. The first three parts show the results of exempting the own home, exempting the maintenance allowance received, and offsetting the maintenance allowance paid as deductible expenditure, respectively. The fourth part shows the combined effect of these three measures.

The first column contains a reference value each time, which is respectively the observed benefit mass (Table 1) and the observed number of beneficiaries (Table 2) as reported for 2018 in the 2020 edition of the Vade Mecum of Social Protection Data in Belgium - statistical section. In the second column, we report the percentage change in benefit mass and number of beneficiaries according to the simulations. The third column shows the expected impact on the actual budget and number of beneficiaries (i.e., the simulated percentage change applied to the reference value).

Table 1 analyses the budgetary impact. The first three parts first show the effect of each harmonisation on the income support, IVT and IT beneficiaries, and the IGO.¹⁸ Due to interaction effects, there is also an impact on the assistance schemes for which the proposed harmonisation does not entail any change. The combined effect of a harmonisation between the three schemes is then shown.

The expected budgetary impact is highest for the exemption of the own home for the calculation of the income support (€37.1 m on an annual basis) and the IGO (€35.1 m on an annual basis). Combining the two measures would cost €71.5 m.

An exemption from maintenance allowance received for IVT and IT beneficiaries - as already exists for income support and IGO beneficiaries - would entail a modest additional cost of €1.9m on an annual basis. However, the additional cost for IVT and IT is partially offset by less expenditure in the other assistance schemes, namely the income support, due to the possible interactions between assistance schemes.¹⁹ As a result, the total additional cost of harmonising an exemption from maintenance allowances received would be only €1.7m on an annual basis.

¹⁸ The simulations do not allow a distinction to be made between beneficiaries with a living wage and those with an equivalent living wage. The reference budget therefore includes both the expenditure on the Right to Social Integration and the equivalent living wage.

¹⁹ Here, an exemption from all maintenance allowances received was simulated (the data do not allow for more detail). The additional cost of exempting only maintenance allowances for dependent children is lower.

Taking into account the maintenance allowance paid as deductible expenditure in all assistance schemes would represent an additional cost for the income support. The total additional cost is estimated at €8.2 m on an annual basis.²⁰

The budgetary impact of the above measures for the increased reimbursement and the social heating fund allowance are missing from Table 1. We cannot estimate the budgetary impact of changes in both schemes due to a lack of information on health and heating expenditure in our dataset.

Table 1. Simulated cost of the measures studied (no correction for NTU)

	Reference budget	Simulations (BELMOD)	
	2018 x 1,000 Euro ²¹	Simulated percentage change	Budgetary impact on reference budget
Exemption own home			
Income support (incl. equiv. income support)	1,472,744	2.52%	37,109
IVT and IT	1,575,396	- 0.05%	- 770
IGO (incl. GIB)	582,576	6.03%	35,123
Total	3,630,716	2.85%	71,462
Exemption for maintenance allowance received			
Income support (incl. equiv. income support)	1,472,744	- 0.01%	- 185
IVT and IT	1,575,396	0.12%	1,876
IGO (incl. GIB)	582,576	-	-
Total	3,630,716	0.02%	1,691
Maintenance allowance paid as deductible expenditure			
Income support (incl. equiv. income support)	1,472,744	0.56%	8,216
IVT and IT	1,575,396	-	-
IGO (incl. GIB)	582,576	-	-
Total	3,630,716	0.26%	8,216
Combination of 3 measures above			
Total	3,630,716	3.15%	81,734

Source: Calculations by the FPS Social Security, based on BELMOD

The measures studied not only increase the benefit mass for existing beneficiaries, but the number of beneficiaries also increases. This is particularly the case with the harmonised exemption of the own home. This measure would mainly cause an increase in the number of IGO beneficiaries (+ 8.6%), perhaps due to the relatively large number of homeowners among

²⁰ Here, an exemption from all maintenance allowances received was simulated. The additional cost of exempting only maintenance allowances for dependent children is lower.

²¹ As published in the 2020 edition of the Vade Mecum of Social Protection Data in Belgium - statistical section.

the elderly with, in addition, limited means of subsistence. Since the budgetary impact is lower (+ 6.0%) , this would therefore imply smaller amounts per beneficiary. Furthermore, there is a more limited increase in the number of persons entitled to the income support (+ 1.9%) and the number of persons entitled to the VT (+ 1.3%). The other measures have a limited impact on the number of beneficiaries (increases of less than 1%).

Table 2: Simulated impact of studied measures on number of beneficiaries (no correction for NTU)

	Reference number ²² 2018	Simulations (BELMOD)	
		Simulated percentage change	Impact on reference number
Exemption own home			
Income support (incl. equiv. income support)	155,211	1.88%	2,916
IVT and IT	185,618	- 0.06%	- 103
IGO (incl. GIB)	107,665	8.65%	9,309
Increased reimbursement	2,043,144	1.29%	26,353
Social heating fund	88,811	0.87%	770
Exemption for maintenance allowance received			
Income support (incl. equiv. income support)	155,211	- 0.02%	- 28
IVT and IT	185,618	0.07%	136
IGO (incl. GIB)	107,665	-	-
Increased reimbursement	2,043,144	0.22%	4,524
Social heating fund	88,811	0.23%	203
Maintenance allowance paid as deductible expenditure			
Income support (incl. equiv. income support)	155,211	0.89%	1,383
IVT and IT	185,618	-	-
IGO (incl. GIB)	107,665	-	-
Increased reimbursement	2,043,144	0.49%	9,981
Social heating fund	88,811	0.52%	464
Combination of 3 measures above			
Income support (incl. equiv. income support)	155,211	2.79%	4,329
IVT and IT	185,618	0.02%	33
IGO (incl. GIB)	107,665	8.65%	9,309
Increased reimbursement	2,043,144	1.99%	40,717
Social heating fund	88,811	1.61%	1,433

Source: Calculations by the FPS Social Security, based on BELMOD

²² As published in the 2020 edition of the Vade Mecum of Social Protection Data in Belgium - statistical section and Social Heating Fund Annual Report 2019.

We also analysed the impact of the simulated reforms on the profile of the population entitled to assistance, by gender and age, but found no significant shifts in the existing distribution.

In addition, we analysed the impact of the above measure on the at risk of poverty rate (AROP) and the poverty gap. Note that we only measure the impact of the increase in assistance amounts for some existing beneficiaries and the influx of new beneficiaries. We do not measure the intended effect of the measure: an improvement in the income situation of many families through higher take-up. Because the extent to which NTU is reduced is difficult to predict, and the current level is also unknown, the simulations assume full take-up.

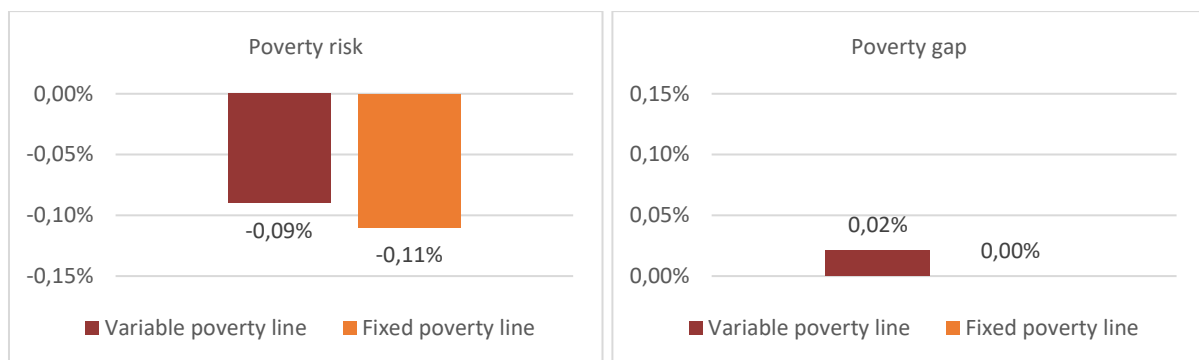


Figure 3. Poverty risk and poverty gap with the combination of the three measures

Figure 3 shows that the three measures combined would reduce the poverty risk by 0.09% (with variable poverty line). This effect is almost entirely due to the poverty reduction we expect as a result of a generalised exemption for the own home. The effect on the poverty gap is virtually non-existent. With a variable poverty line, the poverty gap even increases very slightly. Harmonisation raises the poverty line slightly, leading to a minimal increase in the difference between the poverty line and individuals who do not benefit from the harmonisation, such as when there is no own home.

3.5 Communication, nudging and awareness-raising

In addition to simplifying legislation and further automation, including using current income in the proactive identification, measures that focus on clear communication, information and more guidance are necessary in a policy plan to encourage the take-up of social entitlements. These measures play a key role in reducing the information costs and the psychological and social costs of the person seeking assistance. This can be seen from both the literature and the stakeholder consultation. These measures also formed the spearhead of the 'Proposal of transversal actions for a plan to combat the non-take-up of social rights' that the PPS Social

Integration and the FPS Social Security drew up in March 2021 (PPS Social Integration [PPS SI] & FPS Social Security [FPS SS], 2021).

3.5.1 The importance of clear communication with citizens

Communication plays an important role throughout the process of granting rights, from informing about the existence of the social right to approving or refusing an application or terminating a right. While clear communication may seem obvious, there appear to be several stumbling blocks and areas of concern.

A significant obstacle in terms of communication is the complex and bureaucratic **use of language** when applying for entitlements (European Minimum Income Network [EMIN], 2018; FPS Social Security, 2019; Observatory for Health and Well-being of Brussels-Capital, 2016). It is recommended that the target group be consulted when preparing application forms and administrative letters. The **languages** used also play a role, as not everyone speaks one of the three national languages (FPS Social Security, 2019).

Furthermore, the chosen **communication channel** is relevant. For many people, the ability to process an application digitally would save significant travel costs. As a downside, however, it should be noted that not everyone has the same IT skills or possesses computer equipment or Internet access (Eurofound, 2015; Observatory for Health and Well-being of Brussels-Capital, 2016). To account for this digital divide, it is recommended that the possibility of both submitting an application digitally and completing it on paper be retained. Section 3.5.3 further elaborates on the importance of guiding citizens.

Transparent and clear communication is also important in order not to create **false expectations** (Buysse et al., 2017; Combat Poverty, Insecurity and Social Exclusion Service, 2013). This way, the number of non-justified applications is limited which, on the one hand, avoids a large additional cost for both government and involved partners as well as the citizen, and on the other hand, reduces the occurrence of administrative errors as less applications need to be processed in total (Eurofound, 2015; Goedemé et al., 2017).

Finally, through good communication, the perception of certain social entitlements and the stigma associated with them, which can be a barrier to the take-up of social entitlements, can be changed. For example, a more positive and clear 'branding' of social entitlements, without modifying the eligibility criteria, can improve people's perception of them. Eurofound (2015) indicates that in some cases distrust of government is also a reason for NTU. Having the communication go through **partner organisations** can offer a solution in this regard.

3.5.2 Use of nudging in communication with citizens

As already discussed in Part 2, people are held back in their choices by cognitive biases. If a public institution wants to increase the take-up of a social right, it is first of all important to be

aware of these fallacies, but also to respond to them by, for example, adapting communication in such a way as to increase the likelihood that people will affect the desired behaviour, in this case, more take-up of their entitlements. This can be done via nudges. In Thaler and Sunstein's definition (p.14, 2008), a nudge is "an intervention in any aspect of the choice architecture that alters people's behaviour in a predictable way without forbidding any options or significantly changing their economic incentives."

Nudges can be used in four different ways:

- adapting the information environment, including through simplification and framing. An example of this type of nudge was used in the no-show research conducted by the FPS Social Security. The number of individuals who do not show up at their appointment for the medical examination in the context of IT and IVT, without any notice, is traditionally very high. To address this problem, the invitations for the medical examination were simplified and supplemented with nudges, and reminders via text message were introduced, leading to a significant drop in no-shows (Versavel & Kouwenhoven, 2020).
- adapting the default option, e.g., the alarm bell procedure for IVT and IT (see section 3.2) is designed to follow up individuals with a recognised disability but too high an income at the time of their application to identify any fluctuations in income. These individuals are then included by default in the group to be followed up. Note that default options should not interfere with personal ownership. In other words: applicants for assistance must retain control over their own situation (see section 4.1.3). In addition, the possibility must remain to withdraw from the default option.
- adapting the social environment, e.g., adding social norms to a letter, such as "95% of the people who receive this letter submit an application". This intervention was applied in a nudging experiment at FPS Finance, where the reminder letter for the payment of personal income tax was adapted, to ensure prompt repayment (De Neve, Imbert, Luts, Spinnewijn, & Tsankova, 2019).
- adapting the physical environment, e.g. displaying information on where to apply visually in clearly visible places in medical centres, PCSW, etc.

Like previous policy proposals such as simplifying legislation, nudging does not offer a perfect solution against NTU. For example, there are pre-conditions and limits, such as the cost of certain interventions and the ethical aspect. The choice of which nudge to use is best ascertained through experimental research²³, which also implies a (potentially large) cost. Moreover, the impact of a nudge is often limited and little is known or promising about the long-term effect (Halpern & Sanders, 2016). Nevertheless, some interventions are easy to

²³ To set up nudging experiments, there are various models that can be useful, such as the COM-B model (Michie, van Stralen, West, 2011) and the EAST model (BIT, 2014).

incorporate, such as adding social norms or visual representations of information to correspondence or information brochures, so even a small impact can outweigh the cost. These kinds of quick wins can be very useful in countering NTU.

3.5.3 Training and sensitising of frontline actors, civil servants and citizens

To reduce secondary NTU, it is important to train civil servants properly, in several areas. For example, it is important first of all that the civil servants involved are adequately informed about the **legislation and possible changes**, such as the different way of working that automation entails (Combat Poverty, Insecurity and Social Exclusion Service, 2013).

To then communicate with citizens, it is important that government administrations understand what '**clear communication**' means. Both the [Flemish](#) and [Dutch governments](#) already have informative websites for civil servants with guidelines on clear and stimulating communication. The federal government, through the [OFO-IFA](#) training institute of the FPS Policy and Support, also organises training that focuses on citizen accessibility, via the reception desk, e-mails or a website.

Additionally, the PPS Social Integration and FPS Social Security (2021) state in their action plan that frontline actors also need to be aware of the **NTU issue** and its extent. Awareness-raising and training have therefore been incorporated as important topics, within which the action was devised to have experience experts from the PPS Social Integration support training initiatives aimed at raising awareness of poverty and social exclusion.

Training should not only be aimed at civil servants and social workers. Digitisation offers advantages, such as less likelihood of administrative errors and faster procedures, but on the other hand it also increases the digital divide. This divide is at two levels: the first-level divide, where access to digital resources is limited, and the second-level divide, where people have the necessary resources at their disposal but do not know how to use them. Therefore, in addition to retaining the possibility to submit an application on paper, **guiding** individuals who experience a digital divide is crucial. One measure could be to extend the missions of public computer rooms in this sense (PPS SI & FPS SS, 2021).

3.6 Monitoring non-take-up

Non-take-up is caused in part by obstacles at the level of the government administrations responsible for granting benefits. We then refer to secondary non-take-up (see section 2.3). Part of the solution, therefore, lies in raising more awareness of the issue of non-take-up among agencies providing assistance. More (societal) awareness of NTU may also potentially contribute to less negative social attitudes towards persons in need, and thus less stigma. It is for these reasons that annual statistics on the extent of NTU have long been published in the

UK (Department for Work & Pensions [DWP], 2022). The additional benefit of monitoring NTU is that it makes it possible to evaluate the impact of policy measures, particularly those that aim to improve take-up of assistance (DWP, 2022). Nevertheless, the UK is currently one of the only countries where NTU is systematically monitored, and may soon be joined by France. An exercise exploring the potential of a similar monitoring tool was recently completed in France (Hannafi, Le Gall, Omalek & Marc, 2022).

Unlike in the United Kingdom and France, in Belgium we know little about the extent of non-take-up of social assistance²⁴. When finalising this text, we were still waiting for the results of the TAKE study led by the University of Antwerp. The TAKE study uses a different method to measure the extent of non-take-up than the study in the United Kingdom and France. It is based on linking administrative data to a specific survey designed to measure NTU. These specific surveys are particularly expensive and time-consuming (Goedemé & Janssens, 2020). It is for this reason that the UK and France opted for a monitoring tool based on linking administrative data and a general survey of household incomes.

Below we briefly describe the working method used in the UK and France, and examine to what extent the Belgian government has the tools at its disposal to set up similar monitoring

3.6.1 UK

The UK Department for Work & Pensions (DWP) - using a combination of administrative data, the Family Resources Survey (FRS) and the Policy Simulation Model (PSM) - estimates the take-up of certain allowances and benefits by individuals in private housing in the UK on an annual basis (DWP, 2022). The administrative data used includes the Work and Pensions Longitudinal Study (WPLS), the Quarterly Statistical Enquiry (QSE), and the Single Housing Benefit Extract (SHBE). The WPLS links benefit and program data from the DWP on applicants with their employment data from Her Majesty's Revenue and Customs (HMRC).

Take-up is estimated using the following formula:

$$take-up = \frac{recipients}{recipients + entitled non-recipients}$$

As such, in order to calculate take-up, an estimate has to be made of the number of beneficiaries who actually receive it (entitled recipients), as well as the number of beneficiaries who do not receive the benefit in question (entitled non-recipients).

²⁴ Recently, an analysis was done of the non-take-up of the Hello Belgium Railpass, a measure taken in the framework of the COVID-19-crisis, which ensured that every inhabitant of Belgium could apply for free train tickets. According to this analysis, the take-up of the Hello Belgium Railpass was lower the lower the level of education, the different the origins, or the lower the income (Combat Poverty, Insecurity and Social Exclusion Service, 2021).

Estimate of the number of entitled recipients (ER)

As regards the number of beneficiaries who actually take up the benefit, the WPLS is used to calculate the average number of recipients of the benefit during the year, as well as the average amount paid out. Here, the QSE is used to adjust the Pension Credit (PC) estimates so that the figures only reflect beneficiaries in private housing. For the Housing Benefit for Pensioners (HB), the data is used directly (without adjustment based on the QSE) since this benefit is primarily available to private households.

Estimate of the number of entitled non-recipients (ENR)

Since there are no databases with (observed) data on individuals who meet the conditions but do not claim the benefit, this non-take-up must be estimated in a different way. Both survey data and administrative data are used annually by the DWP to simulate whether or not the conditions for accessing the benefits have been met. This is how the PSM entitlement dataset is produced.

The Policy Simulation Model is a static microsimulation model, more specifically a tax-benefit model that uses the Family Resources Survey as its input dataset. This FRS is an annual survey of approximately 20,000 private households in the UK. The information surveyed includes wages and salaries, government benefits, tax credits, private pensions, and investments. However, after simulating the benefits, the resulting output is still adjusted to estimate the NRB as accurately as possible. For example, households from Northern Ireland are not retained, due to the difference in benefit systems. Consequently, the dataset is also weighted to be representative/to control totals for the UK. Furthermore, the usual adjustment of wage data for minimum income is not applied and additional data from the FRS is added. That way, information on refunds of overpaid tax credits, reported receipts of benefits, and pending applications may make it possible to correct discrepancies between being entitled and actually receiving the benefit.

Finally, where possible, the data will be linked to administrative data from the DWP, to further improve the accuracy of identifying beneficiaries by the PSM. Registered benefit amounts can then replace those that are (under)reported in the FRS and/or simulated by the model.

To link the administrative data to the survey data, the problem arises that the survey does not ask for an identification number. As such, a person's identification number in the DWP's Customer Information System (CIS) must be found from surveyed data that is as unique as possible (fuzzy-matching). In the first instance, for example, a person can be identified by date of birth, name, first name and post code, which in the UK is a unique combination. Nevertheless, identification in this way may be unsuccessful when a nickname has been recorded, surveyed data is missing, misspelled, or no longer accurate, as when someone moves house. In the latter case, attempts can be made to find a match by using historical data.

If also in this way no link can be made between the FRS and administrative data, an attempt is made through a probabilistic algorithm to find the person in the CIS who shows a sufficiently similar pattern to the FRS data.

The resulting data are then classified as follows:

- For cases where links with administrative data is possible, these are classified as ER if they effectively take up the benefit according to the administrative data. However, when, according to the administrative data, the benefit(s) are not used, they are classified as ENR or non-entitled non-recipients (NENR) depending on whether or not one meets the conditions according to the model.
- For cases where links to administrative data is not possible, cases are classified as ER when so reported in the FRS data, and as ENR or NENR based on the model if receipt was not reported in the FRS. If respondents indicate that the application is still being processed, they are assigned to the ER group if this is supported by the model.

Finally, because of the strong dependence on the FRS, 95% confidence intervals are calculated on the resulting take-up percentage estimate using the 'variance estimation based on sample design' method.

3.6.2 France

In France, *La direction de la Recherche, des Études, de l'Évaluation et des Statistiques* (DREES) examined how the take-up of the *Revenu de Solidarité Active* (RSA) and the *Prime d'activité* (PA) can be regularly evaluated (Hannafi et al., 2022). A special survey was conducted to this end in 2010-2011. Nevertheless, it is a costly process. In order to carry out a more continuous measurement of non-take-up, it is currently being explored how the *Enquête revenus fiscaux et sociaux* (ERFS) produced by the *Institut National de la Statistique et des Études Économiques* (INSEE) can be used. This data combines the richness of the surveyed data in the *Enquête emploi et revenu* with administrative income data relating to taxable income and benefits received. Moreover, the ERFS is already the input used for the INES tax-benefit microsimulation model, which makes it possible to simulate the entitlement to the RSA and others.

Nevertheless, there are also several limitations to using the ERFS. For example, the data are limited to private households in metropolitan France. Homeless people and persons in collective or precarious households are therefore not included in the data. There is also a two-year delay for the data, while the data on social benefits such as family allowance in the ERFS are aggregated at the household level, which does not necessarily correspond to the different family concepts used for benefits. Furthermore, the ERFS contains annual income data, while for the RSA the three months preceding the application are used as the reference period for the means test.

Nonetheless, the stated limitations can be partially overcome. Nowcasting, for example, could be applied to overcome the disadvantage of the two-year time lag. Using a simulation of the family concepts by the simulation model INES and an intermediate table, incomes can be allocated to the relevant actual families. Finally, the INES model can also distribute annual incomes across quarters using the reported history of labour market positions in the *enquête emploi*.

What is interesting about the French study is that considerable attention is paid to the so-called beta error caused by the occurrence of cases where the simulation indicates that the entitlement conditions are not met, but the administrative data show that the benefit was granted anyway. Sensitivity analyses have also been conducted to measure the robustness of NTU percentage to the underrepresentation of low-income families and incompleteness of the income data. These useful exercises should definitely be repeated in the Belgian context before a monitoring tool is introduced.

3.6.3 Monitoring non-take-up in Belgium

The monitoring systems in the UK and France both rely on (1) survey data, (2) enriched with administrative data, and (3) a simulation model that makes it possible to estimate the total number of beneficiaries, i.e., both those who actually receive benefits or allowances and those who do not.

While further research is needed on the most appropriate design for such a tool, it is clear that Belgium has the main ingredients necessary for a monitoring tool:

- a survey that specifically looks at the family income of Belgian families, namely EU-SILC
- which can be easily enriched with administrative data
- a microsimulation model that can run on both SILC and administrative data: BELMOD.

EU-SILC as the basis for measuring NTU

The EU Statistics on Income and Living Conditions (EU-SILC) dataset is a transversal and longitudinal sample survey coordinated by Eurostat and based on data from EU member states. The data covers information on income, poverty, social exclusion and living conditions. In Belgium, the EU-SILC is managed by Statbel.

The EU-SILC has various trumps for monitoring NTU in Belgium. Firstly, the EU-SILC starts from the sociological family, i.e. from all persons who live together in the same dwelling, share their expenditure and jointly provide for their main living needs. This family concept closely resembles the family definition used for allocating assistance benefits.

The EU-SILC surveys income elements for which there is no information anywhere else. As such, the amount of non-taxable earned income (e.g., doctoral bursaries, wages paid by a

foreign or international employer), non-taxable pension income or benefits (e.g. personal assistance budget), certain donations, as well as rents paid and received, is known.

The EU-SILC also contains information on background characteristics that are important to obtain a profile of individuals that are susceptible to NTU (e.g. health, housing and living conditions, material deprivation).

An important advantage of the EU-SILC over survey data collected in the UK is that the SILC data can be easily linked to administrative databases via a unique identification number. Moreover, the main data on labour, replacement, and assistance incomes in EU-SILC already come from administrative sources (mainly tax data, supplemented by, inter alia, data from PPS Social Integration and FPS Social Security on assistance benefits). This means that there is no need to correct for discrepancies between the survey data and the administrative data.

But the SILC also has several important shortcomings. Like the ERFIS in France, the EU-SILC only includes private households. Persons living in collective households or institutions are not covered. What is more, the size of the EU-SILC sample is limited to around 7000 households. And there are gaps in the information on access conditions (e.g., willingness to work, medical requirements for IVT, etc.), and the detail of some incomes to properly assess entitlement to assistance. Some of these gaps may be resolved by enrichment with administrative data.

Administrative data and the related model: the BELMOD model

Exploring the added value of administrative data to simulate entitlement to assistance was a key component within the BELMOD project. A list of the tax return data and land registry data used by public administrations to grant or check the entitlement to the income support, IGO, IVT, IT or VT was compiled. These data are usually more detailed than the income data in the SILC and are needed for a good estimation of the denominator of the take-up rate: the sum of the number of entitled non-recipients and entitled recipients. For the numerator, information is needed on the number of entitled recipients. This means that in order to measure take-up, EU-SILC must also be supplemented with the actual entitlement to the income guarantee for the elderly and the increased reimbursement.

An enrichment of the EU-SILC with the above data means that the BELMOD model can be used for modelling assistance entitlements. The BELMOD model builds on the EUROMOD model²⁵ of the European Commission, but the modelling has been refined in many areas, including using the detail in register data. For example, the BELMOD model allows for a detailed estimate of the income from immovable property that is taken into account for entitlement to the income support and IGO, thanks to information on the cadastral income and the nature

²⁵ [Welcome to EUROMOD Website | EUROMOD - Tax-benefit microsimulation model for the European Union \(europa.eu\)](https://europa.eu)

of each immovable property (built, unbuilt). The BELMOD model is also more extensive than the EUROMOD model: the right to VT is also modelled, which means that the non-take-up of this right can also be monitored.

With the combination of an enriched EU-SILC and the BELMOD model, Belgium seems to have an excellent basis for replicating the DREES research in France and developing a continuous measurement of NTU. Such a monitoring tool can contribute to a greater awareness of NTU and also form the basis for the evaluation of policies that aim to address this issue.

4 REACTIONS FROM THE STAKEHOLDER CONSULTATION

4.1 Reactions from the Combat Poverty, Insecurity and Social Exclusion Service

4.1.1 Introduction

The BELMOD study addresses a question that has been raised several times in recent years: how can the current income situation of households be taken more into account in the allocation of benefits? The question regarding the potential for more automatic allocation also came up regularly in various forums. Also in the various activities of the Inter-federal Service for combating poverty, both themes were regularly addressed, for example in its bi-annual reports with points on the effectiveness of entitlements, non-take-up, status of cohabitants, equality and justice in the granting of entitlements,... It was therefore particularly interesting for the Service to become a partner in the BELMOD study.

The role of the Service was mainly to involve the various actors in tackling poverty in the study, and to support the consultation of the study objectives and materials. In this context, the Service organised a stakeholder consultation, in cooperation with the FPS Social Security and the BAPN. There were a total of five meetings over the period December 2020 - April 2022, four of which were held online due to the COVID-19 situation. The meetings were each prepared by the three organisations together. The study design, the study material, and the simulation results were presented during the various meetings by the researchers of the FPS Social Security, after which BAPN was the first to make comments and points of attention each time, followed by an exchange with the different actors present. The participants came from associations that give the poor a voice, research institutions, health insurance funds, institutions, administrations ... The list of participating actors is attached. The Service was

tasked with producing a comprehensive report of the meetings, reflecting the various comments and exchanges with the researchers²⁶.

In this text, the focus is on the input of the stakeholders regarding the research input, but there are various discussion points and concerns in the fight against poverty that precede and extend beyond the BELMOD study. The text is supplemented by "quotes" from the reports of the meetings of the stakeholder consultation. These are anonymized, except for the input from BAPN.

4.1.2 Fair means test

The stakeholders reflected together on the components of a fair means test for the benefits and allowances studied, based on the materials provided by the FPS Social Security. They discussed what income of the applicant should be taken into account, whose family/household income should be included and over what period of time. The interests of the applicant and the household were put first as a guiding principle: what would allow the applicant to get out of the difficult situation in which they find themselves? What enhances their possibilities in claiming their entitlements to the benefit or allowance? What makes a dignified living possible for the applicant? In any case, representing the applicant's interests requires a human and personal approach. *"In determining a person's means of subsistence, it is important to keep a perspective. A different reality sometimes lurks behind facts or figures"*²⁷.

Which incomes?

For the stakeholders, it is important that a means test only takes into account the applicant's disposable or spendable income. This is (freely translated) *"the income actually available to the applicant on a monthly basis (in cash or bank account) at the time of the application."*²⁸ From this starting point, various income components were scrutinised, some of which were included by the researchers in the simulations, such as maintenance allowance received and paid and the own home.

Many stakeholders agree that the own home at the time of application is essential for the applicant and their family/household to live and therefore advocate that it should not be taken into account in a means test. Moreover, most owners have to pay off a mortgage, low-income buyers obliged to buy a cheap home on the private market have a lot of expenses with their home... In addition, the regional premiums for rent are exempted in means tests for the

²⁶ The reports of the first three meetings were also published during the process: Combat Poverty, Insecurity and Social Exclusion Service, ["BELMOD research - Stakeholder consultation. Note based on the reports of the three meetings \(03/12/2020, 12/01/2021, 09/03/2021\)"](#), July 2021.

²⁷ All quotes are from the stakeholder consultation reports unless otherwise noted.

²⁸ BAPN (2021). Contribution to the stakeholder meeting on 12/01/2021.

income support, IGO and the increased reimbursement (VT). Similarly, when the own home is sold to meet other costs, such as health care, that income should not be counted to prevent "people from impoverishing themselves." Other stakeholders highlight "a persistent injustice between those who are fortunate enough to be able to own a home and those who are saddled with rent. Will the rent of a home be taken into account in relation to the income of the tenants now that rents are so high and access to decent housing is virtually impossible?" Questions were also raised as to the justification for a full exemption of owner-occupied housing in the case of a property with a high KI.

"When the VT is allocated, gross taxable income is examined, not disposable income. This means that people in debt mediation, for example, may not be entitled to the VT based on their taxable income, whereas they would be entitled based on the funds available to them. This finding is problematic because the VT is also used as an access criterion for other entitlements or benefits. Debts should be taken into account".

During the stakeholder consultation, it was also suggested that a means test be based on net wages (or on a certain % of gross wages), that an amount of savings be exempt, and that problematic debt be taken into account. But the implementation of these proposals stumbled on a lack of available information about people's disposable income. As such, measures were requested that would give an accurate picture of the actual income of self-employed people, and a register of assets was also requested.

The stakeholders stressed the importance of an equitable income concept that can be harmonised across different assistance benefits and allowances. To this end, accurate data on the various income components must be available. At the same time, they caution against using a single income threshold as an eligibility criterion. They suggest working with income forks or brackets so that people do not miss out on benefits when their income just exceeds the threshold. In turn, different income caps for different benefits can avoid that certain groups miss out on multiple benefits at the same time. In addition, the stakeholders also argue for sufficient discretionary leeway for professionals so that, based on their personal contact with the applicant, they can still decide in the applicant's best interest and grant a social entitlement.

Whose income?

To answer the question of whose income from the applicant's family/household should be included in a means test, the question of what is considered a family/household first needs to be answered. First, the stakeholders highlight the differences in the definition of family composition in the various regulations, and call for these to be harmonised. At the same time,

they criticise the consequences of the cohabitation status in different situations²⁹ and call for the regulations to take more account of new forms of housing, solidarity with peers and the homeless, and different family situations.

The study simulated another avenue: an increase in the benefit amounts of cohabitants to 80% of the amount of single persons, taking into account the actual economies of scale³⁰. Some stakeholders call for entitlements to be completely individualised. Others call for interim solutions and research on the impact of abolishing the cohabitation status, and highlight interesting practices in certain agencies. One specific proposal was to eliminate the cohabitation status for those under 30³¹. Indeed, this status prevents the most vulnerable young people from staying at home to avoid costs and save money, as more affluent young people are increasingly doing. Moreover, they are in an important phase of life where they have to make choices regarding education, work and housing, increasingly choosing (out of necessity) to cohabit in various forms. Although the precarious situation for this group was recognisable to all stakeholders, there was much debate. On account of the housing crisis, tenants from all age groups have almost no choice but to cohabit in order to find decent housing. Such an age limit is arbitrary, causes financial distress at the age of 30, and it could be age discriminatory. It was suggested that the opportunity of "*intergenerational cohabitation*" be explored, which could provide a solution for adults who continue to live at home with parents.

Over which period?

The stakeholders agree that means tests should be based on the most current income data. Indeed, people in poverty experience sudden, unexpected changes, both in their situation (in terms of work, family, housing), in their status and in their income. Research (Observatory for Health and Well-being of Brussels-Capital, 2016) shows that changes in status are a factor of non-take-up of social entitlements.

"The allocation of entitlements must go quickly, responding to people's current, often rapidly changing situations."

However, data on current income status are not available (for everyone) in administrative databases. Only through social inquiry and customisation can these data be obtained, which

²⁹ For an overview of these situations and possible avenues for solutions, see Combat Poverty, Insecurity and Social Exclusion Service (2018). [Memorandum for the 2019 federal and regional elections: Recognising, supporting and encouraging cohabitation](#), Brussels, Combat Poverty, Insecurity and Social Exclusion Service. See also the campaign by RWLP in 2021 ([STOP au STATUT COHABITANT!!! \(rwlp.be\)](#)) and the dossier of Vivre ensemble [Statut cohabitant: à quand la fin ? - Action Vivre Ensemble \(vivre-ensemble.be\)](#)

³⁰ This simulation was used to add substance to the debate, but because it was more about improving the "cohabitant" status than harmonising it, this analysis was not retained in section 3 of the report.

³¹ Proposal of BAPN in the context of the consultation to prepare the fourth federal poverty plan.

seems at odds with automation, and is not always feasible. Nevertheless, the stakeholders point to certain opportunities to react more rapidly.

- Work with advances and avoid demanding that money be repaid. *"It's inhumane to deny people an advance when they're at rock bottom."*
- Work with "presumed income". *"Why not assume that well-founded presumptions are accurate and accept the consequences? We can follow that up without intervening retroactively. People do however need to be able to prove their current situation"*.
- Put alarm bell procedures in place in the event of significant changes in income³².
- Remind people to declare a change in their situation. Indeed, they usually don't think about this themselves. Moreover, they do not know what effect this change will have on their entitlements. *"These people live in difficult circumstances that are highly complicated and in which they are often inadequately informed and supported. What is more, they are in the dark about their rights when they declare a change of situation. Will it be to their advantage or will they be worse off? How can they make this "choice"? People need to be able to take charge of their situation at some point so that they can look after their own interests themselves."* Some changes in situations are also likely to be visible in the databases.

Interest of the applicant and privacy

"What is in the best interest of the applicant and the household? Other principles such as, for example, simplification or even automation must not lead to this principle being sacrificed."

For the stakeholders, the best interest of the applicant takes precedence over the principles presupposed by researchers in a fair means test: completeness, reality, timeliness, and simplicity (see section 3.4). This was already evident in their call for means tests to be based on people's current disposable income, taking into account their complex situation.

The principle of simplicity also needs to be fulfilled from the perspective of the applicant's best interests. *"We can think about systems, but in the meantime people are really in awful situations."* Simplicity should first and foremost benefit people and not be limited to efficient administration. *"When things are simple for people, they are accessible."* This applies to legislation, information, correspondence, forms to be filled out, etc. In addition, the stakeholders highlight the fact that more conditionality simultaneously entails more complexity and is therefore at odds with simplicity. Moreover, it inevitably involves checks and possible sanctions that may encroach on people's private lives.

According to the stakeholders, there are too often double standards when the right to privacy is at stake. First, they criticise the unequal approach in determining the means of subsistence of applicants for allowances and benefits on the one hand, and of more affluent citizens,

³² See, for example, the alarm bell procedure for the Flemish Growth Package.

through taxation, on the other. *"Indeed, during the social inquiry before the income support is granted, the PCSW have the opportunity to collect information about the savings of the applicants for assistance. At the same time, it is significant that no records are kept of people's assets. This is double standards"*. There is therefore a need for a register of assets in the context of equitable taxation.

The stakeholders subsequently note that *"when it comes to giving people something extra, privacy is given as an excuse; when it comes to checking up on people, respect for privacy is less important. Meanwhile, people are missing out on vital income"*. As such, a means test requires both adherence to regulations and flexibility. The privacy of the applicant is paramount but at the same time should not get in the way of entitlement to assistance. For some people, full automation may solve the privacy question. Indeed, this would eliminate the need for face-to-face contact that often requires more information than is strictly necessary. For others, complete automation means loss of control over the storage and use of their own data and, therefore, privacy.

4.1.3 Automation

In countering the non-take-up of rights, actions within the different degrees of automation of rights have an important added value (Combat Poverty, Insecurity and Social Exclusion Service, 2013; PPS Social Integration and Combat Poverty, Insecurity and Social Exclusion Service, 2020): purely automatic allocation, automatic updating of situations, proactive initiatives, and administrative simplification. The stakeholders agree that *"automation should happen as much as possible, but should not be done on auto-pilot."* This means that automation should not become an end in itself but should always serve the applicant. This also presupposes possibilities for human control and guidance. First and foremost, the applicant must be able to remain the owner of their case and situation, thanks to sufficient and clear information and personal guidance, especially given the increased digitisation of services. *"Automation is highly complex and technical. It is very difficult for people in poverty to understand and follow up their own dossier. It is important that they maintain a certain control over their situation. One way to do this is knowing and understanding what their entitlements are and how they are granted. The automatic process must be knowable and manageable. People are in danger of disappearing into an administrative merry-go-round that no longer takes into account what they are actually going through in their lives: there is no more human guidance, people no longer have control or choice, whereby certain things can turn against them. It is important that people in poverty remain in control of their own situation."*

Subsequently, it must be possible for professionals to adjust automatic processes and correct errors without affecting the applicant, thanks to sufficient knowledge of the legislation and the applicant's personal situation. *"The quality and performance of the available data are*

crucial for automation. When the data flux is incorrect, or does not relate to reality, automation does more harm than good. An unfair 'computer says no' effect must be avoided. Human control is essential, but is becoming increasingly difficult in practice. With automation, the knowledge of legislation among social workers, for example, deteriorates, while this knowledge is crucial for checking up on people."

As regards the proactive identification of potential beneficiaries on the basis of a current income concept, stakeholders point to the misleading use of the term 'current income' in this context. After all, data from databases are often not the most up-to-date. Moreover, it continually needs to be asked which target group is not being reached through proactive identification. Above all, the stakeholders assert that the exercise as a whole demonstrates that automatic identification must be systematically accompanied by other ways of reaching and guiding people.

4.1.4 The person behind the means test

While the stakeholders were very satisfied with this study and their contribution to it, they also note that many questions remain unanswered and that the limits of the study do not coincide with the limits of poverty or non-take-up of social assistance. They call for sufficient opportunities for personal contacts and guidance, in the interest of people in poverty and a dignified existence.

Adequate benefits

The stakeholders call for a dignified income for all³³. Along with the researchers, they observe that the impact of the studied simulations on poverty risk is very limited because the benefits studied are mostly well below the poverty risk threshold. The stakeholders recall the goal of various federal coalition agreements to raise benefits to the poverty line.

Personal guidance

Non-take-up of social rights is a complex problem for which automation is only part of the answer. People in poverty, in applying for (financial) assistance, primarily need:

- Clear information, not only digital, also on paper and verbally: where can they go? What are they entitled to? When does this entitlement expire? What is the procedure, what steps are needed? What happens to the information provided? What are the consequences of changes in the situation?
- Personal guidance: who can they contact? Who manages their dossier with them? Who can help with signing in digitally, and digital applications? Who keeps track of

³³ See, among others, BMIN (2018). [The lowest incomes higher - for a life of dignity, joint memorandum, federal elections 2019.](#)

things? Where can they go for immediate help in an emergency? Who follows up their (rapidly changing) situation?

Against the backdrop of increasing digitisation of services and assistances, this need is particularly acute.

4.2 Reactions from BAPN

In this section, the BAPN (Belgian Anti-Poverty Network) reflects on how they have experienced the BELMOD research.

4.2.1 Involvement of BAPN in the BELMOD study

We from BAPN would first like to elaborate on the way we were involved in the BELMOD research. It was a good decision on the part of the BELMOD team to involve BAPN, together with the Combat Poverty, Insecurity and Social Exclusion Service (hereafter: the Service), intensively in the course of the research. It is not uncommon for research studies to ask for a reaction or input from the experiences of people in poverty. Unfortunately, this usually happens at the end when the research is almost complete, which means that there is only limited, and sometimes no, adjustment possible. The BELMOD team has involved BAPN and the Service in the research from the moment the first provisional texts were produced. Interim texts were sent to us in advance and we had the opportunity to discuss them further with the team in five meetings. BAPN was specifically assigned the role of representing the voice of people in poverty so that it could be included in the research.

BAPN is well placed for this purpose. It is composed of four regional anti-poverty networks active in Flanders, Wallonia, and Brussels, which in turn mostly consist of associations in which people experiencing poverty meet and discuss their experiences of the problems that they encounter in living in poverty³⁴. Together with the regional networks, BAPN has for several decades been fighting for an adequate and accessible minimum income that must at least rise above the European poverty threshold. As a result of a European project called EMIN (European Minimum Income Network), BAPN founded the Belgian Minimum Income Network (BMIN) in 2014. In it, various organisations from civil society such as trade unions, health insurance funds, research centres and other social organisations participate.

We were able to draw on the many exchanges in associations, brought together in the regional networks, and on the work with the BMIN partners to go through the interim texts of the

³⁴ The following organisations are specifically concerned:

- Vlaams Netwerk tegen Armoede;
- Réseau wallon de lutte contre la pauvreté;
- Le Forum Bruxelles contre les inégalités;
- Brussels Platform Armoede

BELMOD team and formulate comments and proposals. Many of our comments were incorporated into new versions of the texts and, where this was not possible, the team explained to us what the obstacles were to implementing what we proposed. This is an important point that was also applied by the BELMOD team in the wider stakeholder consultation and was very much appreciated by all. This way we knew where the obstacles were to be able to further improve the accessibility of social protection and to reduce the non-take-up.

4.2.2 The applicant's interest

By pointing out what is not achievable in our proposals at the moment, we were able to find ways to plead with the competent political and administrative authorities to also tackle these obstacles as a follow-up to the study. As an example, we can point out the tension that exists between the different principles in improving the accessibility of social protection as outlined above in the stakeholder consultation: the interest of the applicant should be paramount and should not be sacrificed to other principles such as completeness of data, realism in data collection or simplicity for the administration's treatment in order to be able to use more automation. Some of the current means tests use data from databases, but these sometimes go back as far as two years while the applicant's current income situation, i.e. what is available monthly in cash or in a bank account at the time of application, should be taken into account.

4.2.3 Automatic allocation of rights and proactive identification

Automation is a good thing in order to avoid the applicant having to repeatedly supply data that the government already has through other channels. But this should not lead to negative consequences for the applicant. The automatic granting of rights is an area of work that BAPN and the regional networks, together with other social civil society organisations, have also been working on for years. And much progress has been made in the long term. The proactive flux in the context of the increased reimbursement is a good example of this. Its application has shown a significant increase in the number of beneficiaries who have been able to obtain their social rights in this way. However, this approach also suffers from the lack of timeliness of the data since it is based on the data of the tax returns that date from two years before, with all the adverse consequences that this can entail.

The lack of timeliness of the data that databases can provide often remains a major obstacle. In the discussions with the BELMOD team, it was often a problem to be able to respond to some of our proposals. Further research should bring about a more up-to-date alternative. Therefore, we would like to urge the political and administrative authorities to provide the necessary means to eliminate these obstacles in the structure of the databases. We should thus arrive at an 'adapted' proactive flux, or in other words at a proactive identification based on up-to-date data... in the interest of the applicant.

The study warns that all of this will require a greater commitment of staff, but this too should not be a reason for not generalising the 'adjusted' proactive flux to all areas of social protection... in the interests of the applicant.

4.2.4 A fair means test...

Several social allowance systems apply a means test to determine whether applicants are entitled to the government benefit that may be applicable to them. It is not illogical that the government would then insert a means test to see whether the applicant indeed has other income from which he can draw. This raises the question of what concept of 'existence' the government has in mind. Is it about a form of survival or is it about a 'dignified' existence? For the latter, all kinds of indicators have already been drawn up that can give direction. This must be taken into account in "a fair means test". The study already deals with the exemption of the cadastral income of the owner-occupied house and maintenance payments that one pays to others or receives for the children. But we must also examine the extent to which savings can be exempted. The banking sector indicates that a sum of 5 to 6 times the monthly income (or in this case the benefit amount) must be at one's disposal to cover unforeseen expenses. Existing savings should therefore also be exempted up to that amount.

4.2.5 ... and privacy

A means test that wants to be fair must treat the applicant the same as all citizens. We often see that for certain income-substituting allowances and benefits, conditions are imposed or data are requested that are not allowed for ordinary citizens, for example in the context of the tax return. This is, however, the case for the increased reimbursement, where "the amounts actually collected or obtained on movable property, increased by collection and custody costs and other similar costs" are taken into account, as we read in a technical note of the study. In connection with the protection of the privacy of the citizen - but also in a broader sense - it seems interesting to us to have the results of the BELMOD project looked at more closely by an expert or organisation specialised in human rights, for example through a cooperation between the Service and Unia.

4.2.6 Personal assistance possible at all times

In the course of the BELMOD study, it appeared several times that the different principles that a fair means test has to comply with, such as completeness, realism, actuality, automation, etc., do not offer an adequate answer on their own. Only one principle is indisputable, namely the interest of the applicant. When a potential beneficiary is about to submit an application, it can be assumed that this is almost always accompanied by a drastic and recent change in his situation. However, this is not processed as quickly by the databases that can be called

upon. Therefore, direct personal contact with an advisor from the public service to which the application is made should always be possible.

It was also repeatedly stated that the income amounts that are used as the limit for claiming a certain right are not based on scientific grounds and are sometimes even very arbitrary. They should rather be seen as a direction where the line should be drawn. And that means - as also advocated by others in the stakeholder consultation - that in every department or body that has to judge on the granting of the right, an official must be available who has the authority to interpret the limit amounts in the light of the situation that arises, i.e. ... in the interest of the applicant.

4.2.7 Results of the simulations

The various proposals for improvement that emerged in the exchange with stakeholders and were applied by the BELMOD team in the simulations do not appear to involve significant additional expenditure for the government. All things considered, these appear to be manageable amounts. If you also consider how many beneficiaries can effectively obtain their right through these improvements, then the limited budgetary increase represents a responsible investment in the welfare of beneficiaries to a social allowance. At the same time, it means that work must continue in that direction in order to be able to reach the still large numbers of unidentified beneficiaries as well. A follow-up to this BELMOD study is therefore very necessary... in the interest of all possible claimants.

4.2.8 Finally...

Finally, we would like to express our appreciation for the way in which the BELMOD team conducted the study by entering into cooperation with the Service and with BAPN and by accepting the proposal to involve a broader group of stakeholders and specifically people in poverty. This has certainly not made it easier for the team, but we believe that it has broadened and enriched the research. This way of doing research should be better known and become the norm. Political and administrative leaders, who are usually the commissioners of such research, should provide the necessary budgets to enable the broader involvement of people in poverty - via their associations and networks - and of social civil society organisations in the research.

5 CONCLUSION

The adequacy of Belgian social protection is partly undermined because needy people do not always make use of the assistance to which they are entitled. The multitude of factors underlying this situation calls for a wide range of policy measures in the fight against non-take-up. The reasons for non-take-up lie with the person in need, with the implementing

administrations and with the regulations. For persons in need, it is important to note that submitting an application is often a complex process involving information, application and psychosocial costs. And even individuals for whom the benefits of obtaining assistance easily outweigh these costs may still be held back by various behavioural barriers from actually going through an application process. The behavioural sciences highlight the importance of loss aversion, status quo bias, etc. Administrations are partly to blame for NTU, as they often fail to translate detailed legislation into simple application procedures and clear communication. Moreover, applications for assistance are not always processed without errors, let alone swiftly. It is decided at the regulatory level who is in need of assistance, and therefore entitled to it, and who is not, and this must be translated into understandable and easily implemented legislation. In both areas, the regulations can fall short. Situations in which vulnerable people are formally excluded from assistance are referred to as tertiary non-take-up.

The proposed policy measures address the causes at different levels. The proposals for further automation (in particular, proactive allocation and proactive identification) are primarily aimed at reducing information and application costs at the level of the person needing assistance. The proposals for simplification and harmonisation mainly address the causes at the level of administration and regulation. We also formulated a number of conditions for further automation, in terms of data flows to be developed. And we presented a number of attention points in terms of clear communication and nudging. Finally, the importance of systematic monitoring of non-take-up was underscored. We briefly reiterate the main conclusions here for each proposed policy measure.

Proactive allocation means that the right to welfare support is opened fully automatically without any prior request from the potential beneficiary. Proactive allocation is already operational in Belgium for various derived rights (e.g., the social tariff for gas and electricity). For non-derivative means-tested benefits, proactive allocation is less appropriate, because in these cases, the means of subsistence of the person seeking assistance need to be identified as fully as possible. In this regard, certain data is missing from the registers, for example, movable assets. With proactive allocation, we need to watch out for a reverse logic whereby the availability of data determines the allocation criteria and as a result the social entitlement does not (fully) reach the original target group. It is also recommended that the option for citizens to start their own applications remain possible. Among other things, this is because of the characteristic of proactive social assistance systems to only focus on the individuals already known in the system.

Due to the limits of the potential of proactive allocation, the path of proactive identification needs to be further explored. With proactive or automatic identification, the competent government authority will take initiatives to identify potential beneficiaries, based on available electronic data, and encourage them to submit an application. In the context of the BELMOD project, the possibility of setting up a proactive identification for potential

beneficiaries of IVT/IT, the IGO and VT was investigated. To this end, a current income concept was developed based on relatively current data flows, primarily from public social security institutions in Belgium. In this report, we focus on the results for the IVT and IT. In most cases, the means test that determines eligibility for IVT and IT is based on taxable income from two years prior. Persons with disabilities whose income has recently decreased substantially may become eligible based on more recent income data. To automatically identify these individuals and encourage them to submit a new application, a current income concept can be used. Using this current income concept, a tool can be set up to monitor the income and family situation of individuals who qualify for IVT or IT based on their reduced earning capacity or reduced self-sufficiency. Using the most up-to-date family composition and income data possible makes it possible to follow up individuals who previously did not meet the income requirements.

Further improvements in the area of proactive identification or even proactive allocation of assistance are highly dependent on further unlocking or developing data from the register. A major gap in the present data landscape is current data on the income of self-employed people. Further automation is also held back by the limited information available on citizens' assets. The information on movable assets is incomplete, to say the least; more information is available on immovable property assets, at least assets in Belgium. But cadastral income is a highly imperfect indicator of the current value of a property. The quality of the available data is of paramount importance. Allocating social tariffs for gas and electricity shows that poor quality data can lead to social entitlements being blocked in specific cases.

The report provided various good reasons to invest in simplified legislation. In the context of the BELMOD study, we primarily sought measures to harmonise the legislative framework for the different assistance schemes in Belgium. In consultation with the stakeholders, the following proposals were further explored: a generalisation of the exemption of the own home, a generalisation of the exemption of maintenance allowances received for dependent children and a generalisation of regarding maintenance allowance paid as deductible expenditure. The total cost of this package of measures is estimated at €81.7 m on an annual basis (based on 2018 expenditure mass). The largest cost is associated with the exemption on the own home (+ €71.5 m). This measure would trigger a significantly high influx of new IGO beneficiaries - and to a lesser extent income support beneficiaries. An exemption from maintenance allowance received would increase the benefit mass of IVT and IT (+ €1.7 m, after offsetting the fall in the income support mass). Regarding maintenance allowance paid as deductible expenditure causes an additional cost in the expenditure for the (equivalent) income support (+ €8.2 m).

A crucial component of a policy that seeks to encourage the take-up of social entitlements is clear communication. Among other things, this means opting for more informal language and ensuring that the communication channel and languages used are appropriate for the target

audience. In addition, both the information provided and the social and physical environment as well as the default options offered must be geared towards the goal of appealing to and encouraging as many potential beneficiaries as possible to apply.

In the UK, there is a long tradition of monitoring NTU. Such a monitoring system provides insight into the impact of policy measures on the take-up and nature of assistance and helps to increase awareness of the issue among policymakers, social workers and public opinion. The main elements of such a monitoring tool appear to be in place in Belgium: a survey that specifically probes the household income of Belgian families (namely the EU-SILC) and can be easily enriched with administrative data and a microsimulation model that simulates entitlement to assistance based on such a detailed dataset (namely the BELMOD model).

In summary, we can state that this report has offered a number of ingredients to give concrete shape to the fight against NTU. This report is in line with the ambition of the FPS Social Security to contribute to the sustainable functioning of social protection in Belgium, through intense cooperation with federal government institutions and the academic world and with an eye for citizen participation. This report shows that such cooperation can lead to a combination of qualitative policy input and ex ante policy evaluations and thus form the basis for a data-driven policy, with an eye to the person behind the means test.

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ANNEX 1. THE MICROSIMULATION MODEL BELMOD

A microsimulation model allows policymakers to assess whether planned reforms in the area of social protection will produce satisfactory results. As such, BELMOD can be used to estimate the budgetary impact of policy proposals and to determine who will be affected (positively or negatively) and who will not, or only to a lesser extent.

The main advantage of BELMOD (and previously MIMOSIS) is the accuracy of the results, which is mainly due to the level of detail in the input dataset. Currently, the input dataset still refers to 2015; in the course of 2022, the input dataset will be updated. The current input dataset contains the socioeconomic data of around 335,000 households, or 996,000 individuals - about 9% of the Belgian population. This sample is from the Data Warehouse Labour Market & Social Protection of the CBSS. The sample is disproportionately stratified to generate reliable results for both the national and regional levels (including the Brussels Capital Region and the German-speaking region). In addition, the input dataset includes data from the FPS Finance IPCAL database (tax data) and the STIPAD/CADNET database (immovable property information). This level of detail in income and benefit information makes relatively accurate simulations possible.

The BELMOD model uses the [EUROMOD](#) infrastructure. This model was developed by the Institute for Social and Economic Research (University of Essex) and is currently managed by the European Commission's Joint Research Centre (JRC). The model makes it possible to compare the impact of policy changes for all member states and the United Kingdom. It is continually updated and can be linked to other types of models (behavioural, macroeconomic or environmental). Moreover, it has a user-friendly interface and is transparent, well-organised, documented and validated.

The BELMOD model enables simulations in the following policy areas:

- Assistance (income support, IGO, IVT, IT and VT)
- Unemployment insurance
- Illness and disability insurance
- Family allowance
- Social security contributions
- Income tax (limited)

The BELMOD model therefore combines the accuracy of the former MIMOSIS model with the user-friendliness of EUROMOD. The goal is therefore to improve the cooperation and knowledge exchange between the main actors of static microsimulation in Belgium and Europe. A secure online platform will be developed to make the BELMOD model accessible to the broader research community. The FPS Social Security will also hold regular hands-on training sessions to familiarise external users with using the BELMOD model.

ANNEX 2. PARTICIPANTS IN THE STAKEHOLDER CONSULTATIONS

- Fédération générale du travail de Belgique (FGTB) Service d'études fédéral / General Confederation of Belgian Trade Unions (ABVV) Federal Study Service
- ATD Quart Monde / ATD Fourth World
- Institut national d'assurance maladie-invalidité (INAMI) / Belgian National Institute for Health and Disability Insurance (NIHDI)
- Christian Mutualities (CM) / Mutualité chrétienne (MC)
- Espace Fraternel
- Conseil consultatif fédéral des aînés (CCFA) - Federal Advisory Council for the Elderly (FAVO)
- Front Commun des SDF / Common Homeless Front Flanders-Brussels-Wallonia
- Higher Institute for Labour (HIVA) - KULeuven
- Informatie Vlaanderen - Data Sharing Platform (MAGDA)
- Kind en Gezin
- Le Forum - Bruxelles contre les inégalités
- Luttes Solidarités Travail (LST)
- Ministry of Pensions, Social Integration, Combating Poverty, Persons with Disabilities - Cabinet Lalieux
- Union Nationale des Mutualités Socialistes (UNMS)
- Conseil Supérieur National des Personnes Handicapées / National High Council for Persons with Disabilities
- Netwerk tegen Armoede vzw
- Observatoire de la Santé et du Social Bruxelles-Capitale / Observatory for Health and Well-being Brussels-Capital
- PPS Social Integration, Poverty Reduction and Social Economy / SPP Intégration Sociale, Lutte contre la Pauvreté et Economie Sociale
- Recht-Op vzw
- State Service for Pensions / Service fédéral des Pensions (SFPD)
- UNIA - Interfederal Equal Opportunities Centre / UNIA - Centre interfédéral pour l'égalité des chances
- UNIZO
- Association of Flemish Cities and Municipalities (VVSG)
- Flemish Government - Department of Well-being, Public Health and Family (WVG) - Division
- Flemish Government - Policy area Well-being, Public Health and Family, Agency Payments Growth Package
- Well-being and Society

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