CASH SOCIAL ASSISTANCE NON-TAKE-UP IN LITHUANIA

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Ministry of Social Security
and Labour of the Republic
of Lithuania

MARCH 11TH

THE DAY OF THE RESTORATION OF INDEPENDENCE OF LITHUANIA

WE BELIEVE IN FREEDOM!

THE SYSTEM OF CASH SOCIAL ASSISTANCE AND TYPES OF CASH SOCIAL SUPPORT

Without regard to a family income

Family and child benefits

1. Benefit for pregnant unemployed woman
2. A lump-sum child benefit
3. Child benefit

(since 2018-01-01 universal child benefit + additionally paid child benefit)

4. Benefit for multiple birth *(since 2017-01-01)*
5. Child care benefit for persons in training or education

(since 2017-01-01)

6. Benefit for adopted child *(since 2018-01-01)*
7. Benefit for a child of a serviceman in a mandatory primary military service

Financial support provided for fostering children and foster persons

8. Guardianship (curatorship) benefit
9. Targeted guardianship (curatorship) benefit supplement
10. A settlement grant
11. Child temporary care benefit *(since 2020-01-01)*

Support in case of death

1. Funeral allowance
2. Repatriation allowance *(means-tested)*

Means-tested

Cash social assistance for poor residents

1. *Republic of Lithuania Law on Benefits for Children*
2. *Republic of Lithuania Law on Cash Social Assistance for Poor Residents*
3. *Republic of Lithuania Law on Social Assistance for Pupils*
4. *Republic of Lithuania Law on Assistance in the Case of Death*

Social Assistance for Pupils

1. Social Benefit
2. Compensations for the house heating, hot and drinking water expenses

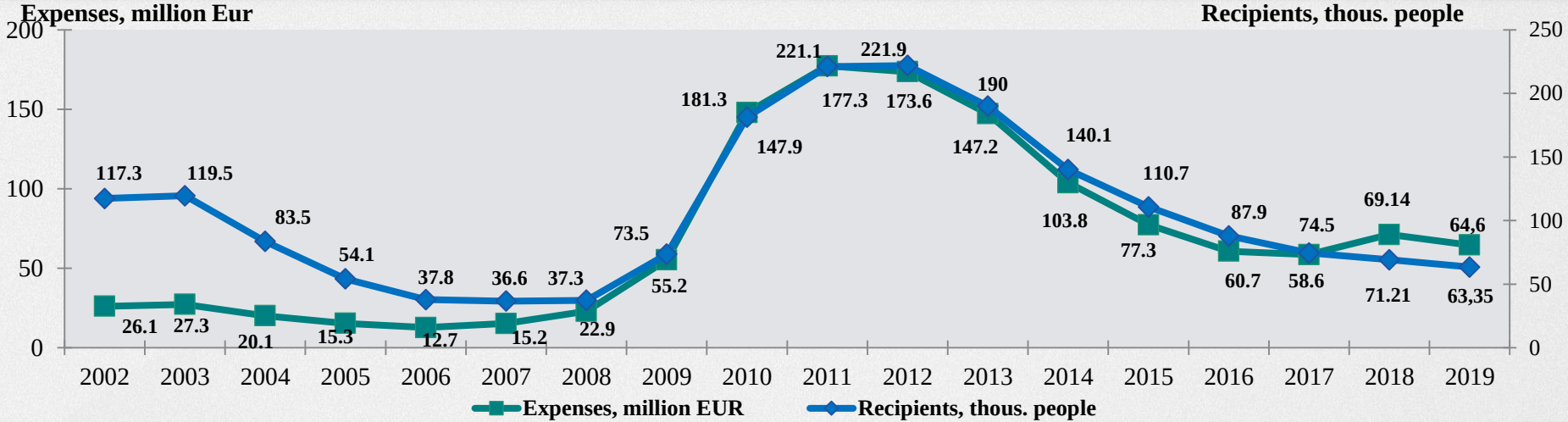
1. Free meals
2. Assistance for the acquisition of school supplies

- Social assistance from municipal budgets (a lump-sum, targeted, periodical, conditional allowances etc.)

Principles vs. reality

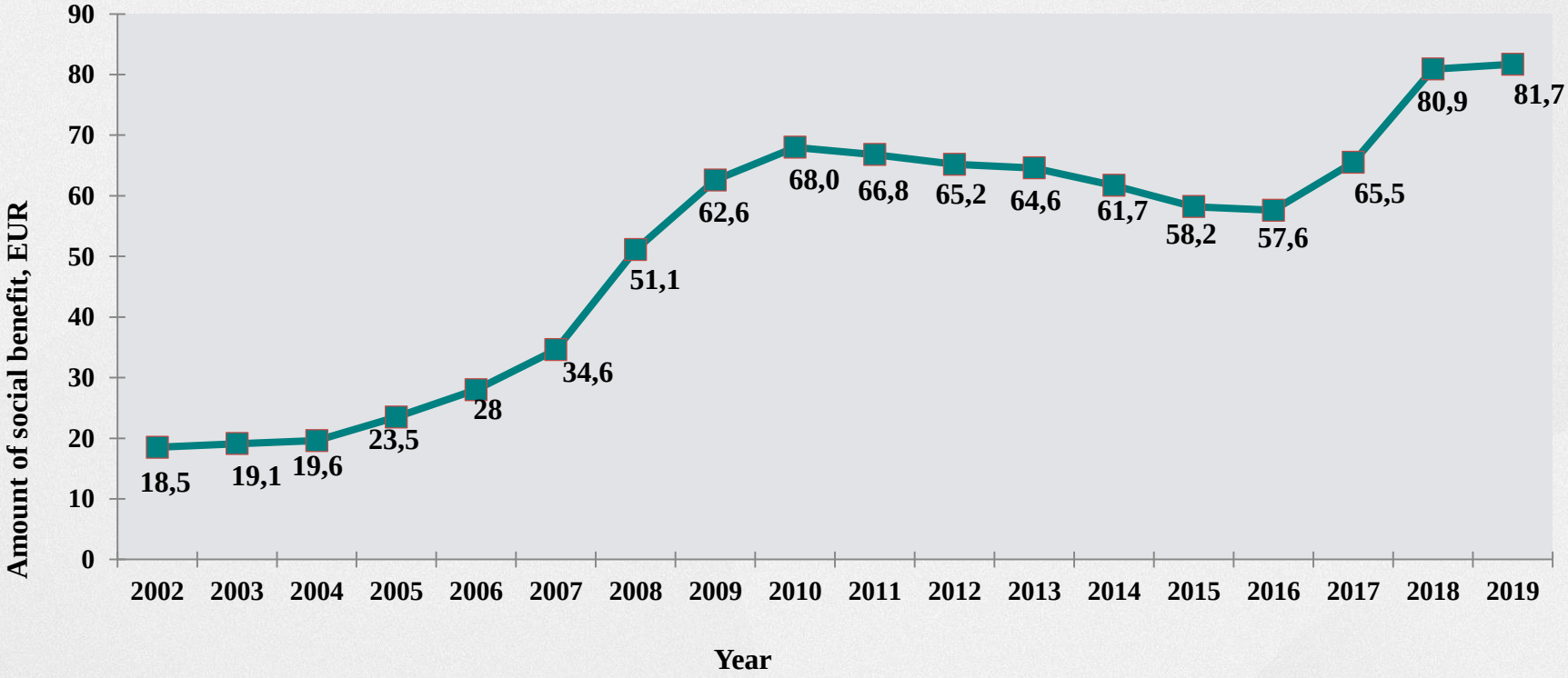
- “Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services”
- Many people do not receive the social benefits to which their entitled and this is the common issue across the EU.

CHANGES OF THE NUMBER OF SOCIAL BENEFIT RECIPIENTS AND EXPENSES



2007	**1 %** Social Benefit Recipients of total LT residents	**2014**	4.8 % Social Benefit Recipients of total LT residents
2008	1.1 % Social Benefit Recipients of total LT residents	**2015**	3.8 % Social Benefit Recipients of total LT residents
2009	2.2 % Social Benefit Recipients of total LT residents	**2016**	3.1 % Social Benefit Recipients of total LT residents
2010	5.4 % Social Benefit Recipients of total LT residents	**2017**	2.65 % Social Benefit Recipients of total LT residents
2011	6.9 % Social Benefit Recipients of total LT residents	**2018**	2.55 % Social Benefit Recipients of total LT residents
2012	**7.4 %** Social Benefit Recipients of total LT residents	**2019**	**2.31** % Social Benefit Recipients of total LT residents
2013	6.3 % Social Benefit Recipients of total LT residents		

CHANGES OF THE AVERAGE AMOUNT OF SOCIAL BENEFIT



INDEXATION OF SOCIAL BENEFITS

The amount of minimum consumption needs of 2019 - 251 EUR, of 2020 - 257 EUR

Indicators for social security benefits:		2019	2020
Basic social benefit	≥16%	38 EUR	+1 EUR (39 EUR)
Social assistance pension base	**≥54%**	+2 EUR (132 EUR)	+8 EUR (140 EUR)
Targeted compensation base	≥47%	+2 EUR (114 EUR)	+3 EUR (117 EUR)
State supported income	**≥50%**	122 EUR	+3 EUR (125 EUR)

FINANCING OF CASH SOCIAL ASSISTANCE

- The Ministry of Social Security and Labour **carrying out monitoring** of the implementation of the Law on cash social assistance for poor residents **is conducting analysis of the use of funds** that were not used for cash social assistance.

Municipal budget funds for cash social assistance, EUR million		Used funds, EUR million (%)	Unused funds, EUR million (%)	Unused funds for other support:		
				For other social support, %	For other needs of the municipalities, %	The funds remained not allocated, %
2019	223.3	100.7	122.6 (54.9 %)	99.1		0.9
2018	223.3	105.8	117.5 (52.6 %)	89.8		10.2
2017	226.7	83.7	143.0 (63.1 %)	80.7	13.0	6.3
2016	226.7	85.9	140.8 (62.1 %)	77.9	16.5	5.6
2015	228.7	103.0	125.7 (55 %)	64.4	21.7	13.9

CSA BENEFIT NON-TAKE-UP IN LITHUANIA. METHODOLOGY

$$\mathrm{BNTU}^{*} = \frac{entitled\ non-receivers}{entitled\ receivers + entitled\ non-receivers} * 100$$

- Data: SILC and EUROMOD;
- Time period: 2007-2016;
- Analysis constrains:
  - Population representativeness problem;
  - Differences in definitions, i.e. average annual number of CSA recipients *versus* total annual number of CSA recipients;
  - Limitations in simulations.

**BNTU - benefit non-take-up*

CSA BENEFIT NON-TAKE-UP IN LITHUANIA. RESULTS I

Table 2. Total annual number of CSA benefits recipients by household type and CSA benefit non-take-up in Lithuania in 2016.* Source: own calculations.

Household type	SILC (a)	EM	Only EM (b)	CSA benefit non-take-up (c= b/(a+b))
Single person	39354	27633	17398	31%
Lone parents	48925	62280	31061	39%
2 adults without children	20282	5415	1258	6%
2 adults with 1-2 children	57193	21711	5875	9%
2 adults with 3 or more children	31998	12489	404	1%
Total annual number of CSA recipients	197752	129528	55996	22%

**Note:* For the EUROMOD simulations tax compliance adjustment was used. Years refer to income year.

CSA BENEFIT NON-TAKE-UP IN LITHUANIA. RESULTS II

Picture 2. *CSA benefit non-take-up in Lithuania in 2007-2016, %*. Source: own calculations.*

*Note: *Years refer to income year. For 2016 CSA benefit non-take-up is calculated without tax compliance adjustment. Gray dotted lines shows the year when there were methodological changes in the Lithuanian SILC methodology (between 2007 and 2009) and changes in the total resident number after the population census (between 2009 and 2011), light green line shows CSA system reform.*

CONCLUSIONS

- The larger discretionary power of municipalities, if not exercised carefully, may lead to larger non-take-up of social rights;
- At this time there is no methodology of how to evaluate benefit non-take-up rates in Lithuania. These are the preliminary results of CSA benefit non-take-up;
- The dynamics of CSA benefit non-take-up is a reverse picture of the annual average recipients of CSA benefit;
- Results show, that CSA benefit non-take-up in Lithuania may be around 22% which means, that almost one fifth of those who are entitled to this benefit, do not get it for various reasons.

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