EUROMOD Country Report – Belgium

2021-2024

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EUROMOD is the tax-benefit microsimulation model for the European Union (EU). It enables researchers and policy analysts to calculate, in a comparable manner, the effects of taxes and benefits on household incomes and work incentives for the population of each country and for the EU as a whole.

EUROMOD covers the 27 Member States and is yearly updated to cover the most recent changes in countries' policy systems. It uses input databases which are also updated on a yearly basis, coming mainly from the European Union Statistics on Income and Living Conditions (EU-SILC) and Household Budget Surveys (HBS). The model yearly update is supported by the following Directorate-Generals of the European Commission: DG EMPL, DG ECFIN, DG TAXUD, DG REFORM, DG JRC, DG ESTAT.

Originally maintained, developed and managed by the Institute for Social and Economic Research (ISER), since 2021 these responsibilities are taken over by the Joint Research Centre (JRC) of the European Commission, in collaboration with Eurostat and 27 national teams from the EU countries.

The EUROMOD governance structure consists of a Steering Committee, allowing partner DGs to monitor the process of the EUROMOD update, and a Scientific Advisory Board to monitor and guide the scientific development of the model.

This report documents the work done in the most recent annual update for Belgium. This work was carried out by the EUROMOD core development team, based at the JRC in Seville, in collaboration with the national team.

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The results presented in this report are derived using EUROMOD version J1.0+. EUROMOD is continually being improved and the results presented here may not match those that would be obtained with earlier or later versions of EUROMOD.

EUROMOD documentation: https://euromod-web.jrc.ec.europa.eu/resources/documentation

Glossary of EUROMOD terms: https://euromod-web.jrc.ec.europa.eu/resources/glossary

Policy parameters used in EUROMOD: https://euromod-web.jrc.ec.europa.eu/resources/parameters

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1. BASIC INFORMATION

1.1 Basic information about the tax-benefit system

- The social security system and tax system are both almost entirely coordinated at the national level. However, a number of taxes and benefits do not belong to the national system and vary across the regions.

  The revenue from taxation is collected at the national level and then it is divided over the different institutional levels (the federal level, the different regions (Brussels/ Flanders/ Wallonia) and the communities (Flemish community and French-speaking community)). Only municipalities' tax rates vary. Their collection however also takes place at the national level, after which these are transferred to the municipalities. The main exception in the national collection of taxes is the tax on real estate. This tax is administratively coordinated by the regions, while tax rates are set by the municipalities. Its revenue is split over the different administrative levels (municipalities, provinces, regions).

  Benefits that are part of the social security system (unemployment, pensions, sickness and disability benefits, family allowances, income support) are within the competence of the federal government. The most important benefits that are within the competence of the regions are as follows. First, there are the benefits related to education (study allowances). Second, additional social assistance (in addition to income support) is also a regional matter. Third, since the mid-2000s, the compulsory "Flemish care insurance" was established, which is only applicable for inhabitants of the region of Flanders and optionally available for the inhabitants of Brussels. Since July 2014 the regional governments are responsible for child benefits. Until 2018, the eligibility and computational rules remained similar over regions, except for indexation. From 2019, the child benefits started to be reformed by the regional governments. Flanders introduced a new system in 2019, Wallonia changed some rules before reforming completely the system in 2020 and Brussels kept things unchanged until 2020.

- The fiscal year runs from 1st January to 31st December. Main benefit changes usually take place when price-indices reach a certain level. However, as wages increase at a higher pace than the indices, additional adjustments can also take place "outside the index". This is possible when governments and social partners agree on the amount the benefits have to be raised to ensure they do not drop below subsistence levels.

- The official state pension age is 65 for men as well as for women and will be increased to 66 years on February 1st, 2025. Before, there was a slight discrepancy between the pension age of men and women (2003-2005: 63 for women; 2006-2008: 64 for women). However, for a number of professions (miners, seafarers), exceptions to this rule apply. In general, however, the average effective retirement age is considerably lower, mainly due to systems of early retirement and supplementary unemployment benefits for older unemployed.

- Nursery classes for all children from the age of 2.5 years onwards are free of charge and universally accessible. Although the compulsory education age is 6 years, the enrolment rate in the Belgian nursery classes is traditionally very high. Being in education is compulsory from the age of 6 onwards, but since September 2009, children should at least have attended one year of nursery school to be admitted to primary school at the age of 6. Compulsory education counts until the age of 18 (by attending school or by home-schooling). Exceptions can be made from the age of 15 onwards. Pupils in an education stream leading to a specific, mostly technical profession can make use of an apprenticeship agreement, and combine part-time school attendance with working part-time in a firm, exercising their profession under guidance there.

  For the family allowances, dependent children are in principle all children under 18 years. There are two exceptions to this rule. On the one hand, a child with a disability remains dependent until the age of 21. On the other hand, a child can remain dependent until the age of 25 if he or

she is in full-time education (including higher and advanced education), not married, and his/her net taxable income as well as the number of days a gainful occupation has been exercised do not exceed certain thresholds. The income thresholds are slightly higher for children with a disability as well as for children of lone parents. To qualify as a dependent child in the taxation system, the age restrictions are not applicable. The income thresholds are the same as for the family allowances.

- In the taxation system and social assistance system, a lone parent is defined as a parent of resident dependent children, who does not legally cohabit with or is married to a partner (whether or not the partner is the parent of the child is irrelevant).

- In the taxation system, the amount of certain allowances depends on whether one has a disability of a certain degree. The degree is often expressed either as % decrease in functioning capacities or as points on a medical scale capturing the ability to live independently, and is being declared by a doctor. The threshold used for tax allowances for individuals with a disability is a loss of functioning capacity of 66% or 9 points.

- The income tax system is an individual system. However, in the case of couples with a single earner, the system of the marital quotient applies. This consists of treating 30% of the total earnings of the couple as the income of the non-earning spouse (with a certain maximum). As a consequence of the progressivity of the Belgian tax rates, this amount is taxed at the lowest marginal tax rate instead of at the higher rate of the bracket in which the single earner's income would fall when treated as one entity.

- Capital income is usually taxed at the moment of remittance. This liberates the recipient from the obligation to declare the amounts in the tax return. If the capital income was not taxed at the moment of remittance, it has to be declared. It will then be taxed at a flat tax rate of 15%, except if it is beneficial for the recipient to treat capital income as regular income and to tax it at the standard rates (and brackets).

- All earning individuals are obliged to fill in a tax return if their income exceeds the minimum taxable income, except if their income consists entirely of a state pension or real estate income that is taxable only at the rate of cadastral income. As withholding tax is calculated taking only a few characteristics into account, differences between withholding tax and the final amount due are often considerable. A clearance of the balance usually takes place in the first half of the second year after the period in which the income has been received.

- All benefits and tax brackets are indexed to take account of inflation. Benefits usually rise every time price-indices reach a certain level. Tax brackets and all related amounts are indexed on a yearly basis at the transition to the next fiscal year.

- Social assistance (the most important means-tested benefit in place) assesses entitlement according to benefit unit income. The benefit unit is the nuclear family - the couple (cohabiting or married) or single adult plus any dependent children. However, income from other first degree family members living together under the same roof and pooling income sources are taken into account for the means-test. Being assessed is the factual income at the moment of application for social assistance at the local Centre for Public Assistance (CPAS). The applicant has to declare all factual income, not only official. Some income sources (e.g. child benefits) are discarded in the means-test. The applicant/beneficiary is bound to provide all the necessary information and to contact the CPAS if something changed in his or her personal (financial) situation. The CPAS are obliged to revise the means-test on a yearly basis. However, it belongs to the discretionary power of the local Social Service Departments to do the assessment on a more frequent basis.

- Consumption taxes consist of (1) VAT with three rates (standard, medium and reduced), (2) harmonised excises on tobacco, alcohol and energy, and (3) purchase of motor vehicles.

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- The policy parameters saved as constants in the model and their values for the most recent year are available at https://euromod-web.jrc.ec.europa.eu/resources/parameters.

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1.2   Social Benefits

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This is an overview of the existing social benefits in Belgium. Our classification is thematic, which means that not all the benefits in one category are within the competence of the same administrative institution. For instance, "guaranteed child allowances" are classified here under "family allowances", while administratively this measure is part of social assistance. This overview includes all social benefits, including those currently not simulated within EUROMOD.

1.2.1   Pensions

State pensions are financed by a "pay-as-you-go system". This means that pensions of the currently retired are financed by contributions on wages of the currently employed (and not by their own savings). In addition to the state pension schemes listed hereunder, second pillar pensions provide a supplementary pension to employees, which is being built via the employer. Although it is voluntary, half of the Belgian working population takes part in a second pillar pension scheme, and its importance is increasing.

- *Old age pension*

In the state pension system (first pillar), three schemes are in place, depending on whether the retired person was an employee, a civil servant or a self-employed. For those workers who have fallen into more than one of these categories during their career, the rights acquired in the various systems are combined. Periods of involuntary unemployment (unemployment, sickness) are also taken into account. Besides the category one belongs to, the monthly benefit depends also on the course of one's career, the earned wages and the family situation. Replacement rates for retired employees are typically 75% in the case of single earner couples, and 60% for all other pensioners. Because of upper ceilings on the pension amounts, the replacement rates for higher earners will in general be considerably lower.

- *Survivor pension*

The survivor pension is granted to the spouse following the death of the person who has built up pension rights. A few additional conditions apply (the spouse has to be over 45 years of age and be married for at least one year, or have a dependent child, or has to have a permanent disability).

- *Minimum pension (income guarantee for the elderly)*

A minimum pension is a right granted to all Belgian citizens. As it actually belongs to the social assistance category, it is discussed under this heading and its official name: income guarantee for the elderly (see 1.2.4.b.)

- *Early retirement pension*

Early retirement pension is actually an unemployment benefit and is discussed under this heading as well (see 1.2.2.c.). The normal benefit is raised with an additional compensation, usually paid for by the former employer. Also, the early retired are exempt from the obligation to actively seek work that is common for the "normal" unemployed. From 2015 on, conditions for early retirement have become stricter.

1.2.2   Unemployment benefits

Concerning unemployment benefits, three categories of recipients can be distinguished. Firstly, there are the indemnified unemployed. Under this heading the ordinary unemployment benefits are classified,

but also the early retirement benefits. Secondly, some categories of employed persons are additionally being supported with unemployment benefits, for instance during temporary unemployment or during training. The third category consists of employees who reduce their working hours with the support of unemployment benefits.

- ***The indemnified unemployed***

  a.   Ordinary unemployment benefits (after employment)

This category includes both jobseekers and persons exempt from seeking work, such as those exempt because of social or familial reasons (and the older employees and early retired discussed in the next paragraph). The amount of the unemployment benefit is calculated on the basis of the previous salary, and a ceiling applies that is different depending on unemployment status. The replacement rate that applies thus depends on family situation (single, cohabitating, head of the family) and the length of the unemployment (digressive over time).

  b.   Full-time early retirement

What is described here as "early" retirement is in fact a "bridge" between losing a job before the (legal) age of retirement and the actual retirement. Therefore, a part of this benefit is financed through the unemployment legislation and a part by the employer. The early retired are exempt from the obligation to actively seek work.

  c.   Unemployment benefit for older employees

The older employees can be exempt from the obligation to seek work as well. In addition to the regular unemployment benefit, they receive an additional compensation, called the "seniority supplement", which is paid for by the former employer.

  d.   Unemployment benefit after finishing studies

Persons younger than 30 and without an employment history can receive unemployment benefits after finishing studies. The applicant must have finished his or her studies, be enrolled as a jobseeker for 310 workdays before he or she becomes eligible to receive the benefit. The benefit varies, depending on age and family situation (living alone, dependent family, etc.). The system was reformed in 2012, including a renaming of the benefit from "waiting allocation" to "professional integration allocation".

- ***Support of employed people***

  a.   Temporary unemployed

In contrast to the fully unemployed (discussed above), the temporary unemployed is bound by an employment contract, of which however the actual work is temporarily suspended (e.g. because of economic circumstances or weather conditions). Replacement rates are slightly higher than for the fully unemployed and do not decrease over time.

  b.   Part-time unemployed with preservation of rights and income guarantee benefit

Employees avoiding full unemployment by working part-time, can preserve the rights of a full-time unemployed and can receive an income guarantee benefit when he or she fulfils a number of conditions with regard to reference gross wage and effort (apply for a full-time job with the employer if it becomes available).

  c.   Activation measures allowances

A first measure consists of the exemption from seeking work while receiving the unemployment benefit for those who follow a course that is organized or subsidized by the regional departments of the employment agency, or an individual in professional training in a company or educational institute.

Secondly, there are a number of ways in which unemployed who resume work, continue to be supported by the National Employment Office. A part of the wage consists of an activation measure allowance (mostly for jobs in the social economy sector such as sheltered workshops, community work or home help).

- *Support for the employed who reduce their working hours*

  a.   *Part-time early retirement*

Full-time employees have the possibility to reduce their working hours, while receiving an additional supplement to the part-time wage (paid partly by the employer and partly by the National Employment Office), from the age of 55 years onwards.

  b.   *Time credit*

Employees can interrupt their career full-time or part-time for a certain period. During this period, they remain under the same employment contract and receive compensation from the National Employment Office in the form of a career break allowance. After the break, they are entitled to the same rights as before. Different systems are elaborated for the different sectors ('time credit' is the name for the measure in the private sector). In each of the systems, besides a normal form, three special forms exist, targeted at specific needs to interrupt one's career (parental leave, palliative care leave, and medical assistance). From 1 January 2015 time credit without motivation has been abolished as part of the austerity measures of the federal government.

- *Sickness & Disability Benefits*

  a.   *Primary incapacity of work (sickness benefit)*

This term is applicable during the first year during which a person is medically incapable of work, but not because of an occupational injury or disease. The (degree of) incapacity of work has to be recognized by a doctor approved by the social security office. The system exists for both employees and self-employed. In any case, the person should have paid a certain amount of social contributions to be eligible for this benefit. During the first month of work incapacity, employees receive 60% of their gross wage (with a maximum dependent on family situation). The self-employed receive a fixed amount per day depending on the family situation.

  b.   *Disability benefit*

The difference between the disability scheme and the sickness scheme is that the disability scheme starts after one has medically incapable of work for more than one year. For the employees, there is a difference in the replacement rates:
-   65% of the gross wage, if the person has dependants
-   55% of the gross wage in the case of a single person
-   40% of the gross wage when the person lives with someone else
All payments are subject to maximum limits per day. The disability benefit for the self-employed is increased by 3 to 4 €/day in the case the business is discontinued.

  c.   *Occupational injury*

Workers are covered by an insurance against accidents at work, which each employer is obliged to have. Not only accidents which occur at the workplace but also accidents which happen on the way to or from work are classified as accidents at work. Self-employed persons are not automatically insured against accidents at work. A separate rule applies to civil servants.

  d.   *Occupational disease*

There is a list of disorders which are recognised as occupational illnesses and which entitle the person suffering from one of the disorders to compensation. People who suffer from an illness not included on

the list must prove that there is an established and direct link between the illness and their work. The benefit is paid for by the Fund for Occupational Diseases. If the disease is of a temporary nature, the replacement rate is 90% of the last wage. In the case when one becomes permanently disabled, the benefit is calculated according to the degree to which one is declared disabled (in %) and the last wage. All workers and civil servants are insured against occupational illnesses, self-employed persons are not.

1.2.3 Family Allowances

- *Ordinary child allowance*

Child allowance is paid to families with dependent children. In principle, children are dependent if they are younger than 18 years old. There are two exceptions to this rule. On the one hand, a child with a disability remains dependent until the age of 21. On the other hand, a child can remain dependent until the age of 25 if he or she is in full-time education (including higher and advanced education), not married, and if his/her net taxable income as well as the number of days a gainful occupation has been exercised does not exceed certain thresholds. The income thresholds are slightly higher for children with disabilities as well as for children of lone parents.

In general, a beneficiary, usually the father, is eligible for child allowance if his employer (or himself if he is self-employed) pays or paid social security contributions. The relevant rules for the computation of child allowances used to depend on the contribution scheme to which the employer of the beneficiary or the beneficiary himself contributed, but as of 2014 the three contribution schemes (for employers, self-employed and civil servants) are unified. If a beneficiary did not contribute to any of the social security contribution schemes, he or she may still be eligible for child allowance through the system of guaranteed child allowance. The amount of child allowance depends on the birth order of the child. The guaranteed child allowance is means tested. Allowances for orphans do not depend on the child's birth order.

- *Supplements to the ordinary child allowance*

    a.   *Age-related supplements*

Age-related supplements are the same for all schemes as well as for orphans and the guaranteed child allowance.

    b.   *Social supplements*

The social supplements are primarily for children of beneficiaries that receive a replacement income: retirement pension, survival pension, unemployment benefits (full-time and longer than six months in unemployment), and disability benefits. There are income conditions that must be met by the beneficiary in order to be eligible for social supplements to child benefits.

    c.   *Supplements for children with a disability*

Ordinary child allowances and orphan allowances can be supplemented with an allowance for children with a disability of up to 21 years of age and if the child has a disability of at least 66%. The amount of the supplement is based on the consequences of the condition both for the child himself/herself and for the family in the sense of a diminished degree of social activity and participation.

- *Birth/adoption allowance*

The birth allowance or adoption allowance is granted to all new parents. In case of adoption, the allowance is only granted when the child that is adopted is eligible for child benefits. In Flanders, the birth and adoption allowances are identical for all children. In Wallonia, the allowance is higher for the adoption of a child born before 2019; however, for children born after 2019, both adoption and birth allowances are equally high. In Brussels-Capital Region, the birth allowance is lower from the second

child onwards, except in cases of multiple births. A birth allowance can also be given in case of miscarriage as long as the pregnancy has lasted at least 180 days. The amounts differ over the regions.

- *Study allowances*

Study allowances are granted to families with school-aged children whose means do not exceed a certain threshold. The study allowances are regulated by the three communities (French speaking, Flemish and German speaking). In the French speaking community, study allowances can be granted upon request to all families with children in secondary or tertiary education. In the Flemish community, all levels of educations (from pre-school to tertiary levels) are entitled to such benefits. The conditions for granting of study allowances as well as their amount depend on the household means and composition.

- *Parental benefits*

a.   *Maternity leave benefit*

Maternity leave benefit (moederschapsrustuitkering) is a benefit received by a new mother who is employed, self-employed or unemployed, if she paid sufficient social security contributions in the last 6 months. For employed and unemployed mothers, the maternity leave should start at least one week before the planned birth date and end at the earliest 9 weeks after the birth. Additionally, 5 weeks (+ 2 weeks in case of a multiple birth) can be added, of which maximum two before the obligatory leave (three in case of a multiple birth). The mother receives a benefit based on her wage/unemployment benefit. A self-employed mother receives a fixed amount per week, and only has 3 weeks obligatory maternity leave, 1 week before the planned birth date and two weeks after the actual birth. Additionally, she has 9 (10 if multiple birth) weeks leave of which maximum 2 are taken before the mandatory period of maternity leave. The benefit accompanying the leave is differently calculated for employed, unemployed and self-employed mothers.

For female employees, the maternity leave totals 15 weeks around the birth of the child and is indemnified by the National Sickness and Invalidity Insurance Institute. The allowance amounts to 82% of the normal wage for the first 30 days of the leave. Afterwards, the replacement rate is reduced to 75%, limited with an installed maximum amount. The 15 weeks can be spread around the foreseen birth date as the mother wishes, starting at the earliest six weeks before the foreseen birth date. In the case of multiple births, maternity leave is extended by two weeks.

b.   *Paternity leave benefit/birth leave*

Paternity leave benefit/birth leave benefit (vaderschapsverlof) is the right to 20 days paid leave granted to new fathers in the first 4 months after the birth of their child. A female partner of a new mother is granted a birth leave benefit (geboorteverlof). These two benefits are only granted to employees, not to self-employed or unemployed people. The first three days of leave are paid by the employer, and is equal to the gross daily wage. The following 17 days, the National Sickness and Invalidity Insurance Institute pays 82% of the gross wage, limited to a maximum daily amount.

c.   *Adoption leave benefit*

Adoption leave benefit (adoptieverlof) is granted to employees and self-employed who adopted a minor child, when no maternity leave benefit was taken up for the child. Each adoptive parent is entitled to 6 weeks of non-transferable adoption leave. From January 2019 until January 2027, an additional week of transferable adoption leave is granted biennially. The number of weeks is doubled if the child has a disability. Employed parents have to take the leave without interruption, while self-employed can take up the leave, and the accompanying benefit, in a half-time scheme. For employed parents the benefit is dependent on their wage, while self-employed receive a fixed benefit per week full-time, and half of it when they opt for the half-time scheme. The adoption leave benefit is modelled as a maternity/paternity

leave benefit in case of adoption after birth, since we cannot distinguish adopted from non-adopted children. If the child is adopted at an older age, the adoption leave benefit is not modelled at all.

d.   Parental leave benefit

Parental leave benefit (ouderschapsverlof) is a benefit that is granted to maximum two parents per child, younger than 12. The leave is maximum 4 full-time months. It can be taken up per month, and each month can be taken up in a full-time scheme, half-time, $1/5^{th}$ or $1/10^{th}$. In that case the parent keeps on working part-time (1/2, 4/5, 9/10 respectively) for resp. eight, twenty or forty months. The benefit they receive is equivalently smaller. The benefit received per month is fixed for all employees, and is not dependent on the wage. The benefit is higher for single parents.

1.2.4   Social Assistance

- *Income support*

If the means of a person are below a certain threshold, that person is eligible for income support. Income support is provided up to the level of the minimum income, i.e. the amount of the benefit is equal to the minimum existence level minus the own means. In principle one needs to apply for social assistance at a local centre for public assistance (CPAS), a body which is present in each municipality. The CPAS have some discretionary power over the acceptance. For example, the CPAS can demand an individualized project for social (re)integration that the applicant has to agree to and follow in order to get and/or keep social assistance. The income support is for unlimited duration but each year the CPAS has to make a re-assessment of the personal situation of the applicant and can withdraw income support based on the results of that inquiry. The beneficiary is bound to contact the CPAS from the moment something changed in his or her personal (financial) situation. The benefit unit is the nuclear family - the couple (cohabiting or married) or single adult plus any dependent children. This means that if a person claims income support his/her spouse is automatically covered, i.e. (s)he cannot claim income support separately. However, income from other first degree family members living together under the same roof and pooling income sources are taken into account for the means-test. Being assessed is the factual income at the moment of application for social assistance at the local Centre for Public Assistance (CPAS). The applicant has to declare all factual income, not only official. Some income sources (e.g. child benefits) are discarded in the means-test.

- *Income Support for the Elderly*

All persons aged 65 - increasing to 66 in February 2025 - or above are eligible to receive income support for the elderly. There is a distinction for persons living alone and those living with others at the same address. A person without a partner but living with (a) minor child(ren) or adult child(ren) for whom child benefits are received and/or relatives (descendants) are considered as living alone and are eligible to receive the increased amount. Income support for the elderly is an individual right whether being married or not.

- *Contribution towards persons with a disability*

Persons with a disability receive an allowance in line with their age and level of disability. The parents of children with a disability receive higher child allowance if the child (until the age of 21) is at least two-thirds disabled. Persons with a disability who are older than 21 receive an income replacement benefit if they can prove that their ability to earn an income is reduced by two-thirds compared to that of a person without a disability. The person with a disability receives an integration allowance if a medical examination shows that the person's ability to live independently is restricted.

1.2.5   Other

- *Flemish care insurance*

The Flemish care insurance (2002) is an exception to the nationally organized social security system. It is a collective insurance to provide partial reimbursement for the costs of care (informal care, professional home care, or professional residential care). The care insurance is compulsory for inhabitants of Flanders, and optionally available to inhabitants of Brussels and to Europeans working in Belgium. The annual fee - €62 (in 2024) per person older than 25 - is to be paid to the health insurance fund one is registered with. Starting from 2018, the fee undergoes yearly adjustments (Table 1.1).

1.2.6   Scope and scale

Table 1.2 Social benefits: recipients (as % of population) [2020 - 2024]

	2020	2021	2022	2023	2024
Total population	**11,492,641**	**11,507,163**	**11,584,008**	**11,697,557**	**11,763.650**
Pensions					
Pensions (old age + survivors)	2,187,220	2,226,108	2,278,063	2,329,653	n.a
Self-employed pensions (old age + survivors)	567,199	572,756	583,474	595,937	n.a
Employee pensions (old age + survivors)	2,083,593	2,125,156	2,179,266	2,232,660	n.a
Unemployment Benefits					
Full-time unemployed	378,148	346,498	308,344	295,801	n.a
Unemployment after studies	30,024	26,041	22,447	21,528	n.a
Unemployed after employment	277,744	262,641	238,402	229,033	n.a
Temporary unemployed	499,534	299,273	313,212	120,674	n.a
Sickness benefit					
Employees	442,127	455,996	471,927	n.a	n.a
Self-employed	28,913	29,439	30,444	n.a	n.a
Disability benefit (number of disability periods)					
Employees	n.a	n.a	n.a	n.a	n.a
Self-employed	n.a	n.a	n.a	n.a	n.a
Maternity leave					
Employees	n.a	n.a	n.a	n.a	n.a
Self-employed	n.a	n.a	n.a	n.a	n.a
Social assistance					
Income support - social assistance	212,720	217,299	230,703	222,672	n.a
Income support for the elderly	106,163	107,410	n.a	113,887	n.a

Notes: Number of total population, pensioners and elder persons with income support relates to the first day of the year (January 1), the number of unemployment benefit recipients are a yearly average over all 12 months, the number of sickness and disability benefit recipients relates to the last day of the year (December 31) and the number of maternity leaves is the sum over the whole year.

Source: RVA, RIZIV, POD MI, STATBEL, SFPD

Table 1.3 Social benefits: annual expenditure (as % of total government expenditure) [2020 - 2024]

	2020	**2021**	**2022**	**2023**	**2024**
Total Government Expenditure for Social Protection in millions of €	**128,128**	**132,625**	**139,932**	**149,887**	**n.a**
Pensions					
Pensions (old age + survivors)	40%	40.3%	42.1%	42.8%	n.a
Self-employed pensions (old age + survivors)	3.1%	3.2%	3.4%	3.5%	n.a
Employee pensions (old age + survivors)	36.6%	36.7%	38.5%	38.5%	n.a
Unemployment Benefits					
Unemployment benefits	10%	6.9%	3.9%	3.4%	n.a
Sickness & disability benefits					
Sickness & disability benefits	7.9%	8.2%	8.5%	8.7%	n.a
Employees	7.4%	7.7%	7.9%	8.2%	n.a
Self-employed	0.5%	0.5%	0.5%	0.6%	n.a
Social assistance					
Income support - social assistance	1.2%	1.2%	1.2%	1.2%	n.a
Income support for the elderly	0.5%	0.6%	0.6%	0.6%	n.a

Source: National Bank of Belgium

1.3   Social contributions

Social insurance contributions are different for wage earners on the public and private labour market, for blue- and white-collar workers, and for earned wages and for replacement income.

Employers: employers' social insurance contributions are calculated on the gross wage. The final total ratio ranges from 25.29% to 32.61% of the gross wage, dependent on the size of the firm and whether the employee is a blue- or white-collar worker.

Employees: social insurance contributions are paid on total gross earnings without ceiling and before income tax deductions. The tax base includes any advantages in money (and a limited number of fringe benefits), granted by the employer to the employee as a remuneration for the labour supplied. The standard rate of the social insurance contribution is 13.07% of total gross earnings. Social insurance contributions are calculated slightly differently for some income components of blue-collar workers and white-collar workers.

Civil servants: Social insurance contributions for wage earners on the public labour market *without statutory service* are the same as those for wage earners on the private labour market. The social insurance contributions for civil servants *with statutory service* are different than those for wage earners. The standard rate of the social insurance contribution for the civil servant is 11.05% of total gross earnings.

The self-employed: The full-time self-employed pay social insurance contributions on a quarterly basis based on their income in the third calendar year preceding the year of contribution. If the self-employed has not yet been active for three years a lump sum amount of contributions is levied which will be regulated later against real earned income.

Retirement pensions, survival pensions and early retirement pensions: Retirement and survival pension benefits are subject to a social insurance contribution of 3.55% for the funding of sickness and disability insurance. However, if the contribution would bring the pension amount below a certain threshold no contributions are due.

Disability benefits: On disability benefits received by wage earners a social insurance contribution of 3.5% is due to fund the pension insurance scheme. Again, the contribution may not be due if the amount of benefits falls below a certain threshold. No contributions are due on benefits for primary disablement (first year).

Occupational injury and disease: The percentage applicable is 13.07% on benefits for either permanent or temporary disablement but no contribution is due on benefits for assistance by a third person.

The unemployed: do not pay social insurance contributions.

Special professional categories: a number of exceptions to the general calculation rules apply for a number of professional categories (independent child minders, seafarers, professional athletes with an employment contract, waiters, students employed by student contract, seasonal workers in horticulture or agriculture). Exceptions exist for both employee as well as employer contributions.

- *Scope and scale*

Table 1.4 Social contributions: annual revenue (in millions of €) [2020 - 2024]

	2020	**2021**	**2022**	**2023**	**2024**
Social contributions	62,291	65,572	71,253	n.a.	n.a.
Employees (incl. civil servants)	18,838	19,841	21,621	n.a.	n.a.
Employers (incl. public administr.)	37,349	39,404	43,024	n.a.	n.a.
Self-employed	4,088	4,433	4,596	n.a.	n.a.
Unemployed	0	0	0	n.a.	n.a.
Pensions	1,890	1,762	1867	n.a.	n.a.
Other	127	133	146	n.a.	n.a.

Notes: The other-category contains mainly contributions on disability benefits and occupational injury and disease.
Source: OECD revenue statistics – details of tax revenue, Belgium.

1.4 Taxes

1.4.1 Personal income taxes

Personal income taxes are calculated by applying a progressive rate structure to the net taxable income of an individual person. Net taxable income equals gross income minus the sum of social insurance contributions, professional expenses (only for working persons), and deductible expenses. For a more detailed description of the tax system, refer to section 0.

The tax calculation system is individual; however, in order to apply the correct credits and allowances, the level at which the tax return is to be filled is the nuclear family: the single person or married couple together with dependent children (and, occasionally, other dependent persons). To qualify as dependent the person's own income may not surpass certain limits. Otherwise, the person is considered a separate tax unit.

In the case of one-earner couples the tax legislator allows for income sharing between spouses up to a certain limit. If one of the spouses earns less than 30% of total net taxable income from professional activity, income between spouses is shared as if the higher earning spouse earned 70% of total household income from professional activity and the other spouse 30%.

Replacement incomes are taxable with the exception of social assistance, war pensions and benefits in case of a work-related accident or sickness for a person without any other income. Furthermore, replacement incomes give right to a tax credit, and total taxes on replacement income can be reduced to zero if they are below a given threshold and are the sole source of income.

1.4.2   Property and wealth taxes

Real estate taxes for house-owners are regulated at the regional level. The tax base is the "indexed cadastral income", an estimate of the hypothetical annual net rental income of the property, which is indexed every year. The indexation is based on the evolution of the health index and is intended to adjust the cadastral income for inflation. The basic levy rate of the property tax is 3.97% in the Flemish Region and 1.25% in both the Brussels-Capital Region and the Walloon Region. The municipalities decide on the level of the surtax (opcentiemen/centimes additionelles). Reductions apply for specific family situations (having children, household members with a disability), modest size and energy-efficiency of the dwelling. The real estate taxes are organised and collected at the regional level (slightly different systems apply in Brussels, Flanders and Wallonia).

Investment income is taxed at the source. On income from dividends, a 30% rate applies. Interest income from bonds is taxed at 15%, as is interest income from one's savings account. For natural persons, however, this last category is exempt from taxation as long as the interest income does not exceed a certain maximum amount.

For individuals or households, there exists no property tax on assets (or wealth tax). However, a number of taxes do apply on transactions of property (both movable and immovable). For immovable property, the most important category consists of registration taxes. For movable property, the main tax is the tax on stock exchange and carry-over transactions.

The inheritance tax can be seen as a form of wealth tax for individuals. This is a complex system with different rates (ranging from 3% to 80%) applying to different forms in which an inheritance can take place (money or in kind, descendants of which order).

1.4.3   Taxes on goods and services

The standard VAT rate is 21%. A lower rate of 6% exists for basic needs goods and services (e.g. food, books, pharmaceutical products, coffins) or 12% on a very limited number of intermediate-needs goods and services (e.g. construction of social housing). Some goods and services (e.g. daily newspapers) are exceptionally granted a rate of 0%.

Excise duties are levied on a number of products. Some important examples are mineral oils, tobacco, various alcoholic beverages, packaging, energy. Alcohol, tobacco and energy are EU-harmonized taxes.

A one-time tax applies to individuals and corporations owning motor vehicles. The amount due depends on the type of motor vehicle, the cylinder capacity, the horse power and the type of fuel used, and is levied at the time the vehicle is registered.

- *Scope and scale*

Table 1.5 Taxes: revenue (in millions of €) [2020 - 2024]

	2020	**2021**	**2022**	**2023**	**2024**
Annual revenue	**195,289**	**214,332**	**233,765**	**n.a.**	**n.a.**
Most important components for households / natural persons:					
Direct taxes					
Personal income taxes	48,443	50,853	56,384	n.a.	n.a.
Real estate tax (part paid by hh)	4,182	4,262	4,527	n.a.	n.a.
Investment income tax	n.a.	n.a.	n.a.	n.a.	n.a.
Registration taxes	4,403	5,337	5,098	n.a.	n.a.
Tax on stock exchange and carry-over transactions	413	435	335	n.a.	n.a.
Inheritance tax	2,411	2,948	2,796	n.a.	n.a.
Indirect taxes					
VAT	29,761	34,783	36,489	n.a.	n.a.
Excise duties	9,031	9,858	9,657	n.a.	n.a.
Motor vehicle tax (part paid by hh)	1,260	1,279	1,310	n.a.	n.a.

Notes: The annual revenue numbers reported in the first line exclude the revenue from social insurance contributions

Source: OECD Revenue Statistics – details of tax revenue, Belgium

2. SIMULATION OF TAXES, SOCIAL INSURANCE CONTRIBUTIONS AND BENEFITS IN EUROMOD

2.1 Scope of simulation

Not all the taxes and benefits mentioned in the previous section are simulated by EUROMOD. Some are entirely beyond its scope. Others are not possible to simulate accurately with the available data. They are included in the final output, but the rules governing them may not be changed by the model. Table 2.1 lists the main benefit categories, Table 2.2 the social insurance contributions and taxes.

Table 2.1 Simulation of benefits in EUROMOD [2021 - 2024]

Benefit	Variable	2021	2022	2023	2024	Comments
Pensions	poa, psu	I	I	I	I	No data on contribution history
Unemployment benefits	bun, byr	I	I	I	I	In the baseline simulation, UBs are taken from the data.
Ordinary UB	bun_s	PS	PS	PS	PS	Simulation of UB, implemented for new unemployed and based on a number of assumptions. Switched off in the baseline. See below.
Early retirement benefit	byr_s	PS	PS	PS	PS	
Sickness & Disability benefits	pdi, phl	I	I	I	I	No information on disability
Family benefits						
Parental leave	bfapl	S	S	S	S	Simulated but switched off in baseline
Child allowance	bch_s	S	S	S	S	No information on disability: child allowance for children with a disability not simulated. No information on child care use.
Birth allowance	bchba_s	S	S	S	S	
Education related allowances	bed_s	S	S	S	S	No information on the community to which the households belong.
Social assistance						
Income support	bsa_s	S	S	S	S	Simulation of IS is based on a number of assumptions
Income support for elderly	bsaoa_s	S	S	S	S	Simulation of IS for the elderly is based on a number of assumptions and switched off in the baseline
Housing benefit	bho	I	I	I	I	No data to simulate
Wage compensation scheme Covid-19 for employee	bwkmcee_s	S	S	S	S	Switched off in the baseline (based on labour market transitions)
Wage compensation scheme Covid-19 for self-employed	bwkmcse_s	S	S	S	S	Switched off in the baseline (based on labour market transitions)
Flemish jobbonus	bwkrg_s	E	E	S	S	Only introduced in 2023

Notes: "E": *excluded* from the model as it is neither included in the micro-data nor simulated;
"I": *included* in the micro-data but not simulated;
"PS" *partially simulated* as some of its relevant rules are not simulated;
"S" *simulated* although some minor or very specific rules may not be simulated.

Table 2.2 Simulation of taxes and social contributions in EUROMOD [2021 – 2024]

Tax/SIC	Variable	2021	2022	2023	2024	Comments
Social contributions						
Employees	tscee_s	S	S	S	S	
Civil servants	tscee_s	S	S	S	S	
Self-employed	tscse_s	S	S	S	S	Calculations for self-employed are based on the number of assumptions
Pensions	tscpe_s	S	S	S	S	
Disability	tscdb_s	S	S	S	S	
special contribution	tsceesp_s	S	S	S	S	
Taxes						
Personal income tax	tin_s	S	S	S	S	
Real estate	tprhm_s	S	S	S	S	
Investment income tax	tinkt_s	S	S	S	S	A uniform tax rate of 15% is assumed
Property transactions	-	E	E	E	E	No information available
Inheritance	-	E	E	E	E	No information available
VAT	-	S	S	S	S	Calculations based on extended input files with consumption expenditures from HBS
Excise duties	-	S	S	S	S	Calculations based on extended input files with consumption expenditures from HBS
Motor vehicle tax	-	E	E	E	E	No information available

Notes: "E" policy is *excluded* from the model's scope as it is neither included in the microdata nor simulated;
"PS" policy is *partially simulated* as some of its relevant rules are not simulated;
"S" policy is *simulated* although some minor or very specific rules may not be simulated. Although there is a variable in SILC for property/wealth taxes, it is empty for Belgium, so it cannot be included in the model.

2.1.1 Partially simulated tax-benefit components

- *Partially simulated benefits for unemployment*

In the simulation of unemployment benefits (bun_s) the original value of unemployment benefits in the input data (bun) is used to determine eligibility. Unemployment benefits are not simulated in the baseline. The policy is switched off. In the simulation of unemployment benefits there are three instances in which the calculation makes use of the original value of unemployment benefits in the input data (bun).

First, in the simulation of months in unemployment (i_lunmy) the bun variable is used. Even if the initial value of months in unemployment (lunmy) is zero, this will be set to 1 if original unemployment benefits are positive. The output variable is i_lunmy, reflecting number of months for which unemployment benefits are simulated.

Second, the original value bun is used in calculating the number of months worked, to check if the qualifying period is met, i.e. i_bunmw. If the initial value of unemployment benefits, bun, is zero, and the initial value of number of months in unemployment, lunmy, is positive, the months worked are set to zero. Only when the initial value of unemployment benefits (bun) is higher than zero there is accounted for age (dag), work history (liwwh) and months worked in the year (liwmy) in the simulation of months worked, i_bunmw. This simulated variable is used in checking if the qualifying period is met, i.e. if the individual has worked enough to receive unemployment benefits.

Third, also in the simulation of the previous wage, yempv_s, necessary to determine the amount of simulated unemployment benefits, is based on the original value of bun. Only when bun is positive, an imputed wage is used to determine the previous wage. When bun is equal to zero, and the initial value of months in unemployment (lunmy) is positive, the previous wage is assumed zero. When the simulated

unemployment benefit is for newly unemployed individuals, an add on is used (yempv_a). This results in the simulated previous wage, yempy_s. All three variables i_lunmy, i_bunmw and yempv_s determine the value of bun_s (cfr. 0).

However, in the model that is now released, bun is set to zero in the beginning of the policy that is simulating bun_s. The reason is to avoid a double count of bun and bun_s in the income lists. Since the bun_s policy is on *toggle* in the baseline the bun variable is not affected. The simulation of unemployment benefits, bun_s, will always be zero, since it starts from the bun=0 case for all individuals.

2.2   Main policy changes

Table 2.3 Main policy changes [2020 - 2024]

Policies	2020 → 2021	2021 → 2022	2022 → 2023	2023 → 2024
Benefits		Maternity leave		
Social insurance contributions		Reform of the special social security contribution		Reform of the reduction in social insurance contribution
Direct taxes				
Consumption taxes		Temporary measures in response to the energy crisis	Permanent reduction of VAT on electricity and gas	Increase excises on certain tobacco products
		Increase excises on cigars		
Other			Flemish jobbonus	

- *Increase in excises on certain tobacco products (2023 → 2024)*

For cigarettes, the ad-valorem rate decreased from 37.04% to 34.04%, whereas the ad-quantum tariff increased from 114.2972 euro per 1000 cigarettes to 178 euro per 1000 cigarettes. For fine cut tobacco, the specific excises increased from 93.4261 euro per kilogram to 136 euro per kilogram. The increase in excises includes the introduction of an excise on e-liquids, with a tariff of 0.15 euro per milliliter.

- *Permanent reduction of VAT on gas and electricity (2022 → 2023)*

During the energy crisis, the federal government implemented several temporary policy measures (see below). The reduction in the VAT rate on electricity and gas from 21% to 6% has been made permanent since 1st of April 2023. The reduction in VAT is accompanied by an increase in the excises on gas and electricity. The excise reform includes a reduction in the excise rate levied on a base consumption level (between 0 – 3 MWh for electricity, and between 0 – 12 MWh for gas), when the prices of electricity and gas exceed a certain value (250 EUR per KWh for electricity and 100 EUR per KWh for gas). The excises for each quarter of the year are based on the prices of electricity and gas in the previous quarter. As the prices of gas and electricity were above the price levels mentioned above, excises from April – June 2023 include reduced excises rates for the basic consumption bundle. From July 2023 onwards, excises on the basic consumption bundle return to their normal (non-reduced) value.

- *Reduction social insurance contributions (2023 → 2024)*

In April 2024, the restructuring of the reduction in social insurance contributions for low-wage employees aimed to strengthen the reduction, particularly for those with very low wages. The reduction

has been divided into two components: Component A for low wages and Component B for very low wages. Individuals with very low wages receive the combined sum of both components. Additionally, the reduction in withholding tax, which is calculated as a percentage of the reduction in social insurance contributions, was enhanced specifically for employees with very low wages by increasing the reduction rate on Component B.

- *Flemish jobbonus (2022 → 2023)*

For Flemish residents, there is a new income support measure to incentivize employment. Employees or self-employed who worked as employees the year before with a monthly gross income below 2500 euro (assuming full-time employment) are eligible for the benefit. Employees with a gross income below 1800 euro per month will receive the maximal amount of 600 euro monthly. Between 1800 and 2500 euro of monthly gross income, the benefit is reduced from 600 to 0.

- *Temporary policy measures in response to the energy crisis (2021 → 2022)*

In Belgium, policy measures to tackle the increase in consumer prices (particularly those related to household energy consumption) involve price-related measures, such as VAT cuts, social tariffs, etc. These measures were temporary and discontinued at the end of 2023, and are therefore not simulated in EUROMOD.

- *Increases excises on cigars (2021 → 2022)*

The ad-valorem excises on cigars increased from 10% to 11.5%.

- *Maternity leave for self-employed (2021 → 2022)*

From 2022 onwards, the benefit amount differs during the first 4 weeks of maternity leave and the weeks afterwards. In addition, 2022, the amounts have been increased significantly.

- *Special social security contribution (2021 → 2022)*

Until 2021, the calculation scheme and the parameters of the special social security contribution (tsceesp_be) have remained fixed over time. From 2022 onwards, the special social insurance contribution will be phased out over several years. In addition, the calculation system is reformed and makes, from 2022 onwards, a distinction between employees who are taxed individually and those who are taxed jointly (legally cohabiting or married).

2.3   Order of simulations and interdependence

2.3.1   Simulated policies

- *Order of the simulated policies*

Table 2.4 shows the order of simulation (i.e. the spine).

The first four policies concern the simulation of the social insurance contributions: for employees (including civil servants), for employers, for the self-employed, for pensioners (including early retirement pensioners), and for disability benefits. The social insurance contributions are deducted from gross income in order to calculate taxes.

For workers, professional expenses are additionally deducted in order to attain the taxable income. They are computed in the policy tintace_be.

The next policy tinwh_be contains the withholding tax legislation. In the baseline this policy is switched off, as the standard approach is to calculate final taxes.

Parental benefits policies - maternity benefit bmact_be, paternity benefit bfact_be and parental leave benefit - can be switched by the users, and are switched off in the baseline.

Policy bun_be, which follows next, is also switched "off" in the baseline. The policy can be used for calculation of unemployment benefits for new unemployed (e.g. for modelling employment transitions or for calculation of replacements rates).

Policy byr_be is no longer simulated and, therefore, switch to n/a.

The following policies tprhm_be and tin_be calculate the final taxes.

After calculation of taxes due there is also a special contribution for social security (due by all wage earners). This contribution is computed separately since it is applied after taxes and hence does not influence net taxable income.

Following the contributions and taxes, the benefits are simulated. Family allowances include the birth allowance and the child benefits. Next, the most important categories of social assistance are simulated, i.e. income support as well as income support for the elderly. The latter is switched "off" in the baseline (see section 2.5.8 for more details).

The last policy included in the spine is tco_cc (consumption taxes) (update cc). It is placed at the very end because consumption tax liabilities (VAT and excises) depend on household consumption expenditures, and these are estimated by the model based on the income shares (xs_* variables included in the input data) and simulated disposable income (ils_dispy). This is why before running any simulation of consumption tax policy it is required to activate all the other policies intervening in the simulation of disposable income.

Table 2.4 EUROMOD spine: order of simulations [2020 - 2024]

Section	Policy	Description	Main output	Year				
				2020	2021	2022	2023	2024
	SetDefault_be	Default values		on	on	on	on	on
	Uprate_be	Uprating factorss		on	on	on	on	on
	ConstDef_be	Constants		on	on	on	on	on
	ILsDef_be	Standard income concepts		on	on	on	on	on
	ILsUDBDef_be	UDB income concepts		on	on	on	on	on
	ILDef_be			on	on	on	on	on
	TuDef_be	Assessment units		on	on	on	on	on
	InitVars_be	Initialization of variables		on	on	on	on	on
	random_be	Random number generator		off	off	off	off	off
	TransLMA_be	Modelling labour market transitions		off	off	off	off	off
	yem_be	minimum wage		off	off	off	off	off
	neg_be	recode negative income to zero		on	on	on	on	on
2.9.1	yemcomp_be	Wage compensation scheme Covid-19 (for employee)	bwkmcee_s, (= buncmtu_s)	off	off	off	off	off
2.9.2	ysecomp_be	Wage compensation scheme Covid-19 (for self-employed)	bwkmcse_s, (= buncmsedm_s)	off	off	off	off	off
2.4.0	tscee_be	Employee social insurance contribution	tscee_s; tscdb_s; tsceerd_s	on	on	on	on	on

2.4.3	tscpe_be	Pensioners contributions to health and disability insurance and solidarity contribution	tscpe_s	on	on	on	on	on
2.4.0	tscer_be	Employer social insurance contribution	tscer_s; tscerrd_s	on	on	on	on	on
2.4.2	tscse_be	Self-employed social insurance contribution	tscse_s	on	on	on	on	on
2.5	tintace_be	Deduction of professional expenses	tintace_s	on	on	on	on	on
2.5	tinwh _be	Withholding income tax; withholding special social insurance contribution	tinwh_s; tscwheesp_s	off	off	off	off	off
2.3.4	bmact_be	Maternity leave benefit	bmact_s	SWITCH	SWITCH	SWITCH	SWITCH	SWITCH
2.3.5	bpact_be	Paternity leave benefit	bpact_s	SWITCH	SWITCH	SWITCH	SWITCH	SWITCH
2.3.6	bfapl_be	Parental leave benefit	bfapl_s	SWITCH	SWITCH	SWITCH	SWITCH	SWITCH
2.3.9	bun_be	Unemployment benefits	bun_s	off	off	off	off	off
2.3.9	byr_be	Early retirement benefit	byr_s	-	-	-	-	-
2.8	tprhm_be	Advance levy on immovable property	tprhm _s	on	on	on	on	on
2.6	tintb_be	Income tax: tax deductions and marital quotient	tintasp_s, tintals_s	on	on	on	on	on
2.6	tinna_be	Income tax: federal taxes	tinna_s	on	on	on	on	on
2.6	tinrg_be	Income tax: regional taxes	tinrg_s	on	on	on	on	on
2.6	tinfe_be	Income tax: fiscal expenditures	tintcly_s, tintcch_s	on	on	on	on	on
2.6	tinmu_be	Income tax: local taxes	tinmu_s	on	on	on	on	on
2.6	tintk_be	Capital income tax	tinkt_s	on	on	on	on	on
2.4.2	tsceesp_be	Special social insurance contribution	tsceesp_s	on	on	on	on	on
2.3.2	bchba_be	Birth allowance	bchba_s	on	on	on	on	on
2.3.7	bsa_be	Income support	bsa_s	on	on	on	on	on
2.3.1	bch_be	Child benefits	bch_s	on	on	on	on	on
2.3.8	bsaoa_be	Income support for the elderly	bsaoa_s	off	off	off	off	off
2.3.3	bed_be	Study allowances	bed_s	on	on	on	on	on
2.3.10	bwkrg_be	Flemish jobbonus	Bwkrg_s	-	-	-	on	on
2.4.5	tci_be	Flemish Care Insurance contribution	tci_s	on	on	on	on	on
2.12	tco_be	Consumption taxes	il_tva, il_txa, il_txv	on	on	on	on	on

2.4 Policy extensions

The Belgium model includes various 'extensions' (previously called 'switches'), that enables users to choose whether to account for issues that (seriously) affect the implementation of policies. These extensions can be turned ON or OFF through the run dialog box without changing the model itself. In the baseline, a switchable policy is set to its default (ON or OFF). The following global extensions are applicable for Belgium:

- **Benefit Calibration Adjustments (BCA)**, allowing the user to calibrate the receipt of benefits to match the simulated total expenditure of a benefit to real expenditure from external statistics. The extension is implemented for the simulation of the income support benefit (bsa_be). The default for the baseline is OFF. When the extension is on, a subset of eligible of observations is selected randomly as beneficiaries so that the real expenditure is reached, removing the benefit from the rest of the eligible observations; when off, all eligible observations are kept as beneficiaries. This extension shares most of its functions with the BTA extension; as a general rule, only one of the extensions should be on, but if both are, the lowest rate between the take-up rate and the calibration rate will be applied. More details on the specific implementation of BCA and BTA extensions are provided in the subsections describing the corresponding benefit.

- **Benefit Take-up Adjustments (BTA)**, allowing the user to apply non-take-up corrections. The extension is used for the simulation the income support benefit (bsa_be). The default for the baseline is ON. When the extension is on, a share of (weighted) eligible observations equal to the take-up rate is selected randomly as beneficiaries, removing the benefit from the rest of the eligible observations; when off, all eligible observations are kept as beneficiaries. This extension shares most of its functions with the BCA extension; as a general rule, only one of the extensions should be on, but if both are, the lowest rate between the take-up rate and the calibration rate will be applied. More details on the specific implementation of BCA and BTA extensions are provided in the subsections describing the corresponding benefit.

- **Parental Leave Benefits (PBE) extension.** The simulated parental benefits (PBE extension) are switched OFF in baselines.

- **Minimum Wage Adjustments (MWA) extension.** Some individuals report wages that are below the minimum wage level. The MWA extension is used to correct the wages that are below the minimum wage level up to the minimum amount. The impact of simulating the minimum wage regulations is presented in Table 4.11. The impact of adjustments for the minimum wage is very small: for disposable income, employment income, simulated taxes and total employee social insurance contributions the estimations after correction are slightly higher (1% at the most). Total social assistance is estimated slightly higher without the minimum wage correction (by 6%). This extension is switched OFF in the baseline.

- **HHoT – Unemployment extension (HHoT_un):** this extension improves the simulation accuracy of the unemployment insurance benefit when EUROMOD is run with hypothetical data. For instance, in most countries the legislation of this benefit requires information on variables such as individuals' employment history, which are not available in SILC; we can define these variables in HHoT and use them to simulate the policy's rules more precisely when running the model with hypothetical data. This extension is set to on when the model is used with HHoT data.

2.5 Benefits

2.5.1 Child benefit (kinderbijslag / allocations familiales) (*bch_be*)

- *Brief description*

Following the 6th state reform, child benefits are regulated by the communities from 1 January 2019. Different systems are introduced in Flanders, Wallonia, Brussels and the German-speaking community. In Flanders and the German-speaking community, the new system is fully implemented from 2019. In Wallonia, the reform took place in two stages: some new rules were incorporated in 2019 and the transition was complete by 1 January 2020. In Brussels, a new system is implemented from 2020 onwards.

In respectively Flanders and Wallonia, all children born before 2019 (FL) and 2020 (WAL) remain entitled to the old system. Children born after 2019 (FL) and 2020 (WAL) are entitled to the new system. In Brussels, all children are entitled to the new system except for children born before 2020, if the new total amount of child benefit on the level of the family unit is below the previous amount of the old system.

In addition, from 2019 (FL) and 2020 (WAL and BR) onwards, some adjustments were implemented to the "old" system.

A. Old system (pre-2019/-2020)

Child allowance is paid to families with dependent children. In principle, children are dependent if they are younger than 18 years old. The exceptions to this rule are twofold. On the one hand, the child remains dependent until 21 if he or she has a disability. On the other hand, a child can remain dependent until the age of 25 if he or she is in full-time education (including higher and advanced education), not married, and whose net taxable income as well as the number of days a gainful occupation has been exercised do not exceed certain thresholds. The income thresholds are slightly higher for children with a disability as well as for children of lone parents. In EUROMOD the child benefits are simulated for dependent children younger than 18 years and for children 18 until 25 years old if the child is in full time education.

The amount of child benefits depends on the birth rank of the child. The oldest one gets rank 1, the second oldest rank 2 and all the following children rank 3. If the number of beneficiary children decreases the remaining ones get a lower rank. The second oldest then becomes rank 1, etc.

The simulated supplements to the child allowance include a yearly supplement, monthly age-related supplements and monthly social supplements[1]. The *yearly supplement* (previously called the "back to school-premium") is a yearly allowance for children in all schemes. The amount depends on the age of the child. *Age-related supplements* are the same for all schemes as well as for orphans and guaranteed family allowance. Only for the self-employed scheme there is a difference in that there is no age supplement for the youngest child that gives a right to child benefits nor is there an age supplement for an only child. The *social supplements* are primarily for children of beneficiaries that receive a replacement income: retirement pension, survival pension, unemployment benefits (full-time and longer than six months in unemployment), and disability benefits. There are income conditions that must be met in order to be eligible for social supplements to child benefits.

B. *Old system (post-2019/2020)*

From 2019 and 2020 onwards, some adjustments were implemented to the "old" system. From 2019, all children living in Flanders are entitled to child benefits and from 2020, also all children living in Wallonia and Brussels are entitled to child benefits. This means that child benefits are no longer means-

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[1] Supplements for children with a disability are not simulated as this information is not available in the data.

tested benefits. To be eligible for child allowance at least one of the parents of the dependent child had to receive an income from employment or self-employment, a sickness or disability benefit, an old age pension, a survivor pension, an early retirement pension or and unemployment benefit. If a person was not eligible for child allowances and yet was a parent of a dependent child, he or she could rely on the guaranteed child allowance

Moreover, from 2019 (2020) the right to social supplements can be granted to all families in Flanders and Wallonia (and Brussels) whatever the source of incomes. Before 2019 (and 2020 for Brussels), social supplements were dependent on the source of income. Social supplements were primarily for children of beneficiaries that receive a replacement income: retirement pension, survival pension, unemployment benefits (full-time and longer than six months in unemployment) and disability benefits under a certain threshold. From 2019 (2020 for Brussels) onwards, the right only depends on the total amount of income.

C. New systems

Flanders (from 2019)

The new system in Flanders ("Groeipakket") applies to all children living in Flanders. The children born before 2019 are entitled to a "transition system" and continue to receive the old amounts plus some potential new supplements. The children born after 2019, those who were not entitled to child benefits before, and those who are orphaned receive new amounts. Given that all children are eligible to the new system, the means-test has been withdrawn. The new base amounts are no longer rank-dependent under the new system.

The attribution rules to social supplements become income-based and no longer depend on the professional situation of the parents. Social supplements are thus no longer limited to children of lone parents or beneficiaries of retirement pension, survival pension, unemployment and disability benefits.

The former yearly age-related supplement is replaced by a new 'universal participation supplement', that applies to all children (without distinction between recipients of social supplements and others). Two new participation supplements are introduced for all children: the childcare supplement and the pre-school yearly supplement.

Wallonia (two-stage implementation in 2019 and 2020)

In Wallonia, changes were implemented in two steps. In a first stage, new rules were introduced in 2019. For example, the conditions for granting social supplements have been changed in 2019. From 2020, a new system is implemented for all newborns. This results in two systems: one for children born before 2020, one for children born in 2020 or later.

Orphan allocations still applies even if the surviving parent cohabitates with a new partner. As in Flanders, all low-income households can claim social supplements, whatever their professional situation.

Brussels (from 2020)

In Brussels, nothing changed until 2020. From 2020, a new system is introduced for all children. However, if families receive a lower amount of child benefits in the new system than the amount received via the old system, they will keep the amount from the old system for children born before 1 January 2020. Families will therefore receive no less child benefits than what they were entitled to at the end of 2019.

- *Old system*

In Flanders (Wallonia), this "old" system still applies to all children born before 2019 (2020). In Brussel, this system applies only to children born before 2020 if the total amount of child benefits on the level of the family unit is below the previous amount of the old system.

The ordinary allowance

The *ordinary child allowance* received increases with the rank of the child. This gives Belgium a pro-natalist family benefit scheme (see Table 2.4). The amounts given below are higher in Wallonia and Brussels as of 2017, when Flanders skipped a standard indexation of all child benefits. In 2020, Flanders again skipped a stand indexation.

Table 2.4 Amounts of the ordinary child allowance under the old system (euro per month) [2021 - 2024]

Rank	2021	2022	2023	2024
Flanders				
1 (oldest)	95.81	97.73	99.70	101.69
2	177.28	180.83	184.47	188.16
3	259.49	259.49	259.49	259.49
Brussels and Wallonia				
1 (oldest)	97.72	105.78	112.25	116.79
2	180.81	195.72	207.70	216.09
3	269.96	292.22	310.11	322.64

The age-related supplement

Age-related supplements increase with the age of the child (this also goes for orphans and guaranteed family allowance) as shown in Table 2.5. The oldest one gets rank 1, the second oldest rank 2 and all the following children rank 3. If the number of beneficiary children decreases the remaining ones get a lower rank. The second oldest then becomes rank 1, etc. In Brussels and Wallonia, the age-related supplement for children of rank 1 are only granted to families without social supplements. When a family receives the social supplement, all children receive the higher age-related supplement.

Table 2.5 Amounts of age-related supplements under the old system (euro per month) [2021 - 2024]

Rank	Age	2021	2022	2023	2024
Flanders					
1	6-11	16.36	16.36	16.36	16.36
1	12-17	24.92	24.92	24.92	24.92
1	18-24	28.72	28.72	28.72	28.72
Other	6-11	32.63	32.63	32.63	32.63
Other	12-17	49.86	49.86	49.86	49.86
Other	18-24	63.40	63.40	63.40	63.40
Brussels and Wallonia					
1	6-11	17.02	18.43	19.56	20.35
1	12-17	25.92	28.06	29.78	30.98
1	18-24	29.88	32.34	34.32	35.71
Other	6-11	33.95	36.75	39.00	40.57
Other	12-17	51.87	56.15	59.59	61.99
Other	18-24	65.95	71.39	75.76	78.82

The yearly supplement

The yearly supplement increases with the age of the child. Table 2.6 shows the premium for the different age groups and Table 2.7 shows the supplement for persons who are eligible for the social supplements. In Flanders (since 2019) and in Brussels (since 2020), these yearly supplements are no longer applied. The yearly supplement is replaced by the universal participation supplement in Flanders and by the yearly school premium in Brussels (see Table 2.10). The supplement for persons eligible for social supplements disappeared both in Flanders and Brussels. The yearly supplement remains unchanged in Wallonia as presented in Table 2.6 and Table 2.7.

Table 2.6 Amounts of the yearly supplement under the old system (euro per year) [2021 - 2024]

Age	2021	2022	2023	2024
Flanders				
0-5	/	/	/	/
6-11	/	/	/	/
12-17	/	/	/	/
18-24	/	/	/	/
Wallonia				
0-5	21.65	23.44	24.87	25.88
6-11	46.54	50.38	53.47	55.63
12-17	64.94	70.30	74.60	77.61
18-24	86.59	93.73	99.47	103.49
Brussels				
0-5	/	/	/	/
6-11	/	/	/	/
12-17	/	/	/	/
18-24	/	/	/	/

Table 2.7: Amounts of the yearly supplement for persons eligible for social supplements under the old system (euro per year) [2021 - 2024]

Age	2021	2022	2023	2024
Flanders				
0-5	/	/	/	
6-11	/	/	/	
12-17	/	/	/	
18-24	/	/	/	
Wallonia				
0-5	29.88	32.34	34.32	35.71
6-11	63.41	68.64	72.84	75.59
12-17	88.78	96.10	101.98	106.10
18-24	119.51	129.37	137.29	142.83
Brussels				
0-5	/	/	/	
6-11	/	/	/	
12-17	/	/	/	
18-24	/	/	/	

The social supplement

Before 2019, *social supplements* were granted according to the social status of the beneficiary of the child benefit. Social supplements were primarily for children of beneficiaries that receive a replacement income: retirement pension, survival pension, unemployment benefits (full-time and longer than six months in unemployment) and disability benefits under a certain threshold.

Eligibility changed and the level of income becomes the only condition for granting the social supplement in Flanders and Wallonia from 2019, and in Brussels from 2020.

To be eligible for social supplements to child benefits in Brussels, various income conditions must be met. The combined total of replacement incomes and incomes from professional activities of all household members up to the third degree must not exceed the income threshold. Additionally, since November 2023, the non-indexed cadastral income must be lower than €2,000.

Table 2.8 shows the means test for social supplements for children born before 2019 in Flanders and 2020 in Wallonia and Brussels. To be entitled to the social supplements, the maximum amount of the gross yearly income (+ additional components in Flanders) of the family should be less than this amount.

Table 2.8 Means test for social supplements in the old system (gross amounts per year) [2021 - 2024]

	2021	2022	2023	2024
Flanders	31,605.89	32,238.01	34,526.91	36,325.76
Wallonia	31,603.68	30,984.00	31,603.68	31,814.37
Brussels	31,936.20	34,603.94	37,126.55	38,625.31

Note: (*) For 2019, this means test is not applied in Brussels.

The amounts of the supplements are summarized in Table 2.9. For the beneficiaries with a disability, the amounts differ for the first child. For lone parents, the social supplement is higher from the third child and following children. In 2020, Flanders skipped a stand indexation.

Table 2.9 Amounts of the social supplements under the old system (euro per month) [2021 - 2024]

Rank	2021	2022	2023	2024
Flanders				
Old common system				
1	48.77	49.75	65.75	67.07
+ employee with a disability	104.94	107.04	124.18	126.66
+ lone parent	48.77	49.75	65.75	67.07
2	30.23	30.83	46.45	47.38
+ employee with a disability	30.23	30.83	46.45	47.38
+ lone parent	30.23	30.83	46.45	47.38
3	5.30	5.41	20.52	20.93
+ employee with a disability	5.30	5.41	20.52	20.93
+ lone parent	30.23	24.87	40.37	20.93
Brussels and Wallonia				
Old common system				
1	49.75	53.85	57.14	59.45
+ employee with a disability	107.03	115.86	122.95	127.92
+ lone parent	49.75	53.85	57.14	59.45
2	30.83	33.38	35.42	36.85
+ employee with a disability	30.83	33.38	35.42	36.85
+ lone parent	30.83	33.38	35.42	36.85
3	5.42	5.86	6.22	6.47
+ employee with a disability	5.42	5.86	6.22	6.47
+ lone parent	24.87	26.92	28.56	29.72

- *New system*

In Flanders (Wallonia), the "new" system still applies to all children born after 2019 (2020). In Brussel, this system applies to all children, except for children born before 2020 if the total amount of child benefits on the level of the family unit is below the previous amount of the old system.

The ordinary allowance

Contrary to the old system, *the ordinary child allowance* does not increase with the rank of the child. There are some differences important differences between the different region (the amounts for the different regions are shown in Table 2.10).

Table 2.10 Amounts of the new child allowance under the new system (euro per month) [2021-2024]

Region	2021	2022	2023	2024
Flanders				
For each child	166.46	169.79	173.19	176.66
Wallonia				
For each child (age 0 to 17)	158.10	171.14	181.61	188.95
For each child (age 18 to 24)	168.30	182.18	193.33	201.14
Brussels (child born in 2020-…)				
Scenario 1: if only 1 child and income > 31,620 Euro	153	165.62	175.56	182.85
If not scenario 1 and child is 0 to 11 years old	153	165.62	175.56	182.85
If not scenario 1 and child is 12 to 24 years old	163.2	176.66	187.47	195.04
If not scenario 1 and child is 18 to 24 years old and enrolled in higher education	173.4	187.70	199.19	207.23
Brussels (child born in …-2019)				
Scenario 1: if only 1 child and income > 31,620 Euro	142.8	154.58	164.04	170.66
If not scenario 1 and child is 0 to 11 years old	142.8	154.58	164.04	170.66
If not scenario 1 and child is 12 to 24 years old	153	165.62	175.75	182.85

If not scenario 1 and child is 18 to 24 years old and enrolled in higher education	163.2	176.66	187.47	195.04

Flanders

For all new-born in Flanders (born in 2019 or later), the *ordinary child allowance* is equal for all children.

Wallonia

For all new-born in Wallonia, the *ordinary child allowance* differs for children from 0 to 17 years old and children from 18 to 24 years old.

Brussels

The new ordinary child allowance in Brussels depends on the gross family income and depends on the child's age and level of education. The new system started in 2020 and applies to all children living in Brussels, including children born before 2020. A family who receives less child benefits under the new rules than under the old system, will keep the old amount for the children born before 2020. So, no family will receive less child benefit than what they were entitled to at the end of 2019.

The universal participation supplement (yearly supplement)

The yearly supplement depends on the age of the child. The yearly supplement in Flanders and Brussels is since respectively 2019 and 2020 equal in both the "old" and "new" system. Only in Wallonia, the yearly supplement is different for children entitled to the "old" and "new" system.

Flanders

Since 2019, the yearly supplements is replaced by the universal participation supplement (schoolbonus). On top of the universal participation supplement, two new participation supplements are introduced in Flanders. The childcare supplement (kinderopvangtoeslag) is granted to children that go to nonsubsidized private child care services, calculated per day of attendance. The pre-school yearly supplement (kleutertoeslag), is given to pre-school children between 3 and 4 years old. It is equal to €143.53 per year.

Table 2.11: Participation supplement in Flanders (in euro) [2021 - 2024]

Age	2021	2022	2023	2024
Pre-school supplement (euro per year)	135.25	137.96	140.72	143.53
Universal participation supplement (euro per year)				
0-4 years old	20.81	21.23	21.65	22.08
5-11years old	36.41	37.14	37.88	38.64
12-17 years old	52.02	53.06	54.12	55.20
18-24 years old	62.42	63.67	64.94	66.24
Childcare supplement (euro per day of attendance)	3.29	3.36	3.43	3.50

Wallonia

The universal participation supplement increases with the age of the child.

Table 2.12: Universal participation supplement in Wallonia (euro per year) [2021 - 2024]

Age	2021	2022	2023	2024
0-4 years old	20.40	22.08	23.43	23.90
5-11years old	30.60	33.12	35.15	35.85
12-17 years old	51.00	55.21	58.59	59.76
18-24 years old	81.60	88.33	93.74	95.61

Brussels

Since 2020, the yearly supplement is replaced by the yearly "school premium".

Table 2.13: School premium in Brussels (euro per year) [2021 - 2024]

Age	2021	2022	2023	2024
0-2	20.40	22.08	23.43	24.38
3-5 (if enrolled in nursery classes)	20.40	22.08	23.43	24.38
6-11	30.60	33.12	35.15	36.57
12-24	51.00	55.21	58.59	60.95
18-24 (if enrolled in higher education)	81.60	88.33	93.74	97.52

The social supplement

New income test (only for social supplements)

For Brussels and Wallonia, the income concept used is the gross taxable income[2]. For Flanders, the income concept consists of gross taxable income and some additional (non-taxable) income components:

- 80% of received maintenance payments
- (Equivalent) social assistance benefits ("leefloon")
- Income replacement benefits[3]
- (Minus) the paid maintenance payments
- Cadastral income of properties used for professional purposes (1x) and of properties other than the own occupied property or the properties used for professional expenses (3x)[4]

The new income test is an eligibility condition both in the "old system" (for the children born before 2019 in Flanders and born before 2020 in Brussels and Wallonia and in the "new system" (for the new-borns). The income bounds applied are equal for all families.

The three regions make a distinction between children in a family with a gross income below a first bound and between this first and a second bound. Children in a family with gross yearly income above this second bound are not entitled to these social supplements (see Table 2.14).

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[2] The gross taxable income is equal to all gross earnings after deduction of social contributions (but before deductions of professional expenses).

[3] This is included in the disability benefits (pdi).

[4] Only cadastral income of own occupied property is included in the input dataset and this is CI not included in the income concept.

Table 2.14 Means test for social supplements in the new system (gross amounts per year) [2021 - 2024]

		2021	2022	2023	2024
Flanders					
	Bound 1	31,605.89	32,238.01	34,526.91	36,325.76
	Bound 2	62,424.00	63,672.48	64,945.93	68,329.61
Wallonia					
	Bound 1	31,603.68	30,984.00	31,603.68	31,814.37
	Bound 2	51,000.00	50,000.00	50,000.00	51,340.00
Brussels					
	Bound 1	31,936.20	34,603.94	37,126.55	38,625.31
	Bound 2	46,359.00	50,231.53	53,893.39	56,068.99

Flanders

The amount depends on the number of children and not on the rank of the child.

Table 2.15 Amounts of the social supplements under the new system in Flanders (euro per month) [2021 - 2024]

Number of children	2021	2022	2023	2024
1 to 2 children (income below bound 1)	52.02	53.06	69.12	70.50
>2 children (income below bound 1)	83.23	84.89	101.59	103.62
>2 children (income between bound 1 and bound 2)	62.42	63.67	79.94	81.54

Wallonia

Families with an income below a first bound, or between this first and a second bound, can receive social supplements possibly increased with an extra supplement (see Table 2.16).

Table 2.16 Amounts of the social supplements under the new system in Wallonia (euro per month) [2021 - 2024]

Income	2021	2022	2023	2024
Gross yearly income below bound 1	56.10	60.73	64.44	67.05
+ 3 or more children	35.70	38.64	41.01	42.67
+ single parent	20.40	22.08	23.43	24.38
+ parent with a disability	10.20	11.04	11.72	12.19
Gross yearly income between bound 1 and bound 2	25.50	27.60	29.29	30.48
+ 3 or more children	20.40	22.08	23.43	24.38
+ single parent	10.20	11.04	11.72	12.19

Brussels

Families with an income below a first bound, or between this first and a second bound, and a non-indexed cadastral income under €2,000, can receive social supplements. The amount of the supplement depends on the age of the child and the number of children in the family (see

Table 2.17).

Table 2.17 Amounts of the social supplements under the new system in Brussels (euro per month and per child) [2021-2024]

Income	Age	Number of children	2021	2022	2023	2024
Gross yearly income < bound 1						
	0-11	1	40.80	44.16	46.87	48.76
	0-11	2	71.40	77.29	82.02	85.33
	0-11	3+	112.20	121.45	128.89	134.09
	12-24	1	51.00	55.21	58.59	60.95
	12-24	2	81.60	88.33	93.74	97.52
	12-24	3+	122.40	132.49	140.60	146.28
+ single parent	0-24	2	10.20	11.04	11.72	12.19
+ single parent	0-24	3+	20.40	22.08	23.43	24.38
Gross yearly income > bound 1 and < bound 2						
	0-24	2	25.50	27.60	29.29	30.48
	0-24	3+	73.44	79.50	84.36	87.77

- *Euromod modelling*

Child benefits for children with a disability cannot be calculated because of limitations in the data, which requires the degree of incapacitation. Income thresholds for dependent children are also not simulated in EUROMOD.

2.5.2 Birth allowance (geboortepremie / prime de naissance) (*bchba_be*)

From 2019, different rules are implemented in the three regions.

- *Brief description*

The birth allowance is granted to the parents for every child that is born. The adoption allowance is given to the parents that adopt a child and is eligible for child benefits. It is a fixed allowance that is not means-tested. A birth allowance can also be given in case of miscarriage as long as the pregnancy has lasted at least 180 days.

Since 2020, in Flanders and Wallonia, the amount no longer depends on the rank of the child (first-born or not). In Brussels, the amount is rank-dependent and if the first-borns are twins, then the amount for a first-born applies for both.

- *Definitions*

The benefit unit is the nuclear family (tu_cb_be). The benefit is allocated to the mother unless she is absent. Adopted children cannot be distinguished in the data, therefore the benefit for adopted children is not modelled.

- *Eligibility conditions*

All new parents can apply for birth allowance or adoption allowance. The amounts for the birth allowance are independent of the contribution scheme.

- *Income test*

None.

- *Benefit amount*

Table 2.18 Amount of birth- / adoption allowance (euro per year) [2021 - 2023]

		2021	**2022**	**2023**	**2024**
Birth allowance					
Flanders	first child	1,144.44	1,167.33	1,190.68	1214.49
	second child onwards	1,144.44	1,167.33	1,190.68	1214.49
Wallonia	first child	1,122.00	1,214.51	1,288.87	1340.90
	second child onwards	1,122.00	1,214.51	1,288.87	1340.90
Brussels	first child	1,122.00	1,214.51	1,288.87	1340.90
	second child onwards	510,00	552.05	585.55	609.50
Adoption allowance					
Flanders		1,144.44	1,167.33	1,190.68	1214.49
Wallonia	Born in …-2019	1,323.88	1,323.88	1,323.88	1582.21
	Born in 2020-…	1,122.00	1,214.51	1,288.87	1340,90
Brussels	First child	1,122.00	1,214.51	1,288.87	1340,90
	Second child onwards	510.00	552,05	585,55	609,50

- *EUROMOD modelling*

The adoption allowance is not simulated in EUROMOD. We cannot distinguish adoptive and biological children due to data limitations.

2.5.3 Study allowances (studietoelagen / allocations d'études) (bed_s)

- *Brief description*

Study allowances are granted to families with school-aged children upon request. The communities (French, Flemish and German speaking) apply different schemes. Given that it is not possible to identify the community to which the households belong in EUROMOD dataset, families living in Brussels are randomly entitled to either the French or the Flemish community. The study allowances for German speaking families are not simulated.

In the Flemish community, the study allowances are awarded according to a point system based on the household composition that determines the income limits for the means-test.

In the French community, the income limits depend on the level of education of the children and on the number of dependents within the household.

- *Eligibility conditions*

    A. French community

To be eligible for the study allowances in the French community, the student must be in full-time secondary or tertiary education, be younger than 35 years old and should not repeat a year after the third grade of secondary school.

    B. Flemish community

Since 2019, the ordinary school allowances for preschool, primary and secondary school are integrated within the child benefit system. The study allowance, however, remains a separate system. To be eligible for the Flemish study allowance, a student has to be in full-time tertiary education in a recognized educational institution. Additionally, the household income cannot exceed a household-specific income threshold. Students enrolled in an advanced master's or bachelor's programme are not entitled to the benefit.

- *Income test*

    A. French community

The study allowances are means-tested and aimed at most destitute families only. The means of the family unit consist of taxable income, replacement and social assistance incomes, foreign incomes and incomes from international organization of all household members, except the candidate to study allowances and their half-siblings. The incomes considered are those of the previous tax year (earned two years earlier). As the past incomes are not available in EUROMOD dataset, current incomes are used in the test.

Table 2.19 gives the income limits that apply in the French community. The income threshold varies according to the number of dependent children. The first two columns give the maximum amount of means to be eligible to the study allowances for students in secondary and tertiary education. The third column indicates the minimum level of income, under which the file of the candidate is transferred to a commission that examines the reported income and decides whether to grant a study allowance or not. The last two columns of the table display the thresholds from which the candidate becomes eligible for a special allowance and the income used in the computation of the allowance.

Table 2.19 Income limits for study allowances in the French community [academic years]

Number of dependent persons	Maximum for secondary education	Maximum for tertiary education	Minimum income	Threshold for the special allowance	Floor income (used in the computation of the allowance)
2022-2023					
0	22,074.94	24,395.55	3,627.14	7,254.28	4,119.94
1	29,434.49	31,900.44	4,905.35	9,810.69	5,490.73
2	36,331.50	38,938.87	6,005.75	12,011.49	6,667.34
3	42,769.70	45,503.25	7,106.15	14,212.30	7,843.96
4	48,749.13	51,601.18	8,205.50	16,411.00	9,020.56
Per dependent person (4+)	5,979.43	6,097.93	1,099.35	2,198.71	1,176.64
2022-2023					
0	23,407.06	25,867.70	3,627.14	7,254.28	4,119.94
1	31,210.71	33,825.47	4,905.35	9,810.69	5,490.73
2	38,523.85	41,288.63	6,005.75	12,011.49	6,667.34
3	45,350.63	48,249.14	7,106.15	14,212.30	7,843.96
4	51,690.89	54,715.05	8,205.50	16,411.00	9,020.56
Per dependent person (4+)	6,340.26	6,465.91	1,099.35	2,198.71	1,176.64

B. Flemish community

The Flemish community distinguishes four categories of living units to assess the level of income of the students and the type of benefit they can claim. The first category consists of married or officially cohabiting students. Their incomes and the ones of their partner enter in the means test. The second category contains the students that earn a sufficient income to be considered as financially independent. The third category includes the dependent students. Their means consist of their parents' incomes. The last category, the single students, contains all the students who do not belong to the previous categories (e.g. the orphans).

The living unit income includes joint taxable income of the family, 80% of the alimony received (if not included in the joint taxable income), separately taxable income, assistance income, twice the indexed cadastral income for non-resident use, once the indexed cadastral income of real estate for professional use and foreign income or income acquired from a European international institution. A lump sum deduction is applied to this sum if 70% of incomes consist of replacement incomes (excl. pensions). The deduction is equal to 30% of the replacement income, with a maximum of €5750.

Table 2.20 gives the details of the computation for children enrolled in higher education.

Table 2.20 Determination of the number of points per living unit for children enrolled in higher education

Criteria for awarding points	Points
For every person in the living unit who is fiscally dependent on the person(s) whose incomes are considered.	+1
For every student in the living unit who is no longer tax-dependent on the person(s) whose incomes are considered, because he or she has had means of subsistence, but who does not meet the conditions for independent, married or single student.	+1
For every person in the living who is following tertiary education. The total number of points is reduced by 1 point and is never less than 0.	+1
For every person who falls into one of the 2 upper categories and who is fiscally recognized as having a disability (percentage of minimum 66%).	+1

For every person on whose income are considered and who is fiscally recognized to have a disability (percentage of minimum 66%).	+1
One point per living unit with an independent or a single student.	+1
One point per living unit with an independent or a single student who has dependents mentioned in one of the first two categories.	+1
A minus point is applied if there are one or more non-relatives in the student's living unit who have an income. Disability benefits are not considered.	-1

The composition of the living unit translates in a number of points that defines the income limits. Each dependent person or household member with a disability counts for one point. Table 2.20 gives the details of the computation for children enrolled in higher education.

Table 2.21 indicates the income limits per number of points for children enrolled in higher education.

Table 2.21 Income limits for study allowances in the Flemish community, for children enrolled in higher education [academic years]

Points	2021-2022	2022-2023	2023-2024
	Lower Limit		
0	8,507.11	8,566.66	9,020.70
1	15,373.83	15,481.45	16,301.97
2	17,777.21	17,901.65	18,850.44
3	19,799.05	19,937.64	20,994.34
4	21,019.83	21,166.97	22,288.82
5	22,227.91	22,383.51	23,569.83
6	23,435.92	23,599.97	24,850.77
7	24,643.95	24,816.45	26,131.73
8	25,851.98	26,032.94	27,412.69
9	27,060.01	27,249.43	28,693.65
10	28,268.04	28,465.91	29,974.61
	Upper Limit		
0	18,751.83	18,883.09	19,883.90
1	27,694.49	27,888.35	29,366.43
2	34,695.54	34,938.41	36,790.14
3	40,284.72	40,566.72	42,716.75
4	46,344.55	46,668.96	49,142.41
5	53,816.33	54,193.05	57,065.28
6	58,875.96	59,288.10	62,430.36
7	61,582.33	62,013.40	65,300.11
8	64,288.65	64,738.67	68,169.82
9	67,053.76	67,523.13	71,101.86
10	69,995.43	70,485.40	74,221.13

With the integration of the study allowances in the system of child benefits, the rules for the determination of the number of points per living unit changed for children enrolled in education (except for children enrolled in higher education, for which the rules remained unchanged), from academic year 2019-2020 onwards.

Table 2.22 gives the details of the computation for children not enrolled in higher education.

Table 2.22 Determination of the number of points per living unit for children (not enrolled in higher education)

Criteria for awarding points	Points
One starting point for all living units, except single and independent students without children	+1
For every person in the living unit who is fiscally dependent on the person(s) whose incomes are considered.	+1
For every student in the living unit who is no longer fiscally dependent but does not meet the conditions for self-employed, married or single student	+1
For every person who is fiscally recognized as having a disability (percentage of minimum 66%).	+1
For every person in the living unit who is enrolled in higher education, the total number of points is reduced by 1 point and is never less than 0.	-1

Table 2.23 indicates the income limits per number of point for children enrolled in education (not in higher education)

Table 2.23 Income limits for study allowances in the Flemish community [academic years]

Points	2021-2022	2022-2023	2023-2024
	Lower limit		Lower limit
0	12,153.01	12,238.08	12,886.7
1	21,061.72	21,209.15	22,333.23
2	23,762.15	23,928.49	25,196.7
3	26,003.87	26,216.11	27,605.56
4	27,405.54	27,597.38	29,060.04
5	28,762.93	28,964.27	30,499.38
6	30,120.24	30,331.08	31,938.63
7	31,477.58	31,697.92	33,377.91
8	32,834.91	33,064.75	34,817.18
9	34,192.25	34,431.60	36,256.47
10	35,549.60	35,798.45	37,695.77
11	36,906.99	37,165.34	39,135.1
12	38,264.30	38,532.15	40,574.35
13	39,621.64	39,898.99	42,013.64
14	40,979.04	41,265.89	43,452.98
15	42,300.94	42,597.05	44,854.69
16	43,546.36	43,851.18	46,175.29
17	44,791.77	45,105.31	47,495.89
18	46,037.16	46,359.42	48,816.47
19	47,282.58	47,613.56	50,137.08
20	48,527.97	48,867.67	51,457.66
	Upper limit		Upper limit
0	24,857.23	25,031.23	26,357.89
1	34,905.15	35,149.49	37,012.41
2	42,700.21	42,999.11	45,278.06
3	48,462.26	48,801.50	51,387.98
4	54,709.49	55,092.46	58,012.36
5	62,412.38	62,849.27	66,180.28
6	67,628.49	68,101.89	71,711.29
7	70,421.64	70,914.59	74,673.06

8	73,180.56	73,692.79	77,598.51
9	75,945.64	76,477.26	80,530.55
10	78,887.32	79,439.53	83,649.83
11	81,476.01	82,046.34	86,394.8
12	84,358.97	84,949.30	89,451.61
13	87,065.15	87,674.61	92,321.36
14	89,830.32	90,459.13	95,253.46
15	92,595.40	93,243.57	98,185.48
16	95,360.61	96,028.13	101,117.62
17	98,125.74	98,812.62	104,049.69
18	100,890.86	101,597.10	106,981.75
19	103,656.09	104,381.68	109,913.91
20	106,421.19	107,166.14	112,845.95

- *Benefit amount*

    A. French community,

The study allowance in the French community varies according to the household income, the education level, the living place of the student and the entitlement to child benefits. Students that live outside the family home (in boarding school or in students digs) receive a higher allowance. EUROMOD dataset does not allow to identify these students, so it is assumed that all students co-reside with their family unit. Students in tertiary educations that no longer receive child benefits (because they are older than 25), also receive a higher allowance.

The amounts of the different allowances are given in Table 2.24. A special allowance is granted to students with a family income below the threshold presented in the fourth column of Table 2.19 (and above the minimum income). If the family income lies between this threshold and the maximum income, the allowance is calculated as follows:

$$Full\ allowance * floor\ income\ /\ incomes$$

The lump sum allowance applies to students whose household income is entirely derived from social assistance.

Table 2.24 Yearly allowance amounts in the French community (euro per year) [academic year 2023-2024]

	Secondary education	Tertiary education with child benefits	Tertiary education without child benefits
Full allowance	458.76	2,220.33	2,780.65
Special allowance	595.84	2,959.24	3,320.09
Lump sum allowance	209.80	1,049.00	1,049.00

    B. Flemish community

The Flemish community grants study allowances from the preschool education onwards. The type of allowance depends on the income level of the living unit, on the category of the living unit and on whether the student co-resides with his or her family (not observed in EUROMOD).

Table 2.26 gives the amounts of the different allowances. If the living unit income is equal to the upper limit, the family receives the minimum allowance. If the income lies between the lower and upper limit, the family receives the following intermediate allowance:

$$(lower\ limit - income)/(upper\ limit - lower\ limit)x\ full\ allowance$$

If the income is equal or lower than the lower limit, the family receives the full allowance. If income is equal or lower than 10% of the upper limit, the family receives the special allowance.

Table 2.25 Yearly benefit amounts in the Flemish community (euro per year) [academic years 2021 - 2024]

	2021-2022	2022-2023	2023-2024
Minimum allowance			
Preschool education	106.72	107.47	113.17
Primary education	124.54	125.41	132.06
Secondary education: self-employed, married or single student	733.77	738.91	778.07
Secondary education: other students	240.56	242.24	255.08
Tertiary education	288.78	290.80	296.27
Full allowance			
Preschool education	106.72	107.47	113.17
Primary education	193.68	195.04	205.38
Secondary education: self-employed, married or single student	3,364.02	3,387.57	3,567.11
Secondary education: other students	970.80	977.60	1,029.41
Tertiary education	2,595.18	2,613.35	2,751.86
Special allowance			
Preschool education			
Primary education	251.50	253.26	266.68
Secondary education: self-employed, married or single student			
Secondary education: other students	1,139.86	1,147.84	1,208.68
Tertiary education	3765.98	3792.34	3,993.34

2.5.4 Maternity leave benefit (bmact_be)

- *Brief description*

The benefit is received by all new mothers. Different benefit schemes exist for employed mothers, unemployed mothers and self-employed mothers with sufficient social contributory history.

- *Eligibility conditions*

New mothers who are employees or unemployed are eligible for the benefit if they have worked 120 days in the last six months before applying for the benefit, and have paid sufficient social security contributions. Holidays and days of unemployment are also seen as working days. If the new mother has a part-time contract, she has to have worked at least 400 hours in the latest 6 months. Self-employed new mothers are only eligible if they have paid two quarterly social security contributions. They are thus also confronted with a 'waiting time' of six months.

- *Income test*

This is not a means-tested benefit.

- *Benefit amount*

For employed or unemployed mothers, the benefit is granted for 15 weeks of which maximum 6 weeks before the planned birth date. It starts at the latest 1 week before the planned birth date. If the birth takes place before the planned birth date, the days in between the actual and planned birth date are lost. If more than one child is born the maternity leave period, and accompanying benefit, is increased with 4 weeks of which 2 can be taken up before the birth.

Employed mothers receive the first 30 days of their leave 82% of their gross daily wage. The gross daily wage is calculated based on a six-days working week, and also the benefit amount is paid for six days per week. From the 31st day onwards they receive 75% of their gross daily wage. The daily wage considered for the calculation after the 31st day of leave, is limited up to a maximum, given in Table 2.26.

Table 2.26 Maximum daily wage considered for maternity leave benefit of employed and unemployed mothers and for paternity/birth leave benefit for the employed [2021-2024]

		2021	2022	2023	2024
Payment	Maximum daily wage considered for the benefit	146.97	160.85	170.69	179.54
Subject to	Withholding tax	11.11%	11.11%	11.11%	11.11%
	SIC	no	no	no	no

Unemployed mothers receive a basic amount that equals their unemployment benefit and additionally, 19.5% of the maximum daily wage given in Table 2.26, in the first 30 days and 15% of the maximum daily wage from the 31st day onwards.

Table 2.27 Maternity leave benefit amount for self-employed mothers (euro per week) [2021 - 2024]

		2021	2022	2023	2024
Payment	Benefit amount (week 1-4)	499.54	782.77	830.67	872.87
	Benefit amount (week 4-…)	499.54	715.95	759.76	798.37
Subject to	Withholding tax	11.11%	11.11%	11.11%	11.11%
	SIC	no	no	no	no

For self-employed mothers, mandatory leave is taken one week before the planned birth, and 2 weeks after the actual birth. Additionally, 9 weeks can be taken of which maximum 2 before the planned birth. If more than one child is born, one extra week leave is granted. These 9 (or 10) weeks can also be taken half-time, in which case the duration is doubled, but the amount is only half of the full amount. The benefit amount is fixed and is given in Table 2.27.

The benefits are subject to the withholding tax on labour and replacement income, advance levy for the personal income tax. The rate is 11.11%. The amounts depicted in the table above are gross of this withholding tax.

In 2022, the amounts have been increased significantly and a distinction has been made between the benefit amount of the first 4 weeks of maternity leave and the weeks afterwards.

- *EUROMOD modelling*

We assume that duration of maternity leave depends on the month of birth of a child. The month of birth is assumed to be equal to the middle month of the quarter of birth reported in SILC. If child's month of birth is unavailable, the assumption is that the child is born in February (2nd month of the year). Where mothers are absent, fathers are assumed to receive the allowance for the same number of weeks as mothers.

The simulated benefit is switched "off" in baselines.

2.5.5 Paternity leave benefit – birth leave benefit (bpact_be)

- *Brief description*

Twenty days[5] of paternity leave are granted to new fathers in the first four months after the birth of the child(ren). The benefit is granted per birth, not per child. In case of a second mother, birth leave benefit is granted to her. The paternity leave and birth leave benefits cannot be combined. The 20 days of leave can be taken up together, or spread over the first four months after the birth.

- *Eligibility conditions*

The benefit is granted to all employees, in both the public and private sector, who are fathers of the child for which the benefit is granted (paternity leave benefit), and to employees living legally together with the mother of the child (birth leave benefit). Self-employed or unemployed fathers/co-parents are not eligible.

Fathers or co-parents are only eligible for the benefit if they have worked 120 days in the last six months before applying for the benefit, and have paid sufficient social security contributions. Holidays and days of unemployment are also seen as working days. If the father or co-parent has a part-time contract, he/she has to have worked at least 400 hours in the latest 18 months.

- *Income test*

This is not a means-tested benefit.

- *Benefit amount*

The first three days of paternity leave or birth leave, the full wage is paid by the employer of the beneficiary. For the following 17 days, a benefit is paid that equals 82% of the gross daily wage, limited to the maximum daily wage considered for the calculation of the amount, given in Table 2.26.

- *EUROMOD modelling*

The simulated benefit is switched "off" in baselines.

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[5] The duration of paternity leave has been increased in recent years. On January 1st, 2021, the leave was extended from 10 to 15 days. Subsequently, on January 1st, 2023, it was further expanded to 20 days.

2.5.6 Parental leave benefit (bfapl_be)

- *Brief description*

Parental leave is a benefit granted to two parents of each child younger than 12 years. If the child has a disability, the leave can be taken up until it reaches the age of 21. It is a special form of a career break (*loopbaanonderbreking/tijdskrediet*), granted to all employees. However, eligibility conditions in the private sector differ from those in the public sector. Furthermore, private sector employees can delay the application for leave with three months. In certain branches of the public sector, there are minor differences in the benefit system (E.g. teachers and employees of the autonomous public companies).

- *Eligibility conditions*

In the private sector the parent should have worked at least 12 months in the last 15 months with the employer. In the public sector, no such condition is present.

- *Income test*

This is not a means-tested benefit.

- *Benefit amount*

The maximum amount of leave is 4 months. Each month of leave can also be taken in part-time equivalent, if the parent is full-time employed. There are four options for the duration of the leave: (1) full time leave of 4 months, (2) ½ of full time leave of 8 months, (3) 1/5th of full time leave of 20 months and (4) 1/10th of full time leave of 40 months. For the 1/10th leave scheme, the consent of the employer is required

When the parent works part time, the amount of the benefit is calculated relative to the work scheme. E.g., when a parent works half-time, and takes four months of full parental leave, they receive half of the amount of the benefit. There was an increase in the amount if the parent is older than 50, and she or he takes the leave in the 1/5 scheme, or half-time scheme. The increase was halved starting from 1st of June 2017. In 2024, the benefit amount is no longer dependent on the age of the parent. Since June 1st 2019 also a 1/10 scheme of the leave is possible.

The amount of the benefit is not dependent on the wage of the applicant. Since 2017 the amount has increased if the applicant is a single parent, both in the public and private sector.

Table 2.28 Amount of parental leave benefit (per month) [2021 - 2024]

	2021	2022	2023	2024
Full-time leave				
Base amount	851.49	921.83	978.24	1,017.77
Single parent (only private sector)	1,400.01	1,551.85	1,646.81	1,733.92
Half-time leave				
Base amount	425.79	460.91	489.11	508.88
Single parent (only private sector)	700.00	775.93	823.41	866.96
50 or older	574.02	621.37	659.39	n/a
One-fifth leave				
Base amount	144.45	156.36	165.93	172.64
Single parent (only public sector)	194.25	210.27	223.14	232.16
Single parent (only private sector)	280.00	310.36	329.35	346.78
50 or older	216.67	234.54	248.9	n/a
One-tenth leave				

Base amount	72.22	78.18	82.96	86.32
Single parent (only public sector)	97.12	105.13	111.57	116.07
Single parent (only private sector)	133.97	155.18	164.67	173.39
50 or older	108.33	117.27	124.44	n/a

The benefits are subject to withholding tax of 10,13% in case of full-time leave, and 17.15% in case of part-time leave. This is an advance levy for the personal income tax that is due on the benefits. The amounts shown in the table are gross of this withholding tax.

- *EUROMOD modelling*

The simulated benefit is switched "off" in baselines.

2.5.7 Income support (leefloon / revenu d'integration sociale) (*bsa_s*)

- *Brief description*

If the means of a person are less than a certain threshold, that person is eligible for income support up to the level of the minimum income. In order to receive income support, one needs to apply for it at the offices for public assistance (CPAS). These centres have some discretionary power over the acceptance. For example, the CPAS can demand an individualized project for social (re)integration that the applicant has to agree to and follow in order to get and/or keep income support. Here we assume full take-up (and acceptance of the application by the CPAS).

- *Definitions*

The benefit unit is the nuclear family – the couple (cohabiting or married) or single adult plus any dependent children. In the social assistance legislation three categories are distinguished:

- category one: applicant living with partner and no dependent family
- category two: single (no partner, no dependents)
- category three: person with dependent family

If the applicant falls under category one, the income of the partner is accounted for in the determination of the income support level for the part that exceeds the income support level. Additionally, the income of cohabiting adult ascendants or descendants of the first degree can also be taken into account. If the applicant falls under category three, all of the partner's income, if there is a partner, is taken into account for the calculation of income support. In this case the right for his/her spouse is automatically covered, i.e. (s)he cannot claim for income support, and each spouse/partner gets half of the income support amount.

- *Eligibility conditions*

Income support can be granted to all adult (>=18) residents living in Belgium. It can be extended to minors if they no longer have a legal guardian following a marriage, if they are pregnant, or if they have dependent children. The focus here is on adults from 18 to 64 (from the age of 65 one is eligible for income support to the elderly). To become eligible, one has to apply for income support at the CPAS, which means the benefit is not automatically granted.

- *Income test*

If the means of a person are less than a certain threshold that person is eligible for income support up to the level of the minimum income, i.e. the amount of income support is equal to the minimum existence level minus the own means. The means include all factual income, not only official income. The income support is for unlimited duration but each year the CPAS will make a re-assessment of the personal situation of the applicant and can withdraw the income support based on the results of that inquiry. It belongs to the discretionary power of the CPAS to do the re-assessment on a more frequent basis. The applicant/beneficiary is bound to provide all the necessary information and to contact the CPAS if something changed in his or her personal (financial) situation.

Own means include the following:

- net occupational income (from employment)[6]
- replacement incomes

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[6] To encourage employment for social assistance beneficiaries the first three years of employment €303.42 (05/2024) of net occupational income per month, the so-called socio-professional exemption, is disregarded (not simulated).

- income from real estate[7]
- income from equity: the first €6,200 of (financial) capital is not taken into account. For the part between €6,200 and €12,500, 6% is taken as income from capital and for the amount higher than €12,500 10% is taken into account as income from capital[8]

The following income components are not taken into account:
- benefits in-kind (such as meals)
- social assistance
- child benefits
- alimony for children
- study grants
- refundable tax credit for children

- *Benefit amount*

Table 2.29 Base amounts for income support (euro per month) [2021 - 2024]

	2021	**2022**	**2023**	**2024**
Category 1	639.27	743.78	809.42	858.97
Category 2	958.91	1,115.67	1,214.13	1,288.46
Category 3	1,295.91	1,507.77	1,640.83	1,741.29

Table 2.30 Disregarded amounts for income support (euro per year) [2021 – 2024]

	2021	**2022**	**2023**	**2024**
Category 1	155	155	155	155
Category 2	250	250	250	250
Category 3	310	310	310	310

If eligible after all calculations the final amount is equal to the base amount minus own income.

- *EUROMOD modelling*

In the eligibility conditions for social assistance for cohabiting individuals (category 1), the incomes of parents and children *may* be taken into account. It is up to the Public Centre for Social Welfare to decide whether these incomes will be considered. However, in the eligibility conditions in the simulation, this requirement is included for all cohabiting individuals.

BTA extension is on, so the baseline model adjusts for non-take-up of the benefit; **BCA extension is off**, so it does not calibrate its receipt according to external statistics, but the user can activate it if necessary. See section 2.4 for technical details on both extensions and their interactions.

Users can enable or disable the necessary extensions in Country Tools/Set Switches. For proper functioning, the extensions require the following inputs:

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[7] The calculation for income from real estate is the following: non-indexed cadastral income with an exemption of €750 plus €125 per dependent child (=child that gives right to child benefits). The result is then multiplied by 3 and taken into account in the means test. In case the property is rented one takes the rent received unless this should be less than the amount obtained when using the cadastral income. As social assistance is an individual right the income from real estate will be multiplied by the fraction representing the ownership of the person in the property (in case of shared ownership).

[8] Income stemming from the sale or donation of propert(y)(ies) within a period of 10 years preceding the application for social assistance. The same schedule applies as for income from capital. This is not simulated due to lacking information.

- BTA: The estimated take-up rate of the benefit should be set as the value of the $bsa_BTA_rate constant in the model. Currently, the model incorporates values for 2005-2024, obtained from the TAKE project (Goedemé, et al., 2022).

- BCA: The aggregate expenditure needs to be filled out in the External Statistics table, so that the calibration rate ($bsa_targetBCA_amt) is computed accordingly. Data are currently available for the years 2018-2023; given the absence of information for 2023 and 2024, the calibration rate is not computed within the 2023 and 2024 systems, but the one computed within the 2022 system is used instead. For the modelling of reforms, the 2024 system should be used in order to allow for variation in the number of beneficiaries (hence expenditure): beneficiaries will change when the eligibility conditions change by applying the share of 2022 to the new pool of eligible units. If previous systems were used for reforms, total expenditure would remain constant irrespective of the reform applied, since the model would always stick to the existing external statistics.

2.5.8 Income support for the elderly (inkomensgarantie voor ouderen / la garantie de revenus aux personnes âgées) (*bsaoa_s*)

- *Brief description*

Income support for the elderly is designed in the same way as the regular income support, but available for persons aged 65 or older. The categories are different than in the regular income support, as are the amounts.

- *Definitions*

There is a distinction for persons living alone and those living with others at the same address (presumably couples). In fact, a person without a partner but living with (a) minor child(ren) or adult child(ren) for whom child benefits are received and/or relatives (descendants) are considered as living alone and are eligible to receive the increased amount. Income support for the elderly is an individual right whether being married or not.

- *Eligibility conditions*

All persons aged 65 or above are eligible to receive income support for the elderly.

- *Income test*

Income on the benefit unit level (tu_oa_be) is taken into account as follows:
- 75% of gross employment income other than self-employment income
- gross income from self-employment minus incurred expenses (we assume expenses to be 5% as is the case for the lump sum expenses in the personal income tax)
- Income from capital. Similar rules apply as for income support: €6,200 exempted, from €6,200 to €18,600 consider 4% as income and beyond €18,600 take 10% as income from capital
- Income from real estate[9]
- pension income minus paid alimony and the result accounted for at 90%
- An additional €5,000 of gross income from employment and/or self-employment is exempt

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[9] Non-indexed cadastral income, with an exemption of €743.68 plus €123.95 per dependent child (=eligible for child allowance) (amounts remain constant over 2009-2024). The result is multiplied by 3 to get the income from real estate. If the property is rented the rent is taken into account, unless this should be less than the amount when cadastral income is taken. The resulting amount is multiplied by the part the person has in the property in case of shared ownership.

Not counted are:
- income support
- alimony received
- child benefits

As the income support is an individual right, in the calculation of the benefit amount (for the individual) the income used in the means-test will be divided by the number of persons in the benefit unit.

- ***Benefit amount***

Table 2.31 Base amounts for income support for the elderly (euro per person per year) [2021–2024]

	2021	**2022**	**2023**	**2024**
Living alone	14,210.40	16,094.88	17,520.96	18,593.04
Living with partner	9,473.64	10,729.92	11,680.64	12,395.40

Table 2.32 Disregarded amounts in the income assessment for income support for the elderly [2021 - 2024]

	2021	**2022**	**2023**	**2024**
Living alone	1,000	1,000	1,000	1,000
Living with partner	625	625	625	625

The resulting income support is the base amount minus the income of the applicant.

- ***EUROMOD modelling***

The simulation of the income support for the elderly is implemented in the system but it is switched "off" in the baseline system and it is not included in the simulated disposable income.

It is unclear whether in the SILC survey this benefit was mistakenly recorded as regular pension income in the majority of the cases and is as such already included in the data. This hinders a correct interpretation of the simulated values.

2.5.9 Unemployment benefits (werkloosheidsuitkering / allocation de chômage) (*bun_s*)

- *Brief description*

In the employment legislation one can distinguish three main groups (cfr. section 1.2.2): the indemnified unemployed, support for employed people, and support for the employed who reduce their working hours. The simulation of unemployment benefits will only be for the first group (also the most important group in size) and to a limited extent. The group of unemployed includes the unemployed after employment, the unemployed after finishing studies, the older unemployed and the early retired. In EUROMOD the unemployed after employment are simulated (early retirement is simulated separately). The unemployment benefits are implemented following the EUROMOD modelling conventions. Due to the limitations of the input data, the simulated unemployment benefits can only be used to calculate replacements rates.

From 2013 onwards, the *unemployment benefits became more dependent on the time that is spent in unemployment and one's work history before becoming unemployed. Benefits during the first three months were increased, and thereafter benefits decreased more rapidly over time. This resulted in a complex bracket system with more than 60 categories, making the amount of benefit received closely dependent on the time spent in unemployment and previous work history.*

- *Definitions*

Unemployed are subdivided into three categories according to household situation: 1) unemployed with dependent family; 2) singles; and 3) cohabitating unemployed (living with a partner, but no dependents). To determine whether a person is dependent or not one has to look at the earnings of this person. Earnings from a professional activity of the partner are not taken into account if they do not exceed €971.41 (2024) gross per month and stem from employment as wage earner. This implies that any self-employment income by the partner excludes the latter of being dependent, i.e. the unemployed will not be categorized as an unemployed with dependent family.

Pension benefits or benefits following industrial accidents or work-related illness are not taken into account as long as they do not exceed the maximum level per month. Other benefits, such as unemployment benefits and sickness and disability benefits other than industrial accidents or work-related illness, are always taken into account to determine whether the partner is dependent or not. It means that having unemployment benefits makes the partner not dependent.

If the unemployed lives with children, then the income of a child (professional activities, unemployment benefits, and pensions, sickness or disability benefits) is not taken into account if it does not exceed €520.21 in case of income from professional activities or if it does not exceed €621.66 (2024) in case of unemployment benefits and sickness or disability benefits.

If the unemployed also lives with relatives up to the third degree, ascendants are considered dependent if their income does not exceed €1,676.62 (2024) (households without dependent children) or €2,719.50 (2024) (households with dependent children or with relatives with a disability).

- *Eligibility conditions*

Unemployment benefits after employment (general case)

To be eligible to receive unemployment benefits an inactive person has to be in search of work. The unemployed person has to be involuntarily unemployed and without wages whatsoever. He or she has to be available for the labour market and has to be and remain registered as a person in search of work. Furthermore, the unemployed has to reside in Belgium, be fit for work, and has to meet age conditions. This age conditions are presented in Table 2.33.

Table 2.33 Eligibility conditions unemployment after employment [2021 – 2024]

Age	Minimum number of working days in paid employment
< 36	• 312 days during the 21 months prior to the application • 468 days during the 33 months prior to the application • 624 days during the 42 months prior to the application
36 - 49	• 468 days during the 33 months prior to the application • 624 days during the 42 months prior to the application • 468 days during the 33 months prior to the application + 1,560 days during the 10 years preceding these 33 months • 468 days during the 33 months prior to the application + for each day missing to reach 468 days, 8 days during the 10 years preceding these 33 months
50 <	• 624 days during the 42 months prior to the application • 468 days during the 33 months prior to the application + 1,560 days during the 10 years preceding these 33 months • 416 days during the 42 months prior to the application + for each day missing to reach 624 days, 8 days during the 10 years preceding these 42 months

Unemployment benefits after studies

For students following graduation to be entitled to unemployment benefits they must prove a period of inactivity. The system was reformed in 2012 and renamed "professional integration time". The waiting period of "professional integration time" is 310 days for persons under the age of 25.

Unemployment benefits for older employees (werkloosheids met anciënniteitstoeslag/ chômage avec d'ancienneté)

Older unemployed individuals, aged 50 or more, who had an active career of at least 20 years and who were unemployed for at least one year, were entitled to a seniority supplement. This system was abolished as of January 1st 2015 for new unemployed. Those who were already receiving the benefits will continue to be eligible. Additionally, in specific cases, this supplement can still be granted.

Early retirement benefits (werkloosheid met bedrijfstoeslag/ chômage avec complement d'entreprise)

To be eligible for conventional early retirement benefits the following conditions must be met:

− employee has to be fired by employer
− employee must be entitled to an additional supplement, paid by the employer or some specific fund, on the basis of a collective labour agreement
− employee must be eligible for regular unemployment benefits
− employee must be at least 62 years old (except in some special scheme[10] for early retirement)
− employee must have had an active career as wage earner of at least 40 years for men and women (this can be lower if subject to a special scheme for early retirement). Before 2024,

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[10] Individuals with a disability who have a work history of at least 35 years may be eligible for early retirement. Additionally, individuals aged 60 can qualify if they have a work history of over 33 years and have worked in arduous occupations or night shifts for a predefined number of years. Those working in the construction sector may also be eligible if they meet these criteria and possess a certificate from an occupational physician verifying their condition.

there was a difference in the required duration of active careers between men and women, with women needing to prove fewer years of active employment.

- *Benefit amount*

Unemployment benefits after employment

For unemployed after a period of employment the unemployment benefit depends on household characteristics, as for the young unemployed (after studies), and on past labour market histories. In principle, benefits for unemployed after a period of employment are based on their (lost) wages. By applying the applicable percentage rule on the (lost) wage, the amount of the unemployment benefit is obtained. In the majority of cases, limitations apply so that the unemployment benefit varies between a maximum and a minimum level.

The percentages and lower and upper limits for unemployment benefits after a period of employment are given in the tables below. If not all conditions of previous earnings are fulfilled, the unemployment benefit is calculated using the reference wage of €2,070.48 (in 2024). Wages are only taken into account until a maximum wage:

Table 2.34 Wage ceilings for unemployment benefits (euro per month) [2021-2024]

	Period	2021	2022	2023	2024
Highest wage	1st to 6th month	2,754.76	3,014.78	3,199.26	3,365.16
Middle wage	7th to 12th month	2,567.49	2,809.83	2,981.76	3,136.39
Lowest wage	From 13th month if cohabitants or dependent persons	2,399.25	2,625.17	2,786.38	2,930.88
Specific wage	From 13th month if single unemployed	2,347.04	2,568.58	2,725.75	2,867.10

The amount of unemployment benefits is calculated as follows:

Table 2.35 Calculation table for unemployment benefits after employment [2024]

	Unemployed with dependent family (A)	Single unemployed (N)	Cohabitating unemployed (B)
First period (12 months)			
1st to 3rd month	$65\% \times w$	$65\% \times w$	$65\% \times w$
4th to 6th month	$60\% \times w$	$60\% \times w$	$60\% \times w$
7th to 12th month	$60\% \times w$	$60\% \times w$	$60\% \times w$
Second period (max. 36 months)			
13th to 14th month	$60\% \times w$	$55\% \times w$	$40\% \times w$
+ 0-10 months[11]	$60\% \times w$	$55\% \times w$	$40\% \times w$
+ 1-6 months[7]	$60\% \times w - \frac{1}{5} \times A$	$55\% \times w - \frac{1}{5} \times A$	$40\% \times w - \frac{1}{5} \times A$
+ 1-6 months[7]	$60\% \times w - \frac{2}{5} \times A$	$55\% \times w - \frac{2}{5} \times A$	$40\% \times w - \frac{2}{5} \times A$
+ 1-6 months[7]	$60\% \times w - \frac{3}{5} \times A$	$55\% \times w - \frac{3}{5} \times A$	$40\% \times w - \frac{3}{5} \times A$
+ 1-6 months[7]	$60\% \times w - \frac{4}{5} \times A$	$55\% \times w - \frac{4}{5} \times A$	$40\% \times w - \frac{4}{5} \times A$
Third period (indefinitely) (F)	Minimum amount	Minimum amount	Minimum amount

Legend: $A = 60\% \times w - F$; en w = last earned wage

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[11] Depending on the length of the work history.

During the first year of unemployment the benefits are the same for each category, beginning at a replacement rate of 65% in the first three months and decreasing to 60% for the remainder of the first year (with maximum amounts as discussed in Table 2.36). After the first year the replacement rate decreases to 55% for single unemployed and to 40% for cohabitating unemployed. During the second year of unemployment the benefits systematically decrease further at rate of one fifth of the difference between the last earned wage and the minimum benefit amount in each of five stages (the length of which depends on the work history of the unemployed) until the benefit eventually hits the level of the minimum benefit amount (this happens at the latest after 48 months of unemployment).

Table 2.36 Maximum (and minimum) amounts (euro per day) [2020 - 2024]

	2020	2021	2022	2023	2024
Unemployed with dependent family (A)					
First period (12 months)					
1st to 3rd month	68.87 (51.62)	68.87 (52.20)	75.37 (59.15)	79.98 (63.47)	84.13 (66.89)
4th to 6th month	63.57 (51.62)	63.57 (52.20)	69.57 (59.15)	73.83 (63.47)	77.66 (66.89)
7th to 12th month	59.25 (51.62)	59.25 (52.20)	64.84 (59.15)	68.81 (63.47)	72.38 (66.89)
*Third period (*indefinitely) (F)	51.62 (51.62)	52.20 (52.20)	59.15 (59.15)	63.47(63.47)	66.89 (66.89)
Single unemployed (N)					
First period (12 months)					
1st to 3rd month	68.87 (42.29)	68.87 (42.76)	75.37 (47.93)	79.98 (51.43)	84.13 (54.21)
4th to 6th month	63.57 (42.29)	63.57 (42.76)	69.57 (47.93)	73.83 (51.43)	77.66 (54.21)
7th to 12th month	59.25 (42.29)	59.25 (42.76)	64.84 (47.93)	68.81 (51.43)	72.38 (54.21)
*Third period (*indefinitely) (F)	42.29 (42.29)	42.76 (42.76)	47.93 (47.93)	51.43 (51.43)	54.21 (54.21)
Cohabitating unemployed (B)					
First period (12 months)					
1st to 3rd month	68.87 (40.86)	68.87 (41.32)	75.37 (46.13)	79.98 (49.51)	84.13 (52.18)
4th to 6th month	63.57 (37.72)	63.57 (38.15)	69.57 (42.59)	73.83 (45.71)	77.66 (48.17)
7th to 12th month	59.25 (37.72)	59.25 (38.15)	64.84 (42.59)	68.81 (45.71)	72.38 (48.17)
*Third period (*indefinitely) (F)	22.02 (22.02)	22.27 (22.27)	24.88 (24.88)	26.69 (26.69)	28.13 (28.13)

Legend: $A = 60\% \times w - F$; en $w = last\ earned\ wage$

Unemployment benefits after studies

The unemployment benefits for young unemployed (younger than 25) with no work history (after the so-called "professional integration time") are as follows: For young unemployed a further distinction is made within the category of cohabitating partners between normal and "privileged" partners. A partner is considered to be a "privileged" partner if his/her income consists solely of a lower unemployment benefit. In that case you are entitled to a higher benefit amount.

- *EUROMOD modelling*

Unemployment benefits after employment are parameterized in EUROMOD but they are switched to *off* in the baseline due to a lack of important variables in the EU-SILC dataset, including the previous wage of the unemployed and a precise indicator of the unemployment spell. In order to simulate the unemployment benefits (mainly to calculate replacement rates), some additional variables are included in EUROMOD:

Lnu: a dummy variable for new unemployed
liwmy_a: number of months in work in the year preceding unemployment (for new unemployed)

yempv_a: monthly gross wage in the year preceding unemployment (for new unemployed)
yem_a: monthly gross wage for new employed (previously yem00)
lhw_a: average weekly working hours for new employed (previously lhw00)

Such implementation is intended to simulate unemployment benefits for individuals observed in work (i.e. with positive earnings) and it is not intended to replace the recorded unemployment benefits (i.e. bun) of individuals observed in unemployment (i.e. without earnings necessary to simulate the unemployment benefits). As a consequence, the variable bun should not be modified.

The simulated unemployment benefits are recorded in the variable bun_s. This variable is already included in the relevant income lists (e.g. taxable income). The variable bun_s is initialized to 0 in the policy *InitVars_be* in order to avoid any warning message when the policy *bun_be* is switched "off".

Because this simulation exercise serves the specific purpose of simulating the unemployment benefit in a hypothetical scenario it cannot serve to replace the recorded unemployment variable, and the variable bun_s cannot be macrovalidated with external statistics. The variable bun_s can only be simulated for the first year of unemployment.

Table 2.37 Wage ceilings for unemployment benefits (euro per month) [2020-2024]

		2020-2024
Eligibility	Contribution period	Minimum number of working days in paid employment prior to the application (see Table 2.33
	Other conditions	Minimum contribution period depends on the age of the applicant
	Eligibility of self-employed	n/a
Payment	Contribution base	Earnings (net of social insurance contributions)
	Basic amount	65% of previous wage (during month 1-3, decreases afterwards as indicated in Table 2.35). Depends on household status.
	Additional amount	n/a
	Floor	Minimum amount depends on household status.
	Ceiling	Maximum amount depends on duration of unemployment. Decreases after month 3 and reach minimum from month 13 onwards. Depends on household status.
Duration	Standard (in months)	Unlimited
	Special cases (in month)	n/a
Subject to	Taxes	Yes
	SIC	No

2.5.10 The Flemish jobbonus (bwkrg_s)

- *Brief description*

Starting in 2023, residents of Flanders who work for a low gross average wage (2,700 euro per month in 2024[12]) are eligible for an allowance from the Flemish government. Every three months, the average wage is assessed whether it falls below 2,700 euro per month (2024) for that period. At the end of the year, the total amount for that year will be paid directly to the eligible Flemish residents. The maximum amount is 600 euro per year. People with an average income below 1,950 euro per month (2024) receive the maximum amount. For those with gross incomes between 1,950 euro per month and 2,700 euro per

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[12] The Flemish jobbonus will be paid in November or December. As a result, the 2023 Flemish jobbonus, will appear in the EUROMOD-system of 2024 and will be recorded as 2024 values in the country report.

month (2024) the amount received decreases from 600 euro to 0. In 2024, the Flemish government grants an additional €50 euros to all recipients of the Flemish jobbonus.

- *Eligibility conditions*

People are eligible if they pay the standard rate of social insurance contributions (this excludes professional sporters, working students, physician assistants, and paid interns). They must be below the retirement age (65 years old), and live in Flanders. One is also eligible for the jobbonus if they reside in Flanders, but work in Wallonia, Brussels or abroad.

In case someone works part-time, their income is recalculated to match the income of someone with the same hourly wage. This is known as the reference income. In case someone works 20 hours per week, instead of the standard of 38 hours per week, and earns 1000 euro per month. Then their reference income will be $1000 * \frac{38}{20} = 1900$.

Only income from employment is taken into account. In case someone works part-time as an entrepreneur and part-time as an employee, then only the employment income is taken into account for the eligibility and received amount of the Flemish jobbonus. If someone switches from employment to becoming a full-time entrepreneur, then the jobbonus is still paid for the year when someone switches, and the year thereafter, at least, if that person was eligible to receive the Flemish jobbonus when they were in employment.

- *Benefit amount*

The maximum allowance per year is 600 euro (2024) and applies to gross monthly incomes below the lower wage limit(1,950 euro in 2024). For individuals who earn more than the lower limit and less than the upper income limit (2,700 euro in 2024) per, the allowance will be $maximum\ allowance *$ $\frac{(upper\ wage\ limit-x)}{(Upper\ wage\ limit-lower\ wage\ limit)}$, where x is their monthly gross income. The received amount is recalculated based on the hours worked compared to a standard working week. If someone works full-time, they receive the full amount. If someone works 50% of a full working week (this would amount to 19 hours per week), they would receive half the amount, and so on.

In 2024 (based on the incomes earned in 2022) the received amount is increased by 50 euro for each eligible individual, regardless of the amount of their Flemish jobbonus. This is a one-time measure. For individuals who work full-time and receive a jobbonus of less than 50 euro (20 euro in 2023), no payment will be made. Similarly, for individuals who work part-time and receive a jobbonus of less than 10 euro, there will also be no payment.

Table 2.3938 Wage limits for the Flemish Jobbonus (euro per month) [2021-2024]

	2021	2022	2023	2024
Lower wage limit	n/a	n/a	1900	1950
Upper wage limit	n/a	n/a	2500	2700[13]

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[13] In 2024, the upper income limited differed between the first two quarters and the last two (2900 euro per month in the last two quarters). Since we cannot distinguish between quarters in the model, the upper wage limit from the first two quarters is used).

2.6   Social insurance contributions

2.6.1   Employee social insurance contributions and employer social insurance contributions (*tscee_s, tscer_s*)

- *Wage earners on the private labour market*

Social insurance contributions are calculated on the gross earnings (earnings before income tax deductions). The social contributions amount to 13.07% of gross earnings for employees, and to minimum 25.29% and maximum 32.61% of the gross wage for the employers, depending on the size of the firm and whether the wage earner is a blue or a white-collar worker. Since blue collar workers don't pay social insurance contributions on their single holiday earnings (corresponding to 8% of their yearly wage), their contributions are calculated on 108% of their gross wage. Employees are eligible for a reduction in social insurance contributions, the so-called "workbonus", if they satisfy certain income conditions.

Social insurance contributions before deductions

The basic percentage for the calculation of the employer contributions used to correspond to the sum of the applicable percentages for the different components of the social insurance system for wage earners. However, following the 6th State Reform this direct relationship between the employer contribution and the different components of the social insurance system has been severed to create a so-called "globalized" basic percentage.

On top of the facial rate, there are some extra social contributions levied (see These extra contributions result in a total global rate of 30.86% for companies with 1 to 9 employees and 32.61% for companies with at least 20 employees, in the case of blue-collar workers.

Table 2.39):

- Extra contribution for companies with at least 10 employees
- Special contributions
- Company closing fund contributions

These extra contributions result in a total global rate of 30.86% for companies with 1 to 9 employees and 32.61% for companies with at least 20 employees, in the case of blue-collar workers.

Table 2.39 Employee and employer social insurance contribution for wage earners on the private labour market [2024]

	blue collar workers % of gross earnings at 108%			white collar workers % of gross earnings		
	employee	employer	total	employee	employer	total
General contributions	**13.07**	**19.88**		**13.07**	**19.88**	
Pensions	7.50			7.50		
Medical care	3.55			3.55		
Disability benefits	1.15			1.15		
Unemployment	0.87			0.87		
Wage moderation		**5,12**			**5,12**	
Wage moderation					5,12	
Extra wage moderation white collars					0	
Annual vacation blue collar		**5.57**				
Extra unemployment		**1.69**			**1.69**	
Extra unemployment insurance for companies with:						
10 employees or more		1.60			1.60	

Extra contribution wage moderation for companies with 10 employees or more		0.09			0.09	
Special contributions		**0.13**			**0.13**	
(Re)employment of vulnerable groups		0.10			0.10	
Special contribution work-related illness		0.02			0.02	
Special contribution asbestos fund		0.01			0.01	
Company closing fund						
1 to 19 employees: general		0.06			0.06	
1 to 19 employees: wage moderation		0.00			0.00	
20 or more employees: general		0.11			0.11	
20 or more employees: wage moderation		0.01			0.01	
Temporary unemployment		0.09			0.09	
Wage moderation		0.01			0.01	
Global total						
1 to 9 employees	13.07	30.86	43.93	13.07	25.29	38.36
10 to 19 employees	13.07	32.55	45.62	13.07	26.93	40.05
20 or more employees	13.07	32.61	45.68	13.07	27,04	40.11

For white collar workers the percentages are applied on gross earnings, including single holiday earnings. For blue collar workers the percentages are applied on 108% of their gross remunerations (and not on holiday earnings), since they don't pay social insurance contributions on their single holiday earnings (corresponding to 8% of their yearly wage).[14]

Moreover, white- and blue-collar workers also have to pay social insurance contributions on their double holiday earnings. The contribution rate is equal to 13.07% but the tax base differs for white- and blue-collar workers. White collar workers pay 13.07% on a ratio of 85/92 of their double holiday earnings. The calculation base for blue collar workers is 6.80% of 108% of gross earnings in the year preceding the year of the holiday.

The holiday earnings of blue-collar workers are financed by the regular employer contributions paid on 108% of the earnings. Since 2018, an additional employer contribution of 15,84% (5,57% per trimester and a yearly contribution of 10.27%) on 108% of annual earnings.[15]

Employers' deductions on social insurance contributions

Employers can enjoy a structural deduction of social insurance contributions as a measure to stimulate employment. The structural deduction is applicable for all workers that are subject to all branches of social insurance. This means that the structural deduction is only applied to employers in the private sector. The effective deduction is calculated as follows:

$$D = R \times \mu \times b$$

with

$$\mu = \frac{hours\ worked}{38\ hours}$$

and

$$b = \frac{1}{\mu} \qquad \text{if } \mu \geq 0.80$$

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[14] As it is impossible to distinguish holiday earnings in the input data, the social security contributions are levied on 100% of the employment income variable (yem) which includes holiday earnings.

[15] Again, 108% is on annual earnings exclusive of holiday earnings. In EUOROMOD, 100% is used, as the employment income variable includes holiday earnings.

$$b = 1.18 + 0.28 \times (\mu - 0.55) \qquad \text{if } \mu \geq 0.55 \text{ and } \mu < 0.80$$
$$b = 1.18 \qquad \text{if } \mu \geq 0.275 \text{ and } \mu < 0.55$$
$$b = 0 \qquad \text{if } \mu < 0.275$$

and R the deduction amount calculated as follows:

$$R = 0.14 \times (I - FTE_Q)$$

with FTE_Q the full-time equivalent (reference) wage and I the income threshold (see Table 2.40)

Table 2.40 Income threshold in the calculation of the employers' SIC deduction (euros per quarter) [2019 - 2023]

	2020	2021	2022	2023	2024
Income threshold I	€ 9,215.70	€ 9,215.70	€ 9,779.77	€ 10,585.95	€10,797.67

Besides the structural deduction are several specific target-group reductions that aim to increase the employability of certain more vulnerable groups (not simulated). The structural deduction can be combined with only one target-group reduction.

Reductions in social insurance contributions for employees

Employees are eligible for a reduction in social insurance contributions, called "workbonus", if they satisfy certain income conditions. The income used in the means-test is based on full-time equivalent income and requires a distinction between labour time expressed in days and one expressed in hours and minutes. The full-time equivalent income (FTE) is calculated as follows:

Table 2.41 Determinantion of the full-time equivalent income concept

Labour time measured in days	FTE=gross earnings * [(number of days per month corresponding to full-time position) / (number of days per month actually worked)]
Labour time measured in hours	FTE=gross earnings * [(number of hours per month corresponding to full-time position) / (number of hours per month actually worked)]

The basic reduction before 2024 is calculated according to the rules described in Table 2.42. The reduction is calculated by taking the basic reduction and multiplying it by the fraction of the actual number of hours or days worked (variable lhw) to the corresponding number for a full-time position (38 hours per week). If the number of hours worked per week exceeds 38hours, the ratio is set to 1, i.e. working full-time. For a full-time employee the workbonus is equal to the basic amount.

Table 2.42 Employee social insurance reduction ("workbonus", euro per month) [2021-2024]

Full-time equivalent income per month	2021	2022	2023	2024
White collar workers				
<=limit 1	205.65	233.05	247.31	n/a
> limit 1and <= limit 2	205.65-0.2194 * [FTE-1,674.49]	233.05-0.2313 * [FTE-1,897.55]	247.31-0.2313 * [FTE-2,013.64]	n/a
> limit 2	0	0	0	n/a
Blue collar workers				
<= limit 1	222.10	251.69	267.09	n/a
> limit 1and <= limit 2	222.10-0.2370* [FTE-1,674.49]	251.70-0.2370* [FTE-1,897.55]	267.09-0.2498* [FTE-2,013.64]	n/a
> limit 2	0	0	0	n/a

In 2024, the reduction was revised to better target very low-wage employees. The reduction is calculated in two steps: Component A for low-wage employees and Component B for very low-wage employees. Both components of the reduction are calculated similarly, as detailed in Table 2.44 and 2.45. Employees with very low wages receive the combined total of both components.

The reduction is calculated by taking the basic reduction and multiplying it by the fraction of the actual number of hours or days worked (variable lhw) to the corresponding number for a full-time position (38 hours per week). by taking the basic reduction and multiplying it by the fraction of the actual number of hours or days worked (variable lhw) to the corresponding number for a full-time position (38 hours per week). If the number of hours worked per week exceeds 38, the ratio is set to 1, i.e. working full-time. For a full-time employee the workbonus is equal to the basic amount. Employees on very low wage receive the combined sum of both components.

Table 2.44 Component A: employee social insurance reduction for low-wage employees ("workbonus", euro per month) [2024]

Full-time equivalent income per month	2021	2022	2023	2024
White collar workers				
<=limit 1	n/a	n/a	n/a	115.91
> limit 1and <= limit 2	n/a	n/a	n/a	115.91- 0,2443 *[FTE-2,669.96]
> limit 2	n/a	n/a	n/a	0
Blue collar workers				
<= limit 1	n/a	n/a	n/a	125.18
> limit 1and <= limit 2	n/a	n/a	n/a	125.18-0.2638 *[FTE-2.669,96]
> limit 2	n/a	n/a	n/a	0

Table 2.45 Component B: employee social insurance reduction for very low-wage employees ("workbonus", euro per month) [2024]

Full-time equivalent income per month	2021	2022	2023	2024
White collar workers				
<=limit 1	n/a	n/a	n/a	156.30
> limit 1and <= limit 2	n/a	n/a	n/a	156.30- 0,2699 *[FTE-2,090.78]
> limit 2	n/a	n/a	n/a	0
Blue collar workers				
<= limit 1	n/a	n/a	n/a	168.80
> limit 1and <= limit 2	n/a	n/a	n/a	168.80- 0,2914 *[FTE-2,090.78]
> limit 2	n/a	n/a	n/a	0

- *Civil servants*

The employers' contributions for civil servants with statutory service differ from those for wage earners. Moreover, there is a difference for civil servants working for the federal government and those working for local and provincial administrations. Because the data did not allow making the distinction, all civil

servants are simulated along the federal level scheme: a basic rate of 17.82%, a contribution to wage moderation of 5.03%[16] and an additional contribution for family allowances of 1.40% (which is not subject to wage moderation).

Since civil servants are generally not covered by all branches of social insurance, they are subject to reduced rates of employees' contributions. In principle the employees' contributions for statutory civil servants consist of a contribution for sickness and disability benefits (3.55%) and (as of 2015) of a contribution for pensions (7.50%). This results in a total contribution rate of 11.05%.

- *Social insurance contributions on disability benefits*

On disability benefits received by wage earners a social insurance contribution of 3.5% is due to fund the pension insurance scheme. Again, the payment of such contribution may not have as a consequence that the benefits fall below a certain threshold. If so, contributions are limited to the amount exceeding the threshold. The thresholds for beneficiaries with and without dependent family are summarized in Table 2.46. Contributions are not due on benefits for primary disablement (first year).

Table 2.43 Minimum amount of disability benefits on which SIC is calculated (euro per day) [2020 - 2024]

	2021	2022	2023	2024
Beneficiary without dependent family	51.55	55.80	59.20	61.78
Beneficiary with dependent family	62.10	68.89	73.11	77.97

- *EUROMOD modelling*

The amount of the basic reduction of employee SIC is different for blue- and white-collar workers. Since we cannot distinguish between these types based on our data, only the amount for white collar workers is simulated in EUROMOD.

2.6.2 Special social security contributions (*tsceesp_s*)

The special social security contribution is an "extra" employee social contribution. The special contribution is due by all employees subject to the social insurance scheme for wage earners. However, this contribution differs from "normal" social contributions as it is based on a different income base: the net taxable income. This contribution is withheld each month and shown on the payslip. The final amount, however, is calculated on (fiscal) household level (tu_couple_be) and is settled together with the final personal income tax.

Table 2.44 Special social insurance contribution (final settlement) [2012-2021]

Gross net taxable household income (I)	Yearly in euro
<=18,592.02	0
>18,592.02 and <=21,070.96	0.09*(I-18,592.02)
>21,070.96 and <=60,161.85	223.10+0.013*(I-21,070.96)
>60,161.85	731.28

Until 2021, the calculation scheme and its parameters remained fixed over time. From 2022 onwards, the special social insurance contribution will be phased out in stages, spread over several years. In addition to the phasing out, the calculation system makes a distinction between employees who are taxed individually and those who are taxed jointly (legally cohabiting or married).

---

[16] 5.03% = 4.27% + 4.27% * 17.82%

Table 2.45 Special social insurance contribution (final settlement) [2022 - 2024]

Gross net taxable household income (I)	Yearly in euro
Joint tax assessment (legally cohabiting or married)	
<=13,141.20	0
>13,141.20 and <=23,344.56	61.80
>23,344.56 and <=26,282.16	0.059*(I-23,344.56)
>26,282.16	173.28+0.011*(I-26,282.16)
Max. amount	619.68
Individual tax assessment	
<=23,344.56	0
>23,344.56 and <=26,282.16	0.0422*(I-23,344.56)
>26,282.16and <=44,844.00	123.95+0.011*(I-26,282.1621)
>44,844.00and <=49,200.00	328.20+0.0338*(I-44,844.00)
>49,200.00 and <=72,465.84	475.32+0.011*(I-49,200.00)
>72,465.84	731.28

- *EUROMOD modelling*

The policy can be fully/perfectly simulated in EUROMOD, without any particular data or modelling limitations.

2.6.3 Self-employed social contributions (*tscse_s*)

As of 2015, the contributions of the reference year are uprated with the aim of approaching the incomes of the current year as closely as possible. The first three years, a self-employed pays a lump sum contribution. The definitive contribution is then calculated three years later, when the net taxable (pre-tax) professional income for the year concerned has been determined by the public administration services.[17]

The social insurance contributions are not proportional to income but progressive and limited to a maximum amount. The contributions are calculated based on net taxable (pre-tax) professional income according to a contribution scheme that consists of different income bounds and contribution rates. Both the contributions scheme as the income bounds and/or contributions rates can differ depending on the status of the self-employed.

The self-employed, besides paying the contributions according to the rules set out above, also have to participate in the working costs of the social insurance funds to which they are affiliated. The percentages range between 3.5% and 4.7% on the contribution amounts (not simulated). Calculation of social insurance contributions of self-employed.

- *Self-employed in main activity before retirement age*

The social insurance contributions for a self-employed in main activity before retirement age are calculated according to the following contributions scheme:

$$
\begin{array}{ll}
bound\ 1 * rate\ 1\ [MIN] & \text{if } income \le bound\ 1 \\
income * rate\ 1 & \text{if } income > bound\ 1\ \&\ income \le bound\ 2 \\
bound\ 2 * rate\ 1 + (I - bound\ 2) * rate\ 2 & \text{if } income > bound\ 2\ \&\ income \le bound\ 3 \\
bound\ 2 * rate\ 1 + bound\ 3 * rate\ 2\ [MAX] & \text{if } income > bound\ 3
\end{array}
$$

---

[17] In EUROMOD, the definitive contribution is simulated based on the income of the base year Y (and not based on income of year Y-3).

The minimum amount is based on the lower income bound. From a certain income level (bound 3), social insurance contributions are equal to a maximum amount. The table below shows the different threshold amounts and contribution rates for every self-employed status.

Table 2.46 Parameters for the SIC of self-employed in main activity before retirment (euro per year) [2021 - 2024]

	2021	2022	2023	2024
Bound 1	€14,042.57	€14,658.44	€16,409.20	€16,861.46
Bound 2	€60,638.46	€63,297.86	€70,857.99	€72,810.95
Bound 3	€89,361.89	€93,281.02	€104,422.24	€107,300.30
Rate 1	20.50%	20.50%	20.50%	20.50%
Rate 2	14.16%	14.16%	14.16%	14.16%
Min. SIC	€2,878.72	€3,005.00	€3,363.88	€3,456,60
Max. SIC	€16,498.12	€17,221.68	€19,278.60	€19,809.92

- *Spouse of a self-employed in main activity before retirement age*

If the spouse of a self-employed works as an assistant there are two possibilities: he or she opts for a "mini-statute" or a "maxi-statute". A mini-statute comprises only insurance for work-related illness and maternity benefits. A maxi-statute guarantees the same social protection as enjoyed by the self-employed in main activity. In the latter case the contribution scheme and parameters are exactly the same as for the self-employed in main activity before retirement age, except for the lower bound (and minimum contribution amount). In the case of a mini-statute the social insurance contributions are calculated differently.

Table 2.5047 Parameters for the SIC of a spouse of a self-employed in main activity before retirment (euro per year) [2021 - 2024]

	2021	2022	2023	2024
Bound1	€6,168.90	€6,439.450	€7,208.56	€7,407.24
Bound 2	€60,638.46	€63,297.86	€70,857.99	€72,810.95
Bound 3	€89,361.89	€93,281.02	€104,422.24	€107,300.30
Rate 1	20.50%	20.50%	20.50%	20.50%
Rate 2	14.16%	14.16%	14.16%	14.16%
Min. SIC	€1,264.64	€1,320.08	€1,477.76	1,518.48
Max. SIC	€16,498.12	€17,221.68	€19,278.60	€19,809.92

- *Self-employed in combination with (only) survivor pension benefits (before the age of 65)*

The contribution scheme differs for a self-employed below the age of 65 receiving survivor pension benefits: it only consists of two (instead of three) bounds and one (instead of two) contribution rates. The second income bound differs for self-employed with and without dependent children.

Table 2.48 Parameters for the SIC for self-employed receving surviror pensions, age <65 [2021 - 2024]

	2021	**2022**	**2023**	**2024**
Bound 1	€14,042.57	€14,658.44	€16,409.20	€16,861.46
Bound 2	€31,652.00	€32,164.00	€34,408.00	€36,694.00
Bound 2 (dep. child)	€39,564.00	€40,204	€51,612.00	€55,042.00
Rate 1	20.50%	20.50%	20.50%	20.50%
Min. SIC	€2,878.72	€3,005.00	€3,363.88	€3456,60
Max. SIC	€6,488.64	€6,593.60	€7,053.64	€7,407.25
Max. SIC (dep. child)	€8,110.60	€8,241.80	€10,580.44	€11,168.57

- *Self-employed in complementary activity before retirement age*

When the self-employed activity is not the main activity of the individual, social insurance contributions are set differently from those of self-employed in main-activity: if net earnings are less than the threshold (bound 1 in Table 2.49), no social insurance contributions are due. If net earnings exceed the threshold, the same schedule applies as for self-employed in main activity.

$$
\begin{array}{ll}
0\ [MIN] & \text{if } income \le bound\ 1 \\
income * rate\ 1 & \text{if } income > bound\ 1\ \&\ income \le bound\ 2 \\
bound\ 2 * rate\ 1 + (I - bound\ 2) * rate\ 2 & \text{if } income > bound\ 2\ \&\ income \le bound\ 3 \\
bound\ 2 * rate\ 1 + bound\ 3 * rate\ 2\ [MAX] & \text{if } income > bound\ 3
\end{array}
$$

Table 2.49 Social insurance contributions for self-employed in complementary activity before retirement age [2021 - 2024]

	2021	**2022**	**2023**	**2024**
Bound 1	€1,553.58	€1,621.72	€1,815.41	€1,865.45
Bound 2	€60,638.46	€63,297.86	€70,857.99	€72,810.95
Bound 3	€89,361.89	€93,281.02	€104,422.24	€107,300.30
Rate 1	20.50%	20.50%	20.50%	20.50%
Rate 2	14.16%	14.16%	14.16%	14.16%
Min. SIC	€0	€0	€0	€0
Max. SIC	€16,498.12	€17,221.68	€19,278.60	€19,809.92

- *Self-employed at retirement age but without pension benefits*

The social insurance contributions on the income of individuals who are self-employed after retirement age and without receiving pension benefits largely follows the same calculation scheme as the self-employed in complementary activity before retirement age (two-bracketed structure). The two-compensation scheme only differ with respect to the lowest income bound.

Table 2.50 Social insurance contributions for self-employed at retirement age but without pension benefits [2021 - 2024]

	2021	2022	2023	2024
Bound 1	€3,107.17	€3,243.44	€3,630.82	€3,730.89
Bound 2	€60,638.46	€63,297.86	€70,857.99	€72,810.96
Bound 3	€89,361.89	€93,281.02	€104,422.24	€107,300.30
Rate 1	20.50%	20.50%	20.50%	20.50%
Rate 2	14.16%	14.16%	14.16%	14.16%
Min. SIC	€0	€0	€0	€0
Max. SIC	€16,498.12	€17,221.68	€19,278.60	€19,809.92

- *Self-employed activity in combination with old-age (and survivor) pension benefits*

The calculation scheme for self-employed receiving old-age (and survivor) benefits differs from self-employed at retirement age but without pensions benefits only with respect to the lowest contribution rate (14.70% instead of 20.5%).

Table 2.51 Social insurance contributions for self-employed receiving pension benefits [2021 - 2024]

	2021	2022	2023	2024
Bound 1	€3,107.17	€3,243.44	€3,630.82	€3,730.89
Bound 2	€60,638.46	€63,297.86	€70,857.99	€72,810.95
Bound 3	€89,361.89	€93,281.02	€104,422.24	€107,300.30
Rate 1	14.70%	14.70%	14.70%	14.70%
Rate 2	14.16%	14.16%	14.16%	14.16%
Min. SIC	€0	€0	€0	€0
Max. SIC	€16,498.12	€17,221.68	€19,278.60	€19,809.92

- *Self-employed at retirement age receiving (<u>only</u>) survivor pension benefits*

The contribution scheme for self-employed aged 65 or older is similar to the contribution scheme of other self-employed at retirement age, with a minimum of €0 contributions below a certain income bound. This is different compared to self-employed (only) receiving survivor pension benefits before retirement age (see Table 2.48). However, as is the case for those below the retirement age, the contribution scheme only consists of two income bounds (different bounds depending on child dependency) and one contribution rate.

Table 2.52 Parameters for the SIC for self-employed receving surviror pensions, age <65 [2020 - 2023]

	2021	2022	2023	2024
Bound 1	€3,107.17	€3,243.44	€3,630.82	€3,730.89
Bound 2	€39,264.00	€39,900.00	€42,684.00	€45520.00
Bound 2 (dep. child)	€47,760.00	€48,534.00	€51,920.00	€55370.00
Rate 1	14.70%	14.70%	14.70%	14.70%
Min. SIC	€0	€0	€0	€0
Max. SIC	€5,771.80	€5,865.28	€6,274.56	€6691.44
Max. SIC (dep. child)	€7,020.72	€7,134.48	€7,632.24	€8139,4

- *EUROMOD modelling*

The social insurance contributions are simulated for all "types" of self-employed, except for (1) the spouse of a self-employed (2) students with a self-employed activity and (3) self-employed who recently

(<1y) started their activity. The contributions for these three categories are simulated as if they are self-employed in main activity before retirement.

The contributions are calculated based on net taxable (pre-tax) professional income. However, we do not observe this income concept in the dataset. Instead, the yse-variable is used as calculation base.

Social insurance contributions paid on non-labour income (*tscpe_s*)

Retirement and survival pensions

Retirement and survival pension benefits are subject to a social insurance contribution of 3.55% for the funding of sickness and disability insurance. However, if the contribution would bring the pension amount below a certain threshold, contributions are limited to the amount exceeding the threshold.

Table 2.53 Thresholds for social insurance contributions for retirement and survival pensions [2020 - 2024]

	2021	2022	2023	2024
Pensioner without dependent family	1,597.01	1,768.52	1,920.21	1,997.75
Pensioner with dependent family	1,892.69	2,095.93	2,275.71	2,367.61

A second contribution (the solidarity contribution) is withheld for pensions and is especially used to protect and preserve minimum pensions. The contributions rate varies from 0% to 2% depending on the total pension benefit and the family situation (a pensioner with or without depend family members) as shown in Table 2.54.

Table 2.54 Calculation of solidarity contributions for pensioners [2024]

Without dependent family		With dependent family	
Pension amount in euro per month (P)	Contribution	Pension amount in euro per month (P)	Contribution
0.01-3,162.57	0	0.01-3,656.33	0
3,162.57-3,260.37	(P-3,162.57)*0.5	3,656.34-3,769.38	(P-3,656.33)*0.5
3,260.37-3,502.81	P*0.015	3,769.39-3,4,007.15	P*0.015
3,502.82-3,539.30	52.54+(P-3,502.81)*0.5	4,007.16-4,048.89	60.22+(P-4,007.15)*0.5
>=3,539.31	P*0.02	>=4,048.90	P*0.02

Social insurance contributions on conventional early retirement benefits[18]

An employee has a right to a conventional early retirement if he or she is 62 years old with at least 40 years of professional activity. Part of the conventional early retirement is paid by the unemployment office and part is paid by the employer.

Although strictly speaking an unemployment benefit, the treatment of early retirement pensions concerning social insurance contributions is more similar to that on pensions. A social insurance contribution of 3.55% is withheld by the employer on the part paid by the employer to fund pension insurance and a contribution of 1% or 3%, depending on the start date of the early retirement is withheld by the unemployment office on the unemployment benefit. The 1% is for those whose early retirement started before 1997 and the 3% for those who retired early after 1997. For early retired the pension cannot fall below certain thresholds, which depend on the presence of dependent family. If it does, no contributions are due.

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[18] This is not simulated as it cannot be derived from the data which part is attributable to the employer and which part to the unemployment office as the rates differ.

- *EUROMOD modelling*

The policy can be fully/perfectly simulated in EUROMOD, without any particular data or modelling limitations.

2.6.4 Flemish care insurance contribution (tci_s)

The Flemish Care Insurance provides a monthly financial compensation for people with care needs to cover part of their costs for non-medical care. Starting from October 2001 all Flemish inhabitants over the age of 25 are required to pay an annual fee to a healthcare fund. For people living in Brussels membership is voluntary.

Flemish inhabitants eligible for an increased health insurance reimbursement qualify for a reduced care insurance contribution. Social assistance beneficiaries and recipients of the income guarantee for the elderly together with their dependents are automatically eligible for the reduced payment. Furthermore widows, orphans, people with a disability, household heads/singles over 50 years old who have been unemployed for over a year and receive an unemployment benefit are eligible for the reduced amount if their income does not exceed the special income threshold. Lastly, people with a gross taxable income beneath the normal threshold are also eligible for the reduced payment. The income thresholds, detailed in table 2.59 are adjusted by category specific amounts per additional dependent. During the means test, part of the cadastral income[19] is exempt, with this exemption increasing per additional dependent.

People can submit an application to their healthcare fund if they think they qualify for the Flemish care insurance system.

Table 2.5855 Annual Flemish care insurance contribution (euro per year) [2021 - 2024]

	2021	2022	2023	2024
Member contribution	54	54	58	62
Member contribution if eligible for a higher compensation (pensioners, widows, orphan, etc.)	27	27	29	31

Table 2.5956 Annual Flemish care insurance thresholds (euro per year) [2021 - 2024]

	2021	2022	2023	2024
Special income threshold	19,957.16	23,217.78	25,797.56	27,550.86
Increase special income threshold per dependent	3,694.61	4,298.25	4,682.19	5,100.42
Normal income threshold	19,892.01	20,292.59	23,303.84	25,630.67
Increase normal income threshold per dependent	3,682.55	3,756.71	4,314.18	4,744.94

- *EUROMOD modelling*

The policy can be fully/perfectly simulated in EUROMOD, without any particular data or modelling limitations.

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[19] In 2024, €1555.00 of the cadastral income, increased by €259.00 per additional dependent, is exempt.

2.7   Personal income tax

The tax structure has changed considerably because of the 6th State Reform. We highlight the two most important changes. First the regions now can levy personal income taxes autonomously, before it was the sole responsibility of the federal state. The rate structure and tax base remain the same, but after calculation of the *State tax* (see figure below), the taxes are multiplied by the so-called *autonomy factor*, reducing it to the *reduced State tax* (tinna_s). Federal tax credits are then subtracted from the reduced State tax to get the federal personal income tax. Since the reform, the regions are now free to define a tax structure, based on the reduced State tax. By default, the rate is fixed to 33.257% in Flanders and Wallonia and to 32.591% in Brussels-Capital Region. This tax corrected for regional increases, reductions and credits forms the regional personal income tax. In Euromod, we do not make a distinction between federal and regional fiscal expenditures.

Figure 1: General principles - federal and regional PIT

Tax on separately taxed income	Basic tax according to the federal rate structure on aggregated taxed income	
	- tax on the zero-rate band	
	= tax to be distributed	
	- tax credit for pensions and replacement income	
	- tax credit for foreign income	
	= "principal"	
Adding up the tax on separately taxed income and the "principal" on aggregated taxed income		
Tax on interest, dividends, royalties, prizes attached to debenture bonds and capital gains on securities taxed as miscellaneous income	Tax on other income	
	= State tax	
	- (State tax * autonomy factor)	
	= *reduced State tax*	*Regional surcharges* on reduced State tax
- other federal tax credits		+ regional tax increases (47)
		- regional lump sum tax reductions (48)
		– regional tax credits (49)
balance; if = 0, it is possible to deduct the portion of the federal tax credits which could not be set off but which can be set off against the Region's positive balance		balance; if = 0, it is possible to deduct the portion of the regional tax reductions and credits which could not be set off but which can be set off against the federal positive balance
= *federal PIT (may be negative)*		= *regional PIT (may be negative)*
= *total amount (may not be negative)*		
+	federal increases	
-	non-refundable federal items which can be set off	
-	refundable federal and regional tax credits	
-	federal items which can be set off and refunded	
+	municipal surcharges and agglomeration tax on the "total amount"	
= *amount to be paid or refunded*		

Source: Tax Survey 2015 FPS Finance

2.7.1 Tax unit

The tax unit typically consists of a single person or married couple, (or couples with a legal union),[20] with dependent persons. Household members that satisfy one of the following conditions are possibly fiscally dependent:

- descendants of the taxpayer or his/her spouse (no age limits)
- children (up to 18 years old) who are not descendants but for whom the taxpayer or his/her spouse bears responsibility
- ascendants of the taxpayer or his/her spouse
- relatives of the taxpayer or his/her spouse
- individuals of whom the taxpayer was him- or herself dependent in the past, according to tax legislation.

To qualify as dependent one's own income may not surpass certain limits. If it does, the individual is considered a separate tax unit.

To determine a potentially dependent person's own means, the tax legislator takes into account both non-taxable and taxable income sources. Among the latter a further distinction is made between 1) occupational income, 2) real estate income, 3) income from assets, and 4) other income sources.

In case of income from a professional activity (occupational income) one compares 80% of gross taxable income[21] with gross taxable income minus the costs incurred to obtain this income and takes the lower of the two. The incurred costs can either be real or lump sum (cfr. section 2.7.3 for more details).[22]

For replacement incomes the standard rate of 80% is used to determine net own means from replacement income.

For income from unrented property the minimum is taken of cadastral income and 10/6 (developed) or 10/9 (undeveloped) of cadastral income minus real incurred costs.[23] If the property produces rental income, then the minimum is taken of the received rent minus the real costs and 60% of the received rent for developed property or 80% of rent received for undeveloped property.[24]

Income from assets is counted in net own means as the minimum of gross income from assets minus real costs and 80% of gross income from assets.

For maintenance allowances (alimony) and income from non-taxable sources one takes 80% of the (gross) amount as net own means.

In the case of child allowances, birth and adoption allowances, scholarships, alimony and earnings of children with a disability from employment in sheltered workplaces are not included in the means test for net own means and they are not taxable either.

In order to qualify as a dependent, the yearly net own means of children cannot exceed the thresholds summarized in Table 2.57. Other rules apply for assessing the dependency of (grand)parents. The principal amount remains the same, but if the persons are 65 or older and enjoy pensions, part of the latter (up until the maximum limit) is exempted, i.e. not considered in the determination of net own means. Couples of (grand)parents are assessed together: if their common yearly net own means are below the lower threshold**,** both (grand)parents are dependent. If net own means are exceeding the lower threshold but remain below the second threshold, only the (grand)parent with the lowest net own means

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[20] Married couples form a fiscal unit from the year following the year of marriage onwards.

[21] Gross taxable income consists of gross earnings minus personal social security contributions.

[22] In case of income from professional activity if the costs thus calculated should be lower than €350 then the latter amount applies (if not larger than gross taxable income). In the implementation, the choice for 80% of gross taxable income is assumed (in the definition of the income list).

[23] Not simulated due to lack of data.

[24] In the implementation, 60% of rent is assumed (variable ypr).

is considered dependent. If net own means are above the second threshold, then none of the (grand)parents are dependent.

Table 2.57 Thresholds for net own means to assess dependency (euro per year) [2020–2024]

Thresholds below which one is a dependent:	2020	2021	2021	2023	2024
Children in couple households	3,380	3,410	3,490	7,010	7,290
Children of lone parents	4,880	4,920	5,040	7010	7,290
Single (grand)parent	3,380	3,410	3,490	3,820	3,980
Couple (grand)parents - both dependent (1st threshold)	3,380	3,410	3,490	3,820	3,980
Couple (grand)parents - one dependent (2nd threshold)	6,200	6,240	6,400	7,010	7,290
Amount to which pension is exempted from the assessment for (grand)parents older than 65	27,230	27,430	28,100	30,800	32,040

2.7.2 Exemptions

Following Verbist (2004), we define exemptions as "income components [that] are part of pre-tax income, but do not have to be declared to the tax authorities, and thus are not included in the concept of taxable income (e.g. child benefits in most countries)".

In Belgium this applies for child benefits, study allowances, social assistance benefits, war pensions and benefits in case of a work-related accident or sickness for a person without any other income.

2.7.3 Tax deductions

Here, we define tax deductions as any amount subtracted from pre-tax income (including social insurance contributions).

In the Belgian tax system, a number of deductions apply. Two categories can be distinguished. First, the social insurance contributions are deducted from gross income. As social insurance contribution is extensively discussed in section2.4, it is not treated here. Secondly, there are the deductions related to expenses. The expenses are subtracted from the total taxable income. The simulation possibilities of this category are limited. As detailed expenditure data lack from the data, it is impossible to reconstruct the deductions. Three exceptions to this apply: paid alimony, professional expenses and mortgage repayments. The net taxable income that results from the following rules can then further be reduced by declared expenses such as charitable donations, life insurance premiums, contributions to private pension plans and childcare costs (not simulated).

2.7.3.1 Alimony

Paid alimony is available in the data and is deductible up to 80% of the paid amounts if the beneficiary does not live in the same household as the taxpayer and the payment must be the result of a court order.

2.7.3.2 Professional expenses

For all workers, gross taxable income from a professional activity is reduced by the amount of professional expenses incurred, or by a lump sum amount, whichever is most favourable. In the case of real costs, the taxpayer must prove these costs if asked for by the tax legislator. In EUROMOD, lump sum costs are simulated for every worker.[25]

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[25] Self-employed usually don't make use of the system of assumed professional expenses, and usually choose to prove their costs by means of the invoices. In the EUROMOD database, the actual professional expenses of the self-employed are not available, so the wage-related formula is assumed to apply to their professional expenses as well.

As part of the tax shift the (lump sum) deduction of professional expenses for employees was simplified and increased over the period 2016-2018. As of 2018, there is only one rate. To determine the lump sum amount of professional expenses the following rates apply:

Table 2.58 Schedule for lump sum deduction of professional expenses for employees (euro per year) [2020 - 2024]

	2020	2021	2022	2023	2024
Upper income bound	16,266.64	16,399.99	16,799.98	18,399.98	19,166.64
Rate (%)	30.0	30.0	30.0	30.0	30.0
Maximum deduction	4,880	4,920	5,040	5,520	5,750

The rate schedule for self-employed is different from the schedule for employees (see Table 2.59). Self-employed typically declare real incurred costs, but can also opt for a lump sum deduction of professional expenses. However, we do simulate the lump sum deduction for all self-employed individuals since we do not observe the declared costs.

Table 2.59 Schedule for lump sum deduction of professional expenses for self-employed and co-working spouses (euro per year) [2020 - 2024]

	2020	**2021**	**2022**	**2023**	**2024**
Upper bound 1	6,210	6,250	6,410	7,020	7,310
Upper bound 2	12,330	12,430	12,730	13,950	14,520
Upper bound 3	20,530	20,680	21,190	23,220	24,160
Upper bound 4	70,054.17	70,538.16	72,367.49	79,178.50	82,460.83
Rate 1 (%)	28.7	28.7	28.7	28.7	28.7
Rate 2 (%)	10.0	10.0	10.0	10.0	10.0
Rate 3 (%)	5.0	5.0	5.0	5.0	5.0
Rate 4 (%)	3.0	3.0	3.0	3.0	3.0
Maximum	4,290	4,320	4,430	4,850	5,050

For managers only one rate of 3% on gross taxable income applies to determine the lump sum amount of work-related costs with a maximum of €2,590 (in 2021).

2.7.3.3 Mortgage repayment

In the past years, the tax treatment of the inhabited dwelling has changed considerably. In 2005, the taxation schemes have been replaced by a new 'housing bonus' (woonbonus/bonus logement) for the new mortgages. In 2015, the tax benefits related to the self-occupied dwelling became a regional competence. On one hand, old the tax relief measures that used to reduce the tax base were turned into a regional tax reduction. On the other hand, the tax treatment of the new mortgages started to diverge across regions.

In what follows, the current rules that apply in the different systems are described. All the rules concern the inhabited (unique) residence, given that the information available in EUROMOD dataset does not allow to observe the number of homes owned. The loan date determines which system applies.

  A. Loans contracted before 2005

For the loans contracted before 2005, the 'cadastral income', was counted as real estate income in the taxable base until 2015. 'Cadastral income' (CI) corresponds to an estimation of the average normal net rent value of the property for one year (at the reference time, which is 1 January 1975). CI is subject to

annual *indexing* (the index for tax year 2019 is 1.8230). Before 2015, there were 4 possibilities of tax relief an owner could cumulatively apply for: the normal interest deduction, the housing deduction, the additional interest deduction, and the tax credit for capital redemption payments.

In 2015, the CI for the own and sole dwelling became exempt from taxes and were removed from the tax base. As a result, the former deductions applied to cadastral income disappeared and were replaced by regional tax reductions for interests and capital payments:

(a) *Regional tax reduction for interest payments at the rate of 12.5%:* a tax reduction is applied at the fixed rate of 12.5% of the interests paid. The interests are taken into account up to the amount of the indexed cadastral income. If there are remaining interest payments, the balance can be transferred to the other spouse, without exceeding the indexed cadastral income.

(b) *Regional tax reduction for capital payments (bouwsparen/épargne logement):* capital redemption for a mortgage loan with a term of at least 10 years entitles an owner-occupier to an extra tax reduction. This reduction is calculated on a maximum limit of the initial loan, which depends on the year in which the mortgage was concluded.

- o Loans concluded from 01.01.1963 to 31.12.1988: only part of the total amount of the loan is taken into account for the tax reduction. The maximum amounts are listed in . . For mortgages concluded from 01.05.1986 to 31.12.1988 we will assume a new medium sized house.

Table 2.60 Maximum amounts taken into account for loans concluded from 01.01.1963 to 31.12.1988

Date of the mortgage	Nature of the house	Maximum amount
from 01.01.1963 to 30.04.1986	medium sized house	9,915.74
from 01.05.1986 to 31.12.1988	medium sized house	9,915.74
	new medium sized house	49,578.70

If the total amount of the loan is lower or equal to the maximum amount, then the full amount of the capital payments can be declared. If not, the following formula is applied:

capital payments x maximum amount / total value of the loan

The result is eligible for a tax reduction applied at the marginal tax rate, with a minimum of 30%.

- o Loans contracted from 01.01.1989 to 31.12.2004: again, only part of the total amount of the loan is taken into account for the tax reduction. The amounts are raised by 5%, 10%, 20% or 30% when there are 1, 2, 3 or more dependent children in the house. The maximum amounts are listed in . .

Table 2.61 Maximum amounts taken into account for loans concluded from 01.01.1989 to 31.12.2004, depending on the number of dependent children.

	Number of dependent children				
	0	1	2	3	>3
1989	49.578,70	52.057,64	54.536,58	59.494,45	64.452,32
1990	51.115,64	53.668,95	56.222,25	61.353,65	66.460,25
1991	52.875,69	55.528,15	58.180,61	63.460,74	68.740,87
1992 to 1998	54.536,58	57.263,40	59.990,23	65.443,89	70.872,76
1999	55.057,15	57.808,77	60.560,39	66.063,62	71.566,86
2000	55.652,10	58.453,29	61.229,70	66.782,52	72.360,12
2001	57.570,00	60.440,00	63.320,00	69.080,00	74.830,00
2002	58.990,00	61.930,00	64.880,00	70.780,00	76.680,00
2003	59.960,00	62.950,00	65.950,00	71.950,00	77.940,00
2004	60.910,00	63.960,00	67.000,00	73.090,00	79.180,00

If the total amount of the mortgage is equal or lower than the maximum amount, the full amount of the capital payments can be declared. If not, the following formula is applied:

capital payments x maximum amount / total value of the loan

The resulting amount is again calculated at the marginal income tax rate of the lender (with a minimum of 30%) and subtracted from the personal income tax, without exceeding it.

For mortgage loans that started before 2005, the above measures still apply. For mortgages concluded after 2004, however, an entirely new system was installed.

B. Loans contracted between 2005 and 2014

From 2005 onwards, the described measures have been abolished for new loans, and the CI of the self-occupied dwelling has become tax exempt in the personal income tax system. For owners with a mortgage loan that is contracted after 1 January 2005, the previous tax advantages have been replaced by the so-called 'housing bonus', which is only applicable for mortgages contracted for the own, self-occupied and only dwelling and that have a term of at least 10 years.

The interests and capital payments are taken into account up to a certain celling. The ceiling includes a standard amount and two possible increases: (a) during the first 10 years of the term of the mortgage and with (b) when there are three or more dependent children in the household on 1 January of the year that follow on the year in which the mortgage was concluded. The amount of the ceiling is given in Table 2.62.

Until 2015, the housing bonus was reducing the taxable income and was thus applied at the marginal tax rate. From 2015 onwards, the tax advantage was turned into a regional tax reduction, applied at the marginal tax rate of taxation, with a minimum of 30%. From this year, the amount of the ceiling started to diverge across regions.

Aspects of policy that were not implemented
(1) There are conditions on the duration of the mortgage. We assume that those are fulfilled.
(2) There are specific rules for social houses.

(3) We do not really know if a house is medium sized. We assume it.

(4) Specific rules apply for mortgages that were taken out to repay other mortgages.

(5) There are also reductions for premiums paid for life insurances.

(6) We do not know how many dependent children there were when the mortgage was concluded. We just count the current number of dependent children.

(7) We assume that the owner obtained the house by buying it in the market. Different rules apply e.g. for houses acquired through inheritance.

(8) Specific rules apply when one mortgage is taken out by multiple persons.

(9) We do not know the number of houses owned. We assumed that the mortgage concerns the unique, self-occupied house.

Table 2.62 Housing bonus ceilings [2021-2024]

Type of replacement income	2021	2022	2023	2024
Flanders				
Maximum (standard) housing bonus for loans until 2014	€2,280	€2,280	€2,280	€2,280
Maximum (standard) housing bonus for loans from 2015 until 2019	€1,520	€1,520	€1,520	€1,520
Increase of max during first 10 years	€760	€760	€760	€760
Increase of max for large families (3+ children)	€80	€80	€80	€80
Wallonia				
Maximum (standard) housing bonus for loans until 2015	€2,290	€2,290	€2,290	€2,290
Increase of max during first 10 years	€760	€760	€760	€760
Increase of max for large families (3+ children)	€80	€80	€80	€80
Brussels				
Maximum (standard) housing bonus for loans until 2016	€2,500	€2,560	€2,810	€2,920
Increase of max during first 10 years	€830	€860	€940	€970
Increase of max for large families (3+ children)	€80	€90	€90	€100

C. Loans contracted in 2015

As part of the 6th State Reform, fiscal policy concerning the self-occupied housing was transferred to the regions as of January 2015. The housing bonus thus became a regional tax reduction. Brussels, Wallonia and Flanders maintained the structure of the instrument for mortgage loans contracted in 2015, with one important change: the benefit of the instrument is no longer defined by the marginal tax tariff but by a fixed rate varying across regions: 40% in Flanders and Wallonia and 45% in Brussels.

D. Loans contracted in 2016 - …

As of January 1st 2016, the different regional systems for mortgage repayments started to diverge more substantially.

Flanders

Flanders introduced the "integrated Woonbonus", which consists of the integration of several other tax reductions for second, third and more houses (i.e. the tax reduction for long-term savings and normal interests) into the housing bonus. This effectively means that the other tax reductions for housing will no longer apply to mortgage loans contracted between January 1st 2016 and December 31st 2019. Thus, for loans contracted during one of this 4 years, the housing bonus is no longer limited to owners of one

house only. Since the information on the number of houses one owns is not available in EUROMOD database, these changes have no implications for the simulation of the housing bonus in EUROMOD. The amounts and calculation of the tax reduction remain the same as in 2015. These amounts will no longer be indexed each year.

From 2020 onwards, the "integrated Woonbonus" does no longer apply for loans contracted after 31st December 2019.

Wallonia

The Walloon region replaced the housing bonus with the 'Chèque habitat'. The 'Chèque habitat' is conceived as a tax reduction for mortgage loans with a duration of at least 10 years contracted to buy or build your only house. In contrast to the housing bonus, the upper limit of the 'Chèque habitat' *decreases* with income, only applies to people with a yearly income below a certain threshold and can be used once per taxpayer for up to 20 years.

The base amount of the 'Chèque habitat' is €1,520 (the same as in Flanders). For annual incomes between €26,394 and €101,805 (in 2024) this amount is reduced by €1 for each income bracket of €78 above €26,394. People with yearly incomes higher than €101,805 no longer receive a tax reduction for mortgage repayments. The 'Chèque habitat' is increased by €125 for each dependent child in the household. The amount is reduced by 50% after 10 years.

The regional tax reduction is equal to the interests and capital payments up to the result of the computation.

Table 2.63 Calculation of the "Chèque habitat" [2024]

Annual income (I)	Tax reduction
Base amount	
< €26,394	1,520
€26,394≤ I < €101,805	1,520 – [(I-26,394)*1.275%]
≥ €101,805	0
Additional increase	
Increase for each dependent child	125

Brussels

For people living in Brussels the same rules as in 2015 apply for mortgages contracted before 2016. As of January 1st 2017, however, the housing bonus has been abolished and replaced by a decrease in the registration fees for newly built or purchased houses. Due to a lack of data, this decrease cannot be simulated in EUROMOD.

E. Treatment of mortgage in uprated years

To avoid that we simulate a proportion-wise decrease in eligible households, we assume that in the years following the baseline: mortgage was concluded in the reported year +n (baseline year + n).

2.7.4   Tax base

To calculate personal income taxes, we need to determine the tax base, i.e. net taxable income. This is done by subtracting the tax deductions discussed in section 2.7.3. from gross income,[26] excluding the tax credit for capital redemption.

All replacement incomes are taxable except for the one exempt from taxation enumerated in section 2.7.2. (income support, war pensions and benefits in case of a work-related accident or sickness for a person without any other income).

For certain income from assets, such as dividends, interest from bonds and other fixed income securities, there is no obligation to declare since taxes are withheld at the source (simulated separately, see section 2.7.6.4.). Other income from assets such as income originated and collected abroad and interest on savings in a savings account should be declared.[27] Income from assets can be taxed separately or jointly with other income, whichever is more advantageous for the taxpayer. In EUROMOD it is assumed that separate taxation is more advantageous, because of the low average rate (15% on interest from savings in a savings account and 30% for income from other assets).

Other income sources include maintenance allowance (alimony) of which 80% is subject to taxation.

Occasional profits and benefits are taxed net of incurred costs. These do not include profits and benefits from regular exploitation of a private enterprise or estate, nor do they include winnings from lotteries or games.[28]

Some income items are taxed separately such as wages overdue, holiday allowance paid up-front, capital from collective insurance contracts. These are, however, not simulated because the data are not detailed enough in this respect.[29]

Also taxed separately are income from assets, awards, and certain subsidies (cfr. section 2.7.6.4).

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[26] Losses that are incurred can be deducted from any positive income to establish taxable income. Moreover, losses are transferrable without limitation to other tax years to be set off against positive income. Because data from other years are not disposable, this is not simulated.

[27] In case of savings accounts the first €1,020 (2024) in interest on savings per spouse is exempt from taxation altogether. As it is not possible to identify which income is from interest on savings accounts, this policy is switched off.

[28] For awards and subsidies, the tax base is the received amount plus any withholding taxes minus gifts to Belgian universities or other recognized institutions for scientific research. Awards and subsidies are taxable only for the part that exceeds €4,870. (2024) (not simulated)

[29] It concerns the following items (not simulated):

Income from assets (stocks, bonds and other securities)	30%
Occasional profits	33%
Awards and subsidies	16.5%
Income from subletting and transfer lease	30%
Capital gain real estate	16.5%
Capital gain land (for construction)	33% if sold within 5 yrs of acquisition.; 16.5% ow
Wages and replacement incomes overdue	average tax rate previous year
Severance pay of more than €850 gross	Idem
Holiday earnings paid in advance	Idem
Capital from life or collective insurance contracts, or pension plans	33%, 16.5% or 8%

2.7.5   Federal tax schedule

The rate structure in the table below is applied to individual net taxable income to determine the gross amount, before any other reductions (cfr. section 2.7.6), of personal income taxes.

Table 2.64 Tax schedule federal tax (euro per year) [2020 - 2024]

Tax brackets					Rate
	2021	**2022**	**2023**	2024	
1st bracket	13,540	13,870	15,200	15,820	25%
2rd bracket	23,900	24,480	26,830	27,920	40%
3th bracket	41,360	42,370	46,440	48,320	45%
4th bracket	∞	∞	∞	∞	50%

As discussed above, the amount of income corresponding to the tax free amount is exempt from tax. This means that the rate structure applies on the entire net taxable income, and in the end the tax due on the base allowance (after applying the rate structure for that amount) is subtracted to obtain the final tax amount (see section 2.7.6).

In the case of married couples, the tax legislator allows for income sharing between spouses up to a certain limit (the so-called 'marital quotient system'). If one of the spouses earns less than 30% of the couple's total net taxable income, income between spouses is shared as if the higher earning spouse earned 70% of total household income from professional activity and the other spouse 30%. The amount transferred is limited (amounts see Table 2.65) and may not exceed 30% of total household professional income. After this income sharing, the rate structure is applied to both individuals as if the income was their own individual income. This implies that the transferred part of the income is taxed against a much lower marginal rate than if it would have been had it not been transferred, i.e. if it had remained part of the income of the higher earning spouse.

In the case of self-employed part of the income can be transferred to the "co-working" spouse is slightly higher. The compensation should be in relation to the services provided by the spouse of the self-employed and cannot exceed 30% of total income earned with the help of the spouse. We assume that the sharing is in relation to the services.

If the professional income of one of the spouses is negative, this can be deducted from the earnings of the other spouse without, however, exceeding those earnings (not simulated).

Table 2.65 Marital quotient limits (euro per year) [2021- 2024]

Type of replacement income	2021	2022	2023	2024
Maximum amount transferred to the spouse	11,170	11,450	12,550	13.050
In case of co-working spouse for self-employed	14,510	14,860	16,300	16.950

Municipality taxes (tinmu_be)

Municipality tax rates are collected in addition to the above tax schedule. The rates vary over municipalities. As in the EUROMOD database we do not dispose of municipality information but only of regional information, these tax rates are calculated taking the weighted average of all local tax rates in each region (with weighting factor the population numbers per municipality). In 2024, the local taxes are calculated taking 6.2% (Brussels), 7.2% (Flanders) and 7.9% (Wallonia) of calculated national taxes.

Table 2.66 Average local tax rate per region in % [2021 - 2024]

Total average surtaxes per region (municipality + agglomeration rates together)	2021	2022	2023	2024
Brussels	6.3%	6.3%	6.2%	6.2%
Flanders	7.2%	7.2%	7.2%	7.2%
Wallonia	7.9%	7.9%	7.9%	7.9%

2.7.6   Tax credits

2.7.6.1   Tax free amounts for family size and composition

The tax legislator grants the taxpayer an income amount that is exempt from taxation. The exemption is from the bottom up. This means that the taxes due on that amount are calculated following the normal income brackets and applicable rates. The amount that is then obtained will be deducted from the final tax payment calculated on total net taxable income.

From 2016 onwards, the rates applied for the calculation of the tax free amount are no longer the same as the rates from the federal tax schedule. The changes to the tax brackets following the federal tax shift (as explained under 2.6.5.) will not be extended to the brackets used to calculate the tax free amounts. The brackets and applicable rates are given below.

Table 2.67 Tax schedule applied to calculate tax free amounts (euro per year) [2020 - 2024]

Tax brackets	Upper limits of yearly net taxable income				Rate
	2021	2022	2023	2024	
1st bracket	9,520	9,750	10,680	11,120	25%
2nd bracket	13,540	13,870	15,200	15,820	30%
3rd bracket	22,570	23,120	25,330	26,360	40%
4th bracket	41,360	42,370	46,440	48,320	45%
5th bracket	∞	∞	∞	∞	50%

The basic amount is applied per taxpaying person regardless of the marital status. It is the same for all individuals. In a cohabitating couple consisting of two tax units each person will individually get the basic amount allocated, and in a married couple that makes up a single tax unit, it will also be granted to each spouse separately. If the income of one of the married spouses is less than the basic exempted income amount however, the remainder can be transferred to the other spouse (if his or her income is sufficiently large).

If the taxpayer has a disability the basic amount is increased, and the tax free amount is further increased for each dependent child[30], as well as for a number of specific family situations (see Table 2.68).

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[30] An extra lump sum increase of the tax deduction of €720 (2024) for each child younger than 3 is granted if no childcare costs are declared on the tax form for this child. (not simulated).

Table 2.68 Tax free amounts (euro per year) [2021 - 2024]

	2021	2022	2023	2024
Basic amount (per taxpayer)	9,050	9,270	10,160	10,570
Taxpayer with a disability	1,650	1,690	1,850	1,920
Amount per child for 1st child	1,650	1,690	1,850	1,920
--------------------- for 2nd child	2,590	2,650	2,910	3,030
--------------------- for 3rd child	5,260	5,390	5,900	6,140
From fourth child onward	5,860	6,010	6,580	6,850
Ascendants and relatives older than 65	4,940	5,060	5,540	5,770
Other dependent person	1,650	1,690	1,850	1,920
Dependent person with disabilities	1,650	1,690	1,850	1,920
Lone parent with dependent children	1,650	1,690	1,850	1,920
Lone parent with dependent children and low income	1,070	1,090	1,200	1,250
Max. amount refundable tax credit (per child)	470	480	530	550

All single parents with dependent children receive an increase of the tax free amount. Single parents with a low income receive an additional increase.

If the tax free amount exceeds the actual income, the result is that no taxes have to be paid, but no compensation exists for the 'remainder' of the tax free amount, the part that one cannot 'use' because income is insufficient. However, if the increase of the tax free amount is due to increases related to children, then part of the tax free amount is refundable in the form of a tax credit for children, with maximum amount per child (see Table 2.68). The extra reduction for low income has been withdrawn in 2019.

2.7.6.2 *Credits in the case of replacement income*

When part of one's income stems from replacement income (unemployment benefits, early retirement benefits, sickness and disability benefits, pensions), tax credits are applicable to that part. In Table 2.69 the yearly basic tax credits are shown for different types of replacement income. For all types of replacement income, the assessment unit is the individual, i.e. the recipient's family situation does not influence the amount of the credit.

Table 2.69 Tax credits for replacement incomes [2021 - 2024]

Type of replacement income	2021	2022	2023	2024
Pensions	1,841.96	1,886,96	2,067.84	2,151.72
Early retirement benefits	1,841.96	1,886,96	2,067.84	2,151.72
Unemployment benefits (incl. for elderly unemployed)	1,841.96	1,886,96	2,067.84	2,151.72
Sickness and disability benefits	2,471.64	2,531.92	2,774.73	2,887.28

These credits are further reduced "horizontally" and "vertically".

Horizontal limit

The tax credit is limited to the proportion of replacement income in total net taxable income. A taxpayer receiving unemployment benefits of €2,500 and net taxable income from professional activity of €10,000 will only be eligible to receive 1/5 of the tax credit related to unemployment benefits

(2500/(10000+2500)), where €12,500 is the *total* net taxable income in this example. This rule is applied on the "calculation basis", before application of the marital quotient system (cfr. section 2.7.5).

Vertical limit

The general rule which is applicable to all replacement incomes except the regular unemployment benefits is as follows, where R is the reduction after applying the horizontal limit, and NTI is net taxable income (at the level of the tax unit):

In case all cases, except for regular unemployment benefits, the following rules apply:

NTI<Limit1	R'=R
Limit 1<=NTI<= Limit2	R'=R*1/3+[R*2/3*(Limit2-NTI)/Limit1]
NTI> Limit2	R'=R*1/3

The limits are described in Table 2.70.

Table 2.70 Determination of vertical limit of the tax credit for replacement income (except regular unemployment benefits) [2021 - 2024]

Limits	**2021**	**2022**	**2023**	**2024**
Limit1	€23,890	€24,470	€26,820	€27,900
Limit2	€47,780	€48,940	€53,630	€55,810

In case of regular unemployment benefits the following rules apply:

NTI<Limit1	R'=R
Limit 1<=NTI<= Limit2	R'=R* (Limit2-NTI)/ Amount1]
NTI> Limit2	R'=0

The limits are described in Table 2.71.

Table 2.71 Determination of vertical limit of the tax credit for regular unemployment benefits [2021 - 2024]

Limits	**2021**	**2022**	**2023**	**2024**
Limit1	€23,890	€24,470	€26,820	€27,900
Limit2	€29,820	€30,550	€33,480	€34,830
Amount1	€5,930	€6,080	€6,660	€6,930

The reductions that are obtained after applying the horizontal and vertical limits cannot be more than that part of the tax that is proportional to the tax base on which they apply. It means that the reduction as a proportion of the total tax cannot be more than the replacement income as a proportion of total net taxable income.

In 2019, a new tax emption ('aanvullende belasting') was introduced. The condition that the taxable income's sole component is replacement income, is no longer included in this new tax reduction. The new tax credit is fully granted to persons whose taxable income does not exceed an income limit (limit 1). The tax credit is reduced on a straight-line basis as the taxable income is between this first income limit and a ceiling (limit 2) as listed in Table 2.72.

Table 2.72 Upper limits for further reduction to zero taxes [2021 - 2024]

	2021	**2022**	**2023**	**2024**
Tax credit	380.54	388.21	428.16	444.78
Limit 1	16,290	16,690	18,290	19,030
Limit 2	23,890	24,470	26,820	27,900

2.7.6.3 *Refundable tax credit on low activity incomes*

Low activity incomes are incomes from professional activity net of costs (either real or lump sum) that are not replacement incomes, wage incomes[31] or other separately taxed incomes. It implies that this tax credit is applicable only for self-employed and statutory civil servants. The base for the calculation of the credit is before application of the marital quotient and is calculated per spouse. The credit calculated according to the rules in the table below is limited to the ratio of activity income in total net income from professional activity. The maximum amount of the tax credit is €860 (2024) for self-employed and €390 for the co-working spouse (and €940 for employees in the public sector without a formal labour contract). The (refundable) tax credit is calculated as follows:

Table 2.73 Calculation of the tax credit for low activity incomes (euro per year)

Income (I) brackets		Tax credit
Lower bound (G_1)	**Upper bound (G_2)**	
0	I_1	0
I_1	I_2	$C \times (I - G_1) / (G_2 - G_1)$
I_2	I_3	C
I_3	I_4	$C \times (G_2 - I) / (G_2 - G_1)$
I_5	∞	0

Table 2.74 Refundable tax credit for low activity incomes parameters (euro per year) [2021-2024]

	2021	**2022**	**2023**	**2024**
Max. credit (general)	730	750	820	860
Max. credit (co-working spouse)	330	340	370	390
Max. credit (civil servant)	810	830	910	940
Min. net income for partial credit (I_1)	5,440	5,570	6,100	6,350
Min. net income for full credit (I_2)	7,260	7,430	8,140	8,480
Max. net income for full credit (I_3)	18,150	18,590	20,370	21,200
Max. net income for partial credit (I_4)	23,580	24,160	26,480	27,550

2.7.6.4 *The fiscal workbonus*

Wage earners that are not eligible for the tax credit on low activity incomes but who are eligible for a reduction in personal social security contributions (the "workbonus" as explained in section 2.7.3.3) are also eligible for an additional tax credit based on the amount of the reduction in personal social security contributions. Before 2024, This tax credit was calculated by multiplying the amount of the original workbonus with the rate as shown in Table 2.8. The revision of the social workbonus in 2024 also has implications for the fiscal workbonus. The tax credit is now calculated by multiplying the reduction amount (component A: low-wage employee; component B, very low-wage employee) of a specific component with the component-specific rate as shown in Table 2.85.

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[31] Wage earners that are not eligible for this tax credit are in principle eligible for a reduction in personal social security contributions.

Table 2.75 Calculation of the fiscal workbonus [2021 – 2024]

	EUROMOD Parameter	2021	2022	2023	2024
% of social workbonus	$tinfe_WagePrem_R	33.14	33.14	33.14	n/a
Max. amount	$tinfe_WagePrem_Max	830	920	1,070	n/a

Table 2.79 Calculation of the fiscal workbonus [2021 – 2024]

	EUROMOD Parameter	2021	2022	2023	2024
% of component A social workbonus	$tinfe_Red_Rate_LW	n/a	n/a	n/a	33.14
% of component B social workbonus	$tinfe_Red_Rate_VLW	n/a	n/a	n/a	52.54
Max. amount	$tinfe_WagePrem_Max	n/a	n/a	n/a	1,380

2.8 Investment income taxes (*tinkt_s*)

For certain income from assets, such as dividends, interest from bonds and other fixed income securities, there is no obligation to declare since taxes are withheld at the source. As of January 1st 2017, an increased rate of 30% applies to most income form assets. However, the rate applied to income from interests on savings in a savings account remains at 15%.

In principle, income from assets can be taxed separately or jointly with other income, whichever is more advantageous for the taxpayer. The assumption in EUROMOD is that this income is taxed at the source and is hence not taken up in taxable income. Other income from assets such as income originated and collected abroad and interest on savings in a savings account should be declared. In case of savings accounts the first €1,880 in interest on savings per spouse is exempt from taxation altogether.

Because with the EUROMOD data it is not possible to distinguish whether investment income comes from abroad or not, or whether it originates from interest on a savings account or not, these details are not simulated. Hence, all investment income is treated in the same way and taxed at a standard rate of 30%. A tax free bracket is available for the first 833 EUR (2024) of dividend income, but since it is only used if dividend income is declared, we do not use the tax free bracket in EUROMOD.

2.9 Advanced levy on immovable property (*tprhm_s*)

Real estate taxes are implemented as part of personal income tax.

Cadastral Income. Every property in the country is listed in the Cadastre (land registry) and an annual net rental income is assigned to it: the cadastral income. This value corresponds to the net rental income of the property on the 1st of January 1975, plus a ratio of adjustment to today prices, re-evaluated every year. To assess the cadastral income the Cadastral administration takes into account both the building itself (number of rooms, cellar, garage, general condition etc.) and more general factors affecting the building or its environment (ease of access, distance from main highways, etc.). Cadastral income needs to be declared on the tax form. However, taxes on cadastral income, Belgium's main real estate tax, are paid separately. Therefore, taxes due on cadastral income are "settled" against the final tax payment at a rate of 12.5% of the part of cadastral income that is effectively taken up in the tax base (the part concerning non-occupied real estate).

Principles of the real estate tax. The so-called "advance levy on immovable properties" (onroerende voorheffing / précompte immobilière) is a regional tax on immovable properties, outside the personal income tax. Its amount is based on the indexed cadastral income[32] (e.g. in 2024, the index was 2,1763):

 - Flemish Region: 3.97% of the indexed cadastral income

 - Walloon Region and Brussel-Capital Region: 1.25%

The owner of a modest house (non-indexed cadastral income on all immovables <= 745 EUR) can obtain a reduction of 25%. In Flanders, a dwelling counts as a modest house when the non-indexed cadastral income is 845 EUR when the household has 3 or 4 children, 945 EUR when the household has 5 or 6 children, and 1045 EUR when the household 7 children or more.

Surtaxes. Provinces, agglomerations and municipalities can levy surtaxes on these regional taxes. These surtaxes are a percentage increase of the base levy. A surtax of 100 means that for each euro of regional tax, an additional euro is levied for local authorities. Since we do not have detailed information on the geographic position of the house, we use weighted average surcharges for each region (with the population numbers per municipality or province as weighting factor), as shown in Table 2.76.

Table 2.76 Average surtaxes per region in % [2021 - 2024]

Total average surtaxes per region (municipality + agglomeration rates together)	2021	2022	2023	2024
Brussels	4093	4147	4270	4270
Flanders	1064	1064	1072	1069
Wallonia	4231	4234	4237	4236

In 2016, the Brussels-Capital Region increased its surtax with 400 points. As a compensation for this increase, every household that owns a main residence in Brussels receives a lump-sum benefit (BE HOME compensation). The benefit amounts per year are outlined in Table 2.77.

Table 2.77 BE HOME premium Brussels, in euro per year per household [2021 - 2024]

	2021	2022	2023	2024
BE HOME compensation	131	139	153	156

Reductions for dependent children. If the owner of the house has dependent children he may be entitled to a reduction, dependent on the region.

- o **Flemish Region**
  In the Flemish Region the owner is entitled to a reduction if he has two or more dependent children. The lump sum reductions are listed in Table 2.78. The amounts are indexed annually.

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[32] If the property is the second home or rented to a natural person that does not use it for professional activities or rented to a legal person that is not a corporation and that sublets to (a) natural person(s) to use the property as residence then the indexed cadastral income is further increased by 40%. If the property is rented to a natural person for professional activity or to a corporation then the tax base is rental income net of a 40% lump sum cost allowance. The net rent may not be lower, however, than the indexed cadastral income plus 40% (not simulated).

Table 2.78 Lump sum reductions for dependent children in the Flemish Region [2021 - 2024]

Number of dependent children	Reduction			
	2021	**2022**	**2023**	**2024**
2	13.22	13.54	16	16.64
3	20.93	21.42	24	24.96
4	29.30	30.02	32	33.28
5	38.41	39.35	40	41.6
6	48.17	49.35	48	49.92
7	58.67	60.10	56	58.24
8	69.91	71.61	64	66.56
9	81.81	83.80	72	74.88
10	94.50	96.80	80	83.2

- **Brussels Region**

  In the Brussels-Capital Region the owner must have at least two children alive, including one dependent child. The owner then is entitled to a reduction of 10% for each dependent child.

- **Walloon Region**

  In the Walloon Region a reduction of 125 euro is granted for each dependent person.

Aspects of policy that were not implemented

- Properties that are let as social houses are subject to a lower tax rate.
- Persons with a disability and war disabled persons are entitled to a reduction, different for each region.
- Under certain conditions, there is a reduction for nonproductive houses.
- Houses for which an energy performance certificate (energieprestatiecertificaat) exists can enjoy a reduction.
- The reduction for modest houses for inhabitants of the Flemish Region is only applicable for houses that are in the Flemish Region. Our data does not cite the location of the house though. This is no problem, as we assume the house to be the only and the main residence of the owner.
- Average surcharges were used for each region, instead of detailed rates for each province, agglomeration and municipality.

2.10   Extraordinary measures

Due to the COVID-19 virus and lockdown measures, a group of compensation policies have been implemented to limit income and job losses.

2.10.1   COVID-19: Temporary unemployment (bwkmcee_s) (2020-2021)

To limit the loss of income for the affected employees, they can benefit from the system of temporary unemployment. An employee can become temporary unemployed when his/her work activity is temporary reduced or suspended due to Covid-19.

The benefits for temporary unemployment for economic reasons and force majeure are increased from 65% to 70% of the monthly gross wage for a period of six months (from March until August). Employees receive a daily benefit between 55.59 euros (minimum) and 74.71 euros (maximum). On top of that, the national employment office grants an amount of 5.63 euros per day of temporarily unemployment.

2.10.2   COVID-19: The compensation premium for self-employed individuals (bwkmcse_s)

The so-called 'bridging right' is a compensation premium to support self-employed persons who need to suspend their activity due to Covid-19.

The premium amounts 1,291.69 euros per month for self-employed persons without dependent family members and 1,614.10 euros per month for self-employed persons with dependent family members. These amounts also hold for individuals for whom the self-employed activity is a secondary activity with a minimum yearly income of 13,993.77 euros. Individuals with a self-employed secondary activity with a yearly income below 13,993.77 euros and above 6,996.89 euros receive a premium of 807.05 euro (or 645.85 euros if the individual has no dependent family members).

In the first months of the crisis (March 2020 until June 2020), self-employed persons who (i) were forced to close their business or (ii) have voluntarily stopped their activities for at least 7 days can make use of the financial support. The eligibility conditions for the monetary compensation have changed regularly. An overview is shown in Table 2.79 (2020) and Table 2.80 (2021).

Table 2.79 Eligibility conditions and amounts bridging right [2020]

Period	Eligibility conditions	Amounts (euro per month)
March 2020 – Jun 2020	- Mandatory full closure - Forced closure for at least 7 consecutive days due to the COVID-19 crisis	Full (+ dependent family): **1,291.69 (1,614.10)** Half (+ dependent family): **645.85 (807.05)**
1 Jun 2020 – 31 Dec 2020	- Mandatory full closure on May 3 2020 - Activities with same direct impact as those mentioned in previous point	Full (+ dependent family): **1,291.69 (1,614.10)**
1 Jul 2020 – 31 Dec 2020	- Mandatory full closure (except take-away) - Closing-down of at least 60% of the activity because dependent on a self-employed activity with full closure (see previous point) - Forced to close-down activity for at least 7 consecutive days in <u>July or August</u> due to the COVID-19 crisis	Full (+ dependent family): **1,291.69 (1,614.10)** Half (+ dependent family): **645.85 (807.05)**

1 Sep 2020 – 30 Dec 2020	- Being in quarantine - Taking care of child because of quarantine, closure of school or child care, …	- Duration of >= 28 days: Full (+ dependent family): **1,291.69 (1,614.10)** Half (+ dependent family): **645.85 (807.05)**
		- Duration of 21–27 days: 3/4 of amount - Duration 14-20 days: 1/2 of amount - Duration 7-13 days: 1/4 of amount - Duration < 7 days: 0
1 Oct 2020 – 31 Dec 2020	- Mandatory full closure (except take-away) - Full closure because dependent on a self-employed activity with full closure (see previous point)	Full (+ dependent family): **2,583.38 (3,228.20)** Half (+ dependent family): **1,291.69 (1,614.10)**

Table 2.80 Eligibility conditions and amounts bridging right [2021]

Period	Eligibility conditions	Amounts (euro per month)
1 Jan 2021 – 30 Jun 2021	- Mandatory full closure (except take-away) - Dependent on a self-employed activity with full closure (see previous point) - Non-essential stores (27 March - 25 April 2021)	Full (+ dependent family): **2,583.38 (3,228.20)** Half (+ dependent family): **1,291.69 (1,614.10)**
1 Jan 2021 – 30 Jun 2021	- Decline in turnover of at least 40% compared to the same month during the previous year	Full (+ dependent family): **1,291.69 (1,614.10)** Half (+ dependent family): **645.85 (807.05)**
1 Jan 2021 – 30 Jun 2021	- Being in quarantine - Taking care of child because of quarantine, closure of school or child care, …	- Duration of >= 28 days: Full (+ dependent family): **1,291.69 (1,614.10)** Half (+ dependent family): **645.85 (807.05)** - Duration of 21–27 days: 3/4 of amount - Duration 14-20 days: 1/2 of amount - Duration 7-13 days: 1/4 of amount Duration < 7 days: 0

The bridging rate is taxed as a separately taxable income at a tax rate of 16.5% in case the total amount of received bridging right does not exceed the net taxable profits or income acquired during the last four years (2016 – 2020). Otherwise, the bridging right is taxed at the progressive tax rates.

For managers, the bridging rate is taxed at the progressive tax rates.

- *EUROMOD modelling*

These policies can only produce results if the model is run in combination with the LMA add-on. The individuals that are selected to undergo transitions to monetary compensation schemes are defined in the "TransLMA_be" policy, which is switched "on" automatically by the add-on.

Employees are randomly allocated to monetary compensation based on the share of temporary unemployed employees by sector and gender. While in the previous EUROMOD release (I3.0+) these transitions were based on national statistics, from this release onwards the BE model adopts the statistics produced by ESTAT (see Table 2.85).

Moreover, the TransLMA_be policy enables the user to consider not only transitions to Monetary Compensation (extended temporary unemployment benefit for employees in the case of Belgium) but also other type of labour market transitions: e.g. from employment to unemployment, and from unemployment to employment. See Table 2.86 for the statistics produced by ESTAT that are used for these transitions. For more information about the modelling of labour market transitions please consult the 'Simulating labour market transitions in EUROMOD' document.

Labour transition model-based **data** included in the policy system 2020 (figures for 2021 have not yet been updated) are produced by Eurostat, using detailed distributional information on the loss of jobs and short-term work schemes from the Labour Force Survey and administrative data. The impact across different categories of individuals, the duration of unemployment/absence and percentage of hours worked are modelled using the EU-LFS longitudinal and quarterly transitions as target.

For more information about the data please consult the methodological note available at 9a70fb55-ceb7-d25a-1b31-ab0c030095d2 (europa.eu).

Table 2.81 Monetary compensation for employees [2020-2021]

Gender	Aggregate sectors	Share of workers in monetary compensation	
		2020	2021
female	• agriculture and fishing; mining, manufacturing and utilities	0.23	0.09
	• construction	0.26	0.10
	• wholesale and retail; hotels and restaurants; transport and communication; financial intermediation; real estate and business	0.29	0.10
	• transport and communication	0.83	0.16
	• public admin. and defence; educ.; health and social work; other	0.20	0.09
male	• agriculture and fishing; mining, manufacturing and utilities	0.35	0.12
	• construction	0.51	0.08
	• wholesale and retail; hotels and restaurants; transport and communication; financial intermediation; real estate and business	0.31	0.11
	• transport and communication	0.72	0.19
	• public admin. and defence; educ.; health and social work; other	0.29	0.12
Months in monetary compensation			
	1	0.10	0.03
	2	0.39	0.13
	3	0.62	0.28
	4	0.71	0.38
	5	0.79	0.52
	6	0.84	0.74
	7	0.87	0.77
	8	0.91	0.81
	9	0.96	0.87
	10	0.97	0.91
	11	0.97	0.94
Hours worked during monetary compensation			
	0	0.22	0.14
	15	0.54	0.41
	45	0.83	0.73

Table 2.82 Transitions between (self-)employment and unemployment [2020-2021]

Transition	Education level	Gender	2020	2021

Employees	from employed to unemployed	low		0.08	0.13
		middle	female	0.07	0.04
		high		0.00	0.00
		low		0.07	0.09
		middle	male	0.03	0.00
		high		0.00	0.00
	from unemployed to employed	low		0.00	0.00
		middle	female	0.00	0.00
		high		1.00	0.00
		low		0.00	0.00
		middle	male	0.00	0.00
		high		1.00	0.00
Self-employed	from self-employed to unemployed		female	0.00	0.00
			male	0.00	0.00
	Months in employment				
Employees	from employed to unemployed	2		0.05	0.25
		5		0.25	0.47
		8		0.74	0.82
	from unemployed to employed	2		0.08	0.26
		5		0.20	0.58
		8		0.32	0.79

Self-employed individuals are randomly allocated to monetary compensation based on the share of self-employed individuals receiving a bridging right, by sector and gender (see Table 2.87*).*

Table 2.83 Monetary comensation for self-employed [2020-2021]

Gender	Aggregate sectors	Share of self-employed in monetary compensation	
		2020	**2021**
female	• agriculture and fishing; mining, manufacturing and utilities	0.53	0.18
	• construction	0.52	0.53
	• wholesale and retail; hotels and restaurants; transport and communication; financial intermediation; real estate and business	0.68	0.27
	• transport and communication	0.60	0.36
	• public administration and defence; education; health and social work; other	0.82	0.27
male	• agriculture and fishing; mining, manufacturing and utilities	0.57	0.18
	• construction	0.87	0.19
	• wholesale and retail; hotels and restaurants; transport and communication; financial intermediation; real estate and business	0.69	0.19
	• transport and communication	0.70	0.36
	• public administration and defence; education; health and social work; other	0.78	0.22
Months in monetary compensation			
	1	0.05	0.10
	2	0.33	0.25
	3	0.56	0.41
	4	0.68	0.51
	5	0.76	0.61
	6	0.84	0.88

7		0.89	0.89
8		0.92	0.92
9		0.98	0.95
10		0.99	0.96
11		0.99	0.97
Hours worked during monetary compensation			
0		0.61	0.08
15		0.83	0.34
45		0.97	0.66

For more information about the modelling of labour market transitions please consult the 'Simulating labour market transitions in EUROMOD' document.

In order to facilitate cross-country comparability and research for the 2020-2021 systems, the extension of the temporary unemployment benefit in Belgium "buncm_s" is renamed as "buncmsedm_s") for employees (self-employed) is also saved with the name "bwkmcee_s" ("bwkmcse_s"), which is the common EUROMOD terminology given to all types of wage/monetary compensation measures taken in the other EU Member States during the Covid-19 lockdowns.

2.10.3 COVID-19: Financial compensation for water and energy bill (Flanders)

An employee living in Flanders who becomes temporarily unemployed between March 20 and July 17 due to the corona crisis can receive a one-off payment from the Flemish government for water, gas and electricity bills for one month. The allowance amounts to 202.68 euros per employee who became temporarily unemployed.

- *EUROMOD modelling*

This COVID-19 related regional compensation measure is not included in the simulations due to the lack of information in the input dataset to identify beneficiaries.

2.10.4 COVID-19: Regional compensation measures for self-employed individuals and businesses (not modeled)

'The nuisance premium' (Hinderpemie) in Flanders

Until April 5: Companies that are completely closed can receive a one-off grant of 4,000 euro.

From April 6 onwards: If they still have to close their company after April 6 (and received a 'Hinderpremie' before April 6), they can receive a grant of 160 euro per day.

'The compensation premium' (Compensatiepremie) in Flanders

A premium of 3,000 euros for companies suffering at least a 60% loss of turnover between March 14 and April 30. This also applies to secondary self-employed persons (i.e. persons who are complementary self-employed) who pay the amount of social security contributions as primary self-employed persons. If these secondary self-employed persons pay less social security contributions and are employed for maximum 80%, they receive 1,500 euros.

'The compensation premium' (Indemnités compensatoires) in Wallonia

A lump sum compensation of 5,000 euros granted to the activity sectors that have to close and a lump sum compensation of 2,500 euros to partially affected activities in March and/or April.

'One-off grant' (Steunpremie) in Brussels

Companies that had to completely close between March 14 and May 30 can receive a one-off grant of 4,000 euros (only for certain sectors and for companies with less than 50 employees).

'The compensation premium' (Compensatiepremie) in Brussels

A premium of 2,000 euros can be applied by self-employed persons and companies with a sharp decline in their activity (not in combination with the one-off grant in Brussels).

- *EUROMOD modelling*

These COVID-19 related regional compensation measures are not included in the simulations due to the lack of information in the input dataset to identify beneficiaries.

2.11 Consumption taxes

Consumption taxes simulated in EUROMOD can be divided in two groups: VAT (value added tax) and excises (additional duties paid over consumption) on energy, alcohol, and tobacco products.

Simulated consumption tax liabilities paid by households depend on the tax rules (e.g. the VAT rate) and on the tax base (consumption expenditures or quantities). This is why, to simulate consumption taxes in EUROMOD, the input data must contain information on household expenditures. The expenditures matched in the EUROMOD input files based on SILC are reported directly by households in the HBS surveys at purchasing prices. Therefore, they already include the consumption taxes paid.

i) **VAT** (il_tva variable in EUROMOD) is the value-added tax. The model also simulates at high disagregation level the VAT liabilities paid for each consumption category (output variables are tva01111, tva01112, and so on and so forth, corresponding to COICOP codes 01111 and 01112, etc.)

ii) **Excises** (il_tx variable in EUROMOD) are additional duties paid over consumption and can be classified in two groups: ad-valorem excises (il_txv) that depend on producer prices, and of specific or ad-quantum excises (il_txa) that depend on consumed quantities.

Since consumption data from HBS refers to expenditures (price times quantity), for the simulation of specific excises information on consumption prices are needed.

Further information on methodology and specific calculations and the independence of these consumption taxes is common across countries (this is why they are placed in an add-on and not in the policy spine of each country) and can be found in Akoğuz et al (2020).[33]

2.11.1 VAT (il_tva)

To extract the baseline VAT embedded in the expenditure consumption reported by the household, we only need the VAT rate of the policy system year. VAT rates usually do not vary too much across products, and there are typically three rates (standard, reduced and zero). In Belgium, there exist 4 rates: standard, intermediate, reduced (6%) and zero.

Table 2.84 VAT rates [2021-2024]

	Products	2021	2022	2023	2024
Standard		21%	21%	21%	21%
Intermediate	Used for restaurant and catering services, coal, social housing, margarine	12%	12%	12%	12%
Reduced	Used for food, water, medicine, books, art, transport, cultural services, repair services (bikes, shoes, leather products, clothing and household linen), renovations on certain categories of houses	6%	6%	6%	6%
Zero	Only applies to specific products, such as periodicals (published at least 48 times per year)	0%	0%	0%	0%

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[33] Akoğuz, Elif Cansu, Bart Capéau, André Decoster, Liebrecht De Sadeleer, Duygu Güner, Kostas Manios, Alari Paulus, and Toon Vanheukelom. A new indirect tax tool for EUROMOD: final report. Technical Report,2020, https://euromod-web.jrc.ec.europa.eu/sites/default/files/2021-03/A%20new%20indirect%20tax%20tool%20for%20EUROMOD%20Final%20Report.pdf.

2.11.2 Ad valorem excises (il_txv)

Ad-valorem excises are only levied on tobacco products.

Table 2.85 Ad valorem excise rates [2021-2024]

Products	2021	2022	2023	2024
Cigars	10%	11.5%	11.5%	11.5%
Cigarettes	40.4%	40.4%	37.04%	34.04%
Fine cut tobacco	31.5%	31.5%	31.5%	31.5%

2.11.3 Specific excises (il_txa)

Specific (ad-quantum) excises apply to tobacco products, energy products and alcoholic beverages. In this case, we collect both tax parameters and consumer prices, to allow the model to estimate the implicit quantities behind the reported household consumption expenditure amounts.

Table 2.86 Specific excise rates for tobacco products and alcoholic beverages [2021-2024]

Product	2021	2022	2023	2024
Cigarettes (EUR per 1000)	81.5584	90.0523	114.2072	178
Fine cut tobacco (EUR per kg)	63.3083	75.1654	93.4261	136
E-liquids (EUR per ml)	-	-	-	0.15
Ethyl alcohol (EUR per hl)	2 992.7928	2 992.7928	2 992.7928	2 992.7928
Beer (EUR per hl ° Plato) – normal tariff	2.0043	2.0043	2.0043	2.0043
Non-sparkling wine (EUR per hl)	74.9086	74.9086	74.9086	74.9086
Non-sparkling fermented beverages (EUR per hl)	74.9086	74.9086	74.9086	74.9086
Non-sparkling wine $\leqslant$ 8.5% vol. (EUR per hl)	23.9119	23.9119	23.9119	23.9119
Other non-sparkling fermented beverages $\leq$ 8.5% vol. (EUR per hl)	23.9119	23.9119	23.9119	23.9119
Sparkling wine (EUR per hl)	256.3223	256.3223	256.3223	256.3223
Other sparkling fermented beverages	256.3223	256.3223	256.3223	256.3223
Sparkling wine $\leqslant$ 8.5% vol. (EUR per hl)	23.9119	23.9119	23.9119	23.9119
Other sparkling fermented beverages $\leqslant$ 8.5% vol. (EUR per hl)	23.9119	23.9119	23.9119	23.9119
Non-sparkling intermediates > 15% vol. (EUR per hl)	157.7792	157.7792	157.7792	157.7792
Non-sparkling intermediates $\leqslant$ 15% vol. (EUR per hl)	118.5944	118.5944	118.5944	118.5944
Sparkling intermediates > 15% vol. (EUR per hl)	256.0948	256.0948	256.0948	256.0948
Sparkling intermediates $\leq$ 15% vol. (EUR per hl)	256.0948	256.0948	256.0948	256.0948

Table 2.87 Specific excise rates for energy products [2021-2024]

Product	2021	2022	2023	2024
Petrol, leaded	667.8350	667.8350	667.8350	667.8350
Petrol, unleaded, $\geqslant$ 98 oct & high sulphur (EUR per hl)	615.8684	615.8684	615.8684	615.8684

Petrol, unleaded, < 98 oct or ⩾ 98 oct & low sulphur (EUR per hl)	600.1587	600.1587	600.1587	600.1587
Kerosine, propellant (EUR per hl)	632.5307	632.5307	632.5307	632.5307
Kerosine, heating (EUR per hl)	19.558	19.558	19.558	19.558
Gas oil, propellant, high sulphur: > 10 mg/kg	615.8682	471.2401	507.1901	615.8682
Gas oil, propellant, low sulphur	600.1586	455.5305	491.4805	600.1586
Gas oil, heating, high sulphur >10mg/kg	18.6521	18.6521	18.6521	18.6521
Gas oil, heating, low sulphur	17.2564	17.2564	17.2564	17.2564
Heavy fuel oil (EUR per ton)	16.346	16.346	16.346	16.346
LPG, propellant (EUR per ton)	0	0	0	0
LPG, butane, heating (EUR per ton)	18.6397	18.6397	18.6397	18.6397
LPG, propane, heating (EUR per ton)	18.9097	18.9097	18.9097	18.9097
Natural gas, propellant (EUR per MWh)	0	0	0	0
Natural gas, heating (EUR per MWh)	0.9978	1.5378	6.0569	9.2278
Natural gas, heating (EUR per Gj)	0.277	0.4269	1.6816	2.5619
Coal (EUR per Gj)	0.3715433	0.3715433	0.3715433	0.3715433
Electricity (EUR per MWh)	1.9261	15.5261	44.5016	49.4061

Consumer prices of goods subject to excise duties are nowcasted, similarly to what the model does to update incomes from SILC. We combine the latest available data from the following sources:

- Prices per product, usually from last year, but for instance, fuel prices have only 15 days delay.
- Inflation: Harmonised Index of Consumer Prices (HICP, Eurostat) at COICOP 5 digits, usually for the first quarter for beta release and up to third quarter 3 for final release.
- Inflation quarter-on-quarter forecasts (DG ECFIN, confidential) by HICP main groups (unprocessed food, processed food including alcohol and tobacco, non-energy industrial goods, Energy, Services - overall index excluding goods) of quarters 2, 3 and 4, as needed for each release.

For more details on the specific source of the price of each good, see Akoğuz et al (2020).

Table 2.88 Consumer prices of goods subject to excise duties [2021 – 2024]

Product	2021	2022	2023	2024[n]
Ethyl alcohol	25.14	25.69	27.35	27.96
Still wine	6.71	6.91	7.34	7.57
Sparkling wine	22.92	23.6	25.06	25.86
Fortified wine	8.59	8.99	9.61	9.84
Other wine	1.75	1.81	1.93	4.15
Beer	2.61	2.82	3	3.07
Cigarettes	319.81	346.57	364.39	394.25
Cigars	289.19	307.91	332.86	371.16
Other tobacco	185.89	200.96	231.21	265.01
Electricty	286.1	399.5	404.7	414.54
Natural Gas - Heating	16.0977	32.21	29.84	43.85
LPG - Heating	2264.04	2615.14	2552.59	2772.30
Gas Oil- Heating	639.298	1176.08	947.61	978.66
Heavy fuel oil - Heating	403.9563	560.97	474.21	490.99
Kerosene- Heating	0	0	0	0
Coal and Coke - Heating	32.97	38.7	51	51.64
Petrol - Euro-super 95	1485.76	1797.89	1723.14	1696.89
LPG - Propellant	645.24	813.2	683.31	764.52
Gas oil - Diesel	1496.63	1925.59	1768.07	1844.60
Kerosene - Propellant	0	0	0	0

Natural Gas - Propellant	15.89	32.02	31.83	31.81

n: nowcasted

- ### *EUROMOD modelling*

Consumption taxes (tco_cc policy) require extended EUROMOD input data (with imputed income shares of consumption expenditures at the household level) and an add-on to run. The policy is set to off in the baseline. To activate it, the CT_xbase add-on must be run, and the extended EM input files (see Section 3 for more information on the methodology and features behind these extended input files) should be selected (as defined in the database configuration of each country). The other add-ons (CT_*) are designed for reform simulations and assume different behavioural responses: i) constant quantities (CT_XCQ), ii) constant income shares (CT_XCIS), and iii) constant expenditure shares (CT_XCES). These reform-scenario add-ons require the auxiliary output files are generated by running the first baseline simulation (as either the quantities or expenditures and savings from the baseline are kept constants and enter as inputs in the simulated reform scenarios).

3. DATA

3.1 General description

Before 2021, we used only the UDB SILC for Belgium, as provided by Eurostat. Since 2021, the EUROMOD input dataset is derived from a new database prepared by Eurostat, the EUROMOD SILC Database (EMSD).

The EMSD includes:
- all UDB variables;
- national data supplied by National Statistical Institute (NSI);
- EUROMOD variables created and imputed by Eurostat because of restricted data access or knowledge in-house (the generation of those variables is explained in the DRD).

Based on the EMSD, the national team derived additional variables requiring a deep understanding of country specificities. The final EUROMOD input dataset is therefore made of variables created by both Eurostat and the national team.

Some of the EUROMOD variables produced by Eurostat are created and/or imputed with PDB (Production Database) variables, as PDB are more detailed than UDB variables. According to the agreement between the NSI and Eurostat, the national team was allowed to use the more detailed information coming from the PDB to derive some EUROMOD variables or to use them as intermediate variables to impute other EUROMOD variables. However, if EUROMOD users want to compute their own EUROMOD input data with the formula provided in the DRD file, this may result in differences in the resulting input dataset for some EUROMOD variables for which the PDB variables are not available.

The final EUROMOD input dataset is made of variables created by both Eurostat and the national team and is the result of a joint effort of the national team, Eurostat and JRC.

The EU-SILC survey took place from February to August 2021. The unit of assessment is the sociological household, defined as the persons living at the same address. The response rate for the total sample ("old" households (3/4) and "new" households (1/4) together) is defined as: (number of addresses successfully contacted / number of valid addresses contacted) * (number of household interviews completed and accepted for the database / number of eligible households at contacted addresses).

Table 3.1 EUROMOD database description

	SILC 2022 - Income Year 2021
EUROMOD database	BE_2022_c1
Original name	National data, BE_EMSD2_2022
Provider	Eurostat, BE NSI
Year of collection	2022
Period of collection	February-August
Income reference period	2021
Sampling	2-stage sampling; with stratification of sampling units (no clustering of sampling units)
Unit of assessment	Sociological household
Coverage	Private households
Sample size	14,995 individuals; 6,727 households
Response rate	

3.2 Data adjustment

Adjustments to variables are kept to a minimum. There is some minor data cleaning that is done to make sure that the households and relationships of individuals within households, are coherent (for example, that both partners identify each other correctly, to rule out inconsistencies in family structure).

In order to guarantee consistency between demographic variables and income variables which refer to the previous year (and on which EUROMOD simulation are based), all children born between the end of the income reference period and the data of interview have been dropped from the sample (47 newborns in 2020).

3.3 Imputations and assumptions

3.3.1 Time period

All income information in EU-SILC 2022 refers to the fiscal year 2021 (January – December). Monetary amounts in the original variables are normally expressed in yearly totals, unless otherwise indicated. Incomes and benefits are paid on a monthly basis in Belgium. For most income variables, information is included on how many months a certain wage or benefit was received.

For the construction of the EUROMOD database from EU-SILC, all monetary amounts for income and expenditure variables are re-scaled to "an average month", dividing them by 12. This does not apply for monetary asset variables.

For non-monetary variables, two reference periods co-exist in EU-SILC. On the one hand, with respect to the reference year (2021) there is relevant information included on e.g. activity status and household composition, complementing the income information. On the other hand, a number of questions (on e.g. education activity, child care) refer to the "current" state at the time of the interview.

In the EUROMOD database, the information refers as much as possible to the same reference period, to ensure a consistent picture with regard to income sources and non-monetary information such as labour market and socio-economic characteristics. Therefore, different sources of information available in EU-SILC are combined. In order of preference:

1) Direct information from EU-SILC referring to the income reference period (e.g. monthly labour market information) is being used where possible.

2) In addition, information on the income reference period is derived from the current reference period (e.g. education activity).

3) If no alternative is available, the current value is taken as the best proxy for the value during the income reference period (e.g. hours usually worked per week).

In this way, we approximate best the general consistency of the personal and household characteristics with the incomes that are reported.

3.3.2 Gross incomes

For the applicable income variables, gross and net incomes are both collected in the original data. Consistency checks between corresponding net and gross amounts were done by the National Statistics Office Belgium.

For the construction of the EUROMOD dataset, the gross amounts from EU-SILC were used (where applicable). The EUROMOD Working Paper EM16/14 "Gross incomes in the Belgian SILC dataset: an analysis by means of EUROMOD" by André Decoster, Dieter Vandelannoote, Toon Vanheukelom, and Gerlinde Verbist explores the choice for gross incomes by comparing SILC gross incomes (and the poverty and inequality estimated that stem these) to fiscal statistics on the one hand and a re-calibration approach based on SILC net incomes on the other hand. See: https://www.iser.essex.ac.uk/research/publications/working-papers/euromod/em16-14.

3.3.3   Year specific imputations

Since 2021, due to changes to the SILC legal framework, some of the SILC variables used in the construction of the input data are either no longer available (e.g. hh031, used for amoyl), or have been moved to a 3 years module (pl130 used for the computation of lfs, and hy030g used for khooo). We have created 'khooo', 'amoyl', and 'lfs' in the following way:
- 'khooo' (cadastral income): we used the national SILC variable 'MS_OWNR_CDSTRL_INCM' (non-indexed cadastral income) to create this variable.
- 'amoyl' (year of loan): given the panel character of the SILC and the fact that the starting year of a mortgage is not very likely to change over the years (conditional on still having the mortgage), we take the value from SILC 2020 for those observations that were also in the rotating panel of SILC 2020 (half of the observations). For new observations (that were not in the panel of SILC 2020, half of the sample), we impute the year of the loan based on a regression that includes age, size of the loan, number of rooms (as a proxy for size of the house), and region.
- 'lfs' (firm size): the categories that matter for the simulation (more specifically: the simulation of the employer's social security contributions) are: '<10', '>= 10 & <20', and '>= 20'. Therefore, we impute the values 5, 15, and 25, using a random imputation based on the frequencies of 'lfs' within categories of lindi (industry) in SILC 2020.

In order to impute the assets mortgage loan value (amolv), we assumed that the total loan value was derived by assuming a total mortgage time of 25 years and an interest rate of 1.55%.

3.4   Updating

The factors that are used to update monetary variables from the mid-point of the data year to mid-point of simulation years until 2023 are shown in Table A.1 in Annex 1. Uprating Factors.

No other updating adjustments are employed. Thus, the distribution of characteristics (such as employment status and demographic variables) as well as the distribution of each income source that is not simulated, remain as they were in the 2020 data.

3.5   Extended input data (with household expenditures for the simulation of consumption taxes)

For the simulation of consumption taxes, the model needs to be run with extended EUROMOD input files. They consist of the core EUROMOD input files based on EU-SILC or National SILC, extended with new variables (household-level income shares of expenditures by product) imputed from EU/National-HBS. The semi-parametric method implemented for the imputation follows the methodology developed by Akoğuz et al (2020).

Table 3.2 summarizes the major features of the most recent database used to be run with the policy systems of 2021-2024.

Table 3.2 Extended EUROMOD database description

Extended EUROMOD database for the simulation of consumption taxes	SILC 2022 – Income year 2021 – Expenditures from HBS 2015 (COICOP 2003)
EUROMOD database	BE_2022_c1_2015_03_e1
Year of collection (HBS) and source	HBS 2015 – EU
Year of collection (SILC) and source	SILC 2022 – EU
Coverage and sample size	6.727 households (14,995 individuals)
Share of households with negative incomes excluded from the matching procedure	0.27%

These extended EUROMOD files contain all the variables included in the standard EUROMOD input files plus the income shares of each consumption category included in HBS. For example, for countries with consumption disaggregation at 4 COICOP level (5 digits), there will be close to 200 additional variables, each one with the income shares of expenditure (household level) for that particular consumption category (e.g. starting from the income share of rice consumption: xs_01111; bread: xs_01112, and so on and so forth). The number of additional variables depends on the granularity available in HBS, and it varies across countries).

For the case of Belgium, data BE_2022_c1_2015_03_e2, the number of variables included (income shares of expenditures, xs_c*) are 193, corresponding to the harmonized consumption categories defined at COICOP [2003] level 4 (five digits).

Please note that, due to the lack of information in the HBS files distributed by Eurostat, there is no consumption reported at 5-digit COICOP level for the following 3-digit codes: CP101, CP102, CP103, CP104. Positive consumption might exist for 3-digit or 4-digit levels, but EUROMOD uses only 5-digit values.

This database is an extension of the core EUROMOD input database, and so it is based on the same sample (i.e., same identifiers "idperson" and "idhh" to identify persons and households, respectively) and contains the same variables plus the income shares of expenditure (xs_* variables).

In Table 3.3 we present the share of households' consumption expenditures by product (and total) captured in our matched databases (extended EM input files) with respect to the original reported expenditures in HBS. The column that refers to the same year (in this case, HBS 2015 with Extended EM Input 2015) directly depends on the quality of the imputation procedure, while the comparison across different years is influenced not only by the matching noise but also by the changes in population characteristics and in the underlining distribution of income. Therefore, the coverage displayed in the second column is just informative but is not and should not be used to evaluate nor validate the imputation procedure.

Information on the coverage of these simulated expenditures (coming from the imputation of HBS 2015 to more recent SILC-based data) with respect to the expenditures reported by National Accounts is included in section 4 of this report, together with the other macro-validation results.

Below we summarize the main findings from the imputation validation checks for Belgium.

Table 3.3. Expenditure coverage of Extended EM Input files

COICOP group	HBS 2015 – Extended EM Input 2015	HBS 2015 – Extended EM Input 2022
1	93.2%	105.4%
2	94.7%	106.5%
3	93.9%	105.6%
4	93.3%	106.8%
5	88.8%	107.5%
6	104.7%	121.9%
7	95.5%	114.4%
8	95.2%	106.1%
9	92.5%	102.6%
10	90.8%	107.5%
11	86.0%	102.8%
12	110.4%	121.3%

4. VALIDATION

4.1 Aggregate Validation

EUROMOD results are validated against external benchmarks. Detailed comparisons of the number of people receiving a given income component and total yearly amounts are shown in Annex 2. Policy Effects in 2022-2023.

4.1.1 Components of disposable income

Table 4.1 compares the definition of disposable income in EUROMOD with the definition of the disposable income variable HY020 in EU-SILC.

Table 4.1 Components of disposable income

	EUROMOD 2019-2023	EU-SILC 2020
	ils_dispy	HY020
Employee cash or near cash income	+	+
Employer's social insurance contribution	0	0
Company car	-	+
Contributions to individual private pension plans	0	0
Cash benefits or losses from self-employment	+	+
Pension from individual private plans	0	0
Unemployment benefits	+	+
Old-age benefits	+	+
Survivor' benefits	+	+
Flemish jobbonus	+	-
Sickness benefits	+	+
Disability benefits	+	+
Education-related allowances	+	+
Income from rental of a property or land	-	+
Family/children related allowances	+	+
Social exclusion not elsewhere classified	+	+
Housing allowances	0	0
Regular inter-household cash transfer received	+	+
Interests, dividends, etc.	+	+
Income received by people aged under 16	+	+
Regular taxes on wealth	+	-
Regular inter-household cash transfer paid	-	-
Tax on income and social contributions	-	-
Repayments/receipts for tax adjustment	+	+
Compensation measures COVID-19	+*	+

* Not in 2019.

4.1.2 Macrovalidation results

Original income

Table A3.1 and Table A3.2 present EU-SILC statistics about the number of recipients and annual amounts of different income components. External statistics about the number of recipients of the components are only available for employment and self-employment income. External statistics about the annual amounts of the components are available for employment income and imputed housing.

The number of recipients of employment income, as well as the total amount of employment income are for the baseline year 2021 both higher in the EU-SILC than in the external figures (30% and 35%, respectively). However, the components of the income concept (wage) in this case are not entirely similar in the comparison. While income from employment in EUROMOD contains all holiday payments, bonuses and even meal vouchers, the income concept of the social insurance institution (external source) does not contains a substantial part of the holiday payments, performance-related bonuses, or meal vouchers.[34]

The number of recipients of self-employment income in EU-SILC is lower in the baseline year 2021 than in the external figure (-31%). This is probably due to the fact that self-employment is insufficiently covered in EU-SILC and can be caused by an underreporting of self-employment incomes in households for whom it concerns only small amounts. Similarly, the ratio for 2022 is 0.68.2022

The EU-SILC values about the annual amount of property income are much lower than the external figures from the National Bank of Belgium (-72% for 2021 and -70% for 2022). This strong divergence of property income can be due to the fact that the number of recipients of rental income in EU-SILC is relatively low.

Taxes and social insurance contributions

Table A3.3 shows the validation of the number of recipients of the taxes and social insurance contributions. External statistics are only available for the Flemish care insurance contributions. The EUROMOD simulation of the recipients of the Flemish care insurance contribution is slightly lower than those from the Flemish Agency for Social Protection (-2% in 2021 and -3% in 2022).

Table A3.4 shows the validation of the annual amounts of the taxes and social insurance contributions:
- The national income tax is slightly overestimated in EUROMOD in comparison with the external statistics. The differences with the administrative figures are +17% for 2021, +12% for 2022, and +15% for 2023.
- The EUROMOD simulation of the tax revenue from the advanced levy on immovable property is an underestimation of the figures from the National Bank of Belgium (ratio of 0.62 in 2021). This can largely be explained by the fact that there is only information about the main residence in EU-SILC. The advanced levy on other buildings than the main residence is therefore not simulated in EUROMOD.

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[34] Previous investigations on the validation of gross wages for detailed job categories in EU-SILC (See table 54 in the Belgian EUROMOD Country Report 2005-2008) showed that gross wages were about 13% higher in SILC2006 than in the statistics from the National Statistics Office based on the Structure of Earning Survey. However, it is very difficult to construct fully comparable data. A first difficulty concerns the definition of 'full-time workers', which varies over surveys depending on structural design features such as the reference period. A second cause for the deviation between the SILC-aggregates and other sources is that employment income in the SILC data is derived from administrative data. On the one hand, also bonuses and holiday earnings are counted as wages, whereas this is not explicitly stated in the other sources. In addition, to arrive at gross employment income from the administrative figures, social insurance contributions have been imputed and added to the amount of employment income as declared in the administrative figures. These elements could explain the slight upward bias of the EUROMOD wages, which are based on SILC, in comparison to this external source.

- The simulated capital income tax has a revenue that is only 40% of the administrative value of this tax revenue in 2020. In EU-SILC, income from assets cannot be distinguished by source, i.e. there is no information on the share of dividends, interests on savings accounts, interests on bonds, etc. Therefore, the EUROMOD code implements an average tax rate on all capital income. The external statistics are related to the advanced levy on movable property and contain more income sources than capital income only. Both aspects can partly explain why the simulated capital income tax is an underestimation of the external figures.
- The simulations of employees' and employers' social contributions are overestimations, compared to the administrative data (by 26% and 31% for 2021, 24% and 28% in 2022 and 22% and 29% in 2023, respectively). The simulations of the pensioner's social insurance contributions and the self-employed social contributions, on the other hand, are underestimated. The ratios for pensioner's social insurance contributions are 0.90, 0.77 and 0.86 for 2020, 2021 and 2022 respectively. For self-employed social contributions they are 0.94, 0.95 and 0.94.

Benefits

Table A3.5 shows the validation of the number of recipients of benefits. External statistics are available for income support, birth allowance, unemployment benefits, parental leave, and old-age/survivor pension:
- The number of recipients and the annual expenditures on income support is underestimated in EUROMOD. The simulation underestimates the number of recipients by 39% and 35% in respectively 2021 and 2022. This can be partly explained by the inclusion of the income condition regarding the incomes of children and parents for category 1, which, in reality, will not always be taken into account (see 2.5.7.).[35]
- The EU-SILC statistics about the number of recipients of the unemployment benefit is almost double (ratio of 1.95) that of the National Unemployment Office for 2021, (ratio of 2.37 for 2022). A possible explanation for this is that very short-term unemployed, who have received the benefit only for a limited period of time, have not reported this. Given the sharp rise in (temporary) unemployment during the Covid-19 pandemic, the effect of this can be sizeable.
- The number of recipients of parental leave benefits is overestimated compared to the external statistics (+22% in 2021 and +12% for 2022).

The validation of the annual amounts of benefits is shown in Table A3.6:
- The EU-SILC annual amount for 2021 of the early retirement pensions is 75% higher than the external statistic from the National Bank of Belgium. For 2022, the amount is 141% higher. This increase in ratio is due to the fact that every year fewer people are entitled to this benefit.
- For income support, there is an underestimation of 38% for 2021, and of 33% and 35% in 2022 and 2023, respectively.
- Study allowances are simulated in EUROMOD from policy system 2019 and onwards. We compare the simulated annual amounts with expenditures on scholarships in the Flemish community and the Wallonia-Brussels Federation. The external figures do not take into account expenditures on study

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[35] In Belgium, one has to distinguish between two measures for cash income support. First, regular income support (*regulier leefloon*) is allocated to Belgians and foreigners with a stable or long-term residence permit (Belgians, EU-citizens, foreigners with permanent residence permit). "Equivalent" cash income support (*equivalent leefloon*) is allocated to persons whose statute is very precarious, e.g. candidate refugees, undocumented residents or temporary residing foreigners. Both types of income support consist of the same amounts, only the financing is different. Previous validation analysis (cf. EUROMOD Country Report Belgium 2006-2010) revealed that persons receiving equivalent income support are barely captured in the SILC data, because only a small part of them belongs to the sample population of the SILC survey (the sample is drawn from the state register, while foreigners who receive equivalent income support are often registered in the foreigners register, and not in the state register). Therefore, the validation is carried out using the amounts and beneficiaries of regular income support only. One has to bear in mind, however, that this means that the most precarious foreign population in Belgium, for which on average the equivalent income support is an important income source, is not represented in these data.

allowances made by the German-speaking community. For 2021, there is an underestimation of 23%.

- External statistics for housing benefits only refer to benefits in Flanders. For 2021, EU-SILC values are 13% higher than the external figures.
- The total expenditures simulated for child benefit are only slightly underestimated when compared to the external statistic (with 6% for 2021, 8% for 2022, and 9% for 2023). One reason for this might be that the children's disability status is not observed in the data, which means that the higher allowances for children with a disability cannot be simulated.
- The EU-SILC values about the unemployment benefits are higher compared to the external statistics from the National Employment office (a ratio of 1.27 for 2021, 1.65 for 2022 and 1.83 for 2023). Here, the same reasons apply than for the number of recipients: it is likely that short-term unemployed, who have received the benefit only for a limited period of time, have not reported this are therefore not included in the external statistics. The fact that the overestimation of the total amount of the benefits is smaller than the overestimation of the number of recipients seems to confirm this hypothesis.
- The EU-SILC values for the parental leave benefit are much higher than the external statistics (a ratio of 3.51 for 2021, 3.36 for 2022, and 3.29 for 2023).
- The EU-SILC values for old-age/survivor pension correspond well with the external figures from the National Bank of Belgium. The ratio is 1 for 2021, 0.94 for 2022 and 0.97 for 2023.
- The EU-SILC values for disability/sickness benefits are higher than according to the external figures from the National Bank of Belgium. For 2021 they are 22% higher, for 2022 25% higher, and for 2023 24% higher.

4.2 Income distribution

All income distribution results presented here are computed for individuals according to their household disposable income (HDI) equivalised by the "modified OECD" equivalence scale. HDI is calculated as the sum of all income sources of all household members, net of income tax and social insurance contributions. The weights in the OECD equivalence scale are: first adult=1; additional people aged 14+ = 0.5; additional people aged under 14 = 0.3.

4.2.1 Income inequality

Table A3.7 shows the distribution of equivalised disposable income. When compared to the original EU-SILC data, income inequality is lower in EUROMOD. The Gini coefficients are around 11% and 8% lower (for 2021 and 2022, respectively) for EUROMOD incomes than for EU-SILC incomes, while the S80/S20 measures are 12% lower (in 2021) and 7% lower (in 2021) for EUROMOD incomes than for SILC incomes. Looking at the average income per decile (equivalised), we can see that the underestimation in EUROMOD is mainly driven by divergence at the ends of the income distribution. For 2021, from the first decile to the seventh, there are overestimations of up to 7%. On the contrary, for the top deciles, the average equivalised disposable income is underestimated by up to 9%.

4.2.2 Poverty

Table A3.8 shows, depending on the threshold chosen, an overall underestimation of the EUROMOD income poverty figures when compared to the external source poverty figures for 2021 (calculated on the basis of the EU-SILC data). For the 70% of median income threshold, the gap is around 8% for both 2021 and 2022; for the 60% of median income threshold, it is 9% to 20%. For the 50% of median income threshold, there is an underestimation of between 14% and 21% in 2021, and an overestimation of between 0% and 13% in 2022 (due to sizable changes in the external statistics, not the model). For the 40% median income threshold, the underestimations range between 19% and 23% for 2021 and overestimations range between 0% and 14% in 2022.

The size of the gap is due to a number of reasons. The poverty lines for the EUROMOD disposable incomes are slightly lower in comparison with the poverty lines calculated on the basis of the EU-SILC disposable income. There is also an overestimation of incomes at the bottom end of the distribution (cf. Table A3.7). This brings these incomes in EUROMOD closer to the poverty lines (expressed as 60% of this median equivalent income), and thus possibly leads to lower poverty headcount according to these thresholds.

The discrepancy between the estimated poverty figures from EUROMOD and from EU-SILC is relatively evenly distributed over the age categories. Though, for 2020, the underestimation of poverty rates is more prevalent among the lowest and highest age categories. For 2021, discrepancies are especially noticeable in the three lowest age categories.

4.3   Macrovalidation of consumption taxes

Table A3.9 and A3.10 show the validation of consumption taxes related amounts. The top part of table A3.9 compares aggregated expenditure amounts from EUROMOD simulations with National Account (NA) external statistics as reported by EUROSTAT. For many COICOP level 1 categories, aggregated simulated values come relatively close to the external statistics (with ratios between 0.7 and 0.9). Two notable exceptions are "02 Alcoholic beverages, tobacco, etc.", "07 Transport" and "08 Communications". The aggregated simulated expenditures on "02 Alcoholic beverages, tobacco, etc." are only around half of the external statistics. On the other hand, spending on "07 Transport" and "08 Communications" is overestimated by around 20%.

The second part of Table A3.9 compares aggregate revenues from consumption taxes (i.e. VAT and excises) to external statistics from EUROSTAT. The bottom part of the table shows simulated aggregate revenue for some category of interest such as alcoholic drinks, tobacco and energy products. Both revenue from VAT and excises are undersimulated. The simulation captures around 60% of the revenue from VAT. For excises, simulation captures around 40% of total revenues. When looking at the different categories of excises, the simulation underestimates revenues of spirits, beer and tobacco quite significantly. For both still wine and sparkling wine, simulations are comparable to revenues according to national accounts. For energy products and electricity, simulations of revenue are around twice as large as official revenues. For natural gas, the estimated revenues are around 15% larger.

These discrepancies are partly due to the fact that the survey data underpinning the CT simulation are based on consumers declared consumption that my differ from the actual consumption (e.g. people misreport about how much they smoke and drink). To correct for this problem, EUROMOD provides also adjusted consumption aggregates, where the calibration/correcting factor is the ratio between NA aggregated expenditures and EM aggregated simulated expenditures level 1 at baseline. Effectively NA adjustment scales-up (or down) consumption and tax liabilities of all individuals. Table A3.10 compares annual Government revenue from consumption taxes after applying calibration to NA.

The top part of Table A3.10 shows total simulated consumption tax revenues for private households after calibration. The impact of calibration is smaller for VAT (increase of around 0.4 ppt) than for excises (increase of 0.2). After calibration, the model captures around 60% of aggregate revenues from indirect taxation. When looking at specific items at lower COICOP levels, the calibration also improves the estimation of government revenue, especially for those categories that were underestimated (beer, tobacco, spirits. At the same time, the calibration results in an overestimation of revenues on still and sparkling wine.

There are a variety of potential reasons for these discrepancies. A major reason is that several groups who pay significant amounts of VAT are not covered in HBS. Among these groups are government and third sector, hospitals and business enterprises such as financial companies that are themselves exempt from VAT but have to pay the input VAT from all previous production stages and private households explicitly not covered by the HBS, such as people in dormitories, jails, or retirement homes (although the latter are not such big spenders).

5. SUMMARY OF "HEALTH WARNINGS"

This final section summarises the main findings in terms of particular aspects of the Belgian part of EUROMOD or its database that should be borne in mind when planning appropriate uses of the model and in interpreting results.

- From 2019 onwards, administrative data is used for certain income variables. No adjustments are made for changes in employment or demographic characteristics of the population.

- 2020 incomes are adjusted to follow growth in their average values in 2021-2023. However, although every effort is made to use detailed uprating factors, the result is only an approximation of the true income distribution in 2021-2023. The sample is relatively small. Care should be taken in interpreting results for small subgroups. For results about 2022, it is important to keep in mind that a forecast is used for the uprating factor for the HCPI. Given the strong increase in inflation in 2022, it is very likely that this forecast, as well as other uprating factors that are used, will not capture the increase in inflation. Therefore, care should also be taken in interpreting results for 2022.

- Although aggregates correspond to some extent, care should be taken in interpreting results for the elderly in receipt of income support, as well as the early-retired, as it is not completely clear how they were captured in the data.

- There is evidence to suggest that in some instances the SILC sample is not fully representative of the Belgian population. Especially persons and households with low earnings are underrepresented in these data.

- The simulated income support is adjusted for non-take-up of benefits using a random non-take-up correction of the number of beneficiaries.

- The simulated parental benefits (PBE) extension is switched "off" in baselines.

- The simulation of monetary compensation schemes (bwkmcee_s, generated by yemcomp_be, and bwkmcse_s, generated by ysecomp_be; for employee and self-employed respectively) is triggered by the simulation of labour market transitions defined in policy TransLMA_be. This policy becomes operational if the model is run in conjunction with the LMA add-on. The nature of these simulations is still experimental and only partially validated. Users are encouraged to refer to the "Simulating labour market transitions in EUROMOD" document prior to their use.

- TransLMA_be contains not only transitions to monetary compensation schemes but also unemployment to employment and employment to unemployment transitions, based on ESTAT figures. These labour market transitions are switched OFF in EUROMOD baselines. As a consequence, the simulation of monetary compensation schemes does not produce any effect in baseline simulations. Since all policies not linked to labour market transitions are fully functional, it is possible for disposable income in 2020 to be higher than disposable income in previous years.

- In the case of Belgium, the LMA add-on does not only switch "on" the transitions modelled in TransLMA_be but also the simulation of the unemployment benefit, which is by default switched "off" in the baseline due to validation limitations (reported unemployment benefits in the survey show a much better validation than when these benefits are partly simulated by EUROMOD). This means that the baselines are different when the LMA is activated for any type of simulation exercise involving labour market transitions.

- The simulation of consumption taxes sensitively depends on the quality of the match of the extended EUROMOD files, as well as on the frequency of this data and the gaps between the input data files and the policy systems. At this point, the most recent HBS data available for all countries (EU-HBS) is 2015.

  When the user runs a policy system year (e.g., 2024) that does not coincide with the incomes reported in the SILC-data used (e.g., 2022, with reported incomes from 2021), expenditures in EUROMOD are simulated under the constant income shares assumption (by default). This is

because the income shares of expenditure included in the extended input files are not updated and remain constant regardless of the policy system that is used for the simulation. This means that a household that spends 10% of its income in food (e.g. the sum of all the xs_1* variables, i.e. xs01111, xs01112, and so on and so forth, is 0.10) will still spend 10% of their income in 2024, regardless of the change in incomes driven by the uprating factors and tax-benefit changes. This implicitly assumes an income elasticity of one.

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7. SOURCES FOR TAX-BENEFIT DESCRIPTIONS/RULES

Non-technical introduction to social security: "Everything you have always wanted to know about social security" (in English):
http://www.socialsecurity.fgov.be/docs/en/alwa2008_en.pdf

Income tax legislation (in Dutch & French):
http://ccff02.minfin.fgov.be/KMWeb/document.do?method=view&id=2849549a-92d4-435c-8f4a-ff90a442b1ff#findHighlighted

Technical details on taxation system presented in a comprehensive way:
http://www.monkey.be (in Dutch & French, subscription required)

ANNEX 1. UPRATING FACTORS

Table A.1 Uprating factors [2005-2022]

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
CPI	100.0	101.8	103.6	108.3	108.2	110.6	114.5	117.8	119.1	119.5	120.1	122.5	125.1	127.7	129.5	130.5	133.7	146.5
Health index	100.0	101.8	103.6	107.9	108.6	110.4	113.8	116.8	118.2	118.7	119.9	122.5	124.7	126.9	128.8	130.1	132.7	144.8
Old age pension	100.0	103.1	106.6	109.9	117.4	121.0	124.2	129.5	135.5	136.3	136.7	140.8	145.8	149.5	153.1	155.3	159.6	159.6
Social assistance	100.0	102.0	107.2	113.7	118.3	118.3	123.1	128.1	130.7	133.3	133.3	141.4	144.2	145.5	151.4	156.3	160.5	178.5
Hourly earnings	100.0	102.4	106.5	109.3	110.2	113.2	116.8	119.8	121.3	121.9	123.6	125.6	128.3	131.2	137.5	137.6	144.9	156.1
Disposable income	100.0	104.7	110.9	113.4	110.0	115.5	117.3	123.1	125.4	128.4	132.2	135.8	141.2	145.5	151.3	141.8	159.9	178.0
Capitali-sation	100.0	103.6	110.7	123.7	106.2	106.1	104.0	102.5	100.7	99.0	96.9	94.1	98.9	99.8	100.6	87.4	90.4	96.7
Share value.	100.0	103.6	110.7	123.7	106.2	106.1	104.0	102.5	100.7	99.0	96.9	94.1	98.9	99.8	100.6	87.4	90.4	96.7
Unempl. ben. <=6m	100.0	102.0	104.1	109.3	129.1	124.7	136.0	138.7	150.3	150.3	150.3	152.2	155.2	159.6	162.8	167.9	167.9	180.1
Unempl. ben. 7+ m	100.0	102.0	104.1	109.3	120.3	117.6	120.7	125.0	130.1	130.1	130.1	131.7	134.3	138.1	140.9	145.3	145.3	155.9
Gen. wages	100.0	102.4	106.5	109.3	110.2	113.2	116.8	119.8	121.3	121.9	123.6	125.6	128.3	131.2	137.5	137.6	144.9	156.1
Income replac.	100.0	102.0	107.2	113.7	118.3	118.3	120.7	128.1	130.7	133.3	133.3	138.7	141.4	145.5	148.4	156.3	160.5	178.3

Sources: Indices like consumer price index and health index, as well as specific indices for non-benefit incomes (employment income, investment income, property income) are published by Belgostat (http://www.nbb.be/belgostat) and the Federal Planning Bureau (https://www.plan.be/databases/databases.php?lang=en). Indices of benefits are published by the relevant public services (health, pensions). The updating factors for the other benefits are calculated on the basis of the evolution of the official benefit amounts for a representative category (income support, unemployment, family benefits).

ANNEX 2. POLICY EFFECTS IN 2023-2024

Table A2.1 and Figure A1 show the effect of policy changes in 2023-2024 on the mean equivalised household disposable income by income component and income decile group, as a percentage of mean equivalised household disposable income in 2023. The effect is estimated as a difference between simulated household net income under the 2024 tax-benefit policies (deflating monetary parameters by the Eurostat's Harmonized Index of Consumer Prices, HICP) and net incomes simulated under 2023 policies, as a percentage of the latter. The calculation of the policy changes is based on the output of the policy systems about 2023 and 2024, in both cases making use of the dataset 'BE_2022_c1'.

Generally, the effects of policy changes on incomes are minor. On average, the policy changes between 2023 and 2024 resulted in a 0.18% decrease in the disposable income (in real terms) of the population. A look at the effects across income deciles shows that largest decreases are in the second, third and fourth deciles (-0.53%, -0.51% and -0.32%, respectively), although these effects are still small. The only positive changes are for the first (+0.23%) and, to a very slight extent, the seventh decile (+0.05%).

Turning to the different income components, it is clear that the biggest driver of the negative effect is decreased public pensions (-0.69% on average). These have decreased for all deciles, with the biggest impact in deciles two, three and four (-1.16%, -1.35% and -0.98%, respectively) due to the larger share of pension recipients in this part of the distribution. The decrease indicates that the indexation of pension benefits has not followed consumption prices as measured by the CPI, leading to a decrease in pension income in real terms. The negative effect of pension income throughout the distribution is largely compensated by increases in disposable income due to lower direct taxes (+0.37 on average). Again, the effect is largest in deciles two, three and four (+0.70%, +0.68% and 0.59%, respectively).

Although changes in means-tested benefits have a relatively low effect throughout the distribution (+0.12% on average), they are the main cause of the overall positive effect in the first decile (+0.60%). Similarly, lower employee social insurance contributions caused minor increases in general (+0.04% on average), with the largest effects in the first three deciles (+0.09%, +0.11% and +0.14%). Changes in non-means tested benefits had an overall negligible negative impact on incomes (-0.02%), similar for self-employed social insurance contributions (only a slight increase of +0.02% in the first decile). Finally, other social insurance contributions remained unchanged (0.00%).

Table A2.1: Policy effects in 2023-2024, using the CPI-indexation (CPI = 1.040), %

Decile	Original income	Public pensions	Means-tested benefits	Non means-tested benefits	Employee SIC	Self-employed SIC	Other SIC	Direct taxes	Disposable income
1	0.00	-0.64	0.60	-0.07	0.09	0.02	0.00	0.25	0.23
2	0.00	-1.46	0.15	-0.04	0.11	0.00	0.00	0.70	-0.53
3	0.00	-1.35	0.04	-0.03	0.14	0.00	0.00	0.68	-0.51
4	0.00	-0.98	0.06	-0.03	0.04	0.00	0.00	0.59	-0.32
5	0.00	-0.78	0.07	-0.02	0.02	0.00	0.00	0.45	-0.26
6	0.00	-0.62	0.18	-0.01	0.03	0.00	0.00	0.34	-0.08
7	0.00	-0.45	0.23	-0.01	0.02	0.00	0.00	0.26	0.05
8	0.00	-0.41	0.16	-0.02	0.02	0.00	0.00	0.25	0.00
9	0.00	-0.42	0.03	0.00	0.02	0.00	0.00	0.23	-0.14
10	0.00	-0.57	0.01	-0.03	0.05	0.00	0.00	0.29	-0.25
Total	0.00	-0.69	0.12	-0.02	0.04	0.00	0.00	0.37	-0.18

Notes: shown as a percentage change in mean equivalised household disposable income by income component and income decile group. Income decile groups are based on equivalised household disposable income in 2023, using the modified OECD equivalence scale. Each policy system has been applied to the same input data, deflating monetary parameters of 2024 policies by Eurostat's Harmonized Index of Consumer Prices (HICP).

Figure A1: Policy effects in 2023-2024, using the CPI-indexation (CPI = 1.040), %

ANNEX 3. VALIDATION TABLES

Table A3.1. Original income in EUROMOD - Number of recipients (thousands)

	Simulated (Y / N)	EUROMOD				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Earnings (ils_earns)													
employment income (yem)	N	5,254	5,254	5,254	5,254	4,029	4,087	NaN	NaN	1.30	1.29	NaN	NaN
income from self-employment (yse)	N	851	851	851	851	1,230	1,257	NaN	NaN	0.69	0.68	NaN	NaN
Other original income (ils_origy - ils_earns)													
SAL100 (yemwg01)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemwg02)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
SALATT (yemwt01)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemwt02)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
PRIMES (yembo01)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yembo02)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
PREAVI (yemse01)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemse02)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
DOUBLE HOLIDAY PAY (yemdh01)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemdh02)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
SINGLE HOLIDAY PAY BLUE COLLAR (yemhlbc01)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemhlbc02)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
lump sum employment income (yemls01)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemls02)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
investment income (yiy)	N	3,452	3,452	3,452	3,452	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
income of children under 16 (yot)	N	246	246	246	246	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
property income (ypr)	N	743	743	743	743	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Private pension (ypp)	N	26	26	26	26	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
private transfers received (ypt)	N	241	241	241	241	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Maintenance payments paid (xmp)	N	433	433	433	433	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
private transfers received (BELMOD) (ypttx)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
income: investment: global: taxable (BELMOD) (yiygltx)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yms)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yprhogltx)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Continued...

	Source	Comments
Earnings (ils_earns)		
employment income (yem)	RSZ	-
income from self-employment (yse)	-	-
Other original income (ils_origy - ils_earns)		
SAL100 (yemwg01)	-	-
(yemwg02)	-	-
SALATT (yemwt01)	-	-
(yemwt02)	-	-
PRIMES (yembo01)	-	-
(yembo02)	-	-
PREAVI (yemse01)	-	-
(yemse02)	-	-
DOUBLE HOLIDAY PAY (yemdh01)	-	-
(yemdh02)	-	-
SINGLE HOLIDAY PAY BLUE COLLAR (yemhlbc01)	-	-
(yemhlbc02)	-	-
lump sum employment income (yemls01)	-	-
(yemls02)	-	-
investment income (yiy)	-	-
income of children under 16 (yot)	-	-
property income (ypr)	NBB	-
Private pension (ypp)	PensioPlus	-
private transfers received (ypt)	-	-
Maintenance payments paid (xmp)	-	-
private transfers received (BELMOD) (ypttx)	-	-
income: investment: global: taxable (BELMOD) (yiygltx)	-	-
(yms)	-	-
(yprhogltx)	-	-

Table A3.2. Original income in EUROMOD - Annual amounts (millions)

	Simulated (Y / N)	EUROMOD				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Earnings (ils_earns)													
employment income (yem)	N	197,874	212,332	228,596	236,497	147,112	161,644	175,998	NaN	1.35	1.31	1.30	NaN
income from self-employment (yse)	N	20,965	21,981	23,764	24,353	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other original income (ils_origy - ils_earns)													
SAL100 (yemwg01)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemwg02)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
SALATT (yemwt01)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemwt02)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
PRIMES (yembo01)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yembo02)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
PREAVI (yemse01)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemse02)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
DOUBLE HOLIDAY PAY (yemdh01)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemdh02)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
SINGLE HOLIDAY PAY BLUE COLLAR (yemhlbc01)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemhlbc02)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
lump sum employment income (yemls01)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemls02)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
investment income (yiy)	N	4,707	5,488	6,287	6,634	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
income of children under 16 (yot)	N	103	112	117	119	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
property income (ypr)	N	3,975	4,340	4,529	4,625	14,263	14,704	NaN	NaN	0.28	0.30	NaN	NaN
Private pension (ypp)	N	202	236	270	285	NaN	1,400	NaN	NaN	NaN	0.17	NaN	NaN
private transfers received (ypt)	N	817	892	931	950	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Maintenance payments paid (xmp)	N	1,512	1,651	1,723	1,759	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
private transfers received (BELMOD) (ypttx)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
income: investment: global: taxable (BELMOD) (yiygltx)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yms)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yprhogltx)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Table A3.3. Direct taxes and SIC - Number of payers (thousands)

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Direct taxes (ils_tax)																					
national income tax (tin_s)	Y	7,436	7,557	7,606	7,526	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
capital income tax (tinkt_s)	Y	3,452	3,452	3,452	3,452	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
advance levy on immovable property (tprhm_s)	Y	4,407	4,410	4,411	4,415	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employee Social Insurance Contributions (ils_sicee)																					
employee SICs (tscee_s)	Y	5,254	5,254	5,254	5,254	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
pensioner SICs (tscpe_s)	Y	1,312	1,147	1,264	1,152	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
SICs on disability benefits (tscdb_s)	Y	81	95	107	132	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee sic reduction (workbonus) (tsceerd_s)	Y	1,921	2,033	1,985	1,914	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
special/complementary SIC contribution (tsceesp_s)	Y	4,892	4,980	5,042	5,070	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Flemish care insurance contribution (tci_s)	Y	4,752	4,752	4,752	4,752	0	0	0	0	0.00	0.00	0.00	0.00	4,862	4,897	NaN	NaN	0.98	0.97	NaN	NaN
employee sic (admin data) (tscee01_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee sic (admin data) (tscee02_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
solidarity contribution student-employees (admin data) (tsceest01_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
solidarity contribution student-employees (admin data) (tsceest02_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee sic reduction (workbonus) (admin data) (tsceerdwb01_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee sic reduction (workbonus) (admin data) (tsceerdwb02_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee sic reduction (workbonus) (admin data) (tsceerdre01_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee sic reduction (workbonus) (admin data) (tsceerdre02_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Self-employed Social Insurance Contributions (ils_sicse)																					
self-employed SICs (tscse_s)	Y	840	840	840	840	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer Social Insurance Contributions (ils_sicer)																					
Employer social insurance contributions (tscer_s)	Y	5,254	5,254	5,254	5,254	5,253	5,253	5,253	5,253	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
reduction employer's SIC (tscerrd_s)	Y	2,478	2,437	2,458	2,313	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

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	Simulated	EUROMOD				SILC				Ratio				External				Ratio			
	(Y / N)	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Credited Contributions (ils_sicct)																					
Other Contributions (ils_sicot)																					
for admin data this component has been moved to ils_sicot from ils_sicee (tscpe_s)	Y	1,312	1,147	1,264	1,152	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
SIC on disability benefits - for admin data this component has been moved to ils_sicot from ils_sicee (tscdb_s)	Y	81	95	107	132	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
SIC on health benefits (tschl_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
SIC on early retirement (tscyr_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Continued...

	Source	Comments
Direct taxes (ils_tax)		
national income tax (tin_s)	NBB	-
capital income tax (tinkt_s)	NBB	-
advance levy on immovable property (tprhm_s)	NBB	-
Employee Social Insurance Contributions (ils_sicee)		
employee SICs (tscee_s)	NBB	-
pensioner SICs (tscpe_s)	NBB	-
SICs on disability benefits (tscdb_s)	-	-
employee sic reduction (workbonus) (tsceerd_s)	-	-
special/complementary SIC contribution (tsceesp_s)	-	-
Flemish care insurance contribution (tci_s)	Agentschap Vlaamse Sociale Bescherming	-
employee sic (admin data) (tscee01_s)	-	-
employee sic (admin data) (tscee02_s)	-	-
solidarity contribution student-employees (admin data) (tsceest01_s)	-	-
solidarity contribution student-employees (admin data) (tsceest02_s)	-	-
employee sic reduction (workbonus) (admin data) (tsceerdwb01_s)	-	-
employee sic reduction (workbonus) (admin data) (tsceerdwb02_s)	-	-
employee sic reduction (workbonus) (admin data) (tsceerdre01_s)	-	-

Continued...

	Source	Comments
employee sic reduction (workbonus) (admin data) (tsceerdre02_s)	-	-
Self-employed Social Insurance Contributions (ils_sicse)		
self-employed SICs (tscse_s)	NBB	-
Employer Social Insurance Contributions (ils_sicer)		
Employer social insurance contributions (tscer_s)	NBB	-
reduction employer's SIC (tscerrd_s)	-	-
Credited Contributions (ils_sicct)		
Other Contributions (ils_sicot)		
for admin data this component has been moved to ils_sicot from ils_sicee (tscpe_s)	-	-
SIC on disability benefits - for admin data this component has been moved to ils_sicot from ils_sicee (tscdb_s)	-	-
SIC on health benefits (tschl_s)	-	-
SIC on early retirement (tscyr_s)	-	-

Table A3.4. Direct taxes and SIC - Annual amounts (millions)

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Direct taxes (ils_tax)																					
national income tax (tin_s)	Y	64,413	71,791	77,531	78,895	0	0	0	0	0.00	0.00	0.00	0.00	56,691	65,873	69,325	NaN	1.14	1.09	1.12	NaN
capital income tax (tinkt_s)	Y	1,412	1,646	1,886	1,990	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	3,522	4,152	NaN	NaN	0.40	0.40	NaN	NaN
advance levy on immovable property (tprhm_s)	Y	2,488	2,552	2,820	2,932	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	4,001	NaN	NaN	NaN	0.62	NaN	NaN	NaN
Employee Social Insurance Contributions (ils_sicee)																					
employee SICs (tscee_s)	Y	24,982	26,807	28,861	29,858	0	0	0	0	0.00	0.00	0.00	0.00	19,841	21,651	23,715	NaN	1.26	1.24	1.22	NaN
pensioner SICs (tscpe_s)	Y	1,709	1,645	1,996	1,881	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	1,895	2,141	2,317	NaN	0.90	0.77	0.86	NaN
SICs on disability benefits (tscdb_s)	Y	59	79	95	118	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee sic reduction (workbonus) (tsceerd_s)	Y	1,474	1,882	1,917	1,998	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
special/complementary SIC contribution (tsceesp_s)	Y	1,703	1,036	1,128	1,170	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Flemish care insurance contribution (tci_s)	Y	246	243	262	277	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee sic (admin data) (tscee01_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee sic (admin data) (tscee02_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
solidarity contribution student-employees (admin data) (tsceest01_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
solidarity contribution student-employees (admin data) (tsceest02_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee sic reduction (workbonus) (admin data) (tsceerdwb01_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee sic reduction (workbonus) (admin data) (tsceerdwb02_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee sic reduction (workbonus) (admin data) (tsceerdre01_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee sic reduction (workbonus) (admin data) (tsceerdre02_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Self-employed Social Insurance Contributions (ils_sicse)																					
self-employed SICs (tscse_s)	Y	4,149	4,347	4,725	4,845	0	0	0	0	0.00	0.00	0.00	0.00	4,433	4,596	5,047	NaN	0.94	0.95	0.94	NaN
Employer Social Insurance Contributions (ils_sicer)																					
Employer social insurance contributions (tscer_s)	Y	51,519	55,196	59,424	61,459	72,220	72,220	72,220	72,220	0.71	0.76	0.82	0.85	39,404	43,137	45,984	NaN	1.31	1.28	1.29	NaN
reduction employer's SIC (tscerrd_s)	Y	2,598	2,688	2,945	2,733	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Credited Contributions (ils_sicct)																					
Other Contributions (ils_sicot)																					
for admin data this component has been moved to ils_sicot from ils_sicee (tscpe_s)	Y	1,709	1,645	1,996	1,881	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
SIC on disability benefits - for admin data this component has been moved to ils_sicot from ils_sicee (tscdb_s)	Y	59	79	95	118	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
SIC on health benefits (tschl_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
SIC on early retirement (tscyr_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Table A3.5. Benefits - Number of recipients (thousands)

	Simulated	EUROMOD				SILC				Ratio				External				Ratio			
	(Y / N)	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Pensions (ils_pen) (NOTE: some components are hidden!)																					
Old Age Pension (poa)	N	2,273	2,273	2,273	2,273	2,273	2,273	2,273	2,273	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
survivor pensions (psu)	N	79	79	79	79	79	79	79	79	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Permanent disability benefits (pdi)	N	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Sickness related Benefits (bhl)	N	245	245	245	245	245	245	245	245	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Early retirement pension (byr)	N	74	74	74	74	74	74	74	74	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Early retirement pension (BELMOD) (byr_s)	Y	0	0	0	0	74	74	74	74	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other pension - taxable (poptx)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other pension - non taxable (popnt)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Means-tested benefits (ils_benmt) (NOTE: some components are hidden!)																					
Income support (bsa_s)	Y	133	159	159	165	192	192	192	192	0.69	0.83	0.83	0.86	215	241	NaN	NaN	0.62	0.66	NaN	NaN
Income support for the elderly (bsaoa_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Scholarships and grants (bed)	N	166	166	166	166	166	166	166	166	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Lump-sum benefits (bls_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Housing related benefits (bho)	N	312	312	312	312	312	312	312	312	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Child benefits (bch_s)	Y	1,647	1,647	1,647	1,647	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Flemish jobbonus (bwkrg_s)	Y	0	0	379	431	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
study allowances/participation premium as part of Flemish child benefits (BELMOD) (bedad_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
social assistance elderly (BELMOD) (bsath)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
social assistance for people with disability (BELMOD) (bsadi_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Non-means-tested benefits (ils_bennt) (NOTE: some components are hidden!)																					
Birth allowance (bchba_s)	Y	136	136	136	136	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Unemployment benefits (bun)	N	1,930	1,930	1,930	1,930	1,930	1,930	1,930	1,930	1.00	1.00	1.00	1.00	992	813	NaN	NaN	1.95	2.37	NaN	NaN
Parental leave (bfapl)	N	96	96	96	96	96	96	96	96	1.00	1.00	1.00	1.00	79	86	NaN	NaN	1.22	1.12	NaN	NaN

	Simulated	EUROMOD				SILC				Ratio				External				Ratio			
	(Y / N)	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Maternity leave (bma)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Temporary unemployment benefit for employees (compensation measure Covid-19) (bwkmcee_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Temporary unemployment benefit self-employed (compensation measure Covid-19) (bwkmcse_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(buntx)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bunnt)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bunun_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(buniu_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bigfn_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
replace after renaming! (buntw_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bpa)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bmadi)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bmaot)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
on voor endogene ILs (bma_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
on voor endogene ILs (bmadi_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Permanent disability benefits (pdi)	N	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Sickness related Benefits (bhl)	N	245	245	245	245	245	245	245	245	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
MOTYFF: permanent disability benefits (simulated) (pdi_s)	Y	0	0	0	0	1,407	1,407	1,407	1,407	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
MOTYFF: sickness related benefits (simulated) (bhl_s)	Y	0	0	0	0	245	245	245	245	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
SICs on disability benefits (tscdb_s)	Y	81	95	107	132	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
ADMIN: Benefit: temporary full work incapacity due to work accident (bhlwkacfi)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
ADMIN: Benefit: temporary partial work incapacity due to work accident (bhlwkacpi)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
ADMIN: Benefit: temporary work incapacity due to professional disease (bhlwkwitm)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
ADMIN: Pension: permanent work incapacity due to professional disease (bhlwkwipm)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
ADMIN: incapacity due to professional disease rest (bhlwkwint)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated	EUROMOD				SILC				Ratio				External				Ratio			
	(Y / N)	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
ADMIN: SIC on benefits from work accidents and professional diseases (tschl_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other external statistics (ils_extstat_other) (NOTE: some components are hidden!)																					
Disability + sickness benefit (il_ext_pdibhl)	N	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Old-age + survivor pension (il_ext_poapsu)	N	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Continued...

	Source	Comments
Pensions (ils_pen) (NOTE: some components are hidden!)		
Old Age Pension (poa)	-	-
survivor pensions (psu)	-	-
Permanent disability benefits (pdi)	-	-
Sickness related Benefits (bhl)	-	-
Early retirement pension (byr)	NBB	-
Early retirement pension (BELMOD) (byr_s)	-	-
Other pension - taxable (poptx)	-	-
Other pension - non taxable (popnt)	-	-
Means-tested benefits (ils_benmt) (NOTE: some components are hidden!)		
Income support (bsa_s)	NBB (amounts)/POD MI (recipients)	<2018 = 2018; >2022 = 2022
Income support for the elderly (bsaoa_s)	NBB (amounts)/FPD (recipients)	-
Scholarships and grants (bed)	Vlaamse Gemeenschap & Fédération Wallonie-Bruxelles	-
Lump-sum benefits (bls_s)	-	-
Housing related benefits (bho)	Wonen Vlaanderen	-
Child benefits (bch_s)	NBB	-
Flemish jobbonus (bwkrg_s)	-	-
study allowances/participation premium as part of Flemish child benefits (BELMOD) (bedad_s)	-	-
social assistance elderly (BELMOD) (bsath)	-	-

Continued...

	Source	Comments
social assistance for people with disability (BELMOD) (bsadi_s)	-	-

Non-means-tested benefits (ils_bennt) **(NOTE: some components are hidden!)**		
Birth allowance (bchba_s)	Opgroeien	-
Unemployment benefits (bun)	RVA	-
Parental leave (bfapl)	RVA	-
Maternity leave (bma)	-	-
Temporary unemployment benefit for employees (compensation measure Covid-19) (bwkmcee_s)	NBB	-
Temporary unemployment benefit self-employed (compensation measure Covid-19) (bwkmcse_s)	NBB	-
(buntx)	-	-
(bunnt)	-	-
(bunun_s)	-	-
(buniu_s)	-	-
(bigfn_s)	-	-
replace after renaming! (buntw_s)	-	-
(bpa)	-	-
(bmadi)	-	-
(bmaot)	-	-
on voor endogene ILs (bma_s)	-	-
on voor endogene ILs (bmadi_s)	-	-
Permanent disability benefits (pdi)	-	-
Sickness related Benefits (bhl)	-	-
MOTYFF: permanent disability benefits (simulated) (pdi_s)	-	-
MOTYFF: sickness related benefits (simulated) (bhl_s)	-	-
SICs on disability benefits (tscdb_s)	-	-
ADMIN: Benefit: temporary full work incapacity due to work accident (bhlwkacfi)	-	-
ADMIN: Benefit: temporary partial work incapacity due to work accident (bhlwkacpi)	-	-

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Continued...

	Source	Comments
ADMIN: Benefit: temporary work incapacity due to professional disease (bhlwkwitm)	-	-
ADMIN: Pension: permanent work incapacity due to professional disease (bhlwkwipm)	-	-
ADMIN: incapacity due to professional disease rest (bhlwkwint)	-	-
ADMIN: SIC on benefits from work accidents and professional diseases (tschl_s)	-	-
Other external statistics (ils_extstat_other) (NOTE: some components are hidden!)		
Disability + sickness benefit (il_ext_pdibhl)	NBB	-
Old-age + survivor pension (il_ext_poapsu)	NBB	-

Table A3.6. Benefits - Annual amounts (million)

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Pensions (ils_pen) (NOTE: some components are hidden!)																					
Old Age Pension (poa)	N	52,257	54,516	61,719	61,719	52,257	52,257	52,257	52,257	1.00	1.04	1.18	1.18	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
survivor pensions (psu)	N	938	979	1,108	1,108	938	938	938	938	1.00	1.04	1.18	1.18	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Permanent disability benefits (pdi)	N	10,309	11,684	12,711	13,553	10,309	10,309	10,309	10,309	1.00	1.13	1.23	1.31	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Sickness related Benefits (bhl)	N	2,829	3,206	3,488	3,719	2,829	2,829	2,829	2,829	1.00	1.13	1.23	1.31	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Early retirement pension (byr)	N	913	996	1,040	1,062	913	913	913	913	1.00	1.09	1.14	1.16	520	413	NaN	NaN	1.75	2.41	NaN	NaN
Early retirement pension (BELMOD) (byr_s)	Y	NaN	NaN	NaN	NaN	913	913	913	913	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other pension - taxable (poptx)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other pension - non taxable (popnt)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Means-tested benefits (ils_benmt) (NOTE: some components are hidden!)																					
Income support (bsa_s)	Y	1,055	1,242	1,356	1,505	1,809	1,809	1,809	1,809	0.58	0.69	0.75	0.83	1,656	1,809	2,049	NaN	0.64	0.69	0.66	NaN
Income support for the elderly (bsaoa_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	767	824	941	NaN	0.00	0.00	0.00	NaN
Scholarships and grants (bed)	N	149	149	149	149	149	149	149	149	1.00	1.00	1.00	1.00	193	NaN	NaN	NaN	0.77	NaN	NaN	NaN
Lump-sum benefits (bls_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Housing related benefits (bho)	N	100	109	114	116	100	100	100	100	1.00	1.09	1.14	1.16	88	NaN	NaN	NaN	1.13	NaN	NaN	NaN
Child benefits (bch_s)	Y	6,885	7,160	7,454	7,922	0	0	0	0	0.00	0.00	0.00	0.00	7,305	7,738	8,191	NaN	0.94	0.93	0.91	NaN
Flemish jobbonus (bwkrg_s)	Y	NaN	NaN	132	151	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
study allowances/participation premium as part of Flemish child benefits (BELMOD) (bedad_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
social assistance elderly (BELMOD) (bsath)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
social assistance for people with disability (BELMOD) (bsadi_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Non-means-tested benefits (ils_bennt) (NOTE: some components are hidden!)																					
Birth allowance (bchba_s)	Y	150	157	163	167	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Unemployment benefits (bun)	N	10,416	11,010	11,706	12,100	10,416	10,416	10,416	10,416	1.00	1.06	1.12	1.16	8,197	6,670	6,391	NaN	1.27	1.65	1.83	NaN
Parental leave (bfapl)	N	675	765	833	888	675	675	675	675	1.00	1.13	1.23	1.31	193	228	253	NaN	3.51	3.36	3.29	NaN
Maternity leave (bma)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Temporary unemployment benefit for employees (compensation measure Covid-19) (bwkmcee_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	1,979	NaN	NaN	NaN	0.00	NaN	NaN	NaN

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Temporary unemployment benefit self-employed (compensation measure Covid-19) (bwkmcse_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	2,086	NaN	NaN	NaN	0.00	NaN	NaN	NaN
(buntx)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bunnt)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bunun_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(buniu_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bigfn_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
replace after renaming! (buntw_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bpa)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bmadi)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bmaot)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
on voor endogene ILs (bma_s)	Y	NaN	NaN	NaN	NaN	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
on voor endogene ILs (bmadi_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Permanent disability benefits (pdi)	N	10,309	11,684	12,711	13,553	10,309	10,309	10,309	10,309	1.00	1.13	1.23	1.31	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Sickness related Benefits (bhl)	N	2,829	3,206	3,488	3,719	2,829	2,829	2,829	2,829	1.00	1.13	1.23	1.31	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
MOTYFF: permanent disability benefits (simulated) (pdi_s)	Y	0	0	0	0	10,309	10,309	10,309	10,309	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
MOTYFF: sickness related benefits (simulated) (bhl_s)	Y	0	0	0	0	2,829	2,829	2,829	2,829	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
SICs on disability benefits (tscdb_s)	Y	59	79	95	118	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
ADMIN: Benefit: temporary full work incapacity due to work accident (bhlwkacfi)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
ADMIN: Benefit: temporary partial work incapacity due to work accident (bhlwkacpi)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
ADMIN: Benefit: temporary work incapacity due to professional disease (bhlwkwitm)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
ADMIN: Pension: permanent work incapacity due to professional disease (bhlwkwipm)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
ADMIN: incapacity due to professional disease rest (bhlwkwint)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
ADMIN: SIC on benefits from work accidents and professional diseases (tschl_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other external statistics (ils_extstat_other) (NOTE: some components are hidden!)																					
Disability + sickness benefit (il_ext_pdibhl)	N	13,138	14,890	16,200	17,272	13,138	13,138	13,138	13,138	1.00	1.13	1.23	1.31	10,736	11,955	13,042	NaN	1.22	1.25	1.24	NaN

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Old-age + survivor pension (il_ext_poapsu)	N	53,195	55,494	62,827	62,827	53,195	53,195	53,195	53,195	1.00	1.04	1.18	1.18	53,104	58,950	64,443	NaN	1.00	0.94	0.97	NaN

Table A3.7. Distribution of equivalised disposable income

	EUROMOD				External				Ratio			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Decile 1	4.18	4.23	4.24	4.25	3.90	4.30	NaN	NaN	1.07	0.98	NaN	NaN
Decile 2	6.10	6.10	6.14	6.11	5.70	5.80	NaN	NaN	1.07	1.05	NaN	NaN
Decile 3	7.05	6.99	7.04	7.04	6.70	6.80	NaN	NaN	1.05	1.03	NaN	NaN
Decile 4	8.19	8.16	8.18	8.25	7.80	7.80	NaN	NaN	1.05	1.05	NaN	NaN
Decile 5	9.13	9.09	9.08	9.00	8.80	8.80	NaN	NaN	1.04	1.03	NaN	NaN
Decile 6	9.96	10.02	10.04	10.00	9.80	9.70	NaN	NaN	1.02	1.03	NaN	NaN
Decile 7	10.99	10.95	10.90	10.99	10.90	10.80	NaN	NaN	1.01	1.01	NaN	NaN
Decile 8	12.09	12.10	12.04	12.09	12.10	11.90	NaN	NaN	1.00	1.02	NaN	NaN
Decile 9	13.67	13.65	13.65	13.61	13.90	13.50	NaN	NaN	0.98	1.01	NaN	NaN
Decile 10	18.63	18.71	18.70	18.65	20.50	20.60	NaN	NaN	0.91	0.91	NaN	NaN
Median	26,179	27,775	30,090	31,232	27,314	28,997	NaN	NaN	0.96	0.96	NaN	NaN
Mean	26,579	28,214	30,741	31,778	29,471	31,150	NaN	NaN	0.90	0.91	NaN	NaN
Gini	22.21	22.28	22.17	22.17	24.90	24.20	NaN	NaN	0.89	0.92	NaN	NaN
S80/20	3.14	3.13	3.12	3.11	3.56	3.38	NaN	NaN	0.88	0.93	NaN	NaN

Table A3.8. At-risk-of-poverty rates (%) by sex and age

	EUROMOD				External				Ratio			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
40% median HDI by sex												
Total	2.24	2.25	2.17	2.15	2.80	2.00	NaN	NaN	0.80	1.12	NaN	NaN
Males	2.45	2.44	2.31	2.33	3.00	2.10	NaN	NaN	0.82	1.16	NaN	NaN
Females	2.04	2.06	2.02	1.98	2.70	2.00	NaN	NaN	0.75	1.03	NaN	NaN
50% median HDI by sex												
Total	6.03	5.81	5.65	5.51	7.20	5.30	NaN	NaN	0.84	1.10	NaN	NaN
Males	6.35	6.16	6.00	5.93	7.40	5.40	NaN	NaN	0.86	1.14	NaN	NaN
Females	5.73	5.47	5.31	5.10	7.10	5.20	NaN	NaN	0.81	1.05	NaN	NaN
60% median HDI by sex												
Total	11.15	11.23	10.96	11.23	13.20	12.30	NaN	NaN	0.84	0.91	NaN	NaN
Males	11.24	11.31	11.05	11.23	12.90	12.10	NaN	NaN	0.87	0.93	NaN	NaN
Females	11.06	11.15	10.88	11.22	13.50	12.40	NaN	NaN	0.82	0.90	NaN	NaN
70% median HDI by sex												
Total	20.98	21.38	20.66	21.10	22.70	22.70	NaN	NaN	0.92	0.94	NaN	NaN
Males	19.78	20.22	19.58	19.88	21.50	21.60	NaN	NaN	0.92	0.94	NaN	NaN
Females	22.15	22.51	21.72	22.28	23.90	23.70	NaN	NaN	0.93	0.95	NaN	NaN
60% median HDI by age group												
0-15 years	11.00	10.91	11.39	11.24	13.50	13.20	NaN	NaN	0.81	0.83	NaN	NaN
16-24 years	15.12	14.79	15.51	14.84	16.50	13.60	NaN	NaN	0.92	1.09	NaN	NaN
25-49 years	8.67	8.63	8.68	8.61	9.90	10.30	NaN	NaN	0.88	0.84	NaN	NaN
50-64 years	10.80	10.36	10.53	10.51	12.30	10.40	NaN	NaN	0.88	1.00	NaN	NaN
65+ years	13.99	15.22	12.66	14.69	17.90	15.80	NaN	NaN	0.78	0.96	NaN	NaN

Table A3.9. Consumption taxes (non-calibrated) - Annual amounts (millions)

	Simulated	EUROMOD				External				Ratio			
	(Y / N)	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Consumption-tax-related statistics non-calibrated (ils_extstat_ittncal)													
Aggregate expenditures non-calibrated (ils_extstat_ittncal_il_itt_expnc)													
01 Food and non-alcoholic beverages (il_x01)	Y	27,682	29,370	31,999	33,085	31,354	32,568	32,568	32,568	0.88	0.90	0.98	1.02
02 Alcoholic beverages, tobacco, etc. (il_x02)	Y	4,466	4,740	5,171	5,344	9,517	10,000	10,000	10,000	0.47	0.47	0.52	0.53
03 Clothing and footwear (il_x03)	Y	9,606	10,202	11,088	11,475	10,200	11,202	11,202	11,202	0.94	0.91	0.99	1.02
04 Housing, water and fuel (exc. imputed rent) (il_x04)	Y	29,867	31,720	34,578	35,807	30,944	39,379	39,379	39,379	0.97	0.81	0.88	0.91
05 Furnishings, household equipment, etc. (il_x05)	Y	12,621	13,406	14,583	15,082	15,708	15,882	15,882	15,882	0.80	0.84	0.92	0.95
06 Health (il_x06)	Y	11,321	12,011	13,087	13,535	16,204	17,824	17,824	17,824	0.70	0.67	0.73	0.76
07 Transport (il_x07)	Y	30,433	32,328	35,170	36,360	23,215	25,670	25,670	25,670	1.31	1.26	1.37	1.42
08 Communications (il_x08)	Y	6,455	6,853	7,463	7,721	5,534	5,624	5,624	5,624	1.17	1.22	1.33	1.37
09 Recreation and culture (il_x09)	Y	16,638	17,658	19,217	19,872	17,982	20,523	20,523	20,523	0.93	0.86	0.94	0.97
10 Education (il_x10)	Y	1,070	1,139	1,235	1,280	876	989	989	989	1.22	1.15	1.25	1.29
11 Hotels and restaurants (il_x11)	Y	12,962	13,759	14,967	15,475	12,617	18,033	18,033	18,033	1.03	0.76	0.83	0.86
12 Miscellaneous good and services (il_x12)	Y	26,107	27,706	30,165	31,188	31,823	38,296	38,296	38,296	0.82	0.72	0.79	0.81
Revenue from indirect taxes (non calibrated) (ils_extstat_ittncal_il_itt_revnc)													
VAT Total Revenue (il_tva)	Y	20,946	21,790	23,808	24,481	34,713	36,442	37,828	NaN	0.60	0.60	0.63	NaN
Excises Total Revenue (il_tx)	Y	4,286	3,323	3,953	4,412	8,990	NaN	NaN	NaN	0.48	NaN	NaN	NaN
Total excises (non calibrated) (ils_extstat_ittncal_il_itt_excnc)													
Revenues Excises 0211 - Spirits (il_tx0211)	Y	172	178	183	185	347	NaN	NaN	NaN	0.50	NaN	NaN	NaN
Revenues Excises 02121 - Still Wine (il_tx02121)	Y	199	205	210	210	181	NaN	NaN	NaN	1.10	NaN	NaN	NaN

	Simulated	EUROMOD				External				Ratio			
	(Y / N)	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Revenues Excises 02122 - Sparkling Wine (il_tx02122)	Y	100	102	105	50	106	NaN	NaN	NaN	0.94	NaN	NaN	NaN
Revenues Excises 0213 - Beer (il_tx0213)	Y	69	68	70	70	179	NaN	NaN	NaN	0.39	NaN	NaN	NaN
Revenues Excises 022 - Tobacco (il_tx022)	Y	948	1,027	1,162	1,183	2,740	NaN	NaN	NaN	0.35	NaN	NaN	NaN
Revenues Excises 045 - Energy (electricity, natural gas, coal-coke) (il_tx045)	Y	263	120	144	200	127	NaN	NaN	NaN	2.07	NaN	NaN	NaN
Revenues Excises 0451 - Electricity (il_tx0451)	Y	86	38	41	69	45	NaN	NaN	NaN	1.89	NaN	NaN	NaN
Revenues Excises 04521 - Natural Gas (il_tx04521)	Y	94	33	39	66	82	NaN	NaN	NaN	1.15	NaN	NaN	NaN
Revenues Excises All Energy (il_tx045_072)	Y	2,798	1,743	2,224	2,714	5,437	NaN	NaN	NaN	0.51	NaN	NaN	NaN

Table A3.10. Consumption taxes (calibrated) - Annual amounts (millions)

	Simulated	EUROMOD				External				Ratio			
	(Y / N)	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Consumption-tax-related statistics calibrated (ils_extstat_ittcal)													
Revenue from indirect taxes (calibrated) (il_itt_revc)													
VAT Total Revenue (il_tva_na)	Y	22,324	24,669	25,336	26,202	34,713	36,442	37,828	NaN	0.64	0.68	0.67	NaN
Excises Total Revenue (il_tx_na)	Y	5,377	4,771	5,141	5,504	8,990	NaN	NaN	NaN	0.60	NaN	NaN	NaN
Total excises (calibrated) (il_itt_excc)													
Revenues Excises 0211 - Spirits (il_tx0211_na)	Y	367	376	362	368	347	NaN	NaN	NaN	1.06	NaN	NaN	NaN
Revenues Excises 02121 - Still Wine (il_tx02121_na)	Y	424	432	415	419	181	NaN	NaN	NaN	2.34	NaN	NaN	NaN
Revenues Excises 02122 - Sparkling Wine (il_tx02122_na)	Y	213	216	207	100	106	NaN	NaN	NaN	2.00	NaN	NaN	NaN
Revenues Excises 0213 - Beer (il_tx0213_na)	Y	148	143	138	140	179	NaN	NaN	NaN	0.82	NaN	NaN	NaN
Revenues Excises 022 - Tobacco (il_tx022_na)	Y	2,019	2,166	2,298	2,355	2,740	NaN	NaN	NaN	0.74	NaN	NaN	NaN
Revenues Excises 045 - Energy (electricity, natural gas, coal-coke) (il_tx045_na)	Y	273	149	168	234	127	NaN	NaN	NaN	2.14	NaN	NaN	NaN
Revenues Excises 0451 - Electricity (il_tx0451_na)	Y	89	47	47	81	45	NaN	NaN	NaN	1.96	NaN	NaN	NaN
Revenues Excises 04521 - Natural Gas (il_tx04521_na)	Y	98	41	45	77	82	NaN	NaN	NaN	1.19	NaN	NaN	NaN
Revenues Excises All Energy (il_tx045_072_na)	Y	2,207	1,437	1,720	2,122	5,437	NaN	NaN	NaN	0.41	NaN	NaN	NaN

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