# BELMOD
# Adapting EUROMOD for the use of administrative data in Belgium

Gerlinde Verbist U. Antwerpen
Natascha Van Mechelen, Federal Public Service
Social Security

Universiteit Antwerpen

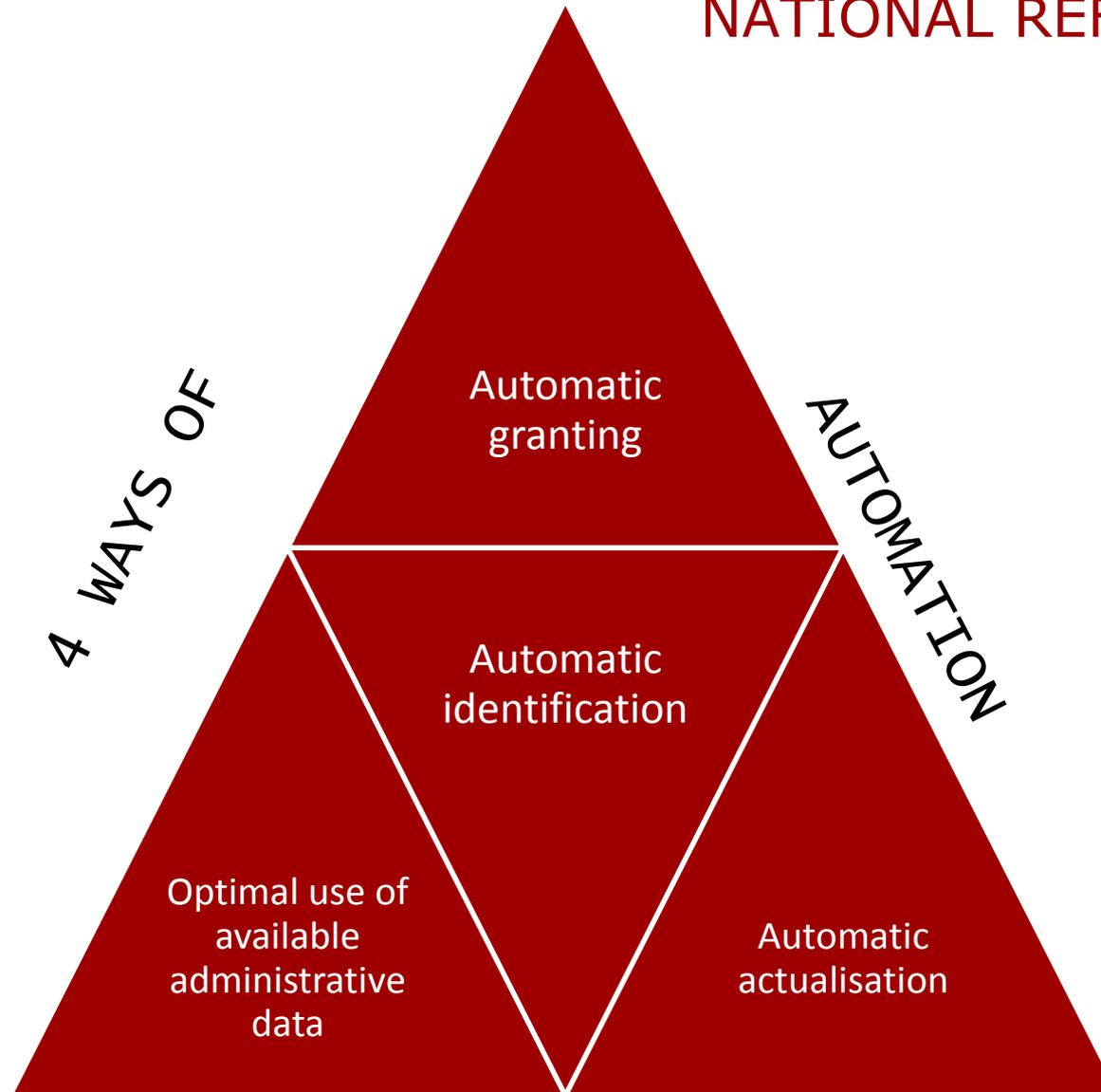| NEW MICRO-SIMULATION TOOL | ▪ to modernize the FPS's current static tax-benefit model MIMOSIS by integrating it in the EUROMOD infrastructure |
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| NATIONAL REFOM PLAN AIMED AT REDUCING NON-TAKE-UP | ▪ to support evidence based policy-making in the field of the simplification, harmonization and automatic granting of means-tested benefits in Belgium |

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| **ASSOCIATE ORGANISATIONS** | National Pension Office<br>National Inst. for Sickness and Disability Insurance<br>PPS Social Integration |
| **PERIOD** | January 2019 – December 2021 |

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4 WAYS OF AUTOMATION

- Automatic granting
- Automatic identification
- Optimal use of available administrative data
- Automatic actualisation

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## AUTOMATIC GRANTING

- Relatively easy for so-called derived social rights

- Not so easy for income support itself:
  - Monthly labour market income after payroll taxes is not administratively available
  - No central register movable property
  - Timeliness of administrative data

- BELMOD: investigate the possibilities of automatic granting of heating allowance and income support for the disabled

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## AUTOMATIC IDENTIFICATION

- Already partly installed for income support for elderly people

- See also 'proactive flux' for the increased reimbursement of health care costs (IR)

- BELMOD: possibilities of (more elaborate or permanent) automatic identification of potential beneficiaries of income support, income support elderly, IR

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KEY PURPOSE

- To assess – in advance – the direct impact of tax benefit policy reforms on the disposable income of households (hence on poverty risks, income inequality,…) and public expenditure

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- To assess the impact of changes in means-tests on the size of and profile of the population of beneficiaries, on household disposable incomes, and public expenditure

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| **STRENGTHS** | <ul><li>Input data: a large sample administrative dataset<ul><li>➢ Representative at regional level</li><li>➢ Administrative income concepts</li></ul></li><li>Detailed modeling of family benefits, unemployment insu-rance benefits, sickness and disability benefits, income support, social insurance contributions, personal income tax</li></ul> |
| **WEAKNESSES** | <ul><li>Isolated</li><li>Not user friendly</li><li>Time-consuming</li><li>Modeling of means-tested benefits can be improved</li></ul> |

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| INPUTDATA<br><br>a large sample administrative dataset | ➢ 2015 income and employment data for 996 000 individuals<br><br>➢ Sources: Social Security Institutions, PIT returns, cadaster immovable property<br><br>➢ Proportionally stratified by age<br><br>➢ Disproportionally stratified by region<br><br>➢ Administrative income concepts allow for detailed modelling |
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**OBJECTIVES**

- to adress MIMOSIS' weaknesses while preserving its strengths

- to develop EUROMOD for the purpose of running simulations based on large scale administrative datasets

- to create a platform for cooperation between the main actors of static microsimulation within Belgium and Europe

- to develop a modeling tool to assess the social and budgetary impact of a simplification, harmonization and automation of means-tested benefits in Belgium (f.e. by integrating tax return data)

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A NEW TAX BENEFIT MODEL

NATIONAL WORKSHOP

INTERNATIONAL WORKSHOP

COOPERATION PLATFORM

LEGAL COMPARISON OF MEANS TESTS

OTHER DISSEMINATION ACTIVITIES

MONITORING PLAN

REPORT ON BEST PRACTICES OF NUDGING

A NATIONAL REFORM PLAN

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# Challenges

- Getting the data
- Adapting names
- How to deal with two datasets: administrative & survey data?
  - Different policy systems?
  - Use switches to keep all-in one system?
  - Adapt EU-SILC dataset?

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