BELMOD
Adapting EUROMOD for the use of administrative data in Belgium

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OBJECTIVES

NEW MICRO-SIMULATION TOOL

- to modernize the FPS’s current static tax-benefit model MIMOSIS by integrating it in the EUROMOD infrastructure

NATIONAL REFORM 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
<table>
<thead>
<tr>
<th>PARTNERS</th>
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<tbody>
<tr>
<td>FINANCED BY</td>
<td>European Commission (Access to Social Protection and National Reform Support – EaSI)</td>
</tr>
<tr>
<td>COORDINATED BY</td>
<td>Federal Public Service Social Security</td>
</tr>
<tr>
<td>PARTNERS</td>
<td>University of Antwerp KULeuven University of Essex Federal Planning Bureau</td>
</tr>
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<td>ASSOCIATE ORGANISATIONS</td>
<td>National Pension Office National Inst. for Sickness and Disability Insurance PPS Social Integration</td>
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<td>PERIOD</td>
<td>January 2019 – December 2021</td>
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NATIONAL REFORM PLAN

4 WAYS OF AUTOMATION

- Automatic granting
- Automatic identification
- Optimal use of available administrative data
- Automatic actualisation
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
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
STATIC TAX BENEFIT MODELS

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

BELMOD

- 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
### MIMOSIS: A STATIC TAX BENEFIT MODEL

<table>
<thead>
<tr>
<th>STRENGTHS</th>
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<th>WEAKNESSES</th>
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<td>▪ Input data: a large sample administrative dataset</td>
<td>▪ Isolated</td>
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<td>➢ Representative at regional level</td>
<td>▪ Not user friendly</td>
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<td>➢ Administrative income concepts</td>
<td>▪ Time-consuming</td>
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<td>▪ Detailed modeling of family benefits, unemployment insurance benefits, sickness and disability benefits, income support, social insurance contributions, personal income tax</td>
<td>▪ Modeling of means-tested benefits can be improved</td>
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MIMOSIS: STRENGTHS

INPUTDATA

- a large sample administrative dataset

- 2015 income and employment data for 996,000 individuals
- Sources: Social Security Institutions, PIT returns, cadaster immovable property
- Proportionally stratified by age
- Disproportionally stratified by region
- Administrative income concepts allow for detailed modelling
INTEGRATION OF MIMOSIS IN EUROMOD

OBJECTIVES

- to address 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)
BELMOD: OTHER DELIVERABLES

- A NEW TAX BENEFIT MODEL
- NATIONAL WORKSHOP
- INTERNATIONAL WORKSHOP
- LEGAL COMPARISON OF MEANS TESTS
- COOPERATION PLATFORM
- OTHER DISSEMINATION ACTIVITIES
- MONITORING PLAN
- REPORT ON BEST PRACTICES OF NUDGING
- A NATIONAL REFORM PLAN
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?