# Data questionnaire for the international database on social benefit recipients

## Definitions and methodology

**TABLE OF CONTENTS**

www.oecd.org/social/recipients.htm
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# 1    INTRODUCTION

1.        Since 2010, the OECD in collaboration with the European Commission, have been developing an international database of recipient data (SOCial benefits Recipients – "SOCR"), covering all main income replacement benefits in 40 EU and OECD countries. The resulting pilot database provides a source of comparable information on the number of individuals receiving income replacement benefits in different countries. SOCR data can be used to monitor programme participation and coverage rates, and provides contextual information for interpreting spending statistics and indicators of work incentives and benefit adequacy. It also sheds light on the dynamics of social benefit receipt in the context of the recent economic crisis.

2.        This document sets out the definitions and methodology for the data collection. It accompanies the data questionnaires and provides information that is essential for completing them.

3.        **Important**: The methodological document introduces significant changes relative to the scope, concepts and definitions used in previous data collection rounds, reflecting feedback provided by data providers, by OECD country delegates, by international experts, as well as by Eurostat in the case of EU countries. The revisions aim at streamlining the data collection and making questionnaire responses less time-consuming, while ensuring data consistency and comparability across countries. In particular, the questionnaire now distinguishes between two types of data:

- **priority data** (information that is needed for all countries in order to allow for meaningful comparisons of core benefit recipient statistics); and

- **optional data** (information that can be crucial for understanding factors driving changes in benefit recipient patterns but which may not be available in all countries).

## 2     SCOPE OF THE SOCR DATA COLLECTION

### 2.1    Policy areas / branches

4.       Social policy areas (called *branches* in the rest of this document) **included** in SOCR are:

- Old-age;

- Survivors;

- Incapacity (including sick leave benefits);

- Family;

- Unemployment;

- Other Social protection programmes (called Social Assistance in some countries);

- Housing; and

- In-work (which includes partial unemployment programmes and refundable in-work tax credits).

5.       Social policy areas (or branches) **not included** in SOCR are:

- Health; and

- Active labour market programmes.

### 2.2    Programmes

6.       Social protection programmes are included if:

- they are publicly funded (fully or partially), publicly managed or mandatory programmes that are administrated/funded by private institutions; **and**

- they are paid in cash on a regular basis (inclusive of housing benefits like rent allowances); **and**

- they are either:

  – income replacement benefits replacing earnings (for instance, child benefits or student grants are not included); **or**

  – benefits or refundable tax credits that serve a similar purpose to an income replacement benefit (notably housing benefits) or are dependent on having earnings (in-work benefits).

## 2.3   Programme characteristics

7.      The following variables are included for each programme:

- Basic programme characteristics, including

  – programme name in English and national language,

  – social protection branch

  – means-tested or not.

- Recipient stocks, i.e., the number of benefit recipients <u>at a given point in time or average over the year</u>.

- Flows of beneficiaries, i.e., the number of benefit spells commencing (inflows) and ending (outflows) during the year.

- Recipient stocks across programmes adjusted for double counting (see section 3 for further information)

- Average payment amounts (e.g. monthly rates) per benefit recipient.

# 3    PRIORITY AND OPTIONAL DATA

8.      Data availability differs across countries and programmes, and some types of information may be more difficult to obtain than others. To keep data collection efforts at a reasonable level, while ensuring data consistency and comparability across countries, the questionnaire provides for some degree of flexibility to account for data situations in specific countries. It distinguishes two types of information:

- **Priority data**: Information that is needed to allow for meaningful comparisons of core recipient statistics over time and across countries. Priority data include the total number of recipients by programme, as well as the information needed to eliminate the most important sources of double counting.

- **Optional data**: Information that can be crucial for understanding factors driving changes in recipient stocks and coverage, but which may not be available in all countries. Optional data include information on the number of people ending a benefit spell (outflows) and the average benefit amount per recipient.

9.      The distinction between the two types of data follows an intensive consultation process involving respondents to previous SOCR questionnaires, OECD country delegates, as well as Eurostat in the case of EU countries.

10.     Priority and optional data are clearly highlighted in the questionnaire (priority figures are shaded in dark blue). The two sub-sections below explain the selection of priority programmes and, within programmes, priority variables.

## 3.1    Selection of priority and optional programmes

11.     Based on information collected in the 2011, 2012 and 2014 rounds, the 2016 questionnaire distinguishes between priority and optional programmes. Priority programmes have the following characteristics:

- They are **main income replacement benefits**, meaning they are not supplements but are typically received in their own right, independently of other benefits; **and**

- Their **volume is significant or highly variable**:

  – programmes with a significant number of recipients or expenditure (regardless whether open to new recipients or not); **or**

  – programmes open to new recipients that are highly sensitive to economic or social conditions.

12.     All other programmes are considered as optional. For instance, very small programmes that are being phased out are optional, as are benefit "top-ups" of unemployment benefits (such as

additional allowances for dependents) or pensions (such as minimum pensions paid on top of earnings-related pensions).

13.     Respondents are encouraged to provide information on both priority and optional programmes whenever possible. The priority programmes are essential for comparability of data on social benefit systems over time and across countries.  If optional information is not available, or only partially available, respondents are invited to include a brief explanation about the data situation so that this can be taken account in future data collection rounds.


### 3.2    Selection of priority and optional variables

14.     Priority variables are:

- **Annual stocks**

- **Inflows**

- **Aggregate annual stocks adjusted for double counting within branches** (sheet "AggregateTotals" in the questionnaire, see **Method 1** in Section 4.5)

15.     All other variables are considered as optional. This includes outflows, average benefit amounts, age and sex breakdowns as well as annual stocks adjusted for double counting across branches at programme level (see **Method 2** in Section 4.5).

16.     Respondents are encouraged to provide information on **both** priority **and** optional variables whenever possible. The priority variables are essential for comparability of data on social benefit systems over time and across countries. If optional information is not available, or only partially available, respondents are invited to include a brief explanation about the data situation so that this can be taken account in future data collection rounds.

# 4 CONCEPTS AND DEFINITIONS

## 4.1 Benefit recipient stocks

### 4.1.1. Reference point / period

17.     The stock of beneficiaries (caseloads) corresponds either to the total number of individual recipients at a given date (**point-in-time stocks**), or to an average of point-in-time stocks over the period. For example, annual stocks can be either the average of 12 end-of-month stocks or a single point-in-time stock (at 31 December for example). Note that other measures, such as the total number of people who have received the benefit at least once during the period, the number of payments/orders over a period, or the number of days a benefit was received, do *not* correspond to this definition.

18.     No adjustments should be made for part-year benefit receipt. Such adjustments to calculate "full-year" equivalent stocks are not necessary since point-in-time stocks automatically capture part-year receipt in the correct proportion (somebody receiving a benefit for only half the year has a 50% probability of being counted at a specific point in the year, etc.).

19.     Respondents are invited to clearly specify the period to which different figures refer. For annual stocks at a point in time, the date should be indicated. For averages of point-in-time stocks over a given period, the reference dates and periods should be indicated.

### 4.1.2. Unit of analysis

20.     The concept of **individual recipient** means that each benefit is only attributed to the person whose social risk (e.g. unemployment or disability) generates the entitlement to the benefit. Two clarifications are useful:

- In cases where a **household includes more than one individual recipient**, i.e., where individual benefits are paid to more than one household member, each individual recipient in the household should be counted separately.

- In cases where **benefits are awarded to families rather than to individuals** (typically the case in the Family, Other Social and Housing branches), recipient numbers should be reported based on the number of recipient families and should <u>not</u> count all family members who may potentially benefit from the payment. Administrative figures may, however, count all household members as beneficiaries. Adjustments ("individualisation") may therefore be required to bring the totals in line with the SOCR methods and definitions.

21.     **In all cases, respondents are invited to clearly specify the units in which stocks are expressed.**

## 4.2 Age groups included and age breakdowns

22.     SOCR covers both working-age and old-age benefits. As far as available, the questionnaire also requests one optional age breakdown (less than 65/ 65 or more) allowing us to distinguish

between working-age recipients and old-age recipients. In cases where breakdowns are only possible for different age groups, respondents are invited to clearly note the age cut-offs that have been used.

## 4.3    Inflows and outflows

23.    Inflows are the number of recipients (defined according to section 4.1) who enter the programme (new benefit spells) and start receiving the benefit during the year.

24.    Outflows are the number of recipients (defined according to section 4.1) who leave the programme (ending benefit spells) and stop receiving the benefit during the year.

## 4.4    Average amount (payment rate)

25.    The average amount (or rate) of the benefit paid to recipients (defined in section 4.1). Averages should be expressed in national currency for a given period of time (e.g., EUR per month).

## 4.5    Adjustments for double counting

26.    It is useful for many purposes to aggregate recipient numbers (stocks) across programmes, e.g., in order to express to the total number of benefit recipients in a specific branch, such as unemployment. For many purposes, this requires eliminating double-counting to ensure that individual recipients are counted only once even if they receive benefits from more than one programme in the branch <u>at the same time</u>. This section summarizes the methodology to follow in order to provide recipients stocks adjusted for double counting.

27.    Producing estimates of recipients stocks free of double counting is a complex task. It is important to note that adjustments strongly depend on the aggregation context (e.g., aggregating recipients of programmes within a branch or across branches): the broader the context is the more difficult the adjustments are as they involve a larger number of programmes.

28.    The 2016 SOCR questionnaire collects benefit recipient stocks adjusted for double counting using two methods. As noted in section 3.2 above, Method 1 is considered as priority and Method 2 as optional.

- **Method 1**: The objective is to calculate stocks adjusted for double counting *within branches* at the *branch level* only. Under this method, the total number of unique recipients within the branch, at a given point in time, is determined. This approach provides *only one adjusted stock for the branch as a whole*. The calculation of stocks is two-fold:

  1. Adjust stocks to ensure that people receiving more than one benefit at the same time in the same branch are only counted once in the branch total.

  2. Record the branch-level stock adjusted for double counting in the table located in worksheet 'AggregateTotals'

- **Method 2**: Where possible, respondents are encouraged to provide stocks adjusted for double counting across the branch at the programme level. Suitably adjusted stocks should in this case be identified for each programme using an assignment algorithm that counts multiple concurrent

receipt only in "the most important" programme (e.g., the "main" unemployment benefit) and eliminates it from other programmes that are received at the same time (e.g., a supplementary unemployment benefit). This approach provides an adjusted stock *for each programme*. The calculation of stocks is two-fold:

1. Adjust stocks for people receiving more than one benefit at the same time. A recipient is in this case attributed to one, and only one, programme using the following assignment rules, in order (where A > B means benefit A takes priority over benefit B when both are received at the same time):

   a) Old age programmes > Disability programmes > Survivors programmes > Unemployment programmes > programmes from other branches;

   b) If no decision according to rule (a): Insurance programmes> Assistance programmes;

   c) If no decision according to rule (a) and (b):
   Income replacement programmes > Supplements;

   d) If no decision according to rule (a), (b) and (c):
   Larger benefits (in monetary terms) > Smaller benefits

2. Record the stocks adjusted for double counting in Section **d.** of each programme information panel (see the figure below).

| d. CASELOAD ADJUSTED FOR PARTIAL RECIPIENCY WITHOUT DOUBLE-COUNTING ACROSS ALL BRANCHES OF SOCIAL PROTECTION | | |
|---|---|---|
| Number of *all* recipients on a full-time equivalent basis who receive one or more benefits across all branches of social protection (and not accounted elsewhere in any other branch) | | |
| Adjusted caseloads (all recipients) | | |
| 65+ | | |
| Notes: | | |
| Source: | | |