

Harmonizing Family Benefits in Slovenia

Supplementary material

The supplementary material includes an overview of the existing general family benefits that the proposed reform would replace with a new harmonised single benefit (Section 1). It also compares the design of the new benefit with the existing general benefits for selected model-type families and by earnings levels (Section 2).

1. Overview of the general income support for families with children in Slovenia

The child benefit is a means-tested cash transfer aimed at alleviating families' costs with the upbringing, subsistence and education of children. Amounts depend on the family income¹, the number of dependent children in the family² and their educational level (Table 1). The child benefit includes supplements of 30% to lone parents and of 20% for families with pre-school children under the age of 4 not using centre-based childcare.

Table 1: The child benefit varies according to income, number of children and educational levels

Child benefit income brackets and amounts, 2025 baseline

Income brackets	Child benefit for a child in elementary school or until 18 years of age (monthly, EUR)			Child benefit for a child in high school up to the age of 18 (monthly, EUR)		
	First child	Second child	Third and every additional child	First child	Second child	Third and every additional child
Up to 235.14	143.81	158.18	172.58	143.81	158.18	172.58
From 235.14 to 391.92	122.94	135.91	148.80	122.94	135.91	148.80
From 391.93 to 470.31	93.71	104.73	115.73	93.71	104.73	115.73
From 470.32 to 548.69	73.91	84.33	94.95	73.91	84.33	94.95
From 548.70 to 692.42	60.43	70.52	80.55	60.43	70.52	80.55
From 692.43 to 836.10	38.29	47.92	57.50	38.29	47.92	57.50
From 836.11 to 1071.28	28.74	38.29	47.92	36.27	45.83	62.45
From 1071.29 to 1293.36	25.02	34.60	44.16	28.79	38.37	50.18

Note: Slovenian child benefit rules for 2025

¹ Tested income is net of taxes and social insurance contributions and includes taxable employment and self-employment income, contractual work incomes, student incomes (above minimum wage), pensions, unemployment benefits, wage compensation for disabled workers, unemployment assistance, parental and paternal payments, parental allowance, capital income, rents, compensation for lost income due to care for child with special needs, social contributions up to full working time for parents working part-time, and net maintenance payments. The relevant family unit is composed by the head of the unit, his/her spouse, and their dependent children. The tested income is summed up at the family level and divided by the number of individuals composing the family unit.

² A dependent child is defined as an individual under 18 years old.

The large family allowance is a universal cash transfer to families with three or more dependent children.³ In 2025, the benefit amounts to a yearly payment of EUR 496.95 for families with three children and of EUR 603.86 with four children or more.

The family tax allowance is a deduction to the PIT tax base, increasing with the number of dependent children⁴ (Table 2). It can be used only by one parent in the family, although any unused part can be transferred to the other parent, if they have a positive tax base.

Table 2: The family tax allowance increases with the number of children

Family tax allowance amounts, 2025 baseline

Number of dependent children	Tax allowance amounts (EUR, per year)
1	2838.3
2	5923.82
3	11070.21
4	18277.47
5	27545.59
6	38874.58
7	52264.44
8	67715.17
9	85226.77
10	104799.24

Note: Slovenian PIT rules for 2025

2. Comparing the design of the proposed harmonised family benefit with the existing family support instruments for different family types

It is useful to compare the new family benefit vis-à-vis the existing family income instruments for different household types to better grasp the design of the reform. Figure 1 shows the evolution of family support policy instruments as earnings increase for four types of families: a single parent with one child (Panel A), a single parent with three children (Panel B), a one-earner couple with one child (Panel C) and a one-earner couple with three children (Panel D). The chosen typified families focus main features characterizing both the new and the existing family support policies: the number of children, the total number of individuals of the family and income.⁵

For the majority of the cases, the new family benefit would represent a reinforcement of the support received by families with children at low and middle levels of earnings close to the average wage, amounting to EUR 2424 monthly, in 2024 (Figure 1 – all panels, orange line). This increase is more pronounced for lone parents with more children, due to the supplements that add to the benefit basic amount.

³ Individuals are considered dependent children if they are below 18 years old or, if less than 26 years old, they must be in full time education.

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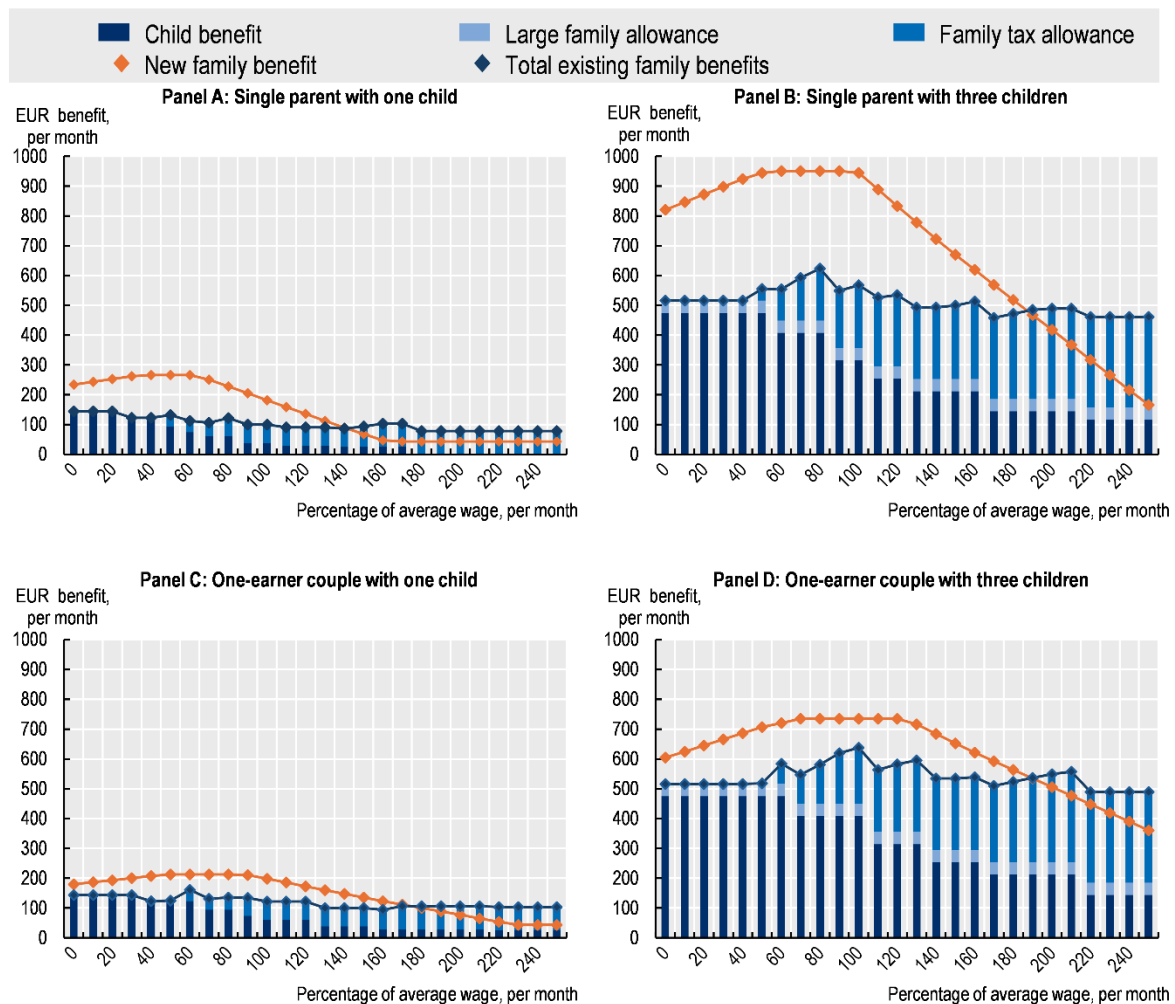
⁵ Other dimensions could also be compared, such as child's age, since for the two highest income brackets of the child benefit, this transfer is higher for children attending high school, i.e. older children, while this analysis focuses on young children with 3, 5 and 7 years old. In the case of the new family benefit, the number of parents in the labour market also influences the amount of the benefit received, since income thresholds are extended to account for higher earnings. This feature could also be studied by consider a two-earner couple household.

Cliff-hedge situations which can be observed in the design of the child benefit, but also of the family tax deduction, would be eliminated by the family support reform, by including phase-in and phase-out areas (Figure 1 – all panels, blue and orange lines). This would promote labour market incentives, both at the extensive and intensive margins, by avoiding penalizing marginal income increases which would lead to a substantial loss of the child support in the current system. Importantly, the new family benefit would be increasing with earnings for low levels of income up to the vicinity of the minimum wage, set to EUR 1277.72 monthly in 2025 (about half of the average wage).

Although phasing-out to a positive amount, for higher levels of the family income the new family benefit would not be able to fully compensate the existing family support. However, this would occur for earnings higher than 1.4 (1.8) times the average wage in the case of a single parent with one child (three children). This “break-even point” would be reached at even higher income levels in the case of the one-earner couple.

Figure 1: The new family benefit would include phase-in and phase-out areas which smooth benefit entitlement changes by eliminating cliff-hedge points

Evolution of family support policy instruments, by family types, for different wage levels



Note: OECD calculations using the EUROMOD J1.0+ model and input data constructed using the EUROMOD Hypothetical Household Tool. The only source of household income are wages.

Further information

The reforms described in this note were carried out as part of the 2025 Technical Support Instrument (TSI) project “Boosting the Usage of Distributional Impact Assessments through Microsimulation”, funded by the European Union. The beneficiary authority in Slovenia was the Ministry of Labour, Family, Social Affairs and Equal Opportunities. The reforms assessed during the project implementation, including those described in this note, were for capacity building purposes only and do not necessarily reflect the official views of the beneficiary authority.

More information on Slovenia’s tax-benefit system is available in the [OECD Descriptions of Tax and Benefit Systems](#).

How do taxes and benefits affect disposable household income, benefit replacement rates, benefit adequacy, and financial work incentives? Find out using the [OECD tax-benefit web calculator](#).

More information on the EUROMOD microsimulation model: [here](#).

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Funded by
the European Union

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