

Chapter 5

The disability allowance system in Belgium

This chapter looks at the role and functioning of the Belgian disability allowance system, the scheme for people who have never worked or not long enough to fulfil the disability insurance contribution requirements. It discusses why the outflow to work is negligible and why disability allowances are a trap for young adults.

In addition to the disability insurance benefit, disabled people with a reduced earning capacity are eligible for two types of non-contributory disability allowances. The “income replacement allowance” is targeted at people who have never worked or not long enough to fulfil the disability insurance contributory requirements, while the “integration allowance” compensates people for the additional difficulties they encounter in daily activities due to their disability (for the benefit levels and eligibility criteria see Chapter 1). Such disability allowances are typically granted for life and outflow to work is negligible.

Means-tested disability allowances

The income replacement allowance and integration allowance are granted independently of each other and can be combined with other benefits (such as unemployment benefits, disability benefits, etc.). Both allowances are means-tested and paid by the Federal Public Service for Social Security. By the end of 2010, nearly 160 000 people aged less than 65 received disability allowances (income replacement allowances and/or integration allowances) compared with about 260 000 disability insurance beneficiaries. About 7% of the income replacement allowance beneficiaries and about 18% of the integration allowance beneficiaries also received disability insurance benefits.

A large share of the disability allowance recipients only receives the partial integration allowance (39%; Table 5.1). People receiving such partial benefits often have an income from another source (though below a certain maximum, with the threshold depending on the household situation), such as labour market earnings, spouse’s earnings, or one of the several other working-age benefits. Half of the disability allowance beneficiaries receive both an income replacement allowance and an integration allowance, while only 10% of the disability allowance beneficiaries receive just the income replacement allowance.

Although the Federal Public Service for Social Security does not collect information on the type of disorder, a survey of 500 applicants for disability allowances suggests that about 26% of them suffer from a mental or behavioural disorder (Figure 5.1). The majority of disability allowance entrants are women or young people who never entered the workforce (together accounting for 36% of all disability allowance inflows, Figure 5.2), and disability benefit recipients who receive supplementary allowances on top of their disability benefits (21% of all inflows). Other beneficiaries come from social assistance (14% of all inflows), the unemployment benefit system (10% of all inflows), or from the labour market (13% of all inflows).

Table 5.1. A large share of the disability allowance recipients receives a partial benefit

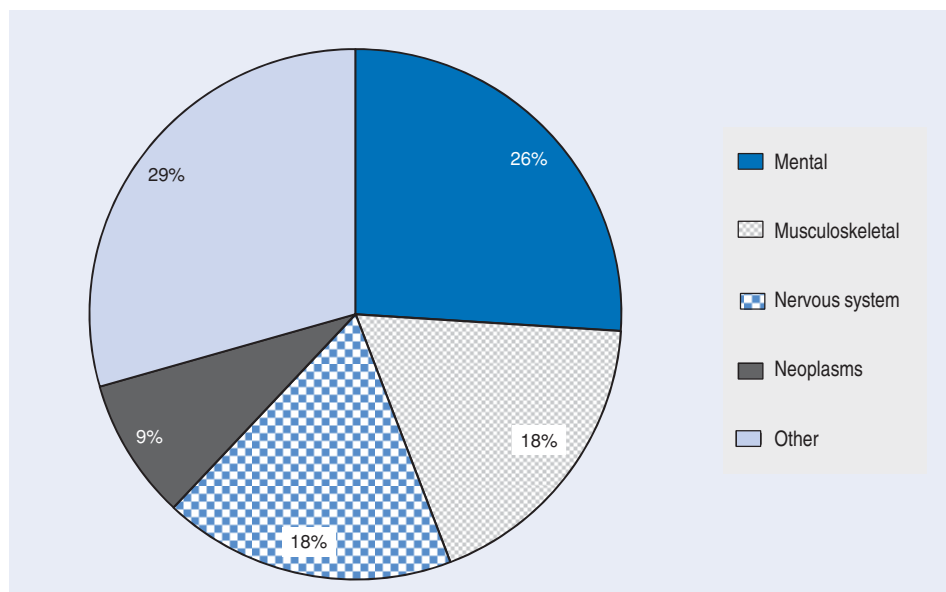
Number of recipients of the income replacement allowance and integration allowance aged less than 65, end 2010

	Numbers	Percentage
Integration allowance only	62 298	39%
Income replacement allowance only	16 354	10%
Both	80 010	50%
Total	158 662	100%

Source: Federal Public Service Social Security, Directorate General Disabled People.

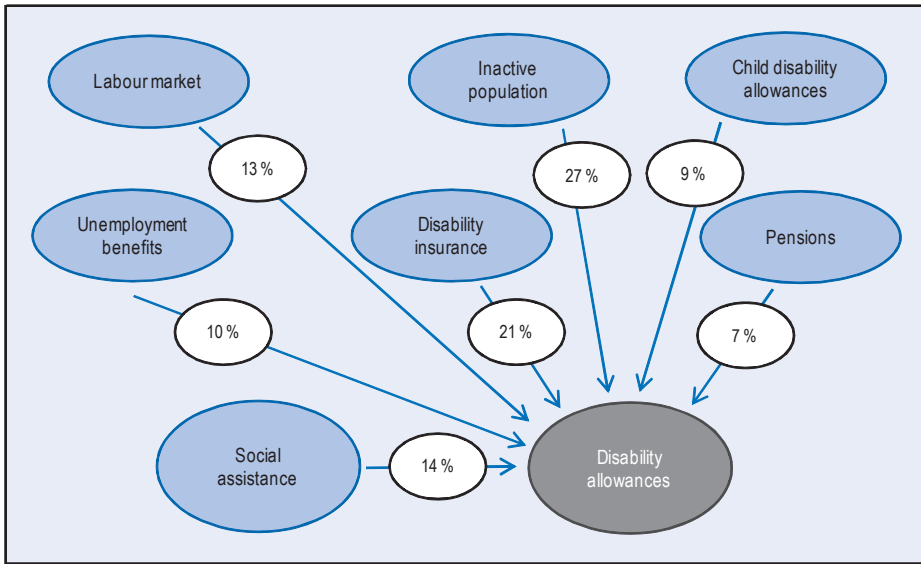
Figure 5.1. Mental disorders account for one quarter of all disability allowance applications

Inflow into disability allowances by health condition as a percentage of total inflows for persons aged 21 to 65, 2008



Source: Federal Public Service for Social Security, Directorate General for Disabled People.

Figure 5.2. **A large share of the disability allowance entrants has never worked**
Inflows into disability allowances, in percentages, 2009



Source: Federal Public Service for Social Security, Directorate General for Disabled People.

Despite clear distinctions in eligibility criteria for disability benefits and disability allowances, some people are being shifted around between both systems. In principle, disability benefits are social insurance benefits for workers satisfying the minimum contributory requirements of at least six months of employment or 120 days of actual work being covered. If the work-capacity assessment reveals, however, that the disability occurred *before* the person started working, the case is referred to the disability allowance system. In this case, a *medical* assessment rather than a *work-capacity* assessment determines eligibility for benefits, and people who were considered disabled in the disability benefit system but transferred to the disability allowance system can still be rejected for the latter. Most of these cases are then brought to court, which typically decides in favour of disability insurance benefits.

There is no activation of disability allowance beneficiaries

Employment activation is not imbedded in the disability-allowance system and outflows for reasons other than death or retirement are negligible (less than 1% of the disability allowance stock). There is no co-operation between the Directorate General for Disabled People of the Federal Public Service for Social Security, which is financially responsible for disability allowances, and

the regional employment offices, which are responsible for the employment support for people with mental health problems.¹ Disability allowance beneficiaries with remaining work capacities who would like to work can contact the regional employment offices, but they are neither encouraged nor obliged to work by the Federal Public Service for Social Security.

Disability allowances are a trap for young adults

Parents of children aged 0 to 21 with disabilities, including behavioural or emotional disorders, can apply for a child benefit supplement from the disability allowance system. The benefit amounts depend on the degree of difficulties the child experiences in daily life and range from EUR 77 to EUR 517 in addition to the regular child benefits.² The eligibility evaluation is carried out by a medical doctor of the Directorate General for Disabled People of the Federal Public Service for Social Security, the same department responsible for the medical assessment for adult disability allowance beneficiaries.

For young people benefiting from the child benefit supplement for disabled children, there are strong disincentives to start working when they turn 18, as this means a re-evaluation of their eligibility. Only when they work in a sheltered workplace, in paid employment with a maximum of 240 hours per quarter, or as an intern with gross earnings below EUR 510 a month, is it possible for their parents to continue receiving the child benefit supplement. As a result, very few take the risk of losing their benefit entitlements and nearly all child disability beneficiaries directly move into the disability allowances system once they turn 21. Since there is no rehabilitation or employment support imbedded in the disability-allowance system, most youth will never leave the system for work and remain for a lifetime dependent on benefits.

Conclusions and recommendations

The disability allowance system is built around the principle of providing benefits for people who cannot be expected to work. Accordingly, potential benefit recipients are assessed in terms of their incapacities and are not assumed to look for a job (in a reduced capacity) or improve their employability as a condition for benefit entitlement. As the outflow from the disability allowance system (other than through death and retirement) is nearly zero, beneficiaries are highly likely to spend a lifetime on benefits, often not high enough to keep them out of poverty. This is a particular concern for the young. Yet, many mental disorders are fluctuating over time and the

symptoms can be reduced with appropriate treatment. For these reasons, full and permanent disability allowances are not the best solution for this group.

Recommendations

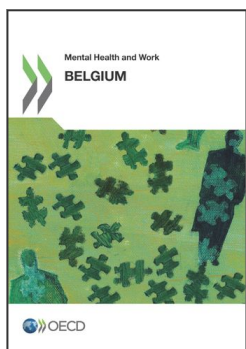
- Restrict permanent disability allowances to people with the most severe mental disorders and introduce temporary payments with reassessments at periodic intervals for those with remaining work capacity.
- Broaden the disability allowance assessments to look at what work capacity clients still have. Consider adopting a multidimensional assessment framework as used in other OECD countries, *e.g.* Australia, Denmark and the Netherlands (OECD, 2010).
- Strengthen reintegration measures in co-operation with the regional public employment services, accompanied by participation requirements, to help people with mental disorders access the labour market.
- Avoid the automatic transition from child disability benefits to disability allowances and eliminate the strong disincentives to start working for child disability allowance beneficiaries once they finish compulsory education.

Notes

1. Mental disorders are not recognised as disabilities by the regional offices for people with disabilities – *i.e.* AWIPH (*Agence Wallonne pour l'Intégration des Personnes Handicapées*) in Wallonia, PHARE (*Personne Handicapée Autonomie Recherche*) in Brussels, and VAPH (*Vlaams Agentschap voor Personen met een Handicap*) in Flanders – which are responsible for employment policies for people with disabilities (except in the case of Flanders, see Chapter 5). People with mental disorders thus depend on the public employment services for employment support.
2. The amounts apply to 2012 and are taken from the Department of Child Benefits for Employees (<http://onafts.fgov.be>).

References

OECD (2010), *Sickness, Disability and Work: Breaking the Barriers – A Synthesis of Findings Across OECD Countries*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264088856-en>.



From:
Mental Health and Work: Belgium

Access the complete publication at:
<https://doi.org/10.1787/9789264187566-en>

Please cite this chapter as:

OECD (2013), "The disability allowance system in Belgium", in *Mental Health and Work: Belgium*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264187566-9-en>

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.