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Unemployment assistance in Europe

December 2024

Editorial

Unemployment insurance systems generally aim to enable jobseekers to maintain a standard of living in relation with that which prevailed before the loss of employment. They are, for the most part, financed by specific contributions or by general contributions to social security and require that unemployed workers have paid sufficient contributions to have access to them.

They are different from **unemployment assistance schemes**, which aim to guarantee a **minimum standard of living** for people who do not qualify for unemployment insurance or have exhausted their benefits. These assistance measures are, in principle, financed by tax and are accessible only to jobseekers whose resources fall below a certain threshold.

These two levels of protection against the risk of unemployment are intended for people able to work and aiming for a return to work. They differ from social assistance schemes¹ which concern a larger population of beneficiaries, whether they are able to work or not, and which aim to address the risks of poverty and social exclusion.

The French compensation system consists of insurance and unemployment assistance. What about elsewhere in Europe? Are there also unemployment assistance schemes in our European neighbours?

This study offers an overview of existing measures in 8 of the 15 European countries studied and offers a comparative look at their common features and differences.

¹ Measures not studied in this study

Unemployment rate

(Source: Eurostat, July 2024)

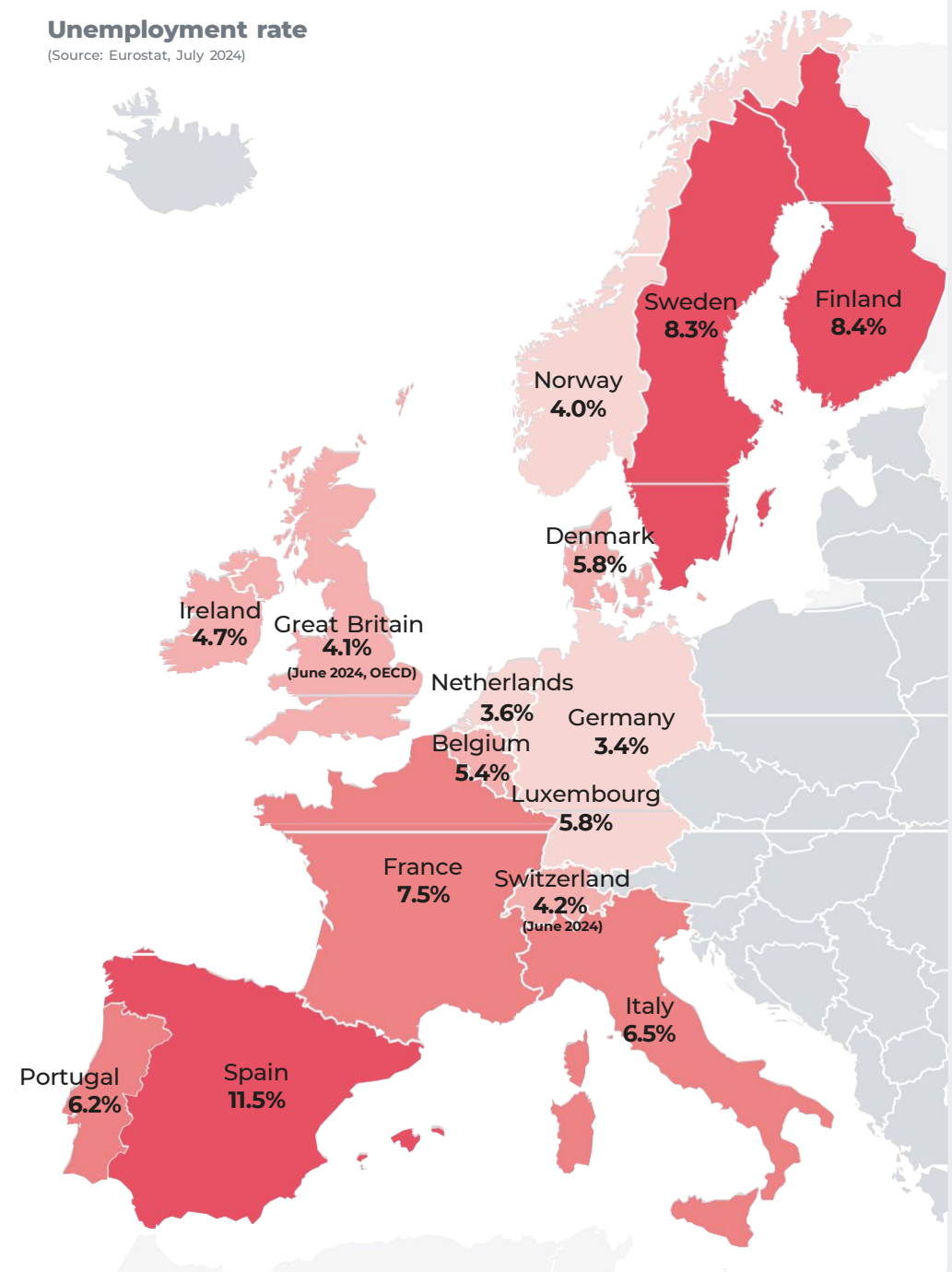


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In which countries are jobseekers covered by unemployment assistance schemes?

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Among the 15 European countries reviewed in this study, unemployment benefit schemes in Germany, the United Kingdom, Spain, Finland, France, Ireland, the Netherlands and Portugal include **unemployment assistance schemes in addition to their insurance systems**.

Beneficiaries who are not or no longer entitled to insurance benefits

These schemes concern, in principle, jobseekers who do not qualify for unemployment insurance benefits because they do not meet the conditions of access or jobseekers who have exhausted their rights to the benefits.

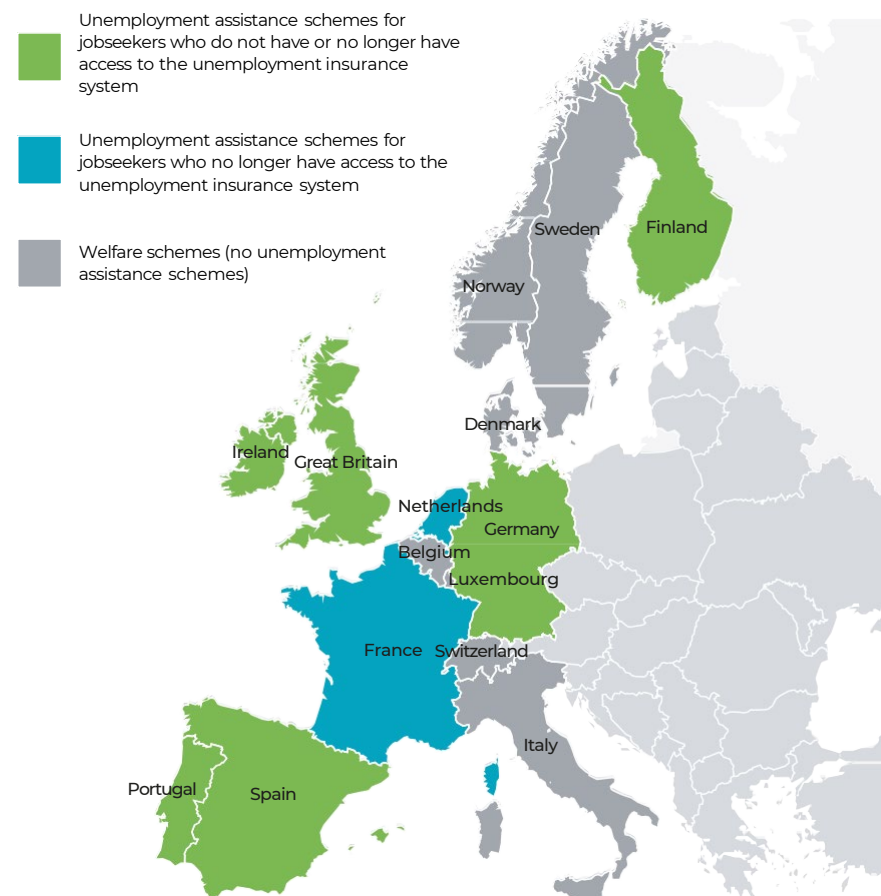
Schemes with a more or less broad scope

Unemployment assistance benefits may be paid to the jobseeker on an individual basis, as is the case in France or Spain, or may be paid per household, as is the case, for example, in the following countries:

- In **Germany**, the unemployment assistance scheme, reformed in 2022², aims to cover all the needs of the household of the beneficiary of the allowance. All persons living under the same roof as the beneficiary are thus considered to be part of the same "community of need" and can also benefit from the scheme even if they are not able to work.
- In the **United Kingdom**, the social assistance system was substantially reformed in 2012 in order to simplify the existing benefit system and to strengthen the incentive to return to work. The unemployment assistance allowance, which existed independently until this reform was integrated into a new benefit, the Universal Credit, in order to consolidate certain means-tested benefits³ into a single benefit paid per household.

Specific allowances for certain populations of jobseekers

In some countries, assistance allowances target specific beneficiary populations. This is particularly the case in the **Netherlands**, where the assistance measure only concerns jobseekers aged 60 and over, and in **Ireland**, which provides for a "general" unemployment assistance allowance as well as a specific allowance for single parents.











² In Germany, the unemployment assistance scheme was reformed in 2022 in order to strengthen the support of people in need and their sustainable integration into the labour market. The citizen's benefit replaced the controversial "Hartz IV" benefit resulting from the 2005 reforms.

³ Dependent Child Tax Credit, Housing Benefit, Income Support Benefit, Unemployment Assistance Benefit, Disabled Workers Benefit, Employment Tax Credit.

What are the conditions of access?

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CONDITIONS OF ACCESS		 FINLAND	 FRANCE	 GERMANY	 IRELAND	 PORTUGAL	 SPAIN	 THE NETHERLANDS	 UNITED KINGDOM*
Conditions generally common to unemployment insurance and assistance schemes	Being totally or partially unemployed	✓	✓	✓	✓	✓	✓	✓	✗
	Work needed to qualify	✗	✓	✗	✗	✓	✓	✗	✗
	Being registered as a jobseeker	✓	✓	✓	✓	✓	✓	✓	✗
	Being fit for work	✓	✓	✓	✓	✓	✓	✓	✗
	Being available for work	✓	✓	✓	✓	✓	✓	✓	✗
	Looking for work	✓	✓	✓	✓	✓	✓	✓	✗
	Residing in the country where the request is made	✓	✓	✓	✓	✓	✓	✓	✓
	Having reached a minimum age	✓	✗	✓	✓	✗	✓	✓	✓
	Not having reached the legal retirement age	✓	✓	✓	✓	✓	✓	✓	✓
Conditions specific to unemployment assistance schemes	Not being entitled to Unemployment Insurance	✓	✗	✓	✗	✓	✓	✗	✗
	No longer being entitled to Unemployment Insurance	✓	✓	✓	✓	✓	✓	✓	✗
	Not having resources exceeding a certain threshold	✓	✓	✓	✓	✓	✓	✓	✓

* Intended for jobseekers, low-income workers and people unable to work, the British universal credit measure is atypical in the panel of systems reviewed.

What are the conditions of access?

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Lack of resources to cover basic needs

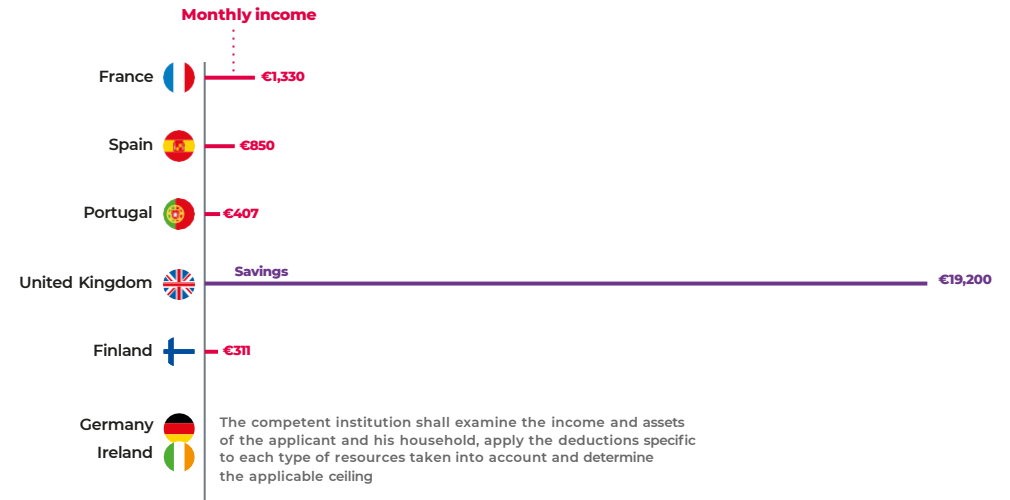
All the schemes reviewed require **that the resources of the applicant or his household are below a certain level**. This condition, which is specific to the logic of assistance, is explained by the fact that this benefit **aims to guarantee a minimum standard of living** for jobseekers who cannot meet their basic needs from their own income or that of the household.

The resources considered generally cover **monthly income** (labour income, property income, capital income, social benefits, annuities, etc.). In some countries, such as Germany and the United Kingdom, **the value of real estate assets, savings or financial assets** may be taken into account.

The level of this maximum monthly resources above which the jobseeker can no longer claim the benefit varies widely from one country to another. It is, for example, **€1,330 in France** for a single person, **€850 in Spain**, **€407 in Portugal** or **€19,200 in the form of savings in the United Kingdom**.

In Finland, the amount of the benefit is reduced when the monthly resources are higher than €311 for a single person and €1,044 for a couple⁴. In **Germany** and **Ireland**, the competent institution⁵ examines the income and assets of the applicant and his household, applies the deductions specific to each type of resources taken into account and determines the applicable threshold.

Limit of resources for a single person



⁴The resource ceiling is increased by €130 for each dependent child.

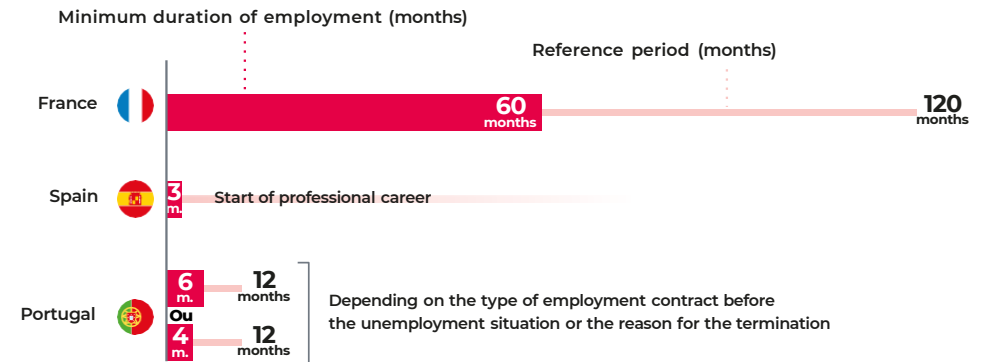
⁵Public Employment Service in Germany, Department of Social Welfare in Ireland.

What are the conditions of access?

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Evidence of a contribution period

In some systems, **the situation on the labour market before the loss of employment** is taken into account and access to the assistance benefit is subject to a minimum period of employment to be justified during a determined reference period. This is the case, among the countries reviewed, in **Spain, France and Portugal**.



Having reached a minimum age

Jobseekers must also satisfy certain **individual criteria** in order to be able to access the allowance. In some countries, they must, for example, prove a minimum age, that they have not reached the legal retirement age and that they reside in the country where the application is made.



What are the amount and the duration of the allowance ?

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Unlike unemployment insurance benefits, which are generally proportional to the wages received before the loss of employment, assistance allowance corresponds to a **flat rate**.

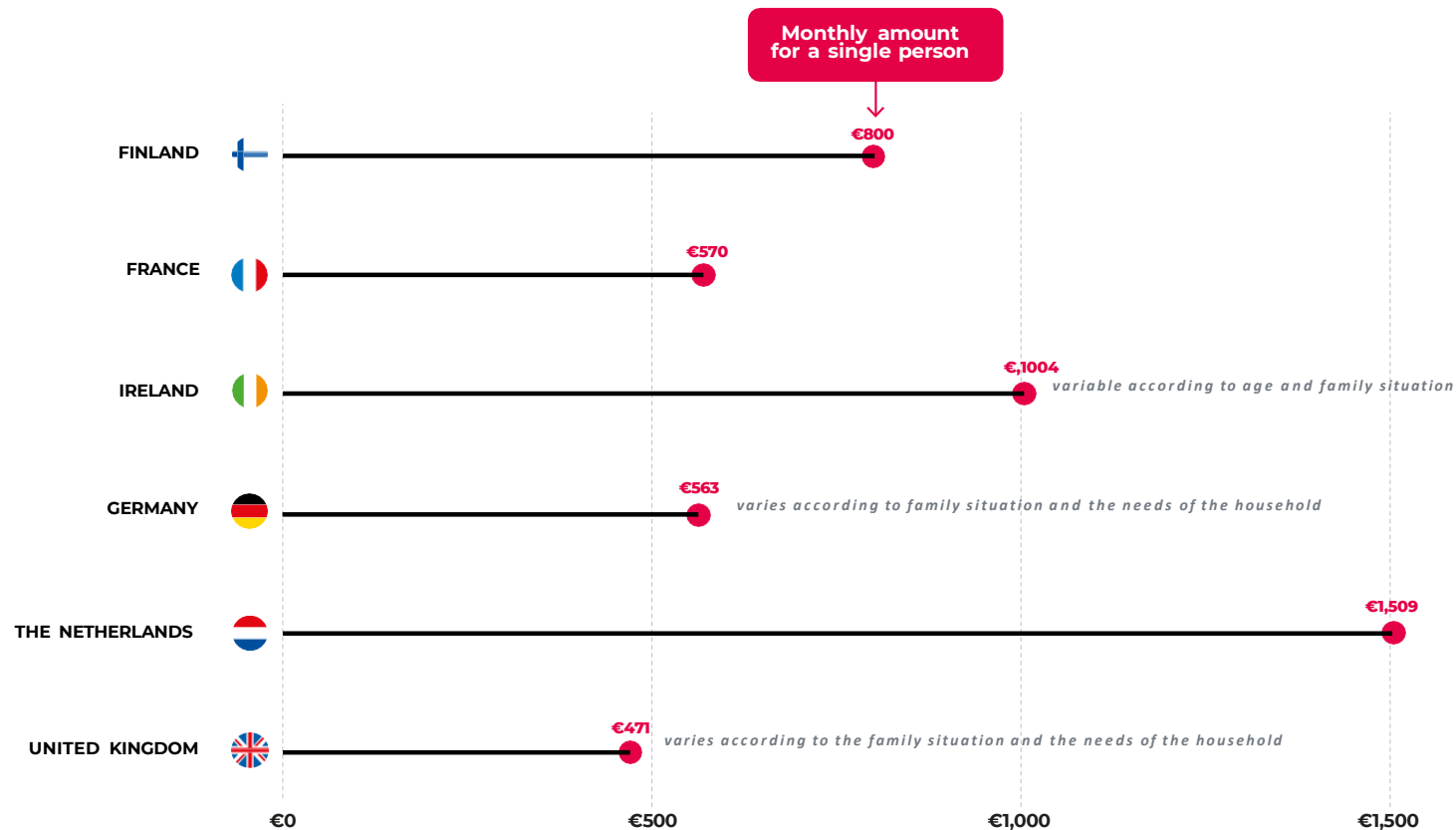
In some countries, this may **be increased according to the age or family situation of the person concerned**, or even reduced due to the income level of the beneficiary.

Countries paying an allowance for an unlimited period of time

In **Germany** or the **United Kingdom**, the **needs of the household** are taken into account and additional payments to cover costs relating to accommodation, schooling or childcare may be added to the initial amount of the allowance.

These allowances are, in some countries, paid **indefinitely** as long as the beneficiary meets the eligibility criteria. This is particularly the case in **Germany, Finland, France, Ireland** and the **United Kingdom**. In the **Netherlands**, they are served until retirement age.

In **Spain** and **Portugal**, benefits are paid for a **limited period** (see below).



What are the amount and the duration of the allowance ?

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Countries paying an allowance for a limited duration

The Spanish unemployment benefit system was deeply **reformed in 2024** in order to simplify and improve protection of the assistance scheme.

The **new provisions**, which entered into force on 1 November 2024, extend the scope of application of the measure to new beneficiaries⁶, encourage the return to work (see below) and **improve the level of compensation**⁷. The duration of compensation has not been changed by the reform. It varies from **3 to 30 months** depending on the age or family situation of the jobseeker, the contribution history or whether the person has received insurance benefits. Jobseekers **aged 52 and over**, on the other hand, benefit from a specific duration of compensation up to the retirement age.



SPAIN



Duration of the benefit

Jobseeker at the end of entitlement to unemployment insurance



Between 6... ..and 30 months

according to the age of the jobseeker, the family situation and the previous duration of compensation

Jobseeker not entitled to unemployment insurance



Between 3... ..and 21 months

depending on the family situation of the jobseeker and the duration of the previous contribution

Jobseeker over 52 years old



Up to the retirement age



Benefit amount



€570/month **€540/month** **€480/month**
for the first 6 months *for the next 6 months* *for the remaining compensation period*

⁶Victims of sexual or gender-based violence, agricultural workers, Ceuta and Melilla cross-border workers and jobseekers under the age of 45 with no family responsibility are now eligible for unemployment assistance benefit.

⁷The benefit amount was €480 per month before the reform.

What are the amount and the duration of the allowance ?

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Countries paying an allowance for a limited duration

In **Portugal**, the duration of compensation varies **between 5 and 18 months** depending on the age of the jobseeker and the length of previous contribution. If the person concerned is under 40 years of age and has already received the insurance **benefit**, the period of compensation initially calculated would be halved.

It should be noted that there is also **an assistance allowance for long-term jobseekers** who have exhausted their right to the initial assistance benefit. This specific benefit is paid for a maximum period of 6 months. Its amount corresponds to 80% of the amount of the last unemployment assistance allowance received.



Duration of the benefit

Less than 30 years



Between 5... ..and 11 months

Between 30 and 39 years



Between 6... ..and 14 months

Between 40 and 49 years



Between 7... ..and 18 months

50 and over



Between 9... ..and 18 months

according to the period of previous contribution



Benefit amount **€407/month**

Is it possible to work while receiving unemployment allowance?

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All the countries reviewed⁸ **encourage jobseekers to return to work by allowing the combination of unemployment assistance allowances and income from work**. However, the terms of this incentive vary significantly from one country to the next. In the German, Finnish, Irish and British schemes, **part of the income from the new activity is deducted from the amount of the allowance**. In Spain and France, income from the new activity is not taken into account but the **measure is limited in time**.

Taking new activity income into account

In **Germany**, the first 100 euros received from the new job can be fully combined with the allowance. The amount of the allowance is reduced beyond this threshold according to the level of income of the person concerned. It should be noted that only part of the income is taken into account and deducted from the amount of the benefit.

Gross monthly income	% of income not deducted from the amount of assistance allowance
Between €100 and €520	20%
Between €520 and €1,000	30%
Between €1,000 and €1,200	10%

In **Finland**, 75% of income above €311 is deducted from the amount of the single person's allowance. For a couple, 50% of income over €1,044 is deducted from the allowance.

In **Ireland**, it is possible to work up to 3 days a week and continue to receive unemployment assistance allowance. The amount of the allowance is reduced to 60% of the activity income from which €20 per week is deducted.

In the **United Kingdom**, the amount of universal credit is reduced by 55 pence for each pound⁹ collected.

Limitation of the measure over time

In **Spain**, it is possible to combine the unemployment assistance allowance with the income from a new full-time or part-time job for a **maximum of 180 days**.

The amount of the allowance is flat-rate and degressive and varies according to the following criteria:

- **the period of resumption of employment**: the faster the resumption of employment, the higher the amount of the benefit. A jobseeker who resumes full-time employment in the first quarter of compensation will, for example, be entitled to €480 per month and €240 per month if he resumes employment in the third quarter of compensation;
- **the working time of the new activity**: the closer the working time is to full time, the higher the amount of the benefit. A person who resumes full-time employment will thus be entitled to €480 per month during the first quarter of compensation and €360 per month if the job resumed is part-time.

In **France**, the unemployment assistance allowance may be fully combined with income from a new professional activity **for a period of 3 months**. Beyond this period, if the recipient still carries out this activity, the payment of the benefit shall cease.

⁸ Netherlands, Portugal: information not available.

⁹ As of 11 December 2024, 1 Pound sterling was equivalent to 1.21 euro.

Appendix

-  **Finland:** Työmarkkinatuki (Labour market integration support)
-  **France:** Specific solidarity benefit (ASS)
-  **Germany:** Bürgergeld (Citizen's benefit)
-  **Ireland:** Jobseeker's Allowance, Jobseeker's Transitional payment
-  **Portugal:** Subsídio social de desemprego (Unemployment Assistance Benefit)
-  **Spain:** Subsidio de desempleo (unemployment assistance benefit), Subsidio de desempleo para mayores de 52 años (unemployment assistance benefit for persons aged 52 and over)
-  **The Netherlands:** Inkomensvoorziening Oudere Werklozen, IOW (Unemployment Assistance Benefit for Senior Jobseekers)
-  **United Kingdom:** Universal credit

Unédic shall endeavour to disseminate accurate and up-to-date information, and shall correct, to the extent possible, any errors reported to it. However, it can in no way be held responsible for the use and interpretation of the information contained in this publication.

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