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Gateway Policy Explorer: Retirement Series

Austria

Public Old-Age Social Assistance Plan Details

1992-2022

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Preface

This document is intended for researchers who want to understand the evolution of policy or the policy in place at a particular point in time. This document is not intended for financial advice or to aid in decision-making. The authors have made significant effort to identify and collect historical information pertaining to these policies, to accurately represent these policies, and to communicate how policies may interact to determine legal requirements, eligibility for benefits, and/or benefits levels. The policies presented in this document focus on rules applicable to most individuals aged 50 and older from 1992. Many systems include special policies or alternative eligibility rules for specific groups. We encourage all users to complete their own review of literature in this area depending on the research questions they have in mind.

If you have feedback or questions or identify an error, please contact policy@g2aging.org.

Background — Gateway Policy Explorer: Retirement Series

The *Gateway Policy Explorer* (<http://g2aging.org/policy-explorer>) is part of the Gateway to Global Aging Data (<http://g2aging.org>) project. The *Retirement Series* captures historical policy that affects the birth cohorts of respondents in the surveys covered by the Gateway. It was motivated by the rapid evolution of policies affecting older people across the world. As the Health and Retirement Study (HRS) began in 1992 and many of the international network of studies (HRS-INS) cover more than a decade, understanding the policies in place at the time of the survey has become more demanding for researchers.

Why are we tracking past policy? Individuals make choices based on current policies and the outcomes we see today may reflect responses to past policies. When interpreting the survey responses of individuals, an understanding of the policy environment under which those individuals operate is critical. The collection of contextual information in the *Gateway Policy Explorer* aims to support researchers who want to understand or use policy changes in their research and provide context for longitudinal or cross-country differences. Over the period 2023–2026 the *Gateway Policy Explorer* will be expanded to include information on retirement, long-term care, education, and other policies affecting the life cycle.

The key dimensions to the *Gateway Policy Explorer: Retirement Series* are country and time. We prioritize data collection for each country based on its first interview wave and are continuing to expand our data collection back in time to 1992, the earliest survey date in the HRS-INS.

A separate document, like this one, is developed for each country and each broad category of policies covered in the *Gateway Policy Explorer: Retirement Series*.

Author and Contributor Disclaimers

† The opinions expressed here are those of authors and do not necessarily reflect the views of the OECD or of its member countries.

Austria

Old-Age Social Assistance
Plan details 1992-2022 * †

Austria has two social assistance systems providing non-contributory, need-based benefits to persons in old-age. The first system is a broad system not specifically targeted at persons in old-age. It is regulated and administered separately by each of Austria's nine states and has undergone a number of reforms since 1992. It has been known as Social Assistance (Sozialhilfe) from 1992-2009 and 2019-2022, and Minimum Income from 2010 to 2018. This system is need-based, dependent upon one's willingness to work, and limited to Austrian citizens and permanent residents living in Austria. The second system is the Compensatory Allowance (Ausgleichszulage), also known as the minimum pension. Since 1996, this system supplements benefits for persons eligible for their own public old-age benefit whose benefit is below a threshold.

Key Dates

First law: 1955

Major changes since 1992: 2010, 2019

Contents

Chapter 1: Policy enacted 1992-2009	5
Overview	5
Eligibility	5
Benefits	6
Chapter 2: Policy enacted 2010-2018	8
Overview	8
Eligibility	8
Benefits	9
Chapter 3: Policy enacted 2019-2022	11
Overview	11
Eligibility	11
Benefits	13
Tables and Formulas	16
Table 1: Increased Full Eligibility Age for Women	16
Table 2: Social Assistance Standard Rate in Salzburg (1992-2009)	17
Table 3: Social Assistance Standard Rate in Nine Federal States in 2007	17
Formula 1: Social Assistance Benefit Calculation (1992-2009)	18
Formula 2: Compensatory Allowance Benefit Calculation (1996-Present)	18
Table 4: Compensatory Allowance Reference Rates	19
Table 5: Standard Rate as Percentage of Net Compensatory Allowance	19
Table 6: Subsistence and Housing Needs Benefits in 2022 (as a percentage of standard rate)	20
Formula 3: Minimum Income Benefit Calculation (2010-Present)	20
Formula 4: Social Assistance with Maximum Rates Benefit Calculation (2019-Present)	21
Table 7: Compensatory Allowance Bonus (2022)	21
Sources	22
Glossary of terms	24

* If you have questions or suggestions, please contact policy@g2aging.org.

† Detailed information and definitions are provided in tables, formulas and a glossary at the end of this document. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: "Alt" + "←"; In Adobe Acrobat on a MAC: "command" + "←"; In Preview on a MAC: "command" + "[".

Version information	25
Additional resources	25

Chapter 1: Policy enacted 1992-2009

Overview

During this period, Austria has two social assistance systems providing non-contributory, need-based benefits to persons in old-age. The first is known as Social Assistance (Sozialhilfe). Any permanent resident living in Austria who cannot cover their own subsistence and housing needs by own funds or work, nor with third-party benefits, may apply for Social Assistance benefits. There are nine federal states in Austria and Social Assistance is regulated and administered separately by each state during this period. Benefit eligibility and amount may differ between states but, in general, they share a common framework.

The second system is the Compensatory Allowance (Ausgleichszulage), also known as the minimum pension, and is effective from August 1, 1996. In this system low-income pensioners are entitled to a benefit if their total income (sum of gross pension, net income and alimony) is below the minimum pension amount. A pensioner may apply for Social Assistance in addition to receiving Compensatory Allowance. The General Social Security Act (Allgemeines Sozialversicherungsgesetz, ASVG) forms the legal basis and provides for minimum standards across the states. The Pension Insurance Institution (Pensionsversicherungsanstalt, PVA) is responsible for administering Compensatory Allowance.

In this chapter, we provide information on general requirements for benefit eligibility and how benefits are calculated in both systems, focusing on the common elements of Social Assistance across the nine federal states.

Eligibility

Age requirements to start benefits without penalty

- **Full eligibility age (FEA)**

Age 65 for men; Age 60 for women and gradually increasing starting in 2024 to age 65 by 2033 —See [Table 1](#) for changes in full eligibility age for women

Requirements to be eligible to receive benefit

- **Does eligibility depend on the individual's current income (i.e., income tested)?** Answer: Yes
- **Does eligibility depend on the individual's current assets (i.e., asset tested)?** Answer: Yes
- **Details by benefit program:**

[Social Assistance](#)

To qualify for Social Assistance, one must satisfy the following conditions —

- **Work or age requirements:** People capable of work are required to use their own labor force and to be registered as job-seekers. Persons satisfying one of the following conditions are exempted —
 - * They have reached the full eligibility age —age 65 for men and age 60 for women
 - * They have care obligations such as children under age of 2
 - * They are in vocational training
 - * They are affected by disability
- **Limited means:** An individual's income, assets, and third-party benefits are not sufficient to cover general subsistence and housing needs. A means-test is applied. Details on the means-test are included in the benefits section of this chapter.
- **Citizenship and residency requirements:** Requirements for Social Assistance may differ by federal state but, in general, it is granted exclusively to permanent residents living in Austria:
 - * Austrian citizens
 - * [EU/EER](#) citizens
 - * Persons with permanent residence permit of more than three months who are residing in Austria

Compensatory Allowance: Available from August 1996

To qualify for a Compensatory Allowance, one must satisfy the following conditions —

- **Receipt of pension:** An individual must be receiving an old-age benefit —See the policy document *Austria Public Own Old-Age Benefit Plan Details* for old-age benefit eligibility conditions
- **Limited means:** The sum of one's own net income and pension benefits must not exceed a reference rate determined within [ASVG](#) based on pensioner's position in household; the net income of the spouse(s) living in the same household is also taken into account

Benefits

- To receive a benefit, [does an individual have to claim it?](#) Answer: Yes
- To continue to receive a benefit, [does an individual have to remain qualified?](#) Answer: Yes

Factors effecting computation of benefit entitlement

- Does the benefit amount depend on the individual's birth year (regardless of age)? Answer: No
- Is the benefit adjusted if an individual delays claiming it? Answer: No
- Are future benefit entitlements adjusted for [cost of living](#)? Answer: Yes
- If so, what measure is used for adjustment? Adjustment factor (Anpassungsfaktor) is published by the Federal Minister for Social Security, Generations and Consumer Protection (Der Bundesminister für soziale Sicherheit, Generationen und Konsumentenschutz) every year for the following year to adjust for the average increase in consumer prices in 12 months up to July of the preceding year, using the 2000 consumer price index or an index replacing it. The average increase in consumer prices is computed using the arithmetic mean of the annual inflation rates published by Statistics Austria for the calculation period.

Benefit formula

Social Assistance

Social Assistance is provided to support necessities. When assessing Social Assistance benefits, the federal state's administering agency deducts income, usable assets, and third-party benefits. The Social Assistance benefits are paid 14 times a year, including:

- Standard rate: A monthly flat-rate benefit provided for subsistence and housing needs. The standard rates are set every year by state government and vary across states by beneficiary groups (e.g., single person/parent, persons living in the same household) —see [Table 2](#) for standard rate for different beneficiary groups in Salzburg during this period and [Table 3](#) for standard rate for single person/parent in nine federal states in 2007.
- Accommodation costs for additional subsistence and housing needs: If the cost of subsistence and housing needs is higher than the standard rate, an extra amount of benefit may be granted to cover the actual costs.
- Care assistance and assistance in case of illness, pregnancy, and childbirth, including costs of necessary services.
- Other costs such as education costs and funeral expenses.

Income, realizable assets and third-party benefits are deducted from the benefits —

- All income that accrues to the benefit seeker is taken into account, except for family and care allowances
 - Assets must be used before claiming Social Assistance unless the item is necessary for employment or social emergency or if selling the item aggravates the social emergency
 - Third-party benefits include all cash and non-cash benefits from third-party
 - For example, public funds to support subsistence and housing needs, income of spouses living in the same household
- Voluntary non-statutory welfare benefits or benefits provided by third parties without legal obligation are excluded, unless such benefits have been provided for an uninterrupted period of four months or reach a level such that social assistance benefits would no longer be required

A summary of how to compute Social Assistance benefits during this period is available in [Formula 1](#). See state legislation for more details.

Compensatory Allowance

Compensatory Allowance supplements the pension with the difference between one's total income and the reference rate set by ASVG and is paid 14 times a year. Total income is based on a person's pension benefit, their own income less income taxes and social insurance contributions (i.e., net income) and, if applicable, the net income of a spouse living in the same household. Income from the following sources are exempted —

- Housing subsidies according to the Housing Promotion Act 1968
- Grants according to the special regulations on the equalization of family burdens and grants according to the 1992 Study Support Act and the Student Grants Act
- Child allowance and special pension payments
- Allowances due to special physical conditions such as disabilities
- Alimony
- Social assistance and non-statutory welfare benefits
- Apprenticeship compensation up to 184.88 € as of 2010
- Basic and parental pensions granted under the War Victims' Welfare Act 1957, and the Victims' Welfare Act, one third of the disabled persons' and widows' pensions granted under the Army Welfare Act, and the parental pensions including any additional pension, as well as a pension benefit granted under foreign legislation that is due to the cause of the fight or

- deployment against National Socialism
- Benefits based on the Austro-German Finance and Compensation Agreement
- Cash benefits granted under the Federal Act on the Granting of Assistance to Victims of Crime
- Disability benefit

A summary of how to compute Compensatory Allowance benefits is available in [Formula 2](#). See [Table 4](#) for Compensatory Allowance reference rates over time.

Chapter 2: Policy enacted 2010-2018

Policy change in 2010

Law 96/2010: Effective December 1, 2010, an agreement according to Article 15a of the Federal Constitutional Law (B-VG) was concluded between the federal government and the federal states. This agreement formed a nationwide need-based means-tested Minimum Income system. Federal states published provincial laws based on this agreement. The latest state law came into effect in October 1, 2011 (Upper Austria). Key elements of this agreement include —

- Establishing a nationwide uniform standard for Minimum Income in all nine states
- Introduction of an asset allowance when assessing benefits
- Change in payment occurrences from 14 to 12 times a year

This agreement expired at the end of 2016 and federal states could redesign the Minimum Income without being limited by the common framework.

Other key reforms during this period include:

- **Law 17/2012:** Effective June 1, 2012, benefits defined within the Volunteer Act are exempted from compensatory allowance.

Overview

During this period, Austria has two social assistance systems providing non-contributory, need-based benefits to persons in old-age. The first is known as Minimum Income, which is a nationwide uniform need-based means-tested cash benefit. Any permanent resident living in Austria who cannot cover their own subsistence and housing needs by own funds or work, nor with third-party benefits, may apply for Minimum Income benefits. There are nine federal states in Austria and Minimum Income is regulated and administered separately by each state during this period. Benefit eligibility and amount may differ between states but, in general, they share a common framework.

The second system is the Compensatory Allowance (Ausgleichszulage), also known as the minimum pension. In this system low-income pensioners are entitled to a benefit if their total income (sum of gross pension, net income and alimony) is below the minimum pension amount. A pensioner may apply for Social Assistance in addition to receiving Compensatory Allowance. The General Social Security Act (Allgemeinen Sozialversicherungsgesetzes, ASVG) forms the legal basis and provides for minimum standards across the states. The Pension Insurance Institution (Pensionsversicherungsanstalt, PVA) is responsible for administering Compensatory Allowance.

In this chapter, we provide information on general requirements for benefit eligibility and how benefits are calculated in both systems, focusing on the common elements of Minimum Income across the nine federal states.

Eligibility

Age requirements to start benefits without penalty

- **Full eligibility age (FEA)**

Age 65 for men; Age 60 for women and gradually increasing starting in 2024 to age 65 by 2033 —See [Table 1](#) for changes in full eligibility age for women

Requirements to be eligible to receive benefit

- **Does eligibility depend on the individual's current income (i.e., income tested)?** Answer: Yes
- **Does eligibility depend on the individual's current assets (i.e., asset tested)?** Answer: Yes
- **Details by benefit program:**

[Minimum Income](#)

To qualify for Minimum Income, one must satisfy the following conditions —

- Work or age requirements: People capable of work are required to work or be registered as job-seekers. Persons satisfying one of the following conditions are exempted —
 - * They have reached the full eligibility age (60 for women, 65 for men)
 - * They have care obligations for children under age of 3 and no suitable care is available
 - * They need to care for relatives that receive at least a Level 3 care allowance
 - * They need to provide terminal care or care for seriously ill children
 - * They are in an apprenticeship or school education that started before age 18

- Limited means: An individual's own income, assets, or third-party benefits are not sufficient to cover their general subsistence needs and housing needs. A means-test is applied. Details on the means-test are included in the benefits section of this chapter.
- Citizenship and residency requirements: Minimum Income benefits are granted exclusively to persons entitled to permanent residence in Austria —
 - * Austrian citizens and their family members
 - * Persons entitled to asylum and subsidiary protection
 - * EU/EEA citizens, Swiss citizens and their family members
 - * Persons with a permanent residence permit and their family members
 - * Persons with proof of residence or an unlimited residence permit

Compensatory Allowance

To qualify for a Compensatory Allowance, one must satisfy the following conditions —

- Receipt of pension: An individual must be receiving an old-age benefit —See the policy document *Austria Public Own Old-Age Benefit Plan Details* for old-age benefit eligibility conditions
- Limited means: The sum of one's own net income and pension benefits must not exceed a reference rate determined within ASVG based on pensioner's position in household; the net income of the spouse(s) living in the same household is also taken into account

Benefits

- To receive a benefit, **does an individual have to claim it?** Answer: Yes
- To continue to receive a benefit, **does an individual have to remain qualified?** Answer: Yes

Factors effecting computation of benefit entitlement

- Does the benefit amount depend on the individual's birth year (regardless of age)? Answer: No
- Is the benefit adjusted if an individual delays claiming it? Answer: No
- Are future benefit entitlements adjusted for **cost of living**? Answer: Yes
- If so, what measure is used for adjustment? Adjustment factor (Anpassungsfaktor) is published by the Federal Minister for Social Security, Generations and Consumer Protection (Der Bundesminister für soziale Sicherheit, Generationen und Konsumentenschutz) every year for the following year to adjust for the average increase in consumer prices in 12 months up to July of the preceding year, using the 2000 consumer price index or an index replacing it. The average increase in consumer prices is computed using the arithmetic mean of the annual inflation rates published by Statistics Austria for the calculation period.

Benefit formula

Minimum Income

Minimum Income is provided to support general subsistence, housing needs and needs due to illness, pregnancy and childbirth. When assessing benefits, the federal state's administering agency deducts income, usable assets, and third-party benefits. The Minimum Income benefits are paid as benefits in cash or in kind, including:

- Standard rate: A monthly flat-rate benefit provided for subsistence and housing needs. Since 2010, a nationwide uniform guidance rate has been in effect, which is equal to the Compensatory Allowance amount subtracting the compulsory health insurance contribution (5.1%) as defined within ASVG (hereinafter, the guidance rate will be referred to as the net compensatory allowance). The standard rate is set by the states as a percentage of the net compensatory allowance, which varies by beneficiary groups (e.g., single person/parent, persons living in the same household, minors). The standard rate is paid 12 times a year. See [Table 5](#) for standard rates provided to different beneficiary groups. A basic percentage of the standard rate is assigned by state for subsistence or housing needs —
 - Subsistence benefits: A fixed percentage of the standard rate set by the states to cover general subsistence needs —see [Table 6](#) for changes in subsistence benefits across different states
 - Housing needs benefits: A fixed percentage of the standard rate set by the states to cover housing needs. The amount may be reduced if housing requirement is low, or if other coverage exists. See [Table 6](#) for changes in housing needs benefits across different states.
- Additional benefits for subsistence and housing needs: If the standard rate granted is not sufficient to cover one's needs, additional benefits to cover these needs are provided. For example, the amount of the actual rent cost will be paid as cash or non-cash benefits if the basic housing benefits cannot cover the needs.
- Supplements to further cover living expenses: A fixed percentage of the standard rate granted to specific beneficiary groups such as older people, people with disabilities, and minors. See [Table 5](#) for supplements granted to different beneficiary

groups.

- Other covered costs:
 - Funeral expenses
 - Additional benefits for specific hardships to cover subsistence and housing needs, for example: necessary initial furnishing of an apartment, purchase of necessary household appliances, and extraordinary costs of housing

Income, realizable assets and third-party benefits are deducted from the Minimum Income benefits —

- All income that accrues to the benefit seeker is taken into account, except for the following —
 - Family allowance
 - Child tax credit and tax credit for child residing in EU/EEA or Switzerland (§ 33 of Income Tax Act, EstG)
 - Care allowance
- Assets must be used before claiming Minimum Income. Asset allowance is regulated by state laws. The following assets are exempted —
 - Objects that are required for gainful employment or the satisfaction of reasonable intellectual and cultural needs
 - Motor vehicles that are required for work or special circumstances (in particular due to a disability or insufficient infrastructure)
 - Reasonable household goods
 - Savings up to 5 times the net compensatory allowance
 - Other assets except for real estate with values no more than 5 times the net compensatory allowance
- Third-party benefits include all cash and non-cash benefits from third-party
 - For example, public funds to support subsistence and housing needs and income of spouses living in the same household

Voluntary non-statutory welfare benefits or benefits provided by third parties without legal obligation are excluded, unless such benefits have been provided for an uninterrupted period of four months or reach a level such that social assistance benefits would no longer be required.

A summary of how to compute Minimum Income benefits is available in [Formula 3](#).

Compensatory Allowance

Compensatory Allowance supplements the pension with the difference between one's total income and the reference rate set by ASVG and is paid 14 times a year. The total income results from pension benefit and one's net income. Total income is based on a person's pension benefit, their own income less income taxes and social insurance contributions (i.e., net income) and, if applicable, the net income of a spouse living in the same household. Income from the following sources are exempted —

- Housing subsidies according to the Housing Promotion Act 1968
- Grants according to the special regulations on the equalization of family burdens and grants according to the 1992 Study Support Act and the Student Grants Act
- Child allowance and special pension payments
- Allowances due to special physical conditions such as disabilities
- Alimony
- Social assistance and non-statutory welfare benefits
- Apprenticeship compensation up to € 184.88 as of 2010
- Basic and parental pensions granted under the War Victims' Welfare Act 1957, and the Victims' Welfare Act, one third of the disabled persons' and widows' pensions granted under the Army Welfare Act, and the parental pensions including any additional pension, as well as a pension benefit granted under foreign legislation that is due to the cause of the fight or deployment against National Socialism
- Benefits based on the Austro-German Finance and Compensation Agreement
- Cash benefits granted under the Federal Act on the Granting of Assistance to Victims of Crime
- Disability benefit
- After-tax interest and capital gains
- Income within the Volunteer Act

A summary of how to compute Compensatory Allowance benefits is available in [Formula 2](#). See [Table 4](#) for Compensatory Allowance reference rates over time.

Chapter 3: Policy enacted 2019-2022

Policy change in 2019

Law 41/2019: Effective June 1, 2019, a federal law on social assistance (Basic Social Welfare Act, Sozialhilfe-Grundsatzgesetz) came into force in accordance with the Federal Constitutional Law (B-VG), together with a federal law on nationwide overall statistics on social welfare (Social Welfare Statistics Act, Sozialhilfe-Statistikgesetz) and a federal law on the integration of persons legally residing in Austria without Austrian citizenship (Integration Act, IntG) as amendments to the Basic Social Welfare Act.

This law replaced the previous need-based means-tested Minimum Income with a new system known as Social Assistance that includes a maximum cash benefit amount. This new nationwide uniform Social Assistance system is different from the state-specific Social Assistance prior to 2010. A federal state may not provide higher benefits than specified in this law.

Federal states were required to pass corresponding implementing laws on Social Assistance within seven months, i.e., by January 1, 2020. However, a nationwide implementation of the Basic Social Welfare Act has not occurred as of December 2021. As of December 1, 2021, Social Assistance implementation laws were passed in Lower Austria, Upper Austria, Salzburg, Styria, Carinthia, and Vorarlberg. Vienna has passed implementing law in some areas. Burgenland and Tirol have not taken action.

Other key reforms during this period include:

- **Law 84/2019:** Effective January 1, 2020, long-term insured persons are entitled to a Compensatory Allowance bonus or pension bonus provided that they have certain number of contribution months and are living in Austria.
- **Law 108/2019:** Effective December 12, 2019, parts of the Basic Social Welfare Act and the Social Welfare Statistics Act concerning maximum rates for children and relationship between social assistance and language skills were ruled unconstitutional and repealed.

Overview

During this period, Austria has two social assistance systems providing non-contributory, need-based benefits to persons in old-age. The first is known as a nationwide uniform Social Assistance (Sozialhilfe) with maximum rates, which is different from the old state-specific Social Assistance system that existed prior to 2010. Any permanent resident living in Austria who cannot cover their own subsistence and housing needs by own funds or work, nor with third-party benefits, may apply for Social Assistance benefits. These benefits are capped by maximum rates. The Social Assistance system is effective for most states except for Burgenland, and Tirol due to absence of implementing law since the 2019 reform, and Vienna has adopted parts of the new Social Assistance system.

The second system is the Compensatory Allowance (Ausgleichszulage), also known as the minimum pension. In this system low-income pensioners are entitled to a benefit if their total income (sum of gross pension, net income and alimony) is below the minimum pension amount. A pensioner may apply for Social Assistance in addition to receiving Compensatory Allowance. The General Social Security Act (Allgemeines Sozialversicherungsgesetz, ASVG) forms the legal basis and provides for minimum standards across the states. The Pension Insurance Institution (Pensionsversicherungsanstalt, PVA) is responsible for administering Compensatory Allowance.

In this chapter, we provide information on general requirements for benefit eligibility and how benefits are calculated in both systems. For states that have not implemented Social Assistance with maximum rates, please see Chapter 2 for details.

Eligibility

Age requirements to start benefits without penalty

- **Full eligibility age (FEA)**

Age 65 for men; Age 60 for women and gradually increasing starting in 2024 to age 65 by 2033 — See [Table 1](#) for changes in full eligibility age for women

Requirements to be eligible to receive benefit

- **Does eligibility depend on the individual's current income (i.e., income tested)?** Answer: Yes
- **Does eligibility depend on the individual's current assets (i.e., asset tested)?** Answer: Yes
- **Details by benefit program:**

[Social Assistance](#)

As of December 1, 2021, Carinthia, Lower Austria, Upper Austria, Salzburg, Styria, Vorarlberg, and certain part of Vienna have published implementing laws of Social Assistance. To qualify for Social Assistance, one must satisfy the following conditions —

- Work or age requirements: People capable of work are required to work or be registered as job-seekers. Persons satisfying one of the following conditions are exempted —
 - * They have reached the full eligibility age (60 for women, 65 for men)
 - * They have care obligations for children under age of 3 and no suitable care is available
 - * They need to care for relatives that receive at least a Level 3 care allowance, or at least a Level 1 care allowance for persons who have dementia or who are underage
 - * They need to provide terminal care or care for seriously ill children
 - * They are pursuing gainful employment or school training that started before age 18, or they are completing their first apprenticeship
 - * They are in military service or community service
 - * They are affected by disability or other considerable reasons¹

The work or age requirement is repealed by [Law 108/2019](#), effective December 20, 2019, but may continue to apply in state's implementing law.
- Limited means: An individual's own income, assets, or third-party benefits are not sufficient to cover their general subsistence needs and housing needs. A means-test is applied. Details on the means-test are included in the benefits section of this chapter.
- Citizenship and residency requirements: Social Assistance is granted exclusively to persons entitled to permanent residence in Austria —
 - * Austrian citizens
 - * Persons entitled to asylum
 - * Permanently settled aliens who have actually and lawfully resided in the federal territory for at least five years
 - * EU/EEA citizens with residence permits, Swiss citizens and third-country citizens if entitlement of Social Assistance benefits is mandatory based on the international or Union law provisions and if approved by the administering immigration authorities after hearing

Minimum Income

As of December 1, 2021, Minimum Income system is still effective in certain part of Vienna Burgenland, and Tirol due to absence of implementing law since the 2019 reform. To qualify for Minimum Income, one must satisfy the following conditions —

- Work or age requirements: People capable of work are required to work or be registered as job-seekers. Persons satisfying one of the following conditions are exempted —
 - * They have reached the full eligibility age (60 for women, 65 for men)
 - * They have care obligations for children under age of 3 and no suitable care is available
 - * They need to care for relatives that receive at least a Level 3 care allowance
 - * They need to provide terminal care or care for seriously ill children
 - * They are in an apprenticeship or school education that started before age 18
- Limited means: An individual's own income, assets, or third-party benefits are not sufficient to cover their general subsistence needs and housing needs. A means-test is applied. Details on the means-test are included in the benefits section of this chapter.
- Citizenship and residency requirements: Minimum Income benefits are granted exclusively to persons entitled to permanent residence in Austria —
 - * Austrian citizens and their family members
 - * Persons entitled to asylum and subsidiary protection
 - * EU/EEA citizens, Swiss citizens and their family members
 - * Persons with a permanent residence permit and their family members
 - * Persons with proof of residence or an unlimited residence permit

Compensatory Allowance

To qualify for a Compensatory Allowance, one must satisfy the following conditions —

- Receipt of pension: An individual must be receiving an old-age benefit —See the policy document *Austria Public Own Old-Age Benefit Plan Details* for old-age benefit eligibility conditions
- Limited means: The sum of one's own net income and pension benefits must not exceed a reference rate determined within [ASVG](#) based on pensioner's position in household; the net income of the spouse(s) living in the same household is also taken into account

Benefits

- To receive a benefit, **does an individual have to claim it?** Answer: Yes
- To continue to receive a benefit, **does an individual have to remain qualified?** Answer: Yes

Factors effecting computation of benefit entitlement

- Does the benefit amount depend on the individual's birth year (regardless of age)? Answer: No
- Is the benefit adjusted if an individual delays claiming it? Answer: No
- Are future benefit entitlements adjusted for **cost of living**? Answer: Yes
- If so, what measure is used for adjustment? Adjustment factor (Anpassungsfaktor) is published by the Federal Minister for Social Security, Generations and Consumer Protection (Der Bundesminister für soziale Sicherheit, Generationen und Konsumentenschutz) every year for the following year to adjust for the average increase in consumer prices in 12 months up to July of the preceding year, using the 2000 consumer price index or an index replacing it. The average increase in consumer prices is computed using the arithmetic mean of the annual inflation rates published by Statistics Austria for the calculation period.

Benefit formula

Social Assistance

Social Assistance is provided to support general subsistence, housing needs and needs due to illness, pregnancy and childbirth. When assessing Social Assistance benefits, the federal state's administering agency deducts income, usable assets, and third-party benefits. The Social Assistance benefits are paid as benefits in cash or in kind, including:

- Standard rate: A monthly flat-rate benefit provided for subsistence and housing needs. The standard rates are set by the states as a percentage of the net compensatory allowance. The standard rates vary by household size (e.g., household of single person/parent, 2 adults, or more). The standard rate is paid 12 times a year. See [Table 5](#) for standard rates provided to different beneficiary groups.
 - Subsistence benefits: In principle, 60% of the standard rate set by the states is provided to cover general subsistence needs. See [Table 6](#) for changes in subsistence benefits across different states.
 - Housing needs benefits: In principle, 40% of the standard rate set by the states is provided to cover housing needs. The amount may be reduced if housing requirement is low, or if other coverage exists. See [Table 6](#) for changes in housing needs benefits across different states.
- Additional benefits for subsistence and housing needs: If the standard rate granted is not sufficient to cover one's needs, additional benefits to cover these needs are provided. For example, the amount of the actual rent cost will be paid as cash or non-cash benefits if the basic housing benefits cannot cover the needs.
- Heating subsidy: Effective January 1, 2021, Carinthia state government provides heating subsidy in addition to standard rate once a year upon application. The amount depends on income level.
- Supplements to further cover living expenses: A fixed percentage of the standard rate granted to specific beneficiary groups such as older people, people with disabilities, and minors. See [Table 5](#) for supplements granted to different beneficiary groups.
- Other covered costs:
 - Funeral expenses
 - Additional benefits for specific hardships to cover subsistence and housing needs, for example: necessary initial furnishing of an apartment, purchase of necessary household appliances, and extraordinary costs of housing

Minimum Income

Minimum Income is provided to support general subsistence, housing needs and needs due to illness, pregnancy and childbirth. When assessing benefits, the federal state's administering agency deducts income, usable assets, and third-party benefits. The Minimum Income benefits are paid as benefits in cash or in kind, including:

- Standard rate: A monthly flat-rate benefit provided for subsistence and housing needs. The standard rate is set by the states as a percentage of the net compensatory allowance, which varies by household size (e.g., household of single person/parent, 2 adults, or more). The standard rate is paid 12 times a year. See [Table 5](#) for standard rates provided to different beneficiary groups. A basic percentage of the standard rate is assigned by state for subsistence or housing needs —
 - Subsistence benefits: A fixed percentage of the standard rate set by the states to cover general subsistence needs —see [Table 6](#) for changes in subsistence benefits across different states
 - Housing needs benefits: A fixed percentage of the standard rate set by the states to cover housing needs. The amount may be reduced if housing requirement is low, or if other coverage exists. See [Table 6](#) for changes in housing needs benefits across different states.
- Additional benefits for subsistence and housing needs: If the standard rate granted is not sufficient to cover one's needs, additional benefits to cover these needs are provided. For example, the amount of the actual rent cost will be paid as cash

- or non-cash benefits if the basic housing benefits cannot cover the needs.
- Supplements to further cover living expenses: A fixed percentage of the standard rate granted to specific beneficiary groups such as older people, people with disabilities, and minors. See [Table 5](#) for supplements granted to different beneficiary groups.
- Other covered costs:
 - Funeral expenses
 - Additional benefits for specific hardships to cover subsistence and housing needs, for example: necessary initial furnishing of an apartment, purchase of necessary household appliances, and extraordinary costs of housing

Income, realizable assets and third-party benefits are deducted from the benefits —

- All income that accrues to the benefit seeker is taken into account, except for the following —
 - Family allowance
 - Child tax credit and tax credit for child residing in EU/EEA or Switzerland (§ 33 of Income Tax Act, EstG)
 - Care allowance
- Assets must be used before claiming Minimum Income. Asset allowance is regulated by state laws. The following assets are exempted —
 - Objects that are required for gainful employment or the satisfaction of reasonable intellectual and cultural needs
 - Motor vehicles that are required for work or special circumstances (in particular due to a disability or insufficient infrastructure)
 - Reasonable household goods
 - Savings up to 5 times the net compensatory allowance
 - Other assets except for real estate with values no more than 5 times the net compensatory allowance
- Third-party benefits include all cash and non-cash benefits from third-party
 - For example, public funds to support subsistence and housing needs and income of spouses living in the same household

Voluntary non-statutory welfare benefits or benefits provided by third parties without legal obligation are excluded, unless such benefits have been provided for an uninterrupted period of four months or reach a level such that social assistance benefits would no longer be required.

A summary of how to compute Minimum Income benefits is available in [Formula 3](#).

Income, realizable assets and third-party benefits are deducted from the Social Assistance benefits —

- All income that accrues to the benefit seeker is taken into account, except for the following —
 - Family allowance
 - Child tax credit and tax credit for child residing in EU/EEA or Switzerland (§ 33 of Income Tax Act, EstG)
 - Care allowance
- Assets must be used before claiming Social Assistance or Minimum Income. Asset allowance is regulated by state laws. The following assets are exempted within the maximum rates system —
 - If selling of the asset could trigger or prolong this social emergency such as a motor vehicle necessary for work or other circumstances
 - Residential assets
 - Usable assets of value up to 6 times the net compensatory allowance
 - Other assets except for real estate with values no more than 6 times the net compensatory allowance
- Third-party benefits include all cash and non-cash benefits from third-party
 - For example, public funds to support subsistence and housing needs and income of spouses living in the same household

Voluntary non-statutory welfare benefits or benefits provided by third parties without legal obligation are excluded, unless such benefits have been provided for an uninterrupted period of four months or reach a level such that social assistance benefits would no longer be required.

Similarly, income, realizable assets and third-party benefits are deducted from the Minimum Income benefits —

- All income that accrues to the benefit seeker is taken into account, except for the following —
 - Family allowance
 - Child tax credit and tax credit for child residing in EU/EEA or Switzerland (§ 33 of Income Tax Act, EstG)
 - Care allowance
- Assets must be used before claiming Minimum Income. Asset allowance is regulated by state laws. The following assets are exempted —

- Objects that are required for gainful employment or the satisfaction of reasonable intellectual and cultural needs
- Motor vehicles that are required for work or special circumstances (in particular due to a disability or insufficient infrastructure)
- Reasonable household goods
- Savings up to 5 times the net compensatory allowance
- Other assets except for real estate with values no more than 5 times the net compensatory allowance
- Third-party benefits include all cash and non-cash benefits from third-party
 - For example, public funds to support subsistence and housing needs and income of spouses living in the same household

Voluntary non-statutory welfare benefits or benefits provided by third parties without legal obligation are excluded, unless such benefits have been provided for an uninterrupted period of four months or reach a level such that social assistance benefits would no longer be required.

A summary of how to compute Minimum Income benefits is available in [Formula 3](#).

A summary of how to compute Social Assistance/Minimum Income benefits during this period is available in [Formula 3](#) and [Formula 4](#), depending on which system the state has.

Compensatory Allowance

Compensatory Allowance supplements the pension with the difference between one's total income and the reference rate set by ASVG and is paid 14 times a year. The total income results from pension benefit and one's net income. Total income is based on a person's pension benefit, their own income less income taxes and social insurance contributions (i.e., net income) and, if applicable, the net income of a spouse living in the same household. Income from the following sources are exempted —

- Housing subsidies according to the Housing Promotion Act 1968
- Grants according to the special regulations on the equalization of family burdens and grants according to the 1992 Study Support Act and the Student Grants Act
- Child allowance and special pension payments
- Allowances due to special physical conditions such as disabilities
- Alimony
- Social assistance and non-statutory welfare benefits
- Apprenticeship compensation up to € 184.88 as of 2010
- Basic and parental pensions granted under the War Victims' Welfare Act 1957, and the Victims' Welfare Act, one third of the disabled persons' and widows' pensions granted under the Army Welfare Act, and the parental pensions including any additional pension, as well as a pension benefit granted under foreign legislation that is due to the cause of the fight or deployment against National Socialism
- Benefits based on the Austro-German Finance and Compensation Agreement
- Cash benefits granted under the Federal Act on the Granting of Assistance to Victims of Crime
- Disability benefit
- After-tax interest and capital gains
- Income within the Volunteer Act
- Compensatory Allowance bonus or pension bonus, effective January 1, 2020 —see [Table 7](#) for reference rates

A summary of how to compute Compensatory Allowance benefits is available in [Formula 2](#). See [Table 4](#) for Compensatory Allowance reference rates over time.

Tables and Formulas

Table 1: Increased Full Eligibility Age for Women

Birth Date	Full Eligibility Age
From Jun 2, 1968	65
Dec 2, 1967 - Jun 1, 1968	64.5
Jun 2, 1967 - Dec 2, 1967	64
Dec 2, 1966 - Jun 1, 1967	63.5
Jun 2, 1966 - Dec 1, 1966	63
Dec 2, 1965 - Jun 1, 1966	62.5
Jun 2, 1965 - Dec 1, 1965	62
Dec 2, 1965 - Jun 1, 1965	61.5
Jun 2, 1964 - Dec 1, 1964	61
Dec 2, 1963 - Jun 1, 1964	60.5
Before Dec 2, 1963	60

Source: Federal constitutional law on different age limits for male and female socially insured taxpayers ([Bundesgesetzblatt, 1992](#))

Table 2: Social Assistance Standard Rate in Salzburg (1992-2009)

Year	Single Person/Parent	Main Supporter (e.g., household head)	Co-supporter (e.g., spouse) without]Family Allowance	Co-supporter (e.g., spouse) with Family Allowance
2009	464.5 €/month	418.5 €/month	268 €/month	155.5 €/month
2008	449	404.5	259	150
2007	421	379	242.5	113
2006	414	373	239	111
2005	404	364	233	108.5
2004	398	358.5	229.5	107
2003	394	355	227.5	106
2002	392	353	226	105
2001	4,995 S (= 363.00 €)	4,085 S (= 296.87 €)	2,700 S (= 196.22 €)	1,205 S (= 87.57 €)
2000	4,955 S (= 360.09 €)	4,050 S (= 294.32 €)	2,675 S (= 194.40 €)	1,195 S (= 86.84 €)
1999	4,925 S (= 357.91 €)	4,025 S (= 292.51 €)	2,655 S (= 192.95 €)	1,185 S (= 86.12 €)
1998	4,850 S (= 352.46 €)	3,965 S (= 288.15 €)	2,615 S (= 190.04 €)	1,165 S (= 84.66 €)
1997	4,785 S (= 347.74 €)	3,910 S (= 284.15 €)	2,580 S (= 187.50 €)	1,145 S (= 83.21 €)
1996	4,785 S (= 347.74 €)	3,910 S (= 284.15 €)	2,580 S (= 187.50 €)	1,145 S (= 83.21 €)
1995	4,675 S (= 339.75 €)	3,820 S (= 277.61 €)	2,520 S (= 183.14 €)	1,115 S (= 81.03 €)
1994	4,545 S (= 330.30 €)	3,715 S (= 269.98 €)	2,450 S (= 178.05 €)	1,080 S (= 78.49 €)
1993	4,430 S (= 321.94 €)	3,620 S (= 263.08 €)	2,390 S (= 173.69 €)	1,050 S (= 76.31 €)
1992	4,140 S (= 300.87 €)	3,380 S (= 245.63 €)	2,230 S (= 162.06 €)	980 S (= 71.22 €)

Note: Prior to 2002, the currency used was Austria shilling. The euro was introduced at a fixed parity of 1 €= 13.7603 schilling in 2002.

Source: Ordinance of the Salzburg provincial government on the standard rates in social assistance

Table 3: Social Assistance Standard Rate in Nine Federal States in 2007

Federal State	Single Person/Parent	Main Supporter (e.g., household head)	Co-supporter (e.g., spouse) without Family Allowance	Co-supporter (e.g., spouse) with Family Allowance
Carinthia	435.0 €or 510 €for pensioners	358 €or 435 €for pensioners	263 €	129 €
Lower Austria	501.3 €	440.2 €	242.3 €	135.9 €
Upper Austria	542.3 €	492.5 €	311.5 €	150.7 €
Salzburg	421.0 €	379 €	242.5 €	113 €
Styria	507.0 €	463 €	309 €	156 €
Vorarlberg	480.4 €	403.3 €	257.3 €	156.7 €
Vienna	420 € (427 € from May 2007)	330 €	330 €	127 €
Burgenland	433.0 €	358.3 €	261.4 €	128.3 €
Tyrol	431.2 €	368.9 €	256.6 €	143.4 €

Source: Social Assistance Benefits Ordinance 2007 in Carinthia(Landesgesetzblatt, 2007), Lower Austria Guideline Ordinance (Landesgesetzblatt, 2007), Upper Austria Social Assistance Ordinance 1998 (2007)(Landesgesetzblatt, 1998), Social Welfare Ordinance in Vorarlberg (Landesgesetzblatt, 2007), Ordinance of the Styrian provincial government on the Styrian Social Welfare Act, Ordinance of the Viennese provincial government on reference rates in social assistance (Landesgesetzblatt, 1973), Standard rates in Burgenland (Landesgesetzblatt, 2007), Tyrolean basic security regulation (Landesgesetzblatt, 2006)

Note: The year 2007 is chosen because Social Assistance is replaced by Minimum Income in Carinthia, effective July 1, 2007.

Formula 1: Social Assistance Benefit Calculation (1992-2009)

$$B_{SA(\text{Social Assistance}),i,t} = \begin{cases} \text{Standard rate}_{i,t} + \text{Accommodation costs}_{i,t} + \text{Care allowance}_{i,t} + \text{Special assistance}_{i,t} + \text{Other costs}_{i,t} \\ - \text{Own funds}_{i,t} \end{cases}$$

- $B_{SA(\text{Social Assistance}),i,t}$ = Individual i 's Social Assistance benefit at time t
 - $B_{SA(\text{Social Assistance}),i,t} = 0$ if the computed value is negative
- Standard rate $_{i,t}$ = Standard rate at time t based on individual i 's household conditions (e.g., household of single person/parent, two adults or more). Before 2010, there was no nationwide uniform standard rate across states —see [Table 2](#) for standard rates for different beneficiary groups in Salzburg during this period and [Table 3](#) for standard rate for single person/parent in nine federal states in 2007
- Accommodation costs $_{i,t}$ = Accommodations costs due to increased subsistence and housing needs in individual cases
- Care allowance $_{i,t}$ = Care allowance granted to individual i based on their circumstances
- Special assistance $_{i,t}$ = Assistance in case of illness, pregnancy, and childbirth, including costs of necessary services
- Other costs $_{i,t}$ = Additional covered costs incurred by individual i such as education expenses, funeral expenses —see state legislation in sources for details on coverage
- Own funds $_{i,t}$ = Individual i 's income, realizable assets, and third-party benefits that can be used to cover subsistence and housing needs —see state legislation in sources for details on exemptions

Source: Carinthian Social Welfare Act ([Landesgesetzblatt, 1996](#)), Lower Austria Social Welfare Act ([Landesgesetzblatt, 2000](#)), Upper Austria Social Welfare Act ([Landesgesetzblatt, 1998](#)), Vorarlberg Social Assistance Act ([Landesgesetzblatt, 1998](#)), Salzburg Social Welfare Act ([Landesgesetzblatt, 1975](#)), Styrian Social Assistance Act ([Landesgesetzblatt, 1998](#)), Vienna Social Assistance Act ([Landesgesetzblatt, 1973](#)), Burgenland Social Assistance Act ([Landesgesetzblatt, 2000](#)), Tyrolean Basic Security Act ([Landesgesetzblatt, 2006](#))

Formula 2: Compensatory Allowance Benefit Calculation (1996-Present)

$$B_{SA(\text{Comp. Allowance}),i,t} = \text{Reference rate}_{i,t} - \text{Net income}_{i,t} - B_{OA,i,t} - \text{Net income}_{j,t} + \text{Bonus}_{i,t}$$

- $B_{SA(\text{Comp. Allowance}),i,t}$ = Individual i 's Compensatory Allowance benefit at time t
- Reference rate $_{i,t}$ = Reference rate applicable to individual i at time t based on beneficiary groups (e.g., pensioner living with spouse or registered partner in the same household, and other pensioners) —see [Table 4](#) for reference rate over time
- Net income $_{i,t}$ = Individual i 's own income less income taxes and social insurance contributions (i.e., net income)
- $B_{OA,i,t}$ = Individual i 's own old-age benefit at time t —See *Austria Public Own Old-Age Benefit Plan Details* for additional information
- Net income $_{j,t}$ = Spouse j 's own income less income taxes and social insurance contributions (i.e., net income) if spouse j and individual i are living in the same household
- Bonus $_{i,t}$ = Compensatory Allowance bonus, effective January 1, 2020, granted to individual i based on their contribution history and household condition. See [Table 7](#) for reference rates.

Source: § 293 of ASVG ([Bundesgesetzblatt, 1955](#))

Table 4: Compensatory Allowance Reference Rates

Time Period	For pensioner living with spouse or registered partner in the same household	For other pensioners	Net Compensatory Allowance
2022	1625.71 €/month	1030.49 €/month	977.94 €/month
2021	1578.36	1000.48	949.46
2020	1472.00	966.65	917.35
2019	1398.97	933.06	885.47
2018	1363.52	909.42	863.04
2017	1334.17	889.84	844.46
2016	1323.58	882.78	837.76
2015	1307.89	872.31	827.82
2014	1286.03	857.73	813.99
2013	1255.89	837.63	794.91
2012	1221.68	814.82	773.26
2011	1189.56	793.40	752.94
2010	1175.45	783.99	744.01
2009	1158.08	772.40	733.01
2008	1120.00	747.00	708.90
2007	1091.14	726.00	688.97
2006	1055.99	690.00	654.81
2005	1030.23	662.99	629.18
2004	1015.00	653.19	619.88
2003	965.53	643.54	610.72
2002	900.13	630.92	598.74
2001	11,860 S (= 861.83 €)	8,313 S (= 604.06 €)	7,888.09 S (= 573.25 €)
2000	11,859 S (= 861.83 €)	8,312 S (= 604.06 €)	7,888.09 S (= 573.25 €)
Aug 1, 1996 - Dec 31, 1999	10,700 S (= 777.60 €)	7,500 S (= 545.05 €)	7,117.50 S (= 517.25 €)

Note: Prior to 2002, the currency used was Austria shilling. The euro was introduced at a fixed parity of 1 = 13.7603 schilling in 2002.

Source: § 293 of ASVG ([Bundesgesetzblatt, 1955](#))

Table 5: Standard Rate as Percentage of Net Compensatory Allowance

Beneficiary Group	Federal Guidance Rate in Minimum Income System (2010-present)	Federal Guidance Rate in New Social Assistance System (2019-present)
Single Person/Parent	100%	100%
Two Adults Living in the Same Household	150%	140%
Starting from the 3rd Adult	50%	45%
For the 1st minor	18%	12%
For the 2nd minor	18%	9%
For the 3rd minor	18%	6%
From the 4th minor	15%	3%
For each beneficiary with disabilities	Not applicable	18%

Source: Agreement between Federal Government and States in accordance with Art. 15a B-VG on a Nationwide Need-based Minimum Income ([Bundesgesetzblatt, 2010](#)), The Basic Welfare Act ([Bundesgesetzblatt, 2019](#))

Table 6: Subsistence and Housing Needs Benefits in 2022 (as a percentage of standard rate)

State	Subsistence Benefits	Housing Needs Benefits
Carinthia	75%	25%
Lower Austria	60%	40%
Upper Austria	75%	25%
Salzburg	60%	40%
Styria	80%	20%
Vorarlberg	60%	40%
Vienna	75%	25%
Burgenland	75%	25%
Tyrol	Set by the state government annually	Set by the state government annually

Source: The Basic Welfare Act ([Bundesgesetzblatt, 2019](#)), Lower Austria Social Assistance Implementation Act ([Landesgesetzblatt, 2019](#)), Upper Austria Social Assistance Implementation Act ([Landesgesetzblatt, 2019](#)), Salzburg Social Support Act ([Landesgesetzblatt, 2010](#)), Social Support Act - Styria ([Landesgesetzblatt, 2021](#)), Social Benefits Act - Vorarlberg ([Landesgesetzblatt, 2020](#)), Vienna Minimum Benefits Act ([Landesgesetzblatt, 2010](#)), Burgenland minimum income protection law ([Landesgesetzblatt, 2010](#)), Tyrol Minimum Income Protection Act ([Landesgesetzblatt, 2010](#))

Formula 3: Minimum Income Benefit Calculation (2010-Present)

$$B_{SA(\text{Minimum Income}),i,t} = \text{Standard rate}_{i,t} + \text{Additional benefits}_{i,t} + \text{Supplements}_{i,t} + \text{Other costs}_{i,t} - \text{Own funds}_{i,t}$$

- $B_{SA(\text{Minimum Income}),i,t}$ = Individual i 's Minimum Income benefit at time t
 - $B_{SA(\text{Minimum Income}),i,t} = 0$ if the computed value is negative
- Standard rate $_{i,t}$ = Standard rate at time t based on individual i 's household conditions (e.g., household of single person/parent, two adults or more) —see [Table 5](#) for standard rates for different beneficiary groups.

$$\text{Standard rate}_{i,t} = \text{Subsistence benefits}_{i,t} + \text{Housing needs benefits}_{i,t}$$

where Subsistence benefits $_{i,t} = 60\% \times \text{Standard rate}_{i,t}$ and Housing needs benefits $_{i,t} = 40\% \times \text{Standard rate}_{i,t}$. Housing needs benefits may be reduced to as low as zero given individual circumstances. Respective percentages may differ across states —see [Table 6](#) for details

- Additional benefits $_{i,t}$ = Additional benefits for subsistence and housing needs
- Supplements $_{i,t}$ = Supplements to further cover living expenses of special groups, for example, older people, people with disabilities and minors —see [Table 5](#) for more details
- Other costs $_{i,t}$ = Additional covered costs incurred by individual i such as funeral expenses and additional benefits for specific hardships to cover subsistence and housing needs
- Own funds $_{i,t}$ = Individual i 's income, realizable assets, and third-party benefits that can be used to cover subsistence and housing needs —see state legislation in sources for details on exemptions

Source: Agreement between Federal Government and States in accordance with Art. 15a B-VG on a Nationwide Need-based Minimum Income ([Bundesgesetzblatt, 2010](#))

Formula 4: Social Assistance with Maximum Rates Benefit Calculation (2019-Present)

$$B_{SA(\text{Social Assistance}),i,t} = \begin{cases} \min \left\{ \text{Standard rate}_{i,t} + \text{Additional benefits}_{i,t} + \text{Heating}_{i,t} + \text{Supplements}_{i,t} + \text{Other costs}_{i,t} \right. \\ \left. - \text{Own funds}_{i,t}, 175\% \times \text{Net compensatory allowance}_{i,t} \right\} \end{cases}$$

- $B_{SA(\text{Social Assistance}),i,t}$ = Individual i 's Social Assistance benefit at time t
 - $B_{SA(\text{Social Assistance}),i,t} = 0$ if the computed value is negative
- Standard rate $_{i,t}$ = Standard rate at time t based on individual i 's household conditions (e.g., household of single person/parent, two adults or more) —see Table 5 for standard rates provided to different beneficiary groups

$$\text{Standard rate}_{i,t} = \text{Subsistence benefits}_{i,t} + \text{Housing needs benefits}_{i,t}$$

where Subsistence benefits $_{i,t} = 60\% \times \text{Standard rate}_{i,t}$ and Housing needs benefits $_{i,t} = 40\% \times \text{Standard rate}_{i,t}$. Housing needs benefits may be reduced to as low as zero given individual circumstances. Respective percentages may differ across states —see Table 6 for details

- Additional benefits $_{i,t}$ = Additional benefits for subsistence and housing needs
- Heating $_{i,t}$ = Heating subsidy provided by specific provincial laws such as Carinthia
- Supplements $_{i,t}$ = Supplements to further cover living expenses of special groups, for example, older people, people with disabilities and minors
- Other costs $_{i,t}$ = Additional covered costs incurred by individual i such as funeral expenses and additional benefits for specific hardships to cover subsistence and housing needs
- Own funds $_{i,t}$ = Individual i 's income, realizable assets, and third-party benefits that can be used to cover subsistence and housing needs —see state legislation in sources for details on exemptions
- Net compensatory allowance $_{i,t}$ = Net compensatory allowance at time t . See Table 4 for reference rate in 2022.

Source: The Basic Welfare Act ([Bundesgesetzblatt, 2019](#))

Table 7: Compensatory Allowance Bonus (2022)

Contribution history and household condition	Total income threshold	Maximum bonus
480 contribution months in a joint household with spouse or registered partner	1,841.29 €	395.78 €
480 contribution months	1,364.11 €	396.21 €
360 contribution months	1,141.83 €	155.36 €

Source: Law 84/2019 ([Bundesgesetzblatt, 2019](#))

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Glossary of terms

This section summarizes key definitions from the main text. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: “Alt” + “←”; In Adobe Acrobat on a MAC: “command” + “←”; In Preview on a MAC: “command” + “[”.

ASVG: General Social Insurance Act (Allgemeinen Sozialversicherungsgesetzes, ASVG) is the main act that governs benefits prior to 2005 and provides benefits under a DB system.

Claimable Benefit: A pension where the beneficiary must actively file a claim for benefits with the government’s pension authority.

Class A: Persons born before January 1, 1955 that are only eligible for benefits under the historical DB plan governed by ASVG.

Class B: Persons born on or after January 1, 1955 and who have not yet acquired any paid or credited contributions before 2005. They are eligible only for benefits under the DB system governed by APG.

Class C: Persons born on or after January 1, 1955 and who have acquired at least 1 insurance month by December 31, 2004. They are eligible for benefits based on the DB system governed by APG.

Class: The 2005 Pension Reform created a separate old-age benefit system for workers based on their work history and birth year. We define three distinct “classes” of workers, and each class has its own benefit eligibility rules and formulas. This terminology is not used by Austrian government but helps the authors to concisely convey information about old-age benefit plan design.

Cost-of-Living Adjustments (COLA): Adjustments after an individual begins receiving benefits that increase benefit payments, typically in line with consumer prices or average earnings.

Defined Benefit system (DB): An old-age benefit system where a worker’s benefits paid at retirement are based on a defined formula typically consisting of contribution years, a measure of final average earnings and a multiplier (sometimes known as an accrual factor).

Eligibility Track: Requirements for an individual to start receiving an unreduced old-age pension benefit. An individual typically must satisfy only one eligibility track.

European Economic Area (EEA): The European Economic Area, includes EU countries, Iceland, Liechtenstein and Norway.

European Entrepreneurial Region (EER): A list of regions and cities awarded the European Entrepreneurial Region label.

European Union (EU): The European Union is an economic and political union of 27 countries.

Full Eligibility Age: The age at which individuals are eligible to receive their full benefit. For dependent benefits or social assistance, the full eligibility age may differ from the statutory retirement age for own old-age pension benefits.

Minimum Income: Mindestsicherung in German, effective from 2010-2018. A nationwide need-based means-tested social assistance system not specifically targeted at persons in old-age. It is regulated and administered separately by each of Austria’s nine federal states.

PVA: Pension Insurance Institution (Pensionsversicherungsanstalt, PVA) is one of five pension institutions responsible for administering social insurance. PVA is the largest insurance provider for all employees (i.e., workers that are not self-employed). Old-age benefits within ASVG are administered by PVA.

Qualified Benefit: A benefit is qualified if an individual must continue to meet certain standards, such as a means test, to continue receipt of benefits.

Statutory Retirement Age (SRA): The age at which individuals are eligible to receive their full benefit. In the United States, this is known as the normal retirement age. In the United Kingdom, this is known as the state pension age.

Social Assistance: Sozialhilfe in German, effective from 1992-2009 and 2019-2022. A broad social assistance system not specifically targeted at persons in old-age. It is regulated and administered separately by each of Austria's nine federal states.

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- 1.0 (June 2022): First version
- 1.1 (August 2023): Updated formatting and terminology

Additional resources

The following resources provide additional details for the interested reader:

Sozialhilfe/Mindestsicherung *Social Assistance/Minimum Income in Austria*.

Available at: <https://www.oesterreich.gv.at/themen/soziales/sozialhilfe-mindestsicherung.html>

Features: Provides summary and details of Social Assistance/Minimum Income of Austria social assistance laws.