Appendix 1 Equivalised net disposable household income simulation

1.1. Simulation strategy

An equivalised net disposable household income is simulated in six steps using the gross taxable income information available in the DWH LM&SP for income from current and past employment[[1]](#footnote-1) and the non-taxable income received from disability benefits, social assistance and child benefits (the latter are simulated).

In a first step, the professional expenses are simulated and subtracted from gross taxable income to get the net taxable income (i.e. the income on which taxes are calculated). Belgium has two systems which can be used to deduct professional expenses: either the actual expenses are proven or a lump sum amount is deducted depending on the level of income. The assumption is made that all employees make use of the lump sum amount as official statistics show that only 3.7% of them reported actual expenses for income year 2010 (FPS Finance, 2012). The income bands and percentages applied on each band to compute the lump sum professional expenses for income year 2010 are presented in Table A1.1. For income from self-employment, the administrative data already contain a net taxable income concept, hence no professional expenses need to be simulated. People receiving replacement income can only make use of the actual professional expenses system, which is not simulated. Unfortunately, the data does not have sufficient information to simulate other tax deductions which reduce taxable income. Therefore, the tax advantage granted for inter alia paid maintenance allowances, mortgage repayments and used child care services cannot be taken into account.

Table A1.1. Professional expenses: lump sum calculation income year 2010

|  |  |  |  |
| --- | --- | --- | --- |
| Minimum gross taxable income limit (€) | Maximum gross taxable income limit (included) (€) |  % applied to income band | Cumulative maximum amount to be deducted (€) |
| 0.00 | 5190.00 | 28.7 | 1489.53 |
| 5190.00 | 10310.00 | 10.0 | 2001.53 |
| 10310.00 | 17170.00 | 5.0 | 2344.53 |
| 17170.00 | 58685.67 | 3.0 | 3590.00 |
| 58685.67 | max | 0.0 | 3590.00 |

Source: FPS Finance (2011).

In a second step, fiscal households are constructed. These consist of the head, his or her partner, dependent children and other dependent persons living at the same address. The dependency of children and other persons depends on their personal income. The yearly income from any source excluding child benefits cannot be higher than € 2,830 in 2010. For children, the income limits to be regarded as dependent are higher when they live in a single parent household (€ 4,080) and when they have a recognised disability of at least 66% (€ 5,180). Only children eligible for the child benefit on December 31st, 2010 are taken into account. If other persons are living at the same address, who do not fulfil the conditions to be considered dependent, they are assumed to form a fiscal household on their own. The head is stepwise identified as the individual who has the highest income from any source (excluding child benefits), is the oldest, or is registered as the reference person in the administrative dataset. Both married and cohabiting individuals are considered as partners with no distinction being made between registered and unregistered cohabiting individuals.

Thirdly, the withholding taxes are simulated on the net taxable income components for each earning individual separately. These withholding taxes are advance payments to the final personal income taxation, taking only its essential aspects into consideration (FPS Finance, 2009b). The withholding tax schedule is applied to the sum of income from employment, self-employment and pensions (see Table A1.2 part A), which has in general narrower bands but higher percentages than the final personal income taxation (see part B for comparison). For fiscal households where a partner is present, it is beforehand checked whether the marital quotient applies. When the couple has only one earner, 30% of the income of the earning partner (from employment, self-employment and pensions) is treated as the income of the non-earning partner, limited to € 9,280. Within the withholding tax system, the non-earning partner may not have any source of taxable income. As the Belgian income taxation system is progressive in nature, the application of the marital quotient will tax the income assigned to the non-earning partner at the lowest marginal tax rate rather than at the higher rate of the band in which the income would fall when it was considered as a unity. For the withholding taxes of replacement incomes, a fixed percentage of unemployment benefits (10.09%), and of sickness and invalidity benefits (11.11%) is taken (FPS Finance, 2009a). For singles living entirely of unemployment benefits or couples in which only one partner receives unemployment benefits without any other source of income being present in the fiscal household, no withholding tax is due.

Table A1.2. Withholding tax schedule and final personal income tax schedule, income year 2010

|  |  |  |
| --- | --- | --- |
| Minimum net taxable income limit (yearly) (€) | Maximum net taxable income limit (yearly, included) (€) | % applied on income band |
| Part A: withholding tax schedule |
| 0 | 7900 | 26.75 |
| 7900 | 10740 | 32.10 |
| 10740 | 15560 | 42.80 |
| 15560 | 34360 | 48.15 |
| 34360 | max | 53.50 |
| Part B: final personal income tax schedule |
| 0 | 7900 | 25.00 |
| 7900 | 11240 | 30.00 |
| 11240 | 18730 | 40.00 |
| 18730 | 34330 | 45.00 |
| 34330 | max | 50.00 |

Source: FPS Finance (2010, 2011).

The tax allowance and tax credits are simulated in a fourth step. The tax allowance equals € 1,463.23 of non-taxed income for each partner in 2010, irrespective of whether the partner has earned income. Tax credits are tax advantages given according to the composition of the fiscal households. Depending on the source and level of income of the tax payers, the region they are living in, and the number of dependent children, other dependent persons (distinguishing between individuals aged under or over 65 years old), parents, partners, and disabled individuals present in the fiscal household, a specific amount can be subtracted from the simulated withholding tax. All tax credits are non-refundable with two exceptions. If the simulated withholding tax is smaller than the total sum of tax allowance and tax credits, in the first instance, the not used part of the tax credit for dependent children becomes refundable, bounded to € 390 per dependent child per year[[2]](#footnote-2). Thereafter, the tax credit for the self-employed with low income (€ 4,510 up to € 19,580 net taxable per year), is repayable up to € 610 per year[[3]](#footnote-3). The sum of the tax allowance and tax credits is subsequently subtracted from the simulated withholding tax on income from employment, self-employment and pensions from step three. For unemployment benefits, sickness and invalidity benefits, no tax allowance and tax credits can be deducted within the withholding tax schedule.

Fifthly, the net disposable income at the individual level is simulated as the difference between net taxable income and the remaining withholding tax, augmented with the non-taxable income components one receives (i.e. disability benefits, social assistance and simulated child benefits). Summing it together for all members living at the same address, gives us the total net disposable income at the household level.

Finally, the total net disposable household income is equivalised using the OECD-modified equivalence scale (Hagenaars et al., 1994), assigning a weight of 1 to the first adult, 0.5 to all following adults aged 14 or older, and 0.3 to all children below the age of 14. Based on this, the poverty status is determined.

1.2. Income distribution of households with children, DWH LM&SP versus BE-SILC, 2010

Figure A1.1 compares the distribution of the equivalised net disposable household incomes for children under 18 estimated using the DWH LM&SP to the one observed in BE-SILC 2011 (income year 2010). In general, the share of children at the bottom and at the top of the income distribution is higher according to BE-SILC than as simulated using the DWH LM&SP, while the reverse is true in the middle. In BE-SILC, 17.1% of children under 18 live in a household with an income up to 60% of the median equivalised net disposable income of households with children in the data, whereas this is only 7.5% according to the DWH LM&SP. 60.4% of children in BE-SILC and as much as 75.9% of children in the DWH LM&SP have a household income between 60% and 135% of their median, while the respective shares equal 22.5% and 16.6% for household income exceeding 135% of the median.

Part of the observed differences can be accounted for by the components included in the income concepts of both data sources. The DWH LM&SP contains information on income from current and past employment, supplemented with non-taxable income from disability benefits, social assistance and child benefits. For 19% of children under 18, however, at least one of their parents has no known income on any of these components (see also note 2 in the manuscript). The BE-SILC is not constrained to (in Belgium) taxable income and additionally takes rental income, movable income, income transfers between households, study allowances, housing allowances as well as second and third pillar pension income into account.

Figure A1.1. Income distribution of equivalised net disposable household income for children under 18, relative to the median, DWH LM&SP versus BE-SILC, incomes 2010

Source: own calculations based on DWH LM&SP (2010) and BE-SILC (2011).

Note: each distribution is compared with its own median equivalised net disposable household income for children under 18 (DWH LM&SP median = € 16187.57, BE-SILC median = € 19296.15).

Table A1.3 shows the weight of the four taxable income categories (i.e. income from employment (current and past), immovable property, movable property and other sources) in terms of the share of tax returns that declares these income categories as well as the share of the total net taxable income they represent. The figures are for Belgium. Almost all tax returns contain income from employment and 9% of the tax returns (additionally) has income from immovable property. Only a marginal share includes income from movable property (2%) or other sources (1%). Additionally, Table A1.3 shows that the lion’s share of net taxable income consists of employment income (98%). The shares of net taxable income from immovable property, movable property or other sources are very small.

Table A1.3. Shares of income categories in tax returns and in total net taxable income, incomes 2010, Belgium

|  |  |  |
| --- | --- | --- |
|  | % of tax returns | % of total net taxable income |
| Total net taxable income from employment | 99.44 | 98.42 |
| Total net taxable income from immovable property | 9.09 | 1.13 |
| Total net taxable income from movable property | 1.56 | 0.30 |
| Total net taxable income from other sources(e.g. income transfers between households) | 1.25 | 0.15 |

Source: Statistics Belgium (2010).

1.3. Children with a disability versus children without a disability

Figure A1.2 compares the estimated equivalised net disposable household income distributions of children with and without a disability to each other. It shows that children with a disability more often live in the middle of the income distribution whereas children without a disability have a higher share located at the bottom. The differences between the two groups are small at the top of the income distribution.

Figure A1.2. Income distribution of equivalised net disposable household income for children under 18, with versus without a disability, relative to the median, Belgium, 2010

Source: own calculations based on DWH LM&SP (2010).

This is partially the result of the way childhood disability is measured: only children who receive the supplemental child benefit are identified as children with a disability. Figure A1.3 presents the income distributions for children with (Panel A) and without a disability (Panel B) when the main cash support systems provided to them are excluded, simultaneously and separately, from the net disposable household income (before it is equivalised).

Figure A1.3. Income distribution with and without cash support, children under 18 with a disability (Panel A) versus without a disability (Panel B), Belgium, 2010

**Panel A: children with a disability**

**Panel B: children without a disability**

Source: own calculations based on DWH LM&SP (2010).

Note: CB = regular child benefit, SCB = supplemental child benefit (only children with a disability are eligible), TC = refundable tax credit for dependent children. Distributions are presented as percentages of the median for all children in the data (€16187.57). The poverty threshold is drawn from BE-SILC.

When the regular child benefit, the supplemental child benefit (only for disabled children), and the refundable tax credit for dependent children are not taken into account, the share of disabled children living at the bottom (60% or less) increases from 3.8% to 31.6%, while the shares in the middle (65%-135%) and at the top (more than 135%) are reduced by a quarter and by half respectively (Panel A). When the cash support systems are stepwise included, it is clear that the regular child benefit (comparing the dotted and dashed line) has a great impact, but also the supplemental child benefit (comparing the dashed and double line) is important for households with disabled children. The refundable tax credit matters as well (comparing the double to the solid line), especially at the bottom and in the middle of the income distribution. Similar conclusions hold for non-disabled children (Panel B), though they are less pronounced. The impact of each cash support measure on children’s position in the income distribution is further explored in Appendix 3.

1.4. Additional references

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FPS Finance (2009b), *Sleutelformule voor het berekenen van de bedrijfsvoorheffing (BV) verschuldigd op bezoldigingen en op in artikel 146, 1°, van het wetboek van de inkomstenbelastingen (WIB 92) vermelde pensioenen of brugpensioenen, betaald vanaf 1 januari 2010*, Brussels: FPS Finance.

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Statistics Belgium. (2010). *Verdeling (%) van de hoofdbestanddelen van het totaal netto inkomen per totaal netto belastbaar inkomensklasse van €5000*. <https://statbel.fgov.be/nl/themas/huishoudens/fiscale-inkomens/plus>.

Appendix 2 Descriptive information on variables of interest

Table A2.1. All children, poor versus non-poor children, %, Belgium, 2010

|  |  |  |  |
| --- | --- | --- | --- |
| Children <18 | Total | Poor | Non-poor |
| Prevalence among total |  | 22.1 | 77.9 |
| Household work intensity |  |  |  |
| Very low (0-0.2) | 12.4 | 42.9 | 3.7 |
| Low (0.2-0.45) | 4.2 | 13.2 | 1.7 |
| Medium (0.45-0.55) | 8.5 | 14.7 | 6.7 |
| High (0.55-0.85) | 21.6 | 14.5 | 23.6 |
| Very high (0.85-1) | 53.4 | 14.7 | 64.4 |
| Household type |  |  |  |
| Two parents | 77.2 | 42.7 | 87.0 |
| Single parent | 22.2 | 55.1 | 12.9 |
| Other | 0.6 | 2.2 | 0.1 |
| Number of children (<18) in household |  |  |  |
| Less than three | 73.7 | 67.6 | 75.5 |
| Three or more | 26.3 | 32.4 | 24.5 |
| Parental education (highest level) |  |  |  |
| Low-skilled | 15.5 | 37.6 | 9.7 |
| Medium-skilled | 35.3 | 44.4 | 32.9 |
| High-skilled | 49.2 | 18.0 | 57.3 |
| Country of birth parents |  |  |  |
| At least one parent born in Belgium | 88.0 | 69.8 | 93.0 |
| At least one parent born in other EU27 country | 3.5 | 7.3 | 2.5 |
| Both parents born in non-EU27 country | 8.5 | 22.9 | 4.5 |
| Other household members with a disability |  |  |  |
| None | 96.8 | 95.7 | 97.1 |
| At least one | 3.2 | 4.3 | 2.9 |
| Child’s age (mean) | 8.4 | 8.8 | 8.3 |

Source: own calculations based on DWH LM&SP (2010) and Census (2011).

Note: the shares in the total child population (column 2) are the weighted averages of the shares within the poor and non-poor subgroups of the total child population (columns 3 and 4 weighted by row 2). Bivariate statistics are shown meaning that the sample size can differ for each indicator. Results are comparable when only children with non-missing information on all variables of interest are taken into account, except for the poverty prevalence (20.7%), and the parents country of birth where the shares of foreign-born parents are smaller (among the total child population (BE 90.1%, EU27 2.7%, non-EU27 7.3%), this is more pronounced for the poor subgroup (BE 74.4%, EU27 5.8%, non-EU27 19.8%) than for the non-poor subgroup (BE 94.2%, EU27 1.9%, non-EU27 4.0%)).

Table A2.2. Children with and without a disability, poor versus non-poor children, %, Belgium, 2010

|  |  |  |
| --- | --- | --- |
| Children <18 | With a disability | Without a disability |
|  | **Subtotal** | **Poor** | **Non-poor** | **Subtotal** | **Poor** | **Non-poor** |
| Prevalence among subtotal |  | 15.6 | 84.4 |  | 22.2 | 77.8 |
| Household work intensity |  |  |  |  |  |  |
| Very low (0-0.2) | 22.2 | 56.5 | 15.8 | 12.1 | 42.7 | 3.4 |
| Low (0.2-0.45) | 5.8 | 14.6 | 4.2 | 4.2 | 13.2 | 1.6 |
| Medium (0.45-0.55) | 12.0 | 11.4 | 12.1 | 8.4 | 14.8 | 6.5 |
| High (0.55-0.85) | 22.5 | 9.4 | 25.0 | 21.6 | 14.5 | 23.6 |
| Very high (0.85-1) | 37.5 | 8.1 | 42.9 | 53.7 | 14.8 | 64.9 |
| Household type |  |  |  |  |  |  |
| Two parents | 69.2 | 37.5 | 75.1 | 77.4 | 42.7 | 87.3 |
| Single parent | 30.2 | 59.8 | 24.8 | 22.1 | 55.0 | 12.6 |
| Other | 0.6 | 2.8 | 0.2 | 0.6 | 2.2 | 0.1 |
| Number of children (<18) in household |  |  |  |  |  |  |
| Less than three | 70.0 | 63.0 | 71.3 | 73.8 | 67.7 | 75.6 |
| Three or more | 30.0 | 37.0 | 28.7 | 26.2 | 32.3 | 24.4 |
| Parental education (highest level) |  |  |  |  |  |  |
| Low-skilled | 24.5 | 45.8 | 20.8 | 15.3 | 37.4 | 9.5 |
| Medium-skilled | 41.6 | 44.1 | 41.2 | 35.2 | 44.4 | 32.8 |
| High-skilled | 33.9 | 10.1 | 38.0 | 49.5 | 18.1 | 57.8 |
| Country of birth parents |  |  |  |  |  |  |
| At least one parent born in Belgium | 88.4 | 74.9 | 90.8 | 88.0 | 69.7 | 93.1 |
| At least one parent born in other EU27 country | 2.6 | 4.8 | 2.2 | 3.5 | 7.3 | 2.5 |
| Both parents born in non-EU27 country | 9.0 | 20.3 | 7.0 | 8.5 | 22.9 | 4.4 |
| Other household members with a disability |  |  |  |  |  |  |
| None | 82.4 | 83.8 | 82.2 | 97.1 | 95.9 | 97.5 |
| Yes, at least one | 17.6 | 16.2 | 17.8 | 2.9 | 4.1 | 2.5 |
| Child’s age (mean) | 9.8 | 10.3 | 9.8 | 8.4 | 8.7 | 8.3 |

Source: own calculations based on DWH LM&SP (2010) and Census (2011).

Note: shares in the subtotal populations of children with and without a disability (columns 2 and 5) are the weighted averages of the shares within the poor and non-poor subgroups of these subpopulations (columns 3 and 4 for children with a disability, columns 6 and 7 for children without a disability, weighted by row 2). Weighting column 2 and 5 by their prevalence in the total child population (2.1% and 97.9%), will give the total distribution presented in column 2 of Table A2.1. Bivariate statistics are shown meaning that the sample size can differ for each risk factor. Results are comparable when only children with non-missing information on all variables of interest are taken into account, except for the poverty prevalence (14.9% and 20.9% among children with and without a disability respectively), and the parents country of birth where the shares of foreign-born parents are smaller (among children with a disability (BE 89.9%, EU27 2.3%, non-EU27 7.8%), this is more pronounced for the poor subgroup (BE 78.2%, EU27 4.3%, non-EU27 17.5%) than for the non-poor subgroup (BE 91.9%, EU27 1.9%, non-EU27 6.1%). Comparable among children without a disability (BE 90.1%, EU27 2.9%, non-EU27 7.3%), poor subgroup (BE 74.3%, EU27 5.8%, non-EU27 19.9%), non-poor subgroup (BE 94.2%, EU27 1.9%, non-EU27 3.9%)).

Appendix 3 Impact targeted cash support on children’s position in income distribution

Table A3.1 presents the shares of children belonging to a specific income category, before and after targeted cash support is included in household income. The values on the diagonal show the shares of children who remain in the same income category, the values to the right of the diagonal show the shares of children who climb up to a higher income category once cash support is included (always compared to the previous scenario). These are static effects, meaning that no account is taken of how parents might adjust their labour market participation to compensate for the loss of income in the absence of cash support.

Each cash support system has a considerable upward impact on children’s position in the income distribution, disabled and non-disabled alike. About one third of children who are poor when all targeted cash support is excluded from household income (scenario 1) are lifted out of poverty as soon as the regular child benefit is included (scenario 2), both among disabled children (Panel A) and among non-disabled children (Panel B). For the lower middle class, the regular child benefit is even more important: more than four out of ten children (disabled and non-disabled alike) who belong to the lower middle class in scenario 1 climb up to the core middle class in scenario 2. Higher up in the income distribution, the impact of the regular child benefit is lower. The supplemental child benefit is even more important than the regular child benefit for poor disabled children: 40% of those who are poor in scenario 2 belong to the lower middle class in scenario 3 and 1% is even lifted up to the core middle class. The supplement also matters a great deal for disabled children who belong to the lower middle class in scenario 2: 36% moves up to the core middle class in scenario 3. Again, the impact of the supplement is lower higher up in the income distribution. The tax credit for dependent children (baseline) has the smallest impact (disabled and non-disabled alike): it lifts 3% of non-disabled children and 16% of disabled children out of poverty as assessed in scenario 3.

Overall, the main targeted cash support systems have a stronger upward impact for disabled than for non-disabled children. Of those who are poor when all targeted support is excluded from household income (scenario 1), 36% of non-disabled children and 59% of disabled children climb up to the lower middle class when all targeted cash support is included (baseline) and 7% of disabled children even climb up to the core middle class. For the lower middle class, the impact is stronger than for the poor: 45% of non-disabled children and 76% of disabled children who belong to this income category in scenario 1 climb up to the core middle class in the baseline. Higher up in the income distribution, the impact of cash support is lower.

Table A3.1. Position in the income distribution, with and without cash support, children under 18, disabled versus non-disabled, %, Belgium, 2010

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Panel A: disabled children <18 | Poor | Lower middle class | Core middle class | Upper middle class | Rich |
| Scenario 1 versus 2‒ CB ‒ SCB ‒ TC versus + CB ‒ SCB ‒ TC |  |  |  |  |  |
| Poor | 68 | 32 | 0 | 0 | 0 |
| Lower middle class | 0 | 57 | 43 | 0 | 0 |
| Core middle class | 0 | 0 | 92 | 8 | 0 |
| Upper middle class | 0 | 0 | 0 | 98 | 2 |
| Rich | 0 | 0 | 0 | 0 | 100 |
| Scenario 2 versus 3+ CB ‒ SCB ‒ TC versus + CB + SCB ‒ TC |  |  |  |  |  |
| Poor | 59 | 40 | 1 | 0 | 0 |
| Lower middle class | 0 | 64 | 36 | 0 | 0 |
| Core middle class | 0 | 0 | 91 | 9 | 0 |
| Upper middle class | 0 | 0 | 0 | 98 | 2 |
| Rich | 0 | 0 | 0 | 0 | 100 |
| Scenario 3 versus baseline+ CB + SCB ‒ TC versus + CB + SCB + TC |  |  |  |  |  |
| Poor | 84 | 16 | 0 | 0 | 0 |
| Lower middle class | 0 | 97 | 3 | 0 | 0 |
| Core middle class | 0 | 0 | 100 | 0 | 0 |
| Upper middle class | 0 | 0 | 0 | 100 | 0 |
| Rich | 0 | 0 | 0 | 0 | 100 |
| Overall‒ CB ‒ SCB ‒ TC versus + CB + SCB + TC |  |  |  |  |  |
| Poor | 33 | 59 | 7 | 0 | 0 |
| Lower middle class | 0 | 24 | 76 | 0 | 0 |
| Core middle class | 0 | 0 | 80 | 20 | 0 |
| Upper middle class | 0 | 0 | 0 | 95 | 5 |
| Rich | 0 | 0 | 0 | 0 | 100 |
| Panel B: Non-disabled children <18 | Poor | Lower middle class | Core middle class | Upper middle class | Rich |
| Scenario 1 versus 2 ‒ CB ‒ TC versus + CB ‒ TC |  |  |  |  |  |
| Poor | 66 | 34 | 0 | 0 | 0 |
| Lower middle class | 0 | 55 | 45 | 0 | 0 |
| Core middle class | 0 | 0 | 92 | 8 | 0 |
| Upper middle class | 0 | 0 | 0 | 98 | 2 |
| Rich | 0 | 0 | 0 | 0 | 100 |
| Scenario 3 versus baseline+ CB ‒ TC versus + CB + TC |  |  |  |  |  |
| Poor | 97 | 3 | 0 | 0 | 0 |
| Lower middle class | 0 | 100 | 0 | 0 | 0 |
| Core middle class | 0 | 0 | 100 | 0 | 0 |
| Upper middle class | 0 | 0 | 0 | 100 | 0 |
| Rich | 0 | 0 | 0 | 0 | 100 |
| Overall‒ CB ‒ TC versus + CB + TC |  |  |  |  |  |
| Poor | 63 | 36 | 0 | 0 | 0 |
| Lower middle class | 0 | 55 | 45 | 0 | 0 |
| Core middle class | 0 | 0 | 92 | 8 | 0 |
| Upper middle class | 0 | 0 | 0 | 98 | 2 |
| Rich | 0 | 0 | 0 | 0 | 100 |

Source: own calculations based on DWH LM&SP (2010).

Notes: CB = regular child benefit, SCB = supplemental child benefit (only children with a disability are eligible), TC = refundable tax credit for dependent children. Income categories are defined drawing on the BE-SILC median equivalised net disposable household income and kept constant over all scenarios. Poor = less than 60% of the median (i.e. 60% income poverty threshold), lower middle class = 60-80%, core middle class = 80-120%, upper middle class = 120-200%, rich = 200% of the median or more. Shares are compared to the previous scenario.

Appendix 4 Sensitivity check: applying the 50% and 70% at-risk-of-poverty threshold

4.1. 50% at-risk-of-poverty threshold

Table A4.1. 50% income poverty estimates, with and without cash support, children under 18, disabled versus non-disabled, %, Belgium, 2010

|  |  |  |  |
| --- | --- | --- | --- |
| Children <18 | Total | Disabled | Non-disabled |
| 50% poverty headcount ratio |  |  |  |
| ‒ CB ‒ SCB ‒ TC (scenario 1) | 23.6 | 33.4 | 23.4 |
| + CB ‒ SCB ‒ TC (scenario 2) | 11.4 | 15.1 | 11.3 |
| + CB + SCB ‒ TC (scenario 3) | 11.2 | 6.5 | 11.3 |
| + CB + SCB + TC (baseline) | 9.1 | 4.7 | 9.2 |
| Average 50% poverty gap ratio among the poor |  |  |  |
| ‒ CB ‒ SCB ‒ TC (scenario 1) | 28.5 | 28.8 | 28.4 |
| + CB ‒ SCB ‒ TC (scenario 2) | 19.3 | 15.8 | 19.4 |
| + CB + SCB ‒ TC (scenario 3) | 19.3 | 15.6 | 19.4 |
| + CB + SCB + TC (baseline) | 20.2 | 16.9 | 20.2 |

Source: own calculations based on DWH LM&SP (2010).

Notes: The poverty threshold is kept constant over all scenarios. The average poverty gap is calculated among those children who are at-risk-of-poverty in each scenario separately.

Table A4.2. Logistic regression on 50% income poverty risk, with and without cash support, odds ratios, Belgium, 2010

| Children <18 | Scenario 1‒ CB ‒ SCB ‒ TC | Scenario 2+ CB ‒ SCB ‒ TC | Scenario 3+ CB + SCB ‒ TC | Baseline+ CB + SCB + TC |
| --- | --- | --- | --- | --- |
| Constant | 0.011\*\*\*(0.001) | 0.012\*\*\*(0.001) | 0.012\*\*\*(0.001) | 0.012\*\*\*(0.001) |
| Disabled child (DC) | 1.015n.s.(0.104) | 1.194n.s.(0.161) | 0.931n.s.(0.143) | 0.709\*\*(0.118) |
| Household work intensity(very high (0.85-1) ref.) |  |  |  |  |
| Very low (0-0.2) | 20.751\*\*\*(1.981) | 23.989\*\*\*(2.784) | 23.998\*\*\*(2.786) | 19.732\*\*\*(2.565) |
| Low (0.2-0.45) | 28.573\*\*\*(3.181) | 25.565\*\*\*(3.065) | 25.569\*\*\*(3.065) | 23.258\*\*\*(2.931) |
| Medium (0.45-0.55) | 8.429\*\*\*(0.697) | 6.643\*\*\*(0.782) | 6.644\*\*\*(0.782) | 6.937\*\*\*(0.859) |
| High (0.55-0.85) | 2.723\*\*\*(0.191) | 2.171\*\*\*(0.257) | 2.171\*\*\*(0.257) | 2.176\*\*\*(0.272) |
| Household type (two parents ref.) |  |  |  |  |
| Single parent | 7.766\*\*\*(0.508) | 2.521\*\*\*(0.209) | 2.522\*\*\*(0.209) | 1.692\*\*\*(0.157) |
| Number of children (<18) in household (less than three ref.) |  |  |  |  |
| Three or more | 3.545\*\*\*(0.204) | 1.361\*\*\*(0.094) | 1.360\*\*\*(0.094) | 0.946n.s.(0.069) |
| Parental education (highest level) (high-skilled ref.) |  |  |  |  |
| Low-skilled | 2.629\*\*\*(0.213) | 2.050\*\*\*(0.199) | 2.051\*\*\*(0.199) | 1.843\*\*\*(0.185) |
| Medium-skilled | 2.769\*\*\*(0.174) | 1.935\*\*\*(0.165) | 1.935\*\*\*(0.165) | 1.676\*\*\*(0.149) |
| Country of birth parents (Belgium ref.) |  |  |  |  |
| EU27 | 1.292n.s.(0.195) | 1.698\*\*\*(0.260) | 1.697\*\*\*(0.259) | 1.819\*\*\*(0.273) |
| Non-EU27 | 2.885\*\*\*(0.266) | 1.762\*\*\*(0.169) | 1.760\*\*\*(0.169) | 1.763\*\*\*(0.171) |
| Other disabled household members (none ref.) |  |  |  |  |
| At least one | 0.477\*\*\*(0.078) | 0.316\*\*\*(0.054) | 0.316\*\*\*(0.054) | 0.356\*\*\*(0.063) |
| Interaction x DC |  |  |  |  |
| Household work intensity(very high (0.85-1) ref.) |  |  |  |  |
| Very low (0-0.2) x DC | 0.926n.s.(0.111) | 0.627\*\*(0.096) | 0.449\*\*\*(0.085) | 0.516\*\*(0.112) |
| Low (0.2-0.45) x DC | 0.700\*\*(0.102) | 0.642\*\*(0.104) | 0.455\*\*\*(0.086) | 0.459\*\*\*(0.096) |
| Medium (0.45-0.55) x DC | 0.737\*\*(0.080) | 0.639\*\*(0.102) | 0.426\*\*\*(0.083) | 0.411\*\*\*(0.089) |
| High (0.55-0.85) x DC | 0.858n.s.(0.083) | 0.774n.s.(0.126) | 0.509\*\*\*(0.103) | 0.567\*\*(0.125) |
| Household type (two parents ref.) |  |  |  |  |
| Single parent x DC | 0.942n.s.(0.080) | 1.008n.s.(0.106) | 0.469\*\*\*(0.060) | 0.559\*\*\*(0.083) |
| Number of children (<18) in household (less than three ref.) |  |  |  |  |
| Three or more x DC | 1.201\*\*(0.090) | 1.269\*\*(0.111) | 1.125n.s.(0.112) | 1.254\*\*(0.139) |
| Parental education (highest level) (high-skilled ref.) |  |  |  |  |
| Low-skilled x DC | 1.171n.s.(0.125) | 0.984n.s.(0.128) | 0.874n.s.(0.138) | 0.929n.s.(0.163) |
| Medium-skilled x DC | 1.029n.s.(0.089) | 1.058n.s.(0.124) | 0.983n.s.(0.141) | 1.080n.s.(0.172) |
| Country of birth parents (Belgium ref.) |  |  |  |  |
| EU27 x DC | 1.088n.s.(0.243) | 0.704n.s.(0.147) | 0.844n.s.(0.198) | 0.866n.s.(0.217) |
| Non-EU27 x DC | 0.830n.s.(0.101) | 0.969n.s.(0.115) | 0.908n.s.(0.118) | 0.908n.s.(0.128) |
| Other disabled household members (none ref.) |  |  |  |  |
| At least one x DC | 1.617\*\*(0.282) | 1.817\*\*(0.332) | 1.172n.s.(0.232) | 0.893n.s.(0.194) |
| Region of residence (Flanders ref.) |  |  |  |  |
| Brussels | 1.703\*\*\*(0.158) | 1.174n.s.(0.126) | 1.169n.s.(0.126) | 1.166n.s.(0.129) |
| Wallonia | 1.480\*\*\*(0.083) | 1.238\*\*(0.085) | 1.230\*\*(0.086) | 1.200\*\*(0.087) |
| Child’s age |  |  |  |  |
| Age | 0.967n.s.(0.019) | 0.890\*\*\*(0.020) | 0.892\*\*\*(0.020) | 0.910\*\*\*(0.021) |
| Age² | 1.003\*\*(0.001) | 1.007\*\*\*(0.001) | 1.007\*\*\*(0.001) | 1.007\*\*\*(0.001) |
| Model fit |  |  |  |  |
| Log pseudolikelihood | -482232.20 | -352953.23 | -349319.00 | -333077.25 |
| Pseudo R² | 0.4542 | 0.3647 | 0.3639 | 0.2926 |
| Prob > chi² | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| N | 33883 | 33883 | 33883 | 33883 |

Source: own calculations based on DWH LM&SP (2010) and Census (2011).

Notes: not living at-risk-of poverty is the baseline. \*p<0.05, \*\*p<0.01, \*\*\*p<0.001, n.s. not significant. Robust standard errors are in parentheses.

4.2. 70% at-risk-of-poverty threshold

Table A4.3. 70% income poverty estimates, with and without cash support, children under 18, disabled versus non-disabled, %, Belgium, 2010

|  |  |  |  |
| --- | --- | --- | --- |
| Children <18 | Total | Disabled | Non-disabled |
| 70% poverty headcount ratio |  |  |  |
| ‒ CB ‒ SCB ‒ TC (scenario 1) | 47.7 | 60.1 | 47.4 |
| + CB ‒ SCB ‒ TC (scenario 2) | 36.0 | 46.6 | 35.8 |
| + CB + SCB ‒ TC (scenario 3) | 35.7 | 34.8 | 35.8 |
| + CB + SCB + TC (baseline, all-in) | 35.4 | 32.3 | 35.5 |
| Average 70% poverty gap ratio among the poor |  |  |  |
| ‒ CB ‒ SCB ‒ TC (scenario 1) | 31.3 | 33.7 | 31.2 |
| + CB ‒ SCB ‒ TC (scenario 2) | 23.0 | 23.0 | 23.0 |
| + CB + SCB ‒ TC (scenario 3) | 22.9 | 17.9 | 23.0 |
| + CB + SCB + TC (baseline, all-in) | 21.6 | 16.4 | 21.7 |

Source: own calculations based on DWH LM&SP (2010).

Notes: The poverty threshold is kept constant over all scenarios. The average poverty gap is calculated among those children who are at-risk-of-poverty in each scenario separately.

Table A4.4. Logistic regression on 70% income poverty risk, with and without cash support, odds ratios, Belgium, 2010

| Children <18 | Scenario 1‒ CB ‒ SCB ‒ TC | Scenario 2+ CB ‒ SCB ‒ TC | Scenario 3+ CB + SCB ‒ TC | Baseline+ CB + SCB + TC |
| --- | --- | --- | --- | --- |
| Constant | 0.061\*\*\*(0.004) | 0.042\*\*\*(0.003) | 0.043\*\*\*(0.003) | 0.044\*\*\*(0.003) |
| Disabled child (DC) | 1.024n.s.(0.067) | 0.951n.s.(0.072) | 0.687\*\*\*(0.054) | 0.742\*\*\*(0.057) |
| Household work intensity(very high (0.85-1) ref.) |  |  |  |  |
| Very low (0-0.2) | 9.488\*\*\*(1.146) | 15.241\*\*\*(1.596) | 15.249\*\*\*(1.597) | 14.337\*\*\*(1.468) |
| Low (0.2-0.45) | 25.796\*\*\*(4.138) | 27.835\*\*\*(3.564) | 27.845\*\*\*(3.565) | 25.398\*\*\*(3.194) |
| Medium (0.45-0.55) | 10.284\*\*\*(0.857) | 10.916\*\*\*(0.822) | 10.921\*\*\*(0.822) | 10.567\*\*\*(0.792) |
| High (0.55-0.85) | 3.644\*\*\*(0.179) | 3.338\*\*\*(0.179) | 3.338\*\*\*(0.179) | 3.308\*\*\*(0.177) |
| Household type (two parents ref.) |  |  |  |  |
| Single parent | 8.452\*\*\*(0.566) | 7.292\*\*\*(0.451) | 7.296\*\*\*(0.451) | 7.038\*\*\*(0.432) |
| Number of children (<18) in household (less than three ref.) |  |  |  |  |
| Three or more | 3.379\*\*\*(0.164) | 1.560\*\*\*(0.079) | 1.560\*\*\*(0.079) | 1.512\*\*\*(0.076) |
| Parental education (highest level)(high-skilled ref.) |  |  |  |  |
| Low-skilled | 4.590\*\*\*(0.342) | 3.680\*\*\*(0.266) | 3.680\*\*\*(0.266) | 3.692\*\*\*(0.264) |
| Medium-skilled | 4.294\*\*\*(0.199) | 3.406\*\*\*(0.168) | 3.405\*\*\*(0.168) | 3.374\*\*\*(0.166) |
| Country of birth parents (Belgium ref.) |  |  |  |  |
| EU27 | 1.751\*\*\*(0.281) | 1.772\*\*\*(0.260) | 1.774\*\*\*(0.260) | 1.751\*\*\*(0.256) |
| Non-EU27 | 4.214\*\*\*(0.486) | 3.456\*\*\*(0.333) | 3.459\*\*\*(0.334) | 3.332\*\*\*(0.318) |
| Other disabled household members (none ref.) |  |  |  |  |
| At least one | 0.666\*\*(0.109) | 0.536\*\*\*(0.086) | 0.536\*\*\*(0.086) | 0.517\*\*\*(0.083) |
| Interaction x DC |  |  |  |  |
| Household work intensity(very high (0.85-1) ref.) |  |  |  |  |
| Very low (0-0.2) x DC | 1.054n.s.(0.157) | 1.085n.s.(0.140) | 0.839n.s.(0.104) | 0.669\*\*\*(0.081) |
| Low (0.2-0.45) x DC | 0.939n.s.(0.201) | 0.862n.s.(0.142) | 0.604\*\*(0.094) | 0.533\*\*\*(0.081) |
| Medium (0.45-0.55) x DC | 0.789\*\*(0.084) | 0.740\*\*(0.073) | 0.516\*\*\*(0.051) | 0.491\*\*\*(0.048) |
| High (0.55-0.85) x DC | 0.857\*\*(0.059) | 0.895n.s.(0.067) | 0.706\*\*\*(0.056) | 0.662\*\*\*(0.053) |
| Household type (two parents ref.) |  |  |  |  |
| Single parent x DC | 1.015n.s.(0.093) | 1.053n.s.(0.087) | 0.526\*\*\*(0.042) | 0.451\*\*\*(0.035) |
| Number of children (<18) in household (less than three ref.) |  |  |  |  |
| Three or more x DC | 1.125n.s.(0.075) | 1.081n.s.(0.073) | 1.304\*\*\*(0.087) | 1.195\*\*(0.079) |
| Parental education (highest level)(high-skilled ref.) |  |  |  |  |
| Low-skilled x DC | 1.009n.s.(0.100) | 1.068n.s.(0.102) | 0.880n.s.(0.084) | 0.844n.s.(0.080) |
| Medium-skilled x DC | 1.023n.s.(0.067) | 1.034n.s.(0.073) | 0.897n.s.(0.066) | 0.885n.s.(0.065) |
| Country of birth parents (Belgium ref.) |  |  |  |  |
| EU27 x DC | 1.169n.s.(0.281) | 1.019n.s.(0.224) | 0.788n.s.(0.166) | 0.840n.s.(0.170) |
| Non-EU27 x DC | 0.723\*\*(0.116) | 0.773n.s.(0.102) | 0.588\*\*\*(0.072) | 0.548\*\*\*(0.066) |
| Other disabled household members (none ref.) |  |  |  |  |
| At least one x DC | 1.449n.s.(0.254) | 1.528\*\*(0.263) | 0.972n.s.(0.167) | 0.944n.s.(0.160) |
| Region of residence (Flanders ref.) |  |  |  |  |
| Brussels | 1.336\*\*\*(0.111) | 1.599\*\*\*(0.133) | 1.585\*\*\*(0.132) | 1.600\*\*\*(0.132) |
| Wallonia | 1.418\*\*\*(0.065) | 1.464\*\*\*(0.070) | 1.457\*\*\*(0.070) | 1.441\*\*\*(0.069) |
| Child’s age |  |  |  |  |
| Age | 0.972n.s.(0.015) | 0.938\*\*\*(0.015) | 0.937\*\*\*(0.015) | 0.936\*\*\*(0.015) |
| Age² | 1.004\*\*\*(0.001) | 1.005\*\*\*(0.001) | 1.005\*\*\*(0.001) | 1.005\*\*\*(0.001) |
| Model fit |  |  |  |  |
| Log pseudolikelihood | -701716.05 | -640333.95 | -640755.34 | -646275.90 |
| Pseudo R² | 0.3900 | 0.4028 | 0.4009 | 0.3938 |
| Prob > chi² | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| N | 33883 | 33883 | 33883 | 33883 |

Source: own calculations based on DWH LM&SP (2010) and Census (2011).

Notes: not living at-risk-of poverty is the baseline. \*p<0.05, \*\*p<0.01, \*\*\*p<0.001, n.s. not significant. Robust standard errors are in parentheses.

Appendix 5 Sensitivity check: logistic results without applying the population weight

Table A5.1. Logistic regression on 60% income poverty risk without population weight, with and without cash support, odds ratios, Belgium, 2010

| Children <18 | Scenario 1‒ CB ‒ SCB ‒ TC | Scenario 2+ CB ‒ SCB ‒ TC | Scenario 3+ CB + SCB ‒ TC | Baseline+ CB + SCB + TC |
| --- | --- | --- | --- | --- |
| Constant | 0.026\*\*\*(0.002) | 0.020\*\*\*(0.002) | 0.022\*\*\*(0.002) | 0.023\*\*\*(0.002) |
| Disabled child (DC) | 0.912n.s.(0.074) | 0.996n.s.(0.097) | 0.755\*\*(0.079) | 0.770\*\*(0.082) |
| Household work intensity(very high (0.85-1) ref.) |  |  |  |  |
| Very low (0-0.2) | 14.956\*\*\*(1.555) | 24.146\*\*\*(2.232) | 24.990\*\*\*(2.317) | 21.530\*\*\*(1.943) |
| Low (0.2-0.45) | 26.633\*\*\*(3.355) | 29.492\*\*\*(3.204) | 30.188\*\*\*(3.281) | 26.471\*\*\*(2.828) |
| Medium (0.45-0.55) | 10.312\*\*\*(0.789) | 8.813\*\*\*(0.721) | 9.056\*\*\*(0.739) | 8.901\*\*\*(0.723) |
| High (0.55-0.85) | 3.037\*\*\*(0.166) | 2.621\*\*\*(0.184) | 2.631\*\*\*(0.184) | 2.540\*\*\*(0.179) |
| Household type (two parents ref.) |  |  |  |  |
| Single parent | 8.067\*\*\*(0.503) | 5.714\*\*\*(0.361) | 5.805\*\*\*(0.366) | 5.352\*\*\*(0.335) |
| Number of children (<18) in household (less than three ref.) |  |  |  |  |
| Three or more | 3.593\*\*\*(0.182) | 1.488\*\*\*(0.086) | 1.495\*\*\*(0.086) | 1.331\*\*\*(0.077) |
| Parental education (highest level)(high-skilled ref.) |  |  |  |  |
| Low-skilled | 3.653\*\*\*(0.266) | 2.625\*\*\*(0.209) | 2.618\*\*\*(0.208) | 2.625\*\*\*(0.208) |
| Medium-skilled | 3.443\*\*\*(0.177) | 2.708\*\*\*(0.168) | 2.686\*\*\*(0.166) | 2.696\*\*\*(0.167) |
| Country of birth parents (Belgium ref.) |  |  |  |  |
| EU27 | 1.451\*\*(0.216) | 1.660\*\*\*(0.245) | 1.722\*\*\*(0.257) | 1.648\*\*\*(0.245) |
| Non-EU27 | 3.634\*\*\*(0.358) | 2.752\*\*\*(0.254) | 2.814\*\*\*(0.260) | 2.685\*\*\*(0.246) |
| Other disabled household members (none ref.) |  |  |  |  |
| At least one | 0.470\*\*\*(0.074) | 0.377\*\*\*(0.063) | 0.380\*\*\*(0.063) | 0.349\*\*\*(0.058) |
| Interaction x DC |  |  |  |  |
| Household work intensity(very high (0.85-1) ref.) |  |  |  |  |
| Very low (0-0.2) x DC | 1.059n.s.(0.138) | 0.902n.s.(0.107) | 0.483\*\*\*(0.061) | 0.480\*\*\*(0.062) |
| Low (0.2-0.45) x DC | 0.801n.s.(0.131) | 0.824n.s.(0.117) | 0.502\*\*\*(0.073) | 0.509\*\*\*(0.074) |
| Medium (0.45-0.55) x DC | 0.780\*\*(0.078) | 0.697\*\*\*(0.076) | 0.475\*\*\*(0.057) | 0.485\*\*\*(0.060) |
| High (0.55-0.85) x DC | 0.944n.s.(0.072) | 0.931n.s.(0.091) | 0.758\*\*(0.085) | 0.728\*\*(0.086) |
| Household type (two parents ref.) |  |  |  |  |
| Single parent x DC | 1.122n.s.(0.094) | 0.989n.s.(0.081) | 0.431\*\*\*(0.037) | 0.397\*\*\*(0.035) |
| Number of children (<18) in household (less than three ref.) |  |  |  |  |
| Three or more x DC | 1.086n.s.(0.074) | 1.127n.s.(0.085) | 1.263\*\*(0.096) | 1.127n.s.(0.087) |
| Parental education (highest level)(high-skilled ref.) |  |  |  |  |
| Low-skilled x DC | 1.091n.s.(0.106) | 1.112n.s.(0.117) | 1.009n.s.(0.113) | 0.893n.s.(0.102) |
| Medium-skilled x DC | 1.023n.s.(0.074) | 1.004n.s.(0.087) | 0.928n.s.(0.088) | 0.868n.s.(0.085) |
| Country of birth parents (Belgium ref.) |  |  |  |  |
| EU27 x DC | 1.443n.s.(0.322) | 1.082n.s.(0.236) | 0.870n.s.(0.177) | 0.876n.s.(0.178) |
| Non-EU27 x DC | 0.768n.s.(0.104) | 0.828n.s.(0.100) | 0.597\*\*\*(0.070) | 0.605\*\*\*(0.071) |
| Other disabled household members (none ref.) |  |  |  |  |
| At least one x DC | 1.902\*\*\*(0.321) | 1.550\*\*(0.277) | 1.164n.s.(0.207) | 1.198n.s.(0.214) |
| Region of residence (Flanders ref.) |  |  |  |  |
| Brussels | 1.565\*\*\*(0.100) | 1.554\*\*\*(0.102) | 1.168\*\*(0.078) | 1.137n.s.(0.076) |
| Wallonia | 1.421\*\*\*(0.048) | 1.442\*\*\*(0.054) | 1.214\*\*\*(0.046) | 1.201\*\*\*(0.047) |
| Child’s age |  |  |  |  |
| Age | 0.981n.s.(0.013) | 0.927\*\*\*(0.013) | 0.917\*\*\*(0.013) | 0.917\*\*\*(0.013) |
| Age² | 1.003\*\*\*(0.001) | 1.005\*\*\*(0.001) | 1.006\*\*\*(0.001) | 1.006\*\*\*(0.001) |
| Model fit |  |  |  |  |
| Log pseudolikelihood | -12821.24 | -10980.28 | -10685.03 | -10443.87 |
| Pseudo R² | 0.4364 | 0.4349 | 0.3623 | 0.3390 |
| Prob > chi² | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| N | 33883 | 33883 | 33883 | 33883 |

Source: own calculations based on DWH LM&SP (2010) and Census (2011).

Notes: not living at-risk-of poverty is the baseline. \*p<0.05, \*\*p<0.01, \*\*\*p<0.001, n.s. not significant. Robust standard errors are in parentheses.

Appendix 6 Further exploration of regular child benefit, Belgium, 2010

Families of children with a disability receive, on average, higher regular child benefits than families of children without a disability. Figure A6.1 shows that this is because they more often (1) qualify for a social supplement, (2) have older children and therefore receive higher age-related supplements, and (3) have multiple children for which they get birth order supplements.

Figure A6.1. Marginal effect of child’s disability status on predicted 60% income poverty risk (left axis) and mean equivalised cash support among the poor by child benefit component (right axis), in different scenarios with and without cash support, children under 18

Source: own calculations based on DWH LM&SP (2010) and Census (2011).

Notes: Predicted child poverty risks are shown as marginal effects of the child’s disability status (left axis), at mean values for the remaining variables of Table 4. Mean equivalised cash support is shown for poor children with and without a disability, by component (and by component of the regular child benefit) and population weighted (right axis). The population of poor children changes in each scenario.

1. Including income from wage employment, self-employment (available at the net taxable income level), pensions, unemployment benefits, sickness and invalidity benefits. [↑](#footnote-ref-1)
2. Children with a recognised disability of at least 66% are counted as dependent twice. [↑](#footnote-ref-2)
3. This tax credit (“belastingkrediet op lage activiteitsinkomsten”) also applies to tenured civil servants. Unfortunately, the data does not have enough information to distinguish tenured versus non-tenured civil servants, hence this tax credit can only be simulated for the self-employed. [↑](#footnote-ref-3)