

IN1.2: Child benefit policy structures

Definitions and methodology

This indicator presents information on the presence and structure of child benefits and cash and tax supports for families with children. The presence of child benefits and family cash and tax supports is captured through two main measures:

- *A child benefit or family allowance exists:* Whether or not there is at least one cash benefit or allowance targeted at children or families with children of some kind. Child benefits and family allowances do not necessarily have to be available to all children or families with children to be included.
- *Tax breaks to families with children exist:* Whether or not tax breaks conditional on having children are in place. Tax breaks do not necessarily have to be available to all families with children to be included.

Six additional measures capture the characteristics and structure of the ‘main’ child benefit where, in countries with more than one child benefit or family allowance, the ‘main’ child benefit is defined as the benefit with the greatest population coverage:

- *Main child benefit is means-tested:* Whether the main child benefit includes an income-test as part of defining eligibility.
- *Main child benefit payment is age-related:* Whether the benefit amount per child increases, decreases or does not vary with the eligible child’s age. In cases where children over age 18 are also eligible for the main child benefit, the variation recorded here refers only to any variation for children under age 18 only.
- *Main child benefit is family size-related:* Whether the benefit amount per child increases, decreases or does not vary with family size (i.e. the number of [eligible] children within the family).
- *Main child benefit age limit:* The general statutory age limit for eligibility for the main child benefit.
- *Extension for over-age children in study or training, and Age limit on extension for over-age children in study or training:* Whether the main child benefit can be paid to children older than the statutory age limit, provided they attend (full-time) study or training activities, and the age limit on any extension for over-age children.

Key findings

All OECD countries offer financial support to families with children through cash transfers or tax breaks, although the nature and characteristics of these financial supports differ considerably from country to country (Table IN1.2.A). All OECD countries other than Korea and Turkey provide at least some kind of child benefit through a cash transfer targeted at children or families with children. In roughly half of these countries the ‘main’ child benefit entitlement is means-tested, with eligibility restricted to children living in households with incomes under a certain threshold. In the remainder, the ‘main’ child benefit is universal and covers all children regardless of household income. Over three-quarters of OECD countries also offer tax breaks to individuals or families with children, most often through either a child tax allowance (e.g. Austria, Hungary, Slovenia, Switzerland, the United States) that is deducted from gross taxable income, or through child tax credits (e.g. Belgium, Finland, Germany, Italy, Poland, Portugal, the Slovak Republic, the United Kingdom, the United States) that reduce the final income tax liability.

Other relevant indicators: IN1.1: Birth-related benefit policy structures; IN2.1. Public spending by age of child; CO2.1. Income poverty
--

Table IN1.2.A. Cash benefits and tax supports for children and families with children
 2015, or latest available year^a

	A child benefit or family allowance exists:	Tax breaks to families with children exist:	Main child benefit is means-tested
Australia (b)	Yes	No	Yes
Austria	Yes	Yes	No
Belgium	Yes	Yes	No
Canada	Yes	Yes	Yes
Chile	Yes	No	Yes
Czech Republic	Yes	Yes	Yes
Denmark	Yes	No	Yes
Estonia	Yes	Yes	No
Finland	Yes	Yes	No
France (c)	Yes	Yes	No
Germany	Yes	Yes	No
Greece	Yes	Yes	Yes
Hungary	Yes	Yes	No
Iceland	Yes	No	Yes
Ireland	Yes	Yes	No
Israel (d)	Yes	Yes	No
Italy	Yes	Yes	Yes
Japan	Yes	Yes	Yes
Korea	No	Yes	-
Luxembourg	Yes	Yes	No
Mexico	..	..	..
Netherlands	Yes	No	No
New Zealand	Yes	Yes	Yes
Norway	Yes	Yes	No
Poland	Yes	Yes	Yes
Portugal	Yes	Yes	Yes
Slovak Republic	Yes	Yes	No
Slovenia	Yes	Yes	Yes
Spain	Yes	Yes	Yes
Sweden	Yes	No	No
Switzerland	Yes	Yes	No
Turkey	No	Yes	-
United Kingdom	Yes	Yes	Yes
United States	Yes	Yes	Yes

a) Information for Israel, Japan and New Zealand refers to 2014

b) For Australia, 'Family Tax Credit Part A' is treated as the 'main child benefit' and 'Family Tax Credit Part B' as a 'second income-related child benefit', rather than as tax breaks for families with children.

c) In France, from 2015, there is a means-test on the amount of the child benefit. All remain eligible for some payment regardless of income, but the amount of the allowance is reduced for families with high incomes.

d) The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

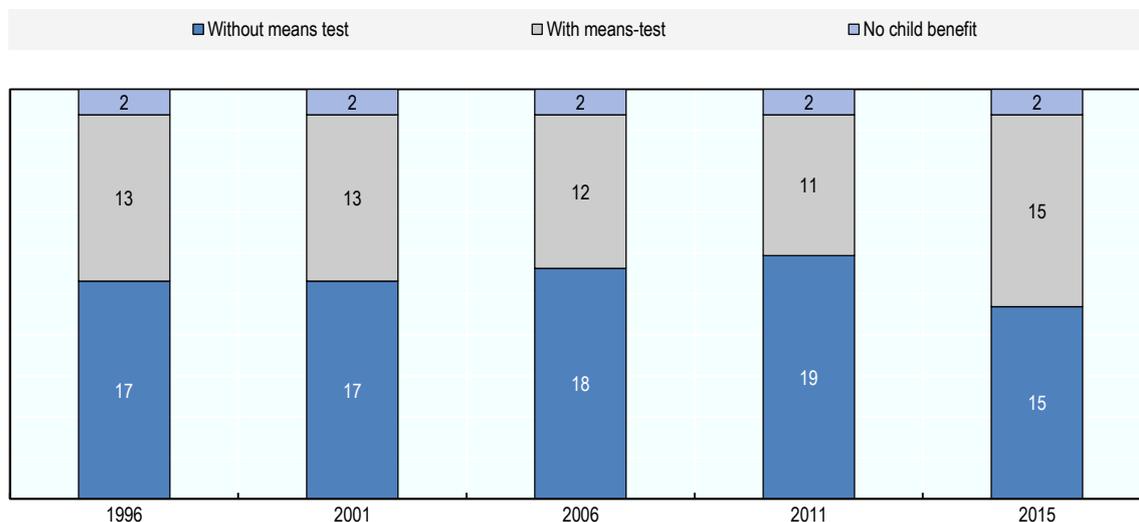
Source: [Mutual Information System on Social Protection \(MISSOC\), 1996-2015](#); [Mutual Information System on Social Protection of the Council of Europe \(MISSCEO\), 1996-2015](#); [Social Security Programs Throughout the World, 2002-2016](#); [OECD Benefits and Wages country chapters, 2000-2015](#); national sources

At least in terms of the 'main' child benefit, there has been a trend for increased means-testing of child benefits in recent years (Chart IN1.2.A). In 1996, among the 32 OECD countries with complete information for the period 1996-2015, 13 countries offered main child benefits with some kind of means-test attached. This number actually fell slightly during the 2000s, to 11 in 2011, but increased to 15 in the years between 2011 and 2015. Denmark and the United Kingdom introduced income-tapers during this period – effectively removing those children from high-income households from eligibility – while Japan re-introduced an income-ceiling and Greece abolished their former main child benefit, leaving the

‘standard child support benefit’ – a monthly means-tested benefit for children in low-income families – as the main child benefit.

Chart IN1.2.A. Countries using mean-tests on the main child benefit, 1996-2015

Number of countries with and without means-tests on the main child benefit, 1996, 2001, 2006, 2011 and 2015^a



Note: Only countries with a complete time series over the whole period are considered (32 countries; Mexico and New Zealand are omitted)

a) For 2015, information for Israel and Japan refers to 2014

b) For Australia, 'Family Tax Credit Part A' is treated as the 'main child benefit' and 'Family Tax Credit Part B' as a 'second income-related child benefit', rather than as tax breaks for families with children.

c) In France, from 2015, there is a means-test on the amount of the child benefit. All remain eligible for some payment regardless of income, but the amount of the allowance is reduced for families with high incomes.

d) See note d) to Table IN1.1.A

Source: [Mutual Information System on Social Protection \(MISSOC\), 1996-2015; Mutual Information System on Social Protection of the Council of Europe \(MISSCEO\), 1996-2015; Social Security Programs Throughout the World, 2002-2016; OECD Benefits and Wages country chapters, 2000-2015; national sources](#)

Child benefit payments frequently vary with both the age of the eligible child and the size of the family in which the child lives (Table IN1.2.B). In some countries, the amount of the payment per child decreases with age or with the size of the family. In Denmark, for instance, child benefit payments are highest for children aged 0-2, and decrease in steps up until children reach 15-17 years of age. In the United Kingdom, payment amounts are highest for the first or eldest child and are decreased for subsequent children. In most cases, however, payments increase either with the age of the child or with the number of children in the family. In the Czech Republic and the Netherlands, payment amounts are fixed with regard to family size but increase as the eligible child grows older, while in nine OECD countries (Canada, Estonia, Finland, Germany, Hungary, Ireland, Italy, Slovenia, Sweden) payments do not vary with age but do increase with family size. In Australia, Austria, Belgium, France, Luxembourg, and Poland, payments increase both with the child's age and with the number of children in the family.

In most OECD countries children remain eligible for the 'main' child benefit until they reach age 18, but there are several exceptions (Table IN1.2.C). In some countries (Australia, Estonia, Ireland, Portugal, the Slovak Republic, Sweden, Switzerland and the United Kingdom) the general age limit on the main child benefit is 16, while in a couple of countries (the Czech Republic and Japan) it is as low as 15. In France, by contrast, children remain eligible for child benefit until they turn 20.

Many OECD countries do, however, provide an extension on eligibility to children in study or training (Table IN1.2.C). In some countries, like Estonia, Ireland and New Zealand, this extension lasts for only a few years until children are in their late-teens, while in several more (Australia, Sweden, Poland and the United Kingdom) eligibility is extended until children turn 20 or 21. In other countries, however, children in study or training remain eligible for the main child benefit well into their mid-twenties. In Germany, for example, children in vocational training or attending higher education remain eligible up to the age of 25, as long as they are not in employment for more than 20 hours per week.

Table IN1.2.B. Main child benefits that vary with child age and family size
 2015, or latest available year^a

		Main child benefit varies with child age:	
		Increases	Decreases
	No	Chile, Greece, Israel, Norway, Slovak Republic, Spain, Switzerland	Czech Republic, Netherlands
	No		Denmark
Main child benefit varies with family size:	Increases	Canada, Estonia, Finland, Germany, Hungary, Ireland, Italy, Slovenia, Sweden	Australia, Austria, Belgium, France, Luxembourg, Poland
	Increases		Iceland, Japan, Portugal
	Decreases	United Kingdom	New Zealand
			-

a) Information for Israel, Japan and New Zealand refers to 2014

b) For Australia, 'Family Tax Credit Part A' is treated as the 'main child benefit', rather than as a tax break for families with children.

c) No information for the United States, as the parameters for the policy treated as the 'main child benefit' (Temporary Assistance for Needy Families (TANF)) are determined entirely at state-level

d) See note d) to Table IN1.1.A

Source: [Mutual Information System on Social Protection \(MISSOC\), 1996-2015](#); [Mutual Information System on Social Protection of the Council of Europe \(MISSCEO\), 1996-2015](#); [Social Security Programs Throughout the World, 2002-2016](#); [OECD Benefits and Wages country chapters, 2000-2015](#); national sources

Table IN1.2.C. Age-limits on main child benefits
 2015, or latest available year^a

	General age-limit on main child benefit:	Extension for over-age children in study or training:	Age-limit on extension for over-age children in study or training:
Australia (b)	16	Yes	20
Austria	18	Yes	24
Belgium	18	Yes	25
Canada	18	No	-
Chile	18	Yes	24
Czech Republic	15	Yes	26
Denmark	18	No	-
Estonia	16	Yes	19
Finland	17	No	-
France	20	No	-
Germany	18	Yes	25
Greece	18	..	..
Hungary	18	Yes	23
Iceland	18	No	-
Ireland	16	Yes	18
Israel (e)	18	No	-
Italy	18	No	-
Japan	15	No	-
Korea	-	-	-
Luxembourg (d)	18	No	-
Mexico	..	..	..
Netherlands	18	No	-
New Zealand	18	Yes	19
Norway	18	No	-
Poland	18	Yes	21
Portugal	16	Yes	24
Slovak Republic	16	Yes	25

Slovenia	18	No	-
Spain	18	No	-
Sweden	16	Yes	20
Switzerland	16	Yes	25
Turkey	-	-	-
United Kingdom	16	Yes	20
United States (c)	..	..	..

a) Information for Israel, Japan and New Zealand refers to 2014

b) For Australia, 'Family Tax Credit Part A' is treated as the 'main child benefit', rather than as a tax break for families with children.

c) No information for the United States, as the parameters for the policy treated as the 'main child benefit' (Temporary Assistance for Needy Families (TANF)) are determined entirely at state-level

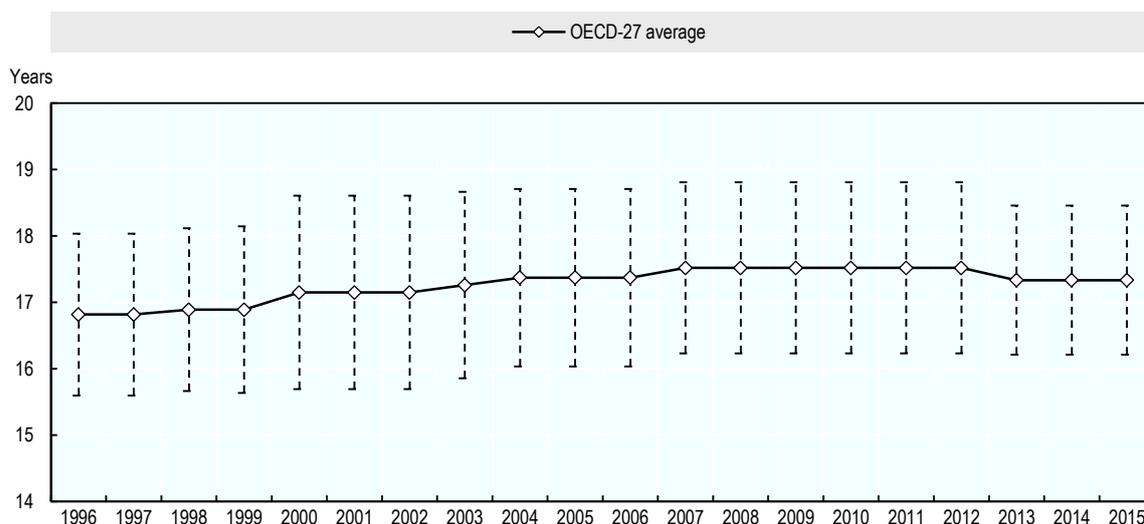
d) In Luxembourg, since 2010, children still attending secondary education remain eligible until they turn 27, but children in other forms of education (including higher education) are excluded from the extension.

e) See note d) to Table IN1.1.A

Source: [Mutual Information System on Social Protection \(MISSOC\), 1996-2015](#); [Mutual Information System on Social Protection of the Council of Europe \(MISSCEO\), 1996-2015](#); [Social Security Programs Throughout the World, 2002-2016](#); [OECD Benefits and Wages country chapters, 2000-2015](#); national sources

The broad trend across OECD countries is for increases in the age limit on child benefit eligibility, though the average has stabilised in recent years (Chart IN1.2.B). On average across OECD countries with complete information for all the years between 1996 and 2015, the average general age limit on 'main' child benefits increased from 16.8 in 1996 to a peak of 17.5 between 2007 and 2012, before dropping very slightly to 17.3 in 2013-2015. Only one OECD country (Austria) reduced the age limit on their main child benefit between the beginning and end of this period, while several countries raised theirs. Portugal and the Slovak Republic, for example, increased the age limit by one year, France, Hungary, Iceland, Norway and Poland by two, and Slovenia raise their age limit by three years (from 15 to 18). The most substantial reforms, however, were in Australia – there, the general age limit on the main (means-tested) child benefit was raised from 16 to 21 following the introduction of the 'Family Tax Benefit' payments in 2000, but was subsequently lowered back to 16 following further reform in 2013.

Chart IN1.2.B. Trends in the age limit on the main child benefit, 1996-2015
 OECD-27 average age limit on main child benefit, with error bars set at one standard deviation



Note: Only countries with a main child benefit and with complete time series over the whole period are considered (27 countries; Israel, Japan, Korea, Mexico, New Zealand, Turkey and the United States are omitted). For Australia, 'Family Tax Credit Part A' is treated as the 'main child benefit'.

Source: [Mutual Information System on Social Protection \(MISSOC\), 1996-2015](#); [Mutual Information System on Social Protection of the Council of Europe \(MISSCEO\), 1996-2015](#); [Social Security Programs Throughout the World, 2002-2016](#); [OECD Benefits and Wages country chapters, 2000-2015](#); national sources

Comparability and data issues

The information used in this indicator comes from a range of cross-national sources, including the MISSOC and MISSCEO databases, the biennial *Social Security Programs Throughout the World* reports from the U.S. Social Security Administration, and the OECD Benefits and Wages Country Chapters – country-specific reports based on questionnaires sent to national authorities that provide detailed overviews of tax and benefits systems and policies in OECD countries. Information has been cross-checked between sources where possible with any inconsistencies checked against additional national sources, where available.

For some countries, information on some policies is difficult to collect for earlier years. As a result, time series for some countries are incomplete before the early 2000s and not all countries are included in Charts IN1.2.A and IN1.2.B.

Sources and further reading: Mutual Information System on Social Protection in the EU and EEA (MISSOC) (2016), *Table IV – Maternity/Paternity and Table IX – Family Benefits*, <http://www.missoc.org/MISSOC/INFORMATIONBASE/COMPARATIVETABLES/MISSOCDATABASE/comparativeTableSearch.jsp>; Mutual Information System on Social Protection of the Council of Europe (MISSCEO) (2016), *Table 4. Maternity and Table 9. Family Benefits*, <http://www.coe.int/en/web/turin-european-social-charter/missceo-comparative-tables>; U.S. Social Security Administration (SSA) (2016) *Social Security Programs Throughout the World*, <https://www.ssa.gov/policy/docs/progdesc/ssptw/>, OECD (2016) Benefits and Wages Country Chapters, <http://www.oecd.org/els/soc/benefits-and-wages.htm>