that 21 percent of the persons (aged 14–34) enrolled in 4-year colleges were in institutions with tuition and fees of $1,000 or more for the 1964–65 academic year. Thirty-one percent were in colleges with basic charges of less than $250. Almost two-thirds of the others were in 4-year colleges with tuition and fees between $250 and $500.

The U.S. Office of Education has estimated that the average cost for full-time undergraduate college study during the 1966–67 school year was $1,843,[6] including books and personal expenses as well as tuition and fees. The report indicates that these costs vary with students in relation to the incomes of their families. Undergraduates from families in the highest income quartile, for example, were estimated to have an average cost of $1,984, and students from families with incomes below the median have average costs of about $1,600.

At the end of 1966, the average student benefit was $63.32 a month. At an annual rate, such a benefit would have totaled $760. It would have been equal to 41 percent of the cost of tuition, fees, books, and personal expenses experienced by all undergraduates in 1966–67 and to 47 percent of such costs experienced by families in the two lowest income quartiles. Since the families of the student beneficiaries are likely to have below-average incomes, the benefits were paying a substantial portion (almost half) of the out-of-pocket costs for undergraduate study by beneficiaries.

According to Office of Education data for the 1966–67 school year, assistance from other major student aid programs was as follows:

Major student aid program	*Average amount per recipient*
Veterans' benefits	$900
Guaranteed loans	837
Work-study grants	826
National Defense Education Act loans	588
Educational opportunity grants	433
Institutional aid (scholarships, fellowships, etc.)	400

These figures give another perspective on the average student benefit under the social security program.

[6] Department of Health, Education, and Welfare, Office of Education, Planning Paper 68–2, *Students and Buildings: An Analysis of Selected Federal Programs for Higher Education*, May 1968.

Social Security Abroad

GUARANTEED INCOME FOR THE AGED IN BELGIUM*

On June 25, 1968, the Belgian Government announced a new direction for national social policy—the legal right of all citizens to a "social minimum" income. The aged are the first group to benefit from a program intended ultimately to protect all of the disadvantaged—"les déshérités."

The first step in implementing the new policy was taken on April 29, 1969, when a guaranteed income, subject to a test of resources, was provided for the aged who have never worked, who have not been covered by the compulsory social insurance programs for wage-earners, salaried employees, the self-employed and public employees, or whose attachment to one of these programs was so limited as to preclude effective coverage.

The new Belgian program established the base annual guaranteed income at 30,000 francs ($600) for couples and 20,000 francs ($400) for single persons. Pensionable age is 65 for men and 60 for women, as in the social insurance system. The base is subject to automatic adjustment for changes in the retail price index, and, when the allowance became operative on May 1, 1969, it was set at 31,224 francs and 20,820 francs respectively, an increase of 5 percent over the base amount. In addition to periodic adjustment for changes in the retail price index—also a characteristic of the social insurance system—the Government plans to provide, by royal decree, an annual increase of at least 10 percent through 1974. The reason given for the annual increase is that the base amount as adjusted for changes in the cost of living does not provide the "vital minimum" to which the Government is committed.

The Government does not define the vital minimum. It is not clear, for example, whether the guaranteed income, as it matures, is intended to provide income at the subsistence level or at a higher standard. A flexible approach characterizes the wording of the statute and the commentary on it by the Minister of Social Welfare.

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Furthermore, the guaranteed income is not intended to replace or to reduce public assistance to the aged—the province of local public assistance committees. The Government points out that the guaranteed income is at present too low to meet subsistence requirements and that, in any case, needs vary on an individual basis. It is the responsibility of the pubic assistance committees to ascertain individual needs and to provide for them.

Another characteristic of the new guaranteed income is that eligibility is based on a test of resources that permits a recipient to retain the whole or a part of his income from a series of specified sources and still receive full or partial payments. The purpose of such exemptions is to avoid a situation in which an applicant must be reduced to a state of destitution before his right to the guaranteed income may be invoked. This approach is also taken in income and means tests in other countries—including Australia, Britain, Denmark, Finland, and New Zealand.

The Ministry of Social Welfare anticipates that a substantial group of the applicants for the guaranteed income will be those covered under the former voluntary old-age insurance program, rescinded by the new statute. Originating in 1900, this program antedated the compulsory social insurance system. Annuities, determined on strictly actuarial principles, were based on the payment of premiums and supported in part by state grants.

Since annuities based on the voluntary program became increasingly inadequate, it was modified by the law of February 12, 1963, which provided for a means-tested allowance supplementing the annuity. The allowance was financed by the Government and was determined by the age of the pensioner, the number of premiums paid, his lack of other resources, and his eligibility for a reduced pension under a compulsory program.

As of 1968, most of the applicants for the "voluntary" pension had not made any premium payments and therefore could not claim the annuity. In the absence of other resources, they were entitled at age 65 (age 60 for women) to the maximum yearly allowance of 12,972 francs ($259) for the head of a household and 7,524 francs ($150) for a single person. The allowance was based on a means test that exempted a small amount of income and capital assets.

The Test of Resources

One interesting feature of the means test for the new guaranteed income is the treatment of partial or reduced pensions received under the systems for blue-collar and white-collar workers, the self-employed, etc. Such partial pensions are exempted from the means test up to amounts that are adjusted for changes in the retail price index —as the guaranteed income itself is adjusted. At the retail price index in effect May 1, 1969, a household head could keep up to 6,244 francs of his partial pension without reducing his guaranteed income, and a single person could keep 4,164 francs. Thus, a single person with a 10,000-franc pension and no other income subject to deduction would receive a guaranteed income of 14,984 francs, computed as follows: Single person's maximum guaranteed income of 20,820 francs *minus* pension deductible of 5,836 francs (10,000 francs pension *minus* exemption of 4,164 francs) equals guaranteed income payment of 14,984 francs.

The following types of income are totally exempt from the application of the means test—that is, they do not offset the amount of the guaranteed income: family allowances for dependent children, public assistance payments, contributions from private charity, support by children (or parents), annuities directly payable to the insured and based on the payment of premiums under the voluntary old-age insurance program or the special insurance program for the self-employed, and special pensions resulting from military service or activities in the Belgian Resistance during World War I and World War II.

Other types of income are exempt up to specified limits—as follows:

General income exemption (including income from savings and securities) is exempt up to the amount of 9,000 francs a year for the head of a household and 6,000 francs for a single person—not subject to automatic adjustment as is the partial pension. For example, a single person with an income of 10,000 francs from securities and no other deductible income would receive a guaranteed income computed in the following manner: Single person's maximum guaranteed income of 20,820 francs *minus* income deduction of 4,000 francs (10,000 francs income *minus* 6,000 francs exemption) equals guaranteed income payment of 16,820 francs.

Payments in kind, such as room and board in a religious or other community, are exempt up to the value of 6,000 francs for a single person.

The imputed yearly rental value of real estate occupied by the claiment and to which he does not have full title is exempt up to the following amounts: 4,000 francs in a community of less than 5,000 inhabitants; 6,000 francs in communities of 5,000–30,000 inhabitants: 8,000 francs in communities of 30,000 or more inhabitants. (These exemptions are increased by 1,000 francs apiece for a spouse and for each child for whom a family allowance is payable.)

The real or imputed value of real estate that is not occupied by the claiment is subject to the same exemptions on the basis of community size as cited above, but the additional exemptions for dependents do not apply.

One-fourth of gross earnings from employment on the part of the applicant or his wife is exempt. The exempted amount of earnings from self-employment has not as yet been established.

Financing

The guaranteed income for the aged is completely financed by the State. The pensions budget for 1969 provides for an appropriation of 1,374.5 million francs. Of this amount, 1,318 million francs is to provide the guaranteed income for known applicants—those who were covered under the former voluntary old-age insurance program and those receiving partial old-age or survivors pensions under the compulsory systems for wage earners, salaried employees, and the self-employed.

The balance, 56 million francs, is to finance the guaranteed income for other applicants. This amount was an estimate, since it was recognized that an unknown number of eligible aged persons failed for various reasons to apply for the means-tested supplement under the voluntary old-age insurance program.

To ensure flexibility during the initial phase of the program, the law gives the King and the Council of Ministers considerable latitude in making additional appropriations and in raising the guaranteed income by decree, without waiting for the more cumbersome parliamentary process.

ADMINISTRATION

The new program is under the general jurisdiction of the Ministry of Social Welfare. The guaranteed income is paid by the National Retirement and Survivors Pension Fund. In principle, it is payable only in Belgium, but the Minister of Social Welfare may authorize payments during a period of absence from the country. Nor is it subject to attachment, except that the public assistance committees have the right to claim up to three-fourths of the guaranteed income to pay hospital expenses incurred by the beneficiary. It is not payable to prisoners or to patients in mental institutions.

The Guaranteed Income for the aged provides a missing piece in the pattern of reappraisal and improvement of the Belgian social security system. The period 1967–68 saw a series of significant changes in social insurance, involving the merger of separate programs, improved financing, the simplification of administrative procedures, the revision of the program for the self-employed, and the liberalization of eligibility requirements for handicapped persons and working widows.[1]

The changes in the social insurance system did not, however, affect the present group of old-age pensioners—particularly those who are entitled only to partial benefits. A study of the relationship between social security and public assistance undertaken in 1966 at the request of the Ministry of Social Welfare indicated that the majority of public assistance recipients were aged persons, most of them receiving partial social insurance benefits.[2] One of the main conclusions of the study was that the inadequacy of social insurance (against other risks as well as age) and other pensions was the principal cause of need. Low benefits were, in turn, related to irregular employment or to an insufficient period of employment.

In adopting a national guaranteed income program for aged persons of limited means, the Belgian Government has joined the British, Canadian, Finnish, French, Swiss, and other Governments with programs for the disadvantaged aged that are based on similar principles.

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[1] See Robert Lucas, "Improvements in Belgian Social Security," *Social Security Bulletin*, December 1968.

[2] Paul Schoetter, "Sécurité Sociale et Assistance Publique," *Révue Belge de Sécurité Sociale*, No. 5, May 1966, pages 481–540.