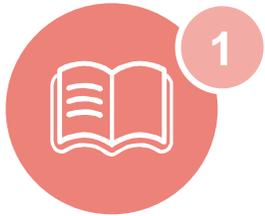


Family tax reliefs and benefits in the EU countries

November 2016

Conclusions from our analysis...



Most EU countries earmark substantial funds for family support policies

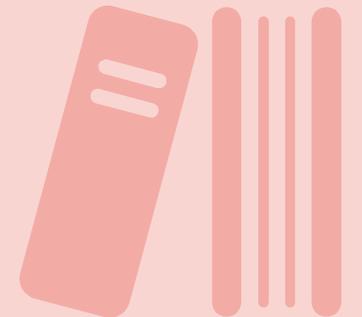


The funds themselves do not guarantee success, what counts is the efficiency of their use



Countries with systemic solutions are the most successful

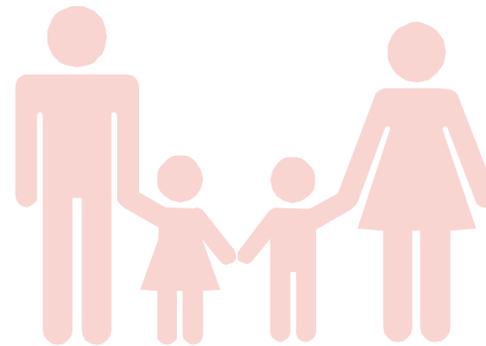
The survey took into consideration key elements of financial support for families with children in tax systems and in respect of family benefits in European Union countries and selected countries outside the EU in 2016



About the survey...

Assumptions:

- ✓ Family 2+2
- ✓ Working parents
- ✓ Each parent earns the national average wage
- ✓ Children aged 4 and 8
- ✓ The children are healthy



The aim of the survey was to assess what aid an average family can count on in specific EU countries in 2016.

A **simulation** was conducted for each country in accordance with the adopted assumptions.

Tax reliefs and other allowances **for children** were taken into account.

Not all factors with an impact on the financial position of a family were taken into account in the simulation...



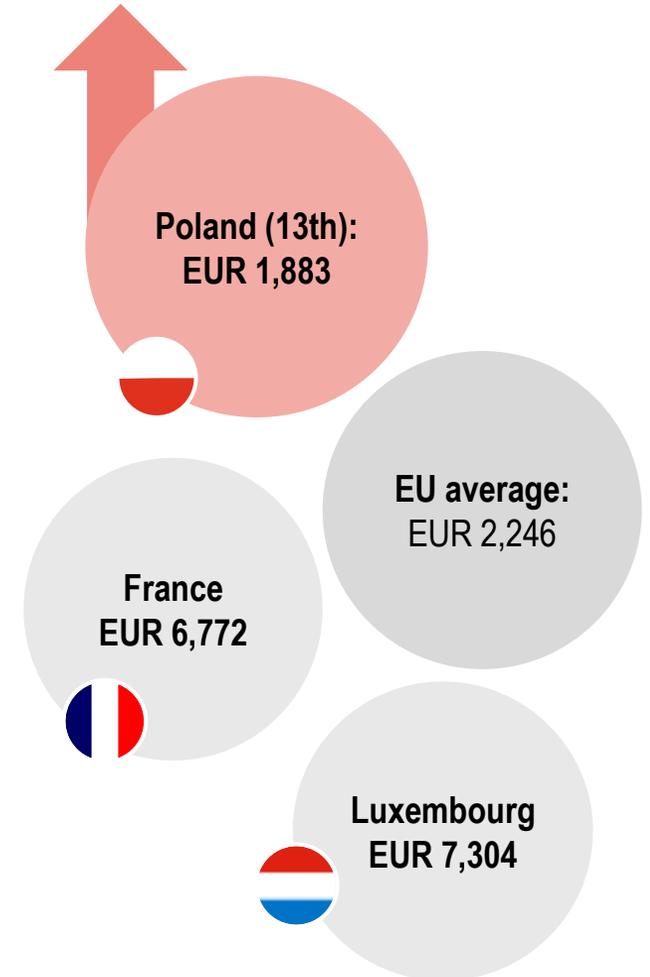
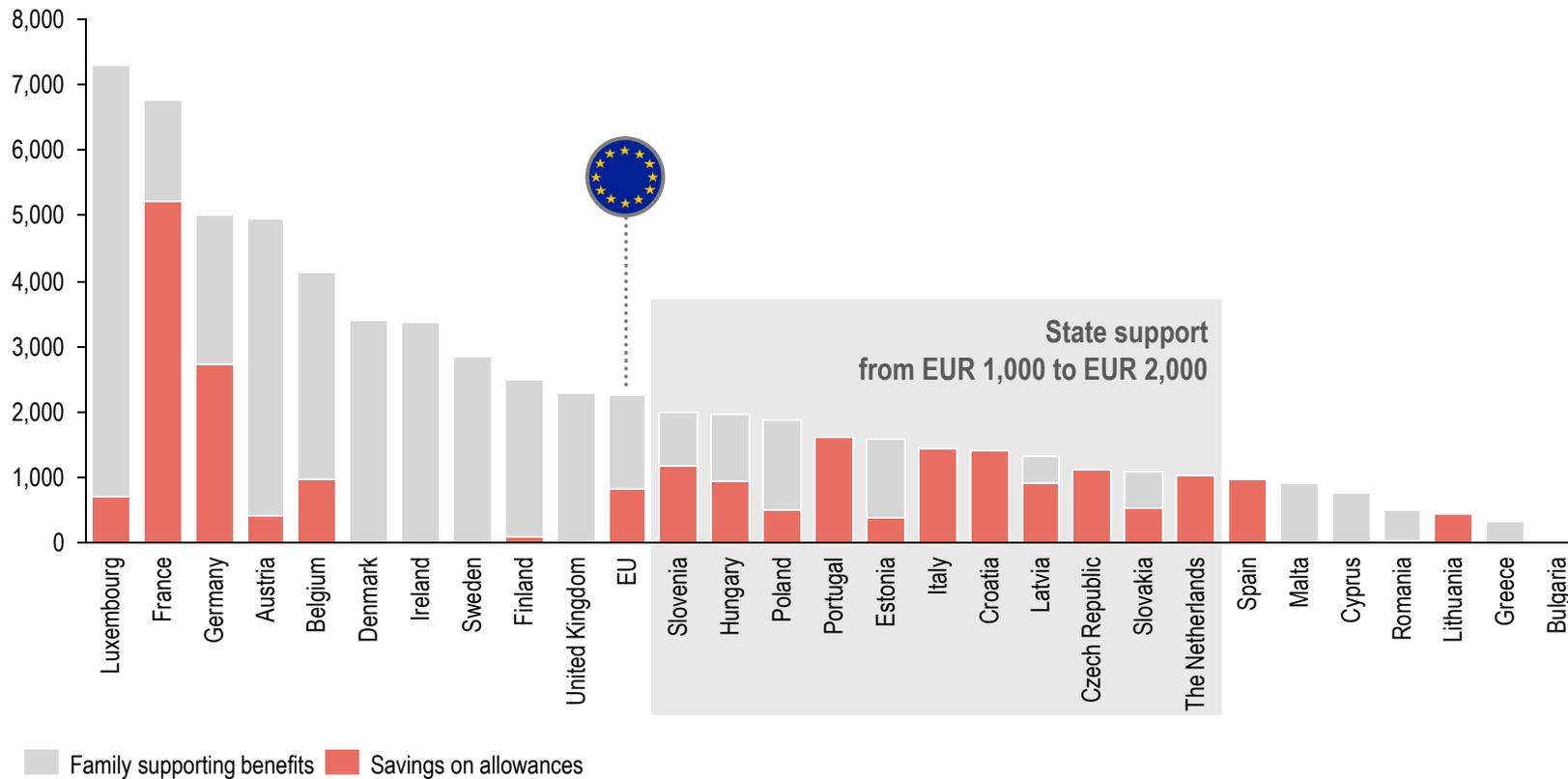
Simulation results

*... based on data
obtained
from 28 EU countries
in 2016*



The average amount of direct EU state aid in respect of allowances for children and family benefits is EUR 2,246 (PLN 9,806) per year, but in reality as many as 18 EU states (over 60%) do not achieve this amount

Total annual state support (in EUR) – child allowances and family benefits



Source: PwC proprietary analysis (based on simulation)

Total support for the surveyed family in individual EU states (in EUR) in 2016

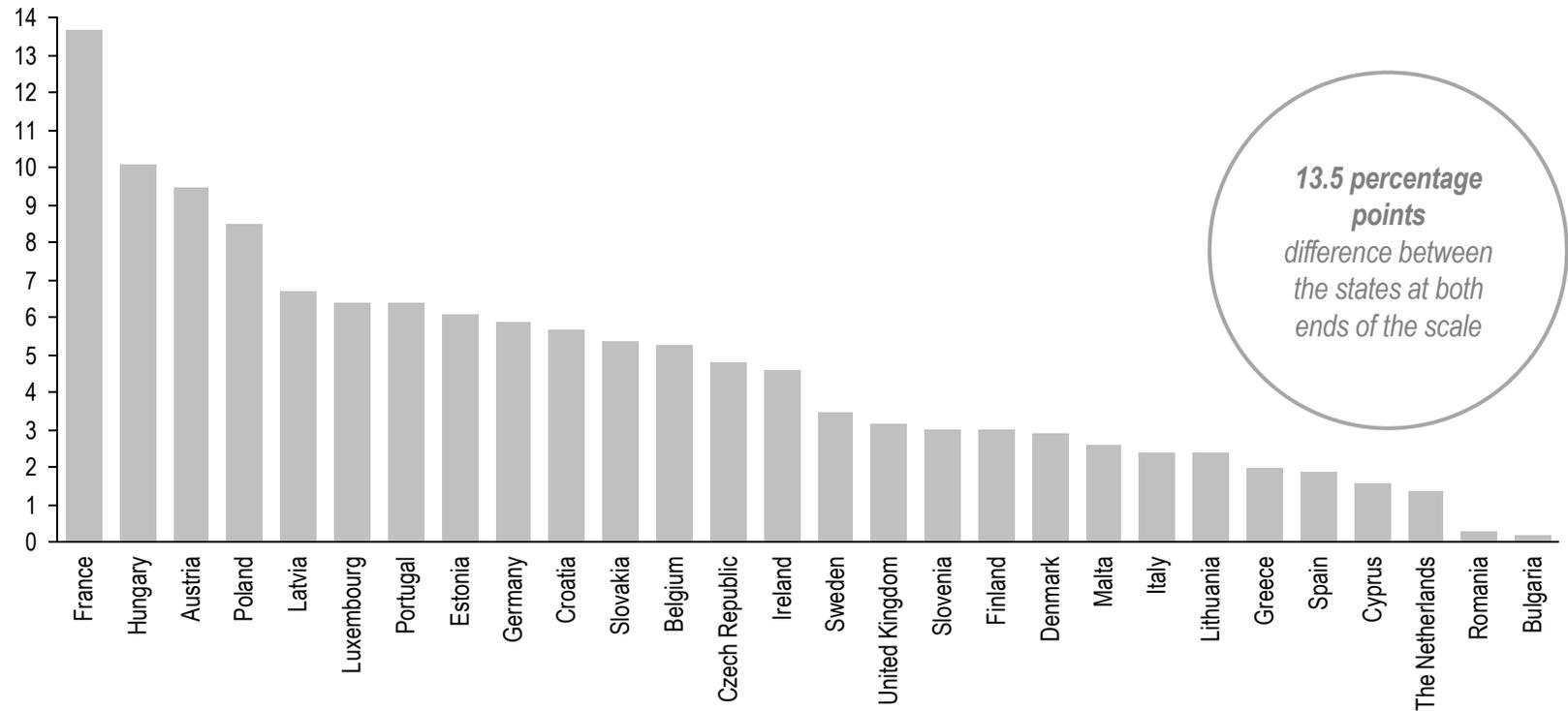
No	EU state	Savings on allowances	Family supporting benefits	Total EU state support in EUR	Total support of EU states with reference to the average remuneration of spouses/partners
1.	Luxembourg	703.8	6,600	7,304	6.4%
2.	France	5,220	1,552	6,772	13.7%
3.	Germany	2,723	2,280	5,003	5.9%
4.	Austria	420	4,538	4,958	9.5%
5.	Belgium	977	3,150	4,127	5.3%
6.	Denmark	0	3,399	3,399	2.9%
7.	Ireland	0	3,360	3,360	4.6%
8.	Sweden	0	2,832	2,832	3.5%
9.	Finland	86	2,419	2,505	3.0%
10.	United Kingdom	0	2,300	2,300	3.2%
11.	Slovenia	1,174	822	1,996	5.3%
12.	Hungary	946	1006	1,952	10.1%
13.	Poland	509	1374	1,883	8.5%
14.	Portugal	1,625	0	1,625	6.4%

No	EU state	Savings on allowances	Family supporting benefits	Total EU state support in EUR	Total support of EU states with reference to the average remuneration of spouses/partners
15.	Estonia	370	1,200	1,570	6.1%
16.	Italy	1,430	0	1,430	2.4%
17.	Croatia	1,414	0	1,414	5.7%
18.	Latvia	911	410	1,321	6.7%
19.	Czech Republic	1,126	0	1,126	4.8%
20.	Slovakia	514	564	1,078	5.4%
21.	The Netherlands	1,033	0	1,033	1.4%
22.	Spain	970	0	970	1.9%
23.	Malta	0	900	900	2.6%
24.	Cyprus	0	760	760	1.6%
25.	Romania	43	448	491	3.4%
26.	Lithuania	432	0	432	2.4%
27.	Greece	0	320	320	2.0%
28.	Bulgaria	20.5	0	20.5	0.2%

Source: PwC proprietary analysis (based on simulation)

The state financial support with reference to the average remuneration...

Total support of EU states with reference to the average remuneration of spouses/partners (%)



13.5 percentage points difference between the states at both ends of the scale

POLAND with a result of 8.5 % “outdistanced” Luxembourg, despite the fact that actual financial support in Luxembourg is **nearly 4 times higher** than in Poland. ↑

LUXEMBOURG (6.4%), with the average income per couple of EUR 113,612 drops to **6th place**. ↓

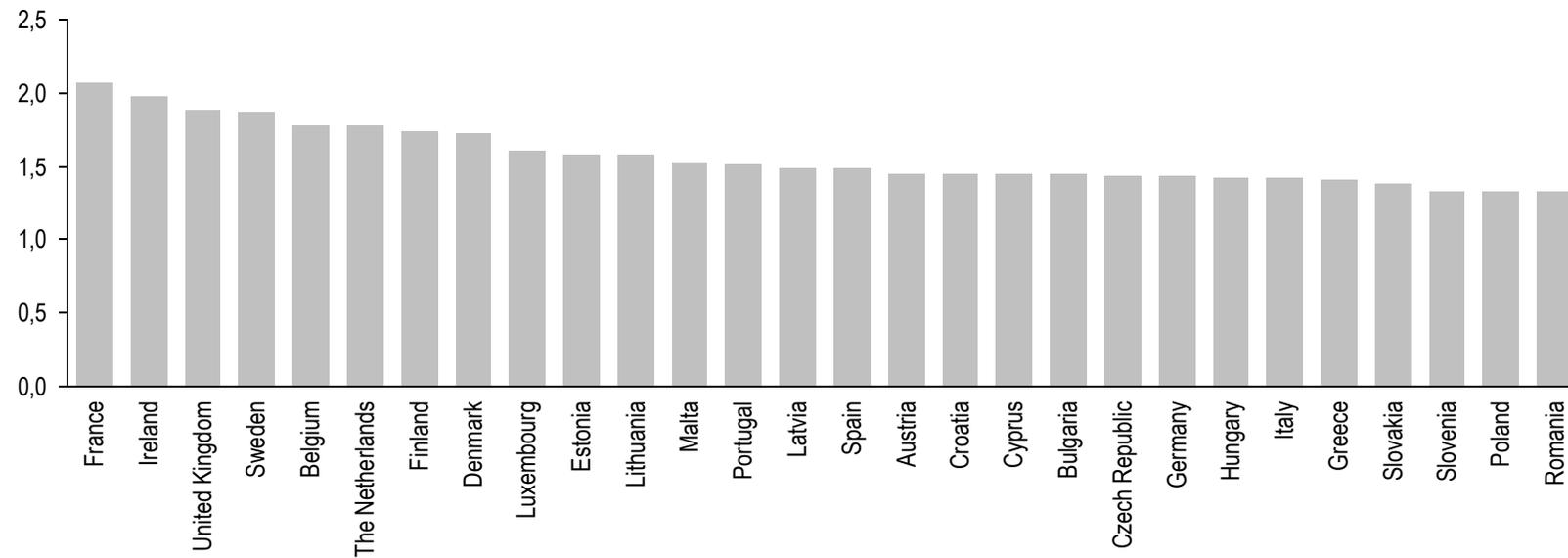
HUNGARY with its relatively low income, compared with the previous ranking, advanced to the **second place (10.1%)**. ↑

LATVIA goes to 5th place which is affected, similarly to Hungary, by the low income compared with other EU states. ↑

Source: PwC proprietary analysis (based on simulation)

Using appropriate state incentives and reliefs for families may contribute to increased fertility...

Fertility rates in EU states*



France is the only country in the European Union which has a fertility rate at a level that ensures the replacement of generations

The fertility rate in Poland is one of the lowest in EU



France and Germany support families to a great extent, however...



... in France the tax incentives and reliefs lead to a high fertility rate, whereas in Germany this rate is one of the lowest in the EU.

In most EU countries, the relationship between family support tax incentives and reliefs, and the fertility ratio is noticeable. However, there are exceptions where there is no straightforward relationship...

* Data relating to 2015; Source: Eurostat data

Family support policy

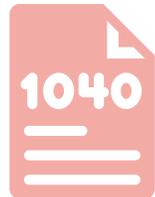
*... in European Union
countries*



Examples of family support tools

Tax reliefs and other deductions

-  Allowance for children
-  Allowance for handicapped children
-  Expense deduction
-  Deduction for alimony
-  Family quotient
-  Preferential tax settlements with spouse/child



Family allowances and benefits

-  Family benefit
-  Benefit for children who continue education
-  One-off childbirth benefit
-  Benefit to cover costs of raising children
-  Social benefits



Child care vs. pension



Thank you for your attention

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