



Selected National Presentation Austria

The Childcare Benefit –

„Rome wasn't built in a day either“

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Overview

- shift of paradigm in Austrian leave policy
- political context
- political goals
- the measure in detail
- funding
- take up
- participation of fathers

Shift of paradigm in Austrian leave policy

Introduction of the
Childcare benefit

2002

Parental leave
&
Parental leave benefit

- only employees
- compensate loss of earnings

Parental leave

Childcare benefit

- monetary transfer for all families
- for the youngest child

Political context

- 👉 general elections 1999: 1.SPÖ, 2. FPÖ, 3.ÖVP
- 👉 right wing coalition government (2000)
 - 👉 conservative people's party & freedom party
- 👉 NEW
 - 👉 “family-issue” as a priority of both parties in government
 - 👉 mutual consent on conservative attitudes on family and supporting the traditional family model
 - 👉 explicit family policy
 - 👉 political will to spend much money

Childcare benefit aims to...

1. acknowledge the work put into family and childcare
2. increase the „freedom of choice“
3. to encourage people to have children > increase fertility
4. facilitate work-life-balance

5. increase the labour force participation of women
6. facilitate the re-entry into the labour market

7. increase the participation of fathers

The child care benefit in detail

		models (length)	€ per month
2002	1 model		
☞ Introduction		30 + 6	436,-
2008	3 models		
☞ Legislative Reform I		30+6	436,-
		20+4	624,-
		15+3	800,-
2010	5 models		
☞ Legislative Reform II		30+6	436,-
		20+4	624,-
		15+3	800,-
		12+2	1.000,-
		12+2 (income related)	80%
Modifications in 2002, 2004, 2006, 2007, 2008, 2010			

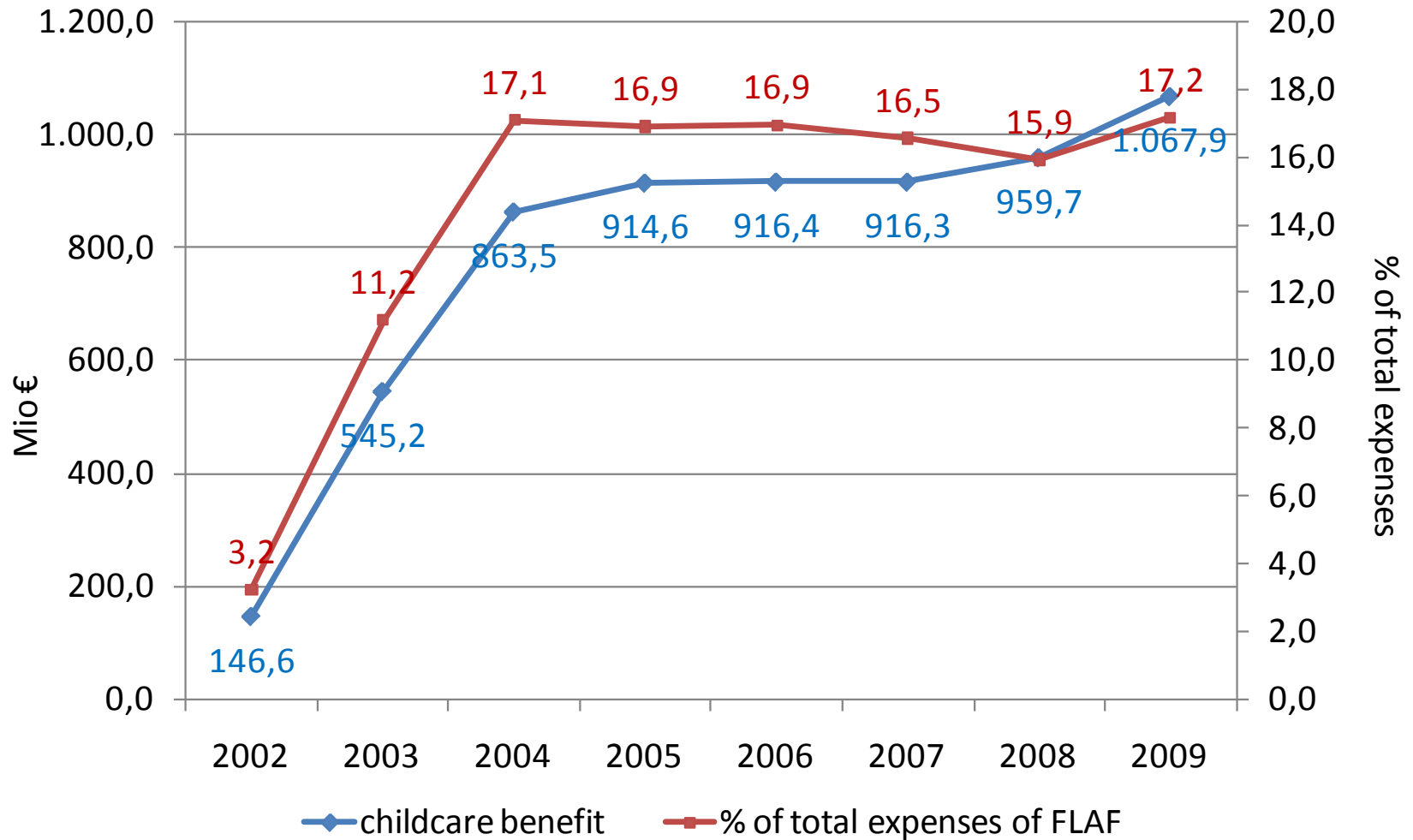
Further specifications

- 3 different limits of additional earnings/year:
 - €16.200 or 60% of former income (flat rate models)
 - € 5.800 (income related model)
- pension insurance credit for child-rearing-periods
- „mother-and-child pass“ examinations
- subsidy for low-income families or single mothers
- 2 more months for single parents (certain circumstances)
- multiple births – extra amount for any further child

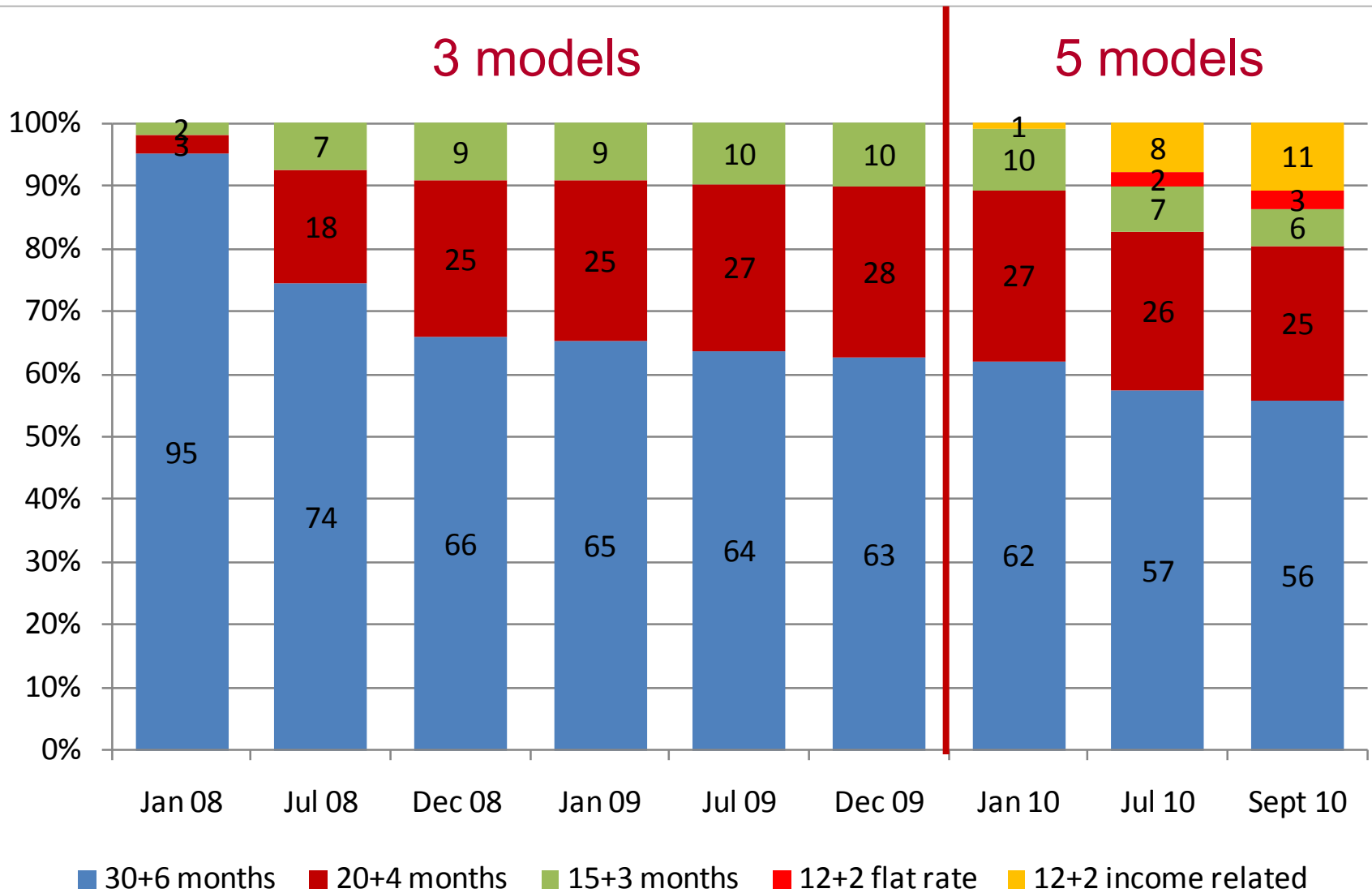
Funding of the childcare benefit

- „Family Burdens Equalisation Fund“ – FLAF
- 75% of family policy measures are financed via FLAF
- financed by
 - employers (69%):
4.5% of the gross wages of their employees
 - income tax (13%)
 - corporation tax (8%)

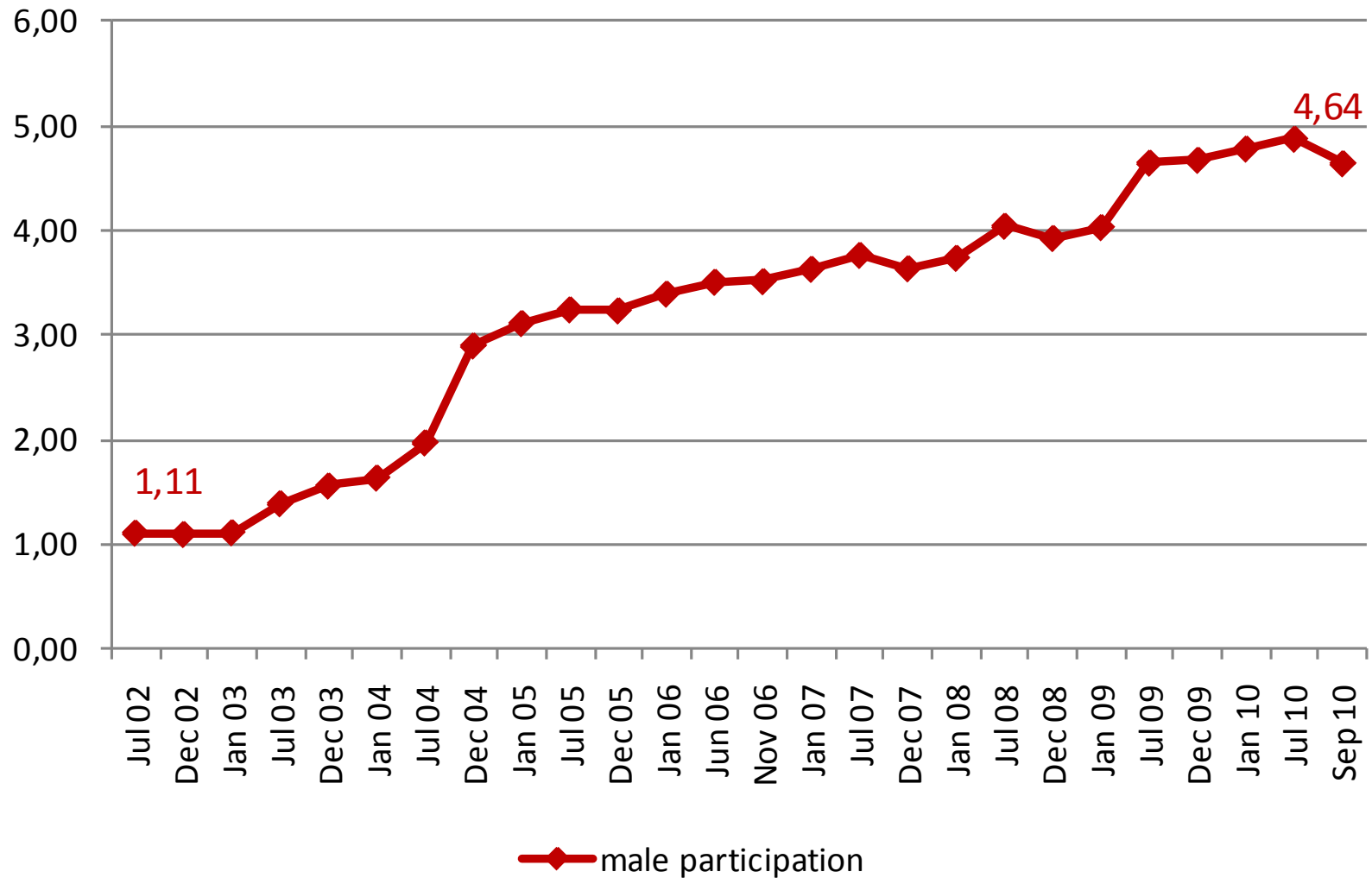
Costs of childcare benefit per year



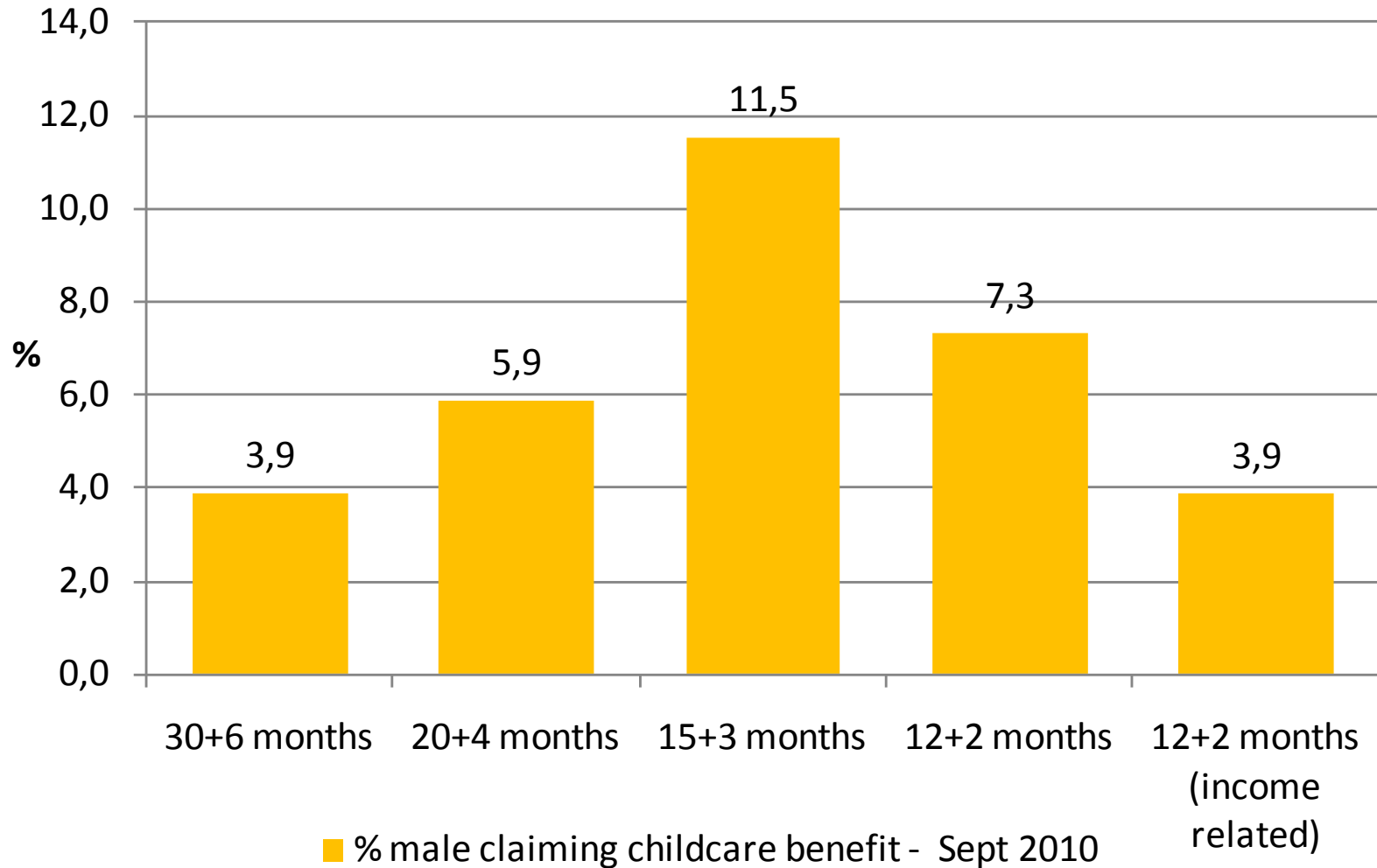
Take up



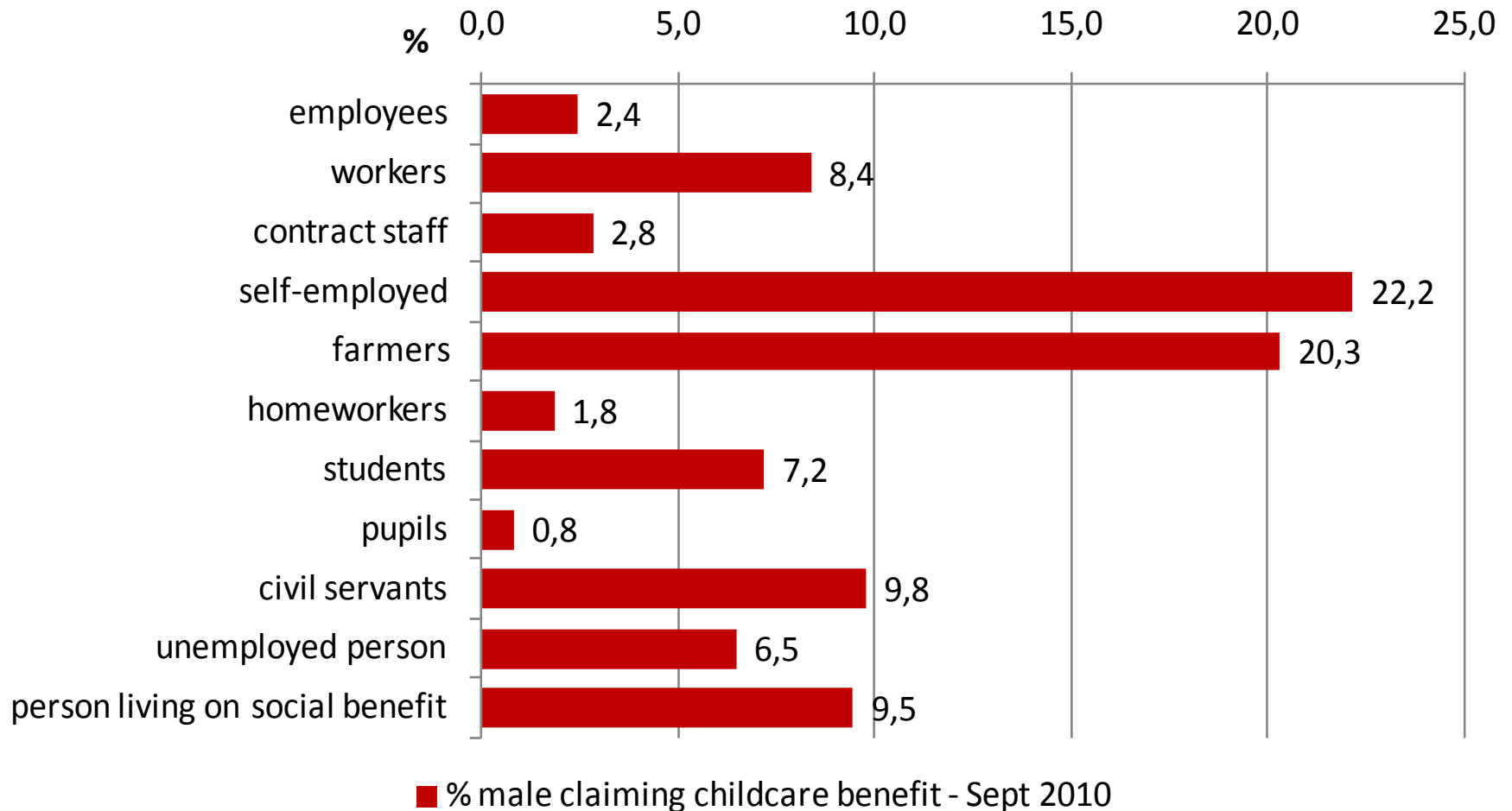
Participation of fathers



Participation of fathers – different models



Participation of fathers – occupational groups



To sum it up

- ☞ shift of paradigm in Austrian leave policy
- ☞ policy consolidated, which favors monetary transfers for families
- ☞ many diverging goals & modifications – which direction to go?
- ☞ level of complexity is too high
 - ☞ combination of 2 systems: flat rate and income related
 - ☞ high costs for administration
 - ☞ for recipients difficult to figure out which model fits
- ☞ high degree of individual choice
- ☞ short models – incentives for fathers

...but remember:



Rome wasn't built in a day either!