

CYCLES

CHILD AND YOUTH CARETAKERS FINANCIAL LITERACY AND ENTREPRENEURSHIP SKILLS



IO4 – Training material E-Learning

Module 2: Contracts, law and benefits in finances (E-Learning)

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1 MODULE 2: CONTRACTS, LAW AND BENEFITS IN FINANCES¹

The course “Contracts, law and benefits in finances” starts with the first topic “contents” where basics of contracts are considered. Furthermore, this topic contains a short description of contracts like “life insurance”, “Third party vehicle insurance”, “mobile phone contracts”, “household insurance” and “hiring contract”.

Then, the most important aspects of an employment contract will be taught in order to give CYCPs an overview.

The course continues with “unemployment benefits” and “challenges against sanctions of unemployment benefits”. These two topics are especially relevant for YCLs, because many of them do not have a job sometimes or have a high risk to lose their job. CYCPs should know the basics of unemployment benefits. Finally, the module ends with “Housing benefit” which is especially relevant for our secondary target group YCL. CYCPs should also know the basics about it.

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2 CONTRACTS

This topic represents the basics of contracts, insurance contracts and a contracts of tenancy.

What is a contract?

A **voluntary, deliberate, and legally binding** agreement between **two or more competent parties**. These parties could be persons, enterprises or other institutions. Contracts are usually written but may be spoken or implied, and generally have to do with employment, sale or lease, or tenancy. A contract is an **agreement that can be enforced in court**.

2.1 Offer

A contract is created through the process of offer, acceptance and consideration.

Definition offer: An offer is an objective manifestation of a willingness by the offeror to enter into an agreement that creates the power of acceptance to the offeree.

An offer must:

1. Be communicated to the offeree
2. Power of acceptance must be given to the offeree
3. Be willing to be bound by an acceptance.

Each contract must consist of an offer, an acceptance and a consideration.

2.2 What is an acceptance?

An acceptance must:

1. **Be communicated to the offeror:** Otherwise the offeror does not know anything about acceptance.
2. **Be in compliance with any instructions in the offer relating to the manner and method of acceptance.** For example: The instruction in the offer is: Write an E-Mail to accept the offer. That means: Only an e-mail is valid as acceptance.
3. **The acceptance must not vary the terms of the contract proposed in the offer:** if the terms vary it would be a counter offer.
4. **The acceptance must occur while the offer is still in effect**

2.3 What is an agreement?

For a contract to be formed, the parties must intend to the contract and they both agree on the terms of the contract.

2.4 What is a consideration?

Consideration is known as a “bargain-for-exchange” or something of legal value. Basically in a contract the promisor has made a bargain in exchange for his promise.

A promise is supported by consideration if:

The promisee (person who is receiving the promise) gave something up of value or gave up a legal detriment. For example: A promisee has to pay EUR 200 for a jewel in order to get the jewel from the promisor.

The promisor made his promise as part of the bargain, in exchange for the promisee’s giving of value.

What is not a consideration:

1. Promise for love
2. Promise of a gift
3. Gift with condition required or given.



3 THIRD PARTY VEHICLE INSURANCE CONTRACT

Liability Insurance: The purpose of Liability Insurance is to protect an insured from economic loss in the event the insured is negligent and **held legally liable for causing injury to other parties or damage to the property of others.**

Definition Third party vehicle insurance: You protect yourself from the action of another person in relationship with your car. Without a third party insurance you cannot drive your car or your moped. **Before a person can register a car he or she must have proof of third party liability coverage for all damage or injury to another person, car or object.**

Insurance premium: The policyholder has to pay a premium to the insurance company each month/year. In order to save money before the contract is concluded, it is possible to go to an agent or to use a comparison portal. It is recommended to instruct an agent or to use an insurance comparison portal in order to save money in the long run.

Payout Insurance: The insurance company pays for a damage with the car or moped when you as policyholder are legally liable for causing injury to other parties or damage of the car or moped of others.



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4 LIFE INSURANCE CONTRACT

There are three different kind of life insurance:

- Endowment life insurance
- Term life insurance
- Permanent life insurance

4.1 Endowment life insurance

An endowment life insurance contract is an **investment product or a product of saving**. This contract assures you that **money** is paid out in the case you **die** (to your heirs) and in the case you survive the period of the contract. Endowment policies pay the face value to the named beneficiary if the insured would die prior to a stated date. If the insured **lives beyond that date** the policy proceeds are **paid out to the policyholder** as **monthly income**. Endowment life insurance contract normally starts with a duration of 15 years and go to 30 years or even longer.

Advantage: It is a good product for saving, because in the long run the yield is higher than if you put your money into a deposit account.

Disadvantage: You may make a loss during the first 10-15 years (at the current interest environment) when you want to end the contract, because the costs of the insurance companies are not covered during that period. **Example:** after 5 years you cannot afford to pay the premium of the contract and you decide to end the contract. Then, the money you will get back from the insurance company will be less than you saved via premiums.

4.2 Term life insurance

It provides a death benefit to an insured policyholder's beneficiary only if the insured person dies within the contract period. The insurance company pays a fixed death benefit in the case that the policyholder is regularly paying the premium. **Term life insurance contracts are often used when you have a loan in order to hedge the risk of dying.**

Advantage: The premiums of term life insurance are low especially for young people.

Disadvantage: When you survive the whole contract period the money is lost.

Example: You can pay a term life insurance with an insurance sum of EUR 250.000 for less than EUR 20 premium per month.

4.3 Permanent life insurance (mixed life insurance)

Permanent life insurance is generally **designed forever until the day you die**. Permanent life insurance charges a **fixed premium** and pays a **fixed death benefit**. However, if the **policyholder does not die** within a **certain period** (for example 20 years), the policyholder gets a **benefit each month** until he or she will die. **Another possibility** will be that a certain amount of **money is paid out at the end of the duration**. The higher the premium the policyholder pays, the higher the benefit.

Basically, there are **two components**:

1. A fixed premium is charged and eventually pays a **death benefit**
2. The other component of the premium is **invested** by the insurance company for the policyholder's benefit.

Advantages: First, it is a form of saving which brings a high yield in the long run and second it could be used to assure other family members in the case of death. That means this form of life insurance provides coverage as long as you live. There is one exception: The amount of money which was saved (including interest) can be paid out at the end of a certain period (for example 25 years).

Disadvantages: The premium of permanent life insurance is higher. It is not easy to end the contract without a loss during the first 10-15 years, because it takes a long time for the insurance company until the costs of this contract are covered.

4.4 Unit linked life insurance

Endowment and term life insurance products often are unit linked life insurance contracts. The unit linked contract delivers the policyholder the option to choose how his money will be invested. Basically he can choose between equities, bonds and hybrid fund. That means the policyholder can increase his risk with a higher share of equities in his portfolio. The portfolio can be changed on a monthly basis without any costs.

Advantage: Unit linked life insurance delivers the opportunity of a higher yield than "not unit linked life insurance contracts".

Disadvantage: The policyholder can lose money with a too risky investment strategy. The basis for this product is a broader based knowledge about the development of financial markets.



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5 HOUSEHOLD INSURANCE CONTRACT

Household insurance is relevant for those persons who own or rent a house, condominium or an apartment and/or reside within such a unit. The dwelling must be used primarily as a residence, although some incidental occupancy is permitted such as a home office or studio.

The **standard household insurance is divided into two major coverages:**

- Property coverages
- Liability coverages

5.1 Property coverages

- 1) Provides **protection to your home and the structures attached to your home** (it is only relevant when you are the owner of the house or apartment)
- 2) **Contents of your home:** Furniture, appliance, clothing, toys.
- 3) Provides **coverage for additional living expenses when you lost of your home**. For example: If you have to vacate your home due to damage from a covered loss – such as a fire or a tornado – this coverage will pay for the additional cost of a hotel or other temporary living expenses you would not normally have until the damage to your home can be repaired.

5.2 Liability coverage

It provides coverage for when you are legally liable for bodily injury or property damage to others. You also have coverage for injury or damage caused to property by relative living with you.

Example: Let us say you are having a cookout and a one of your guests is accidentally injured on your property, for example, they fall due to a broken step at your door. Your guest could decide to sue you for the injuries received because of your neglect. Now the household policy comes into play to defend you against lawsuits and help pay for expenses associated with those lawsuits.

Premiums: First, it is important that your coverage in the contract covers your personal need. Second, the question is how much do you have to pay for a household insurance contract. As for third party vehicle insurance you can use **insurance comparison portals** to compare the different premiums of different insurance companies or you visit an agent. You can save a lot of money in the long run, when you visit an agent or look at insurance comparison portals.

6 MOBILE PHONE CONTRACT

Having a contract phone means that you pay a single monthly fee for a fixed period of time. Most mobile phone contracts are set at either 18 or 24 months and provide mobile customers with a handset and a monthly allowance of calls, data and texts.

When opting to go for a contract, you simply choose a certain package of minutes, texts and data that you think will best suit you.

However, even if you are above the allowed minutes according to your contract, you can still use your phone to make calls.

6.1 The right mobile phone tariff

There are also comparing portals for handy tariffs. By comparing the tariffs, you can save a lot of money in the long run.

What is included in a phone tariff?

Every mobile phone tariff should offer a deal on inclusive minutes. The amount is dependent on your tariff. The more you pay, the higher the minutes included.

Inclusive texts: Much like **inclusive minutes**, most mobile phone tariffs will offer a set number of inclusive texts. This often includes a number of free texts that can be bumped up with an add-on bundle.

Data: Data refers to the information you can access on internet.

International: If you make a call from abroad or use your internet abroad it could be very expensive. Basically, you will have to make a contract that gives you a good rate on international roaming. You will not have roaming charges when travelling to another EU country from 15 June 2017. Every existing or new contract that includes roaming services will change to "roam like at home" contract. New EU rules will cover data services, voice calls and SMS.

Contract lengths: Phone contract lengths vary considerably. **Typical contracts have a duration of 18 to 24 months. During this duration you are not able to terminate the handy contract.** If you do not terminate your contract one month before it ends, then the contract will be prolonged automatically. Maybe it makes sense to terminate the contract and look at the market whether there are already better conditions concerning the price and the terms.

7 RENTAL LEASE AGREEMENT (HIRING CONTRACT)

A rental lease agreement is a legally binding contract for a rental property that spells out the rights and responsibilities of both landlord and tenant. A Residential Lease Agreement is used for properties where people live, in contrast to a Commercial Lease which is used for business properties.

What is included in a Rental Lease Agreement?

A simple Residential Lease Agreement includes at least the following information:

- Names and contact info of landlord and tenant
- Address and type of property being rented
- Whether the property furnished or unfurnished
- Start and end dates of the lease
- Cancellation period: Normally, a rental lease agreement has a cancellation period of three months. However, there could be another agreement in the contract.
- Does tenant have option to renew lease or to purchase property (rent-to-own)
- Amount of rent and when it is due
- Any fees charged if rent is late or for missing a rent payment
- If the rent can be increased
- Deposits paid (security/damage deposit, pet deposit, etc.)

A Residential Lease Agreement may also include other information about the following:

- Who will pay for electric, water, gas, garbage, cable TV/Wi-Fi, lawn care, etc.
- Who is responsible for maintenance and repairs to the property.

Policies and Permissions:

- Alterations to the property such as hanging pictures, painting walls, gardening, outdoor décor, etc.
- Pet policies
- Occupancy restrictions
- Rules for use of common areas: pool, clubhouse, fitness center, etc.
- Storage areas
- Guest policies
- Parking instructions
- Noise policy
- Is subletting allowed
- Any fines related to breaking policies/rules



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Access

- Number of keys given to tenant and fees for lost/additional keys
- Landlord's right to entry with advance notice

It is possible that a tenants' association check a hiring contract before it is signed. If the landlord and the tenant agree on the contract 2 copies of the rental agreement will be printed and both parties sign both copies. Finally, each party gets a signed contract.

8 UNEMPLOYMENT BENEFITS

Why do you get an unemployment benefit?

The term unemployment benefit is often negatively afflicted, because many people think unemployed persons do not like to work. This may be partly true, however, most people are interested in getting a job. Therefore, an unemployment benefit is helping people who try to seek a job or a better job, otherwise they will probably get existential issues. Unemployment benefit takes the pressure of people, because they do not need to accept the first job offer, if they do not like this job.

8.1 Who gets an unemployment benefit?

There is a different answer to this question in each country.

Austria

Each person who fulfills the following criteria can claim an unemployment benefit:

- Employability
- Willingness to work
- Unemployment
- It is necessary that unemployed persons are available to the unemployment office.
- In case that a person requests an unemployment benefit for the first time, this person has to proof an employment with the duration of 52 weeks within the last two years where an unemployment insurance was paid by the employer.
- Exception: People who are younger than 26 years just need 26 weeks employment plus unemployment insurance within the last two years to request an unemployment benefit (especially relevant for YCL).
- In case that a person does not request an unemployment benefit for the first time, this person has to proof an employment with the duration of 28 weeks within last year where an unemployment insurance was paid by the employer.

If they are not available to the unemployment office they get sanctions. If they do not fulfil the criteria they are not able to claim an unemployment benefit.

Bulgaria

Each person who fulfills the following criteria can claim an unemployment benefit:

- Individuals who have made the due contributions to the fund "Unemployment" for at least nine months from the last 15 months before the termination of the insurance
- Have registered as unemployed at the unemployment office
- Are not employed with a job, which is a subject to compulsory insurance under the Social Insurance Code with the exception of persons under Art. 114a §1 of the Labour Code (having an employment contract for short-term seasonal agricultural work for one day), or the legislation of another country.

France

Each person who fulfills the following criteria can claim an unemployment benefit:

- Claimants must be actively seeking work or be in an approved training program.
- Claimants must not have resigned voluntarily from his last job unless he/she can prove that after he has effectively contributed for 91 days or has worked at least 455 hours.
- Claimants must have contributed 122 days or 619 hours in the last 28 to 36 months (depending on claimants age).
- Claimants be registered as a jobseeker with "Pôle emploi" and comply with a personal return-to-work plan.
- Claimants accept "reasonable" job offers (sanctions apply if a jobseeker refuses more than two such offers).

Germany

Each person who fulfills the following criteria can claim an unemployment benefit:

- The person who claims for an unemployment benefit has to be unemployed. Unemployed means that the person is not working longer than 15 hours per week.
- This person has to proof an employment with the duration of 12 months within the last two years where an unemployment insurance was paid by the employer. Substitute periods like military services, maternity and child education can be recognized as employment.
- It is necessary to announce unemployment at the unemployment office.

Poland

Each person who fulfills the following criteria can claim an unemployment benefit:

- Have been employed for at least 365 days in the last 18 months; this period also includes employment in other countries of the European Union.
- Have earned at least the minimum wage during this period.
- Registered at the unemployment office
- Not receive in the first 7 days after registration any work, internship or training offer

8.2 How long do you get an unemployment benefit?

Austria

Basically you are entitled to get unemployment benefit for **20 weeks**. However, when you the firm you worked for paid unemployment insurance for the last 156 weeks, then you get an unemployment benefit for **30 weeks**.

Bulgaria

The benefit is paid from the date of the final termination of the insurance if:

1. The **application is submitted within three months** from that date
2. The person has been registered as unemployed at the Employment Agency **within 7 days** from that date.

If without a valid reason the application is submitted after this three-month period, the benefit will be payable from the date of the application for the specified period, reduced with the delay.

If the application is submitted within the 3-month period, but the person has registered as unemployed with the Employment Agency after the pointed 7-day deadline, the benefit will be payable **from the date of the application for the specified period**, reduced with the delay.

France

The duration of benefit payments is based on the principle of "a day of work equals a day of compensation". The days of work that count toward eligibility are multiplied by 1.4 in order to determine the payment period.

Payment cannot be made for under 122 days or more than:

- 730 days (24 months) for persons who are below 53 years,
- 913 days (30 months) for persons between the ages of 53 and 55,
- 1094 days (36 months) for persons who are 55 years or older (age is calculated as of the date the employment contract was terminated).

In France payment begins on the day following the waiting period. There is a **waiting period of 7 days** which applies to all unemployment benefits.

Germany

In Germany it depends on the time of your employment.

Poland

Unemployment benefit will be paid to you for the next 6 or 12 months. 12 months will be paid when you fulfil the following conditions (normally not relevant for YCL):

- The rate of unemployment in your district is higher than 150% of the average country unemployment rate
- You are over 50 years and have worked a minimum of 20 years
- You are supporting a child aged over 15 and your spouse is also unemployed but cannot claim unemployment benefit anymore.

8.3 What is the amount of the unemployment benefit?

Austria

- Unemployment benefit accounts for **55% of average net income of the last two years**.
- There is a maximum amount which cannot be exceeded. At the moment it is EUR 1.440.
- Additionally, there could be a family allowance (e.g.: if a child lives in the same household)

Bulgaria

- The daily unemployment benefit is 60 % from the average daily wage or the average daily income on which they were paid and due insurance contributions made to fund "Unemployment" in the last 24 calendar months preceding the month of the termination of the insurance and cannot be less than the minimum daily amount of the unemployment benefit.
- The monthly amount of money for the unemployment benefit is defined as described above when the daily amount is multiplied by the number of the working days in the month to which it relates.

The **minimum daily amount** of the unemployment benefit is determined annually with the Budget of the State Social Insurance Act. For 2016 it is 7.20 BGN.

France

The return-to-work allowance ("Aide au retour à l'emploi"/ ARE) guarantees replacement income to eligible employees who have been involuntarily deprived of a job.

"ARE" rates are calculated partly on the basis of a daily reference wage (SJR). The reference wage is based on gross earnings subject to contributions during the 12 calendar months prior to the last day of paid work (calculation reference period/ "PRC") up to a limit of 4 times the monthly social security ceiling (€13,244). It is calculated as follows:

*The weighting factor of 1.4, or 7/5, is used to convert the number of days worked to calendar days.

$SJR = \text{Reference salary} / \text{Number of days worked during the calculation reference period} \times 1.4^*$

The daily ARE rate is equal to the highest of the following amounts:

- 40.4% of the SJR + a set amount (€11.92)
- 57% of the SJR

This amount cannot be below €29.06 or exceed 75% of the SJR.

Germany

- Unemployment benefit accounts for **55% of net income of the last year**.
- Additionally, there could be a family allowance (e.g.: if a child lives in the same household). Then, the amount could rise to 67% of net income.

Poland

Rates are updated yearly on 1 June. Rates for 1 June 2016 are:

Work experience	Amount for the first three months of claiming benefit (per month)	The amount for the remaining months of benefit (per month)
up to 5 years	664.90 PLN	522.10 PLN

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from 5 to 20 years	831.10 PLN	652.60 PLN
at least 20 years	997.4 PLN	783.20 PLN

Amounts given above are gross amounts. A contribution for health insurance and an advance payment for income tax is taken off from these amounts.

9 CHALLENGES AGAINST SANCTIONS OF UNEMPLOYMENT BENEFITS

This topic shows the challenges against sanctions of unemployment benefits in the participating countries.

9.1 Sanctions against unemployment benefits?

Austria

If an unemployed person refuses or obstructs an offer of work or a chance to acquire a vocational training qualification, sanctions will be imposed in the form of suspension of entitlement to unemployment benefit for at least six weeks. This means that the period of entitlement to unemployment benefit will be reduced.

If the unemployed persons terminated his/her employment contract by himself/herself the unemployment benefit will be blocked for 4 months.

Bulgaria

There are no direct sanctions against unemployment benefits. However, if the unemployed person is not registered at the unemployment office any longer, the unemployment benefit will be terminated.

France

If an unemployed person does not accept reasonable job offers there may be sanctions against the unemployment benefit. This happens when a person refuses two reasonable job offers.

Germany

The unemployment office can withdraw unemployment benefits for up to 12 weeks (blocked period), if the unemployed person does not fulfil the following criteria:

- The unemployed person terminated his/her employment relation or gave the employer reasonable grounds due to the behaviour, or
- refused a job offered by the unemployment office, or
- did not attend a reasonable professional reintegration event or
- do not turn up for an appointment or the person fail to declare as looking for work immediately after being given notice of termination.

Poland

In case of refusal without a legitimate reason to accept a proposal for a suitable job or other form of assistance, **the unemployed person loses the status of the unemployed**, which results in the loss of the right to benefit. Deprivation of the unemployed status takes place from the date of refusal for 120 days for the first refusal, 180 days for the second refusal and 270 days for the third and each subsequent refusal.

Also, the refusal to undergo medical or psychological tests, aimed at determining the ability to work or participate in other forms of assistance to the unemployed, results in the loss of the unemployed status.

The unemployed person is deprived of unemployment status in the event of failure to appear at the poviát labor office within the prescribed period and not to notify within 7 days of the justified reason for such failure to appear. In this case, deprivation of the unemployed status takes place from the date of failure to appear in the poviát employment office for the period of 120 days in the case of the first failure, and 180 days in the case of the third and subsequent non-attendance. In addition, failure to attend the relevant poviát labor office within 14 days from the date of change of the place of residence shall result in the loss of the unemployed status. In this case, however, we are talking about moving to a town located in another poviát.

Deprivation of the unemployed status takes place in the event of being unable by the unemployed to work due to illness or being in a detoxification facility for an uninterrupted period of 90 days. Deprivation of the unemployed status occurs on the last day of the indicated 90-day period. Also, if you do not submit a certificate of inability to work as a result of illness on a print binding employees (ZUS ZLA), the unemployed person may be deprived of his status.

First of all, the loss of the right to unemployment benefit can take place at the request of the unemployed.

In addition, starting the implementation of an individual program of social employment or signing a social contract causes deprivation of the unemployed status and thus the loss of the right to unemployment benefit. The loss occurs from the day after the day when the individual social employment program starts or the social contract is signed.

Interruption of self-blame: internship, training, performing socially useful works or other forms of assistance results in the loss of the unemployed status. Loss also causes failure to receive training, adult vocational training, internship or other forms of assistance. Also, the break from the own fault of the adult vocational training program and the failure to take the qualifying, apprentice or checking exam results in the loss of the right to unemployment benefit.

9.2 Complaints against sanctions against unemployment benefits?

Austria

There is a possibility to make a complaint against sanctions of unemployment benefits if the unemployed person has important reasons why he/she refused a job offer or did not participate at a training of the unemployment office.

The complaint against the sanction can be placed at the regional unemployment office. It is important to consider the notification of the unemployment office.

During a period of a sanction against the unemployment benefit the unemployed person is still medically insured.

If the unemployed person accepts a job offer during the sanction period, the sanction can be suspended afterwards. That means the person gets an entitlement for unemployment benefit for the sanction period.



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Germany

The question of where, when and by whom a complaint can be submitted is answered by the notification of the sanction. The unemployment office in Germany helps unemployed persons with the wording of the complaint. The complaint against the sanction must arrive at least **one month after the arrival of the notification**.

Poland

It is possible to make „complaints against sanctions of the unemployment benefit“ in Poland. On each written administrative decision there is an information (below) how to do this. There are some decisions however which are automatic (e.g. money to start the business). So if you fulfill the criteria you will get it. Then, complaints are not possible any longer. And last but not least, the possibility of complaints concerns only the first instance decisions.

10 HOUSING BENEFIT

Austria

In Austria housing benefit is in the responsibility of the provincial governments. Concerning this benefit there are different requirements in different federal states. To get a housing benefit from a federal state in Austria some criteria have to be fulfilled by the applicant. The approval of a housing benefit generally depends on the following criteria:

- the size of the private household
- income of private household
- size of the flat
- costs of the flat

The target of the housing benefit in Austria is to make housing affordable for everyone. Therefore, the benefit is intended for private households with lower income.

In order to get a housing benefit in each federal state you fill out an application at the provincial office. The following links show the application and the criteria which have to be fulfilled:

<https://www.wien.gv.at/wohnen/wohnbauforderung/wohnbeihilfe/>. (federal office Vienna)

<https://www.land-oberoesterreich.gv.at/wohnbeihilfe.htm>. (federal office upper Austria)

https://www.vorarlberg.at/vorarlberg/bauen_wohnen/wohnen/wohnbauforderung/weitereinformationen/wohnbeihilfe/wohnbeihilfe-uebersicht.htm. (federal office Vorarlberg)

<https://www.tirol.gv.at/bauen-wohnen/wohnbauforderung/beihilfen/> (federal office Tyrol)

https://www.salzburg.gv.at/bauenwohnen_/Seiten/wohnbeihilfe.aspx. (federal office Salzburg)

<http://www.soziales.steiermark.at/cms/beitrag/10363956/5361>. (federal office Styria)

<https://www.burgenland.at/themen/wohnen/wohnbeihilfe/>. (federal office Burgenland)

http://www.noel.gv.at/noel/Wohnen-Leben/Foerd_Wohnzuschuss_Wohnbeihilfe.html. (federal office lower Austria)

<https://www.ktn.gv.at/Service/Formulare-und-Leistungen/BW-L58>. (federal office Carinthia)

Bulgaria

First of all, in Bulgaria there are so called "municipal housing" - apartments rented for a cheaper amount of money to specific groups of people (families with low income, disabled people, orphans, etc.). Although, these are run by each municipality and each of them has a different regulation for this. In some municipalities, young people leaving social services might have a priority if they apply for this type of housing. Although this is not a widely spread practice and depends on whether the manager of the social service has established an agreement with the municipality.

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Secondly, there are also so called "monthly rent benefits", which are given to the following groups of people:

- elderly people over the age of 70
- orphans until the age of 25
- disabled people living alone who have a decreased ability to work.
- single parents

These groups of people can apply for housing benefit ONLY if they live in a municipal housing. So, they apply at the municipality for municipal housing and then they apply at the Social assistance directorate (which can be local and municipal).

France

In France you have a special organisation called Caisse d'Allocation familiale (CAF) where you must apply if you are a family. This is where you will ask for housing benefits (but also a lot of other kind of benefits, and this where you will subscribe to the day care for your children...).

Housing benefits, depend on your family situation: number of children, outcomes, unemployment, taxes you pay etc.

Application for housing subsidies should be made to the CAF. There are mainly three types to which you can apply for:

- « Aide personnalisée au logement » (APL);
- « Allocation de logement familiale » (ALF);
- « Allocation de logement sociale » (ALS).

If you do not fulfil the requirements for the APL, you can apply for the ALF. If you do not fulfil requirements for the ALF, you can apply for the ALS.

Who is eligible for the CAF subsidy?

Anyone living in France with dependent children – legitimate, illegitimate, fostered or adopted – is entitled to family benefits for their children up to the age of 20, if not working/earning under EUR 893.25 per month (or age 21 for housing and family income supplement).

However, you should have evidence documents showing that you rent or are the owner of a property and you meet requirements, stipulated on the CAF website, concerning:

- Family status;
- Place of residence;
- Incomes/pensions;
- The amount of rent or the amount to be repaid;
- The respect of standards of comfort;
- The standard of decency of accommodation.

Application process for Local housing benefits:

For this purpose, you need to:

- Create an account on the CAF website: www.caf.fr <<http://www.caf.fr/>> .
- Fill an online form on the website and send it to CAF.
- After completing the application, print and fill the form « attestation de loyer », which is a summary of the accommodation, the landlord and your personal details, and send it to CAF.

This will give you the right to receive a CAF card and a CAF number. And your housing subsidy will be paid for the next month after the application. However, the funds would be available in your account two months after the request.

Website link in English : <https://blog.parisattitude.com/en/understanding-french-housing-benefits-eligibility>

Website link in French :

<https://www.caf.fr/wps/portal/cafr/aidesetservices/lesservicesenligne/faireunedemandedeprestation#/logement>

Germany

To get a housing benefit in Germany it is necessary **to make an application at the Federal Ministry of the interior, Building and Community.**

At the following link you find all relevant information about the housing benefit in Germany:

<https://www.bmi.bund.de/SharedDocs/faqs/DE/themen/bauen-wohnen/wohngeld/wohngeld.html#f10660692>.

Poland

The housing benefit exists in Polish regulations. It never covers 100% of the rent, and depends on the level of income, number of inhabitants and area. The level of income is related to minimum pension. For a single person it is 175% of minimum pension and if there are more inhabitants it is 125% of minimum pension per person. It is now about 425 EUR (single) or 275 EUR (two or more). So you have no right to apply for housing benefit if you earn more.

Another limit is a size of the flat. Maximum size to apply for housing benefit can't be greater than:

35 sq m if one person occupies it,

40 sq m in case of 2 people,

45 sq m for 3 people,

55 sq m for 4 people,

65 sq m for 5 people,

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70 sq m for 6 people

etc. (5 sq m per person)

Example: If the family consisting of 3 persons fulfills all criteria they have to pay for the flat up to 12% of their month income. The benefit will cover all expenses above this level.

Single person who earns between 150 and 175% of minimum pension will have to pay up to 20% of month income. The benefit will cover all expenses above this level.