



voor het leven  
Sociale Verzekeringsbank

## Pilot non take-up AIO

About the SVB's commitment to combating non-use through innovation

# What is AIO: Supplementary Income Provision for Older Persons

- $\geq$  AOW/pension age
- Supplement to the income till level of welfare benefit
  - People that lived less than 50 years in NL and
  - Households with a jonger partner with an income that is not sufficient
- Income and asset test

# Non use of AIO is both substantial and uncertain

## **Algemene Rekenkamer (court of audit):**

**48% to 56%** of the household that are entitled to AIO receives on January 1st 2017 no AIO.

## **CBS:**

(Potential) non-use of AIO is about **30%** (2017 en 2018).

That is about 20.000 households

**Motie Kamer (2020):** call to the Ministry of Social Affairs and Employment to investigate whether non-use can be reduced

## **Amount**

Approximately 250,000 people living in the Netherlands receive a reduced state pension, with around 20,000 new recipients each year.

The total group of potential AIO recipients is around 350,000 households (people receiving a reduced state pension + households with a younger partner).

## What did we already do?

A variety of written communications and information

- Information on AIO in the AOW decision, citizens with a reduced AOW receive a reminder letter
- Information meetings with municipalities/interest groups (NOOM), 'warm transfer' of citizens receiving social assistance who reach retirement age, 50Plus Fair, information at hairdressers, etc.

## Bottleneck: targeting the target group more effectively

A more targeted approach is possible with data on the income of pensioners and a possible partner.

### **Bottleneck**

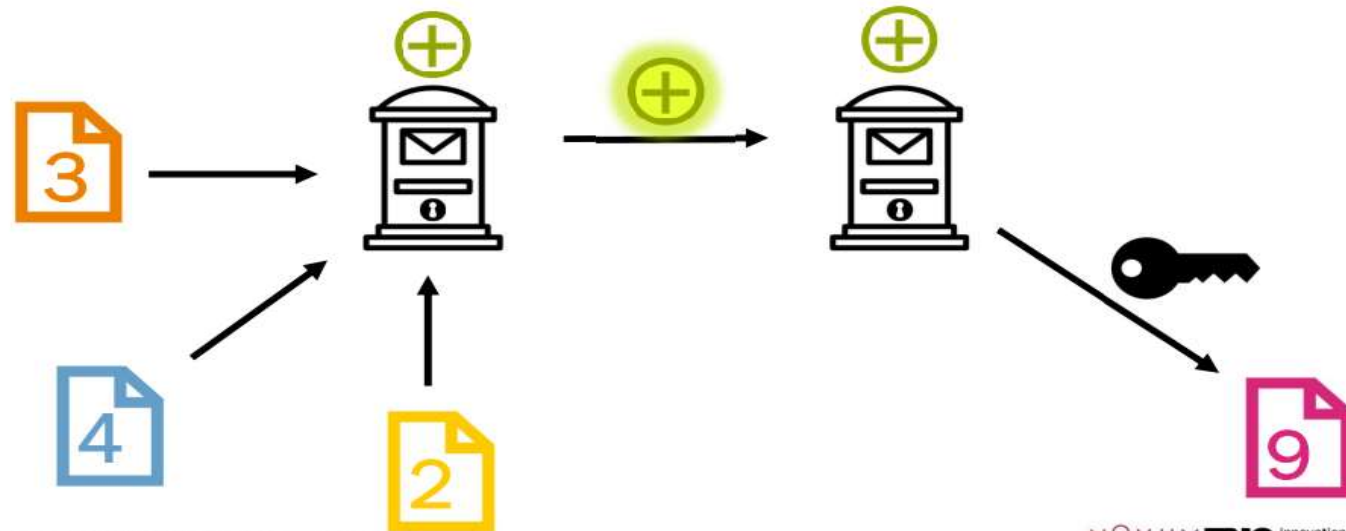
The SVB does not know the income (AOW is income-independent). The UWV does, but there is no (Legal) basis for data exchange.

## Innovative solution: Multi Party Computation (MPC)

- Toolbox cryptographic techniques enable multiple parties to jointly calculate data as if they had a shared database.
- Each party's data cannot be viewed by the others.
- This ensures that privacy and personal data are protected as much as possible. (GDPR-compliant)

# Solution: Multi Party Computation (MPC)

## HOMOMORFE ENCRYPTIE GEVISUALISEERD



## Starting points for pilot project Promoting the use of AIO

- With MPC-technology we stay within the legal frames, GDPR-proof
- Ministerial regulation required, reviewed by the Dutch Data Protection Authority
- Customers who are found to be eligible would receive immediate assistance with their AIO application

This ensured both legal robustness and a strong service-oriented approach.

## The pilot approach

- Contacting 1,000 households by letter (requesting them to call the SVB)
- Calling households that do not contact the SVB themselves
- If there is no answer or no telephone number is known: send a handwritten card with a request to contact us.
- If contact is made, discuss whether there may be entitlement to AIO and, if so, send an AIO application form (followed by the regular process).
- Make small-scale service visits to households that have not responded to anything.

## Results of the pilot

- Technology MPC offers opportunities for responsible data exchange
  - Real amount of non-use is difficult to determine
  - Substantial part of the potential group does not meet the criteria for AIO (mostly because of foreign pension, profit from undertakings too much capital)
  - The amount of households that is eligible for AIO as result of the pilot is relatively low, but the impact is significant
  - Positive reactions of the people that we contacted.
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## (Possible) follow up

### Continuation

- SVB wants regular exchange of income data with UWV Create legal basis for data exchange between UWV and SVB in the SUWI Act (draft bill on proactive service provision by SZW)
- Continue existing approach of proactively informing citizens about AIO and simplifying the application process

### New pilot

- Explore how UWV data can be enriched with data from the Tax and Customs Administration (foreign income, assets, business profits)
- If possible, investigate the reasons for any differences with other studies that show a high rate of non-use

