



SORESI

*A web-based, freely accessible instrument
for calculating the impacts of social and tax
reforms in Austria*

As of May 2015

What is SORESI?

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SORESI is a web-based, freely accessible and user-friendly **s**ocial **r**eform micro-**s**imulation for simulating certain social and tax reforms. The model calculates the impacts on the populations' income and the fiscal consequences. Results are presented in tables.

SORESI is based on the EU-wide tax and benefit micro-simulation model "EUROMOD". This model reproduces the national tax and benefit systems. Impacts on the population are calculated with micro-data drawn from a representative, EU-wide survey on income and living conditions (EU-SILC). In Austria EU-SILC comprises approximately 6,000 households with around 14,000 household members and provides, for example, information on the composition of the interviewed households, the employment situation, income sources as well as received social benefits and paid taxes. In this way, it is possible to calculate impacts of changes in the tax and benefit system on the income situation of persons and households as well as on the income distribution.

What can you do with SORESI?

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SORESI displays the status quo of different social benefits, social contributions and tax provisions: Users can change a single value or develop a reform package.

SORESI offers reform options in the following three areas:

- **Social cash benefits**

Family and unemployment benefits, statutory pensions, civil servants' pensions, long-term care benefit;

- **Social contributions**

Health/ unemployment/ statutory pension/ work accident insurance, other contributions;

- **Income tax**

Marginal tax rate, wage tax rates for special bonus payments, tax credits, negative tax;

Who can use SORESI?

Using SORESI is not confined to experts. It enables also the interested public to assess certain reform measures in a quantitative way. SORESI, therefore, is aimed at policy makers and the scientific community but also at civil society and citizens. With a few clicks you can design reforms and examine their impacts.

Example

You would like to decrease the contribution for health insurance paid by insured persons

- You decrease the current contribution rate by typing in the intended value. Results are shown in tables after approximately three minutes of calculation and can be filtered by different criteria like age, household type, gender or income quintile.
- You will see to which extent the net income of different groups is increased; the reduction in revenues for social insurance and simultaneously the increase in revenues for income tax; or which impact your reform has on income distribution and people at risk of poverty.
- Results are provided for individuals, households and model households.

What are SORESI's limitations?

SORES I is a static model: Possible changes in behaviour triggered by the measure in concern and other developments (e.g., labour market) are not being simulated. SORES I thus presents the “overnight effects” of reforms.

In order to guarantee a high degree of user-friendliness, only a limited set of reform options is offered.

Who has developed SORESI?

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The Federal Ministry of Labour, Social Affairs and Consumer Protection in Austria developed SORESI in cooperation with the European Centre for Social Welfare Policy and Research (Austria), the Federal Computing Centre (Austria), FLEMOSI (Department of Economics of the Katholieke Universiteit Leuven, Belgium), University of Essex (EUROMOD, UK), makingChoices.be (Belgium), and Statistics Austria.

SORES I on the Internet

SORES I is characterized by a high degree of user-friendliness and freely accessible on the Internet, please visit:

www.sozialministerium.at/soresi.

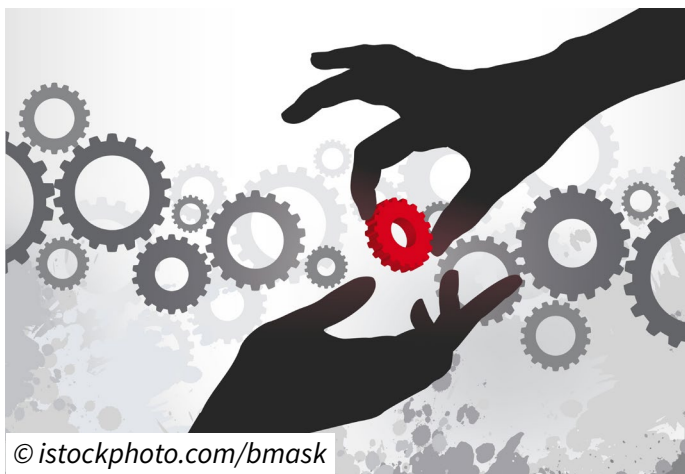
Information documents and help texts are available on the SORES I sites. They do not only explain aspects of the social system and technical terms but also take a look at the model's limitations so that the interpretation of results is facilitated.

Feedback

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SORESI is work in progress. Your feedback is hence very important for us. Please send your comments or questions to:

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