

Offsetting a net basic income (NBI) with current Corona aid payments and transfers from the social budget.

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To offset the NBI, relevant expenditures from the social budget will be reviewed according to the five criteria of an unconditional basic income (UBI): periodic, universal, cash transfer, individual and unconditional. If these criteria apply, the corresponding transfers are classified as UBI-related expenditures and will be added to the calculation of an NBI.

With the payments of an NBI, expenditures close to UBI are thus no longer necessary as transfers from the social budget.

The term social budget refers to the total of all direct and indirect social transfers in a given period. In the Federal Government's report of Germany on the social budget, the transfers are sorted by type of benefit and function, which makes it possible to exemplarily calculate the NBI as an emergency aid (see table). In addition, Corona aid payments which also meet the criteria of a UBI-related expenditure will be added to the offsetting calculation.

In 2018, the total social budget amounted to €1,026 billion. According to the UBI-related expenditure criteria, the following positions remain in the social budget: Systems of public service, Joint pension insurance contribution without state subsidies, in kind benefits of health insurance, Nursing Care and Accident Insurance as these cannot be replaced by a basic income. Hence, € 466.7 billion is left as UBI-related social budget which can be used for the NBI. In addition, there will be € 150.5 billion of corona aid to be taken into the calculation, so that the total UBI-related expenditures sum up to € 617.2 billion.

With a national population of 83 million citizens (2018) in Germany and a monthly NBI of € 550 for adults and € 275 for minors, the cost of an NBI adds up to € 503 billion per year.

The difference between all eligible UBI-related expenses, the Corona aid payments and the cost of a NBI per year yields a saving of € 114.12 billion through the introduction of the NGE compared to today's expenses.

Table: Cost calculation of a net basic income (NBI)

NBI emergency aid	
National Social budget for 2018	1.026,228 bn. €
Non-eligible expenditures within the social budget:	
• Systems of public service	80,80 bn. €
• Joint pension insurance contribution without state subsidies	213,04 bn. €
• in kind benefits of health insurance	211,88 bn. €
• Nursing Care Insurance	39,79 bn. €
• Accident Insurance	14,03 bn. €
	<u>466,67 bn. €</u>
	Σ 559,55 bn. €
BI-related social budget	466,67 bn. €
BI-related Corona- emergency aid	150,47 bn. €
Cost of NBI	
For ADULTS p.m.	550,00 €
For CHILDREN and YOUNG PEOPLE up to 18 years p.m.	275,00 €
Population at the end of 2018: 83.01 million.	
69,42 Mio. Adults, Costs p.a.:	458,17 bn. €
13,59 Mio. Children and Young people, Costs p.a.:	44,84 bn. €
Total Cost NBI per year:	503,01 bn. €
Difference:	114,12 bn. €
(BI-related (Socialbudget + Corona-emergency aid) – NBI)	

Source: own calculations, BMAS (2018), BMF (2020b), Federal states ministries (2020)

Note: At the moment, no current population statistics and social budgets from 2020 are available, so these calculations may differ from the actual figures. However, these differences are insignificant for the logic of the argument and its tendentious impact in the comparison of figures.

More information will be available soon at:
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