



Laga Newsflash

Commission proposal to revise EU social security coordination rules

Context

EU Regulation 883/2004 coordinates social security systems within the European Economic Area (EEA) and Switzerland for mobile workers, mainly by determining the applicable legislation in cross-border employment situations and by coordinating social security benefits to prevent loss of rights.

After a legislative standstill in this area since 2012, the European Commission launched a proposal to revise different chapters in the Regulation, within the framework of its 2016 Work Programme, to ensure the fairness, clarity and efficiency of EU social security coordination.

Main aspects of the revision: A1-form procedures, unemployment and long-term care

The proposal aims to further facilitate free movement of workers and protection of rights, while reinforcing the tools for national authorities to fight risks of abuse or fraud.

In addition to several technical amendments, the EU rules will be updated in the following key areas:

1. Uniform and efficient framework for the issuance and contestation of A1-forms

- The introduction of uniform procedures to the issuance, contestation and withdrawal of A1-forms for assignments and simultaneous activities.

- More efficient information exchange procedures for the contestation of A1-forms (with a 25 working days deadline for replies to requests from the other country's authorities and with immediate withdrawal upon detection of an irrefutable case of fraud).
- Clearer procedures for cooperation and information exchange between authorities (social security, tax, labour law and immigration authorities) on the social security status of workers to address potentially unfair practices or abuse.

2. Unemployment benefits

- The minimum period for export of unemployment benefits outside the residence country would be prolonged from the current 3 months to at least 6 months. This should provide workers with a better chance to find work in another country.
- Unemployment benefits of frontier workers (who live in one country, work in another and return home at least once a week) would be paid by the country where they have worked for the last 12 months. Under the current rules, frontier workers have to claim benefits in their residence state (despite not having paid contributions there).
- Member States may require an activity of at least 3 months on its territory before a newly unemployed person can rely on the aggregation of periods gained in another country to claim unemployment benefits. For activity periods falling short of 3 months, he/she could claim export of benefits from the country of previous insurance.
- A new rule confirming that, if a person is receiving unemployment benefits in one country and is simultaneously working in another, the country paying unemployment benefits is competent for social security.

3. Long-term care benefits

- The introduction of a separate coordination chapter for "long-term care benefits", i.e. social security benefits related to assistance with a person's daily activities in case of old-age, illness, disability or impairment (e.g. Flemish Care Insurance in Flanders/Brussels).
- EU definition of "long-term care benefits" and a list of national benefits to be considered as such.
- Specific coordination rules specifying where mobile persons can claim such benefits.

Laga view

As this proposal still needs to undergo the full EU legislative procedure, the changes should not be expected in the near future and can still be amended during that process.

However, as several proposed changes will directly impact mobile workers, further developments should be monitored closely. The EU-standardisation of procedures for issuing, contesting and withdrawing A1-forms will especially be a hot topic for businesses in the EEA and Switzerland. Updates will be provided as soon as new information becomes available.

Laga's social security team is readily available to provide more detailed information and answer any questions in this regard.

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