

Agreement on Coordination of Social Security Systems within reach

a LMIA & Ceemet joint press release

Brussels, 21 October 2020 - At an event organised by Ceemet - European Tech & Industry Employers and LMIA - the Labour Mobility Initiative Association, Rapporteur Gabriele Bischoff, Shadow Rapporteurs Jeroen Lenaers and Dragos Pîslaru as well as Ulrike Geith on behalf of the EU Council expressed hopes that an agreement could be found within the term of the German Presidency. The webinar, titled the A-Z of A1 forms, was dedicated to the currently discussed A1 forms, business trips and registered office.

More than 160 registrations to the seminar of 16 October showed the importance of the debate which was underlined by the presence of representatives of all the EU institutions. In addition to the Rapporteur and Shadow Rapporteurs, Jordi Curell, Director for Labour Mobility at the European Commission provided an opening statement explaining the main principles behind the revision of current rules. Philine Scholze, Advisor on employment and social affairs from the Greens, put light on the views of her political group.

A1 : declarative or constitutive nature?

Hilde Thys, Senior Expert International Employment at Agoria, explained in the first thematical session what the legal and practical pitfalls are of a changed nature of the A1 portable documents. This would constitute a hurdle to the principles of free movement and as such will probably not pass the proportionality test by the European Court of Justice. Full digitalisation of the application process could compensate some barriers, but prior notification should only become obligatory when digitalisation is a fact.

PD A1 “whenever possible”: what about business trips?

The importance of the wording was put onto the forefront by Stefan Solle, Head of the Brussels Office of Gesamtmetall. Dropping the condition “whenever possible” from provisions on prior notification would create an entirely new context because the possibility of a retroactive application for an A1 form disappears. In that case, especially for short (business) trips, an exception must be provided for.

Registered office

An important decision is to be taken on the shape of the definition of the registered office. This is of crucial importance for highly mobile workers as it determines the place where their social security contributions are paid. There are legitimate concerns that the current proposal will lead to frequent changes of social security systems for workers and will not improve identification of letter-box companies. The currently proposed definition is based on an unstable set of criteria which are dependent on the changing economic situation e.g. turnover, working time or number of services rendered.

Marek Benio, Vice President of LMIA, closed his presentation on the registered office underlining that *“For many highly mobile workers, whose profession requires them to work in many Member States, it is important to stay in one social security system and avoid changes in the applicable legislation. Unfortunately, some see the new provisions as a tool to compete*

for social security contributions of mobile workers. I hope we will put the worker's interest back in the heart of this Regulation."

In her final remarks, Delphine Rudelli, the Director General of Ceemet, concluded that: *"The interests of employers and employees are the same. We need a coordination of social security, that is clear and has enforceable rules to enable companies to respect the existing legislation and protect their workers. The revision of the 883/04 regulation is a great opportunity to simplify the existing situation and to reduce the administrative burden on companies by exempting business trips from notification"*.

The revision of the Coordination of Social Security is not just a technical matter but also very human. Legal certainty is needed for all parties involved and everybody around the virtual table agreed to that.

ABOUT

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[Labour Mobility Initiative Association](#)

The **Council of European Employers of the Metal, Engineering and Technology-based industries** is the European employers' organisation representing the interests of the metal, engineering and technology-based industries. Through its national member organisations it represents 200 000 companies across Europe. The vast majority of them are SMEs, providing over 35 million jobs of direct and indirect employment.

Since 2013 **Labour Mobility Initiative Association** brings together scholars, entrepreneurs and public administration to create the only Polish and European forum for exchange of knowledge on the posting of workers within the freedom to provide services. LMIA organizes workshops, conferences and debates, promotes service mobility at the internal EU market and raises social awareness about the issues related to the posting of workers



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