

Social security coordination

2016/0397(COD) - 23/11/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Employment and Social Affairs adopted the report by Guillaume BALAS (S&D, FR) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 883/2004 on the coordination of social security systems and Regulation (EC) No 987/2009 laying down the procedure for implementing Regulation (EC) No 883/2004.

The report highlighted that there is a need to ensure the portability of social security benefits (e.g. state pensions, health insurance, unemployment benefits and family benefits) and consequently reduce barriers to labour mobility in the Union.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows.

Exportability of benefits: Members agreed that an insured person may retain unemployment benefits for **six months** after leaving a Member State and this Member State would be able to prolong the period until the benefit expires.

Uniform rules for aggregation of periods: insurance periods completed elsewhere should accumulate. Aggregation would kick in after a worker is insured in a new Member State for at least **one day**.

Cross-border workers: there is a need to ensure **greater parity** of treatment for frontier and cross-border workers by giving them the choice between receiving unemployment benefits from the Member State of last activity or from their Member State of residence, in order to enhance the probability of their finding employment in the Member State where their chances of doing so are the highest.

The Member State of last employment will be required to pay unemployment benefits if the cross-border worker worked there for at least **12 months**. Under the current rules, the Member State of residence is competent, even though cross-border workers pay social security contributions in the country of activity.

It is also important to **strengthen cooperation** between national competent authorities and to clarify the regulatory framework applicable in order to ensure that the Member State of last activity, the Member States of previous activities and the Member State of residence do not each declare themselves not to be competent to pay benefits, to the detriment of insured persons.

Member States may provide for the introduction of **differential supplements** to bridge the gap between unemployment benefits paid by the Member State of last activity and the Member State of residence.

Special rules : a person who pursues an activity as an employed person in a Member State on behalf of an employer which normally carries out its activities there and who is sent by that employer to another Member State to perform work on that employer's behalf shall continue to be subject to the legislation of the first Member State, provided that:

- the anticipated or actual duration of such work does not exceed **18 months**;
- the person concerned is subject to the legislation of the Member State where the employer is established for a period of at least **three months** immediately preceding the start of the work as an employed person;
- the competent institution of the Member State where the employer is established has been notified about the sending and received at request prior to the commencement of the work for the continued

application of its legislation, prior to the performance of the work. No such formal request need to be made where the work concerns a **business trip**.

Long-term care: the amended report stipulated that in the field of sickness, long-term care, maternity and equivalent paternity benefits, insured persons, as well as the members of their families, living or staying in a Member State other than the competent Member State, should be afforded protection.

In accordance with the case-law of the Court of Justice of the European Union, long-term care benefits for insured persons and members of their families should, in principle, continue to be coordinated following the rules applicable to sickness benefits. However, those rules should take into account the specific nature of long-term care benefits. It is also necessary to provide for specific provisions in case of overlapping of long-term care benefits in kind and in cash.

Family benefits: Members agreed that family benefits in cash, which are primarily intended to replace income when a person has given up work to raise a child, should be distinguished from other family benefits, so that they count as a personal benefit for the parent concerned in a competent Member State. In cases where family benefits in a place of residence and in a place of insurance overlap, Member States would be able to allow such personal benefits to be kept.

In the case that the entitled person lives in another Member State than his or her children and if this person does not meet his or her maintenance obligations, the competent authorities could - according to the Commission's proposal - no longer provide the benefit directly to the children or the other parent. This situation should be avoided.

Reporters of European media organisations posted to another Member State: reporters of European media organisations posted to another Member State may choose between application of the legislation of the Member State in which they are employed, of the Member State of which they are nationals or of the Member State in which their principal employer is based.

Portable documents: the report also supported the Commission in its intention to **standardise the issuance procedures, format and content of portable documents** certifying membership of a social security scheme and to specify the situations in which such a document is issued and the procedures for its withdrawal when its accuracy and validity is contested by the institution of the Member State of employment.