

GMS Flash Alert

2021-236 | September 15, 2021



European Union – Extension of COVID-19 Measures for Social Security

In June 2020, the European Union (EU) Administrative Commission for the Coordination of Social Security Systems (AC) adopted guidelines recommending that changes to working patterns caused by the COVID-19 restrictions on movement should not change the country responsible for social security. On 17 June 2021, the AC extended these guidelines until 31 December 2021.¹

WHY THIS MATTERS

The country responsible for cross-border workers' social security coverage will remain unchanged until 31 December 2021, for employees who work remotely due to COVID-19 measures and who intend to resume their usual working pattern once the state of health emergency is over.

Employers and employees should obtain relevant documentation confirming their social security position according to the guidelines from the AC, because the application of the temporary guidelines is not universal. They apply only to those situations where usual working patterns are only temporarily suspended due to COVID-19.

Background

As part of national public health measures in the EU, member states variously closed borders, restricted cross-border travel, and generally recommended telework (working from home) for cross-border workers. Employees who reside in one EU member state and work in another EU member state were faced with a challenge connected to social security coverage once they began working remotely from home.

According to the coordination rules in Regulation (EC) for social security no 883/2004, an employee who works at least 25 percent of their time in the country of residence is covered by the social security laws in that country. Workers who

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perform less than 25 percent of work in the country of residence are generally covered under social security laws in the country where the employer is located.

As the COVID-19 restrictions on movement have continued, an increasing number of employees has exceeded the 25-percent threshold, with the result that, under the EU coordination rules, their coverage should have switched to the social security system in their country of residence.

However, already in March 2020, Belgium initiated a dialogue with its neighbouring countries to develop temporary arrangements to avoid a change of governing social security rules when an employee works 25 percent or more from home.² (For prior coverage, see [GMS Flash Alert 2021-193](#), 2 July 2021, and [GMS Flash Alert 2020-124](#), 27 March 2020.) This Belgian approach served as an inspiration for the guidelines by the AC to the member states adopted in June 2020 that are now extended through to the end of 2021.

KPMG NOTE

It is important to note that the EU Commission's guidelines are recommendations only. Employers and employees should always check if relevant countries for their actual working situation are following these guidelines or if they have their own guidelines.³

The measures taken by the EU member states to avoid changes to the applicable social security jurisdiction are intended for those situations where the usual working pattern is temporarily suspended due to COVID-19.

If changes to the working pattern that led to the changes in the applicable law for social security purposes are a part of a new long-term or permanent working arrangement, then these temporary guidelines do not apply. In such case, the employer and employee must affiliate with the social security system that is competent according to the actual working arrangement.

It is recommended that employers and employees acquire documentation confirming their social security position and if the COVID-19 measures apply. This will avoid any issues that might arise later if an employee for some reason does not return to the same pre-COVID-19 working pattern once the state of health emergency is over.

FOOTNOTES:

1 For more information, see European Labour Authority, "[Impact of teleworking during the COVID-19 pandemic on the applicable social security: Overview of measures and/or actions taken in the EU Member States to facilitate a flexible approach to the applicable social security of teleworking cross-border workers](#)" (July 2021).

2 See footnote 1.

3. For example, Luxembourg and France have agreed to extend COVID-19 measures to avoid changes for social security until 15 November 2021, see (in French) "Prolongation de l'accord sur l'affiliation à la sécurité sociale des travailleurs frontaliers concernant le télétravail avec la France jusqu'au 15 novembre" on the following website: [Le gouvernement luxembourgeois](#) (1 September 2021).

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Contact us

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