

# GMS Flash Alert

2021-310 | December 17, 2021



## France - Brexit, Changes in Way Certificates of Coverage Will Be Issued

The French authorities have indicated that they no longer wish to extend expiring A1 certificates requested under the posting rules of the European Union (EU) social security coordination rules beyond 30 June 2021, for employees covered by the United Kingdom withdrawal agreement, even though this theoretically should have been possible under article 16 of EC regulation 883/2004.<sup>1</sup>

In addition, as of 1 January 2022, the responsibility for the issuance of certificates of coverage will be transferred to a new, dedicated international mobility service of URSSAF (*Union pour le recouvrement de la sécurité sociale et des allocations familiales*, the French social security contribution collection body).<sup>2</sup>

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### WHY THIS MATTERS

The decision not to extend expiring A1 certificates requested under the posting rules could result in different A1 scenarios than had previously been the case, and could lead to additional administrative burden for employers and global-mobility managers.

Global-mobility managers will want to take note of the changes related to administration and procedures described in this newsletter for a couple of reasons: (i) with responsibilities shifting from the *Caisse Primaire d'Assurance Maladie* (CPAM), there will be a new entity – part of the URSSAF – to deal with for purposes of securing certificates of coverage, and (ii) because there are still questions – for which clarification is awaited – about what will happen with existing/recent requests with CPAM for certificates of coverage. Overall, with this change, it is anticipated that the issuance of certificates will be timelier and more efficient.

## Application of Social Security Rules in EU-U.K. Agreement

While the authorities have indicated that they no longer wish to extend expiring A1 certificates, as noted above, they have indicated that the employees concerned could benefit from the posting rule provided for under the Trade and Cooperation Agreement between the EU and the United Kingdom, without interruption between the two posting periods. That agreement, which replaced the EU regulations and applies to all situations beginning after 1 January 2021, allows for a 24-month posting.

This does not require the prior agreement of the host state, but the process must still be accepted by the United Kingdom.

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### KPMG NOTE

There may be various reasons behind the French position. The Trade and Cooperation Agreement between the EU and the United Kingdom does not cover family benefits and limits the export of unemployment and disability benefits. It may be a way of breaking free from the rules of the inviolability of the A1 certificate in its relations with the United Kingdom. Or it could be a way to simplify French administration. This policy only seems to apply to postings under Article 12 of EU regulations 883/2004 and not to individuals who pursue activities in two or more states and currently covered by Article 13 of that regulation.

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### Impact of Brexit/Withdrawal Agreement/Trade and Cooperation Agreement between EU and U.K.

The transitional rules for Brexit ended on 31 December 2020. However, employees covered by the withdrawal agreement continue to be covered under the EU social security coordination rules (883/2004 and 987/2009) for as long as their situation remains unchanged. The Trade and Cooperation Agreement between the EU and the United Kingdom of 24 December 2020, applies to all cross-border situations beginning on 1 January 2021, and includes a Social Security Protocol which takes up the spirit of the rules of the EU but with notable differences. (For related coverage, see [GMS Flash Alert 2021-058](#) (19 February 2021), and [GMS Flash Alert 2021-256](#) (11 October 2021).)

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### KPMG NOTE

It will be important to analyse the impact of this new French approach on a case-by-case basis. The impact will be felt primarily on inbound assignees from the U.K. to France as, in the reverse situation, French employers tend not to keep employees in the French social security system due to its high costs.

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## A Change in Way Certificates of Coverage Will Be Issued from 1 January 2022

As noted earlier, starting 1 January 2022, the responsibility for the issuance of certificates of coverage will be transferred from the *Caisse Primaire d'Assurance Maladie* (CPAM), the national health insurance administration, to a new, dedicated international mobility service of URSSAF. (URSSAF, since 1 January 2020, has managed the issuance of certificates for self-employed workers.)

Currently certificates for employees are issued by the local CPAM.

This new URSSAF body will be responsible for issuing the following certificates:

- A1 certificates for European Economic Area (EEA) countries, Switzerland, and the U.K.;
- Bilateral certificates for the 41 countries or French overseas territories that have signed a social security agreement with France;
- Certificates issued under French domestic rules in the absence of an international social security agreement.

However, the responsibility for the issuance of a European health insurance card or an S1 form which entitles individuals to state-funded health-care cover in the country where they live even if they are covered by the social security system of another country, will likely remain with CPAM.

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## KPMG NOTE

It is hoped that this change will facilitate the issuance of certificates through greater automatisisation and digitalisation.

However, it is unclear at this stage what rules there will be for transitioning ongoing cases between CPAM and the new international mobility service of URSSAF. Employers should “stay tuned” for further developments.

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## FOOTNOTES:

1 Standard response from CLEISS (*Centre des Liaisons Européennes et Internationales de Sécurité Sociale* – the French international and European social security liaison body) to requests for extensions of postings under Article 16 of EU Reg 883/2004 to 30 June 2021.

2 See the website for *L'Assurance Maladie* at: <https://www.ameli.fr/paris/entreprise/vos-salaries/detachement-france-etranger/detachement-salarie-ue-suisse> .

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