

# Social security coordination – the magic of an unpleasant surprise

The provisional agreement on the revision of the coordination of social security systems, struck between the Slovenian Presidency and the European Parliament negotiators, came by surprise. The same must be said about the additional burden it creates for companies. Applying for an A1 will be the only way to obtain legal certainty.

**Brussels, 21 December 2021** – The Slovenian Presidency caught everybody by surprise when they announced that they managed to struck a deal with the negotiators of the European Parliament. Since the announcement that the coordination of social security system would be revised, five years ago, companies have been hoping for a harmonisation of the rules and a reduction of the administrative burden.

## Business trips: turning a complex situation worse

When the negotiations started on the coordination of the social security systems, it was promised that the complex situation for employers would become simpler. The current provisional agreement however creates a complex system of vague and opaque rules.

A closer look at the text unveils that A1 certificates apply to “business trips limited in time” and that “applications exceptionally can be made up to three days after the assignment abroad”. Nowhere is specified what “limited in time” and “exceptionally” means, leaving the door open for a divergent interpretation and failing on the objective to harmonize and standardize rules within the EU.

## Companies were better off before

With the provisional agreement the Presidency and European Parliament aim to increase the number of -regular- posted workers, that are better protected. Question remains if that is effectively the case. Fraudulent companies will not stop or even reduce their malpractices because of this text.

Even worse, the provisional agreement is a huge blowback for the vast majority of companies that follow the rules as the text fails to provide workers and employers the legal certainty they need.

The sad conclusion is that after five years of negotiating companies were better off before. That is why, should the provisional agreement be put up to vote in COREPER I on Wednesday, Member State representatives should reject the text.

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