

Revision of Regulation 883/2004 on the Coordination of Social Security Systems: Prior notification and the need for digitalisation

Joint employers statement

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European businesses operating across borders face numerous bureaucratic hurdles, which hinder both labour mobility and the provision of services. This impacts Europe's competitiveness. A modern and simplified regulation 883/2004 can reduce the red tape experienced by companies, enhance mobility and contribute to the European Commission's burden reduction target.

After 12 presidencies of the Council of the EU, 18 dialogues and 2 provisional agreements, the interinstitutional negotiations on the regulation coordinating social security systems have still not been concluded. **Compromises have already been reached on 80% of this regulation:** it is now time to bring this process to a conclusion with a revised and simplified Regulation. The alternative is the prospect of the withdrawal of the proposal, which would set Europe back a number of years and fail to provide much needed clarity to European employers on this vital issue.

Since the European Commission's initial proposal for a revision in 2016, worker mobility situations have become more complex, with new forms and dynamics of mobility: the boom in teleworking following the Covid-19 pandemic and the increased number of mobile self-employed workers are only a few examples.

Companies need legal certainty to deal with these new forms of mobility and to respond to changes in the labour market. The day-to-day business of the European Labour Authority (ELA) or the 2023 framework agreement on cross-border telework only partly address these complex situations.

A key issue on which employers see the need for a clearer and simplified approach in the revised Regulation 883/04 is prior notification. In particular, there is a need for all sides participating in the negotiations to **find an agreement on an exemption from prior notification for business trips and short-duration postings (up to 3 days)**, except for the construction sector.

Hand in hand with this, we see a key role for a more digitalised approach in cases where prior notification is needed, notably in relation to postings. For instance, **European employers would support a system whereby a notification request is acknowledged through an automated confirmation of receipt**, which is received without any time delay and which is considered as valid proof of prior notification if proof of this would be required during the course of a posting assignment.



In this vein, the development and implementation of digital tools can help to further facilitate labour mobility, reduce bureaucracy and combat undeclared work. Digitalisation has great potential to accelerate and further simplify the coordination of social security systems in the EU. In this respect there are two initiatives in particular that can be highlighted:

- **The European Social Security Pass (ESSPASS)** offers great possibilities to reduce administrative burden on companies that operate in a cross-border context. With key data concentrated in one digital tool, an A1 form becomes obsolete. It is vital that the competition of pilot phase is swiftly followed up with a strategy for the wider implementation of the ESSPASS.
- **A fully implemented European Exchange of Social Security Information (EESSI) system** will facilitate the exchange of information and data across borders in matters related to social security coordination. Standardised data formats and binding deadlines are needed to swiftly integrate the various branches of social security and thus reduce bureaucracy.

ELA can play an important role as concerns awareness raising and supporting the implementation of both of these tools.

We urge the European Commission, Council and Parliament to seize the moment and to take into account these key issues in bringing about a rapid conclusion to this negotiation.
