

GMS Flash Alert

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European Union – New Steps towards Digital Social Security

On 6 September 2023, the European Commission (EC) proposed new steps to further digitalise the coordination of social security in the European Union (EU) in a dedicated Communication.¹ The aim of the proposed new steps for digitalisation is to make access to social security services across borders quicker and simpler.

WHY THIS MATTERS

The intention of further digitalisation in the field of social security in the EU is to help reduce administrative burdens connected to social security for people and businesses. It is expected to improve exchange of information between national administrations, including health-care providers and labour inspectorates when they are processing claims for benefits across borders, for instance.

Companies with employees who travel across the EU for business (and leisure) may wish to revise or put in place compliance processes for social security given that one of the focus points for further digitalisation is issuing and verifying documents (for example A1 certificates for social security coverage).

Proposed Key Measures

The EC calls for member states to:

- **Accelerate the implementation of the Electronic Exchange of Social Security Information (EESSI)**² so that the system is fully operational by the end of 2024. EESSI enables local administrations to communicate and exchange information instantly across borders through structured pre-defined communication flows. Much of the system is already operational and in use, but there is a need still for some member states to move completely away from paper-based communication in the field of social security.

- **Digitalise access to benefits** to make it easier for people to move and work abroad. The proposition is to deliver more social security coordination procedures fully online to make sure that people and businesses have fast access to eligible benefits. It is suggested to the member states to build on the Single Digital Gateway³ which foresees a fully online delivery of important administrative procedures by 12 December 2023, at the latest.
- **Engage in the European Social Security Pass (ESSPASS)**⁴ pilot activities, which explore how to simplify issuing and verifying entitlements to social security across borders.
- **Introduce EU Digital Identity (EUDI)**⁵ wallets, which will allow EU citizens to carry digital versions of entitlement documents such as A1 certificates and the European Health Insurance Card by making them instantly verifiable by the relevant local authorities such as health-care providers and labour inspectorates.

Next Steps

The EC has asked the European Parliament and the Council to endorse this approach and the EC calls on all stakeholders to work together to implement these actions.

The EC intends to support and monitor the implementation of this Communication in annual meetings with national representatives. The EC will support the member states in executing on the aforementioned actions for digitalisation by providing technical assistance, including EU funding.

The European Labour Authority (ELA) is intends to play an active role in this process by collecting best practice examples and facilitating regular exchanges among national authorities.

MEIJBURG & CO. INSIGHTS

It is highly likely that the proposed further digitalisation of social security coordination in the EU will be supported by the European Parliament and the Council.

Furthering digitalisation is expected to speed up the processes concerning social security benefits and diminish administrative burdens for many involved. However, it is likely to also result in increased transparency in terms of (non)compliance with the rules for social security. Given the “brighter light” of increased transparency and heightened scrutiny by the authorities, companies may wish to begin the process of applying for and securing A1 certificates for social security coverage and European Health Insurance Cards for traveling employees before these digital initiatives become fully operational.

On another note, the member states have been negotiating a revision of the EU rules for social security for several years without reaching an agreement. Advancing the digitalisation of social security could play a vital role in moving this process along, which could mean that new material rules for social security might be in force in the foreseeable future. This is yet another reason why companies should make sure their compliance processes for social security are in place before material rules for social security are changed. Dealing with both administrative processes and new material rules for social security at the same time could be challenging, if not overwhelming.

FOOTNOTES:

1 European Commission: [Communication from the Commission on digitalisation in social security coordination: facilitating free movement in the Single Market](#), COM(2023) 501 final, 6 September 2023.

2 European Commission: [Electronic Exchange of Social Security Information \(EESSI\)](#). Since 2019, 16.5 million social security cases of people travelling, living, studying, and/or working in another EU state have been dealt with through EESSI. The system processes 2.5 million electronic messages between authorities daily. (For related coverage of EESSI, see [GMS Flash Alert 2018-115](#) (30 August 2018).)

3 European Commission: [The Single Digital Gateway and Your Europe](#).

4 European Commission: [European Social Security Pass](#) (ESSPASS). Currently 12 member states' institutions are piloting (ESSPASS).

5 European Commission: [European Digital Identity](#).

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Contact us

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