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FORUM NEWS

News from the Members

Framework Agreement on cross-border telework in the EU, EEA and Switzerland.

The Croatian Pension Insurance Institute (HZMO), upon the consent of the competent Ministry of Labour, Pension System, Family and Social Policy, signed the Framework Agreement on cross-border telework in the EU, EEA (Norway, Liechtenstein and Iceland) and Switzerland. The Framework Agreement between the signatory States (currently 17 states) entered into force on 1 July 2023.

Cross-border telework is not a novelty, but since the COVID-19 pandemic, it has expanded significantly and now affects a very large group of workers. The sanitary measures during the pandemic (mandatory/strongly recommended telework) forced employers to allow telework and employees to accept it, which resulted in an explosive accrual of telework. Such (partial) telework persists as a permanent new way of work.

As prescribed by Regulation (EC) no 883/2004, such aspect of work may strongly affect which competent Member State is responsible for the social security of a person. As the physical place of work is a decisive criterion concerning the applicable social security legislation, teleworking in the Member State of habitual residence may result in a change of applicable social security legislation. This will be the case, for example, when telework in the state of habitual residence amounts to a share of 25% or more of the total working hours.

During the pandemic and the post-pandemic period, specific measures were undertaken on the level of the EU to avoid a change in competence, i.e. the change of the state that is competent due to the increased telework. The measures applied up to and including 30 June 2023. To consider the changed working patterns, this Framework Agreement offers a solution that combines the interests of the workers, the employers, and the social security institutions to face the reality of telework. The Framework Agreement lays down the rules for the efficient and timely conclusion of individual Article 16 agreements for the cases within its scope.

Subject to the fulfilment of certain conditions, the Framework Agreement allows individual derogation agreements between the signatory States in the interest of the categories of persons working remotely (teleworkers) and their employers.

A request for derogation (exception) may be submitted for a worker to remain covered by the social security legislation of the state of the employer's registered office or place of business, if

- the state of the employee's habitual residence is different from the state of the employer's registered office or place of business;
- the amount of the employee's cross-border work is less than 50 % of the total working time, and
- the request is made in consent between the employer and employee.

For more details and an updated list of signatory States, please visit the following link: <https://socialsecurity.belgium.be/en/internationally-active/cross-border-telework-eu-eea-and-switzerland>. ●