

#### **EUROPEAN COMMISSION**

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# Social security: improved and simplified rules for aircrew and cross-border self-employed workers

New EU social security rules come into force today to simplify access to social security for air hostesses, stewards and pilots and to improve access to unemployment benefit for self-employed frontier workers.

"The new rules clarify and improve the social protection of aircrew and cross-border selfemployed workers", commented Lászlo Andór, the European Commissioner for Employment, Social Affairs and Inclusion.

The new social security rules for **aircrew** clarify that they are due to pay social security contributions and are eligible to receive benefits in the country where they start and end their shifts, in other words their "home base", instead of that the country where their airline is based.

For **self-employed frontier workers**, the new rules ensure that in cases where the country of residence has no unemployment benefit scheme for self-employed people, the country of last activity will pay the unemployment benefit. This way, the person concerned will receive a return on the contributions paid. The applicant must register with the unemployment services in the country of last employment and fulfil job-seeking activities there in order to be fully entitled to an unemployment benefit.



#### Aircrew

The new rules are beneficial for aircrew as previously there were no specific EU rules for determining which country's social security legislation applied to them, which meant that often they had to deal with the social security system of a country in which they were not in fact based. Under the new rules, the airline is obliged to pay social security contributions in the "home base" country. Existing aircrew must make a request to be covered by the new rules - otherwise, the previous rules will continue to apply to existing work arrangements for a maximum of 10 years.

A "home base" is defined as the place where the employee normally starts or ends his or her periods of duty and where, under normal conditions, the operator is not responsible for the accommodation of the aircrew member. For example, a pilot working for an airline with a registered office in France, but who is residing in Italy and whose home base is in Italy, will, according to the new rules, be subject to Italian social security legislation and no longer to French legislation. This means that the pilot's contributions will be paid in Italy.

## **Self-employed workers**

The new rules ensure that there is no longer a gap in the provision of unemployment benefit to self-employed frontier workers. So-called "frontier workers" are those who work in one EU country but reside in another to which they return daily or at least once a week. Until now, in the case of self-employed frontier workers who are out of work, the country of residence was responsible for paying such benefits, not the country of last employment.

However, the EU rules did not provide a satisfactory solution in a case where a self-employed frontier worker contributed to an unemployment scheme in the country of last activity but resided in a Member State where there is no unemployment insurance for the self-employed. There are 10 EU Member States that do not have an unemployment benefit scheme for self-employed people (Belgium, Cyprus, Estonia, France, Greece, Italy, Latvia, Lithuania, Malta and The Netherlands). On becoming unemployed, a former self-employed frontier worker residing in one of these 10 countries was left without any benefit. This was an obstacle to the free movement of workers.

## Background

Regulations (EC) No 883/2004 and 987/2009 make specific and practical arrangements to protect social security benefits of EU citizens who move across borders. These practical arrangements can only be effective if they reflect changes in the legal and social reality. Changes in Member States' legislation have an impact on the references to that legislation in the Regulations. Outdated references will create legal uncertainty for stakeholders.

The Commission proposes regular and technical updates of Regulations (EC) No 883/2004 and 987/2009. Some country-specific Annexes can be amended by a Commission Regulation, while others require a change by a Regulation of the European Parliament and of the Council. Commission Regulation (EU) No 1244/2010 makes changes in the country-specific annexes, while Regulation (EU) No 465/2012 brings the text of Regulations (EC) No 883/2004 and (EC) No 987/2009 in line with changes in national legislations and filled some small gaps in these regulations.

These specific new rules for aircrew and self-employed frontier workers form part of a set of technical modifications to social security coordination regulations. The EU's Council of Ministers agreed on 1 December 2011, by a qualified majority, on a general approach to updating regulations 883/2004 and 987/2009. The European Parliament included the Council's position in its amendments, with a view to getting a first reading agreement. The date of entry into force of the amending Regulation is 25 June 2012.

### For more information

Social security coordination regulations No (EC) 883/2004 and 987/2009

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