

# FRAGOMEN



**BREXIT  
ADJUSTMENT  
RESERVE**



**Brussels Commissioner  
For Europe**

**What do I need to know about  
pensions and social security?**

17 October 2023



# WITH YOU TODAY



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# AGENDA

- ▶ Introduction and Background
  - International social security - moving for work
  - Social Security Agreements - key principles
- ▶ Social Security & Brexit
  - ▶ Before Brexit
  - ▶ After Brexit
- ▶ Case studies: Where should you pay social security contributions?
- ▶ Case studies: Where can you access social security benefits?
  - ▶ Health care
  - ▶ Unemployment
  - ▶ Family benefits
  - ▶ State pensions
- ▶ Q&A



INTRODUCTION AND BACKGROUND

# INTERNATIONAL SOCIAL SECURITY

## MOVING FOR WORK

- **Basic principle** - *You pay (contributions) where you work*
- *Exceptions* – **Social Security Agreements**
  - Multilateral and bilateral agreements
  - for temporary moves, for simultaneous work duties,....
- **Domestic** rules - *do you have to pay or are you exempt ?*

# SOCIAL SECURITY AGREEMENTS

## KEY PRINCIPLES

- ▶ Rules to determine the *applicable legislation* (for contributions)
- ▶ Aggregation of social insurance or residence periods (*totalization*)
- ▶ *Equal treatment* or non-discrimination based on nationality
- ▶ *Exportability* of social security benefits
- ▶ *Administrative cooperation* between social security institutions



SOCIAL SECURITY & BREXIT

# SOCIAL SECURITY & BREXIT

## BEFORE BREXIT

### EU REGULATIONS ON THE COORDINATION OF SOCIAL SECURITY SYSTEMS

- ▶ EU-wide social security agreement coordinating the systems of all EU Member States, including also Norway, Iceland, Liechtenstein and Switzerland
- ▶ Until 31 January 2020, including also UK (as EU Member State)
- ▶ indicating the competent country for contributions
- ▶ coordinating the entitlement to benefits



# SOCIAL SECURITY & BREXIT

## AFTER BREXIT

### ➤ Withdrawal Agreement (WA)

- ❑ As from 1 February 2020 (Brexit day)
- ❑ Transition period until 31 December 2020: status quo
- ❑ *EU Regulations remain applicable*
- ❑ For all **existing** cross-border situations (as per 31 December 2020)

### ➤ Trade & Cooperation Agreement EU-UK (TCA)

- ❑ As from 1 January 2021 (provisionally applied until May 2021)
- ❑ includes a *Social Security Protocol (SSC)*
- ❑ For all **new** cross-border situations (after 31 December 2020)



WHERE SHOULD YOU PAY SOCIAL SECURITY CONTRIBUTIONS?

# SOCIAL SECURITY & BREXIT

## Withdrawal Agreement (WA)

- ❑ **Case study:** Paul is a UK national, working in UK for a UK employer since 2017. On 1 August 2019, he is sent on a temporary assignment to Brussels for 5 years, until 31 July 2024.
  - ❑ Paul has used his right to free movement before 31 December 2020
  - ❑ He finds himself in an existing cross-border situation
  - ❑ *Where does Paul pay social security contributions ?*
  
- ❑ **Answer:**
  - ❑ WA: full application of the EU Regulation coordination rules (*and practice!*)
  - ❑ Paul will continue to pay national insurance contributions (NIC) in UK (up to max 5 years) and may apply for an A1 certificate in UK

# SOCIAL SECURITY & BREXIT

## Withdrawal Agreement (WA)

- ❑ **Case study:** Neil is a UK national, working in UK for a UK employer, and his spouse Ann has moved to Belgium to work for a Belgian employer in 2019. Neil has joined her in Belgium and since June 2020 works remotely from home in Belgium for 1 day a week, while working at the UK office for the rest of the week.
  - ❑ Neil has used his right to free movement before 31 December 2020
  - ❑ He finds himself in an existing cross-border situation, as a multi-State worker
  - ❑ *Where does Neil pay social security contributions ?*
  
- ❑ **Answer:**
  - ❑ WA: full application of the EU Regulation coordination rules
  - ❑ Neil will continue to pay NIC in UK, because he is **not** performing a **substantial** work activity in Belgium where he lives (less than 25%), and may apply for an A1 certificate in UK

# SOCIAL SECURITY & BREXIT

## TCA – Social Security Protocol (SSC)

- ❑ **Case study:** Eve is a UK national, working in UK for a UK employer since 2018. On 1 November 2021, she starts a temporary assignment for her UK employer in Antwerp that is supposed to last 3 years, until 31 October 2024.
  - ❑ Eve has no right to free movement after 31 December 2020
  - ❑ She finds herself in a new cross-border situation post-Brexit
  - ❑ *Where does Eve pay social security contributions ?*
  
- ❑ **Answer:**
  - ❑ SSC: application of the new coordination rules for temporary assignments
  - ❑ Eve will continue to pay NIC in UK up to max 24 months, and may apply for an A1 in UK, but afterwards she will become subject to Belgian social security contributions (*no escape-clause*).



WHERE CAN YOU ACCESS SOCIAL SECURITY BENEFITS?

# SOCIAL SECURITY BENEFITS

## HEALTH CARE

- ❑ **Principle:** You are covered for health care costs in the competent country, i.e. where you pay social security contributions.
- ❑ If you are living in Belgium, working for a Belgian employer and subject to Belgian social security contributions, you will have to register with a Belgian sickness fund (*mutuelle*) to get reimbursed for health care costs.

# SOCIAL SECURITY BENEFITS

## HEALTH CARE

- ❑ **Temporary stays:** if you are subject to Belgian social security, and are going to work for 1-2 days a week in UK, or you go on a business trip to UK, then the *mutuelle* can issue an EHIC that covers you for all necessary health care. Vice versa, when subject to UK NIC, the NHS may issue a GHIC to UK nationals for temporary stays in Belgium.
- ❑ UK nationals who **live in Belgium**, but are subject to UK NIC, because they are working for a UK employer as cross-border commuters, or they are on a long-term assignment in Belgium, are entitled to obtain an **S1 certificate** (that can be presented to the *mutuelle* for reimbursement of health care costs in Belgium, at charge of the NHS)



# SOCIAL SECURITY BENEFITS

## HEALTH CARE

- ❑ **Case study:** Adam is a UK national currently subject to NIC and holding an S1 certificate for health care coverage in Belgium, where he lives. He now will start an employment in Belgium with a Belgian employer, but is close to retirement. Who will pay for the medical costs ?
  
- ❑ **Answer:** Adam will become subject to Belgian social security and he will be covered for health care costs from Day 1 (no waiting period). Also after retirement in Belgium, he will benefit from the Belgian health care system (at charge of INAMI / RIZIV).

# SOCIAL SECURITY BENEFITS

## UNEMPLOYMENT

- ❑ **Principle:** You are covered for unemployment insurance in the competent country, i.e. where you pay social security contributions.
- ❑ If you are working in Belgium, for a Belgian employer and subject to **Belgian social security**, you may become entitled to Belgian unemployment benefits if you hold *legal residency* and subject to certain conditions.
- ❑ If you are a UK national covered by **UK social security** while working in Belgium, you will not be entitled to Belgian unemployment benefits, because you will remain subject to UK unemployment legislation.

# SOCIAL SECURITY BENEFITS

## UNEMPLOYMENT

- ❑ **Case study A:** Carol is a UK national and moved to Belgium in 2019. She is holding an *M-card* but has lost her job in September 2023.

She will likely be entitled to unemployment benefits while she maintains her M-card.

- ❑ **Case study B:** Carol's friend Christine, UK national, moved to Belgium only in June 2021 and obtained a *single permit* from Belgium to start working with a Belgian start-up company, but by the end of 2023 she will have to look for another job opportunity.
- ❑ She will be entitled to Belgian unemployment benefits only for up to 60 days after the termination of her employment contract.

# SOCIAL SECURITY BENEFITS

## FAMILY BENEFITS

- ❑ **Principle:** If you are working in Belgium for a Belgian employer, you may register with a regional family benefits fund and become entitled to monthly family allowances for *eligible* children.
- ❑ If you moved to Belgium before 1 January 2021, and your dependent children live in UK, you may be entitled to Belgian child benefits *as if* your children were living in Belgium.
- ❑ Family benefits are **no longer coordinated** under the TCA !

# SOCIAL SECURITY BENEFITS

## FAMILY BENEFITS

- ❑ **Case study:** David works for a UK employer and is covered by UK social security. His spouse Jenny is already working in Belgium since 2 years, for a Belgian employer. David wants to move to Belgium now with their 3 small children to join his wife, and will work partly remotely (from home) in Belgium and partly at the office in UK. Is David entitled to Belgian family benefits, as their children are now living in Belgium ?
- ❑ **Answer:** No.

However, as Jenny is working in Belgium for a Belgian employer, she is covered by Belgian social security and is entitled to Belgian family allowances.

# SOCIAL SECURITY BENEFITS

## PENSIONS

- ❑ **Principle:** Your State pension entitlements will not be impacted because of Brexit, if you retire in Belgium or in the UK, thanks to the principle of “*totalisation*” or aggregation of pension insurance records in the social security agreements.
- ❑ If you are still subject to UK social security while working in Belgium, you will not accumulate any pension entitlements here, but you will continue to build up pension rights in UK.
- ❑ If you are not entitled to pension benefits in one country, the authorities will totalise your insurance periods in both countries to determine your *eligibility* to pension.

# SOCIAL SECURITY BENEFITS

## PENSIONS

- ❑ **Case study:** Susan is a UK national and she has worked all of her career in UK, before moving to Belgium in 2022 to start working for a Belgian employer. She is getting closer to retirement age and would like to retire in UK. What will happen with her pension contribution payments in Belgium ?
- ❑ **Answer:** Susan will be entitled to two State pensions, one from the UK pension authority and one from Belgium. Her pension benefits will be calculated on the actual contributions paid in each country. In case she did not have sufficient contribution years in UK, the authority will *fictitiously* “use” the Belgian contribution years to determine eligibility for her UK pension.



QUESTIONS & ANSWERS



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