



Global Employer Services Immigration & Social Security

Brexit readiness

As you know, the UK ceased to be a Member State of the European Union at midnight on 31 January 2020. The Withdrawal Agreement foresees a transition period until 31 December 2020, during which the relationship between the EU and the UK will remain largely the same. The UK will continue to follow current trade, immigration and all other EU laws and regulations, including rulings by the European Court of Justice, until at least the end of 2020. This period can be extended by mutual agreement between the EU and the UK before July 2020, but the UK has declared that they will not seek such an extension.

It remains unclear what the immigration and social security landscape will look like after 1 January 2021. A "Hard Brexit" scenario could still follow the transition period if the EU and UK fail to agree on the terms of the future relationship. This implies that WTO rules would apply to trade; and that movement of people and goods would be subject to controls and restrictions.

Immigration impact

The current free movement regime remains in place until the end of the transition period. This means that UK nationals residing in the EU (and vice versa), including their family members (and including extensive family reunification rights):

- may **continue to live, work and study in the EU/UK**, meaning *inter alia* that assignees and business travellers

may enter the EU/UK freely - based on their passport/ID - until 31 December 2020;

- will receive a **permanent resident status** in the EU/UK (after 5 years) if they entered the EU/UK before 31 December 2020. To this end, the UK has implemented the **UK "Settlement Scheme"**: EU nationals already in the UK must apply for either a pre-settled or settled status depending on whether they have accumulated respectively less or more than 5 years residence in the UK. Online registration to apply for these is possible up to 30 June 2021.

As of **1 January 2021** there will also be a new immigration system in the UK. The UK Migration Advisory Committee (MAC) is currently looking at how a Points Based System, such as that used in Australia, could be implemented in the UK for skilled and high-skilled workers. This would require less employer sponsorship than the current approach, potentially resulting in a shift of visa allocations in the UK away from employers, as the decision to grant visas would be based more on the individual's own characteristics and skills than on the employer's need for additional workers. Workers would thus have more freedom in the labour market as they would be less dependent on their employers and would not need permission to change jobs.

Other EU and non-EU nationals will in principle require **work permits and visas**. There will be simplified rules for acceptable short-term business activities (such as business visits) and "low-risk" nationalities may be able to enter the UK through e-gates, without the need to be vetted by an immigration official.

Social security impact

EU rules on social security coordination (covering *inter alia* applicable legislation, aggregation of periods, and export of benefits) will continue to apply in the UK until 31 December 2020. Citizens will also maintain their rights to healthcare, pensions and other social security benefits.

The UK authorities have confirmed that they will no longer issue **A1 certificates** after the transition period, but that they will issue 'another form' to confirm that individuals in a specific cross-border situation remain insured under UK social security. No official form or template has been issued yet.

The Belgian social security authorities have confirmed that they will accept such a document as the equivalent of an A1 certificate, provided it contains the "required information" (i.e. similar information to that included in the A1 form).

The Withdrawal Agreement states that what happens after the transition period depends on whether the individual in question is a "covered person" within the scope of the European Union social security rules at the point the transition period ends (i.e. 31 December 2020).

If, on 31 December 2020, the individual is a covered person within the scope of the EU rules, the rules will continue to apply to him for as long as his situation does not change. This

means that if on 31 December 2020, the individual has a valid A1 certificate (or equivalent document), this will continue to be valid and can be extended on the same basis as it would do under the EU rules, until the individual's situation changes.

For new situations after the transition period, their treatment will depend on the outcome of the negotiations on the future relationship.

Deloitte's recommendations

- Gather data and assess the impact on your workforce with regard to HR related topics;
- Communicate clearly and provide the handholding and guidance where needed;
- For long-term assignees, permanent resident status is possible in both the EU and the UK, but the application procedures must be followed in good time before the deadlines. EU, EEA or Swiss citizens working in the UK should apply now for the 'EU Settlement Scheme', to ensure they can continue to live and work in the UK after the transition period. They must apply under the EU Settlement Scheme by 30 June 2021 to ensure their status is regularised in the UK (family members of workers who obtain permanent residence status in the UK do not themselves need to go through the procedure). The eligibility criteria and deadlines should be checked as soon as possible to ensure a successful application;
- UK citizens will remain free to travel to the EU for work or leisure in line with current arrangements, and vice versa. However, the UK government is recommending that employees have at least six months validity on their passport when they travel. EU national ID cards will be phased out for travel to the UK during 2020, and thereafter, national passports will be required. To stay up to date please review the relevant government web page [here](#).
- Monitor the social security position of your workforce post transition and assess whether any action is needed with regard to their coverage.

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