



Global Employer Services Brexit Update June 2020

The UK formally 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 Court of Justice of the European Union, until at least the end of 2020. Any extension of the transition period must be agreed upon before 1 July 2020.

Immigration Landscape

Until 31 December 2020, UK nationals retain the right to travel, live and work in the EU, under the same EU citizen conditions. The entry rights and rights to stay of UK citizens and their family members arriving in EU member states after 31 December 2020 have not been determined yet, and are part of the ongoing negotiations between the UK and the EU.

Although the COVID-19 crisis has delayed several scheduled rounds of negotiations, meetings have again taken place by teleconference. The first meeting of the EU-UK Specialised Committee on Citizens' Rights took place on 20 May 2020.

Both parties expressed their commitment to comply with the legal obligations that protect citizens' rights under the Withdrawal Agreement. The EU Commission published [websites](#) with national Brexit related information that is currently available in each EU member state and the UK.

It remains unclear how the immigration and social security landscape will look after 1 January 2021, with a "Hard Brexit"

remaining a possible outcome after the transition period if the EU and UK fail to agree on the terms of the future relationship. If no specific agreement is reached regarding the movement of UK citizens within the EU, the general immigration rules and conditions currently applicable for third country nationals will apply.

In this scenario, UK citizens and their family members arriving in the EU after 31 December 2020 will be subject to work and residence authorisation. Such negotiations may also have an influence on the conditions for short-term stays (less than 90 days over a period of 180 days).

The current free movement regime remains in place until the end of the transition period, which means that UK nationals residing in the EU (and vice versa) with their family members may continue to live, work and study in the EU/UK. Assignees and business travelers may enter the EU/UK based on their Passport or ID until 31 December 2020; they will also be eligible for permanent resident status in the EU/UK (after 5 years) if they entered the EU/UK before 31 December 2020.

The UK has implemented the UK "Settlement Scheme", whereby EU nationals already in the UK must apply for either a pre-settled or settled status, depending on whether they have accumulated less or more than 5 years residence respectively in the UK. Online registration to apply for the scheme is possible until 30 June 2021.

As of 1 January 2021, the UK will also use a new Points Based immigration system for skilled and high-skilled workers. This new system requires less employer sponsorship than the current approach, potentially resulting in a shift of visa allocations in the UK away from employers. The decision to grant visas would depend more heavily on the individual's own characteristics and skills, and less on the employer's need for additional workers. Qualifying workers will likely have more freedom in the labour market, as they would be less dependent on their employers and would not need permission to change jobs. 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 for "vetting" by an immigration official.

Social security Landscape

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 retain their rights to healthcare, pensions and other social security benefits. The UK authorities confirmed that they will no longer issue A1 certificates after the transition period, but that they will issue 'another form' (that is yet to be released) to confirm that individuals in a specific cross-border situation remain insured under UK social security. 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, precisely 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 EU rules, the rules will continue to apply to said individual for as long as their situation does not change.

This means that if on 31 December 2020, the individual has a valid A1 certificate (or equivalent document), it will continue to be valid and can be extended on the same basis as the EU rules, until the individual's situation changes. For new situations after the transition period, treatment will depend on the outcome of the negotiations on the future relationship.

Deloitte's recommendations

- Contact your Deloitte professional in advance to plan for assignments taking place after 31 December 2020.
- Ensure that impacted employees have applied for the necessary permits to safeguard their right to work and reside in their current country of residence.
- Monitor the post-transition social security position of your workforce, and assess whether any action is needed with respect to their coverage.

Contacts

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