



Global Employer Services Social Security

International Social Security under COVID-19 circumstances

To contain the spread of COVID-19, authorities around the world have taken a number of measures that have inevitably brought significant social and economic disruption. The envisaged work pattern of many employees has consequently changed, with companies struggling to pay their social security contributions, people facing unemployment, etc. What follows is an overview of the most important talking points regarding international social security in relation to COVID-19.

Social security contributions

During the COVID-19 outbreak, many companies have encountered cash flow issues and have hence undergone difficulties in paying social security contributions. Therefore, most authorities foresee specific measures in this regard, such as a deferred payment of social security contributions or the possibility to apply for a repayment plan.

In Belgium, the following measures were also taken:

Deferred payment

Automatically applicable for catering, leisure, culture and sports sectors, as well as all undertakings affected by compulsory closure. For others that meet certain criteria, a declaration of honour can be submitted.

The payment deferral applies to all contributions collected by the NSSO and runs until 15 December 2020; the NSSO will perform ex-post-checks.

Repayment plan

- Another option is to apply for a repayment plan for the first and second quarter of 2020.
- This entails monthly payments for a maximum of 24 months.

Applicable legislation: 'no impact' measures

Following the COVID-19 measures, changes in the planned employment set-up or work pattern might result in the applicability of a different social security scheme. The European Commission announced that COVID-19 should not affect the applicable social security scheme.

In this regard, the Belgian social security authorities have decided to pause the applicable social security legislation. A1 forms remain valid, with no action required from employers or employees. However, the Belgian authorities recommend to have these exceptional changes to the working pattern formalised in a written agreement or in detailed instructions by e-mail. It is recommended to look at any unplanned impact on non-EU employment situations (requiring COC's) on a case-by-case basis, to see if the situation would require specific contacts between the relevant authorities.

The above decisions by the Belgian social security authorities are only valid for situations occurring within the official timeframe of the COVID-19 restrictions.

Medical care, sickness allowances and unemployment benefits

In these unprecedented times, it is of utmost importance to guarantee employee access to medical care (doctors, hospitals, pharmaceuticals) and sickness allowances (replacement income), as well as unemployment benefits. In an EU context, specific rules should be taken into account:

Medical care and sickness benefits

The general rule is that an employee living and working in one country receives the healthcare and sickness benefits available there.

However, specific rules apply for employees residing or staying in a country other than the one where social security is paid:

- They are entitled to healthcare in their country of residence, based on their local registration with an S1-form.
- With temporary stay in a country (i.e. not residing there), they need to have an EHIC (European Health Insurance Card) to facilitate access.
- For sickness allowances, the country where they pay social security contributions is responsible for paying the benefits, regardless of residence.

Unemployment benefits

The general rule is that an employee living and working in one country should register with the employment services and claim unemployment benefits there.

However, specific rules apply for employees residing in a country other than the one where they last worked:

Frontier workers (people paying social security in one country and residing in another, to which they return at least once a week):

- They should register with the employment services in the country of residence (with an option to also register with the employment services in the country of last employment);
- They receive benefits from the country of residence.

Other cross-border workers (e.g. assignees or seasonal workers):

- They should register either with the employment services in the country of residence or the country of last employment.
- To receive benefits, they need to contact the unemployment insurance institution of the country in which they decide to look for employment.

PWD-notifications

- The European Commission clearly stated that employees teleworking because of COVID-19 will not be regarded as posted workers under the Posted Workers Directive. As such, no PWD notification or related compliance is due, and the residence state's basic employment conditions will not become applicable to that employee.
- For such cases in Belgium, no Limosa notification is needed and the Belgian core employment conditions do not become applicable following telework activity.

Belgian Overseas Social Security

Due to the exceptional circumstances brought by COVID-19 measures, the OSS services temporarily changed their process for obtaining medical expense reimbursements. Going forward, the OSS allows the submission of medical expenses electronically by e-mail to the following email addresses:

- Dutch: terugbetalingsgeneeskundigeverzorging-osz@onssrszls.fgov.be
- French: remboursementssoinsante-om@onssrszls.fgov.be

When scanning costs, specific guidelines should be kept in mind.

Deloitte's recommendations

- Upon difficulties in paying social security contributions, employers need to check whether they can apply for local mitigation measures and follow the correct procedure to obtain a payment deferral or apply for a repayment plan;
- There are no COVID-19 related concerns as to the applicable social security and local PWD legislation, since

measures guarantee that changes in the work pattern will not have an impact;

- It is critical to check whether employees are duly registered with local sickness authorities and, if needed, guide them through the complexity of claiming unemployment benefits in cross-border situations;
- Employees subject to the Belgian OSS should be informed that the process for obtaining medical expense reimbursements has been changed and that specific claim guidelines need to be observed.

Contacts

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