



India-EU Common Agenda on Migration and Mobility



Seminar on social security agreements between India and EU Member States

India-EU Cooperation and Dialogue on Migration and Mobility Project:



Local Partner



Implementing Partner



Implementing Partner

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► Seminar on social security agreements between India and EU Member States

The seminar on social security agreements (SSAs) between India and European Union (EU) Member States (MS) was held on 22 November 2021, in New Delhi, under the EU–India Common Agenda on Migration and Mobility (CAMM) framework, which was endorsed by the two governments in 2016. The seminar was the culmination of a study and aimed to discuss the findings of the study.





► Welcome address and special remarks

Mr Satoshi Sasaki, Deputy Director, Decent Work Technical Support Team (DWT) for South Asia and Country Office for India, International Labour Organization (ILO), welcomed the other participants and attendees of the seminar. He provided some background to the project and the study. He shared that the Government of India (GoI) and the EU had endorsed the CMM in 2016, with a commitment to cooperation and dialogue in the areas of regular and irregular migration, migration and development, and international protection issues.

He stated that along with the International Centre for Migration Policy Development (ICMPD), the ILO had been selected to provide technical assistance to this policy dialogue, with the India Centre for Migration (ICM) as the local partner for this project. He highlighted that the priority areas of the CMM stated that the two sides would work towards maximizing the development impact of migration and mobility, including through cooperation on social security issues between India and EU MS; that India's first SSA was signed with Belgium, and that 12 of India's 20 SSAs are with EU MS.

He went on to add that the various conventions of the ILO provide migrant workers with certain social security rights and benefits, including those who face losing entitlement to the social security benefits that they enjoyed in their countries of origin. More recently, the need to establish mechanisms for the portability of social security entitlements and earned

benefits was reiterated in the Global Compact for Migration. The findings from the current study, he said, would be presented with the purpose of opening the dialogue for the participants and attendees, to discuss the gaps and challenges in policy and implementation, and to list solutions for enhanced cooperation, and outline the next steps for further engagement on this issue.

Mr Abbagani Ramu, Joint Secretary for Overseas Indian Affairs, Ministry of External Affairs, GoI, reiterated that the subject of the study was an important one, considering that everyone present was involved with the subject of migration, including the ILO, ICMPD and ICM. He congratulated all the partners and the sponsoring organization of the India–EU CMM for making the study a success. He stated that the study would be very useful, especially to negotiators, in order to understand the challenges and effectiveness of SSAs as India is moving forward to formalize more agreements with other countries. He stressed upon how this whole effort would ultimately benefit migrants. Mr Ramu also emphasized that it was key that the report be disseminated amongst relevant stakeholders and that it was necessary to ensure sustained dialogue between India and EU MS to ensure that the momentum was not lost.

Mr Christophe Manet, from the EU Delegation to India and Bhutan, described the seminar as an important milestone in the dialogue between

the EU and India beyond the significance of the topic itself. He congratulated the partners of the project supporting the EU–India CMM, particularly the ILO, for producing the report. Having the support of the ILO to foster the dialogue in this process was certainly a marker of the quality of the analysis and discussion, he said. He highlighted that the cooperation between the EU and India on social security has been reconfirmed as part of the strategic partnership, the Roadmap 2025, between the EU and India. This roadmap, adopted jointly in 2020, referred to social security as part of a policy dialogue to be established in the area of employment and social policy. SSAs, he stated, facilitate mobility and as the mobility between India and the EU was increasing, the recommendations and conclusions from this seminar would be useful to further dialogue and ultimately contribute to the smoother mobility of migrants.

He went on to say that the EU stood ready to get this discussion operational promptly, and this study would bring valuable background elements to this policy dialogue. Mr Manet also added that the project has developed significant events and publications on the various pillars of the CMM. This approach of

having analytical studies supporting policy dialogue and tools having direct impact on migration and mobility between the EU and India was appreciated, as it nurtures values shared by both sides.

Mr Ram Kumar Gupta, Joint Secretary, Ministry of Labour and Employment, GoI, said that SSAs are very dear to his heart and the ministry's agenda. The ministry, he added, has been taking up the signing of SSAs with countries around the world with some recent progress, including recent discussions with the US and ongoing discussions with other EU MS. An agreement with Brazil will also soon be operationalized. He said that agreements with Italy, Spain, Cyprus, Lithuania and Poland were under discussion and that India would also like to extend the scope of SSAs and expand social security coverage, for which it is taking serious steps.

Mr Gupta said that he and his team have been an integral part of the study, and the preparatory deliberations had been useful; that in consultation with the ILO, the ministry had identified certain administrative issues, which it was already addressing. Besides focusing on the operational aspects of the agreements and improvements to administration, he added that India was keen to extend the scope of SSAs across all branches of social security that come under the Social Security (Minimum Standards) Convention, 1952 (No. 102).

He also shared information about the new legislation in India which brings gig economy workers, even if they are not in the organized sector, under the social security schemes in the country. He added that this was relevant as it extended the possibility of enhanced social security for these workers, who were very relevant in the mobility between India and the EU. He closed his statement by saying that the study and deliberations would hopefully lead to administrative reforms and the signing of more social security agreements in the future.





Presentation of the ILO study of existing social security agreements between India and some EU MS

Mr Puneet Gupta, Director of People Advisory Services, Ernst & Young (EY), presented the findings from the study. As part of the background, he said that the need for SSAs arises in order to protect employees' social security when they move from one country to another. India has been a late entrant in implementing SSAs and began negotiating such agreements only around 2008. Till date, 20 SSAs have been signed with other countries, of which 19 are in force, while the SSA with Brazil is yet to be enforced.

He went on to present the methodology of the study stating that it had taken inputs from 21 companies that send employees to the EU, using a survey to gather information on the effectiveness of SSAs and the challenges faced by them on a day-to-day basis. The study also relied on secondary data in the form of a technical study of SSA aspects in India, France, the Netherlands and Germany. He highlighted that the focus of the report is largely on globally mobile employees in the organized

sector, since India's main social security scheme, the Provident Fund (PF) Scheme, only covers this sector. India implemented its international workers' scheme in November 2008. Under this scheme, any foreign national coming to work in India needs to be covered under the Employee Provident Fund scheme, unless excluded under an SSA. A number of other special and restrictive provisions also applied to such workers and underline the need for SSAs.

Mr Gupta highlighted the five key benefits that SSAs offer:

- Equality of treatment as employees move across borders
- Detachment benefits that allow employees to continue making social security contributions in their home country while claiming exemptions in the host country
- Totalization of periods in case employees need to contribute to the host country's social security while they work there
- Exportability of benefits from the host country to the home country
- Administrative assistance between the two countries to ensure that social security transactions are smooth and hassle-free

He also highlighted certain challenges in the implementation of SSAs, as raised in the report, including:

- Partial nature of most exemptions in the host country
- Differences in the exemption clauses of different SSAs, leading to complexity

- Complexities and delays in processing the certificate of coverage (CoC)
- Complex and difficult process of withdrawal from the PF for foreign nationals
- Slow response time from Indian authorities

He also presented a number of suggestions from the study to address these challenges. These included improving the coverage of SSAs, harmonizing the terms of SSAs across countries, improving administrative processes, introducing better technology to smoothen and speed up these processes, introducing a more regular and improved communication system, and conducting further research into SSAs so that there is an evidence base on which to improve future SSAs. In spite of the challenges, the report affirmed that SSAs are beneficial and add value. so that there is an evidence base on which to improve future SSAs.

In spite of the challenges, the report affirmed that SSAs are beneficial and add value.

► Competences and responsibilities on SSAs in the EU-DG EMPL

Ms Joanna Kaczanowska, Legal Officer, Directorate – General for Employment, Social Affairs and Inclusion, Brussels, was unable to speak due to technical issues. Her presentation is available in the annexure for more information.

Scope, implementation and monitoring of SSAs

Mr Bernhard Spiegel, Head of the International Social Security Division, Federal Ministry for Social Affairs, Health Care, and Consumer Protection, Austria, presented some general remarks on the SSA between India and Austria. He said that in terms of the material scope of the agreement, there is a lack of synchronization in the agreement, with Austria covering all branches of social security, while India currently covers only pension. In terms of the personal scope, all persons are covered, and equal treatment is offered to nationals of both states, unilaterally by Austria to other EU citizens, and to refugees and stateless persons. He went on to say that there are various aspects to the posting provision, and these could be changed by revising the agreement. There are also various proposals to improve the functioning of the SSA, including common procedures and forms, as well as faster communication between institutions, he added.

Mr Sameer Kumar, Regional PF Commissioner, Gol, presented some observations on SSAs from the Indian perspective. He clarified that the Employees' Provident Fund Organisation (EPFO) implements the SSAs signed by India in addition to being the liaison agency between SSA countries and international workers in India. He shared that almost half of all the EPFO's claim settlements occur within three days, with 32 million claims settled in 2021. During the same period, the EPFO has settled 7,888 claims for international workers, amounting to 117.66 crore Indian rupees. Additionally, he highlighted the new initiatives from the EPFO, including online returns, online claims, flagging of claims, online sharing of

data with foreign agencies, online extension/modification/cancellation of CoC, and CoC application through e-sign. Initiatives in the pipeline include portal-based communication, introduction of joint committees, formation of an internal working group, new modes of connecting to clientele, and expediting overseas payments to international workers.

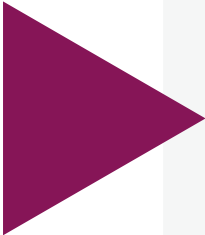
Ms Mariko Ouchi, Senior Social Protection Specialist, ILO DWT/CO–New Delhi, presented some observations of SSAs from the perspective of international labour standards. She shared there are three international labour standards related to social security agreements: the Equality of Treatment (Social Security) Convention, 1962 (No.118); the Maintenance of Social Security Rights Convention, 1982 (No. 157); and the Maintenance of Social Security Rights Recommendation, 1983 (No. 167). She closed her presentation adding that countries have ratified these conventions in different ways, with varying implications for social security benefits for international workers.





Open discussion with participants on enhanced cooperation and the way forward

Mr Dayanand Mangaonkar asked about the EU countries that have not yet shown an interest in entering into an SSA with India, mentioning that only around 18 of 45 countries in Europe have done so. However, Ms Seeta Sharma, Technical Officer, ILO, pointed out that the actual number of countries in the EU is 27, and that the EU region has the maximum number of SSAs with India, with a few more in the pipeline.



Mr Mangaonkar also asked whether the PF contribution would be deducted on house rent allowance (HRA) for international workers as well. Mr Kumar from the EPFO clarified that PF is not applicable to HRA even for international workers, and that HRA is an excluded component under Section 2(b) of the PF Act, under the definition of basic wage. Therefore, HRA was not to be considered in the calculation of PF contributions. He also said that the EPFO does not have any arrangement or facility to repatriate the funds of international workers to their countries of origin post their retirement. This transfer of funds is currently done through

their ex-employers. He suggested that in the future, it should also be done by the EPFO.

Mr Gupta, Director, EY, and consultant to the ILO for this study, added that while SSAs have a clause of exportability, allowing money to be transferred outside India, there is routinely a challenge at the regional PF office-level, where the EPFO is unable to transfer funds outside India. This usually results in a request for the employee to open an Indian bank account or do it through their employer.

According to Mr Kumar, this issue was examined in the study by the ILO, and the government had circulated a set of frequently asked questions containing guidelines regarding all the documents required for money to be sent outside India. The facility is in place and operational now, and the government is working on expediting and improving it.

Another participant raised the point that priority must be given to expanding SSAs with other countries as foreign workers do not want to contribute to India's social security

schemes, and their share of contributions is to be borne by Indian employers, resulting in an increased financial burden for employers. Mr Kumar agreed with this observation, saying that SSAs are the priority of the government. Agreements currently exist with 19 countries and negotiations are ongoing with 17 other countries.

An update on the India–US agreement was requested. Mr Kumar responded that discussions had recently begun with the US. He also said that with reforms in the labour sector and the condensing of labour laws into four social security codes with the aim of universalizing of social security, an SSA has become more likely.

Mr Spiegel then asked if there was already a roadmap for renegotiating the existing bilateral agreements from the Indian point of view, since some of these agreements do not have comprehensive coverage. Mr Kumar responded that all agreements signed by India contain a review clause and the GoI would be entering into renegotiations with partner countries to iron out existing issues and expand the umbrella of social security under these agreements.

Mr Gagan Sabharwal, Senior Director, Global Trade Development, NASSCOM, pointed out that the Indian IT industry is the main beneficiary of SSAs since it sends the majority of skilled professionals to work in EU MS for short durations. According to his rough calculations, the 19 SSAs signed by India have saved close to US\$1 billion. However, as discussed by the other speakers, leakages persist. In the case of France, for example, the total contribution towards social security is around 58 per cent, and in spite of the existing SSA, a contribution of 30 per cent is still mandatory for Indian workers as all fields of social security are not covered through the SSA. NASSCOM is of the view that these leakages need to be plugged.

Further, Mr Sabharwal added that there is a need for multi-country CoCs, especially since secondary deployment is now possible with the implementation of the intra-corporate

transfer directive. Quoting the case of Germany, he raised the point that for domestic work permits coming up for renewal, existing CoCs were not being entertained by local authorities. Therefore, there should be some guidance on the CoCs to be considered when work permits come up for renewal.

Mr Parminder Kakria, Head, Government Affairs (Americas, Europe & APMEA), WIPRO, noted that his company has a reasonable presence in four EU countries that lack SSAs – Italy, Romania, Poland and Ireland – and with whom India does not have SSAs, and discussions need to begin with these countries. He went on to suggest that at an operational level, when CoC certificates are issued, it would be helpful if they could be issued for the entire duration of coverage under the agreement rather than for a specific term. He also raised the point that there may be a time lag between the receipt of a CoC from the authorities and the commencement of payroll in the host country, and he requested that consideration be made to bridge this time lag.

Mr Michael Dias, from the Associated Chambers of Commerce and Industry (ASSOCHAM) and member of the Central Board of Trustees under the Employees' Provident Fund Act, suggested that SSAs should be comprehensive and include all aspects of social security, with an emphasis on medical and maternity benefits. He also suggested that SSAs should be universal and should offer equal treatment for domestic workers and international workers. According to him a one-size-fits-all approach is not the right way forward when discussing international workers and a study should be conducted to identify the durations for which international workers are in India, based on which there can be several different grades of workers. According to Mr Dias, most international workers are in India for no more than 36 months. Further, all labour laws should be made applicable to all employees, whether domestic or international workers. Processes and procedures should be uniform, and a single-point nodal officer should be appointed, with centralization potentially at the EPFO



office in New Delhi. Finally, he also noted that electronic data exchange needs more uniformity and transparency.

Mr Sameer Kumar responded by stating that as India moves on with social security codes that aim at a universalization of social security coverage, agreements can be reviewed and their scope enhanced by incorporating more fields of social security into them. CoCs can be issued for a duration of 60 months at a stretch; however, this period can be extended. He stated that The government also welcomes the suggestion of a single-point nodal officer and centralization, and it will need to study this further. Electronic data exchange is already in place, and the current study will be examined to identify potential improvements.

Mr Hendrik Hermans, General Counsellor-General, FPS Social Security from the Belgian Ministry of Social Security, said that communication continues to be a problem, with very long waiting periods to receive simple information, and it might be useful to have a central point of contact to speed this up. Mr Kumar said that this has been discussed, and avenues such as business WhatsApp, email

and portal-based communications are being explored. The business WhatsApp option was expected to be available by the end of November 2021 and at the time of printing this report, this information had been shared with the EU.

Ms Carine Pigeon, Direction du service, Service Relations internationales, General Inspectorate of Social Security, Government of Luxembourg, summarized the experience from Luxembourg on the bilateral agreement with India, in force for 10 years now. There are no major application difficulties with the agreement, and it is currently mainly applicable with regard to posting. During the years 2018, 2019 and 2020, there were 160, 129 and 49 postings respectively from Luxembourg to India. There are currently not many pension cases in progress since the SSA has only been in force for 10 years. Delays in obtaining information continue to be a problem, but the proposed resolution of having a WhatsApp number, a focal point, etc. is a positive development.

Ms Elisabete Silveira, Director Negotiation and Coordination – International Agreements, Directorate General of Social Security,

Portugal, stated that the SSA between India and Portugal is one of the most recent ones, having been signed in 2017, and, like many other agreements, is a partial but comprehensive one. As shown by the study, the SSA has not yet had much application, but this is expected to change in the future, since the number of insured persons of Indian nationality in Portugal's social security system have tripled between 2018 and 2020. In the future, employees who work in India will be able to aggregate insurance periods in order to acquire certain benefits, namely pension, and also export these pensions. She reiterated the communication difficulties mentioned by other speakers and underscored the need for a single point of contact to speed up communications.

Mr Dayanand Mangaonkar said that for international workers, the PF contribution should be restricted to 15,000 rupees per month, like domestic workers, since there is a large amount of interest paid on this

contribution. Presently, the rate of interest is subsidized, with international workers getting the benefit of this high rate of interest. Mr Kumar responded by saying that if a wage ceiling is introduced for international workers, the benefits for them will go down, and these benefits will be inadequate for them to meet their financial exigencies. The concept of a wage ceiling for international workers would therefore not be a good idea. Further, there is currently no subsidy on the rate of interest. The larger policy perspective of SSAs for the GoI is to protect Indians going abroad to work, and the proportion of international workers benefiting from this is far less than the Indians working abroad and benefiting from social security there. Ms Sharma from the ILO supplemented this by saying that the purpose of a SSA is to protect all international workers based on the principle of equality.





► Closing remarks from the Gol and the EU

Mr Chandrashekhar, Undersecretary, MEA, thanked all the speakers, collaborating partners and invitees, and appreciated the contribution made by the seminar and the report to strengthening SSAs, cementing partnerships, and developing a deeper understanding of the key issues concerning SSAs.

Mr Benoit Sauveroché, First Counsellor, EU Delegation to India and Bhutan, expressed his thanks and congratulations for the report and

the seminar. The report was a good way to start a discussion for further work on SSAs. He noted the power and change being brought in by digitization in the processes as well as the power of dialogue at all levels.

Key challenges and recommendations from the seminar

| Challenges | Recommendations |
|---|--|
| <h3>Scope of SSAs</h3> | |
| <ul style="list-style-type: none"> ► Most exemptions in the host country are only partial. ► Differences in the exemption clauses of different SSAs lead to complexity. ► The agreements are a decade old and are not comprehensive. ► For domestic work permits coming up for renewal, the existing CoC is not being entertained by local authorities. ► Employers in those countries that India does not have an SSA with face an increased financial burden. ► Movement between countries is expected to increase, with more EU MS taking up the ICT scheme. | <ul style="list-style-type: none"> ► Extend the scope of SSAs across all branches of social security (as India revises its labour laws). ► Harmonize the terms of SSAs across countries. ► Look into the learnings of the past decade and enter into renegotiations to expand the umbrella of social security under these agreements. ► Provide guidance on the domestic work permits when they come up for renewal. ► Expand SSAs to other countries. ► The possibility of multi-country COCs should be explored. |
| <h3>Administration of SSAs</h3> | |
| <ul style="list-style-type: none"> ► The process of withdrawal from the PF for foreign nationals is complex and difficult and takes a considerable amount of time. ► Complexities and delays persist in the processing of the CoC. ► Electronic data exchange needs more uniformity and transparency. ► The response time from Indian authorities can be enhanced. | <ul style="list-style-type: none"> ► Repatriation of funds should be centralized and done by the EPFO. ► Introduce better technology to smoothen and speed up the processes. ► Improve the administrative processes. ► Introduce common procedures and forms. ► Introduce a more regular and improved portal-based communication system; a single point of contact to speed up communications; joint committees, formation of an internal working group by EPFO.formation of an internal working group by EPFO. |
| <h3>Other Issues</h3> | |
| <ul style="list-style-type: none"> ► Conduct further research into SSAs in order to create an evidence base on which to improve future SSAs. ► Continue cooperation and engagement on social security between EU and India as part of the strategic partnership. | |





▶ **Annexures**

Presentations

► 1. Competences and responsibilities on SSA in the EU



Competences and responsibilities on Social Security Agreements in the EU

Joanna Kaczanowska
 Unit E2- Coordination of social security schemes
 DG Employment, Social Affairs and Inclusion


Models of Social Security Coordination

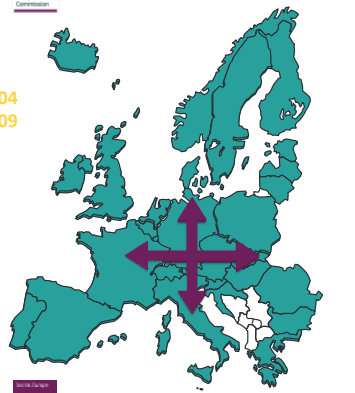
- *Social Security Coordination between EU Member States*
- *Social Security Coordination between EU and EEA and Switzerland* – >full coordination
- *Social Security Coordination in some Association Agreements* -> limited coordination


*BUT BY DEFAULT -> Social Security Coordination with **third countries** lays down within the competence of EU Member States*


EU rules

Regulation (EC) No 883/2004
 Regulation (EC) No 987/2009

Ensure free movement within 31 countries
 Coordination, not harmonisation




Key principles of coordination

- **Prevention of conflicts of law** (determination of single applicable legislation) = no gap in coverage or double-contribution
- **Equality of treatment**
- **Aggregation of insurance periods** = adding together past insurance periods
- **Export of cash benefits**


Matters covered

- *Sickness maternity and paternity benefits*
- *Invalidity benefits*
- *Old-age benefits*
- *Pre-retirement benefits*
- *Survivors' benefits*
- *Accidents at work & Occupational diseases*
- *Unemployment benefits*
- *Family Benefits*
- *Special non-contributory benefits – between social security benefits and assistance*
- *Social assistance excluded*


Existing agreements: full social security coordination agreement

Agreements on the **European Economic Area** and with **Switzerland**

- consist in the application of **the current EU rules** – for all social security branches
- **update mechanism** - changes to the EU rules are then taken on board in the Agreements by amending their Annexes
- status of observers in the Administrative Commission



Existing agreements : limited social security coordination agreement

- Exists for:
- Albania
- Algeria
- Bosnia and Herzegovina
- Former Yugoslav Republic of Macedonia
- Israel
- Montenegro
- Morocco
- San Marino
- Serbia
- Tunisia
- Turkey

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Existing agreements : limited social security coordination agreement

Main issues

- ① Export of pensions (sometimes other benefits, like those for accidents of work or occupational diseases) to and from the third countries
- ② Aggregation of periods concluded by the third country nationals in different EU Member States (but not of periods concluded in a third country)
- ③ Equal treatment provided in some agreements

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Default: no social security coordination agreement

Third country nationals coming to the EU

- ① are subject to the social security legislation of the receiving Member State
- ② if they are in a situation involving two Member States – the coordination rules apply within the EU
 - Export of benefits within EU
 - Aggregation of EU periods
 - Equal treatment ...

EU citizens going to a third country

- ① are subject to the social security legislation of the third country

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2. Are Social Security Agreements between India and EU Members Valuable and Effective?



Coordination of social security systems

Intra-EU Mobility

- ▶ Regulation (EC) No. 883/2004 and 987/2009
- ▶ Extended to third country nationals – Regulation (EC) No. 1231/2010

External-EU Mobility

- ▶ Bilateral Social Security Agreements (SSAs)
- ▶ Limited exceptions
- ▶ More than 350 SSAs between EU Member States and third countries



- ▶ 20 SSAs signed so far
- ▶ 19 SSAs in force (Brazil – India Agreement not in force)
- ▶ 12 SSAs with EU Member States

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India's network of Social Security Agreements

EU Member States

| | | | |
|-----------------|---------|------------|---------|
| Belgium | Denmark | Luxembourg | France |
| The Netherlands | Hungary | Finland | Sweden |
| Czech Republic | Austria | Portugal | Germany |

Non-EU Countries

| | | | |
|-------------|-------------|--------|--------|
| Switzerland | South Korea | Norway | Canada |
| Australia | Japan | Quebec | Brazil |

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Methodology of the report

Mixed-method approach

Focus:

- ▶ Employment in organised sector
- ▶ Globally mobile employees
- ▶ Short term assignments (1-2 years)
- ▶ Social security practices in India, France, Germany and the Netherlands

Primary data:

- ▶ Survey - 21 companies commented on effectiveness of SSAs

Secondary data:

- ▶ Technical study of SSAs entered by India with France, Germany and the Netherlands
- ▶ Analysis of data – cross-border trade, migrant workers, certificates of coverage issued
- ▶ Analysis of international standards and best practices
- ▶ SSAs between India and other EU Member States to supplement the technical analysis

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Need for Social Security Agreements

| | | | |
|---|--|---|--|
| 1 | Unequal treatment or discrimination | 2 | No social security exemption in host country |
| | Equality of treatment | | Detachment |
| 3 | No benefit for short span of contributory period | | |
| | Totalisation of periods | | |
| 4 | No exportability of benefits from host country | 5 | Administrative hurdles for coordination |
| | Exportability of benefits | | Administrative assistance |

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Social Security for International Workers in India

Special provisions effective 1 November 2008

| | |
|------------------------|---|
| Coverage | ▶ Mandatory for foreign nationals unless excluded under SSA |
| Contributions | ▶ 24% of monthly pay (covering all cash allowances) |
| EPF benefit | ▶ On retirement after 58 years of age; early withdrawal only if covered under SSA |
| Monthly pension | ▶ Only if service period is 10 years or more |
| Lumpsum pension | ▶ Only if covered under SSA (with totalised service less than 10 years) |

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Benefits of Social Security Agreements

For Indian employees assigned to EU Member States

- ▶ Exemption from host country social security
- ▶ Totalisation
- ▶ Preservation of domestic worker status in India

For EU employees assigned to India

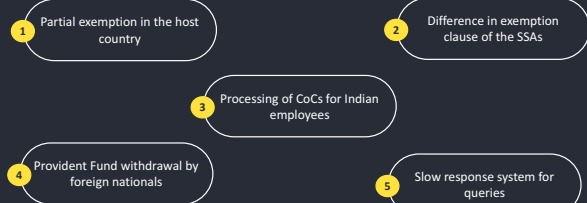
- ▶ Exemption from social security contributions in India
- ▶ Totalisation
- ▶ Exportability
- ▶ Early withdrawal

212,744
Certificate of
Coverage
issued by the
EPFO until 8
July 2021

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Challenges in implementation of Social Security Agreements



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Benefits of Social Security Agreements

For Indian employees assigned to EU Member States

- ▶ Exemption from host country social security
- ▶ Totalisation
- ▶ Preservation of domestic worker status in India

For EU employees assigned to India

- ▶ Exemption from social security contributions in India
- ▶ Totalisation
- ▶ Exportability
- ▶ Early withdrawal

212,744
Certificate of
Coverage
issued by the
EPFO until 8
July 2021

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Challenges in implementation of Social Security Agreements

- 1 Partial exemption in the host country
- 2 Difference in exemption clause of the SSAs
- 3 Processing of CoCs for Indian employees
- 4 Provident Fund withdrawal by foreign nationals
- 5 Slow response system for queries

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Suggestions for way forward



Coverage of SSAs

With introduction of new central labour codes providing comprehensive social security



Terms of SSAs

Model SSA or Minimum criteria that may be met in all SSAs



Improvement in administrative processes
At Regional Provident Fund Office level



Better technology

COC process; Electronic file exchange system



Regular and improved communication system

Regular channel for addressing queries



Need for further research

Informed decision-making for future policies

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Conclusion



Effectiveness of the SSAs

- ▶ Most companies confirmed – SSAs have reduced overall cost of assignment
- ▶ Avoided double social security contributions

Added value for countries

- ▶ Attracting right talent from other countries
- ▶ Providing a safety net for return
- ▶ Preservation of social security benefits – totalisation & exportability
- ▶ Social equality amongst workers
- ▶ Enhances bilateral trade
- ▶ Contribution towards long term fiscal benefits

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▶ 3. Social Security for International Workers

SOCIAL SECURITY FOR INTERNATIONAL WORKERS



WHAT IS AN SSA ?

Social Security Agreement (SSA) is an International agreement that coordinates the social security schemes of two contracting states in order to ensure continuity of social Security Coverage on migration and prevent the incidence of double taxation on account of social security

BENEFITS UNDER SSA

DETACHMENT

- Avoiding double coverage

TOTALISATION

- Counting of Service rendered in an SSA country

PORTABILITY

- Bringing benefits back home

3

BENEFITS UNDER SSA

DETACHMENT

- Avoiding double coverage

TOTALISATION

- Counting of Service rendered in an SSA country

PORTABILITY

- Bringing benefits back home

3

ROLE OF EPFO IN IMPLEMENTATION OF AN SSA



SSA COUNTRIES



EPFO



INTERNATIONAL WORKERS

4. Seminar on Social Security Agreements between India and EU member states




**Seminar on
social security agreements between
India and EU member states**
 22 November, 2021


Mariko Ouchi
 Senior Social Protection Specialist
 ILO DWT/CO-New Delhi



Relevant international labour standards on social security agreements: Principles

1. C118 Equality of Treatment (Social Security) Convention, 1962 (No.118)
 - 38 ratifications
 - Equality of treatment under its legislation with its own nationals in its territory
 - One or more out of nine SS branches defined under C102
2. C157 Maintenance of Social Security Rights Convention, 1982 (No.157)
 - 4 ratifications
 - SS branches applying C157 shall comply at least: invalidity, old-age, survivors, employment injury, medical care, sickness, maternity
3. R167 Maintenance of Social Security Rights Recommendation, 1983 (No.167)

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Relevant international labour standards on social security agreements: Current status

| | C118 | Medical | Sickness | Maternity | Invalidity | Old-age | Survivor | Emp Injury | Unemployment | Family | C157 |
|----------------|------|---------|----------|-----------|------------|---------|----------|------------|--------------|--------|------|
| India | XX | X | X | X | | | | | | | |
| Belgium | | | | | | | | | | | |
| Denmark | XX | X | X | | | | | X | X | | |
| Luxemburg | | | | | | | | | | | |
| France | XX | X | X | X | X | | X | X | | X | |
| The Netherland | | | | | | | | | | | |
| Hungary | | | | | | | | | | | |
| Finland | XX | X | X | | | | | X | | | |
| Sweden | XX | X | X | X | | | | X | X | | XX |
| Czechia | | | | | | | | | | | |
| Austria | | | | | | | | | | | |
| Portugal | | | | | | | | | | | |
| Germany | XX | X | X | X | | | | X | X | | |
| Ireland | XX | X | X | | | | | X | X | X | |
| Italy | XX | X | X | X | X | X | X | X | X | X | |
| Spain | | | | | | | | | | | XX |

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► 5. SSA between India and Austria: Some general remarks

SSA between India and Austria

Some general remarks

Bernhard Spiegel
Head of Division II/A/4 „International Social
Security“
Vienna, 22 November 2021

Material Scope of the Agreement

not synchronized

- in Austria: all branches of social insurance (pensions, sickness, accidents at work and occupational diseases, unemployment) for employed and self-employed persons
 - only for applicable legislation not for the granting of benefits (only pensions coordinated)
 - e.g. no sickness insurance for posted workers from India working in Austria
- in India: only pensions (could be changed by revising the Agreement)

2

Personal Scope of the Agreement

- all persons (irrespective of their nationality) covered by the schemes of one or both States
 - this includes Indian nationals posted by an Austrian employer to India, or
 - Austrian nationals posted by an Indian employer to Austria
- Equal treatment only for the nationals of both States and unilaterally for Austria for (other) EU citizens (transposition of the ruling of the CJEU C-55/00, Gottardo), refugees and stateless persons

3

Posting provision

- if posting is intended longer than 60 months, an exception agreement between the competent authorities is possible
- posting to any place or any service recipient in the other State is covered
- the labour law relationship has to be kept during the posting
- therefore, end of posting, if a new labour law contract is concluded (even if it stays within the same group of employers [intra-corporate- posting])
- Could be changed by revising the Agreement

4

Proposals to improve the functioning of the SSA

- having agreed procedures including forms
- naming of trouble shooters in case problems are encountered by institutions, having a bilateral committee at experts' level, which could deal with such issues
- looking for possibilities to speed up the communication between institutions
- introducing electronic data exchange (Austria is interested to install a data exchange system comparable to the one working within the EU also in relation to bilateral partners)

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