

**Legal accessibility among the Visegrad countries, International conference and forum  
14 and 15 September 2021**

**Hotel Silvanus, Visegrád**

# **Ister-Granum EGTC**

## **Misinterpretation of labour rules**



## **ISTER-GRANUM EGTC experiences with obstacles:**

- regional local product label
- implementation of a ferry port project as the Slovak partner with a seat in Hungary
- health care and insurance
- transportation

# EMPLOYMENT

**SK-HU border area: 10.000 commuters**

AEBR Pilot **B-Solutions**, 3rd call (2020)

## **OBSTACLE:**

**Cross-border staffing difficulties– ambiguous of social and health insurance regulations**

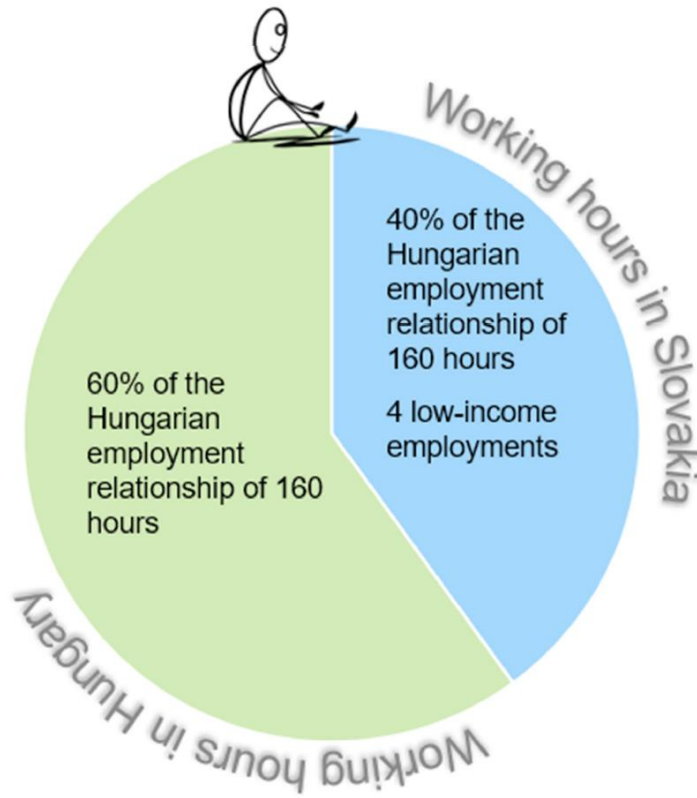
(Határon-átnyúló munkavégzés nehézségei – eltérő szociális és egészségügyi biztosítási szabályozások)

## Regulative framework:

According to the Regulation (EC) No 883/2004 on the coordination of social security systems, the persons working in more than one EU country are to be **insured in only one EU country** and are not allowed for choosing which country they will be insured by, while the Social Security Association of the country they live in are authorized to decide thereon.

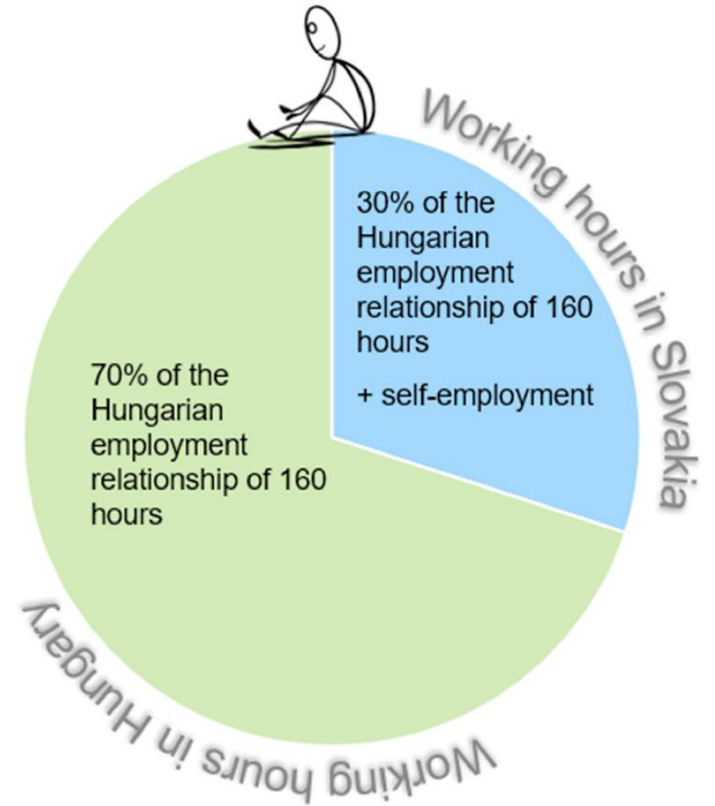
**EMPLOYEE applies for A1 certificate.** It has to be submitted to the Social Security Association of the country they live. This institution issues the A1 certificate, what shows, which country's social security laws apply to the worker, and to which country's social insurance contributions should be paid by them and by their employers.

### Employee 1 (E1)



**Classification: Hungary**

### Employee 2 (E2)



**Classification: Slovakia**

# The main obstacles we and other workers working in both Hungary and Slovakia had to face:

- **lack of information**, no guideline available, the channels of information are not ensured, e.g. the employer is not informed about the decision; the employee is not informed about what to do with A1 certificate once got.
- **too long time span**. Until the decision is made, the payrolls for the employee has to be delivered, the social contributions have to be paid, but it is not clear, to which country should it be paid for before the decision takes an effect. In practice, before the A1 certificate is issued, this country is usually the country, where the employee has full-time job. However, the decision can result in a different solution.
- **different accounting, taxation and social security systems**. The employee needs for help of accountants from both countries, what causes extra costs.
- after receiving the A1 certificate, the **payrolls have to be revised**, and the **social contributions have to be repaid**, it takes time and money.
- **difference in salaries** results remarkable losses for the employee
- **no common application form** of the 883/2004 regulation in practice, not even in the same country.
- **A1 not applied = problems with PENSION** ☹



## **SUGGESTIONS:**

- **operative guideline**  
available in national languages (HU, SK)
- **the A1 certificates would be issued in maximum 1-2 months after its submission**
- **Agencies should notify both employer and employee about decision**
- **common application form (used by all countries)**



## B-Solutions

# FINAL REPORT

Cross-border staffing difficulties  
– ambiguous application  
of social and health insurance regulations

Ister-Granum EGTC

7 April 2021

H-1406 Budapest, Pf. 7.

[cesci@cesci-net.eu](mailto:cesci@cesci-net.eu)

[www.cesci-net.eu](http://www.cesci-net.eu)





**Thank you for your  
attention!**

**Köszönöm  
megtisztelő  
figyelmüket!**

**NAGY PÉTER**

**[www.istergranum.eu](http://www.istergranum.eu)**