

Fraud and error and selected issues in the field of social security coordination

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Contents

Abbreviations.....	8
1. Introduction	15
2. Selected issues of European Union social security coordination.....	17
3. Legislation on tackling fraud and error in social security coordination	38
4. Fraud and error in social security coordination: approaches and patterns at the national level	47
5. Tools and procedures used in preventing, detecting and tackling fraud and error	62
6. Cross-border cooperation between countries: procedures to exchange data, conduct investigations and withdraw portable documents A1.....	79
Operational conclusions	96
References	100
Annex 1. Case studies	110

Figures

Figure 1. Increase in the number of EU mobile workers (1 000s)	19
Figure 2. Increase in cases of cross-border healthcare and export of benefits (1 000s)	19
Figure 3. Problem areas dealt with by Solvit institutions (% of all cases)	20
Figure 4. YEA enquiries by subject area (% of all enquiries).....	20
Figure 5. Top five main issues in YEA enquiries, 2023	20
Figure 6. Number of reporting Member States (qualitative information included)	22
Figure 7. Share of fraud and error cases on overall number of fraud and error cases (%)	22
Figure 8. Non-standard EU employment by Member State and category of worker, 2023 (% of workers aged 15–64)	24
Figure 9. Proportion of workers aged 15–64 at risk of not being entitled to unemployment benefits by Member State and sex, 2023 (%)	26
Figure 10. Proportion of workers aged 15–64 at risk of not being entitled to unemployment benefits by Member State and category of worker, 2023 (%)	27
Figure 11. Proportion of workers aged 15–64 at risk of not being entitled to sickness benefits by Member State and sex, 2023 (%)	28
Figure 12. Proportion of workers aged 15–64 at risk of not being entitled to sickness benefits by Member State and category of worker, 2023 (%)	29
Figure 13. Digital maturity of cross-border digital tools and services in Member States (number of countries)	35
Figure 14. Number of PDs A1 requested to be withdrawn as a receiving country 2017– 2022 (left) and number of PDs A1 withdrawn as a sending country 2016– 2022 (right)	112
Figure 15. Fraud and error cases in the aggregation of periods for unemployment benefits, Bulgaria, 2021–2022	124
Figure 16. Fraud and error cases in the aggregation of periods for unemployment benefits, Czechia, 2021–2022	128
Figure 17. Fraud and error cases in the export of family benefits, Germany, 2021–2022	131

Tables

Table 1. Member States with the highest share of fraud and error in each social security branch	23
Table 2. Distribution of workers aged 15–64 at risk by type of contract (%), 2023	30
Table 3. Share of workers at risk of not being entitled to unemployment and sickness benefits by Member State (%), 2013 and 2023	31
Table 4. Rules of coverage for unemployment and sickness insurance* for self-employed in Member States as of 1 January 2023	34
Table 5. Overview of countries that distinguish and do not distinguish between fraud and error.....	42
Table 6. Types of fraud and error in social security coordination related to applicable legislation	49
Table 7. Types of fraud and error in social security coordination related to unemployment benefits	50
Table 8. Types of fraud and error in social security coordination related to cross-border healthcare.....	50
Table 9. Types of fraud and error in social security coordination related to family benefits	51
Table 10. Selected Member States where tackling fraud and error is a priority at the national level	53
Table 11. Examples of agreements and memoranda of understanding on data exchange	89
Table 12. Key providers of information – selected examples	138
Table 13. Key channels of information – selected examples	140
Table 14. Information available online – selected examples	141
Table 15. Targeted awareness-raising events – selected examples	142
Table 16. Media campaigns – selected examples.....	144
Table 17. Knowledge dissemination when dealing with social security institutions – selected examples.....	145

Boxes

Box 1. Methodology for calculating the share of workers at risk of not being entitled to unemployment and/or sickness benefits	33
Box 2. The distinction between fraud and error in social security coordination in Belgium and France.....	41
Box 3. Legal distinction of fraud and error and proportional sanctions	43
Box 4. Case study on detection of fraud and error in social security benefit claims – summary.....	49
Box 5. Reasons for prioritising monitoring and tackling fraud and error in social security coordination	56
Box 6. Reasons for not prioritising monitoring and tackling fraud and error in social security coordination	57
Box 7. Specialised units for compliance and social security coordination – Malta.....	63
Box 8. Examples of the involvement of law enforcement agencies and financial intelligence units in tackling social security fraud in Italy and Ireland	64
Box 9. Collaboration between social security management institutions in Sweden and in Estonia.....	66
Box 10. Example of collaboration between different inspection services in Germany	67
Box 11. The CLASS monitoring tool – France.....	69
Box 12. The use of data mining and matching models to select ‘at risk’ companies – Belgium	71
Box 13. Examples of key channels of information.....	75
Box 14. Examples of information available online	76
Box 15. Examples of targeted awareness-raising events, media campaigns and knowledge dissemination in social security coordination	76
Box 16. Measuring the reach of awareness-raising initiatives.....	77
Box 17. Key EU-level initiatives that support the digitalisation of social security coordination	81
Box 18. The PROGRESS programme – launched by ELA and the Administrative Commission for the Coordination of Social Security Systems.....	82
Box 19. Examples of good practices in Member States	92
Box 20. Strengthening international collaboration – Denmark.....	93
Box 21. Example of a cross-border joint inspection in Belgium (with the participation of Bulgarian authorities).....	94

Box 22. Example of good practice in cooperation between Member States on social security coordination	95
Box 23. Measuring the reach of awareness-raising initiatives.....	146
Box 24. Good practice 1 – improve information dissemination through online platforms.....	146
Box 25. Good practice 2 – maximise the reach and relevance of communication	147
Box 26. Good practice 3 – offer unmediated assistance (including abroad)	148
Box 27. Good practice 4 – implement innovative approaches.....	148

Abbreviations

Country codes

AT	Austria	FI	Finland	LV	Latvia
BE	Belgium	FR	France	MT	Malta
BG	Bulgaria	HR	Croatia	NL	Netherlands
CY	Cyprus	HU	Hungary	NO	Norway
CZ	Czechia	IE	Ireland	PL	Poland
DE	Germany	IS	Iceland	PT	Portugal
DK	Denmark	IT	Italy	RO	Romania
EE	Estonia	LI	Liechtenstein	SE	Sweden
EL	Greece	LT	Lithuania	SI	Slovenia
ES	Spain	LU	Luxembourg	SK	Slovakia

Other abbreviations

ACOSS	Agence Centrale des Organismes de Sécurité Sociale (Central Agency of Social Security Organisations) (France)
ACT	Autoridade para as Condições do Trabalho (Working Conditions Authority) (Portugal)
AHV	Alters- und Hinterlassenenversicherung (Old Age and Survivors' Insurance) (Liechtenstein)
AHV-IV-FAK	Alters- und Hinterlassenenversicherung-Invalidenversicherung-Familienausgleichskasse (Old-age and survivors' insurance, disability insurance and family allowance fund) (Liechtenstein)
AI	artificial intelligence
CJEU	Court of Justice of the European Union
CJI	concerted and joint inspection
CLEISS	Centre des Liaisons Européennes et Internationales de Sécurité Sociale (Centre for European and International Social Security Coordination) (France)
CNPP	Casa Națională de Pensii Publice/National House of Public Pensions (Romania)
CNS	Caisse Nationale de Santé/National Health Fund (Luxembourg)
CSSA	Czech Social Security Administration (Česká Správa Sociálního Zabezpečení)
DRV	Deutsche Rentenversicherung (German Pension Insurance)
DVKA	Deutsche Verbindungsstelle Krankenversicherung – Ausland (German Liaison Agency for Health Insurance – International)
EEA	European Economic Area
EESSI	Electronic Exchange of Social Security Information

EFTA	European Free Trade Association
EHIC	European health insurance card
ELA	European Labour Authority
EUDI	EU digital identity
EU-LFS	EU Labour Force Survey
EURES	European Employment Services
FAQ	frequently asked question
FKS	Finanzkontrolle Schwarzarbeit (Financial Control of Undeclared Work Unit) (Germany)
GDPR	general data protection regulation
INPS	L'Istituto Nazionale della Previdenza Sociale (National Institute of Social Security) (Italy)
Kela	Kansaneläkelaitos (Social Insurance Institute) (Finland)
Missoc	Mutual Information System on Social Protection
NAV	Arbeids- og Velferdsforvaltningen (Norwegian Labour and Welfare Administration)
NCP	National Contact Point
NHIF	National Health Insurance Fund (Valstybinė ligonių kasa prie Sveikatos apsaugos ministerijo) (Lithuania)
NSSI	National Social Security Institute (Национален осигурителен институт) (Bulgaria)
NSSO	National Social Security Office (Rijksdienst Sociale Zekerheid) (Belgium)
PD	portable document
pp	percentage point
RINA	Reference Implementation for a National Application
SIIS	Social Information and Investigation Service (Belgium)
SVB	Sociale Verzekeringsbank (Social Insurance Bank) (Netherlands)
TCN	third-country national
THIF	Territorial Health Insurance Fund (Lithuania)
Urssaf	Unions de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales (Institutions for the Collection of Social Security and Family Benefit Contributions) (France)
UWV	Uitvoeringsinstituut Werknemersverzekeringen (Employee Insurance Agency) (Netherlands)
VSAA	Valsts sociālās apdrošināšanas aģentūra (State Social Insurance Agency) (Latvia)
YEA	Your Advice Europe
ZUS	Zakład Ubezpieczeń Społecznych (Social Insurance Institute) (Poland)

Glossary

Coordination regulations	Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009.
Cross-border worker	An individual who lives in one EU or European Free Trade Area (EFTA) country but works in another (as an employee or self-employed). This includes frontier workers, seasonal and other short-term mobile workers, and workers who reside in one country but telework for another ⁽¹⁾ .
Error in social security coordination	An unintentional mistake or omission by officials or citizens ⁽²⁾ .
Fraud in social security coordination	Any act or omission to act, in order to obtain or receive social security benefits or to avoid obligations to pay social security contributions, contrary to the law of a Member State ⁽³⁾ .
Long-term EU mover	An EU or EFTA citizen residing in an EU or EFTA country other than their country of citizenship for at least one year (European Commission, 2024).
PD A1	A statement on the applicable legislation. It provides proof of paying social security contributions in another EU or EFTA country.
PD S2	A form that authorises to obtain planned health treatment in another EU or EFTA country.
PD U1	A form that certifies periods of insurance in another EU or EFTA country.
PD U2	A form that authorises to export unemployment benefits from another EU country.
Social security coordination	A legal framework aimed at facilitating the free movement of EU citizens across Member States and ensuring the protection of their social security rights. It is based on the principles of equal treatment, export of benefits, insurance in a single country at a time and the aggregation of insurance records ⁽⁴⁾ .

⁽¹⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion, Hassan, E., Siöland, L., Akbaba, B., Cinova, D. et al., *Annual Report on Intra-EU Labour Mobility 2023*, Publications Office of the European Union, Luxembourg, 2024, <https://data.europa.eu/doi/10.2767/59413>.

⁽²⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Free movement of EU citizens and their families: Five actions to make a difference, COM(2013) 837 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52013DC0837>.

⁽³⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Free movement of EU citizens and their families: Five actions to make a difference, COM(2013) 837 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52013DC0837>.

⁽⁴⁾ <https://www.ela.europa.eu/en/social-security-coordination>.

Executive summary

This report first provides an overview of selected issues related to the coordination of social security systems within the EU. After discussing the principles of social security coordination, the following aspects are reviewed: the existing issues and available data on social security coordination; challenges related to non-standard employment and its impact on the social security coverage of mobile workers; and EU Member States' efforts in developing digital tools and services to limit the number of issues with the application of the social security coordination rules.

The report then focuses on fraud and error in social security coordination. Cases of fraud and error in the field of social security coordination can put a strain on the free movement of people and services across Europe, represent a barrier to fair labour mobility in the EU, and result in unfair competition and the abuse of intra-EU workers' employment and working conditions. Fraud and error may also result in unexpected costs for mobile citizens and public authorities.

This report provides additional insights into specific issues related to identifying and tackling fraud and error in social security coordination in the European Economic Area, and analyses issues identified in the European Commission's report *Fraud and error in the field of EU social security coordination* (reference year 2022) in more depth. Specifically, the report:

- investigates differences between countries in monitoring and tackling fraud and error in social security coordination;
- compares fraud and error in cross-border situations with fraud and error in purely national cases confined to one country;
- identifies the structure of institutions involved in the process of detecting and tackling fraud and error in social security coordination, the division of their competences, and types of cooperation methods;
- provides a qualitative assessment of national legislation in tackling fraud and error in the field of social security coordination, focusing on whether existing national legislation helps tackle fraud and error and how countries without any specific legislation address fraud and error;
- identifies types of tools and procedures that support the electronic exchange of information between and within countries and assesses countries' procedures and practices for tackling fraud and error in the field of social security through case studies on the following topics: contestation and withdrawal of the portable document (PD) A1; the detection and tackling of fraud and error in the field of social security coordination; and the impact of increasing the knowledge/awareness of mobile citizens and companies about preventing fraud and error in social security coordination.

Only a few Member States report some quantitative data on fraud and error. This does not allow for more detailed analyses or identification of specific problems in this area. ELA's efforts to find data in the non-reporting Member States point out to the lack of data collection on the issue of fraud and error in cross-border and transnational contexts. This may reflect the institutional and procedural challenges in the monitoring and tackling of fraud and error in the EU. This study offers an overview of good practices that tackle the challenges in a successful way.

The following summary discusses the key findings from Chapters 1 to 7 and subsequently summarises the operational conclusions.

Chapter 2. Selected issues of EU social security coordination

The increasing importance of the topic of social security coordination for EU mobile citizens is indicated by the Solvit system. It provides information on solving cases of misapplication of EU law. The majority of cases concern social security, along with the free movement of people. The cross-border social security appears as the most prevalent topic also in the Your Europe Advice service, collecting information on enquiries raised by EU citizens and businesses.

In a majority of Member States that report statistics on fraud and error, the share remains below 1 % for applicable legislation (PD A1) and social security benefits and 2 % for cross-border healthcare. Several Member States report much higher rates of fraud and error (up to 55 %), but the efforts to establish the reasons did not lead to conclusive results.

Considering issues in social security coordination from the perspective of its purported beneficiaries, the report focuses on the situation of workers in non-standard employment. Mobile workers are more likely to have non-standard employment contracts than native workers. In addition, labour mobility increases the risk of non-coverage, given the issue of accumulating insurance periods. Our analysis confirms that EU mobile and third-country national workers face a higher risk of relatively poor social security coverage, especially in the case of more universal social security benefits such as unemployment and sickness benefits.

Digitalisation can help Member States to address the issues in social security coordination. Many Member States have developed digital tools and services that serve citizens and workers in the EU when moving across borders. The digital maturity of these tools and services varies across the Member States; therefore, further development in this area could help address some issues in social security coordination.

Chapter 3. Legislation on tackling fraud and error in social security coordination

The approach to distinguishing between fraud and error in social security coordination varies across national legislation. While in many countries fraud is generally defined as a deliberate act of deception aimed at unlawfully gaining social security benefits, and error is considered an unintentional mistake, in other countries no clear distinction exists. Where a distinction is made, fraud is usually prosecuted as a crime, while errors are corrected administratively.

Separate and specific legislation to combat and/or prevent social security fraud and error within the framework of the EU regulations does not exist at the national level. Instead, countries tackle fraud and error in social security coordination through EU-wide anti-fraud regulations, national laws (including social security legislation, legislation for each benefit area, and more general criminal, civil and administrative legislation), administrative controls and cooperation procedures. Provisions in national legislation often cover definitions of social security fraud and error or specify forms of social security fraud and error, enforcement and sanctions but rarely cover cross-border cases or contexts specifically.

Several countries have also implemented 'soft law' frameworks and measures that can improve the detection and management of fraud and error in cross-border situations. Common approaches include enhancing data exchange mechanisms and cross-border cooperation, supported by digital platforms and legislative reforms aimed at addressing social security benefits.

Chapter 4. Fraud and error in social security coordination: approaches and patterns at the national level

The types of fraud and error vary depending on applicable legislation and the benefits concerned. Key types of fraud in social security coordination include country of residence fraud, false claims by individuals, and employer or service provider fraud, while errors generally relate to incomplete, inaccurate or late submissions of forms and paperwork.

Countries generally consider monitoring, detecting and tackling fraud and error in social security coordination less of a priority than national cases due to the complexity and financial implications of cross-border issues, a lower volume of fraud and error cases, and the lower financial values concerned. Communication issues, limited data exchange and cooperation between countries, difficulties in recovering payments, and a lack of awareness of the rules among beneficiaries also make it challenging for authorities to monitor and control cross-border situations. Only a minority of countries prioritise monitoring, detecting and tackling fraud and error in social security coordination, as evidenced by the presence of specific guidelines, legislative frameworks and dedicated units in public bodies. Overall, countries place a greater focus on monitoring and tackling fraud rather than error.

Quantitative data are not available to support the identification of clear patterns and trends across countries and benefit areas – for example which types of benefits are more prone to fraud and error in cross-border

cases than in purely national situations. All the benefit types included in the scope of this study (i.e. pensions, unemployment, healthcare and family benefits) are exposed to fraud and error in cross-border cases due to the inherent complexity of each benefit type, the conditions under which it can be claimed and the difficulties in matching data across borders to identify cases of fraud. Some types of fraud are, however, specific to cross-border situations (e.g. the use of letterbox companies).

Chapter 5. Tools and procedures used in preventing, detecting and tackling fraud and error

The main institutions involved in fraud and error detection across the European Economic Area countries are social security institutions, which in some countries have specialised units dealing with fraud and error, and which may carry out inspections independently or in collaboration with labour inspectorates. Tax authorities, customs offices and law enforcement agencies also have competences in fraud detection and primarily target fraud-related activities, and the social partners are also involved in some countries.

Institutions at the national level cooperate both formally (i.e. through partnership agreements that can facilitate data exchange and follow specific guidelines) and informally (i.e. unstructured collaboration relying instead on pre-existing patterns of cooperation developed over time and ad hoc cooperation tailored to individual cases) to identify and tackle fraud and error in social security in national and cross-border cases.

Most countries do not have specific procedures for detecting fraud and error in social security in cross-border settings, and instead they follow the approaches established for national situations. The main approaches include monitoring activities (including verification procedures to assess the authenticity and accuracy of documents at the application stage, and periodic requests to confirm eligibility or reminders to report any changes), risk assessments and automated checks using data matching and advanced digital tools such as data mining, artificial intelligence and machine learning, and inspections. The provision of information aimed at increasing the knowledge and awareness of companies and mobile citizens is also a tool used to help prevent fraud and error in social security coordination.

Chapter 6. Cross-border cooperation between countries: procedures to exchange data, conduct investigations and withdraw portable documents A1

More effective and efficient cross-border cooperation is at the core of the implementation of the social security coordination regulations and supports the identification and tackling of fraud and error. There has been notable progress in recent years, driven by EU-level initiatives such as the Electronic Exchange of Social Security Information (EESSI) and bilateral and multilateral agreements that enable faster cross-border electronic exchange of information between social security institutions and countries. Other cooperation mechanisms include cross-border concerted and joint inspections supported by the European Labour Authority and procedures related to the withdrawal of PDs A1.

Nevertheless, challenges remain. Limited electronic exchange of information is one of the main barriers to more effective coordination of social security systems across Europe, which makes the identification of fraud and error linked to cross-border situations very difficult. There are also limits to what EESSI can achieve, even with enhanced implementation across countries and the harmonisation of its use. Additional key challenges in the effective implementation of cross-border electronic exchange of information include matching the information available in different countries to unique cases; inconsistencies in the data, requiring further investigations and time; limited administrative capacity; incomplete and varying levels of digitalisation across countries, which prevent countries from fully engaging with the information exchange opportunities offered by IT systems such as EESSI; resource constraints, which hinder follow-up investigations; the limited operability of databases within and between countries; and data protection regulations, which restrict information exchange.

The analysis of the practical cooperation procedures between countries in the case of the withdrawal of a PD A1 indicates that countries often do not have formal procedures regarding the questions concerning the validity of a PD A1, the correctness of the facts on which the decision to grant a PD A1 was based, and the withdrawal of a PD A1. Most of these questions are settled between the requesting institution and requested institution. Many social security institutions also do not always know whether they should use the formal

dialogue and conciliation procedure as defined by Decision No A1 of the Administrative Commission for Coordinated Social Security Systems of 12 June 2009 or if the enquiries sent/received fall under this decision.

Chapter 7. Operational conclusions

The conclusions focus on the areas in the European Labour Authority's mandate and related challenges identified in the analysis. The conclusions, which are also relevant for other stakeholders at the EU and national levels, centre around:

- coordination and support of enforcement in social security coordination;
- facilitation of cooperation and exchange of information in social security coordination;
- electronic exchange of information at the EU level and the use of EESSI;
- use of the procedure to withdraw a PD A1;
- addressing data gaps in social security coordination.

1. Introduction

The EU enables common rules to protect individuals' social security rights when moving within Europe (including the 27 EU Member States, Iceland, Liechtenstein, Norway and Switzerland). The effective and efficient coordination of social security systems is important, especially in the context of increasing intra-EU mobility of workers and citizens in recent years. Enforcing social security coordination rules is a highly complex task and continues to pose challenges at the EU and national levels.

This study begins with an overview of key issues and challenges in social security coordination (Chapter 2), including its key principles and who is covered. The overview considers challenges related to non-standard employment and its impact on the social security coverage of mobile workers, the digitalisation of social security coordination and the limited data available on this topic. The report then focuses on the challenges related to identifying and tackling fraud and error (Chapters 3–6) in the European Economic Area (EEA) countries (the 27 Member States and Iceland, Liechtenstein and Norway). The analysis focuses on the main branches of social security – pensions, healthcare, and unemployment and family benefits – and the applicable legislation. The study's conclusions (Chapter 7) provide a set of operational considerations linked to key issues and challenges discussed throughout the report.

The study builds on and expands existing research on fraud and error in the field of social security coordination ⁽⁵⁾. It provides additional in-depth insights in relation to several issues identified in the European Commission's fraud and error report (reference year 2022) ⁽⁶⁾, including an overview of:

- the national legal arrangements that (can) improve the detection and tackling of fraud and error in cross-border situations;
- the types of fraud and error in social security coordination;
- which types of social security benefits may be more prone to fraud and error in cross-border situations;
- the different types of tools countries use to monitor, identify and tackle fraud and error at the national level and in cooperation with other countries;
- the procedures for withdrawing the portable document (PD) A1 (proof of social security coverage for posted workers) ⁽⁷⁾;
- practices for identifying fraud and error in social security coordination and possible consequences for citizens, focusing on countries with the highest share of fraud and error cases across the total number of cross-border benefit claims in different branches of social security;
- the key providers and channels providing information about the rights and obligations of mobile citizens and companies in social security coordination, the key measures/initiatives taken by countries to increase knowledge/awareness of mobile citizens and companies, selected good practices, and key types of missing information that can be provided to support the prevention of fraud and error.

⁽⁵⁾ This is reported on annually through the 'Network of experts on intra-EU mobility – Social security coordination and free movement of workers / Lot 2: Statistics and compilation of national data', coordinated by the European Commission (Directorate-General for Employment, Social Affairs and Inclusion).

⁽⁶⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, <https://ec.europa.eu/social/BlobServlet?docId=27421&langId=en>.

⁽⁷⁾ The current legal framework provides that the employer or the self-employed person must inform the competent authorities about their planned transnational activities, whenever possible before these activities take place. Subsequently, after verification of several conditions, a PD A1 is provided by the competent institution. However, in practice, authorities are not always informed about the posting activities: not in advance, not during and not after the posting has taken place. See De Wispelaere, F., 'Posting of workers: Law in books versus law in action', in Aranguiz, A., Bednarowicz, B., Vanheule, D. and Quené, M. (eds), *Pioneering Social Europe: Liber amicorum Herwig Verschueren*, Die Keure, Bruges, 2023b, pp. 171–182.

The research confirms that the countries included in this study generally collect and report very limited statistical data on social contribution and benefit fraud. This applies to purely national cases as well as to cross-border situations, which represent a small part of the total number of social security benefits paid. This is a key challenge, preventing cross-country comparisons over time and across benefit areas, and is therefore one of the limitations of this report. Notwithstanding quantitative data limitations, this study has collected extensive qualitative information from national social security institutions and desk research. The findings expand our knowledge of national approaches to, practices for and the challenges of monitoring, identifying and tackling fraud and error in cross-border situations.

2. Selected issues of European Union social security coordination

This chapter in brief

- The coordination of social security systems is particularly relevant given the rising number of short-term or long-term EU movers, cross-border workers, posted workers and self-employed individuals. This mechanism enables workers and citizens to access social security benefits and healthcare when moving between Member States. The number of cross-border pension entitlements and the need for unplanned cross-border healthcare have been increasing recently.
- The increasing importance of the topic of social security coordination for EU mobile citizens is indicated by the Solvit system. It provides information on solving cases of misapplication of EU law. The majority of cases concern social security, along with the free movement of people. The cross-border social security appears as the most prevalent topic also in the Your Europe Advice service, collecting information on enquiries raised by EU citizens and businesses.
- Statistics on fraud and error in the field of social security coordination are collected by the Administrative Commission for the Coordination of Social Security Systems. However, only a few Member States report quantitative data on fraud and error. In a majority of Member States that report statistics on fraud and error, the share remains below 1 % for applicable legislation (PD A1) and social security benefits and 2 % for cross-border healthcare. Several Member States report much higher rates of fraud and error (up to 55 %), but the efforts to establish the reasons did not lead to conclusive results.
- Mobile workers are more likely to be on non-standard employment contracts than native workers. Workers on non-standard contracts generally face a higher risk of not being covered by social security. Labour mobility therefore increases the risk of non-coverage, given the issues in accumulating insurance periods. Data confirm that EU mobile and third-country national (TCN) workers face a higher risk of lower social security coverage, especially in the case of more universal social security benefits such as unemployment and sickness benefits.
- Many Member States have developed digital tools and services that serve citizens and workers in the field of social security coordination. However, the digital maturity of such services varies, not only between Member States but also between social security branches and institutions at the national level. Further development in this area could help address some of the issues in the field of social security coordination.

Introduction

The legal framework for social security coordination at the EU level facilitates EU mobility by ensuring the protection of citizens' social security rights when moving from one Member State to another ⁽⁸⁾. It can be considered the most advanced transnational social protection system within the existing transnational coordination systems in the world, as it allows for the portability of social security rights for all EU citizens across its Member States (De Wispelaere, 2023a; Holzmann, 2018; Holzmann and Wels, 2018). EU social security coordination does not necessarily ensure adequate social protection against social exclusion or poverty, as national social security systems are within the full competence of Member States. They can decide who is to be insured under national legislation, what the level of the individual's contributions is or who is eligible for which benefits and under which conditions.

⁽⁸⁾ EU-27 + Iceland, Liechtenstein, Norway and Switzerland.

Common EU rules on the coordination of social security systems are established so that EU mobile citizens do not lose their social security rights across borders ⁽⁹⁾. This coordination is based on the following four key principles ⁽¹⁰⁾.

- **Application of the legislation of one country** determines which national security legislation is applicable to individuals according to the decision of social security institutions. From the perspective of individuals, it also ensures that social security contributions are paid in one Member State.
- **Equal treatment and non-discrimination** should ensure that EU individuals are treated equally regardless of their nationality before the legislation of the Member States.
- **Aggregation insurance periods** accumulated by individuals from multiple Member States should be recognised in other Member States.
- **Exportability of benefits** ensures that individuals will receive social security benefits in other Member States subject to the fulfilment of the corresponding conditions for claiming benefits in that Member State.

The increasing intra-EU mobility of workers and citizens in recent years makes the coordination of social security in the EU even more important. The number of long-term EU movers in employment ⁽¹¹⁾ and cross-border workers ⁽¹²⁾ has increased in the past decade. Posted workers and self-employed people, including those active in two or more Member States, recorded even higher growth in Member States (Figure 1). In addition, there is also an increasing number of TCNs for whom social security coordination legislation is relevant when moving within the EU ⁽¹³⁾. The number of TCNs in employment increased to almost 17 million in 2022 compared with 6.6 million in 2012 ⁽¹⁴⁾.

The increase in labour mobility in the EU has an impact on the obligation to coordinate cross-border healthcare and social security benefits between Member States. The export of pension benefits ⁽¹⁵⁾ tripled between 2016 and 2022 (Figure 2), driven by increasing labour mobility and ageing of employees. The utilisation of unplanned cross-border healthcare in the EU ⁽¹⁶⁾ has also seen considerable growth in recent years (Figure 2), including an estimated 242 million European health insurance cards (EHICs) ⁽¹⁷⁾ in circulation in 2022 (European Commission, 2024).

⁽⁹⁾ [Regulation \(EC\) No 883/2004](#) ('basic regulation') on the coordination of social security systems and [Regulation \(EC\) No 987/2009](#) ('implementing regulation') laying down the procedure for implementing Regulation (EC) No 883/2004.

⁽¹⁰⁾ <https://www.ela.europa.eu/en/social-security-coordination>.

⁽¹¹⁾ EU or EFTA citizens residing in an EU or EFTA country other than their country of citizenship (European Commission 2024). This study focuses on active EU/EFTA citizens in employment (Figure 1). Long-term movers are citizens residing in an EU or EFTA country other than their country of citizenship at least for one year.

⁽¹²⁾ Cross-border workers are defined as EU or EFTA citizens living in one EU or EFTA country and working in another (as employees or self-employed people). This definition may include seasonal workers, frontier workers and some posted workers, since the EU Labour Force Survey data do not allow for a distinction between these groups of workers (European Commission: Directorate-General for Employment, Social Affairs and Inclusion et al., *Annual Report on Intra-EU Labour Mobility 2023*, Publications Office of the European Union, Luxembourg, 2024, <https://data.europa.eu/doi/10.2767/59413>). Seasonal workers alone account for at least 650 000 people in the EU based on country-specific estimates (European Commission: Directorate-General for Employment, Social Affairs and Inclusion et al., *Report on mobile seasonal workers and intra-EU labour mobility*, Publications Office of the European Union, Luxembourg, 2023, <https://data.europa.eu/doi/10.2767/093005>).

⁽¹³⁾ Under certain conditions.

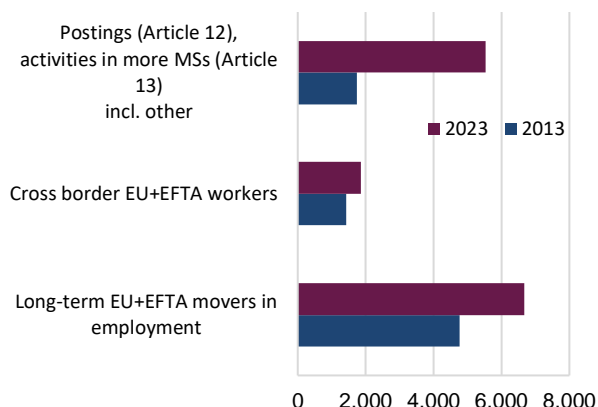
⁽¹⁴⁾ Based on Labour Force Survey data and authors' own calculations.

⁽¹⁵⁾ Covering old-age, survivors' and invalidity pensions.

⁽¹⁶⁾ Unforeseen medical treatment while on a temporary stay in another EU Member State.

⁽¹⁷⁾ https://europa.eu/youreurope/citizens/health/unplanned-healthcare/ehic/index_en.htm.

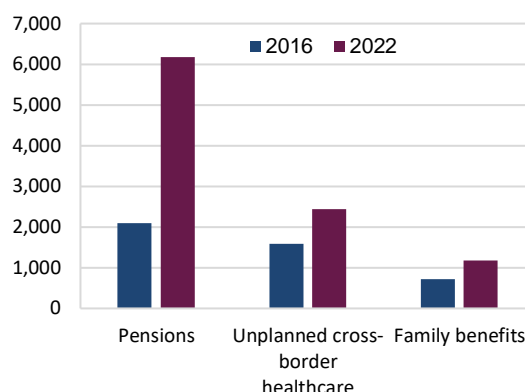
Figure 1. Increase in the number of EU mobile workers (1 000s)



NB: 'Postings, activities in more Member States including civil servants' includes EU, European Free Trade Area (EFTA) and UK workers; 'Cross-border EU + EFTA workers' includes EU and EFTA workers in the EU (15–64 years); and 'Long-term EU + EFTA movers in employment' includes EU and EFTA workers in the EU (15–64 years).

Sources: Based on EU Labour Force Survey data from 2013 and 2023, [Posting of workers: Report on A1 Portable Documents issued in 2023](#), [PD A1 statistical database 2012–2022](#) and authors' own calculations.

Figure 2. Increase in cases of cross-border healthcare and export of benefits (1 000s)



NB: Data include the EU, European Free Trade Area and United Kingdom. Sources: Based on [Cross-border pensions statistical database](#), [Cross-border healthcare statistical database](#) and [Family benefits statistical database](#).

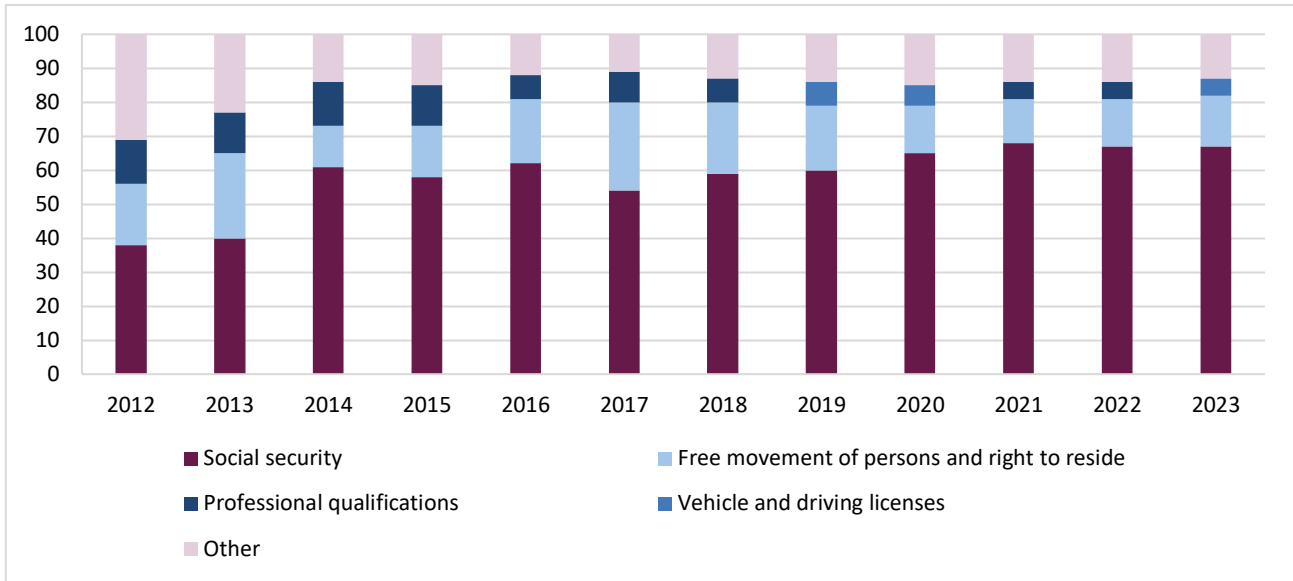
This report focuses on EU social security coordination from the point of view of social security fraud and errors. This topic is gaining importance due to the increasing labour mobility between Member States. This chapter puts the focus on other challenges for social security coordination that may contribute to the incidence of fraud and errors and that, in addition, may be relevant for the effective enforcement of the coordination rules. The chapter focuses, in particular, on the prevalence of non-standard employment in Member States. This has, as will be shown, a greater impact on mobile workers. Digital tools and services can improve the efficiency of social security coordination when communicating with citizens and cooperating with other competent authorities at a national level and from other Member States.

2.1. Quantifying social security coordination issues

Solvit statistics show the increasing importance of the topic of social security coordination for EU mobile citizens (Figure 3). Solvit, as a problem-solving network in Member States, can help citizens and businesses in cross-border cases when their rights are breached by public authorities. Data are collected on the number of requests and the performance of Solvit centres (resolution rates, caseload, response time) ⁽¹⁸⁾. Almost 70 % of Solvit cases are related to social security problems, which is far more prevalent than any other topic (e.g. vehicle and driving licences, professional qualifications). Enquiries about social security topics in cross-border cases represented almost 30 % of Your Europe Advice (YEA) enquiries in 2023, with this share rising in recent years.

⁽¹⁸⁾ https://single-market-scoreboard.ec.europa.eu/enforcement-tools/solvit_en.

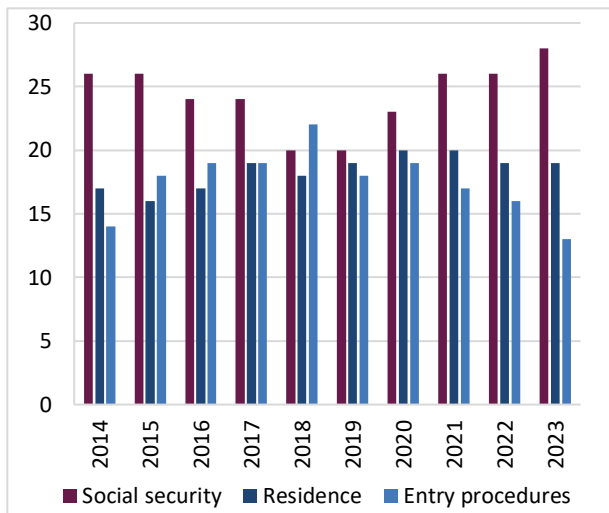
Figure 3. Problem areas dealt with by Solvit institutions (% of all cases)



Sources: Solvit reports, 2013–2024.

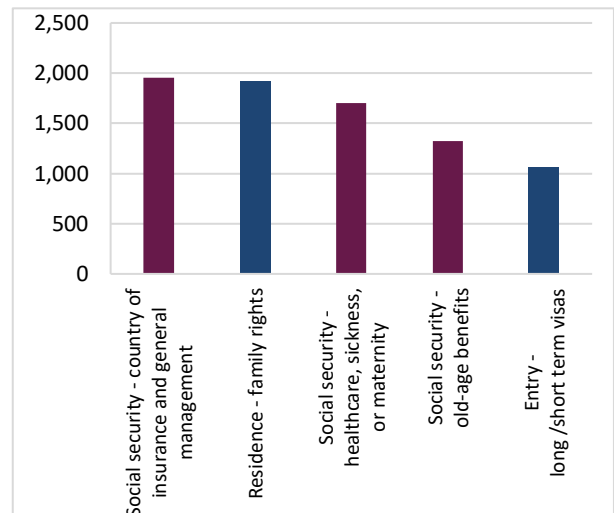
Three of the five main issues reported in YEA enquiries are related to social security coordination. The YEA public service (see, for instance, ECAS, 2024) ⁽¹⁹⁾ shows that, in terms of legal enquiries related to EU mobility, social security in cross-border cases is the most prevalent topic (Figure 4). YEA enquiries are predominantly related to the country of insurance and cross-border healthcare, including sickness benefits and pensions (Figure 5). Enquiries involving mobile workers represent almost 40 % of all YEA enquiries, including a rising share of pensioners and self-employed workers who need information on one of the topics covered (ECAS, 2024).

Figure 4. YEA enquiries by subject area (% of all enquiries)



Sources: European Commission, European Citizen Action Service, and YEA reports, 2015–2023.

Figure 5. Top five main issues in YEA enquiries, 2023



Source: European Citizen Action Service and YEA's *Annual Trends 2023* report.

Similarly to purely national situations, cases of fraud and error may occur within a cross-border situation when claiming and receiving social security benefits (or reimbursements) or paying social security

⁽¹⁹⁾ https://europa.eu/youreurope/advice/index_en.htm.

contributions⁽²⁰⁾. In relation to social security coordination, fraud is defined as ‘any act or omission to act, in order to obtain or receive social security benefits or to avoid obligations to pay social security contributions, contrary to the law of a Member State’ and error as ‘an unintentional mistake or omission by officials or citizens’⁽²¹⁾. Statistics on fraud and error in the field of social security coordination are currently gathered – on behalf of the European Commission – through 11 thematic statistical questionnaires provided to the national delegations represented in the Administrative Commission for the Coordination of Social Security Systems⁽²²⁾. The data on fraud and error (which are included in the thematic statistical reports and which the annual fraud and error in social security coordination report draws on) are provided on a voluntary basis. Analysis of these data highlighted several topics⁽²³⁾.

The majority of countries do not collect or report data on fraud and error. Quantitative information on fraud and error in the field of social security coordination is mostly decentralised across different public institutions, and varies widely across social security branches (and applicable legislation). Comparing data that are recorded, measured and published differently in different countries is thus a challenging task. Moreover, countries are often not able to distinguish between national and cross-border cases of fraud and error, which sometimes results in countries reporting a total figure for fraud and error. Furthermore, for some countries there are breaks in time series data. Between 2016 and 2022, most of the Member States reported some quantitative or qualitative data on fraud and error issues only in cases of cross-border healthcare (Figure 6). Ten or more Member States reported issues with the applicable legislation (PD A1) – such as falsified documents, no direct relationship between posted workers and employers, posting by letterbox companies, bogus self-employment or wrong status of the person concerned. In recent years, the number of Member States reporting issues in other social security branches related to benefits and recovery has remained below 10.

Fraud and error in cross-border healthcare and social security benefits account for the largest share of total fraud and error cases reported in the field of social security coordination (Figure 7). Overall, despite the low number of reporting countries, the share of reported fraud and error cases in social security benefits has increased from 2019. Most fraud and error cases relate to family benefits. Pension benefits (old-age, survivor’s and invalidity pensions) and unemployment benefits represent a relatively low number of cases. Cross-border healthcare cases mostly relate to the rejection of invoices for unplanned healthcare, another issue being the inappropriate use of the EHIC or PD S1 and S2. Cases of inappropriate use of the PD A1, including its withdrawal, remain less prevalent than cross-border healthcare or social security benefits cases counted as a single area.

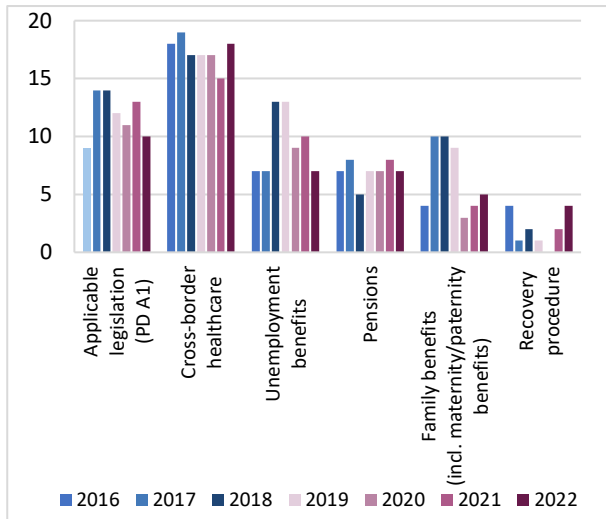
⁽²⁰⁾ This may lead to the recovery of undue benefit payments or outstanding social security contributions.

⁽²¹⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Free movement of EU citizens and their families: Five actions to make a difference, COM(2013) 837 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52013DC0837>.

⁽²²⁾ The Administrative Commission for the Coordination of Social Security Systems is ‘attached to the European Commission, comprises representatives from Member States and is assisted, where necessary, by expert advisers. It deals with administrative issues and questions of interpretation regarding the rules on social security coordination.’ For further details see Council Regulation (EC) No 883/2004 of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1), <https://eur-lex.europa.eu/eli/reg/2004/883/oj/eng>.

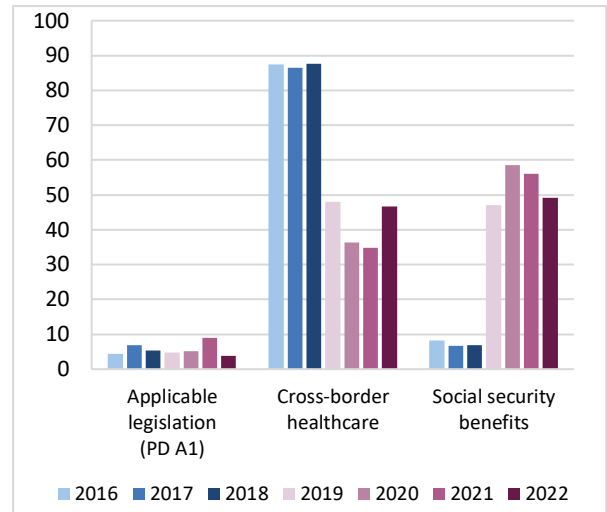
⁽²³⁾ (1) The steps taken throughout the year to prevent and combat fraud and error in the field of social security coordination; (2) specific problems in implementing the coordination rules that may lead to risks of fraud and error; (3) agreements and bilateral cooperation agreements with other Member States entered into for the purposes of combating fraud and error; (4) the steps taken, in the field of benefits in kind, to promote compliance with the coordination rules by institutions and healthcare providers and to provide information to citizens; (5) best practices, lessons learned and issues or concerns (including with regard to privacy and data protection) when dealing with cross-border cooperation and information exchange; and, finally, (6) examples of or proposals or suggestions for measures to improve the overall tackling of fraud and error in the field of social security coordination. These topics are based on Annex I to Decision H5, ‘Matters to be covered, inter alia, in annual reports from the Member States on fraud and error’.

Figure 6. Number of reporting Member States (qualitative information included)



Sources: [Fraud and error reports](#), and authors' own calculations.

Figure 7. Share of fraud and error cases on overall number of fraud and error cases (%)



Source: [Fraud and error reports](#), and authors' own calculations.

The prevalence of fraud and error in social security coordination appears to be low, except in a few Member States (see Annex 1, case study B). The question of the magnitude of fraud and error in Member States is partially assessed by the share of fraud and error cases among the overall number of cross-border cases. It remains below 1 % for the majority of Member States reporting on applicable legislation and social security benefits and up to 2 % for cross-border healthcare (Fraud and error reports, 2016–2022) ⁽²⁴⁾. This may support the idea that fraud and errors are not significant in this area, but also that detection and monitoring of social security fraud and errors are inadequate due to their lower priority or Member States' limited resources (ELA, 2025; see Chapter 5 reflecting on this topic). However, some Member States reported relatively high shares of fraud and error cases in cross-border healthcare, unemployment benefits and family benefits (Table 1).

Even with a high share of fraud and error cases, the absolute number of cases is relatively low. Some anomalies can be found in cross-border healthcare due to the rejection of invoices. In addition, some Member States experience a higher share of fraud or error across the overall number of family benefit exports (Table 1; see also Annex 1, case study B). However, while the high share may reflect low number exported social security cases, the case study remains inconclusive as far as the reasons for the high reported prevalence of fraud and error is concerned.

In the case of applicable legislation (PD A1), almost 80 % of fraud and errors are reported by two Member States at the most (either as the receiving or sending Member State) during the observed period. It is important to note that these figures do not allow us to conclude to what extent fraud and error may be a problem in EU social security coordination, as only a few Member States report any information, or to what extent the overall low number or no cases reported by some Member States may be the result of effective fraud and error prevention.

⁽²⁴⁾ Reports on fraud and error in the field of EU social security coordination (2014–2022); see <https://hiva.kuleuven.be/en/news/newsitems/Reports-on-social-security-coordination-and-intra-EU-labour-mobility-20171212>.

Table 1. Member States with the highest share of fraud and error in each social security branch

Social security branch	2020	2021	2022
Applicable legislation (PD A1) (*)	0.7 %	1.6 %	2.0 %
	BE: inappropriate use of the PD A1 as a receiving Member State (fraud); SK: withdrawal of a PD A1 (fraud)	NL: inappropriate use of the PD A1 as a receiving Member State (fraud)	BG: inappropriate use of the PD A1 as a sending Member State (fraud)
Cross-border healthcare	7.8 %	20.3 %	54.5 %
	RO: rejection of an invoice by own institutions (mostly errors)	HU: rejection of an invoice in other countries (mostly errors)	RO: rejection of an invoice in other countries (mostly errors)
Unemployment benefits	14.4 %	19.4 %	19.4 %
	CZ: inappropriate use of the PD U1 (fraud)	CZ: aggregation of periods – jobseekers not informing of paid work (fraud); institutions incorrectly confirming information and making typos; citizens providing incorrect or late information (error)	BG: aggregation of periods – PD U1 with false content; short-time employment to obtain benefits (fraud, 7.6 %); differences in information provided (fraud, 11.7 %)
Pensions	0.8 %	9.6 %	1.6 %
	CY: wrong documents (error)	MT: suspended pensions	HU: corrected decisions because of information provided (error)
Family benefits, including maternity/paternity benefits	31.0 %	53.0 %	34.8 %
	CZ: reason not reported	CZ: not informing or informing late about facts (error)	CZ: not informing or informing late about facts (error)

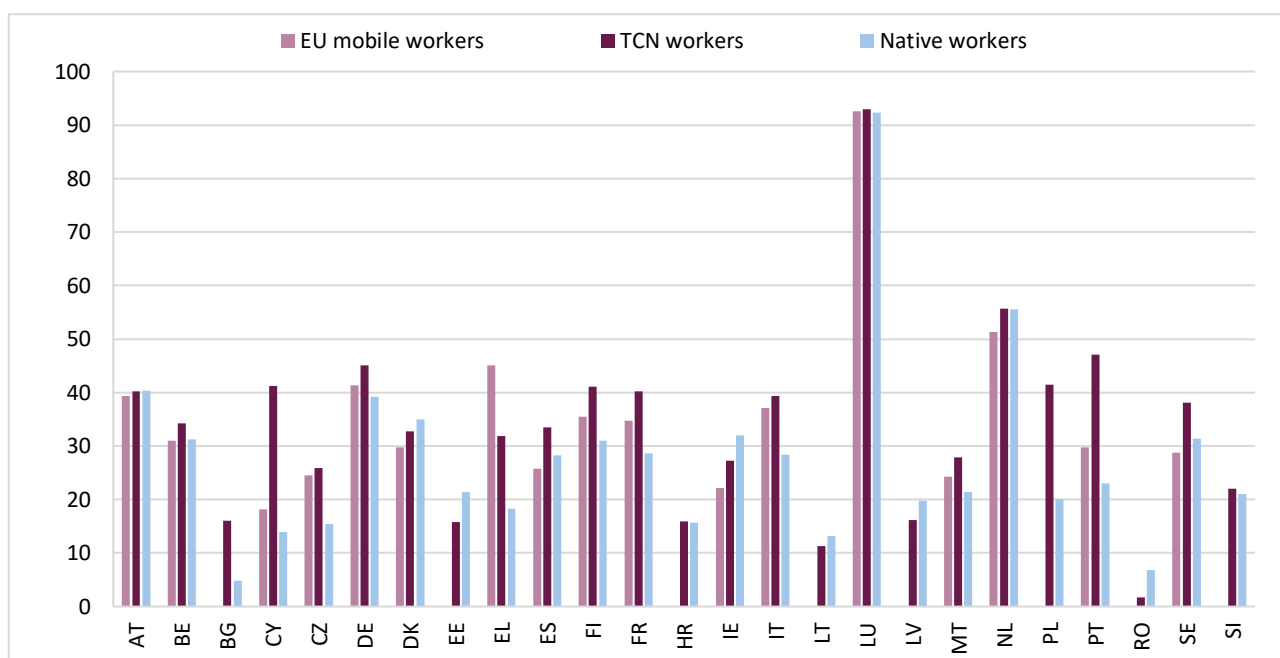
(*) Inappropriate use of the PD A1 can be encountered as a receiving or sending Member State, the difference being whether the identification of inappropriate use by an institution occurs in the receiving or sending Member State.

The subsequent chapters (3–7) of this report focus on a variety of issues related to the prevention, identification and tackling of fraud and error in cross-border situations, including approaches, patterns, tools and procedures, and cross-border cooperation. The report concludes with a chapter outlining operational conclusions. Annex 1 presents three case studies: case study A on the practical application of the possibility of withdrawing the PD A1, case study B on the detection of fraud and error in social security benefits claims in selected countries and case study C on the role of awareness of mobile citizens and companies in preventing fraud and error.

2.2. Mobile workers on non-standard contracts face a higher risk of relatively poor social security coverage

Mobile workers are more likely to be on non-standard employment contracts than native workers. Non-standard employment represents a considerable share of work in all Member States in the form of part-time or temporary contracts (European Parliament et al., 2016; European Parliament, Katsaroumpas and Koukiadaki, 2017; European Parliament, Tobsch and Eichhorst, 2017; Zwysen, 2025). Overall, non-standard employment⁽²⁵⁾ contracts are more prevalent among EU mobile workers and TCNs than among native workers (Figure 8). While non-standard employment accounts for 29 % of the total employment of native-born people, it reaches 37 % and 40 % in the case of EU mobile workers and TCN workers, respectively, for the whole of the EU. The higher share of non-standard employment among TCN workers than among the population of native workers is observed in most of the Member States for which it is possible to compare data. EU mobile workers are less likely to be employed in non-standard employment than TCN workers in almost every Member State but more likely than native workers in about half of the Member States.

Figure 8. Non-standard EU employment by Member State and category of worker, 2023 (% of workers aged 15–64)



NB: Non-standard employment includes part-time employment, temporary employment, employees with more than one job, temporary agency workers and self-employed people with only one client. Data on the number of EU mobile workers had low reliability for EL. Data on the number of EU mobile workers were unavailable due to low reliability for EE, HR, LV, HU, PL, SI and SK. There are no data for EU mobile workers for BG, LT and RO. Data on the number of TCN workers had low reliability for HR. Data on the number of TCN workers were unavailable due to low reliability for HU and SK. As only data for native workers were available for HU and SK, these countries are not presented on the graph.

Source: Based on EU Labour Force Survey 2023 and authors' own calculations, excluding sector O – Public administration and defence; compulsory social security.

Workers on non-standard contracts are typically at risk of not being covered by social security (European Parliament, Tobsch and Eichhorst, 2017). This is because certain non-standard employment contracts are not

⁽²⁵⁾ Despite the growth of interest in non-standard employment, there is not yet a universally accepted definition of it. Nevertheless, there seems to be wide consensus that it covers three (partially overlapping) types of work: part-time jobs, fixed-term or temporary contracts, and self-employment (OECD, 2015; International Labour Office, 2016; and European Commission, *Recovery Procedures: Statistical data applicable to reference year 2022*, Publications Office of the European Union, Luxembourg, 2023, <https://ec.europa.eu/social/BlobServlet?docId=27424&langId=en>).

covered or only partly covered in some Member States, usually due to insufficient periods of employment (Matsaganis et al., 2016). Non-standard contracts also limit workers' ability to qualify for national insurance schemes because such contracts often do not allow workers to either work enough hours or earn enough to be covered by national social insurance (Ratti et al., 2024). At the same time, being self-employed is associated with lower access to some social security benefits due to the absence of schemes or only voluntary schemes, and misclassification of workers as bogus self-employed (Matsaganis et al., 2016; Spasova et al., 2017, 2019, 2021; Jorens, 2023; Eurofound, 2024).

Labour mobility, then, increases the risk of non-coverage: mobile workers in non-standard employment are thus characterised by lower social security coverage than non-mobile workers (Caldarini, Giubboni and McKay, 2014; Rasnača, 2020). Therefore, mobile workers in different types of non-standard employment may face not only the question of which is their country of insurance but also whether they are covered by social security when moving across borders (Caldarini, 2022). The complexity of and differences in social security among the Member States can have negative consequences when applying the principles of aggregation of periods or exportability of benefits for these workers (Strban et al., 2020; Mišić and Strban, 2024). The coordination regulation makes a distinction between two standard forms of mobile work only – employment and self-employment (Schoukens, 2019) ⁽²⁶⁾. At the same time, Member States apply different criteria for assessing entitlement to social security benefits: labour mobility thus may complicate the aggregation of periods needed for a worker to qualify for benefits.

Our analysis of eligibility rules ⁽²⁷⁾ confirms that mobile workers in non-standard employment ⁽²⁸⁾ are at higher risk of not being covered by social security than non-mobile workers. In the analysis, we take into account unemployment and sickness benefits, as these two benefits can be considered the most universal ones, that is, they should be applicable to any worker (see Box 1 – Methodology for calculating the share of workers at risk of not being entitled to unemployment and/or sickness benefits).

Unemployment benefits

In 2023, the estimated share of all workers aged 15–64 at risk of not being entitled to unemployment benefits was particularly high in Greece, Portugal and Italy (above 20 %; see Figure 9), and much lower in Romania and Luxembourg (below 2 %; see Figure 9) ⁽²⁹⁾. The workers who fell into the 'at risk' category were those who did not qualify for the relevant benefit either because they had not accumulated enough contribution periods, were too young to be eligible, or were self-employed in a country where the self-employed are not mandatorily covered by unemployment insurance in line with the policy rules in place in 2023. In the 11 Member States with a higher than 10 % share of workers at risk ⁽³⁰⁾, predominantly male workers were at risk (EL, PT, IT, BE, NL, PL, EE, LV, LT, BG and CY). This is driven by the fact that, in most of these countries, self-employed workers (who are predominantly men) are not covered by unemployment insurance ⁽³¹⁾. In the remaining countries, the share of workers at risk of not being entitled to unemployment benefits was lower than 10 %, and the proportion of male and female workers at risk was similar (Figure 9).

⁽²⁶⁾ If the special category of civil servants is not counted.

⁽²⁷⁾ The analysis is based on the most recent 2023 EU Labour Force Survey microdata. As this wave does not include information on workers' income, the analysis of the eligibility conditions is necessarily limited to analysing the contributory periods, age conditions and other specific conditions that could be checked based on the above-mentioned data. For more details on the methodology see Box 1 at the end of the section.

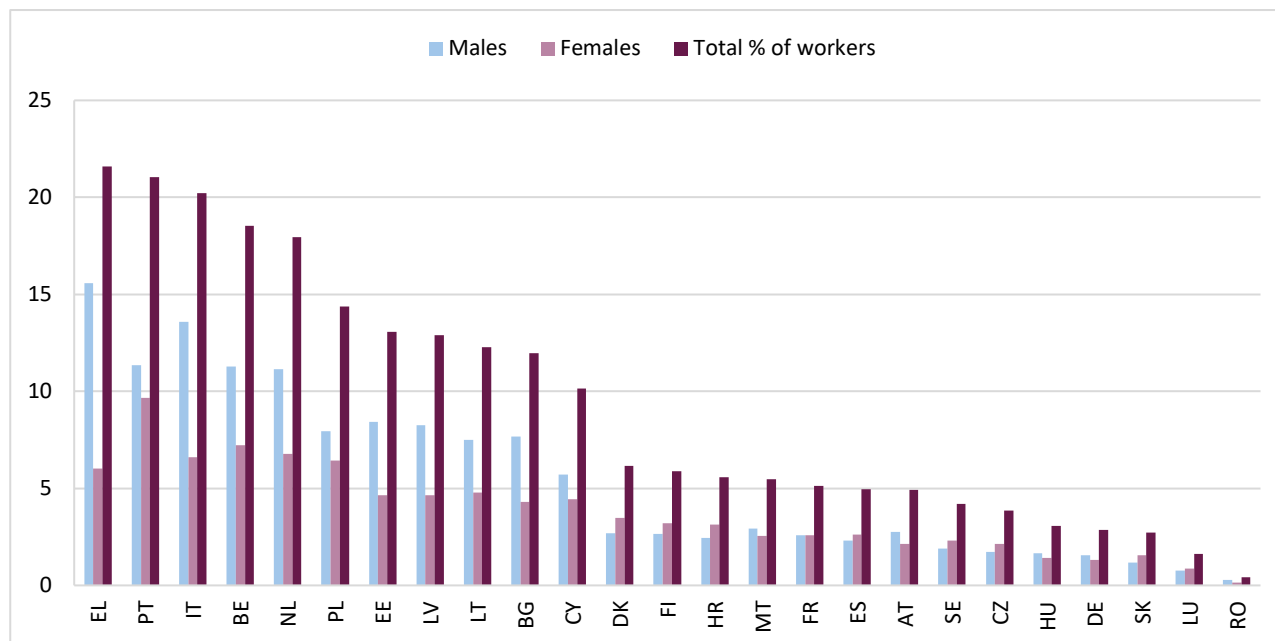
⁽²⁸⁾ Non-standard employment is related to the concept of work precarity. Workers with precarious contracts often face greater job uncertainty and/or limited social protection – see, for example, Zwysen (2025).

⁽²⁹⁾ In 2023 there were no workers at risk (unemployment benefits) in Slovenia, in line with the 2023 policy rules and the assumptions made in the analysis.

⁽³⁰⁾ Matsaganis et al. (2016), using the EU Labour Force Survey data for 2014, identified 14 Member States with a higher than 10 % share of workers at risk (unemployment benefits).

⁽³¹⁾ There are a few exceptions. In line with the applicable rules, as of 1 January 2023, in Poland self-employed people are covered by the mandatory unemployment scheme, in Greece there is a separate scheme for the self-employed and in Portugal some categories of self-employed workers are covered – see Table 4.

Figure 9. Proportion of workers aged 15–64 at risk of not being entitled to unemployment benefits by Member State and sex, 2023 (%)



NB: IE and SI showed no workers at risk based on the applied criteria.

Source: Authors' own calculation based on Mutual Information System on Social Protection 2023 tables and Eurostat EU Labour Force Survey 2023 microdata.

As EU mobile workers in non-standard employment are more prevalent than native workers in non-standard employment in about half of the Member States (as noted above), EU mobile workers are often more at risk of benefits non-coverage than native workers. EU mobile workers were more at risk of not being entitled to unemployment benefits than native workers in eight Member States for which relevant data were available (PT, NL, BE, CZ, MT, FR, AT and DE; see Figure 10) ⁽³²⁾. In four of these Member States the difference between the proportion of EU mobile workers at risk and the proportion of native workers at risk exceeded 2 percentage points (pp) (CZ, DE, MT and PT) ⁽³³⁾. In Portugal, such difference exceeded 4 pp (Figure 10).

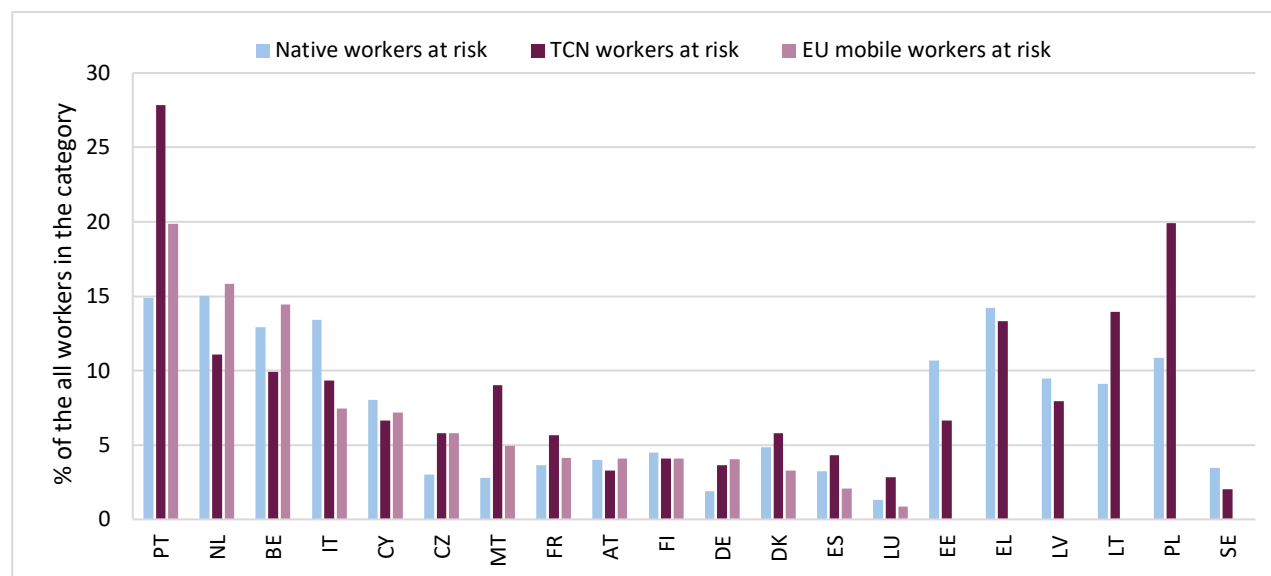
TCN workers were even more at risk of not being entitled to unemployment benefits in 2023 relative to native workers in 10 Member States (CZ, DK, DE, ES, FR, LT, LU, MT, PL and PT; see Figure 10) ⁽³⁴⁾. In five Member States (CZ, LT, MT, PL and PT), the difference between the proportion of TCN mobile workers at risk and the proportion of native workers at risk exceeded 2 pp. In Portugal, the difference between the proportion of TCN workers at risk and the proportion of native workers at risk exceeded 10 pp (Figure 10).

⁽³²⁾ In another eight Member States, 2023 data on the number of EU mobile workers at risk were unavailable due to low reliability (EE, EL, LV, LT, HU, PL, SK and SE). In FR, NL and AT, the proportion of EU mobile workers at risk (unemployment benefits) was only marginally higher than the proportion of native workers.

⁽³³⁾ The 2023 data on the number of EU mobile workers at risk (unemployment benefits) had low reliability for CZ, FR, MT, PT and FI.

⁽³⁴⁾ The 2023 data on the number of TCN workers at risk (unemployment benefits) for LT had low reliability; data on the number of TCN workers at risk were unavailable due to low reliability in BG, HU and SK.

Figure 10. Proportion of workers aged 15–64 at risk of not being entitled to unemployment benefits by Member State and category of worker, 2023 (%)



NB: Data on the number of TCN migrants at risk were unavailable due to low reliability for BG, HU and SK. Data on the number of EU mobile workers at risk were unavailable due to low reliability for EE, EL, LV, LT, HU, PL, SK and SE. Data on the number of TCN migrants at risk had low reliability for LT. Data on the number of EU mobile workers at risk had low reliability for CZ, FR, MT, PT and FI. IE and SI had no workers at risk based on the applied criteria.

Source: Authors' own calculation based on Mutual Information System on Social Protection 2023 tables and Eurostat EU Labour Force Survey 2023 microdata; the data are sorted in line with the proportion of EU mobile workers at risk.

In the general population, self-employed people accounted for at least 60 % of those at risk of not being entitled to unemployment benefits in 11 of the 27 Member States ⁽³⁵⁾, and in nine of those countries the share was more than 80 % (BG, EE, EL, IT, CY, LV, LT, NL and RO; see Table 2).

With some exceptions, mobile (both EU and TCN) self-employed and temporary full-time workers at risk of not being entitled to unemployment benefits accounted for less than 10 % of all workers at risk, based on 2023 data ⁽³⁶⁾. One exception was Malta, where EU mobile temporary full-time workers at risk accounted for 11.1 % and TCN workers for 46.1 % of all workers at risk. In Luxembourg, EU mobile workers at risk constituted 21.7 % of all workers at risk and TCN workers at risk constituted 15.4 % of all workers at risk ⁽³⁷⁾. Temporary part-time mobile workers at risk of not being entitled to unemployment benefits in all Member States constituted less than 5 % of the total workers at risk, with the exception of Luxembourg (16 %), Germany (13 %) and Austria (7 %) ⁽³⁸⁾.

Looking at the mobile workers at risk of not being entitled to unemployment benefits in terms of their type of employment, a high share (i.e. more than 60 %) of EU mobile workers at risk were self-employed (BE, IT, CY, NL and PT). In several countries a high share (i.e. more than 60 %) of TCN workers at risk were also self-employed (EE, EL, IT, CY, LV, LT and NL) ⁽³⁹⁾. Temporary full-time mobile (both EU and TCN) workers at risk constituted more than 60 % of mobile workers at risk in Czechia, Spain, France, Luxembourg, Malta and

⁽³⁵⁾ Based on the applied criteria and the 2023 EU Labour Force Survey data, no workers at risk (unemployment benefits) were identified in two Member States, namely Ireland and Slovenia.

⁽³⁶⁾ The exception was Cyprus, where self-employed TCN workers at risk (unemployment benefits) accounted for 11.8 % of workers at risk regarding that benefit in 2023.

⁽³⁷⁾ In the general population (i.e. native and mobile workers), temporary full-time workers accounted for more than 60 % of workers at risk (unemployment benefits) in CZ, ES, FR, HR, HU, MT and SK in 2023 – see Table 2.

⁽³⁸⁾ In the general population, the overall share of temporary part-time workers at risk (unemployment benefits) in the Member States was also lower than in the case of full-time temporary workers. Temporary part-time workers constituted more than 30 % of the workers in the following countries: CZ, DK, DE, ES, LU and SE – see Table 2.

⁽³⁹⁾ The 2023 data on the number of self-employed TCN and EU mobile workers at risk for Lithuania and Portugal had low reliability.

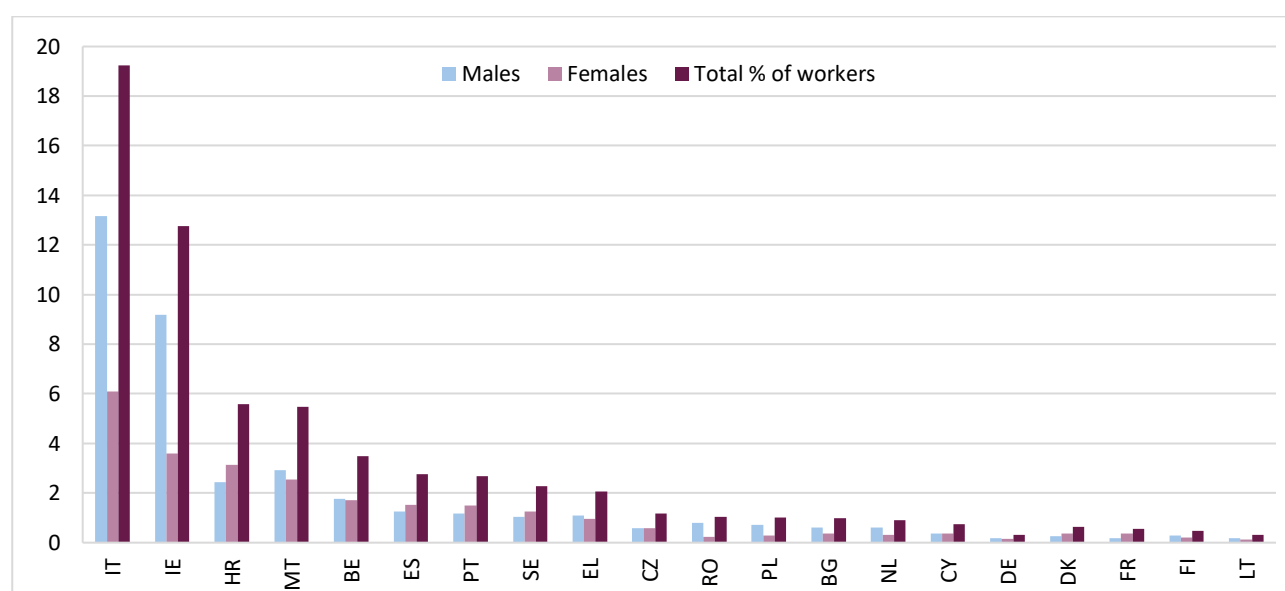
Poland, while temporary part-time workers at risk constituted a lower share of all mobile workers at risk, that is, below 30 % (except for DK, DE and AT).

Sickness benefits

The share of workers at risk of not being entitled to sickness benefits ⁽⁴⁰⁾ was, overall, smaller than the share of those at risk of not being entitled to unemployment benefits in 2023. This can be partially explained by the fact that in most Member States self-employed workers were covered by a sickness insurance scheme similarly to employees, while, in the case of unemployment benefit entitlement, self-employed people had similar rights to coverage as employees in only about half of the Member States (see Table 4). The share of workers at risk of not being entitled to sickness benefits in 2023 was particularly high in Italy (19.3 %) and Ireland (12.8 %), in comparison with around 0.3 % in Germany and Lithuania (Figure 11). In Italy and Ireland, the high share of workers at risk of not being entitled to sickness benefits is associated with the high share of self-employed people among workers at risk. In these Member States, self-employed people were not covered by sickness insurance as of January 2023 (see Table 4). In Italy, self-employed people at risk constituted 19.3 % of workers aged 15–64 in 2023, and at the same time self-employment was the only employment type among workers at risk of not being entitled to sickness benefits. Similarly, in Ireland the share of self-employed people at risk also heavily influenced the overall share of workers at risk, with self-employed people at risk constituting 11.4 % of workers aged 15–64 (and 89.1 % of all workers at risk) in 2023 (see Table 2).

In several countries, the share of workers aged 15–64 at risk of not being entitled to sickness benefits was below 1 % (BG, NL, CY, DE, DK, FR, FI and LT; see Figure 11) ⁽⁴¹⁾. The countries with the lowest share of workers at risk were those where self-employed workers have similar entitlement rights to sickness benefits to employees (see Table 4). Regarding the gender of workers at risk, in the two countries with the highest numbers of workers at risk (IT and IE), they were mostly males, while in the other Member States the gender difference among workers at risk was much smaller (Figure 11).

Figure 11. Proportion of workers aged 15–64 at risk of not being entitled to sickness benefits by Member State and sex, 2023 (%)



⁽⁴⁰⁾ The analysis takes into account only sickness benefits in cash.

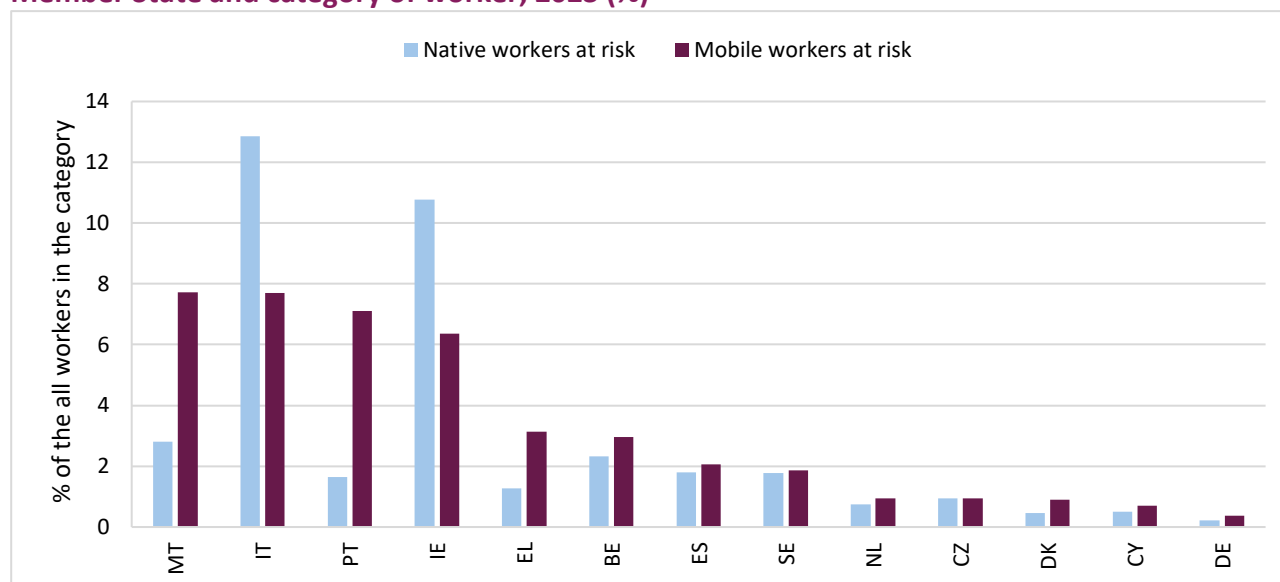
⁽⁴¹⁾ In 2023, based on the policy rules and the assumptions made in the analysis, in seven Member States (EE, LV, LU, HU, AT, SI and SK) there were no workers at risk (sickness benefits).

NB: Data on the number of females at risk had low reliability for BG and LT and data on the number of males at risk had low reliability for LT. EE, LV, LU, HU, AT, SI and SK had no workers at risk based on the applied criteria.

Source: Authors' own calculations based on Eurostat EU Labour Force Survey 2023 microdata.

Since self-employed people are covered by sickness insurance in most Member States, the number of both mobile and non-mobile workers at risk of non-coverage is, overall, lower than the number of these workers at risk of non-coverage in terms of unemployment benefits. The analysis showed that no mobile and native workers were at risk of not being entitled to sickness benefits in 2023 in seven countries (EE, LV, LU, HU, AT, SI and SK). In another 10 Member States, mobile workers (EU and TCN) were more at risk than native workers in 2023 (MT, PT, EL, BE, ES, SE, NL, DK, CY and DE; see Figure 12) ⁽⁴²⁾; however, the proportion of mobile workers at risk was overall lower than in the case of unemployment benefits ⁽⁴³⁾. The proportion of (EU and TCN) mobile workers at risk among all workers at risk of not being entitled to sickness benefits was the highest in Malta (60 %) and Cyprus (32 %) ⁽⁴⁴⁾. In another two Member States the proportion was also quite high (Germany, at 27 %, and Portugal, at 22 %; see Figure 12) ⁽⁴⁵⁾.

Figure 12. Proportion of workers aged 15–64 at risk of not being entitled to sickness benefits by Member State and category of worker, 2023 (%)



NB: Data on the number of mobile workers at risk were unavailable due to low reliability for FR and PL. Data on the number of mobile workers at risk had low reliability for CZ, DK, DE and CY. EE, LV, LU, HU, AT, SI and SK had no workers at risk based on applied criteria. Mobile workers on this graph are both EU mobile and TCN workers.

Source: Authors' own calculation based on Mutual Information System on Social Protection 2023 tables and Eurostat EU Labour Force Survey 2023 microdata; the data have been sorted in line with the proportion of mobile workers at risk.

For the mobile workers at risk of not being entitled to sickness benefits, the most prevailing form of employment was full-time temporary contract. In several Member States, the proportion of full-time temporary mobile workers accounted for more than 10 % of workers at risk (ES, CY, MT and PT). In Malta, the share of full-time temporary mobile workers constituted 57.2 % of all workers at risk. Yet, in the general population, the share of temporary full-time workers was considerably higher, accounting for more than 60 % of workers at risk in Greece, Spain, Croatia, Cyprus, Lithuania, Malta, Portugal and Romania.

⁽⁴²⁾ In some of these Member States the difference between the number of mobile and native workers at risk was negligible, however.

⁽⁴³⁾ The 2023 data on the number of mobile workers at risk had low reliability for CZ, DK and CY.

⁽⁴⁴⁾ The 2023 data on the number of mobile workers for Cyprus had low reliability.

⁽⁴⁵⁾ In the remaining nine Member States that showed mobile workers at risk, the proportion was below 20 %. The 2023 data on the number of mobile workers for Germany had low reliability.

While in the general population self-employed people accounted for at least 60 % of workers at risk of not being entitled to sickness benefits, in seven Member States (BG, CZ, IE, IT, NL, AT and PL; see Table 2) mobile self-employed workers constituted less than 10 % of workers at risk, except for Ireland (11.9 %) and the Netherlands (11.0 %). Mobile workers on part-time temporary contracts constituted less than 10 % of all workers at risk in the three countries that showed non-zero values ⁽⁴⁶⁾.

Looking at the mobile workers at risk of not being entitled to sickness benefits in terms of their type of employment, they were mostly full-time or part-time temporary workers. A high share (i.e. more than 60 %) of mobile workers at risk were full-time temporary workers in Malta (96 %), Portugal (88 %), Spain (63 %) and Greece (62 %) ⁽⁴⁷⁾. In Belgium, Spain and Sweden, more than 30 % of mobile workers at risk were part-time temporary workers ⁽⁴⁸⁾. In contrast, in Czechia, Italy and the Netherlands, all mobile workers identified as at risk were self-employed ⁽⁴⁹⁾, and in Ireland the great majority of mobile workers at risk were self-employed (96 %).

Table 2. Distribution of workers aged 15–64 at risk by type of contract (%), 2023

	Unemployment benefits						Sickness benefits (*)					
	% total of those at risk			% total employed aged 15–64			% total of those at risk			% total employed aged 15–64		
	Temp. FT	Temp. PT	Self-employed	Temp. FT	Temp. PT	Self-employed	Temp. FT	Temp. PT	Self-employed	Temp. FT	Temp. PT	Self-employed
AT	32.9	23.9	43.2	1.6	1.2	2.1	0.0	0.0	0.0	0.0	0.0	0.0
BE	17.8	8.8	73.3	3.3	1.6	13.6	40.4	59.6	0.0	1.4	2.1	0.0
BG	9.9	—	88.9	1.2	—	10.6	30.8	—	61.4	0.3	—	0.6
CY	5.5	1.8	92.7	0.6	0.2	9.4	75.6	24.4	0.0	0.6	0.2	0.0
CZ	67.3	32.7	0.0	2.6	1.3	0.0	0.0	0.0	100.0	0.0	0.0	1.2
DE	40.8	44.7	14.5	1.2	1.3	0.4	49.4	50.6	0.0	0.2	0.2	0.0
DK	25.9	39.5	—	1.6	2.4	—	14.7	85.3	0.0	0.1	0.5	0.0
EE	11.9	5.9	82.1	1.6	0.8	10.7	0.0	0.0	0.0	0.0	0.0	0.0
EL	6.6	2.9	90.5	1.4	0.6	19.5	69.3	30.7	0.0	1.4	0.6	0.0
ES	69.4	30.5	0.0	3.4	1.5	0.0	66.0	34.0	0.0	1.8	0.9	0.0
FI	59.3	26.6	—	3.5	1.6	—	0.0	55.8	0.0	0.0	0.3	0.0
FR	72.6	27.4	0.0	3.7	1.4	0.0	0.0	100.0	0.0	0.0	0.6	0.0
HR	89.0	11.0	0.0	5.0	0.6	0.0	89.0	11.0	0.0	5.0	0.6	0.0
HU	81.5	18.5	0.0	2.5	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.9	89.1	0.0	1.4	11.4
IT	2.7	2.0	95.3	0.5	0.4	19.3	0.0	0.0	100.0	0.0	0.0	19.3
LT	8.0	1.4	90.5	1.0	0.2	11.1	81.8	—	0.0	0.3	—	0.0
LU	56.1	43.9	0.0	0.9	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LV	10.0	2.2	87.9	1.3	0.3	11.3	0.0	0.0	0.0	0.0	0.0	0.0
MT	79.7	20.3	0.0	4.4	1.1	0.0	79.7	20.3	0.0	4.4	1.1	0.0
NL	6.1	10.1	83.8	1.1	1.8	15.0	0.0	0.0	100.0	0.0	0.0	0.9
PL	46.8	12.4	40.8	6.7	1.8	5.9	7.3	11.8	80.9	0.1	0.1	0.8
PT	32.0	7.2	60.8	6.7	1.5	12.8	73.7	26.3	0.0	2.0	0.7	0.0
RO	0.0	0.0	100.0	0.0	0.0	0.4	97.7	—	0.0	1.0	—	0.0
SE	32.9	47.6	—	1.4	2.0	—	51.3	48.7	0.0	1.2	1.1	0.0

⁽⁴⁶⁾ In the general population (i.e. mobile and non-mobile workers) in Denmark and France, temporary part-time workers constituted a very high share of the overall number of workers at risk. This was related to the requirement to work a minimum number of hours to be entitled to sickness benefit, a condition that temporary part-time workers were unable to meet.

⁽⁴⁷⁾ The 2023 data on the number of temporary full-time mobile workers at risk had low reliability for Greece.

⁽⁴⁸⁾ In Sweden, the 2023 data on the number of part-time mobile workers at risk (sickness benefits) had low reliability.

⁽⁴⁹⁾ For Czechia, the 2023 data on the number of self-employed mobile workers at risk had low reliability.

SI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SK	71.2	28.8	0.0	1.9	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0

(*) The analysis takes into account only sickness benefits in cash.

NB: 'Temp. FT' stands for 'temporary full-time' and 'Temp. PT' stands for 'temporary part-time'. Unemployment benefits: HR, CY and LT data on temporary part-time workers had low reliability. Sickness benefit: BG, DK, LT and PL data on temporary full-time workers had low reliability, and HR, CY and PL data on temporary part-time workers had low reliability. The '—' sign means that the reliability of the data is too low for them to be published.

Source: Authors' own calculations based on EU Labour Force Survey 2023 microdata.

While the proportion of all workers at risk of non-coverage regarding both unemployment and sickness benefits has decreased in 20 Member States compared with a decade ago, the proportion of mobile workers at risk regarding unemployment benefits in particular has increased in nine Member States. Table 3 compares the calculated share of workers at risk regarding both types of benefits in the Member States in 2013 and 2023 for the general population (left panel of Table 3) and for mobile workers (right panel of Table 3) ⁽⁵⁰⁾. For the general population, the share of workers at risk (unemployment benefits) was lower in 2023 than in 2013 in 20 Member States (Table 3, panel (a), left-hand side), while in the case of mobile workers the situation improved in only six Member States (Table 3, panel (a), right-hand side). The share of mobile workers at risk (unemployment benefits) was greater in 2023 than in 2013 in nine Member States, while for the general population (i.e. both mobile and non-mobile workers) the share of workers at risk (unemployment benefits) was greater in 2023 than in 2013 in four Member States (BE, EE, MT and NL). At the same time, in 2023 considerably fewer mobile workers were at risk (unemployment benefits) in Spain and Greece than in 2013.

In the case of sickness benefits, the situation of mobile and non-mobile workers was already quite favourable in 2013, with seven Member States showing no workers at risk (EE, LV, LU, HU, AT, SI and SK). In the case of the remaining countries, in 11 Member States the share of workers at risk (sickness benefits) was lower in 2023 than in 2013 ⁽⁵¹⁾, whereas in eight Member States the share of workers at risk in 2023 was greater than in 2013 ⁽⁵²⁾ (Table 3, panel (b), left-hand side). The situation of mobile workers at risk regarding entitlement to sickness benefits has improved overall, especially in Spain (Table 3, panel (b), right-hand side).

Table 3. Share of workers at risk of not being entitled to unemployment and sickness benefits by Member State (%), 2013 and 2023

	All workers (% workers aged 15–64)			Mobile workers (% workers aged 15–64)		
Country	2013	2023	Change (pp)	2013	2023	Change (pp)
(a) Unemployment benefits						
PT	29.9	21.0	– 8.9	1.1	2.2	1.1
CY	17.2	10.2	– 7.1	2.5	2.3	– 0.2
HU	9.1	3.1	– 6.0	0.1	—	—
EL	27.2	21.6	– 5.6	1.3	0.8	– 0.5
PL	19.8	14.4	– 5.4	0.0	0.4	0.3
ES	10.1	5.0	– 5.1	1.9	0.8	– 1.0
IT	24.2	20.2	– 4.0	1.5	1.4	– 0.1
BG	15.0	12.0	– 3.1	—	—	—
DE	5.2	2.8	– 2.3	0.8	0.9	0.1
SE	6.4	4.2	– 2.2	0.4	0.2	– 0.2
HR	7.6	5.6	– 2.0	0.0	0.0	0.0
SK	4.0	2.7	– 1.3	—	—	—
AT	6.2	4.9	– 1.3	0.8	1.1	0.3

⁽⁵⁰⁾ The numbers in Table 3 should be interpreted with caution, as they reflect both the changes in the entitlement rules for both types of insurance and the changes in the number and characteristics of workers in the underlying microdata.

⁽⁵¹⁾ In Germany only marginally lower.

⁽⁵²⁾ In France only marginally greater.

FR	6.1	5.1	– 1.0	0.6	0.6	0.0
LV	13.7	12.9	– 0.8	1.4	1.3	– 0.2
LT	12.7	12.3	– 0.5	—	0.3	—
DK	6.6	6.2	– 0.4	0.5	0.5	0.0
FI	6.3	5.9	– 0.4	0.2	0.4	0.2
LU	1.7	1.6	– 0.1	0.8	0.9	0.0
CZ	3.9	3.9	– 0.1	0.1	0.3	0.2
IE	0.0	0.0	0.0	0.0	0.0	0.0
SI	0.0	0.0	0.0	0.0	0.0	0.0
RO	—	0.4	—	—	0.0	—
BE	18.0	18.5	0.6	2.2	2.8	0.6
MT	4.4	5.5	1.0	0.4	3.3	2.9
NL	16.0	17.9	1.9	0.8	1.5	0.7
EE	11.1	13.1	1.9	1.3	1.3	0.0
(b) Sickness benefits						
PT	7.3	2.7	– 4.6	0.5	0.6	0.1
ES	7.0	2.8	– 4.3	1.3	0.5	– 0.8
SE	6.5	2.3	– 4.2	0.5	0.2	– 0.3
IT	22.4	19.3	– 3.1	1.2	1.3	0.0
IE	15.5	12.8	– 2.7	1.4	1.6	0.2
HR	7.6	5.6	– 2.0	0.0	0.0	0.0
CY	2.4	0.7	– 1.7	0.5	0.2	– 0.3
BG	2.6	1.0	– 1.6	0.0	0.0	0.0
EL	3.0	2.1	– 1.0	0.6	0.2	– 0.4
LT	1.3	0.3	– 0.9	—	0.0	—
DE	0.4	0.3	– 0.1	0.1	0.1	0.0
BE	3.5	3.5	0.0	0.5	0.6	0.1
AT	0.0	0.0	0.0	0.0	0.0	0.0
EE	0.0	0.0	0.0	0.0	0.0	0.0
HU	0.0	0.0	0.0	0.0	0.0	0.0
LU	0.0	0.0	0.0	0.0	0.0	0.0
LV	0.0	0.0	0.0	0.0	0.0	0.0
SI	0.0	0.0	0.0	0.0	0.0	0.0
SK	0.0	0.0	0.0	0.0	0.0	0.0
FR	0.4	0.6	0.1	—	—	—
FI	0.2	0.5	0.3	0.0	0.0	0.0
DK	0.4	0.6	0.3	—	0.1	—
PL	0.6	1.0	0.4	—	—	—
RO	0.5	1.0	0.6	0.0	0.0	0.0
NL	0.0	0.9	0.9	0.0	0.1	0.1
MT	4.4	5.5	1.0	0.4	3.3	2.9
CZ	0.0	1.2	1.2	0.0	0.1	0.1

NB: The numbers presented in the table reflect both the changes in the entitlement rules for both types of benefits and the changes in the number and characteristics of workers in the underlying microdata. 2013 data on the number of mobile workers at risk (unemployment benefits) had low reliability for CZ, MT, PL and FI; 2023 data on the number of mobile workers at risk (unemployment benefits) had low reliability for LT; 2013 data on the number of mobile workers at risk (sickness benefits) had low reliability for MT; and 2023 data on the number of mobile workers at risk (sickness benefits) had low reliability for CZ, DK, DE and CY. The '—' sign means that the reliability of the data was too low for them to be published.

Source: Authors' own calculation based on 2013 and 2023 EU Labour Force Survey data.

Box 1. Methodology for calculating the share of workers at risk of not being entitled to unemployment and/or sickness benefits

To calculate the share of workers aged 15–64 at risk of not being entitled to unemployment and sickness benefits in the Member States, the country-specific rules for benefits were applied to EU Labour Force Survey (EU-LFS) data, accounting for type of contract and workers' characteristics. The methodology is similar to that employed by Matsaganis et al. (2016), but there are several differences. First, as the focus group of workers here is mobile workers, we excluded family workers from our analysis. Second, we accounted for two benefit types, namely unemployment benefits and sickness benefits, as these are the most universal benefits that should be applicable to everyone. Third, we excluded retirees from our analysis. Finally, we provided a comparison of the estimated proportion of workers at risk in 2023 and 2013 to see how the situation changed over a decade.

We used the most recent EU-LFS microdata (2023), and the entitlement rules were based on the Mutual Information System on Social Protection (Missoc) tables as at January 2023⁽⁵³⁾. This means that, if there have been changes in the relevant national legislation since 1 January 2023, they have not been accounted for in the analysis.

The analysis here focused on cash benefits and on those that are contributory. Regarding unemployment benefits, in several Member States there are other types of unemployment assistance benefits that are means tested; however, they have not been taken into account in the analysis, as it was impossible to check the income category based on the EU-LFS 2023 microdata. The results of the analysis were driven by the assumptions made and should be interpreted bearing in mind these assumptions.

In most Member States, eligibility for unemployment benefits (and in some cases for sickness benefits) requires a minimum period of contributions (Table 4)⁽⁵⁴⁾. The minimum period concerned is combined with data on time worked in the current job and the type of contract involved. If someone has a permanent contract of employment, it is assumed that they will be able to build up enough contributions to satisfy the minimum condition for entitlement irrespective of how long they have been in work (i.e. workers on a permanent contract are not considered at risk). If a worker has a temporary contract that expires before the minimum period required for entitlement, the worker is assumed to be at risk. In the case of self-employed workers, if they are mandatorily covered⁽⁵⁵⁾, it is assumed that they will be able to meet the minimum period of contributions. If they are excluded from the mandatory system, but can be voluntarily covered, it is assumed that they will be covered, unless they are dependent self-employed (i.e. self-employed with one client)⁽⁵⁶⁾.

In addition to a minimum contribution period, in some Member States minimum age is usually another condition of entitlement. In such cases, it is assumed that workers below the minimum age are not entitled to the relevant benefit. In Sweden, to be entitled to basic unemployment benefit a person must be at least 20 years old; however, there is no minimum age regarding entitlement to voluntary income insurance. Consequently, some workers younger than 20 years are considered to be at risk of non-coverage by unemployment benefits in Sweden. In Belgium, Denmark, Poland and Finland, workers under 18 are not entitled to unemployment benefits. Thus, those in work aged 15–17 are included among those at risk. In Estonia, Ireland, Cyprus, Latvia, Luxembourg and Romania, those under 16 are not entitled to unemployment benefits. Thus, workers aged 15 are included among those at risk. In Spain and Slovakia, workers younger than 17 are not entitled to unemployment benefits and are thus considered at risk. In the case of sickness benefits, age is a qualifying factor in Ireland, Cyprus, Slovakia and Finland. In Ireland, Cyprus and Finland, workers younger than 16 are not entitled to sickness benefits and are thus considered at risk. In Slovakia, workers younger than 17 are not entitled to sickness benefits and are thus considered at risk.

In line with the legislation in place as of January 2023, in some Member States a worker must have worked a minimum number of hours to be entitled to sickness benefits (DK) or unemployment benefits (FI, SE). Consequently, workers who have not worked the minimum number of hours due to their type of contract are considered at risk. Some Member States require that a worker earns a minimum (or maximum) income to be entitled to either (or both) of the benefits.

⁽⁵³⁾ The [comparative tables](#) can be downloaded from Missoc. The analysis for 2013 uses 2013 EU-LFS data and Missoc tables as at January 2013.

⁽⁵⁴⁾ In some countries the minimum period of contributions is lower for younger workers. This is also accounted for in the analysis.

⁽⁵⁵⁾ Table 4 summarises in which countries self-employed people are included in unemployment or sickness insurance schemes (mandatory or voluntary coverage).

⁽⁵⁶⁾ Self-employed with one main client is a proxy for bogus self-employment – see, for example, Zwysen (2025). As this form of employment is often considered precarious, we assume these workers were probably not insured.

Unfortunately, as the EU-LFS 2023 microdata do not include data on income, this condition was not taken into account in the analysis.

In Poland, farmers are not covered by the mandatory sickness and unemployment insurance. In Greece, farmers are not covered by the mandatory unemployment insurance. In Cyprus, farmers under 16 are not covered by the mandatory sickness insurance. In Greece, there is a specific unemployment insurance scheme for self-employed craftspeople, media personnel and members of the liberal professions (e.g. lawyers, engineers, doctors). It is assumed that self-employed workers with tertiary-level education represent a reasonable proxy for those in the liberal professions (they are not counted among workers at risk). In Portugal, only some groups of self-employed people are included in the mandatory unemployment insurance scheme. However, as it was impossible to distinguish these groups from the overall self-employed group, it was assumed that all self-employed people were at risk.

In summary, since workers on (more) permanent types of contracts, self-employed people who recently started their activity and family workers are considered eligible for unemployment and/or sickness benefits, the estimates of the share of workers at risk presented here should be considered as a lower bound. In a few Member States where it was impossible to account for the minimum (or maximum) income condition, this lower-bound estimate could however be inflated with the inclusion of too many individuals among those at risk.

Table 4. Rules of coverage for unemployment and sickness insurance (*) for self-employed in Member States as of 1 January 2023

Member State	Unemployment insurance	Sickness insurance
AT	Coverage voluntary, excluding farmers	Coverage mandatory, separate scheme
BE ⁽²⁾	Self-employed not covered	Coverage mandatory, separate scheme
BG, CY, EE, LT, LV ⁽³⁾	Self-employed not covered	Coverage mandatory, general scheme
CZ	General scheme	Coverage voluntary
DE, RO, SK	Coverage voluntary	Coverage mandatory, general scheme
DK, FI, HR, HU, LU, MT, SE, SI ⁽⁴⁾	Coverage mandatory, general scheme	Coverage mandatory, general scheme
EL, ES, FR ⁽⁵⁾	Coverage mandatory, separate scheme	Coverage mandatory, separate scheme
IE	Separate scheme	Self-employed not covered
IT, NL	Self-employed not covered	Self-employed not covered
PL	General scheme (farmers not covered)	General scheme, separate scheme for
PT	Some groups of self-employed are covered	Coverage mandatory, general scheme

⁽¹⁾ We consider only benefits in cash here.

⁽²⁾ In Belgium there is a specific unemployment scheme for specific categories of self-employed; however, it was not possible to check the eligibility conditions for those categories of self-employed based on 2023 EU-LFS data.

⁽³⁾ In Lithuania only self-employed who are owners of individual enterprises, members of small partnerships and full members of partnerships have the right to unemployment benefit and are covered by the general scheme which covers employees; however, it was not possible to check the eligibility conditions for those categories of self-employed based on 2023 EU-LFS data.

⁽⁴⁾ In Luxembourg, self-employed are covered by the general scheme for sickness benefits, but the rules are different as compared to employees.

⁽⁵⁾ In France, self-employed in some industries are covered by the general sickness insurance; in Greece farmers are excluded from the mandatory unemployment scheme.

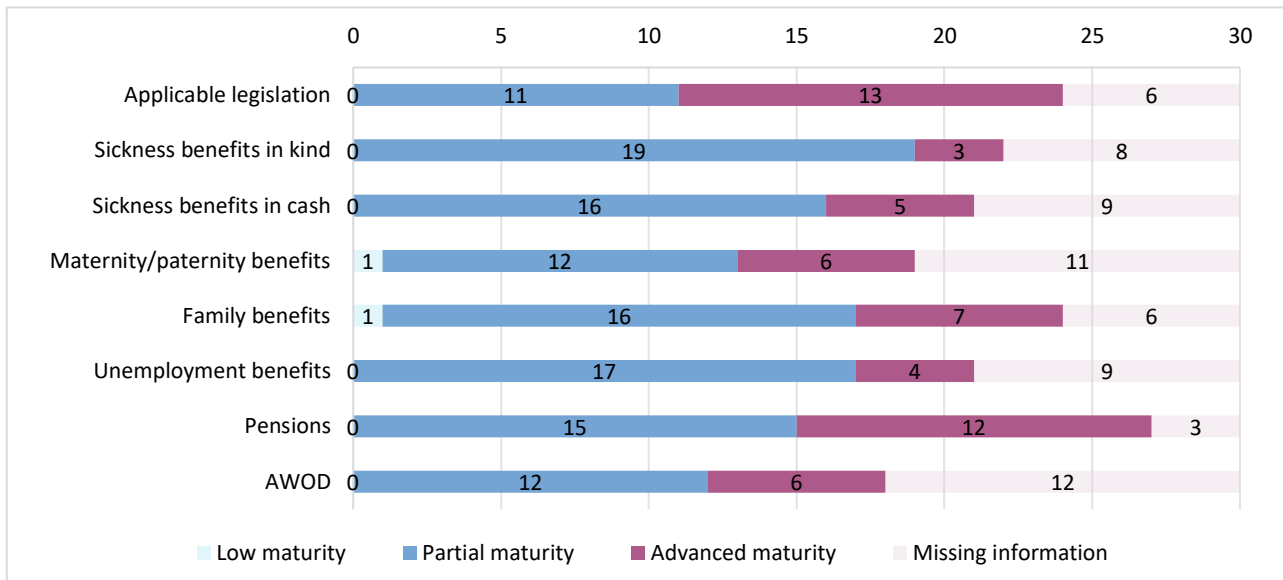
Source: Authors' own compilation based on policy rules as of January 2023 as in Missoc [comparative tables](#).

2.3. Digital tools and services can help better coordinate social security between Member States

Member States vary in terms of their progress in implementing digital tools and services aimed specifically at cross-border cases of social security coordination. At the same time, as documented in a recent assessment of digital maturity in social security coordination (ELA, 2025), most Member States have made at least partial progress in this area. There are also several Member States that have achieved advanced maturity in their national digital solutions. In addition to national tools, the exchange of information between Member States is supported by EU initiatives such as the Electronic Exchange of Social Security Information (EESSI) ⁽⁵⁷⁾, which is relevant for social security institutions.

The level of digital maturity differs by social security branch (Figure 13). Some digital solutions that are also applicable to cross-border cases have been implemented in reporting Member States in each of the social security branches. In addition, there are several countries with advanced digital tools and services; this is mostly visible in the branches of applicable legislation (PD A1) and pensions.

Figure 13. Digital maturity of cross-border digital tools and services in Member States (number of countries)



NB: AWOD, accidents at work and occupational diseases.

Source: European Labour Authority, *National cross-border digital tools and services in EU social security coordination*, Publications Office of the European Union, Luxembourg, 2025.

The level of digital maturity related to cross-border cases can be assessed using the following five dimensions (ELA, 2025).

- **Digital service / user accessibility** evaluates the functionality and user-friendliness of online tools and services for application and delivery of portable documents needed for citizens to exercise their rights in social security coordination.
- **Digital administration** focuses on institutions and their development in the area of automated processing in benefit allocation and digital communication channels with citizens.

⁽⁵⁷⁾ https://employment-social-affairs.ec.europa.eu/policies-and-activities/moving-working-europe/eu-social-security-coordination/digitalisation-social-security-coordination/electronic-exchange-social-security-information-eessi_en.

- **Systems interoperability** assesses the interoperability of national systems and databases within a Member State and between Member States (e.g. in the form of bulk data exchanges).
- **Network security and data protection** covers assessment of the robustness of security protocols for personal data protection.
- **Fraud and error detection** assesses the use and effectiveness of digital tools implemented to detect and monitor fraud and errors in cross-border social security coordination. This, together with other dimensions, mainly the interoperability of systems, is also relevant for the enforcement of social security coordination.

User accessibility of digital tools and services in social security coordination is advancing in several Member States. In principle, under the single digital gateway regulation⁽⁵⁸⁾ Member States have a legal obligation to put in place a digital entry form for requesting a PD A1. Based on the information collected, some form of online application platform for requesting a PD A1 and EHIC is available in almost all Member States. However, there is substantial underuse of similar online portals for other social security branches among Member States, for instance for granting social security benefits. In most Member States, the portals usually offer basic online information and only partially digitalised processes. For instance, they allow citizens to download PDF application forms, but postal correspondence is still also required. More advanced solutions can provide digital services with automated data pre-filling, multilingual interfaces, digital document delivery and more inclusive authentication methods.

In parallel, the use of digital document management tools is increasing in Member States, although some Member States still use traditional paper form processes. Only a few social security institutions utilise automated processing with human oversight in the approval process for social security benefits and for issuing portable documents (e.g. PDFs). In addition, there is an increasing use of digital communication with citizens through online platforms, with relevant authorities requesting additional information or providing procedural notifications to their clients.

While network security and data protection are the most advanced dimensions thanks to strong EU regulation in this area, interoperability of national systems appears to be the least advanced one. While interoperability of national systems can be observed in some Member States, cross-border interoperability of such systems is rare. However, this is mostly because EESSI⁽⁵⁹⁾ remains the most relevant tool for cross-border exchange of data, rather than interconnecting national registries. Moreover, several challenges in integrating different national databases (e.g. data security, administrative differences) increase the complexity of developing this dimension. Instead, most Member States rely on bilateral agreements that allow for bulk data exchange (ELA, 2025; Fraud and error reports, 2016–2022). To advance progress in digitalisation tools applicable in cross-border situations, the European Social Security Pass (ESSPASS)⁽⁶⁰⁾ focuses on digitalising the process of requesting and receiving entitlement documents and their real-time verification. It is designed to make it easier for individuals to exercise their social security rights, but it can also improve cooperation between Member States.

There has been a partial digital transformation in fraud and error detection, with progress varying significantly across Member States. Only a few Member States have implemented more advanced solutions (e.g. data mining and machine learning tools utilising artificial intelligence (AI)) to identify potential fraud and error in cross-border cases. Most Member States with some degree of digitalisation of social security coordination have passive forms of fraud and error detection tools (e.g. back-end checks with internal registries or cross-border data, or allowing users to update their personal data online). There are also countries with no specific

⁽⁵⁸⁾ [Regulation \(EU\) 2018/1724](#) establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services, and amending Regulation (EU) No 1024/2012.

⁽⁵⁹⁾ https://employment-social-affairs.ec.europa.eu/policies-and-activities/moving-working-europe/eu-social-security-coordination/digitalisation-social-security-coordination/electronic-exchange-social-security-information-eesi_en.

⁽⁶⁰⁾ https://employment-social-affairs.ec.europa.eu/policies-and-activities/moving-working-europe/eu-social-security-coordination/digitalisation-social-security-coordination/european-social-security-pass_en.

tools in this area because of the lower priority of these social security issues or limited resources to implement such tools.

One of the benefits of advancing digital maturity could be the impact on the reduction in the number of fraud and error cases and other issues in social security coordination. Social security institutions identify the main benefits of further digitalisation of processes and services in cross-border social security coordination as follows (ELA, 2025).

- **Enhanced efficiency and resource optimisation** can lead to faster processing times and lower internal resources required for social security cases. For instance, automating routine benefit evaluation and granting processes enables internal staff of social security institutions to focus on more complex cases.
- **Improved accuracy through data matching** can significantly reduce the number of errors in application and assessment processes. In addition, digital online platforms can help improve the quality of information provided upfront, reducing delays in portable document and benefit requests. Digitalisation of processes can increase the accuracy and comprehensiveness of case evaluations and could also be used to better target inspections.
- **Enhanced collaboration and data sharing** can promote better informed decision-making on applications, reducing the likelihood of fraudulent cases or unintentional errors.

3. Legislation on tackling fraud and error in social security coordination

This chapter in brief

- The current EU social security coordination regulations do not contain a general provision on fraud or abuse of rights, and mention fraud and abuse only once through Recital 19 of Regulation (EC) No 987/2009, which deals with the recovery of social security claims. The European Commission's proposal of 2016 to amend Regulation (EC) No 883/2004 aims to increase the focus on combating fraud and error, including amending Article 1 to include a new definition of fraud, and other changes related to procedures when there is doubt about the validity of a document or the accuracy of the facts on which it is based.
- The approach to distinguishing between fraud and error in social security coordination varies. In many countries fraud is generally defined as a deliberate act of deception aimed at unlawfully gaining social security benefits, while error is considered an unintentional mistake. No clear distinction exists in some countries, with legislation often addressing incorrect payments in general, with no specific measures for differentiating fraudulent from non-fraudulent cases. Where a distinction is made, fraud is usually prosecuted as a crime, while errors are corrected administratively.
- Separate and specific legislation to combat and/or prevent social security fraud and error within the framework of the EU regulations does not exist at the national level. The research highlighted that countries instead tackle fraud and error in social security coordination through EU-wide anti-fraud regulations, national laws (including social security legislation, legislation for each benefit area, and more general criminal, civil and administrative legislation), administrative controls and cooperation procedures. National legislation covers the coordination regulations and both national and transnational situations. Provisions in national legislation often cover definitions of social security fraud and error or specify forms of social security fraud and error, enforcement and sanctions. With the exception of a few cases identified through the research, it appears, however, that provisions concerning social security fraud and error are rarely targeted specifically at cross-border cases or contexts.
- Several countries have also implemented national legal arrangements (i.e. 'soft law' frameworks and measures) that can improve the detection and management of fraud and error in cross-border situations. Common approaches include enhancing data exchange mechanisms and cross-border cooperation, supported by digital platforms and legislative reforms aimed at addressing social security benefits.

Key challenges

- Despite progress, to date no agreement has been reached between the Council of Ministers, the European Parliament and the European Commission regarding the revision of the coordination regulations. The proposal for revision aimed to create a fair distribution of financial burden between Member States and facilitate the free movement of workers and the protection of their rights, while reinforcing the tools that national authorities can use to fight abuse and fraud.
- Some challenges that can hinder national legal arrangements (i.e. 'soft law' frameworks and measures) and therefore the detection and tackling of fraud and error in cross-border situations have been identified. These include limited awareness of fraud and error detection among personnel and the complexity of the data regulatory framework, which can further hinder data exchange.

Introduction

This chapter provides a qualitative assessment of the legislation in place to tackle fraud and error in social security coordination. Annex I to the European Commission's fraud and error report (reference year 2022) lists national legislation relevant to preventing and combating social security fraud and error within the framework of Regulation (EC) Nos 883/2004 and 987/2009 on the coordination of social security systems. To the extent possible, this chapter provides a qualitative assessment of this national legislation. This type of analysis is not included in the European Commission's fraud and error report.

The chapter firstly provides a brief overview of the EU-level social security coordination regulations. It thereafter summarises the information collected from across Member States to answer the study's research questions related to national legislation on tackling fraud and error in social security coordination. The chapter then describes countries' approach to distinguishing between fraud and error in social security coordination, provides an overview of national legislation on tackling fraud and error in social security coordination, including describing how countries with no specific national legislation to support the identification and tackling of fraud and error address these issues, and highlights examples of national legal arrangements (i.e. 'soft law' operational frameworks and measures) that can improve the detection and tackling of fraud and error in cross-border situations. It is not within the scope of the study, however, to provide an analysis of the effectiveness of the national legislation in place and how it differs in its application across countries.

3.1. Brief overview of fraud and error in the EU-level social security coordination regulations

While, as highlighted in Chapter 2, one of the main purposes of the social security coordination regulations (i.e. the 'basic' regulation, Regulation (EC) No 883/2004 ⁽⁶¹⁾, and the 'implementing' regulation, Regulation (EC) No 987/2009 ⁽⁶²⁾) is ensuring free movement, the Administrative Commission's ⁽⁶³⁾ Decision No H5 of 18 March 2010 emphasises that combating fraud and error is essential for the proper implementation of the regulations ⁽⁶⁴⁾. Furthermore, a number of relevant recommendations and decisions have been adopted by the Administrative Commission, for example on applicable legislation, recovery of social security benefits, electronic data exchange and issues with specific social security benefits ⁽⁶⁵⁾.

Regarding fraud and error, the current social security coordination regulations do not contain a general provision on fraud or abuse of rights. The regulations mention fraud and abuse only once, in Recital 19 of Regulation (EC) No 987/2009, which deals with the recovery of social security claims. Nevertheless, it can be argued that the coordination of different social security systems in itself is an important step to combat and tackle fraud and error in cross-border situations.

⁽⁶¹⁾ Council Regulation (EC) No 883/2004 of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32004R0883>.

⁽⁶²⁾ Council Regulation (EC) No 987/2009 of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems (OJ L 284, 30.10.2009, p. 1), <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32009R0987>.

⁽⁶³⁾ The Administrative Commission for the Coordination of Social Security Systems is a body established to ensure the effective implementation and management of the EU regulations concerning social security coordination.

⁽⁶⁴⁾ Administrative Commission adopted Decision No H5 of 18 March 2010 concerning cooperation on combating fraud and error within the framework of Council Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 of the European Parliament and of the Council on the coordination of social security systems (OJ C 149, 8.6.2010, p 5), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=oj:JOC_2010_149_R_0005_01.

⁽⁶⁵⁾ https://employment-social-affairs.ec.europa.eu/policies-and-activities/moving-working-europe/eu-social-security-coordination/specialised-information/official-documents_en.

The European Commission's proposal of 2016 to amend Regulation (EC) No 883/2004 aims to increase the focus on combating fraud and error ⁽⁶⁶⁾. The proposal references the Administrative Commission's Decision No H5 of 18 March 2010, which emphasises that action to combat fraud and error is essential for the proper implementation of the regulations ⁽⁶⁷⁾.

For example, the proposal amends Article 1 to include a new definition of fraud as 'any intentional act or omission to act, in order to obtain or receive social security benefits or to avoid paying social security contributions, contrary to the law of a Member State'. Article 2 is amended to allow Member States to periodically exchange personal data of individuals covered by the regulations to facilitate the identification of any fraud or error in their proper application. Moreover, provisions were added to address cooperation in cases where there are doubts about the validity of documents concerning the applicable legislation and the procedure of withdrawal and rectification of documents ⁽⁶⁸⁾.

Other changes relate to the procedures followed when there is doubt about the validity of a document or the accuracy of the facts on which it is based. The receiving institution must request clarification or withdrawal from the issuing institution, which must then withdraw or rectify the document within 25 working days, or immediately in cases of confirmed fraud. If no errors are found, supporting evidence must be provided within 25 working days ⁽⁶⁹⁾.

Despite progress, to date no agreement has been reached between the Council of Ministers, European Parliament and European Commission regarding the revision of the coordination regulations. Looking at the changes proposed in the Council working documents of 2019 ⁽⁷⁰⁾ and 2021 ⁽⁷¹⁾ on the 2016 proposal for amendment, it appears that most were focused on provisions other than those related to fraud and error. While recognising that the primary aim of the social security coordination regulations is to guarantee free movement, there seems to be scope to revisit the regulations with the aim of providing more clarity on combating fraud and error in cross-border social security coordination, especially by enhancing cooperation, improving data exchange and strengthening the principle of sincere cooperation.

3.2. Approach to distinguishing between fraud and error in social security coordination at the national level

The distinction between fraud and error in the context of social security coordination varies across countries. Fraud is generally defined as a deliberate act of deception aimed at unlawfully gaining social security benefits, while error is considered an unintentional mistake⁷². This section explores the national approaches to distinguishing fraud from error, providing examples of how these concepts are treated and highlighting common patterns in definitions and enforcement across the EU.

⁽⁶⁶⁾ See Spiegel, B., Carrascosa Bermejo, D. and Strban, G., *Assessment of the impact of amendments to the EU social security coordination rules on export of family benefits*, Publications Office of the European Union, Luxembourg, 2015, https://eur-lex.europa.eu/resource.html?uri=cellar:3aa0bc5e-c1e6-11e6-a6db-01aa75ed71a1.0001.02/DOC_1&format=PDF.

⁽⁶⁷⁾ Administrative Commission adopted Decision No H5 of 18 March 2010 concerning cooperation on combating fraud and error within the framework of Council Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 of the 49 (OJ L 84, 31.3.2010, p. 1). EN 34 EN European Parliament and of the Council on the coordination of social security systems (OJ 2010/C 149/05).

⁽⁶⁸⁾ See insertion of Article 19a, Council of the European Union document 15068/21, ADD 1 (Limite), 17 December 2021, p. 52, <https://data.consilium.europa.eu/doc/document/ST-15068-2021-ADD-1/en/pdf>.

⁽⁶⁹⁾ Changed to 30 working days

⁽⁷⁰⁾ Council of the European Union document 7698/19, ADD 1, REV 1 (Limite), 25 March 2019, <https://data.consilium.europa.eu/doc/document/ST-7698-2019-ADD-1-REV-1/en/pdf>.

⁽⁷¹⁾ Council of the European Union document 15068/21, ADD 1 (Limite), 17 December 2021, <https://data.consilium.europa.eu/doc/document/ST-15068-2021-ADD-1/en/pdf>.

⁽⁷²⁾ In Sweden, a case can also be considered fraud when a person acts with such a negligence that it can be considered as fraud, although the person does not have the intention to act fraudulent (Information obtained through consultation with the Ministry for Health and Social Affairs, Sweden, February 2025).

Overview of countries making a distinction between fraud and error

Many countries establish a distinction between fraud and error in the context of social security coordination. Based on our research, these are Austria, Belgium, Bulgaria, Croatia, Czechia, Denmark, Estonia, France, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Luxembourg, Malta, Norway, Portugal, Romania, Slovakia, Slovenia and Spain. In these countries, fraud is generally defined as a deliberate, intentional act to deceive and gain social security benefits. For example, in Czechia and Italy, fraud requires proof of intent, such as providing false information, concealing important facts or forging documents ⁽⁷³⁾. In contrast, error typically refers to unintentional mistakes, such as clerical errors or misunderstandings of rules, often related to delays in reporting changes. Box 2 provides a good practice example of how some countries distinguish in practice between fraud and error in the social security coordination context.

Box 2. The distinction between fraud and error in social security coordination in Belgium and France

Countries such as Belgium and France provide examples of how the distinction can be applied. The Belgian approach is in line with the approach advocated by the Court of Justice of the European Union (CJEU), which states that fraud requires the presence of two cumulative elements: the objective element (failure to comply with EU social security coordination regulations) and the subjective element (the intentional element) ⁽⁷⁴⁾. The Social Penal Code ⁽⁷⁵⁾ in Belgium defines fraud explicitly but not error.

In France, there is often no formal distinction between the terms. Technically, each national insurance fund and branch has its own interpretation and makes its own distinction, and cases tend to be treated on an individual basis ⁽⁷⁶⁾. There is a 'right to error' (*droit à l'erreur*) that allows citizens in France to correct mistakes without facing punitive measures if there is no fraudulent intent when they notify relevant authorities of their error. Furthermore, there exists a concept called *rescrit*, which was introduced primarily in the domain of fiscal coordination but is now also being seen in social security areas. This allows citizens to ask the administration what they should do to avoid fraud or error. When citizens ask the administration through this channel, they receive a written response that will protect them in the event of legal difficulties, as they have declared the situation in advance ⁽⁷⁷⁾.

However, it should be noted that French legislation on concealed work (Articles L8221-1 and L8221-3 of the Labour Code ⁽⁷⁸⁾ on the total/partial concealment of salaried employment/activity) draws a line between error and fraud in various fields, including social security. For example, concealed work has criminal consequences when it is characterised by the materiality of the facts and an intentional element on the part of the perpetrator, and when it has consequences for all social security bodies and results in fraudulent social security contributions. If such a case is detected, the right to error (which is reserved for companies that may have misapplied social legislation in good faith) does not apply, nor does the social rescript (which is implemented for companies to ensure interpretation of the law in their situations, but excludes concealed work) ⁽⁷⁹⁾.

Source: Authors' analysis based on interview information.

⁽⁷³⁾ Information obtained through consultation with the Office of Health Insurance, Czechia, August 2024, and the National Institute of Social Security, Central Directorate for Internal Audit, Risk Management, Compliance and Anti-fraud, Italy, September 2024.

⁽⁷⁴⁾ Information obtained through consultation with Federal Public Service – Social Security, Belgium, September 2024.

⁽⁷⁵⁾ Code Pénal Social (Social Penal Code), 6 June 2010; see https://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&table_name=loi&cn=2010060607.

⁽⁷⁶⁾ Information obtained through consultation with Cleiss, France, September 2024.

⁽⁷⁷⁾ Information obtained through consultation with Cleiss, France, September 2024.

⁽⁷⁸⁾ Articles L8221-1 and L8221-3 of the Labour Code (Code du Travail); see https://www.legifrance.gouv.fr/codes/texte_lc/LEGITEXT000006072050/.

⁽⁷⁹⁾ Information obtained through consultation with the Ministry for Solidarity and Health, France, February 2025.

Countries where no distinction is made between fraud and error

In some countries, no clear distinction exists between fraud and error in social security coordination. These include Greece, the Netherlands and Poland. In this case, legislation often addresses incorrect payments in general, with no specific measures differentiating between fraudulent and non-fraudulent cases.

Countries with limited data on the distinction between fraud and error

Data on the distinction between fraud and error are limited for countries such as Cyprus, Lithuania and Finland. In Cyprus, desk research revealed that fraud and error have not been clearly defined in that country, and no secondary information could be found. Similarly, in Lithuania, interviews conducted as part of the research indicated that there is no regulation on this issue, and interviewees were unable to provide information or insights. In Finland, while valid fraud statistics exist for social benefits administered by the Social Insurance Institute (Kansaneläkelaitos (Kela)), there are no empirical data on errors. However, errors are recognised and addressed through improvements in client processes and public awareness initiatives, aiming to prevent both errors and fraud.

Table 5 provides an overview of the countries that distinguish and do not distinguish between fraud and error, based on our research.

Table 5. Overview of countries that distinguish and do not distinguish between fraud and error

Countries where a distinction between fraud and error is made	Countries where no distinction between fraud and error is made
AT, BE, BG, CZ, DK, EE, ES, FR, HR, HU, IE, IS, IT, LI, LU, LV, MT, NO, PT, RO, SE ⁽⁸⁰⁾ , SI, SK	EL, NL, PL

Source: Authors' analysis based on interview information.

Key similarities in defining and addressing fraud and error

There are similarities between countries that make a distinction between fraud and error in how they define and address these issues. Fraud generally involves intentional deceit, leading to penalties such as fines, repayment of improperly obtained benefits and, in some cases, criminal prosecution, as seen in Latvia and Portugal. Hungary treats fraud in relation to social security benefits as a criminal offence under its penal code ⁽⁸¹⁾. Errors are treated as unintentional actions, and the focus is on corrective measures rather than punishment. Most countries, including Malta, take the approach of administrative corrections and repayment in cases of error, avoiding criminal sanctions unless gross negligence or deception is involved ⁽⁸²⁾. The handling of fraud and error, while differing in national contexts, generally follows this dual approach, with fraud prosecuted as a crime and errors corrected administratively without legal consequences. Box 3 illustrates an example of defining and addressing fraud and error in Latvia.

⁽⁸⁰⁾ In Sweden, fraud or error is not defined explicitly in the legislation, but institutions distinguish between these two situations (Information obtained through consultation with the Ministry for Health and Social Affairs, Sweden, February 2025).

⁽⁸¹⁾ Articles 395–396 of Act C of 2012 on the Criminal Code (2012. évi C. Törvény a Büntető Törvénykönyvről), 1 July 2013, <https://njt.hu/jogszabaly/2012-100-00-00>.

⁽⁸²⁾ Information obtained through consultation with the Department of Social Security, Malta, August 2024.

Box 3. Legal distinction of fraud and error and proportional sanctions

In Latvia, the distinction between fraud and error is primarily based on the intent behind actions as well as their impact on social security benefits. Fraud is considered an intentional action and is categorised in detail under Article 177 of the Latvian Criminal Code ⁽⁸³⁾. These provisions differentiate between types of fraud by their severity, considering factors such as the amount of money involved and whether the act was perpetrated by an individual or an organised group. Penalties are proportionate to the seriousness of the offence, ranging from community service to long-term imprisonment for significant cases. Fraud that involves manipulating an automated data processing system by intentionally entering false data in order to influence the system's operations and obtain property or financial benefits unlawfully is also penalised. Errors, by contrast, are treated as unintentional actions arising from misunderstandings or misinterpretations of rules. Latvia's approach is an example of a clear distinction being made between intentional and unintentional actions and differentiating between types of fraud by their severity.

Source: Authors' analysis based on interview information.

3.3. Overview of national legislation on tackling fraud and error in social security coordination

This section provides a brief overview of national legislation on tackling fraud and error in the field of social security coordination, based on the information collected through desk research and interviews across the countries and on Annex I to the fraud and error report (for reference year 2022). None of the countries reported any legislation specifically dealing with fraud and error under the regulations. Therefore, separate legislation specifically to combat and/or prevent social security fraud and error within the framework of the EU regulations on coordination seems non-existent at the national level.

In the absence of specific national legislation to support the identification and tackling of fraud and error, countries address these issues through EU-wide anti-fraud regulations and their general national laws. As further described in Chapters 4 and 5, administrative controls and cooperation procedures, including the exchange of information with other countries' competent institutions, are also essential in addressing cross-border fraud and error in the absence of specific national legislation.

EU-wide anti-fraud mechanisms and regulations shape Member States' approach to addressing fraud and error in social security coordination. The European Anti-Fraud Office leads investigations into fraud against the EU budget and corruption within institutions. It looks at how Member States address fraud, including in social security coordination ⁽⁸⁴⁾. As highlighted in Section 3.1, Regulation (EU, Euratom) No 883/2013 promotes cooperation and transparency between Member States to prevent fraud and error in social security systems ⁽⁸⁵⁾, while Directive (EU) 2017/1371 ⁽⁸⁶⁾ establishes minimum standards for prosecuting fraud that affects the EU's financial interests, thereby reinforcing national efforts to combat these offences.

Moreover, countries continue to introduce new provisions and/or legislation concerning social security fraud and error through their national social security legislation ⁽⁸⁷⁾. Several countries also manage and sanction

⁽⁸³⁾ Criminal Code (Krimināllikums), Latvijas Vēstnesis, 199/200, 8.7.1998; Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs, 15, 4.8.1998, <https://likumi.lv/doc.php?id=88966>.

⁽⁸⁴⁾ https://anti-fraud.ec.europa.eu/index_en.

⁽⁸⁵⁾ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32013R0883>.

⁽⁸⁶⁾ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017L1371>.

⁽⁸⁷⁾ For example, the legal provisions concerning social fraud and error have been implemented in the [Social Fraud Prevention Act](#) (Sozialbetrugsbekämpfungsgesetz).

social security fraud and error in accordance with the provisions of national law for each benefit area, or through their more general civil, criminal and administrative laws.

For example, in Croatia, general criminal and administrative laws are used ⁽⁸⁸⁾, while in Slovakia these issues are addressed through general social security and employment laws. In Denmark, on the other hand, cases of fraud and error are managed and sanctioned in accordance with the provisions of national law for each benefit. For example, maternity/paternity benefits are managed and sanctioned under the Consolidated Act No 184 of 27 February 2024 on the right to leave and cash benefits in the event of birth ⁽⁸⁹⁾ and Executive Order No 427 of 5 April 2022 on maternity/paternity benefits for children born from 2 August 2022 ⁽⁹⁰⁾. As the EU coordination regulations are directly applicable in Member States, they are applied in national legislation, and hence in both national and transnational cases.

In addition to provisions in national legislation on providing access to and paying social security benefits, and the transfer of personal data and other information between countries, an analysis of the legislation in Annex I to the fraud and error report (reference year 2022) highlighted some provisions specifically related to social security fraud and error. Such provisions often cover definitions of social security fraud and error or specify forms of social security fraud and error (e.g. fraudulent withholding of contributions, obtainment of a benefit to which the receiver is not entitled), enforcement (e.g. removing entitlement to benefits) and sanctions for fraud and error concerning social security benefits.

Provisions concerning social security fraud and error or social security access and payment more generally are, however, rarely targeted at cross-border cases or contexts. This is probably because in many countries cross-border fraud and error do not exist or are marginal, and it is therefore not considered a priority to implement such provisions in their legislation. A few notable exceptions were identified through an analysis of Annex I to the fraud and error report (reference year 2022), as follows.

- Article 21(3) of the Law on State Social Insurance of Latvia ⁽⁹¹⁾, which states that the state social insurance agency can transfer a person's social insurance contributions made in another Member State to Latvia.
- The Consolidated Workers' Compensation Act No 1186 of 19 August 2022 of Denmark ⁽⁹²⁾, which stipulates that in the event of a judgment of punishment for fraud or forgery the convicted person will be ordered to pay back the amount they were not entitled to receive. This also applies to fraud and forgery in cross-border cases that are dealt with in Denmark.
- Subsection 7 of Article 66 of Act No LXXXIII of 1997 of Hungary ⁽⁹³⁾ states that any person who solicited healthcare services with an EHIC or with the temporary replacement certificate, or by using the certificate specified in the community regulations in any EEA member state to which he/she had no entitlement, pursuant to Sections 6–7 and 8/A, will be liable to reimburse the costs of the said healthcare services to the extent covered by the National Health Insurance Fund.

⁽⁸⁸⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

⁽⁸⁹⁾ Bekendtgørelse af lov om ret til orlov og dagpenge ved barsel (barselsloven) (Executive order of the act on the right to parental leave and maternity benefits (Maternity Leave Act), <https://www.retsinformation.dk/eli/lta/2024/184>.

⁽⁹⁰⁾ Bekendtgørelse om ret til barseldagpenge for forældre til et barn, der er født eller modtaget fra den 2 August 2022 (Executive order on the right to parental benefit for parents of a child born or conceived from 2 August, 2022), <https://www.retsinformation.dk/eli/lta/2022/427>.

⁽⁹¹⁾ Par valsts sociālo apdrošināšanu (Law on state social insurance of Latvia), <https://likumi.lv/doc.php?id=45466>.

⁽⁹²⁾ Bekendtgørelse af lov om arbejdsskadesikring (Consolidated Workers' Compensation Act No 1186 of 19 August 2022), <https://www.retsinformation.dk/eli/lta/2020/376>.

⁽⁹³⁾ 1997. évi LXXX. Törvény a társadalombiztosítás ellátásaira és a magánnyugdíjra jogosultakról, valamint e szolgáltatások fedezetéről (Act No LXXX of 1997 on those entitled to social security benefits and private pensions, and on the coverage of these services), <https://njt.hu/jogszabaly/1997-80-00-00#foot558>.

3.4. National legal arrangements ('soft law' frameworks and measures) that (can) improve detection and tackling of fraud and error in cross-border situations

This section presents examples of other national legal arrangements (i.e. 'soft law' operational frameworks and measures) that can improve the detection and tackling of fraud and error in cross-border situations. Several countries have implemented national legal frameworks and operational measures that contribute to the detection and tackling of fraud and error. These measures, as outlined below and further described in Chapters 4 and 5, and which are often in alignment with EU regulations, typically focus on improving coordination between national agencies and their counterparts in other countries, streamlining data exchange and enhancing preventive systems.

- **Digital tools for data exchange.** A key measure for improving fraud and error detection is shifting towards digital platforms that facilitate quicker and more reliable data exchange. EESSI enables faster verification of claims across borders. This aims to reduce delays, enhance the accuracy of social security administration and minimise errors caused by manual processes. Some countries also conduct automated checks across several national databases that store social security data, using data matching and mining tools to identify fraud and error cases.
- **Bilateral and multilateral agreements.** In addition to the data exchange methods mentioned above, multiple countries use bilateral and multilateral agreements with other countries to strengthen cross-border cooperation and ensure efficient information sharing between countries. In Belgium, for example, these agreements are supported by strategic plans and action plans, such as the 2023–2024 action plan of Belgium's Social Information and Investigation Service (SIIS) ⁽⁹⁴⁾, which defines specific measures to combat social security fraud.
- **Cross-border collaboration with EU bodies.** Some countries have established strong cooperation with EU-wide institutions, such as the European Public Prosecutor's Office, to investigate and prosecute large-scale fraud. For example, Croatia collaborates with the office to handle cross-border cases involving subsidies and benefits, leveraging shared investigative capacities ⁽⁹⁵⁾.
- **Data protection regulations.** In Norway, for example, the balance between fraud detection and data privacy is crucial. Legal arrangements involving personal data processing, such as the use of the Valuta Registry (the Norwegian Tax Administration) ⁽⁹⁶⁾ and bank account data for fraud detection, are governed by strict general data protection regulation (GDPR) compliance. Non-compliance with this regulation can temporarily halt monitoring efforts, highlighting the need for thorough data protection impact assessments ⁽⁹⁷⁾.

Interviewees identified some challenges that can hinder such national legal arrangements and therefore the detection and tackling of fraud and error in cross-border situations. These challenges include limited awareness of fraud and error detection among personnel ⁽⁹⁸⁾ and the lack of harmonised data protection legislation across the EU, which can further hinder the exchange of information. For example, stakeholders from Luxembourg highlighted in interviews that this is specifically the case in healthcare, where teleconsultations are allowed in France but not in Luxembourg. This raises the question of whether

⁽⁹⁴⁾ Social Information and Investigation Service (2023), Action Plan: Fight against social fraud 2023–2024, https://www.sirs.belgique.be/sites/default/files/Downloads/Actieplan/SIOD_Actieplan_2023_2024_EN_Small.pdf.

⁽⁹⁵⁾ European Public Prosecutor's Office, *EPPO Annual Report 2023, 2024*, Publications Office of the European Union, Luxembourg, https://www.eppo.europa.eu/sites/default/files/2024-03/EPPO_Annual_Report_2023.pdf.

⁽⁹⁶⁾ <https://www.skatteetaten.no/en/business-and-organisation/reporting-and-industries/third-party-data/bank-finans-og-forsikring/valutaregisteret/>.

⁽⁹⁷⁾ NAV, 'Midlertidige endringer i NAVs kontrollvirksomhet' ('Temporary changes in NAV's inspection activities'), NAV website, 2024, <https://www.nav.no/no/samarbeidspartner/presse/nyheter-og-pressemeldinger/midlertidige-endringer-i-navs-kontrollvirksomhet>.

⁽⁹⁸⁾ Information obtained through consultation with the Ministry of Labour and Social Security, Greece, August and September 2024.

Luxembourg should reimburse teleconsultations conducted by a French individual affiliated with Luxembourg ⁽⁹⁹⁾.

To further enhance national legal arrangements (i.e. ‘soft law’ operational frameworks and measures) supporting the detection and tackling of fraud and error in cross-border situations and address the above-mentioned challenges, some of the national-level stakeholders consulted proposed the following additional actions or reforms.

- **Harmonisation of legislation.** Stakeholders from Luxembourg highlighted the need for harmonised legislation across the EU, particularly concerning GDPR rules. Consistent legal frameworks across countries could streamline cross-border cooperation ⁽¹⁰⁰⁾.
- **Institutional and personnel reforms.** Stakeholders from Greece and desk research from Cyprus suggested the establishment of dedicated institutions or specialised divisions within existing ministries to focus solely on cross-border social security coordination and fraud and error, including setting up a specific legislative apparatus to handle fraud and error in social security coordination. Additionally, training public sector personnel on fraud detection and raising awareness through campaigns and exchange of good practices could further improve outcomes, as discussed by interviewees from Greece ⁽¹⁰¹⁾.
- **Legislation allowing the use of AI for fraud detection.** An interviewee from Lithuania highlighted that the enactment of laws allowing the use of AI for automated checks of social security claims could contribute to improved operational measures supporting the detection and tackling of fraud and error in cross-border situations. According to the interviewee, the introduction of AI could enhance fraud detection by flagging anomalies in real time, speeding up the process of verification ⁽¹⁰²⁾.

In conclusion, various national legal arrangements (i.e. ‘soft law’ operational frameworks and measures) across the countries contribute to the improved detection and tackling of fraud and error in cross-border social security coordination. Common approaches include enhancing data exchange mechanisms and cross-border cooperation, supported by digital platforms and legislative reforms aimed at addressing fraud and error in social security benefits.

⁽⁹⁹⁾ Information obtained through consultation with the National Health Fund, Luxembourg, September 2024.

⁽¹⁰⁰⁾ Information obtained through consultation with the National Health Fund, Luxembourg, September 2024.

⁽¹⁰¹⁾ Information obtained through consultation with the Ministry of Labour and Social Security, Greece, August and September 2024.

⁽¹⁰²⁾ Information obtained through consultation with the Ministry of Social Security and Labour, Lithuania, September 2024.

4. Fraud and error in social security coordination: approaches and patterns at the national level

This chapter in brief

- Key types of fraud in social security coordination generally include false claims by individuals, country of residence fraud, employer fraud and service provider fraud. Errors are generally related to incomplete, inaccurate or late submission of forms and paperwork. The types of fraud and error vary depending on the applicable legislation and the benefits concerned.
- The evidence suggests that monitoring, detecting and tackling fraud and error in social security coordination is generally less of a priority than purely national cases. This is due to the complexity and financial implications of cross-border issues, and the lower volume of fraud and error in cross-border situations than purely national cases. Overall, there is a greater focus on monitoring and tackling fraud rather than errors.
- Quantitative data are not available to support the identification of clear patterns related to the types of benefits that tend to be more prone to fraud and error in cross-border situations. All benefit types included in the scope of this study are exposed to fraud and error in cross-border cases, due to the complexity of each benefit type, the conditions under which it can be claimed and the difficulties in matching data across borders to identify fraud.

Key challenges

- Only a minority of countries prioritise monitoring, detecting and tackling fraud and error in social security coordination. In the absence of this prioritisation at the policy level, resources are insufficient, and this contributes to suboptimal cooperation between countries.
- Cross-border situations are generally more challenging to monitor and control, rather than inherently more or less prone to fraud and error. The increased difficulty is due to several factors, including communication issues, limited data exchange between countries, difficulty in recovering payments and a lack of awareness of rules among beneficiaries.

Introduction

This chapter provides an overview of the types of fraud and error related to cross-border situations, with insights into the differences between social security benefit areas that are included in the scope of this study. This chapter also presents an overview of the countries where monitoring fraud and error appears to be prioritised, as well as key reasons for its lack of prioritisation in other countries. The chapter concludes with a discussion of whether cross-border cases are more prone to fraud and error than national cases. These are all aspects that are not discussed in detail in the European Commission's fraud and error report and contribute to a better understanding of fraud and error in social security coordination across the EEA countries.

4.1. Types of fraud and error in social security coordination

There are several key types of fraud and error related to social security benefits and applicable legislation in cross-border situations. They are generally common across countries, but a ranking of the different types of fraud and error at the national level or across countries cannot reliably be provided. Quantitative data on the prevalence of each type of fraud and error at the national level or across countries are not consistent and do not enable comparative analysis.

The main types of fraud and error in social security coordination vary across the different benefit branches, but include commonalities across countries, which can be grouped as follows (see also Box 4) ⁽¹⁰³⁾.

- **False claims by individuals.** This includes providing misleading information to wrongfully claim benefits (e.g. submitting false documentation such as work incapacity documents or certificates of employment; falsely declaring the household income; identity theft; falsifying medical assessment results) and the failure to report status changes that affect benefit eligibility. This includes situations when individuals engage in cross-border work (which can be undeclared work) without notifying the authorities of the Member State of origin, where they are claiming unemployment benefits.
- **Country of residence fraud.** This occurs when individuals intentionally do not notify authorities about moving to another country in order to continue receiving benefits while living out of the country. This can include duplicate benefit claims in cross-border situations.
- **Self-employed fraud.** Self-employed people may report false information about their business activities in order to be covered by a social security scheme in which they can pay lower social security contributions. For example, a self-employed person in one Member State may declare fictitious employment in another Member State in order to benefit from the payment of contributions in the latter (Article 13(3) of Regulation (EC) No 883/2004).
- **Employer fraud.** This occurs when employers (including temporary work agencies) falsify documents related to workers' employment status or working conditions, aiming to reduce or avoid the payment of social security contributions and taxes (e.g. declaring lower wages, falsifying the employment duration or not declaring the work done by workers). One recurrent example is the intentional use of fake posting in relation to countries with low social security benefit contributions. Other types of fraud involving employers include false declaration related to conducting substantial activity in the country from which posting occurs (Article 14(2) of Regulation (EC) No 987/2009); the misclassification as self-employed of individuals who in fact work for one company to avoid paying social security benefits; obtaining a fake PD A1 based on falsified information or not requesting a PD A1 at all ⁽¹⁰⁴⁾; and undeclared work. Another example, which is typical in cross-border situations, is the use of letterbox companies to circumvent legal obligations in relation to the employment and working conditions of workers, which also results in the non-payment of social security contributions.
- **Service provider fraud.** This entails, for example, the provision of false documents by healthcare providers (e.g. fake sickness reimbursement documents that include inflated treatment costs).
- **Errors.** These are related to incomplete, inaccurate or late submission of forms and paperwork, language barriers and difficulties in understanding the social security systems in different countries, which causes errors in the way decisions on granting benefits are made. They can also occur in situations where a wrong decision has been made on the applicable social security legislation. Errors can be administrative or can be made by individuals claiming benefits. An example is the continued payment of a pension after the individual's death (in cases where this is not the result of an intentional act of deception of a relative or carer).

These types of fraud and error lead to undue payments of benefits, increased financial burden on social security systems, fewer contributions paid into the system and the duplication of benefits in cases where an individual wrongfully receives benefits from multiple countries. In cases where an error is to the disadvantage of an individual, it affects their social security rights and aggregation of benefits.

⁽¹⁰³⁾ This typology is drawn on the basis of the research conducted for this study.

⁽¹⁰⁴⁾ Alongside false PDs A1, not requesting a PD A1 at all is also a source of fraud in applicable legislation, as there is an obligation to apply for a PD A1 under the current rules.

Box 4. Case study on detection of fraud and error in social security benefit claims – summary

Case study B in Annex 1 provides additional insights into types of fraud and error in specific social security branches in selected countries. It aims to explain the high share or absolute numbers of fraud and error cases in several countries in specific social security fields, based on the fraud and error reports for the reference years 2021 and 2022. More specifically, case study B concerns unemployment benefits in Bulgaria and Czechia, family benefits in Germany and pensions in Malta. The available evidence indicates that fraud and error in this social security branches are highly specific to the country and the social security benefit. For each country, four elements are examined, namely the key types of fraud and error cases, key implementation and enforcement issues, methods and tools used for the monitoring and enforcement, and the (possible) impact on citizens.

Source: Authors' summary based on case study B in Annex 1.

The main types of fraud and error highlighted in the interviews are summarised in Table 6. Specific countries are cited, which provides some indication as to where certain types of benefit fraud and errors are most frequent. This assessment is the result of the qualitative assessment of the stakeholder interviews and is not based on concrete quantitative data. Furthermore, it does not mean that these types of fraud and error occur only in the countries mentioned.

Table 6. Types of fraud and error in social security coordination related to applicable legislation

Fraud	<p>Fraud related to irregular postings ⁽¹⁾:</p> <ul style="list-style-type: none"> • Fraud related to the place where the posting undertaking normally carries out its activities (i.e. if they are carrying out substantial activity in the sending country ⁽²⁾); fictitious employers (letterbox companies); irregular postings involving TCNs; and the use of long subcontracting chains • Non-declared posted workers in the sending countries whose employers commit fraud by not paying social security contributions • False PDs A1, which can give access to workplaces (e.g. construction sites) while the workers concerned are not declared in any country
Error	<ul style="list-style-type: none"> • Incorrect assessment of contributions related to postings • Unfamiliarity with the social security coordination rules in the case of people working in several countries

⁽¹⁾ Pursuant to Article 12 of Regulation (EC) No 883/2004 and Article 14(1) and (2) of Regulation (EC) No 987/2009, there are several conditions, to be fulfilled cumulatively, for the proper use of posting under the coordination regulations: (1) the employer must normally carry out its activities in the Member State of establishment; (2) there is a direct relationship between the posting employer and the posted worker; (3) the posted worker is already affiliated to the legislation of the Member State in which their employer is established; (4) the posting is of a temporary nature (not exceeding 24 months); and (5) the posted worker is not being sent to replace another posted worker.

⁽²⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

Source: Authors' summary based on interviews and desk research.

Types of fraud and error in social security coordination related to unemployment benefits, which were highlighted in the interviews, are summarised in Table 7.

Table 7. Types of fraud and error in social security coordination related to unemployment benefits

Fraud	<ul style="list-style-type: none"> • Domicile fraud and concurrent working: cases where people who continue to receive unemployment benefits in one country after moving to another country and working there without notifying the proper institutions in the country of origin (e.g. in Belgium, Bulgaria, Czechia, Germany, Ireland and Romania) • Violation of the presence requirement: some beneficiaries of unemployment benefits return to their country of origin after becoming unemployed in the country where they had been working and do not apply for the export of unemployment benefits (on the basis of Article 64 of Regulation (EC) No 883/2004 on the coordination of social security systems) ⁽¹⁾. However, with the help of intermediaries, they feign presence in the country where they receive unemployment benefits
Error	<ul style="list-style-type: none"> • Miscommunication between countries regarding the claimant's status • Errors in procedures whereby unemployment benefits are exported (i.e. PD U2) ⁽²⁾ (e.g. in Belgium and Czechia)

⁽¹⁾ Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32004R0883>.

⁽²⁾ Through this procedure, individuals who become unemployed in one Member State can continue receiving unemployment benefits from that country for 3–6 months while moving to another Member State (where they need to register with the national employment services and submit the PD U2, and show that they are making an effort to find a job).

Source: Authors' summary based on interviews and desk research.

Across countries, the primary pattern of fraud related to healthcare is the misuse of the EHIC, but other instances were highlighted in the interviews and are summarised in Table 8.

Table 8. Types of fraud and error in social security coordination related to cross-border healthcare

Fraud	<ul style="list-style-type: none"> • Knowingly using a (valid or invalid) EHIC abroad despite no longer being insured in the country where the EHIC was issued • Cross-border workers using an EHIC from their previous country of insurance despite starting work in a new country • Purchasing medication using the EHIC in border areas, where the purpose of the stay is the purchase of the medication. This is done because the medication is more expensive in the individual's own country (e.g. higher co-payments) • The use of a fake EHIC to benefit from medical care abroad; this often involves a seemingly unplanned intervention, but is actually the reason the individual travelled to the country where the EHIC is used • Healthcare professionals who log false prescriptions in order to receive reimbursement from the insurance company • The use of fake work incapacity certificates: an individual insured in one country obtains a work incapacity certificate from a doctor in another. Officials do not know the approved doctors in other countries, which leads to cases where certificates are submitted from fake doctors • Activities of intermediary companies whose representatives claim reimbursement on behalf of the patient (e.g. in Poland), that is, claiming reimbursement for healthcare services not actually provided to the patient or attaching documentation to claims for
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	reimbursement indicating that the services provided were of higher value than they were in reality
Error	<ul style="list-style-type: none"> • The use of an EHIC issued in one country while holding health insurance in another country, due to lack of awareness of the need to obtain the EHIC from the country where the individual currently possesses health insurance • Invoices being rejected by healthcare institutions because of missing or incorrect information, and difficulties in identifying the insured person • A PD S2 (the authorisation to obtain planned health treatment in another EU or European Free Trade Area (EFTA) country) is wrongly granted or refused by an institution. • Administrative errors

Source: Authors' summary based on interviews and desk research.

Across countries, the primary pattern of fraud in social security coordination related to old-age pensions is intentional actions that lead to the fraudulent payment of a pension in a cross-border situation. This often involves manipulating information to continue receiving a deceased pensioner's benefits (by not informing the authorities of the death) or using forged documents to claim a pension (e.g. in Belgium, Germany, Greece France and Croatia). The types of fraud related to family benefits in cross-border situations that were highlighted in the interviews are summarised in Table 9.

Table 9. Types of fraud and error in social security coordination related to family benefits

Fraud	<ul style="list-style-type: none"> • Child benefit/allowance payments to people who claim to reside in the country where they are collecting them, but do not. • Child benefit/allowance payments that are claimed in the country of both origin and destination because parents do not inform authorities that they have moved to another country or submit false information
Error	<ul style="list-style-type: none"> • Forgetting to report on time the termination of training (teaching/study/school), a move abroad or separation of parents • Unintentional exceeding of income limits (i.e. how much additional income may be earned when receiving family allowance) • Administrative errors

Source: Authors' summary based on interviews and desk research.

Some economic sectors are more prone to fraud and error involving cross-border workers and companies. These sectors naturally overlap with the labour-intensive sectors, where mobile and temporary cross-border workers and undeclared work are common, such as the construction, agriculture, transport, hotel, tourism and catering, logistics, live-in care, meat processing and manufacturing sectors ⁽¹⁰⁵⁾. These sectors have been identified as problematic due to a number of recurrent issues related to employment terms and conditions, including missing or reduced social insurance coverage, non-payment and underpayment, illegal wage

⁽¹⁰⁵⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion, Andriescu, M., Buckingham, S., Broughton, A., De Wispelaere, F. et al., *Study supporting the monitoring of the Posting of Workers Directive 2018/957/EU and of the Enforcement Directive 2014/67/EU: The situation of temporary cross-border mobile workers and workers in subcontracting chains*, Publications Office of the European Union, Luxembourg, 2024, <https://op.europa.eu/en/publication-detail/-/publication/d06f8af4-02bd-11ef-a251-01aa75ed71a1/language-en>.

deductions, violations of occupational safety and health regulations, poor accommodation, lack of statutory sick pay and falsified working time documents ⁽¹⁰⁶⁾.

The frequent use of (long) subcontracting chains in some sectors is associated with limited accountability, which increases opportunities for fraud in social security coordination. Fraud caused by the provision of false information by an individual can occur if, for example, an individual who works abroad on a temporary basis but is unemployed in the country of origin still claims unemployment benefits during their time spent abroad (e.g. when doing seasonal work).

Quantitative data on the prevalence of fraud and error related to specific types of mobile and cross-border workers are scarce. There are, however, indications that cases of fraud and error are most common among posted workers in low- and medium-skilled jobs in specific sectors, seasonal workers, bogus self-employed individuals and TCNs ⁽¹⁰⁷⁾. These are, in general, the categories of workers linked most frequently to violations of labour mobility and social security coordination rules.

Some of the key drivers of fraud and error related to these types of workers include the temporary nature of the work they perform in host countries, limited language skills, dependency on the employer or intermediary to access information about working conditions, and a lack of awareness of their rights in general. In the case of (posted) TCNs, dependence on a specific employer for a work permit and employment is also a key driver. These factors increase the risk of fraud in particular. There are differences in the social security rules applicable to various types of mobile workers, the range of applicable employment and working conditions regulated at the national level, and institutional enforcement practices. In the absence of comparable data across countries, benefit branches and different categories of mobile workers, differences in the nature and prevalence of fraud and error cannot be assessed.

One example of an initiative to analyse the prevalence of fraud in specific sectors is a pilot cross-border cooperation and data exchange project between the Benelux countries. This started in 2015 and resulted in a working group on bogus construction and another on benefit fraud. Pilot projects on cross-border data sharing, matching and mining have focused on identifying and tackling cross-border fraud and error. The matched data of institutions in Belgium and the Netherlands showed that in approximately 40 % of the cases identified there was a medium to high risk that the workers involved either had social security coverage in the wrong country or did not have it at all ⁽¹⁰⁸⁾.

There are also situations where workers may be able to commit benefit fraud, e.g. in benefit payments in relation to cross-border teleworkers, due to the flexibility of their working arrangements. This situation can lead, for example, to issues such as misreporting of the number of hours worked from the host country in order to access the most favourable social security conditions ⁽¹⁰⁹⁾, or in general by seeking more flexibility in relation to the *lex loci laboris* principle.

4.2. Prioritisation of monitoring and tackling fraud and error in social security coordination

There are various types of tools at the national level to monitor, detect and tackle fraud and error (generally and in relation to cross-border cases), which are reviewed in Chapter 5. Determining whether the monitoring,

⁽¹⁰⁶⁾ Ibid.

⁽¹⁰⁷⁾ Ibid.

⁽¹⁰⁸⁾ European Platform Tackling Undeclared Work, 'Benelux cross-border cooperation', 2021, https://www.ela.europa.eu/sites/default/files/2021-09/GP%20fiche%20Benelux_1.pdf.

⁽¹⁰⁹⁾ Following the enacting of the framework agreement on the application of Article 16(1) of Regulation (EC) No 883/2004 in cases of habitual cross-border telework (signed by a majority of Member States), the rules that are currently in place increased the time limits spent working from home (in the country of origin) from 25 % to 49.99 % while still receiving social security from the employer's country (the host country); see https://socialsecurity.belgium.be/sites/default/files/content/docs/en/international/framework_agreement_on_cross-border_telework.pdf.

detecting and tackling of fraud and error in social security coordination is an official priority at the country level is not straightforward, however.

The evidence indicates that monitoring and tackling fraud and error in social security (coordination) is prioritised in a minority of countries: Belgium, Bulgaria, Czechia, Denmark, Germany, Ireland, France, Croatia, Malta, the Netherlands, Austria and Sweden. Some of these countries often report cases of fraud and error in different areas, such as applicable legislation (e.g. Belgium, Bulgaria, Germany, France and the Netherlands); healthcare (Bulgaria, Germany, Croatia and Austria); and the aggregation periods for unemployment benefits (Belgium, Bulgaria, Czechia and France)⁽¹¹⁰⁾. The incidence of these cases is sometimes, but not always, quantified. There are other countries that report cases of fraud and error but do not appear to formally prioritise this field as a key policy area. Since the data are incomplete and not all countries collect statistics on fraud and error in the different benefit areas, no clear pattern of association can be established between the formal prioritisation of combating fraud and error and increased compliance or a higher number of fraud and error cases.

The above list of countries does not exclude other countries where monitoring and tackling fraud and error in social security coordination may be a priority, but the research conducted for this study did not yield such evidence. The analysis indicates that tackling fraud and error in social security coordination is on the policy agenda in an increasing number of countries and they are taking concrete steps to prioritise it. However, it is often not an objective that is formally declared or emphasised, or one that benefits from a holistic approach (involving all social security branches).

There are some key indications that monitoring and tackling fraud and error are prioritised at the policy level (and in some cases that there is a specific focus on cross-border situations), including:

- the existence of specific guidelines, strategies or legislative/policy frameworks;
- the existence of public bodies tasked with identifying and tackling fraud and error (in general or specifically cross-border cases).

Some examples are presented in Table 10.

Table 10. Selected Member States where tackling fraud and error is a priority at the national level

Specific guidelines, strategies or legislative/policy frameworks	<ul style="list-style-type: none"> • In Belgium ⁽¹⁾ and Austria ⁽²⁾, monitoring and tackling fraud and error in social security coordination is intertwined with policies aimed at combating social dumping. • In Belgium, the government has promoted the establishment of partnership agreements with social partners in specific sectors susceptible to fraud, aiming to raise awareness ⁽³⁾. Belgium also has a social fraud action plan ⁽⁴⁾, which includes actions on faster and better detection of cases of social dumping through the use of a point of contact for fair competition ⁽⁵⁾ and data mining and data matching models. • France has implemented several measures to prevent and combat fraud and error, such as mapping fraud risks; setting up a national service to combat high-stake fraud and units in social security institutions dedicated to combating social security fraud; actions to secure registration processes; strengthening compliance with the residence requirements for various entitlements and benefits; and combating specific types of fraud such as contribution fraud and posting fraud ⁽⁶⁾. The fight against fraud in
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⁽¹¹⁰⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, pp. 24–33, <https://ec.europa.eu/social/BlobServlet?docId=27421&langId=en>.

	<p>international mobility is a priority area and is supported by interministerial plans to combat fraud in public finances. These are implemented using a multiyear roadmap, which is discussed at the interministerial level between the Institutions for the Collection of Social Security and Family Benefit Contributions (Unions de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales (Urssaf)) and the Social Security Directorate (Direction de la Sécurité Sociale), and the national control guidelines, which set out Urssaf's action strategies. Social Security in Agriculture (La Sécurité Sociale Agricole) is also involved and participates in the process ⁽⁷⁾.</p> <ul style="list-style-type: none"> • In Hungary, Article 395 of Act C of 2012 on the Criminal Code ⁽⁸⁾ criminalises fraud relating to social security, social and other welfare benefits. • Ireland has a compliance and anti-fraud strategy for 2024–2028 ⁽⁹⁾, which sets out its four pillars of compliance: prevent, deter, detect and account. As part of the 'prevent' pillar, the strategy mentions collaboration with international organisations.
Public bodies that are tasked with identifying and tackling fraud and error	<ul style="list-style-type: none"> • In Belgium, within the National Social Security Office (NSSO) and the National Institute for the Social Security of the Self-employed, there are inspection units dedicated to combating cross-border social security contribution fraud (i.e. applicable legislation) ⁽¹⁰⁾. • In Denmark, there is a special control unit within Payment Denmark (Udbetaling Danmark) called the Holistic Control Unit (Helhedsorienteret Kontrol) ⁽¹¹⁾, which includes an international fraud and error team. • In Germany, monitoring and tackling fraud and error in social security coordination is a key component of the work of a special customs unit, the Financial Control of Undeclared Work Unit (Finanzkontrolle Schwarzarbeit (FKS)), which has a remit to tackle informal employment ⁽¹²⁾. Detecting undeclared or illegal forms of employment and fake employment documents issued in order to receive benefits is also part of the unit's remit. • In the Netherlands, there are special units in social security institutions that deal with the enforcement of international case handling (at the Employee Insurance Agency (Uitvoeringsinstituut Werknemersverzekeringen (UWV)) and the Social Insurance Bank (Sociale Verzekeringsbank (SVB))) ⁽¹³⁾. Since January 2024, a unit dedicated to tackling abuses in the temporary employment sector (Aanpak Misstanden Uitzendsector) ⁽¹⁴⁾ has been tackling abuses related to migrant workers ⁽¹⁵⁾, including in the field of social security coordination. In this unit the UWV, the SVB, the Tax Office and the Labour Inspectorate work together ⁽¹⁶⁾.

⁽¹⁾ Belgium's action plan to combat social fraud and social dumping for 2025–2026 confirms that fraud and error in social security coordination is a priority (<https://www.siod.belgie.be/nl/actieplan-sociale-fraudebestrijding-2025-2026>), explicitly stating that more thorough detection of the phenomenon of social dumping, a comprehensive approach combining preventive and repressive measures under administrative and criminal law, and the exchange of information between the relevant stakeholders at the national and European levels are the key measures for tackling the problems of social dumping. (Information obtained through consultation with Federal Public Service – Social Security, Belgium, September 2024.)

⁽²⁾ In Austria, several legislative acts are relevant for the topic of fraud and error, for example the Lohn- und Sozialdumping-Bekämpfungsgesetz (see Bundesrecht konsolidiert: Gesamte Rechtsvorschrift für Lohn- und Sozialdumping-Bekämpfungsgesetz, Fassung vom 31.12.2019 (Federal law consolidated: Complete legal provision for the Act to Combat Wage and Social Dumping, version of 31.12.2019), <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20009555&FassungVom=2019-12-31&ShowPrintPreview=True>); and the Sozialbetrugsbekämpfungsgesetz (see Bundesrecht konsolidiert: Sozialbetrugsbekämpfungsgesetz § 0, Fassung vom 12.04.2023 (Federal law consolidated: Social Fraud Prevention Act § 0,

version of 12.04.2023),
<https://www.ris.bka.gv.at/NormDokument.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20009245&FassungVom=2023-04-12&Artikel=&Paragraf=0&Anlage=&Uebergangsrecht=&ShowPrintPreview=True>).

- (3) <https://www.siod.belgie.be/nl/protocollen> or <https://www.siod.belgie.be/fr/protocoles>; European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.
- (4) Social Information and Investigation Service, *Action Plan: Fight against social fraud 2023–2024*, 2023, https://www.sirs.belgique.be/sites/default/files/Downloads/Actieplan/SIOD_Actieplan_2023_2024_EN_Small.pdf.
- (5) Point of Contact for Fair Competition (n.d), available at: <https://www.meldpuntsociaalfraude.belgie.be/en/#:~:text=You%20can%20call%20the%20Contact,ask%20to%20be%20called%20back>.
- (6) Additional information provided by Directorate of Social Security, France, ‘Regioplan: Questionnaire on anti-fraud strategies in social security’, 2022.
- (7) Information obtained from consultation with social security institutions, France, September 2024.
- (8) Act C of 2012 on the Criminal Code (2012. évi C. Törvény a Büntető Törvénykönyvről), 1 July 2013, <https://njt.hu/jogszabaly/2012-100-00-00>.
- (9) Government of Ireland: Department of Social Protection Ireland, ‘Compliance and anti-fraud strategy 2024–2028’, 2024, <https://www.gov.ie/pdf/?file=https://assets.gov.ie/292540/98a589bc-110a-4d87-ada0-4effb4249cc3.pdf#page=null>.
- (10) Information obtained through consultation with Federal Public Service – Social Security, Belgium, September 2024.
- (11) Information obtained through consultation with Udbetaling Danmark – Helhedsorienteret Kontrol, Denmark, September 2024.
- (12) Information obtained through consultation Generalzolldirektion – Customs, Germany, September 2024.
- (13) Information obtained through consultation with Ministerie van Sociale Zaken en Werkgelegenheid – Directie Werknemersregelingen, the Netherlands, September 2024.
- (14) See also SVB and UWV, *Grens Overstijgend Toezicht voor Grensoverschrijdende Problematiek – Plan van aanpak namens SVB en UWV*, 2023, <https://www.uwv.nl/overuwv/Images/23-056-plan-van-aanpak-grensoverschrijdend-toezicht-voor-grensoverschrijdende-problematiek.pdf>.
- (15) Information obtained through consultation with SVB, the Netherlands, September 2024.
- (16) Information obtained through consultation with Ministerie van Sociale Zaken en Werkgelegenheid, the Netherlands, February 2025.

Source: Authors’ analysis.

The existence of policies, legislation and dedicated institutions, however, does not by itself guarantee that tackling fraud and error in social security coordination is a priority at the policy level in a specific country. Different legal or policy initiatives may exist but these may not have been formally declared as a policy priority. The approach to combating fraud and error in social security (coordination) is often country specific, which hinders a blanket assessment of the level of prioritisation of identifying and tackling fraud and error. Some country-specific examples are presented below.

- In Portugal, the 2023 risk management plan (*plano de gestão de riscos*) ⁽¹¹¹⁾ of the Social Security Institute included the identification of certain risks within the scope of social security coordination, and a 2024 interim evaluation report ⁽¹¹²⁾ indicated the implementation status of some preventive control measures ⁽¹¹³⁾. Despite these plans and measures, interview respondents indicated that monitoring and tackling fraud and error is not a priority in the field of social security coordination in Portugal ⁽¹¹⁴⁾.
- In Spain, the 2021–2023 strategic plan ‘Towards a new model of labour and social security inspection’ included measures for the Labour and Social Security Inspectorate, including strengthening the cross-referencing of data from different sources (e.g. social security and tax databases) through an anti-fraud

⁽¹¹¹⁾ Ministério do Trabalho, Solidariedade e Segurança Social, *Plano de Gestão de Riscos*, 2023, https://www.seg-social.pt/documents/10152/59447/Plano+Gest%C3%A3o+Riscos_2020_v1.0.pdf/0fd04e4d-bc6b-472a-a17e-be60531f4ddc.

⁽¹¹²⁾ Instituto da Segurança Social, *Plano de Gestão de Riscos (inclui Riscos de Corrupção e Infrações Conexas): Relatório de Avaliação Intercalar*, 2024, https://www.seg-social.pt/documents/10152/59447/Relat%C3%B3rio+de+Avalia%C3%A7%C3%A3o+Intercalar+do+PGR+do+ISS%2C+I.P._2024/e46e507e-e040-4727-96cd-d66e80313d91.

⁽¹¹³⁾ Instituto da Segurança Social, *Estratégia Antifraude*, <https://www.seg-social.pt/estrategia-antifraude>

⁽¹¹⁴⁾ Information obtained through consultation with Instituto da Segurança Social, Portugal, September 2024.

tool⁽¹¹⁵⁾. This tool uses big data and AI to identify patterns of fraud at the national level. Notwithstanding, the fight against fraud and error was not identified as a priority in Spain by the stakeholders consulted.

- In Finland, there is a Department for Insurance and Social Security in the Ministry of Social Affairs and Health (Sosiaali-ja terveystieteiden ministeriö). In the department, there is a unit for planning and international social security, whose responsibilities include legislation regarding the coordination of social security systems. Tackling fraud and error in cross-border cases is within the competence of the institutions⁽¹¹⁶⁾.

In summary, the decision to prioritise monitoring, detecting and tackling fraud in social security coordination at the national policy level is prompted by several key considerations, listed below; however, this does not per se guarantee that it is followed through in practice (e.g. through increased numbers of inspections or more allocated resources).

There are subtle differences between the prioritisation of monitoring, detecting and tackling fraud and that of error. Based on interviews, the prioritisation of monitoring and tackling fraud (relative to error) can be generally explained by the frequency of situations in which identified fraud cases tend to be higher than cases of error in social security coordination. Fraud-related cases are also more visible than cases where errors are made. In general, however, stakeholders interviewed for this study could not draw a clear distinction between the prioritisation of fraud and error, and hence continue to view them as connected aspects of the same problem. Box 5 includes an overview of the key reasons for prioritising fraud and error in social security coordination that were identified by the stakeholders consulted.

Box 5. Reasons for prioritising monitoring and tackling fraud and error in social security coordination

- Obligations arising from EU-level social security regulations⁽¹¹⁷⁾.
- The high level of intra-EU mobility.
- To prevent undue payments and maintain the integrity of social security systems, given the financial and administrative costs of detecting and recovering undue payments, and in particular the additional challenges associated with the cross-border monitoring of such payments.
- The recognition that the cross-border context is more complex, which increases the risk of non-compliance and the potential financial impact of overpayments and fraudulent claims on the national budget.
- The protection of workers, funding of social security systems and guaranteeing fair competition between companies and fair mobility between workers.
- The political priorities of the government in place.
- The sensitivity of the topic among the public.
- To maintain the legitimacy of the social security system.

Source: Authors' analysis based on interview information.

⁽¹¹⁵⁾ ELA, *Accommodation and Food Service Activities: Issues and challenges related to labour mobility*, 2024, <https://www.ela.europa.eu/sites/default/files/2024-10/horeca-report-ela.pdf>.

⁽¹¹⁶⁾ Information obtained through consultation with the Centre for Pensions (Eläketurvakeskus), Finland, September 2024.

⁽¹¹⁷⁾ More details are included in Annex 1, in the case study on the application of the possibility to withdraw a PD A1. This discusses some of these obligations, such as the issuance of the PD A1 (verifying all relevant facts) and its withdrawal (the dialogue and conciliation procedure).

In general, the evidence gathered in this study indicates that tackling fraud and error in cross-border situations is perceived as less of a priority than national cases. This is due in part to the complexity of tracing fraud and error across borders but also to the assumption that the values concerned are lower than those associated with fraud and error in purely national cases. No comparative data are available to clearly indicate the difference between social security benefits fraud and error in cross-border situations relative to purely national cases across the EEA countries, but overall the number of payments of cross-border social benefits is much lower than the number of payments made nationally. Where data are available however, they indicate that in some countries infringement rates may at times be higher in cross-border cases than in purely national cases ⁽¹¹⁸⁾.

The research conducted for this study indicates that in approximately two thirds of the countries included in the study, monitoring or tackling fraud and error in cross-border situations is not a key policy priority. This means that there are often no specific dedicated (human or financial) resources or units that focus solely on fraud and error detection and that efforts are often reactive, focused on the specific features of particular situations that arise. These are triggered by suspicious cases rather than proactive initiatives. Existing control mechanisms that are implemented in national benefit payment cases are used as necessary in cross-border situations to support investigations into suspicious cases.

The research also indicates that, in general, if the fight against social contribution and benefit fraud in purely national cases is not a priority, cross-border fraud is also unlikely to constitute a policy priority. Several reasons for this were emphasised by the representatives of national social security institutions who were consulted and are outlined in Box 6.

Box 6. Reasons for not prioritising monitoring and tackling fraud and error in social security coordination

- Limited financial and human resources.
- The relatively low volume of fraud detected in cross-border cases.
- The lack of a legal framework that defines social security fraud and error in cross-border situations, including clarifications how the definitions are applied.
- The relatively limited number of cases of fraud and error.
- Although the challenges specific to social security coordination are acknowledged, they are not seen as significant enough to warrant prioritising them.
- Issues related to social security coordination are dealt with as part of the overall strategy for tackling fraud and error across all social security services and are embedded within general enforcement mechanisms.
- The limited awareness of policymakers concerning EU social security coordination.

Source: Authors' analysis of interview information.

The lack of official prioritisation of fraud and error in social security coordination does not however (always) indicate that this topic is not deemed noteworthy at the national level. In Italy, for example, monitoring cross-border cases is important due to the significant issue of *esterovestizione* (relocating companies abroad to avoid taxes) – a common and problematic practice where companies are structured in such a way that allows

⁽¹¹⁸⁾ For example, in 2020, the infringement rate for inspections related to cross-border cases of social fraud in Belgium was much higher than that for national cases. See <https://hiva.kuleuven.be/nl/kalender/docs/15-45-frederic-de-wispelaere-27-march-2023.pdf>.

them to avoid paying social security contributions (¹¹⁹). The stakeholders indicated, however, that fraud and error in cross-border cases is not formally a policy priority.

Overall, fraud and error in social security coordination is deemed a problem. With support from EU institutions and bodies, as well as initiatives at the country level in recent years, monitoring and tackling fraud and error in social security coordination is more visible at the policy level. The European Commission's yearly report on fraud and error in social security coordination is important not only because of the information it provides, but also because it shows that, despite progress, there are significant and persistent limitations in terms of the monitoring data available on this topic. Most countries do not report data on various indicators related to fraud and error. Most of the representatives of institutions that were contacted in the process of requesting these additional data indicated that they are not being collected at all, or not in a structured manner that enables them to be shared. This in itself is a key finding, showing that one of the core challenges that should be addressed is the enhancement of systematic data collection and monitoring capacities in the countries where social security coordination regulations apply, covering all social security branches. In the absence of such data, patterns of fraud and error in cross-border social security benefits remain difficult to grasp and impossible to estimate accurately.

4.3. Qualitative assessment of whether cross-border cases are more prone to fraud and error than national cases

It is challenging to determine definitively whether cross-border situations are more prone to fraud and error than national situations. The available evidence indicates that cross-border situations are generally more challenging to monitor and control rather than being inherently more or less prone to fraud and error. The limited availability of quantitative data, however, prevents a systematic comparison of the incidence of fraud and error in national and cross-border situations across countries and benefit areas. Below, a qualitative overview of situations in different countries is provided, based on information obtained through desk research and interviews with representatives of social security institutions.

In general (noting some exceptions), while fraud and error in cross-border situations does not appear to be more prevalent than in national situations, some types of fraud, such as the use of letterbox companies, are specific to cross-border situations. In addition, some sectors of the economy where mobile workers are over-represented are increasingly prone to fraud compared with purely national situations due to the increased opportunities for fraud to occur in cross-border situations (e.g. due to the complexities of enforcing existing legislation).

For some countries, there is no clear quantitative evidence suggesting that cross-border situations are more prone to fraud and error than national situations, even if they require more cross-border cooperation and may involve different challenges than national situations (e.g. France, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, Norway, Portugal and Sweden) (¹²⁰). As reported by a stakeholder in France:

Situations of international mobility are more difficult to detect and control: controls of posting and multi-activity situations are more complex due to the need to verify the situation of each employee in terms of affiliation to a social security scheme (e.g. posting certificate) / determination of the applicable social legislation. This type of control also has a cross-border cooperation dimension, with exchanges of information with the European social security authorities. ... However, as long as certain States have disparities in the allocation of resources / means available to manage the determination

(¹¹⁹) Information provided by the L'Istituto Nazionale della Previdenza Sociale (National Institute of Social Security), Italy, September 2024.

(¹²⁰) Information obtained through consultations with competent authorities in Member States.

of applicable legislation, monitoring cross-border fraud situations will be more difficult than dealing with national cases ⁽¹²¹⁾.

In several countries (e.g. Belgium, Croatia, Czechia, Germany, Greece, Liechtenstein, Poland, Romania, Slovakia and Spain) stakeholders did emphasise, however, that cross-border situations tend to be more prone to fraud and error, based on the incomplete data available. This is linked to specific labour-intensive sectors that are considered more prone to fraud in general and to specific types of fraud (e.g. letterbox companies or the fraudulent use of an EHIC abroad). As reported by a stakeholder in Belgium:

Traditionally, sectors with mobile workplaces (construction, metal, cleaning, transport, etc.), sectors with periodic peak moments (seasonal, temporary work, etc.) or sectors with extensive outsourcing (e.g. meat sector) are increasingly prone to fraud. This was true at the national level, but the international cross-border aspect has added another dimension, with additional difficulties in investigation/enforcement and thus further opportunities for fraudsters ⁽¹²²⁾.

There is no clear and consistent pattern related to which types of benefits tend to be more prone to fraud or error in cross-border situations. This is due to the limited availability of quantitative data over time and across countries and benefit branches. All types of benefits considered in this study are exposed to the possibility of fraud and error, although certain types of fraud can occur only in a cross-border situations (e.g. false PDs A1 or the use of letterbox companies).

It is useful, however, to consider the breakdown of the number of claims for recovery of undue benefit payments within a cross-border context. This is a relevant indicator for making an assessment about which types of benefits tend to be more prone to fraud and error. Most of these requests (over three quarters of requests submitted or received by the reporting Member States) in 2021 and 2022 concerned family benefits ⁽¹²³⁾. Most of the requests submitted by Austria, Belgium, Estonia, Ireland, Luxembourg, Norway, Poland, Portugal, Romania and Slovakia concerned family benefits. There were also relatively high numbers of requests to recover undue unemployment benefit and sickness benefit payments in 2022 ⁽¹²⁴⁾. This assessment is, however, based on incomplete data, as several Member States could not provide data for all branches of social security. Furthermore, this indicative estimation does not take into account the situations when claims for recovery are made/received but no data are collected; when no claims for recovery are made even if fraud or error is detected; and when fraud or error remain undetected.

Some specific considerations about the benefit areas and applicable legislation are outlined below. They include examples of benefits that appear to be more prone to fraud in cross-border cases, based on the assessment of the stakeholders consulted. These examples and qualitative assessments provide an indication of which types of benefits are more prone to fraud and error in different countries. However, due to data unavailability, they are not grounded in comparable quantitative trends over time or in quantitative comparisons between different types of benefits more exposed to fraud (or error) in cross-border cases than in purely national cases.

Family benefits tend to be prone to fraud and error in cross-border situations due to their complexity, differences across countries, the unavailability of national control mechanisms, and the fact that cross-border workers often have families in their country of origin. A selection of examples of this issue at the national level, which were emphasised during the interviews, is presented below.

⁽¹²¹⁾ Information obtained through consultation with the Agence Centrale des Organismes de Sécurité Sociale (Central Agency of Social Security Organisations), France, September 2024.

⁽¹²²⁾ Information obtained through consultation with the National Social Security Office, Belgium, September 2024.

⁽¹²³⁾ European Commission, *Recovery Procedures: Statistical data applicable to reference year 2022*, Publications Office of the European Union, Luxembourg, 2023, pp. 14–17, <https://ec.europa.eu/social/BlobServlet?docId=27424&langId=en>; and European Commission, *Recovery Procedures: Statistical data applicable to reference year 2021*, Publications Office of the European Union, 2022, pp. 14–16, <https://ec.europa.eu/social/BlobServlet?docId=26687&langId=en>.

⁽¹²⁴⁾ European Commission, *Recovery Procedures: Statistical data applicable to reference year 2022*, Publications Office of the European Union, 2023, pp. 14–17, <https://ec.europa.eu/social/BlobServlet?docId=27424&langId=en>.

- In Austria, family benefits are seen as more prone to fraud and error in cross-border situations due to their higher complexity ⁽¹²⁵⁾ and because the competent national institution does not automatically receive a notification of their discontinuation ⁽¹²⁶⁾.
- According to data from Flanders (Belgium), an estimated 3 % of family benefit payments checked by the Flemish Inspection Service involve fraud. The percentage of errors is difficult to estimate. The percentage of fraud cases in national situations is estimated to be significantly lower than in cross-border situations ⁽¹²⁷⁾.
- In Czechia, cases involving family benefits in cross-border situations are deemed more prone to error than in national situations and tend to stem from administrative mistakes or delayed reporting of family status changes. The latter occurs when families fail to update residency or employment information after moving to another country ⁽¹²⁸⁾.
- In Germany, in the assessment of the institutional representatives that were interviewed, there appears to be a higher risk of fraud related to child benefits, especially in border regions where benefits can be claimed in two countries simultaneously ⁽¹²⁹⁾.
- In Luxembourg, too, family benefits appear more prone to fraud and error due to the high number of cross-border workers, who often have families in their home countries. Common fraud and error cases include falsified documents (birth, marriage and death certificates), identity fraud and falsified non-payment certificates ⁽¹³⁰⁾.

Unemployment benefits appear more prone to fraud and error in cross-border situations because data matching options are not available in such cases, as they are in purely national situations. The following selection of examples illustrates the existing problems.

- In Belgium, while the types of fraud are similar in cross-border and national cases, uncovering fraud is more challenging in cross-border scenarios. For instance, Belgium can automatically cross-check data between self-employed and unemployed individuals within the country. However, this automatic data matching is not possible when there is a cross-border element. Cases of fraud involving unemployment benefits are often only discovered coincidentally, for example through reports from neighbourhood police officers noting that the person no longer has a known address in Belgium ⁽¹³¹⁾.
- In Czechia, fraud and error related to unemployment benefits in cross-border situations is deemed common, as individuals who start working abroad frequently do not report this change to the Czech authorities, continuing to claim unemployment benefits (see case study B in Annex 1).
- In Spain, unemployment benefits for cross-border workers are viewed as more prone to error due to the limited information included in the PD U1. Any missing details can lead to incorrect benefit recognition. These discrepancies can be easily verified through Spanish databases but not in a cross-border context ⁽¹³²⁾.

⁽¹²⁵⁾ Information obtained through consultation with Bundesministerium für Finanzen (Federal Ministry of Finance) and Sozialversicherung (Federation of Social Insurances), Austria, September 2024.

⁽¹²⁶⁾ Information obtained through consultation with Bundesministerium für Finanzen (Federal Ministry of Finance), Austria, September 2024.

⁽¹²⁷⁾ Information obtained through consultation with the agency responsible for payments of family benefits (Agentschap betalend Groeipakket), Belgium, September 2024.

⁽¹²⁸⁾ Information obtained through consultation with the Ministry of Labour, Department of Social and Family Benefits, Czechia, August 2024.

⁽¹²⁹⁾ Information obtained through consultation with the Family Benefit Authority (Familienkasse), Germany, September 2024.

⁽¹³⁰⁾ Information obtained through consultation with the Child Allowance Fund, Luxembourg, September 2024.

⁽¹³¹⁾ Information obtained through consultation with the National Employment Office, Belgium, 2024.

⁽¹³²⁾ Information obtained through consultation with the Spanish Public Employment Service (Servicio Público de Empleo Estatal), Spain, August 2024.

There is some evidence to suggest that old-age pensions are more susceptible to fraud and error in cross-border situations than in purely national ones. Proof of life certificates ⁽¹³³⁾ are used in several countries (e.g. Belgium, Denmark and Malta) to demonstrate that citizens living in other countries are still alive and entitled to their pension. These are very useful tools for ensuring compliance with social security rules ⁽¹³⁴⁾. In Belgium, for example, the proof of life certificate has led to the most detected cases of fraud, as it is one of the few cases where fraud can be demonstrated effectively. Issues may still arise when exchanging data with foreign institutions, such as lack of response, slowness or errors due to entering data manually via the Reference Implementation for a National Application (RINA) tool of EESSI, instead of forwarding the data automatically ⁽¹³⁵⁾.

The international element adds complexity and challenges to applicable legislation cases, although it depends on how effective the communication between countries is in practice ⁽¹³⁶⁾. While national fraud cases, such as posting via financially unstable companies, are similar in national and cross-border settings, the international aspect increases the propensity for fraud. Issues around the PD A1 ⁽¹³⁷⁾ and the time-consuming dialogue and mediation procedures (see also case study A in Annex 1) often hinder effective cooperation. Consequently, even strong findings related to fraud and error may not lead to regularisation or prosecution ⁽¹³⁸⁾.

Cross-border healthcare benefits are susceptible to fraud and error in cross-border cases, especially in relation to the misuse of the EHIC (e.g. in Czechia, Germany and Lithuania) ⁽¹³⁹⁾. In Germany, for example, not all health service providers accept the EHIC and may issue a private bill instead. This is because the EHIC cannot be read electronically, requiring providers to manually record and forward the data to the chosen health insurance fund, which can increase the likelihood of fraud. Lastly, some countries are not yet using EESSI for cost reimbursement procedures, and processing some reimbursement claims (especially disputes) is still paper based, making fraud detection more difficult ⁽¹⁴⁰⁾. These and other aspects are also discussed in the European Commission's annual reports on fraud and error in social security coordination ⁽¹⁴¹⁾.

⁽¹³³⁾ Proof of life certificates are the tools provided for in Administrative Commission Decision No H5 of 18 March 2010 concerning cooperation on combating fraud and error within the framework of Council Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 of the European Parliament and of the Council on the coordination of social security systems (OJ C 149, 8.6.2010, p 5), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=oj:JOC_2010_149_R_0005_01.

⁽¹³⁴⁾ Information obtained through consultation with the National Institute for Health and Disability Insurance, Belgium, September 2024.

⁽¹³⁵⁾ Information obtained through consultation with the Federal Pensions Service, Belgium, 2024.

⁽¹³⁶⁾ Information obtained through consultation with Sozialversicherung (Federation of Social Insurances), Austria, September 2024.

⁽¹³⁷⁾ For the proper use of posting under the coordination regulations, several conditions must be fulfilled cumulatively: (1) the employer must normally carry out its activities in the Member State of establishment; (2) there must be a direct relationship between the posting employer and the posted worker; (3) prior to being posted, the posted worker must be affiliated to the legislation of the Member State in which their employer is established; (4) the posting is of a temporary nature (not exceeding 24 months); and (5) the posted worker is not sent to replace another posted worker.

⁽¹³⁸⁾ Information obtained through consultation with the National Social Security Office, Belgium, 2024.

⁽¹³⁹⁾ Information obtained through consultation with the Board of the State Social Insurance Fund under the Ministry of Social Security and Labour, Lithuania, September 2024.

⁽¹⁴⁰⁾ Information obtained through consultation with the German Liaison Office for Health Insurance Abroad (Deutsche Verbindungsstelle Krankenversicherung – Ausland), Germany, September 2024.

⁽¹⁴¹⁾ This is in line with Decision H5 (2010) of the Administrative Commission for the Coordination of Social Security Systems concerning cooperation on combating fraud and error within the framework of Council Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 of the European Parliament and of the Council on the coordination of social security systems. See Annex 1 on matters to be covered, inter alia, in annual reports from the Member States on fraud and error (<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:149:0005:0007:EN:PDF>).

5. Tools and procedures used in preventing, detecting and tackling fraud and error

This chapter in brief

- Across EEA countries, the main institutions involved in fraud and error detection are social security institutions, which in some countries have specialised units dealing with fraud and error. These institutions may carry out inspections independently or in collaboration with labour inspectorates. Additional relevant institutions are tax authorities, customs offices and law enforcement agencies, which also have competences in fraud detection. The social partners can also play a role in fraud identification.
- At the national level, institutions cooperate in various ways to identify and tackle fraud and error in social security in national and cross-border cases. Some methods are formally established, based on partnership agreements that can facilitate data exchange, and follow specific guidelines. However, in many cases, this collaboration is neither structured nor systematic, relying instead on pre-existing patterns of cooperation developed across time and ad hoc cooperation tailored to individual cases.
- Most countries do not have specific procedures for detecting fraud and error in social security in cross-border settings. Instead, they generally follow the approaches established for national situations. The main approaches include monitoring activities, risk assessment, data mining and matching, and inspections.
 - Monitoring activities include verification procedures to assess the authenticity and accuracy of documents at the application stage, and periodic requests to confirm eligibility or reminders to report any changes.
 - Risk assessments and automated checks using data matching and advanced digital tools, such as data mining, AI and machine learning, can be key tools for detecting fraud and errors, and their use has increased over time at the national level.
 - From the perspective of the European Labour Authority (ELA), inspections also play a role in detecting fraud. At the national level, these are conducted by a range of authorities, including dedicated social security inspectorates, specialised fraud investigation units, and in collaboration with labour inspectorates.
- Another tool used by countries to prevent fraud and error is information aimed at enhancing users' understanding of social security coordination in cross-border situations. The impact of these measures on the awareness and compliance of mobile citizens and companies has been assessed as positive overall. The study identified good practices and the most relevant types of missing information.

Key challenges

- Key challenges in national-level interinstitutional cooperation include limited resources and low prioritisation of fraud and error detection, the lack of formal cooperation frameworks, reliance on manual processes, GDPR restrictions on data sharing, insufficient capacity for collaboration, complex procedures and fragmented data exchange systems.

Introduction

This chapter begins with an overview of the institutions involved in identifying and addressing fraud and error at the national level, along with the various ways they cooperate. This adds value to the existing knowledge and is not discussed in the European Commission's fraud and error report (reference year 2022). The chapter

then examines the tools and procedures used by countries to prevent, detect and address fraud and error. These tools include regular monitoring activities, risk assessments and data mining and matching, inspections, data exchange between social security institutions within countries and the provision of information aimed at increasing the knowledge and awareness of companies and mobile citizens⁽¹⁴²⁾. Although these tools are primarily applied at the national level, they also have implications for cross-border cases. The tools and procedures countries use to prevent, detect and address fraud and error in the field of social security coordination reported here are complementary to those mentioned in the European Commission's fraud and error report.

5.1. Cooperation measures between institutions involved in tackling fraud and error at the national level

The main institutions involved in fraud and error detection across the EEA countries are social security institutions (which in some countries have specialised units dealing with fraud and error). They may conduct inspections themselves or collaborate with labour inspectorates. Other relevant institutions include tax authorities, customs offices and law enforcement agencies, which also have competences in detecting and tackling fraud and error, primarily focusing on fraud.

The structure and role of social security institutions varies between countries (see Annex 3 for an overview). There are also differences in how they collaborate with each other and with other types of institutions. In some countries social security institutions may have specialised units for detecting and tackling fraud and error or focusing on social security coordination matters. For example, Denmark has a dedicated international fraud and error team within Payment Denmark (Udbetaling Danmark), the national authority responsible for administering various public benefits. Similarly, Portugal's Institute for Social Security has an International Coordination Unit, which is responsible for social security coordination and an Audit, Quality and Management of Risks Unit. Box 7 presents an example from Malta.

Box 7. Specialised units for compliance and social security coordination – Malta

The Department of Social Security in Malta includes a Benefits Compliance Unit under the Income Support and Investigation Directorate. This unit conducts investigations into allegations of social security benefit fraud and prosecutes those who commit fraud against the social security benefits framework. Additionally, the International Relations Unit was established in November 2003 within the Department of Social Security to meet obligations related to social security following Malta's accession to the EU. The International Relations Unit handles all benefits under bilateral and international agreements, covenants and Regulation (EC) Nos 883/2004 and 987/2009 concerning the coordination of social security systems.

Source: Authors' summary based on interviews and desk research.

In some countries, social security institutions may carry out inspections via specialised units and/or collaborate with labour inspection offices. For example, the Czech Social Security Administration has an internal control unit to detect fraud and error that conducts regular inspections and manual checks based on the information in its databases. The Czech Social Security Administration works closely with the State Labour Inspection Office, which focuses on detecting illegal employment, which often overlaps with social security fraud.

In some countries, tax authorities and customs offices are also involved in tackling fraud and error. These institutions tend to monitor undeclared work, tax evasion and national or cross-border financial activities,

⁽¹⁴²⁾ These tools are included in reference to cooperation aimed at tackling fraud and error in Decision H5 (2010) of the Administrative Commission for the Coordination of Social Security Systems concerning cooperation on combating fraud and error within the framework of Council Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 of the European Parliament and of the Council on the coordination of social security systems (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=oj:JOC_2010_149_R_0005_01).

including those impacting social security systems. For example, in Germany, the FKS has a remit to tackle informal employment and is institutionally connected to the Federal Ministry of Finance. In Hungary, the National Tax and Customs Authority is the designated authority to investigate criminal offences related to fraud affecting the public budget and fraud related to social security, social and other welfare benefits. The Revenue Agency (Agenzia delle Entrate) in Italy collects taxes and social security contributions, investigates and recovers unpaid contributions and works on preventing tax evasion related to social security. The Revenue Agency collaborates with the National Institute for Social Security in the field of fraud detection and contribution collection. In the Netherlands, the Tax Administration cooperates closely with the Social Insurance Bank and the Netherlands Labour Authority.

Law enforcement and financial intelligence units also investigate complex fraud schemes involving social security benefits and collaborate with other institutions on investigating financial crimes and social security fraud. Examples from Ireland and Italy are presented in Box 8.

Box 8. Examples of the involvement of law enforcement agencies and financial intelligence units in tackling social security fraud in Italy and Ireland

The Finance Police (Guardia di Finanza) in Italy has an investigative role in all social security areas. It is a military police force with specialised financial investigation units that conduct criminal investigations related to financial fraud, including social security. They execute audits and inspections to uncover fraudulent activities and use data analysis and intelligence tools for investigations. The Finance Police collaborates with the National Institute of Social Security, the National Institute for Insurance Against Accidents at Work, and the Revenue Agency. Specifically, the National Institute for Social Security engages with the Finance Police on joint inspections and investigations into fraudulent claims. It also collaborates with local police forces and municipal authorities to conduct residency checks and investigate potential fictitious claims.

In Ireland, the Department of Social Protection has a special unit that investigates cases of suspected social welfare fraud. Since 2014, it has been staffed by members of An Garda Síochána (the Irish police force), resulting in increased synergy with wider law enforcement agencies. This has facilitated investigative collaboration with other public bodies and law enforcement agencies in Ireland and Northern Ireland and overseas, such as the Garda National Economic Crime Bureau, the Criminal Assets Bureau, the Garda National Immigration Bureau, Europol and Interpol.

Source: Authors' summary based on interviews and desk research.

There are various forms of cooperation at the national level between the types of institutions outlined above, with the aim of identifying and tackling fraud and error in social security in national and cross-border cases. Some of the methods used are formally established, based on partnership agreements (which also enable data exchange between institutions) and follow specific guidelines, while many are rooted in informal exchanges that have been developed over time between different institutions. In many cases, cooperation at the national level between the types of institutions outlined above is not structured or systematic and does not follow specific guidelines that are consistently applied. It is rather driven by pre-existing patterns of cooperation developed across time between institutions and their staff and is tailored to specific cases.

Key challenges in cooperation at the national level include limited resources allocated to fraud and error detection (which is linked to its lack of prioritisation), the absence of a formal cooperation framework, reliance on manual processes, GDPR restrictions on data sharing, insufficient institutional capacity to prioritise collaboration, complex organisational procedures and fragmented data exchange systems.

Some examples of types of cooperation are presented below, with the aim of highlighting the diversity of exchanges between institutions. Formal cooperation methods are used, for example, in the countries listed below.

- In Romania, the National Employment Agency and the National Agency for Payments and Social Inspection collaborate based on partnership agreements. These aim to provide access to the data and information requested by each party.
- In Malta, the Department of Social Security, the Department of Industrial and Employment Relations and the job agency (Jobplus) share responsibilities, tools and data through formal agreements and memoranda of understanding. The legal foundation for this cooperation is provided by national legislation, such as the Social Security Act.
- Norway provides an example of a formal method of cooperation in the systematic collaboration between the Norwegian Labour and Welfare Administration and the Tax Administration. This partnership includes the electronic exchange of information, particularly concerning the PD A1. Additionally, the Tax Administration collaborates with the Norwegian Labour and Welfare Administration units to assess the tax liability of tax-exempt self-employed EEA residents. This cooperation is highly structured and ensures efficient data sharing and compliance with tax regulations.
- The cooperation between social security institutions in Spain is governed by protocols and bilateral agreements specific to each institution involved. For example, the resolution of the General Technical Secretariat of December 2002 published an agreement between the General Treasury of Social Security and the State Labour and Social Security Inspectorate establishing a framework to enhance mutual cooperation, including the systematic exchange of data and information as well as other activities necessary to ensure effective cooperation⁽¹⁴³⁾. Additionally, in the case of unemployment benefits, the Treasury of Social Security has had an agreement with the Spanish Public Employment Service since 2021 to establish the exchange of information for reimbursing undue unemployment benefit payments and addressing corporate liability⁽¹⁴⁴⁾.
- In Slovakia, the National Labour Inspectorate has an agreement with the Social Insurance Agency and can access its databases, facilitating the detection of unregistered or incorrectly registered workers or self-employed people.
- In the Netherlands, there are automatic data exchanges between the Social Insurance Bank and the Tax Administration on issued and received PDs A1. Automatic data exchange occurs approximately on a weekly basis, ensuring that the social security status of employed people is regularly shared between these entities.

⁽¹⁴³⁾ Ministerio de Trabajo Y Economía Social, Resolución de 5 de diciembre de 2022, de la Secretaría General Técnica, por la que se publica el Convenio entre la Tesorería General de la Seguridad Social y el Organismo Autónomo Organismo Estatal Inspección de Trabajo y Seguridad Social, por el que se fija el marco de relaciones para intensificar y hacer más eficaz la colaboración recíproca (Resolution of 5 December 2022, of the Technical General Secretariat, publishing the agreement between the General Treasury of Social Security and the Autonomous Body State Labor and Social Security Inspection Agency, establishing the framework for relations to intensify and make reciprocal collaboration more effective). *Boletín Oficial del Estado*, No 299, 14 December 2022, pp. 173 322–173 324, <https://www.boe.es/boe/dias/2022/12/14/pdfs/BOE-A-2022-21186.pdf>.

⁽¹⁴⁴⁾ Ministerio de la Presidencia, Relaciones con las Cortes y Memoria Democrática, Resolución de 2 de diciembre de 2021, del Congreso de los Diputados, por la que se ordena la publicación del Acuerdo de convalidación del Real Decreto-ley 24/2021, de 2 de noviembre, por el que se transpone directivas de la Unión Europea en los ámbitos de bonos garantizados, distribución transfronteriza de organismos de inversión colectiva, datos abiertos y reutilización de la información del sector público, ejercicio de derechos de autor y derechos afines aplicables a determinadas transmisiones y retransmisiones en línea de programas de radio y televisión, exenciones temporales para determinadas importaciones y suministros, protección de los consumidores y promoción de vehículos de transporte por carretera limpios y energéticamente eficientes (Resolution of 2 December 2021, of the Congress of Deputies, ordering the publication of the agreement for the validation of Royal Decree-Law 24/2021, of 2 November, on the transposition of European Union directives in the areas of covered bonds, cross-border distribution of collective investment undertakings, open data and reuse of public sector information, exercise of copyright and related rights applicable to certain online transmissions and retransmissions of radio and television programmes, temporary exemptions for certain imports and supplies, consumer protection, and promotion of clean and energy-efficient road transport vehicles), <https://www.boe.es/boe/dias/2021/12/11/pdfs/BOE-A-2021-20512.pdf>.

- While in Poland there is no permanent or systematic cooperation between key social security institutions specifically for detecting and tackling fraud and error in social security coordination, a step towards more formal cooperation methods was made recently. In 2022, the Social Insurance Institution (Zakład Ubezpieczeń Społecznych (ZUS)) set up a unified electronic platform to collect information on social contributions and benefits from various sources, including the Central Register of Beneficiaries managed by the Ministry of Finance, and partner institutions like the National Health Fund and the Ministry of Labour.

Box 9 presents a summary of formal cooperation methods between different institutions in Sweden and in Estonia.

Box 9. Collaboration between social security management institutions in Sweden and in Estonia

An example of how social security institutions collaborate is the partnership between the Swedish Social Insurance Agency and the Swedish Pension Agency, which primarily handle the payment of social security benefits in Sweden. These two agencies work actively together at the strategic and operational levels to prevent internal processing errors and reduce the risk of incorrect payments to beneficiaries through information sharing. When it comes to fraud, special units in each of the agencies have been established to investigate cases where the agencies suspect deliberate wrongful actions ⁽¹⁴⁵⁾. Additionally, in cases of benefit fraud, the two agencies collaborate with other institutions and bodies, such as the police and prosecutors, the Swedish Migration Agency, the Swedish Tax Agency and the Swedish Work Environment Authority. Under the initiative ‘Resilience of authorities responsible for payments and enforcement’, nine working groups have been established, involving 24 agencies, to strengthen the overall ability to prevent and counteract welfare fraud.

Estonia has a general administrative law principle that requires public bodies to cooperate with each other. The stakeholders consulted emphasised that the small size of the country enables cooperation between staff in different institutions on a daily basis, and therefore no formal agreements are needed. In addition to the ordinary daily cooperation between officials, there is the shared use of various digital databases where all the data necessary for social security coordination decisions are kept. Moreover, a working group involving all the heads of social security coordination matters in different national institutions (e.g. Social Insurance Board, Health Insurance Board) is also in place.

Source: Authors’ summary based on interviews and desk research.

Informal cooperation is a crucial aspect of interinstitutional collaboration within countries, complementing or, in some cases, operating independently of more structured methods. This cooperation can occur on a case-by-case basis, often facilitated by well-connected staff members from different institutions, or through long-standing partnerships that have evolved over time, but which have developed through practical methods of cooperation. Some examples of informal cooperation within countries are presented below.

- In Latvia, institutions and bodies involved in social security matters collaborate on a case-by-case basis (as well as through ongoing partnerships). For long-term cooperation, they may establish interministerial agreements. However, no such agreements have been concluded specifically for cooperation in detecting or preventing fraud and errors in social security coordination. In practice, the State Social Insurance Agency and the National Health Service work closely with their respective supervisory ministries: the Ministry of Welfare and the Ministry of Health.
- Similarly, in Lithuania, the Social Insurance Fund, Sodra, collaborates with the State Employment Agency and Sodra’s Registration Department and Foreign Pensions Department to identify and address instances of fraud. Their cooperation methods include cross-referencing data and engaging in manual checks or ad hoc communication to rectify benefit overpayments.

⁽¹⁴⁵⁾ Information obtained through consultation with the Ministry for Health and Social Affairs, Sweden, February 2025.

- In Liechtenstein, stakeholders deemed the cooperation between social security institutions, the Department of Economic Affairs and the Department of Social Services prompt and often informal. Due to the small size of Liechtenstein and its administration, formal coordination at the national level is deemed unnecessary, as the responsible public institutions interact with each other daily.
- Through a formal cooperation agreement, German Pension Insurance (Deutsche Rentenversicherung (DRV)) is cooperating with the German Customs – Undeclared and Illegal Work Inspections Unit to combat benefit fraud and undeclared work (see Box 10 for more information).

Box 10. Example of collaboration between different inspection services in Germany

DRV has an inspection service that can review pension contributions made by employers. However, it cannot appear at an employer's premises without notice to search or confiscate documents or computers. This must be done by the German Customs – Undeclared and Illegal Work Inspections Unit, which has similar powers to the police in the field of illegal or undeclared work and associated benefit fraud, or by state tax investigators, who receive permits from the public prosecutor's office. DRV can assist on-site in such cases. Additionally, it can assist the customs unit when suspicious data on social insurance contributions are found during its inspections. If DRV receives anonymous tips about fraudulent behaviour, it investigates the suspected case and may draft a report that is shared with various other authorities.

Source: Authors' summary based on interviews and desk research.

In addition to the role of public institutions, the social partners are actively involved in identifying and tackling fraud and error in some countries. For example, in Germany, Soka-Bau, a social security fund established by social partners in 1948, is authorised to request employee documents such as time sheets, payslips and employment contracts from companies. If a violation related to employment terms is identified (e.g. a minimum wage agreed via a collective agreement is not paid), enforcement authorities are notified ⁽¹⁴⁶⁾.

5.2. Tools to identify and tackle fraud and error in cross-border situations

Most countries do not have specific procedures or tools for detecting and tackling fraud and error in social security in cross-border settings. Instead, they follow the approach established for national situations. In some cases, there are processes embedded in these general approaches that take into account cross-border fraud and error situations. Even in such cases, however, inspections focusing on cross-border situations tend to be less frequent than those focusing on national situations, and there are no clear patterns across countries as to which benefit branches are prioritised.

There are several types of methods and tools that can be used for identifying and tackling fraud and error (in national and cross-border situations), including monitoring activities, risk assessment procedures, data mining and matching tools, inspections, data exchange between social security institutions within countries, and increasing the knowledge and awareness of companies and mobile citizens ⁽¹⁴⁷⁾.

Overall, the research did not yield consistent evidence that social security institutions have a strategic approach to using different tools and methods to tackle fraud and error. There are, however, tools that are predominantly used for tackling fraud, such as inspections and risk assessments. The work of particular types

⁽¹⁴⁶⁾ Eurofound, *Minimum Wages: Non-compliance and enforcement across EU Member States – Comparative report*, Publications Office of the European Union, Luxembourg, 2024, p. 50, <https://www.eurofound.europa.eu/sites/default/files/2023-11/ef23059en.pdf>.

⁽¹⁴⁷⁾ These tools are included in reference to cooperation aimed at tackling fraud and error in Decision H5 (2010) of the Administrative Commission for the Coordination of Social Security Systems concerning cooperation on combating fraud and error within the framework of Council Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 of the European Parliament and of the Council on the coordination of social security systems (<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:149:0005:0007:EN:PDF>).

of institutions, such as law enforcement agencies (police, tax authorities, customs units, financial intelligence units), is specifically focused on combating fraud.

Key methods and tools aimed at detecting and tackling fraud and error, which are further described in the sections below, often complement each other. Monitoring activities can guide inspections and incorporate risk assessments as well as data mining and matching tools. For example, patterns detected through routine monitoring may highlight areas requiring further investigation, thereby shaping the focus of inspections and enhancing the effectiveness of data analysis. Moreover, the exchange of data between social security institutions within (and between) countries maximises the impact of tools designed to detect and prevent fraud and error. At the cross-border level, systematic data sharing ensures the collection of the necessary information, enabling a coordinated approach to identify and address cross-border fraud and error more effectively.

5.3. Monitoring activities

Monitoring activities are one of the approaches used to identify and tackle fraud and error. These may include verifying the authenticity and accuracy of documents at the application stage, as well as periodic requests to confirm eligibility or reminders to report any changes. Incorrectly updated information, such as address details, can result in an EHIC or PD not being delivered or delivered to the wrong address, and spelling mistakes can lead to the creation of multiple personal files and errors in benefit administration ⁽¹⁴⁸⁾. For example, experiments in the Netherlands have demonstrated that frequent reminders encourage beneficiaries to report changes in their living circumstances. Italy regularly asks beneficiaries residing abroad to complete self-certification forms confirming that their eligibility conditions remain unchanged ⁽¹⁴⁹⁾.

Countries also rely on established control mechanisms within their administrative frameworks to identify and tackle fraud and error in national and cross-border contexts in the absence of specific national legislation. Some examples are presented below.

- In Italy, fraud and error are generally managed under the existing regulations and controls applicable to the various social security benefits. These include ensuring compliance with the requirements for each benefit through routine audits, data cross-checking and collaboration with other public authorities, including the Finance Police, for enforcement purposes. The focus is on adhering to EU regulations rather than having a distinct, dedicated national legal framework targeting fraud and error in social security coordination ⁽¹⁵⁰⁾.
- Romania also employs national administrative procedures for monitoring and verification to detect fraud and error. For example, the National Agency for Tax Administration plays a crucial role in identifying and addressing fraud and error through its monitoring and verification procedures, which are aligned with EU recommendations and best practices ⁽¹⁵¹⁾.
- Similarly, in Austria there are regular checks and monitoring activities that can lead in individual cases to an investigation ⁽¹⁵²⁾. Austria has a central database of social security data to detect patterns. In the case of posting as a receiving country, the assessment takes place through a joint audit of payroll taxes

⁽¹⁴⁸⁾ ELA, *National cross-border digital tools and services in EU social security coordination*, Publications Office of the European Union, Luxembourg, 2025.

⁽¹⁴⁹⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, <https://ec.europa.eu/social/BlobServlet?docId=27421&langId=en>.

⁽¹⁵⁰⁾ Information obtained through consultation with the National Institute of Social Security, Central Directorate for Internal Audit, Risk Management, Compliance and Anti-fraud, Italy, September 2024.

⁽¹⁵¹⁾ Information obtained through consultation with the National Agency for Payment and Social Inspection, Romania, September 2024.

⁽¹⁵²⁾ Information obtained through consultation with Sozialversicherung (Federation of Social Insurances), Austria, September 2024.

and contributions (gemeinsame Prüfung von Lohnabgaben und Beiträge (GPLB))⁽¹⁵³⁾ of service contracts, wage taxes and employer contributions, municipal tax, working time records and social security contributions⁽¹⁵⁴⁾. Monitoring activities to detect fraud and error may use similar approaches to the ones used to identify and tackle undeclared work, such as comparing the turnover of a company with the number of declared employees and the amount of social security contributions paid to identify non-compliance with social security regulations.

- The Czech Social Security Administration and Labour Office relies heavily on manual checks to detect fraud and error in the absence of specific laws, particularly in cross-border situations where discrepancies in data or reporting delays occur⁽¹⁵⁵⁾. Moreover, in Czechia, cross-border monitoring involves regular checks and inspections, particularly in cross-border cases involving posted workers and healthcare claims. Cross-border situations are monitored with additional care due to the higher risks involved⁽¹⁵⁶⁾ (see case study B in Annex 1 for a more in-depth analysis of fraud and error regarding unemployment benefits in Czechia).
- A recent monitoring tool introduced by Urssaf in France is the Contrôle de la Législation Applicable de Sécurité Sociale (CLASS) database, which is available to inspectors, police, social security institutions and other authorities. More details are included in Box 11.

Box 11. The CLASS monitoring tool – France

The CLASS database includes a range of information on international mobility. It was developed by the Urssaf national fund, but it is accessible to other French control inspectorates upon agreement. It includes historical data from its predecessor (Sirdar used for PDs A1 until 2021), data from EESSI, and posting declarations from the Information System on International Services (Système d'Information sur les Prestations de Services Internationales (SIPSI)) database belonging to the French Ministry of Labour. In practice, this facilitates the work of inspection services when they detect fraud in the area of posting. In the long term, the CLASS database could be used to optimise the targeting of foreign companies to be inspected where there is a strong presumption of fraud, by cross-checking data and using data mining methods. Before this can be done, a decree is required to provide a legal basis for the approach⁽¹⁵⁷⁾.

Source: Authors' analysis based on interviews and desk research.

These developments are relevant for the detection and tackling of fraud and error in cross-border situations because the implementation of regular checks on a person's legal status and monitoring activities constitutes a substantial step in the prevention of and fight against fraud and error. Since most monitoring activities are still conducted at the national level, effective information exchange between countries is essential to utilise the data gathered through such monitoring activities and apply it in the fight against cross-border fraud and error⁽¹⁵⁸⁾.

⁽¹⁵³⁾ Information obtained through consultation with Sozialversicherung (Federation of Social Insurances), Austria, September 2024.

⁽¹⁵⁴⁾ <https://www.wko.at/sozialversicherung/pruefung-lohnabhaengiger-abgaben-beitraege-gplb>.

⁽¹⁵⁵⁾ Information obtained through consultation with the Ministry of Labour, Department of Social and Family Benefits, Czechia, August 2024, and the Czech Social Security Administration, Department of European Coordination and International Relations, Czechia, September 2024.

⁽¹⁵⁶⁾ Information obtained through consultation with the Czech Social Security Administration, Department of European Coordination and International Relations, Czechia, September 2024.

⁽¹⁵⁷⁾ Information obtained through consultation with Direction de la Sécurité Sociale (Directorate of Social Security), responsible for social fraud prevention, France, August 2024.

⁽¹⁵⁸⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, <https://ec.europa.eu/social/BlobServlet?docId=27421&langId=en>.

5.4. Risk assessment and digital tools

Risk assessments and automated checks using data matching and advanced digital tools, such as data mining, AI and machine learning, can be key tools used for detecting fraud and error. They can also provide crucial information and support to labour inspectorates in targeting and prioritising their inspections effectively. They are, however, currently used to a varying degree across countries. Investing in their development and testing in the short and medium terms (with proper attention given to data protection and safeguards against bias in algorithms) will be important in order to assess their added value to more effective and efficient prevention and detection of fraud and error in national and cross-border situations.

Risk assessments in particular are used to identify and tackle fraud cases. In Hungary, for example, authorities conduct target audits on high-risk cases and industries, focusing on sectors known for cross-border employment, such as construction and seasonal agriculture, where fraudulent claims are more likely to occur ⁽¹⁵⁹⁾. In Ireland, control surveys are conducted, which are targeted assessments of random samples of claims under specific schemes, to support the identification of operational risks and mitigate fraud risks ⁽¹⁶⁰⁾. In Slovenia, based on the identification of key risks, software is employed to identify the high-risk taxpayers from a large volume of data using risk indicators. These instances are then monitored on a case-by-case basis ⁽¹⁶¹⁾.

Several social security institutions with digitalised services are using automated checks built into their systems to verify that the information included in benefits applications is correct. This is the case in Austria, Belgium, Croatia, Czechia, Denmark, Germany, Italy, Lithuania, the Netherlands, Norway, Poland, Slovakia and Sweden. Such checks can encompass data matching, algorithms and other advanced tools such as data mining, AI and machine learning ⁽¹⁶²⁾. Data matching involves comparing the information contained in applications with data contained in public databases or registries ⁽¹⁶³⁾. Quite a few countries use data analysis and data matching, and also other advanced digital tools like data mining, algorithms and AI to target checks and identify fraud. Data mining is used to select cases according to risk criteria (which have been identified thanks to statistical analyses of fraud, and reveal the existence of fraud). This increases the effectiveness of checks ⁽¹⁶⁴⁾. Data matching/mining adds value, but is not yet being used in an optimal way. There are different reasons for this, including considerations linked to data protection. Below are some examples of the use of the use of data matching and mining.

- Malta uses data matching and audits to identify discrepancies and potentially fraudulent activities related to old-age pensions, ensuring that the information provided by claimants is accurate and consistent (see also case study B in Annex 1) ⁽¹⁶⁵⁾.

⁽¹⁵⁹⁾ Forbes, 'They disclosed labour law violations at many businesses, we will show you the most common ones' (*Rengeteg cégnél találtak munkaügyi problémát, mutatjuk a leggyakoribbakat*), Forbes website, 25 January 2024, <https://forbes.hu/uzlet/munkaugy-ellenorzes-birsag-szabalytalansag-feketemunka/>. See also Pest County and Érd Chamber of Commerce and Industry (PMKIK), 'Experiences of the labour inspections: 1 January–30 September 2023' ('A foglalkoztatás-felügyeleti ellenőrzések tapasztalatai: 2023. január 1–szeptember 30'), https://v2.pmkik.hu/wp-content/uploads/A-foglalkoztatás-felügyeleti-ellenorzesek-tapasztalatai_2023.III_n.pdf.

⁽¹⁶⁰⁾ Government of Ireland: Department of Social Protection, *Compliance and Anti-fraud Strategy 2019–2023: Annual report 2022 and annual target statement 2023*, no date, <https://www.gov.ie/pdf/?file=https://assets.gov.ie/279471/75372cde-8a0f-4b5c-b66e-6f93ffbf02c3.pdf#page=null>.

⁽¹⁶¹⁾ Information obtained through consultation with Financial Administration of the Slovenian Republic, Slovenia, September 2024.

⁽¹⁶²⁾ ELA, *National cross-border digital tools and services in EU social security coordination*, Publications Office of the European Union, Luxembourg, 2025.

⁽¹⁶³⁾ ELA, *National cross-border digital tools and services in EU social security coordination*, Publications Office of the European Union, Luxembourg, 2025.

⁽¹⁶⁴⁾ Information obtained through consultation with Directorate for Social Security and Cleiss, France, September 2024.

⁽¹⁶⁵⁾ Information obtained through consultation with the International Relations Unit of the Department of Social Security of Malta, August 2024.

- Croatia is further developing its IT system to enable easier cross-referencing of relevant data on sickness benefits ⁽¹⁶⁶⁾. The Department of Social Protection in Ireland matches social welfare payment data against data from other agencies (including revenue data on earnings) to identify discrepancies in information provided by individuals claiming or renewing entitlements ⁽¹⁶⁷⁾.
- A good number of institutions in Belgium, Croatia, Denmark, Iceland, Italy, the Netherlands and Slovakia employ rather sophisticated algorithms with the aim of tackling fraud and error. These involve the use of data mining techniques (e.g. in Denmark and Italy) and AI (Belgium and Italy). These instruments can also be used for plausibility checks to identify unusual patterns or behaviours. For example, social security institutions dealing with pension and family benefits in the Netherlands use algorithms to check water usage at an address to verify how many people reside there ⁽¹⁶⁸⁾. In Belgium, data mining and matching are used to monitor and identify situations that signal irregular patterns or discrepancies and target high-risk employment sectors/sites ⁽¹⁶⁹⁾. There is a strong focus on compliance with the provisions on applicable legislation in the case of posted workers. See further details in Box 12.

Box 12. The use of data mining and matching models to select ‘at risk’ companies – Belgium

The NSSO data mining team provides quarterly target lists of high-risk employment sites/recruits for the purpose of identifying social dumping actions. AI capabilities are planned to support a self-learning data mining model. The aim is to use the data to organise inspections as efficiently as possible. All NSSO cross-border employment inspectors at the level of the provincial directorates also have a business intelligence tool with which they can make their own file-related data-matching queries.

Subsequently, data can be fine-tuned with data from several databases, such as Checkinetwork ⁽¹⁷⁰⁾, Dimona ⁽¹⁷¹⁾, Limosa ⁽¹⁷²⁾ and Gotot IN ⁽¹⁷³⁾. This is done to select at-risk companies and locate them – especially in sectors with mobile employment. Specifically for identifying potential irregularities in Regulation (EC) No 883/2004 ⁽¹⁷⁴⁾, the Limosa (declarations on incoming posted workers) and Gotot IN (incoming PDs A1) databases are very important ⁽¹⁷⁵⁾.

The NSSO has developed its own data-mining models specifically for posted self-employed people. The use of data mining and data matching tools has resulted in a high percentage of infringements being identified during inspections in the field (especially when compared with random inspections). This also results in a more efficient use of limited human resources ⁽¹⁷⁶⁾.

Source: Authors’ synthesis based on interviews and desk research.

In France, in order to check compliance with the residence conditions for entitlement to health insurance, the responsible institution cross-references files with those of the tax authorities to identify insured people

⁽¹⁶⁶⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

⁽¹⁶⁷⁾ Government of Ireland: Department of Social Protection, *Compliance and Anti-fraud Strategy 2019–2023: Annual report 2022 and annual target statement 2023*, no date, <https://www.gov.ie/pdf/?file=https://assets.gov.ie/279471/75372cde-8a0f-4b5c-b66e-6f93ffb02c3.pdf#page=null>.

⁽¹⁶⁸⁾ ELA, *National cross-border digital tools and services in EU social security coordination*, Publications Office of the European Union, Luxembourg, 2025.

⁽¹⁶⁹⁾ Information obtained through consultation with the NSSO, Belgium, September 2024.

⁽¹⁷⁰⁾ https://www.socialsecurity.be/site_nl/employer/applics/checkinetwork/index.htm.

⁽¹⁷¹⁾ https://www.socialsecurity.be/site_fr/employer/applics/dimona/index.htm.

⁽¹⁷²⁾ <https://www.limosa.be/en/home.html>.

⁽¹⁷³⁾ <https://www.smals.be/nl/realisaties/projecten/grensoverschrijdende-tewerkstelling-gotot-een-instrument-voor-controle-op>.

⁽¹⁷⁴⁾ Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32004R0883>.

⁽¹⁷⁵⁾ Information obtained through consultation with the NSSO, Belgium, 2024.

⁽¹⁷⁶⁾ Ibid.

who are domiciled abroad for tax purposes, which makes it possible to stop their entitlements even if they have failed to declare their departure ⁽¹⁷⁷⁾.

Notwithstanding these notable developments at the national level, data mining is generally unavailable in cross-border situations and data matching only to a limited extent. This situation significantly hinders the effective detection and tackling of fraud and error in cross-border situations. In addition, the longer processing times needed for data verification between countries increase the likelihood that fraud will go undetected for extended periods in cross-border cases. However, the exchange of data and data matching in cross-border situations is relatively common when it comes to information about deaths, to prevent the overpayment of pensions to people previously living in a Member State other than the competent Member State ⁽¹⁷⁸⁾.

5.5. Inspections

Inspections can play a key role in detecting fraud in particular and in complementing monitoring activities, risk assessments and data exchange. Inspections related to fraud and error are typically carried out by a variety of authorities, depending on the national system of each Member State. At the national level, these inspections may be carried out by dedicated social security inspectorates or specialised fraud investigation units, as for example in Belgium, Bulgaria, Germany and France. In cases involving employment-related fraud, labour inspectorates often collaborate with social security institutions to address irregularities or may independently conduct inspections concerning social security matters. Several examples of how inspections are conducted are presented below.

In Czechia, regular inspections are conducted on employers and self-employed individuals subject to Czech social security legislation. These inspections ensure that social security contributions are paid accurately and that individuals are receiving the correct benefits. Similarly, employment status is monitored to ensure compliance with conditions for entitlement to unemployment benefits (see also case study B in Annex 1) ⁽¹⁷⁹⁾. In Italy, targeted inspections are conducted to investigate suspected cases of fraud or error, although they are not frequent. The focus of these inspections can vary, with particular attention given to cases involving cross-border activities or companies exploiting loopholes in the system ⁽¹⁸⁰⁾. Malta carries out site inspections to verify the accuracy of the information provided by beneficiaries ⁽¹⁸¹⁾. Belgium carries out domicile checks on unemployed people in order to prevent fraud in connection to the right to unemployment benefits (domicile in Belgium) and the amount of benefit paid (depending on the family situation) ⁽¹⁸²⁾.

Greece maintains registries of patients with chronic and uncommon illnesses, which helps verify the validity of healthcare claims, supporting enforcement. Doctors' e-prescribing behaviour is monitored, real-time audits and checks are implemented on the spot, and checks are carried out on supporting documentation using statistical approaches ⁽¹⁸³⁾. In Hungary and Malta, training programmes for staff have focused on recognising patterns of fraud and understanding the complexities of cross-border social security

⁽¹⁷⁷⁾ Additional information provided by the Directorate of Social Security, 'Regioplan: Questionnaire on anti-fraud strategies in social security', 2022.

⁽¹⁷⁸⁾ Some examples: in 2022, Germany carried out 1 272 400 data matches. Malta uses data matching to identify discrepancies and potentially fraudulent activities related to old-age pensions (see also case study B in Annex 1). Denmark has concluded a number of agreements with other Member States to allow for regular exchange of data on deaths of pensioners living abroad.

⁽¹⁷⁹⁾ Information obtained through consultation with the Labour Office of the Czech Republic (Úřad práce ČR), Czechia, August 2024.

⁽¹⁸⁰⁾ Information obtained through consultation with the National Institute of Social Security, Italy, September 2024.

⁽¹⁸¹⁾ Ministry for Solidarity and Social Justice, the Family and Children's Rights, *Part of the Annual Report 2021*, 2021, <https://socialsecurity.gov.mt/wp-content/uploads/2022/06/DSS-Except-Annual-Report-2021.pdf> (available in Maltese only).

⁽¹⁸²⁾ Information obtained through consultation with the National Employment Office, Belgium, 2024.

⁽¹⁸³⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, 2024, unpublished Annexes II and III.

regulations ⁽¹⁸⁴⁾ ⁽¹⁸⁵⁾. In Ireland, each year the Department of Social Protection conducts reviews across all its schemes and programmes to verify ongoing eligibility ⁽¹⁸⁶⁾. The frequency of inspections is determined using a risk-based approach supplemented by random sample checks. For example, for child benefits, domestic cases are inspected every 12–18 months, based on the scheme’s financial value (EUR 2.3 billion). Cross-border cases, however, are inspected every six months due to the higher likelihood of fraud and error ⁽¹⁸⁷⁾.

Labour inspectors and national authorities may also receive relevant information on social security fraud via complaint procedures or national websites on posting of workers from workers, employers and the social partners. In Belgium, for example, it is possible to submit complaints about social fraud through a contact point for social fraud ⁽¹⁸⁸⁾ and to reach out to liaison offices and labour inspectorates with questions or complaints regarding social security matters in the context of the posting of workers ⁽¹⁸⁹⁾.

These developments are relevant for the detection and tackling of fraud and error in cross-border situations because they indicate that countries are dedicating resources to inspection activities that focus on detecting fraud in particular – rather than focusing only on inspections that assess working conditions. In some countries, special attention is being paid to cross-border situations, either through inspections or by training staff on the complexities of cross-border social security coordination. Further information on cross-border inspections is included in Section 6.5 below on other cross-border initiatives.

5.6. Data exchange between social security institutions within countries

Although in general initiatives to digitalise social security systems at the national level and digitalise social security coordination are still being developed, there are some notable examples of electronic exchange of information. This section identifies examples of data exchanges between institutions at the national level, and is complemented by Chapter 6, where examples of cross-border data exchanges are included. Developments in facilitating data exchanges between different institutions in the same country is a first step towards improving the interoperability of databases and data collection systems and enabling cross-border exchanges.

Several countries have developed the interoperability of their systems, databases and procedures that enable them to match or exchange data relevant to different social security branches. Some examples are listed below. They show the progress that has been made in the use of digital tools to exchange data in real time at the national level.

- In Austria ⁽¹⁹⁰⁾, institutions conduct automated checks on the basis of existing information from various sources, such as electronic databases with information relevant to social security benefits.
- In Croatia, various practices have been developed to enhance the digitalisation of social security, which have a bearing on cross-border situations. This includes the creation of online platforms for applying for social security benefits, checking statuses and updating personal information. This shift is aimed at

⁽¹⁸⁴⁾ Information obtained through consultation with the Hungarian State Treasury (Magyar Államkincstár), Hungary, June 2024.

⁽¹⁸⁵⁾ Information obtained through consultation with the International Relations Unit of the Department of Social Security of Malta, August 2024.

⁽¹⁸⁶⁾ Ibid.

⁽¹⁸⁷⁾ Information obtained through consultation with the Department of Social Protection, Child Benefit Section, Ireland, September 2024.

⁽¹⁸⁸⁾ <https://www.siod.belgie.be/nl/contact>.

⁽¹⁸⁹⁾ https://employment.belgium.be/en/themes/international/posting/belgian-liaison-office-and-labour-inspectorate/directorate-general#toc_heading_5.

⁽¹⁹⁰⁾ For instance, regarding family benefits, cases of fraud and error are identified through the Predictive Analytics Competence Center, which carries out risk analyses on the basis of existing information from various sources. Regarding applicable legislation, cases of fraud and error are identified by fully automatic verification using electronic databases with information relevant to social security.

improving efficiency and reducing the opportunities for fraud associated with paper documentation⁽¹⁹¹⁾. Investments have been made in integrated IT systems to streamline the exchange of data between Croatia's national social security institutions and their counterparts in other Member States. These systems aim to enhance the accuracy of data and expedite processing times in cross-border cases. To prevent unemployment benefit fraud, the Croatian Employment Service has established data exchange systems with several other relevant institutions (e.g. the Croatian Pension Insurance Institute and the Central Registry of Affiliates)⁽¹⁹²⁾.

- In Denmark, data from the tax authorities, the Central Business Register and the Central Person Register are combined with the information provided by PD A1 applicants⁽¹⁹³⁾. In addition, to prevent fraud and error related to the unreported death of pensioners living abroad, proof of life certificates are sent out once a year in Denmark⁽¹⁹⁴⁾. In order to prevent fraud, pensioners living in Denmark are required to use the NemKonto system (National Account Register)⁽¹⁹⁵⁾, which ensures that payments are made⁽¹⁹⁶⁾. This strategy should ensure that public bodies have up-to-date information about citizens. A significant step in the prevention of errors was achieved when the procedure of adjusting pension rates to match the level of income for the beneficiary was restructured from a yearly check-up to an automatic monthly check-up on the basis of the information in the National Income Registry (elndkomst)⁽¹⁹⁷⁾. This ensures that the build-up of large amounts due for recovery is avoided to a certain extent⁽¹⁹⁸⁾.
- In Ireland, the Department of Social Protection conducts targeted investigations based on the analysis of claim data to identify cases at higher risk of non-compliance or overpayment. This data-driven approach enhances the detection of non-compliant claims and allows for better allocation of investigative resources⁽¹⁹⁹⁾.
- Italy strengthened internal cooperation through a memorandum of understanding between the Ministry of the Interior and the National Institute for Social Security in 2017. This funded a new business intelligence system. The system helps detect fraudulent activities by processing datasets from different public administrations and enabling risk identification, blocking payments in potential fraud cases. It targets undeclared work and fictitious employment.
- In the Netherlands, the SVB currently exchanges data on deaths with Belgium, Germany, Italy, Poland, Spain and the United Kingdom (in the context of implementing Regulation (EC) No 883/2004).
- In Norway, one example of exchange of electronic information within the country is the collaboration between the Norwegian Labour and Welfare Administration (Arbeids- og Velferdsforvaltningen (NAV)) and the Tax Administration. When calculating social security tax and employer tax, the Tax Administration sources A1 status information electronically from the NAV. There have been instances

⁽¹⁹¹⁾ The Croatian Pension Insurance Institute (<https://www.mirovinsko.hr/>) and the Croatian Health Insurance Institute (<https://hzzo.hr/>).

⁽¹⁹²⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

⁽¹⁹³⁾ Ibid.

⁽¹⁹⁴⁾ Information obtained through consultation with Udbetaling Danmark – Helhedsorienteret Kontrol, Denmark, September 2024.

⁽¹⁹⁵⁾ <https://en.digst.dk/systems/nemkonto/>.

⁽¹⁹⁶⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

⁽¹⁹⁷⁾ Ibid.

⁽¹⁹⁸⁾ Ibid.

⁽¹⁹⁹⁾ Government of Ireland: Department of Social Protection, *Compliance and Anti-fraud Strategy 2019–2023: Annual report 2022 and annual target statement 2023*, no date, <https://www.gov.ie/pdf/?file=https://assets.gov.ie/279471/75372cde-8a0f-4b5c-b66e-6f93ffb02c3.pdf#page=null>.

where the information presented did not match what was obtained directly from the relevant Member State / EEA country, thereby affecting the implementation of social security coordination rules ⁽²⁰⁰⁾.

- In Poland, for the purposes of EESSI, ZUS has implemented its own proprietary IT solution – NIA, specialised software with databases and applications used by ZUS in its day-to-day work. This software enables, among other things, data to be downloaded from ZUS databases to electronic documents; application user support by automatic downloads of indicated data (avoiding data transcription errors); the extraction of information from incoming documents; and the streamlining of the process of issuing PDs A1. NIA also enables ZUS to exchange data with foreign institutions and generates PDs A1.

5.7. Increasing the awareness of mobile citizens and companies

Providing information aimed at increasing the knowledge and awareness of companies and mobile citizens is another tool used by countries to prevent, detect and address fraud and error. A range of institutions – from social security institutions to employment offices, health insurance institutions, pension funds and agencies, and private companies – play an important role in delivering accurate information on the rights and obligations of mobile citizens and companies across countries, and thus help to prevent the occurrence of fraud and error. These institutions use various channels, including websites and online portals, printed materials, direct consultations and information days, and mass and social media, to reach their audiences (Box 13). They also often work in cooperation with social partners to create synergies, and these partners can act as multipliers on the ground.

Box 13. Examples of key channels of information

Websites and online portals

In Portugal, information campaigns were developed on the websites of the Institute of Social Security ⁽²⁰¹⁾ and the Working Conditions Authority (Autoridade para as Condições do Trabalho (ACT)) ⁽²⁰²⁾ and on the general ePortugal government site ⁽²⁰³⁾. These websites include guides on different topics concerning social security coordination, including information for employers on posting workers to another country, such as practical guides, forms and information on applicable legislation.

Direct consultation and information days

Bulgaria organises consultation and information days for mobile citizens. These often include joint consultation days with other countries (e.g. Germany) ⁽²⁰⁴⁾.

Mass media and social media

In Luxembourg, press releases and press coverage have proved to be effective in raising awareness, according to the interviewees. For example, a press release was issued to address the issue of fake medical certificates in the country, warning the public that certificates obtained from websites generating fake work incapacity certificates will not be accepted ⁽²⁰⁵⁾.

Source: Authors' synthesis based on interviews and desk research.

The provision of relevant information online is the most widespread measure taken by countries to increase the knowledge and awareness of mobile citizens and companies about social security coordination rules. Most social security institutions provide (interactive) resources to enhance users' understanding of social

⁽²⁰⁰⁾ Information obtained through consultation with NAV Benefits Department, Norway, August/September 2024.

⁽²⁰¹⁾ <https://en.seg-social.pt/iss-the-institute>.

⁽²⁰²⁾ <https://www2.gov.pt/en/servicos/pedir-informacoes-a-autoridade-para-as-condicoes-do-trabalho-act->.

⁽²⁰³⁾ <https://www.gov.pt>.

⁽²⁰⁴⁾ Information obtained through consultation with the National Social Security Institute, Bulgaria, September 2024.

⁽²⁰⁵⁾ Information obtained through consultation with the National Health Fund, Luxembourg, September 2024.

security coordination in cross-border situations. These may include, as in the examples in Box 14, specific web pages and frequently asked questions (FAQs), short videos, information leaflets and self-assessment tools.

Box 14. Examples of information available online

Videos

In Portugal, the Informatics Institute and the Social Security Institute published two videos communicating the ease of obtaining a PD A1 using their determination of applicable legislation tool ⁽²⁰⁶⁾.

Self-assessment tools

In Malta, the Department for Social Security offers a self-assessment tool to help employers and self-employed individuals determine their obligation to pay social security contributions when working across EU borders ⁽²⁰⁷⁾.

Source: Authors' synthesis based on interviews and desk research.

Awareness-raising campaigns are also a key tool used to raise the awareness of mobile citizens and companies about their rights and obligations. ELA is currently preparing its first campaign on social security coordination, which is to take place in 2025–2026. The aim of this campaign is to raise the awareness of mobile citizens, employees and employers about the social security rights and obligations in the EU, Iceland, Liechtenstein, Norway and Switzerland. This will be a general campaign covering the main principles and mechanisms of social security coordination and retaining the rights and benefits of EU movers. Many social security institutions have also adopted a proactive approach to engaging mobile citizens through organising targeted awareness-raising events, seminars and training sessions, and rely on media campaigns (traditional and social media) and procedural documents to spread awareness about social security coordination. Some examples are provided in Box 15.

Box 15. Examples of targeted awareness-raising events, media campaigns and knowledge dissemination in social security coordination

Targeted awareness-raising events

- Staff training: Cyprus's Department of Social Insurance Services has invested in training lawyers, accountants and clerks who handle fraud and error cases. It has also invested in training new staff on issues pertaining to the prevention of fraud and error ⁽²⁰⁸⁾.
- Cross-institutional collaboration: the Employee Insurance Agency (Uitvoeringsinstituut Werknemersverzekeringen (UWV)) and the European Employment Services (EURES) National Coordination Office in the Netherlands organise an annual emigration fair. During this event, UWV and EURES representatives answer questions from attendees about working abroad. Specifically, three to four employees are available to address enquiries about unemployment benefits, including the export of these benefits ⁽²⁰⁹⁾.

Media campaigns

- Social media: the National Health Insurance Fund (NHIF) and the Territorial Health Insurance Fund (THIF) in Lithuania regularly provide information on applying for the EHIC and the right to receive

⁽²⁰⁶⁾ <https://www.youtube.com/watch?v=C4MiLztKCZ0&t=38s>; <https://www.youtube.com/watch?v=Iz5FzQD-reQ>.

⁽²⁰⁷⁾ <https://workingineu-iru.gov.mt/form>.

⁽²⁰⁸⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

⁽²⁰⁹⁾ Information obtained through consultation with UWV, the Netherlands, September 2024.

necessary healthcare while staying in another country on their Instagram and Facebook channels ⁽²¹⁰⁾.

Knowledge dissemination when dealing with social security institutions

- Direct letters and newsletters: the German Liaison Agency for Health Insurance – International (Deutsche Verbindungsstelle Krankenversicherung – Ausland (DVKA)) regularly informs all health insurance funds about new developments, legal changes and important issues via circular letters (*Rundschreiben*) ⁽²¹¹⁾.

Source: Authors' synthesis based on interviews and desk research.

The impact of these awareness-raising measures on the awareness and compliance of mobile citizens and companies has been positively assessed overall, despite a lack of concrete monitoring and evaluation arrangements. These initiatives are thought to improve compliance because they provide clear and accessible guidelines to citizens and companies. Awareness-raising measures are thought to reduce the risk of error by providing practical and consistent information on social security rights and obligations. EU-wide projects, such as ELA's campaigns targeting cross-border activities (e.g. [#Rights4AllSeasons](#), [#Road2FairTransport](#), [#EU4FairConstruction](#)), have proven effective in informing citizens about social security coordination issues. Their impact has been reported in ELA's annual activity reports ⁽²¹²⁾. The reach of some campaigns has also been evaluated in some countries, as highlighted in Box 16.

Box 16. Measuring the reach of awareness-raising initiatives

In Norway, an evaluation of the 'Know your rights!' campaign has been undertaken, which indicates promising results in terms of reaching a broad user group and contributing to the detection of irregularities in working relations. The campaign website had 170 000 visits in 2023 ⁽²¹³⁾.

The Finnish National Contact Point (NCP) for cross-border healthcare promoted patients' rights through social media campaigns, which focused on topics such as healthcare in the United Kingdom and accessing healthcare while travelling. These campaigns resulted in a measurable increase in visits to the Finnish NCP's website ⁽²¹⁴⁾.

Source: Authors' synthesis based on interviews and desk research.

Good practices (see Annex 1) have also been identified across several countries regarding information channels that successfully prevent cross-border fraud and error, with targeted and easily accessible information channels a key trend. Where the impact of these activities has been measured, significant reductions in the occurrence of fraud and/or error cases have been observed. Good practices include the use of digital portals and e-services to provide access to information on social security coordination rights and obligations, the use of targeted communication for clients (allowing relevant information to be tailored to different audiences' needs), one-to-one support where citizens and companies can access real-time guidance

⁽²¹⁰⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

⁽²¹¹⁾ Information obtained through consultation with the Deutsche Verbindungsstelle Krankenversicherung – Ausland, Germany, September 2024.

⁽²¹²⁾ For example, the [#EU4FairConstruction](#) campaign reached 27 million people in 2023 via social media and logged over 8 million views of campaign videos. The 2023 social media campaign started later than the one in 2022 and continued into Q1 2024 due to the seasonal nature of the construction sector.

⁽²¹³⁾ NAV, *Felles Årsrapport – Arbeidslivskriminalitet 2023 (Joint Annual Report – Work-related crime 2023)*, 2024, <https://www.politiet.no/globalassets/tall-og-fakta/arbeidslivskriminalitet/felles-arsrapport-a-krimsamarbeidet-2023.pdf>.

⁽²¹⁴⁾ De Wispelaere, F., De Smedt, L. and Pacolet, J., *Cross-border healthcare in the EU under social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2023, <https://hiva.kuleuven.be/en/news/newsitems/Reports-on-social-security-coordination-and-intra-EU-labour-mobility-20171212>.

tailored to their specific needs, and leveraging innovative approaches such as relying on research and engaging in collaborative projects with other institutions at the European level.

Case study C (see Annex 1) explores in further detail the important role that increasing mobile citizens' and companies' knowledge and awareness of social security coordination can have on preventing fraud and error in the field. The case study synthesises the information collected across all 30 countries. It provides, through further illustrative country examples, a high-level overview of the key providers and channels of information, and then describes the key measures and initiatives that have been undertaken by countries to increase the knowledge and awareness of mobile citizens and companies, and the possible role that these measures have had on the awareness and compliance of mobile citizens and companies. It highlights further selected good practices (in addition to those presented above) and reviews the relevant types of (missing) information that should be provided in order to prevent fraud and error.

6. Cross-border cooperation between countries: procedures to exchange data, conduct investigations and withdraw portable documents A1

This chapter in brief

- More effective and efficient cross-border cooperation is at the core of the implementation of the social security coordination regulations and supports the identification and tackling of fraud and error. There has been notable progress in recent years, driven by EU-level initiatives such as EESSI, which is the key tool that currently enables structured pan-European information exchanges in the area of social security coordination.
- As stipulated in the Administrative Commission's Decision No H5 ⁽²¹⁵⁾, most countries have also signed bilateral and multilateral agreements to enable faster exchange of data related to social security coordination. These are implemented in parallel to EESSI and involve different means of exchanging data electronically between countries. They can help to address fraud and errors promptly and support countries in the creation of common standards and their capacity to exchange data.
- Other cooperation mechanisms that support the implementation of the coordination regulations include procedures related to the withdrawal of PDs A1 (see case study A in Annex 1). Countries often do not have formal procedures regarding questions concerning the validity of PDs A1, the correctness of the facts on which PDs A1 are issued and the withdrawal of PDs A1.
- Countries also engage in other forms of cross-border cooperation, including concerted and joint inspections (CJIs), which have been supported by ELA, have increased in prominence in the last few years and result in the identification of fraudulent situations involving cross-border workers.

Key challenges

- Notable challenges remain in cross-border cooperation and the implementation and enforcement of social security regulations, despite progress. There is still fairly limited electronic exchange of information, despite EESSI, which makes the identification of fraud and error linked to cross-border situations difficult.
- With the notable exception of EESSI, initiatives to advance digitalisation in social security coordination at the EU level are currently limited. The implementation in the coming years of pan-EU initiatives (e.g. the single digital gateway, EU digital identity (EUDI) wallet and potentially ESSPASS) will constitute notable progress.
- There is also limited administrative capacity in many countries, which has implications for the effective application of bilateral agreements and the speed and quality of cross-border cooperation in exchanging information and conducting targeted cross-border inspections.
- Incomplete and varying levels of digitalisation across countries prevents them from fully engaging with the information exchange opportunities offered by IT systems such as EESSI. The limited interoperability of databases within and between countries, as well as data protection regulations, continue to pose significant barriers to information exchange.

Introduction

This chapter analyses the role of several types of cross-border cooperation mechanisms, which are aimed at supporting more effective identification and tackling of fraud and error in social security coordination. These mechanisms include EESSI, bilateral and multilateral agreements, cross-border CJIs and procedures related to the withdrawal of PDs A1. These are not discussed in detail in the European Commission's fraud and error report, and they support a deeper understanding of fraud and error cases across the countries included in this study. To set the broader policy background in which such tools function, this chapter also provides a brief overview of other key EU-level digitalisation initiatives that are relevant to social security coordination.

6.1. Brief overview of digital initiatives at the EU level to support social security coordination

The digitalisation of social security coordination aims to reduce administrative burdens for citizens, employers and public authorities, facilitating and accelerating the exchange of information between national administrations and across other groups of stakeholders involved in the process (e.g. healthcare providers, labour inspectorates). Limited interoperability between national systems in terms of data access, data transmission and cross-institutional collaboration is currently one of the main barriers to more effective coordination of social security systems, and thus to supporting fair labour mobility. The European interoperability framework ⁽²¹⁶⁾ (2018) and the Interoperable Europe Act ⁽²¹⁷⁾ (2024) aim to address this issue by establishing a network of interconnected digital public administrations and supporting the digitalisation of public services in Europe. The act seeks to 'facilitate, encourage and apply to cross-sector interoperability' ⁽²¹⁸⁾ and requires Member States to share and reuse interoperability solutions with other public sector bodies ⁽²¹⁹⁾.

Acknowledging these issues, and in line with the EU's digital transition goals and the single digital gateway regulation ⁽²²⁰⁾, a 2023 communication from the European Commission on digitalisation in social security coordination ⁽²²¹⁾ called on Member States to 'accelerate the national implementation of the EESSI', 'deliver more social security coordination procedures fully online', and 'work towards introducing EU Digital Identity (EUDI) wallets'. These guidelines are in line with Regulation (EC) No 883/2004 on the coordination of social

⁽²¹⁵⁾ Decision H5 (2010) of the Administrative Commission for the Coordination of Social Security Systems concerning cooperation on combating fraud and error within the framework of Council Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 of the European Parliament and of the Council on the coordination of social security systems, <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:149:0005:0007:EN:PDF>.

⁽²¹⁶⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – The European interoperability framework: Implementation strategy, COM(2017) 134 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52017DC0134>.

⁽²¹⁷⁾ Regulation (EU) 2024/903 of the European Parliament and of the Council of 13 March 2024 laying down measures for a high level of public sector interoperability across the Union (Interoperable Europe Act) (OJ L, 2024/903, 22.3.2024), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024R0903>.

⁽²¹⁸⁾ Ibid., Recital 13.

⁽²¹⁹⁾ Ibid., Article 4.

⁽²²⁰⁾ Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012 (OJ L 295, 21.11.2018, p. 1), <https://eur-lex.europa.eu/eli/reg/2018/1724/oj>.

⁽²²¹⁾ https://employment-social-affairs.ec.europa.eu/policies-and-activities/moving-working-europe/eu-social-security-coordination/digitalisation-social-security-coordination/european-social-security-pass_en.

security systems⁽²²²⁾ and the implementing regulation, Regulation (EC) No 987/2009⁽²²³⁾ ⁽²²⁴⁾. The basic regulation provides that ‘Member States shall progressively use new technologies for the exchange, access and processing of the data required to apply this regulation and the implementing regulation’⁽²²⁵⁾.

Box 17 presents some of the key EU-level initiatives that support the goals of digitalising public services, including their relevance for supporting the digitalisation of social security coordination and consequently, the identification, prevention and tackling of fraud and error. EESSI – as the key pan-European IT system available to the Member States currently in the area of social security coordination – is presented in the section below, together with a more detailed overview of the role of the still limited exchange of information it enables in the implementation of social security coordination rules.

Box 17. Key EU-level initiatives that support the digitalisation of social security coordination

The single digital gateway regulation (2018) supports the creation and use of a cross-border digital infrastructure⁽²²⁶⁾. The system established by this regulation should be available in addition to other cooperation mechanisms between authorities, including EESSI. This initiative is relevant for social security coordination because it aims to be a single online point of access to information, key administrative procedures, assistance and problem-solving services for people and companies in the EU. A list of 21 key administrative procedures were introduced including some related to accessing social security benefits across borders⁽²²⁷⁾. The once-only technical system operates within the single digital gateway framework and aims to create an EU-wide data space. It will streamline cross-border online procedures in Member States by enabling citizens to supply the same data to public authorities only once and thus the automatic exchange of official documents and data at their request⁽²²⁸⁾ ⁽²²⁹⁾.

The EUDI wallet is a secure digital identity solution enabling EU citizens, residents and businesses to access, store, sign and share various documents and online services using a single digital identity (at the national level as well as in cross-border settings). The aim is to facilitate secure cross-border interactions, enhancing user access to key documents across Member States – including portable documents⁽²³⁰⁾. This initiative is

⁽²²²⁾ Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02004R0883-20190731>.

⁽²²³⁾ Regulation (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems (OJ L 284, 30.10.2009, p. 1), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02009R0987-20180101>.

⁽²²⁴⁾ These rules are based on some key principles: (1) the prohibition of discrimination, reinforced by the equal treatment of cross-border facts and events (i.e. principle of assimilation); (2) the aggregation of insurance periods; (3) the exportability of benefits; and (4) the determination of a single applicable legislation.

⁽²²⁵⁾ Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems, Article 78(1), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32004R0883>.

⁽²²⁶⁾ Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012 (OJ L 295, 21.11.2018, p. 1), <https://eur-lex.europa.eu/eli/reg/2018/1724/oj>.

⁽²²⁷⁾ Ibid.

⁽²²⁸⁾ <https://ec.europa.eu/digital-building-blocks/sites/display/DIGITAL>.

⁽²²⁹⁾ Commission Implementing Regulation (EU) 2022/1463 of 5 August 2022 setting out technical and operational specifications of the technical system for the cross-border automated exchange of evidence and application of the ‘once-only’ principle in accordance with Regulation (EU) 2018/1724 of the European Parliament and of the Council (OJ L 231, 6.9.2022, p. 1), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2022.231.01.0001.01.ENG&toc=OJ%3AL%3A2022%3A231%3ATOC.

⁽²³⁰⁾ The new E-ID Regulation was adopted. See Regulation (EU) 2024/1183 of the European Parliament and of the Council of 11 April 2024 amending Regulation (EU) No 910/2014 as regards establishing the European digital identity framework (OJ L, 2024/1183, 30.4.2024), <https://data.europa.eu/eli/reg/2024/1183/oj>.

relevant because the European digital identity framework ⁽²³¹⁾ entered into force in May 2024, and, by 2026, each Member State should make available at least one version of the EUDI wallet (built to the same common specifications) ⁽²³²⁾.

In 2021, the European Pillar of Social Rights action plan indicated that the Commission would explore launching the ESSPASS by 2023 ⁽²³³⁾. In its communication on digitalisation in social security coordination (2023), the European Commission called on Member States to join the two consortia that are piloting the issuing and verification of the PD A1 and EHIC (with the results expected at the end of 2025) ⁽²³⁴⁾. ESSPASS aims to be a 'digital solution to facilitate the interaction between mobile citizens and national authorities and improve the portability of social security rights across borders' ⁽²³⁵⁾. Several key aims are linked to the development of an ESSPASS solution, including increasing the quality and efficiency of public services and social security coordination processes; reducing the risk of fraud; and improving the exchange of information and cooperation between institutions in relation to the digital verification of social security coverage and entitlements. An ESSPASS solution (once developed and implemented) would include portable documents and may be linked to the deployment of EUDI wallets in the Member States.

Source: Authors' analysis based on secondary research.

ELA, together with the European Commission, the Administrative Commission for the Coordination of Social Security Systems and the Technical Commission for Data Processing, has also developed initiatives at the EU level to support the digitalisation of social security coordination. The 'Progress' mutual learning and understanding programme ⁽²³⁶⁾ supports Member States in implementing the functionalities of the EESSI system effectively, whereby the identification and tackling of fraud and error in social security coordination can be improved as well (Box 18). More broadly, ELA also facilitates constant exchanges of best practice between countries, including in the areas of social security coordination and its digitalisation.

Box 18. The PROGRESS programme – launched by ELA and the Administrative Commission for the Coordination of Social Security Systems

PROGRESS was launched in May 2024. Through it, ELA provides support to the Member States in digitalising social security coordination processes and implementing EESSI. The programme entails peer learning activities, mapping of EESSI implementation in the Member States, direct user support and capacity-building sessions (e.g. seven online training sessions on the most recent EESSI data model) ⁽²³⁷⁾.

Source: Authors' summary based on information available on ELA's website.

⁽²³¹⁾ Regulation (EU) 2024/1183 of the European Parliament and of the Council of 11 April 2024 amending Regulation (EU) No 910/2014 as regards establishing the European digital identity framework (OJ L, 2024/1183, 30.4.2024), <https://data.europa.eu/eli/reg/2024/1183/oj>.

⁽²³²⁾ <https://ec.europa.eu/digital-building-blocks/sites/display/EUDIGITALIDENTITYWALLET/EU+Digital+Identity+Wallet+Home>.

⁽²³³⁾ https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights/european-pillar-social-rights-action-plan_en.

⁽²³⁴⁾ European Commission, 'Towards a more digital social security coordination: Commission proposes steps to make it easier for Europeans to live, work and travel abroad', European Commission website, 2023, https://ec.europa.eu/commission/presscorner/detail/en/ip_23_4263.

⁽²³⁵⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – The European Pillar of Social Rights Action Plan, COM(2021) 102 final, <https://op.europa.eu/webpub/empl/european-pillar-of-social-rights/en/>.

⁽²³⁶⁾ ELA, 'Digitalisation in social security coordination: Enhancing effectiveness and efficiency – ELA launches the PROGRESS Programme', press release, ELA website, 2024, <https://www.ela.europa.eu/en/news/digitalisation-social-security-coordination-enhancing-effectiveness-and-efficiency-ela>.

⁽²³⁷⁾ ELA, 'Digitalisation in social security coordination: Enhancing effectiveness and efficiency – ELA launches the Progress Programme', press release, ELA website, 2024, <https://www.ela.europa.eu/en/news/digitalisation-social-security-coordination-enhancing-effectiveness-and-efficiency-ela>.

The EU-level initiatives presented above aim to tackle some of the significant barriers that citizens, workers and businesses face in the exercise of freedom of movement rights and the provision of cross-border services. They also aim to support faster and more effective exchange of data and information between public administrations. This task is not without challenges, as enabling the cohesive take-up and implementation of the different tools, standards and processes across the Member States is a complex and long-term endeavour. The objectives mentioned above are particularly relevant for the social security coordination regulations, as enhancing digitalisation is expected to support the application and enforcement of the social security coordination regulations in general and, consequently, more effective identification, prevention and tackling of fraud and error in benefit claims. The challenges in meeting these objectives are by no means insignificant, however. This is due – among other factors – to significant differences in digital maturity between the Member States and the adaptability of the range of processes used by Member States' social security institutions to pan-European digital solutions.

6.2. How limited electronic exchange of information affects the implementation of social security coordination rules

One of the key challenges in detecting and tackling fraud and error in cross-border situations is insufficient cooperation, including the lack of timely exchange of information between countries. This is caused by a variety of factors related to institutional processes, human resources and the unavailability of automated cross-border data exchange.

In recognition of these long-standing challenges in effectively exchanging information and data across borders in matters related to social security coordination, the European Commission and the countries that are party to the social security coordination regulations have invested significant resources in the development of EESSI. Regulation (EC) No 883/2004 (Article 78) aims for EESSI to contribute to faster, higher quality and more secure exchanges of data between countries.

EESSI is currently the main pan-European system that enables the exchange of social security information. It is a decentralised digital system that enables the structured exchange of information between national authorities related to the different social security branches more rapidly and securely across countries. The project began in 2008, and the system started the first exchanges in 2019, considerably later than the original implementation date, which was set for 2012 ⁽²³⁸⁾. There are 32 participating countries (the 27 Member States, the three EEA EFTA countries, Switzerland and the United Kingdom), involving some 3 260 institutions. As at May 2024, 19 of these countries ⁽²³⁹⁾ had fully implemented EESSI, meaning that it was being used for exchanges in all social security sectors ⁽²⁴⁰⁾ and between all institutions ⁽²⁴¹⁾. The remaining 13 countries are more than 90 % complete in terms of their implementation of EESSI, having implemented between 92 and 98 of the total 99 business use cases ⁽²⁴²⁾. There is an expectation that EESSI will be in full use by December 2025.

Full implementation of the EESSI system is important in that, until all 32 participating countries have finalised their national implementation, alternative channels of communication will need to be used (i.e. paper-based

⁽²³⁸⁾ Mulder, E. J., 'Europeanization the digital way: Trans-European IT systems – The case of EESSI', in: Ramiro Troitiño, D. (ed.), *E-Governance in the European Union*, Contributions to Political Science, Springer, Cham, 2024, p. 235, https://doi.org/10.1007/978-3-031-56045-3_15.

⁽²³⁹⁾ Austria, Bulgaria, Cyprus, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Ireland, Latvia, Liechtenstein, Lithuania, Malta, Norway, Portugal, Sweden and the United Kingdom.

⁽²⁴⁰⁾ Functionality for exchanging information on applicable legislation was the first to be implemented.

⁽²⁴¹⁾ European Commission, 'EESSI Q1 2024 factsheet', 2024, <https://ec.europa.eu/social/BlobServlet?docId=17938&langId=en>.

⁽²⁴²⁾ Ibid.

processes for transactions with the countries that are behind with implementation) ⁽²⁴³⁾. That said, the Commission and the participating countries are continuing to improve the operation and maintenance of EESSI to further facilitate its use ⁽²⁴⁴⁾.

The electronic exchange of data and information between countries is highly complex, but essential for facilitating social security coordination (including the identification of fraud and error). The stakeholders consulted generally see further digitalisation as crucial for the modernisation of social security coordination. The use of EESSI as it is currently implemented is also broadly expected to reduce fraud and error. The system has a dedicated process for requesting medical and administrative checks, which detects and identifies cases of fraudulent or erroneous receipt of benefits. There are also various processes in specific areas (e.g. reporting a person's death) that help to prevent or identify the situation where the relatives of a deceased person do not report the death to the institutions providing their pension in order to keep receiving the pension ⁽²⁴⁵⁾. There are no evaluations per se of the impact of using EESSI on reducing fraud and error. There are, however, technical solutions implemented in some countries that process data via EESSI and use it for targeting inspections and other enforcement activities, including those related to tackling fraud. Examples include:

- the CLASS monitoring tool in France (described in Box 11);
- the EGDA.AZUR database in Austria, launched in 2023 (the database is connected to EESSI and provides access to all social security institutions in Austria, the financial police and the Construction Workers' Annual Leave and Severance Pay Fund, and is used to identify issues related to PDs A1) ⁽²⁴⁶⁾;
- the use of an AI model to predict possible social dumping situations in Belgium and analyse possible fraudulent situations involving posted workers based on data related to Limosa declarations ⁽²⁴⁷⁾.

The implementation of EESSI also illustrates challenges such as the difficulty of integrating and adjusting national IT systems to comply with the requirements of pan-European digital solutions; adhering to specific data models and aligning the format and terminology used despite notable differences between social security systems and languages; and training staff to help them acquire the skills needed to use the system. By design, EESSI is currently limited to exchanging data related to individual cases. Combating fraud and error is not explicitly stipulated in the coordination regulations, however; thus, the legal basis for including the related exchanges in EESSI's scope is missing. There is a need, however, for real-time data sharing and matching between countries that would enable the monitoring and verification of the accuracy of cross-border social security claims. This gap allows potential fraud and error to remain undetected until after benefits have been improperly awarded. In its current design, however, EESSI is not aimed at facilitating real-time data exchange.

The lack of efficient information sharing through EESSI also prevents the rapid detection of discrepancies, making it challenging to apply social security coordination rules consistently and recover incorrectly disbursed benefits. As a result, fraud detection remains reactive rather than proactive, ultimately weakening the integrity of social security coordination ⁽²⁴⁸⁾. As a representative consulted in Romania indicated:

The limited electronic exchange of data and information has a significant impact on the efficient implementation of social security rules. The lack of a fully functional electronic exchange between

⁽²⁴³⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on digitalisation in social security coordination: Facilitating free movement in the single market, COM(2023) 501 final, para. 2.2.1, <https://data.consilium.europa.eu/doc/document/ST-12798-2023-INIT/en/pdf>.

⁽²⁴⁴⁾ Ibid.

⁽²⁴⁵⁾ Information obtained through consultation with ELA, January 2025.

⁽²⁴⁶⁾ Information obtained through consultation with ELA, January 2025.

⁽²⁴⁷⁾ Information obtained through consultation with ELA, January 2025. Limosa (<https://www.limosa.be/en/home.html>).

⁽²⁴⁸⁾ Information obtained through consultation with the National Institute for Social Security, Italy, September 2024.

institutions and countries creates a series of obstacles that affect the fairness and efficiency of the benefit granting process, as well as the ability to prevent and combat fraud and errors, such as delays in processing applications and payments, difficulties in detecting cross-border fraud and the inability to monitor in real time ⁽²⁴⁹⁾.

Communication delays and errors create significant enforcement and compliance challenges in the detection and tackling of cross-border fraud and error. This was emphasised consistently in the consultations conducted for this study. Belgium, Italy, Austria and Finland – for example – highlighted delays in communication with other countries as a major issue in the implementation of social security coordination rules. Stakeholders consulted in Belgium reported difficulties in obtaining support from public bodies in other countries and stakeholders in Italy also reported struggling to access comprehensive data from other countries. Representatives of institutions consulted in Austria reported that they had frequently received unverified information from other countries ⁽²⁵⁰⁾. In Greece, unreliable data exchange between institutions at both the national and European levels also represents a critical challenge ⁽²⁵¹⁾.

Despite improvements made through EESSI, manual checks and additional documentation requests, which are still needed, continue to cause delays in verification processes for many countries. Similarly, Italy has experienced difficulties with data management, particularly in extracting and using data from EESSI for anti-fraud purposes ⁽²⁵²⁾. In Spain, the absence of EU-level databases was emphasised as a critical barrier to efforts to prosecute fraud and error cases in social security ⁽²⁵³⁾. In Norway, stakeholders reported challenges related to insufficient cooperation and data exchange, including difficulties in determining individuals' location or monitoring their activities abroad (e.g. in relation to their work arrangements as employees or self-employed in other countries) ⁽²⁵⁴⁾. In the Netherlands, limited cooperation is also viewed as a critical challenge, because the responsible institutions do not possess the same powers abroad as in their own jurisdiction ⁽²⁵⁵⁾ – making cross-border cooperation critical to detecting and combating fraud and error effectively and to enforcing the social security coordination regulations more generally.

Several other challenges, highlighted below, hinder the electronic exchange of information through EESSI and the exchange of data between countries more broadly.

- Manual data entry and relying on paper-based documentation makes social security coordination efforts prone to human error ⁽²⁵⁶⁾, especially in countries where there is limited electronic exchange of information (e.g. Greece, Croatia) ⁽²⁵⁷⁾. This limited exchange of data hinders the provision of

⁽²⁴⁹⁾ Information obtained through consultation with the National Agency for Payments and Social Inspection and the National Agency for Employment, Romania, September 2024.

⁽²⁵⁰⁾ Information obtained through consultation with Bundesministerium für Finanzen (Federal Ministry of Finance), Austria, September 2024.

⁽²⁵¹⁾ Information obtained through consultation with the EU Regulations Implementation Department of the Directorate of Special Issues of Insurance and Benefits at the Ministry of Labour and Social Security of Greece, August and September 2024.

⁽²⁵²⁾ Information obtained through consultation with the National Institute of Social Security, Italy, September 2024.

⁽²⁵³⁾ Information obtained through consultation with the State Public Employment Service (Servicio Estatal Público de Empleo), International Relations Unit (Unidad de Coordinación de Relaciones Internacionales), Spain, August 2024.

⁽²⁵⁴⁾ Information obtained through consultation with NAV Benefits Department, Norway, August/September 2024.

⁽²⁵⁵⁾ Information obtained through consultation with Ministerie van Sociale Zaken en Werkgelegenheid – Directie Werknemersregelingen, the Netherlands, September 2024.

⁽²⁵⁶⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

⁽²⁵⁷⁾ Ministry of Labour and Social Security, e-EFKA, Electronic National Social Security Agency, General Directorate of International Cooperations, Directorate of EU Legislation and International Contracts of Social Security DSKA (2021), Electronic Exchange of Social Security Information – EESSI.

reliable statistics on processing times and the number of cases ⁽²⁵⁸⁾, and leads to multiple document exchanges, errors and difficulties in coordination ⁽²⁵⁹⁾.

- Data matching is in itself quite difficult, in particular the case-level unique identification of individuals and/or companies concerned ⁽²⁶⁰⁾. This limited information exchange causes delays in cross-border verifications, which can lead to significant overpayments of benefits (e.g. unemployment benefits ⁽²⁶¹⁾), making manual follow-ups necessary. Although EESSI has improved, inconsistencies between data provided by different countries require further investigation, delaying the implementation of social security coordination rules ⁽²⁶²⁾.
- Differences in the quality of data processing via EESSI ⁽²⁶³⁾: some countries do not reply, or their answers are incomplete, necessitating requests to be sent several times.
- Limited administrative capacity and – in some cases – the limited digital knowledge of social security institution employees at the national level are notable issues. Countries with insufficient human and financial resources have limited capacity to cooperate and provide information. This was seen by stakeholders in several countries (e.g. Austria, Belgium, Croatia, Cyprus, Germany, Greece, Italy, Liechtenstein and Malta) as a core challenge in enforcing and ensuring compliance with social security rules effectively. Resource constraints limit thorough investigations and follow-ups on fraud cases.
- Countries are progressively adapting digital strategies to complement and support the processes promoted at the European level, aiming to decrease the asymmetries in the information on different benefits. Incomplete and varying levels of digitalisation across countries is a significant issue, especially because national legislation is not usually tailored to cross-border cases ⁽²⁶⁴⁾ and because different rules are applicable to different social security branches. In addition, due to the stark difference in digitalisation levels, some countries do not have databases (e.g. on residence declarations, employment, insurance and pensions).
- Limited digitalisation at the national level also affects the capacity of institutions to engage with EU digital initiatives and use systems such as EESSI to their full potential. For example, in Romania, the lack of digitalisation and interoperability of public institution databases poses significant challenges, which, combined with insufficient staff, contributes to slowing down enforcement and compliance processes and cross-border cooperation.
- Privacy regulations, language barriers, the available resources of institutions, the degree of digitalisation of their tools and processes, and decentralisation also impact processing times, which can become long and make cooperation difficult ⁽²⁶⁵⁾. These challenges lead to ineffective data exchange processes and the competent national institution having incomplete information, which in

⁽²⁵⁸⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

⁽²⁵⁹⁾ Ibid.

⁽²⁶⁰⁾ Information obtained through consultation with SVB, the Netherlands, September 2024.

⁽²⁶¹⁾ Information obtained through consultation with the Ministry of Labour and Social Affairs, Czechia, August 2024.

⁽²⁶²⁾ Information obtained through consultation with the European Coordination and International Relations Unit, Ministry of Labour and Social Affairs, Czechia, August 2024.

⁽²⁶³⁾ Information obtained through consultation with Bundesministerium für Finanzen (Federal Ministry of Finance), Austria, September 2024.

⁽²⁶⁴⁾ Information obtained through consultation with Ministerie van Sociale Zaken en Werkgelegenheid, the Netherlands, September 2024.

⁽²⁶⁵⁾ Information obtained through consultation with Ministerie van Sociale Zaken en Werkgelegenheid – Directie Werknemersregelingen, the Netherlands, September 2024.

turn results in the incorrect determination of the applicable legislation or entitlement to social benefits. As mentioned by a representative of a social security institution in Austria:

The slow response of certain institutions and the quality of the data provided play a major role. Some institutions are slow in providing the data needed to calculate benefits, sometimes resulting in decisions being made without all the necessary information, which increases the risk of errors. This quality issue often arises from the fact that data are entered manually via the RINA tool in EESSI rather than being automatically forwarded. Examples of incorrect information passed through EESSI include fields that are filled out incorrectly ... and benefits that are entered in the wrong section ⁽²⁶⁶⁾.

- Inspection authorities, which are key actors in the detection and tackling of fraud and error, do not have access to EESSI.
- Closely related to the exchange of information are the limits posed by data protection rules, a concern raised by stakeholders consulted in several countries (e.g. Denmark, Germany, Spain, the Netherlands and Finland). Data protection rules can affect the ability to exchange some types of information between countries. For example, Denmark depends on access to public data registers for enforcing social security benefits, but these are inaccessible outside the country ⁽²⁶⁷⁾. In Germany ⁽²⁶⁸⁾, Spain ⁽²⁶⁹⁾ and Finland ⁽²⁷⁰⁾, stakeholders emphasised that data protection laws sometimes prevent data exchange needed to detect fraud, which in turn hinders inspection actions.

Some of these challenges will persist even with full implementation of EESSI. There is a need to exchange data beyond the functionalities that EESSI offers, which would require the development of further digitalisation initiatives that are aligned with EESSI but would go beyond it and enhance the interoperability of administrative databases and automated data exchange between countries.

Notwithstanding ongoing challenges and limitations, the stakeholders generally agreed that increased cooperation between countries has improved the process of tackling fraud and error in recent years. There are also ongoing developments aimed at improving the processing times of cases in EESSI. Several initiatives at the national level seek to set up the tools and applications needed to automate data exchange. For example, in Portugal, the exchange of pension insurance history is automated in EESSI, and Czechia has automated the exchange of healthcare entitlement document data via EESSI ⁽²⁷¹⁾. Some countries are also developing ways to send automated notifications when PDs A1 are issued to inform the receiving country concerned via EESSI. Moreover, at the EU level, the business process improvement programme, steered by the European Commission (Directorate-General for Employment, Social Affairs and Inclusion) seeks to address challenges in using EESSI by enabling process automation, improving the consistency, efficiency and traceability of EESSI case management, addressing training needs and facilitating communication ⁽²⁷²⁾.

⁽²⁶⁶⁾ Information obtained through consultation with Federal Pensions Service, Austria, October 2024.

⁽²⁶⁷⁾ Information obtained through consultation with Udbetaling Danmark – Helhedsorienteret Kontrol, Denmark, September 2024; European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, 2024, unpublished Annex III.

⁽²⁶⁸⁾ Information obtained through consultation with stakeholders (Familienkasse Direktion – Family Benefit Authority, and the Zentrale der Bundesagentur für Arbeit – Central Federal Agency for Labour), Germany, September 2024.

⁽²⁶⁹⁾ Information obtained through consultation with stakeholders (State Public Employment Service, International Relations Unit, Spain, August, 2024).

⁽²⁷⁰⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, 2024, unpublished Annex III.

⁽²⁷¹⁾ Information obtained through consultation with ELA, January 2025.

⁽²⁷²⁾ Information obtained through consultation with ELA, January 2025.

6.3. The role of bilateral and multilateral agreements in preventing and tackling fraud and error

As well as the development of EESSI in recent years, and other digital initiatives discussed above, data and information exchange across borders has been shaped by bilateral and multilateral agreements aimed at ensuring better information flow and data sharing ⁽²⁷³⁾.

Most countries already have in place either memoranda of understanding (e.g. the one between Denmark, Finland, Germany, Norway, Poland Sweden and the United Kingdom ⁽²⁷⁴⁾) or bilateral and multilateral agreements with other countries. The agreements are concluded in various benefit areas, including old-age pensions, exchange of death certificates, unemployment benefits, healthcare and family benefits. They play an important role in ensuring better communication and more concrete cooperation in the electronic exchange of information between social security institutions in different countries ⁽²⁷⁵⁾. Some examples are the agreement between Malta and the United Kingdom to exchange information about pensioners ⁽²⁷⁶⁾, the memorandum of understanding between the Netherlands and Poland to enhance work resumption and further procedures to cooperate in the field of job-seeking activities ⁽²⁷⁷⁾, and the treaty between Belgium and France to develop cooperation and administrative assistance on social security ⁽²⁷⁸⁾. The agreements include provisions on secure data connections and content-related aspects, for example data on insurance history and information on deaths ⁽²⁷⁹⁾. These agreements can also focus on broader areas of data exchange on social security benefits in general or on combating undeclared work. The existence of these agreements does not necessarily mean that they are applied or that they are applied effectively; however, they constitute proof of manifold institutional attempts to tackle fraud and error through data exchange mechanisms.

Bilateral and multilateral agreements between countries provide a structured framework for cooperation, contributing to facilitating more effective cross-border social security coordination. These agreements help to address country-specific challenges and ensure that countries can respond to fraud and error promptly and consistently. They also support more effective sharing of better quality information and also the creation of common standards between countries, such as standardised protocols for data sharing ⁽²⁸⁰⁾. The formalisation of these processes makes sharing the necessary data available easier in cross-border cases, which in turn may contribute to decreasing fraud and error ⁽²⁸¹⁾.

⁽²⁷³⁾ Agreements and bilateral cooperation arrangements with other Member States are seen as one of the tools to combat fraud and error in Decision H5 (2010) of the Administrative Commission for the Coordination of Social Security Systems concerning cooperation on combating fraud and error within the framework of Council Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 of the European Parliament and of the Council on the coordination of social security systems, <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:149:0005:0007:EN:PDF>.

⁽²⁷⁴⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, unpublished Annex II.

⁽²⁷⁵⁾ Information obtained through consultation with the National Institute of Social Security, Italy, September 2024.

⁽²⁷⁶⁾ Convention on Social Security between the Government of the Republic of Malta and the Government of the United Kingdom of Great Britain and Northern Ireland (in force as from 1 September 1996), https://socialsecurity.gov.mt/wp-content/uploads/2021/01/mt_uk.pdf.

⁽²⁷⁷⁾ Information obtained through consultation with Ministerie van Sociale Zaken en Werkgelegenheid, the Netherlands, September 2024.

⁽²⁷⁸⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024; information obtained from unpublished Annex II.

⁽²⁷⁹⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024; information obtained from unpublished Annex II.

⁽²⁸⁰⁾ Information obtained through consultation with Federal Public Service – Social Security, Belgium, 23 September 2024.

⁽²⁸¹⁾ Information obtained through consultation with the Ministry of Welfare and the State Social Insurance Agency, Latvia, September 2024.

Stakeholders from several countries (e.g. Denmark, Estonia, France, Germany, Iceland, Norway and Sweden) highlighted pension benefits as a positive example of cross-border collaboration, in particular in the exchange of death certificates.

- Germany, for example, has an agreement with several Member States (Belgium, Bulgaria, Denmark, Greece, Spain, France, Croatia, Italy, Luxembourg, Hungary, the Netherlands, Austria, Poland, Slovenia, Finland and Sweden) to electronically exchange data on deaths, which, when automatically matched, result in the termination of pension payments when deaths are reported. In 2022, Germany carried out 1 272 400 data matches, and this was possible without sending 1 157 600 paper-based life certificates ⁽²⁸²⁾. DRV also requests annual proof of life from all pensioners claiming benefits, and this proof can be submitted electronically ⁽²⁸³⁾.
- The Belgian Federal Pensions Service has established several bilateral agreements to regulate a monthly electronic exchange of information about the date of death of pensioners. This approach has proved beneficial for fraud prevention and has minimised human errors (e.g. potentially unjustified termination of payments due to delays in the reception of proof of life certificates) ⁽²⁸⁴⁾.
- In Malta, the digitalisation of issuing life certificates helps to uncover error and prevents further mistakes from happening (see also case study B in Annex 1) ⁽²⁸⁵⁾.

Table 11 presents some additional examples of agreements and memoranda of understanding concluded to support cross-border data and information exchange. These relate to tackling undeclared work, enabling cross-border inspection services and the exchange of data related to pension receivers and notifications of their death. The table includes the countries with the most agreements in place and details of the different benefit areas they focus on.

Table 11. Examples of agreements and memoranda of understanding on data exchange

AT	Bilateral agreements play an important role in the exchange of information in Austria ⁽¹⁾ . Most of them are with Germany, including in the following areas: combating cross-border undeclared work and illegal cross-border hiring of labour; the electronic exchange of data on deaths; pension amounts; and access to insurance and pension data.
BE	In 2015, the Committee of Benelux Ministers (Belgium, the Netherlands and Luxembourg) made a recommendation on the development of multilateral cooperation to combat social security fraud at both the Benelux and the EU level. Although the document is not legally binding, it imposes an obligation on countries to bring their legislation into line. The recommendation emphasises the need for a legal framework that facilitates comprehensive cross-border cooperation among inspection services to combat social security fraud.
DK	Denmark has prioritised entering into agreements with several countries on the automatic exchange of death data. One of them is the Nordic Convention on Social Security ⁽²⁾ , which entered into force on 1 May 2014 and contains, among other things, a reference to Regulation (EC) Nos 883/2004 and 987/2009 on enhanced cooperation on electronic information exchange ⁽³⁾ . To prevent fraud and error, random checks are carried out on old-

⁽²⁸²⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

⁽²⁸³⁾ Information obtained through consultation with DRV, Germany, August 2024.

⁽²⁸⁴⁾ Information obtained through consultation with Federal Pensions Service, Belgium, October 2024.

⁽²⁸⁵⁾ Information obtained through consultation with International Relations Unit of the Department of Social Security of Malta, August 2024.

	age pensioners and early retirement pensioners living abroad. For instance, in 2023, such checks were carried out in Germany and Spain. They were asked to document their residence and marital status, and income by providing their annual tax return from their tax authority ⁽⁴⁾ .
FI	Finland collaborates with other countries through various bilateral agreements to combat fraud and error. Notably, a multilateral secure email agreement connects Kela, the Finnish Centre for Pensions, the Icelandic Social Insurance Administration, the Norwegian Labour and Welfare Administration, the Swedish Pensions Agency and Denmark's Udbetaling Danmark. Additionally, Finland maintains a secure email connection with Estonia and has access to German insurance history data ⁽⁵⁾ .
IT	The Italian institutions have several agreements with other countries and their social security branches to exchange information. In particular, in recent years Italy has signed agreements with Belgium, France, Croatia, Luxembourg, the Netherlands and Poland on the exchange of information on the death of pensioners ⁽⁶⁾ .
IE	The Government of Ireland and the Government of the United Kingdom and Northern Ireland have had a memorandum of understanding since 2000 concerning cooperation and mutual assistance in the administration of social security, including administrative cooperation and exchange of data. Under this memorandum, there is a cross-border operational forum comprising senior fraud managers, with the aim of ensuring that measures are in place for effective cooperation ⁽⁷⁾ .
LV	In Latvia, a number of bilateral agreements have been established. Latvia has bilateral agreements with Estonia and Lithuania on the exchange of information on pension receivers and on the death of pension receivers or their departure to another country ⁽⁸⁾ . The data, such as notifications of death or relocation abroad, are transmitted in an encrypted format with a digital signature to ensure the protection of personal information. Similar provisions regarding data protection are also included in Latvia's international social security agreements with Australia, Belarus, Canada, Russia and Ukraine. Bilateral agreements with other Member States enable the streamlining of processes and aid in the prevention of fraud and error ⁽⁹⁾ .
NL	In addition to the aforementioned 2015 Benelux recommendation, the Netherlands has implemented separate memoranda of understanding ⁽¹⁰⁾ with Czechia, France and Croatia on data exchange and cross-border cooperation in combating fraud in the transnational posting of workers and illegal labour. A cooperation agreement is also in place with France on further cooperation to exchange death data.
PL	Polish institutions have developed agreements ⁽¹¹⁾ with Germany regarding access to the insurance and pension data of citizens of the Member States / EEA countries and Switzerland, and with Croatia on single access to data concerning the amount of benefits paid by ZUS and the electronic exchange of information on deceased beneficiaries. In addition, there are agreements with Denmark, Spain, the Netherlands and Sweden on the electronic exchange of data for the purpose of death beneficiaries' identification.

⁽¹⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex II.

- (2) Valtioneuvoston asetus pohjoismaisen sosiaaliturvasopimuksen voimaansaattamisesta ja sopimuksen lainsäädännön alaan kuuluvien määräysten voimaansaattamisesta annetun lain voimaantulosta (Decree of the government on the entry into force of the act on the implementation of the Nordic Social Security Agreement and the implementation of provisions in the scope of the agreement's legislation), <https://www.finlex.fi/fi/sopimukset/sopsteksti/2014/20140055>.
- (3) European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex II.
- (4) Ibid.
- (5) Ibid.
- (6) Ibid.
- (7) Ibid.
- (8) Ibid.
- (9) European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex II.
- (10) Ibid.
- (11) Ibid.

Source: Authors' summary based on interview information and a literature review.

Countries also use bilateral and multilateral agreements to develop more concrete cooperation between competent institutions and authorities. However, having many bilateral agreements can result in the fragmentation of cooperation between countries and the existence of multiple processes and procedures. Countries can still be slow to respond or reluctant to fully engage in data exchange processes outlined in an agreement ⁽²⁸⁶⁾. Agreements may focus on specific social benefits, leaving the other social benefit institutions in the same countries to work only with personal, non-systematic contacts with other administrations. The implementation of agreements also relies on the willingness of the countries and staff in the institutions to fully cooperate, especially considering the limited regulations and procedures for enforcing cooperation ⁽²⁸⁷⁾. That is why a European-wide instrument for data exchange across benefit types is generally seen positively by social security agencies ⁽²⁸⁸⁾ ⁽²⁸⁹⁾.

6.4. The practical application of the possibility to withdraw a portable document A1

An additional tool to assist cross-border cooperation in enforcing social security coordination regulations is specific to cross-border situations involving the posting of workers: the PD A1 withdrawal procedure. Article 5(2) of Regulation (EC) No 987/2009 stipulates that if there is any doubt about the validity of a PD A1 or the accuracy of the facts on which the decision to grant the PD A1 was based, the institution of the Member State that received the PD A1 should ask the issuing institution for the necessary clarification and, where appropriate, the withdrawal of the PD A1. Decision No A1 of the Administrative Commission of 12 June 2009 provides more guidance on the steps and stages to be followed in cases where there are doubts

⁽²⁸⁶⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

⁽²⁸⁷⁾ Information obtained through consultation with NAV Benefits Department, Norway, September 2024.

⁽²⁸⁸⁾ Information obtained through consultation with Federal Public Service – Social Security, Belgium, September 2024.

⁽²⁸⁹⁾ Information obtained through consultation with the National Institute of Social Security, Regional Directorate (Veneto) on Operational Inspection Support, Italy, September 2024.

about the validity of a PD A1 or the accuracy of the facts on which the decision to grant the PD A1 was based ⁽²⁹⁰⁾.

Annex 1 contains a case study on the practical application of the possibility to withdraw a PD A1. This case study investigates under which conditions and using which procedures PDs A1 issued according to Article 12 of Regulation (EC) No 883/2004 (i.e. posted workers) can be revoked, paying particular attention to existing (in)formal contestation and withdrawal procedures. The results of the interviews conducted for this study indicate that in most countries often neither the requesting institution nor the requested institution have formal procedures regarding questions about the validity of a PD A1, the correctness of the facts on which the decision to issue the PD A1 was based, and the withdrawal of the PD A1. Furthermore, the interviews revealed that countries do not always know whether they use the formal dialogue and conciliation procedure as defined by Decision No A1 or if the enquiries sent/received fall under this decision ⁽²⁹¹⁾. However, Box 19 outlines some examples of good practice.

Box 19. Examples of good practices in Member States

- Regarding the monitoring of the dialogue and conciliation process, Belgium's Osiris platform can be considered a good practice. The platform contains detailed data on the requests made by Belgium to the competent institutions in other countries by applying the dialogue and conciliation procedure. As a result, data are available on the stage of the request, the type of request, the nationality of the person concerned, the sector concerned and, most recently, even the legal basis of the enquiry.
- The strategy applied by France aims to gather the necessary information early in the investigation process and encourages smoother and more positive responses from the competent institutions regarding the withdrawal of a PD A1.
- The competent institution in Ireland has used national liaison officers within ELA to seek updates on the progress of conciliation procedures and review requests.
- In Poland, the ZUS office in Siedlce focuses on cases where the competent institution of the receiving country requests the withdrawal of a PD A1 or has doubts about the facts considered when the PD A1 was issued.
- In Slovakia, the contestation and withdrawal of the PD A1 follows a formal set of steps (i.e. initial contestation, verification request, collaboration with foreign institutions, decision and withdrawal).

Source: Authors' summary based on interview information and a literature review.

The procedure followed by countries when they have questions about the validity of a PD A1, the correctness of the facts on which the decision to issue a PD A1 was based, and the withdrawal of a PD A1 appears to depend largely on the goodwill of the requested institution. The institutions consulted made reference to cases where a very late or even no response was given to a query raised. This is partly due to the lack of sanctions when the requested institutions are late in answering or do not even answer the question asked by the requesting institution. Moreover, this may be largely due to the lack of human resources needed to check and answer the questions in detail.

⁽²⁹⁰⁾ In practice, authorities are not always informed about the posting activities: not in advance, not during and not after the posting has taken place. Therefore no application for a PD A1 was made. Moreover, the extent to which institutions closely check the posting conditions before issuing a PD A1 may have a strong impact on the number of questions received regarding the validity of a PD A1 issued according to Article 12 of Regulation 883/2004.

⁽²⁹¹⁾ The dialogue and conciliation procedure established by Article 76(6) of Regulation No 883/2004 is the procedure that should be followed when there is an issue with the issuance or the validity of a PD A1, as recently ruled by the CJEU (C-421/23).

Most of the questions about the validity of a PD A1, the correctness of the facts on which the decision to grant a PD A1 was based, and the withdrawal of a PD A1 are settled between the requesting institution and the requested institution. The added value of the second stage of the dialogue procedure, conducted between the competent authorities, can be questioned. It seems to be merely a formal intermediate stage of the conciliation procedure before bringing the matter before the Administrative Commission (the third stage). However, this last stage in the dialogue and conciliation procedure is hardly used and rather ineffective. Indeed, the conciliation procedure is not legally binding. Only a limited proportion of queries regarding the withdrawal of a PD A1 result in a judicial appeal procedure (more information is available in Annex 1, case study A on the possibility of the withdrawal of a PD A1). Given the important role the requesting and requested institutions play in the dialogue process, European and national measures and initiatives are best aimed at facilitating and improving cooperation and exchange of information between them ⁽²⁹²⁾.

The withdrawal of a PD A1 may significantly impact employees, employers and self-employed people. The experts interviewed also frequently highlighted the impact on the institutions involved when a PD A1 is withdrawn, mainly in terms of the administrative steps that must be taken because of the additional workload this requires. The institutions concerned must settle the social security contributions (i.e. reimburse them in the original competent country and collect them retroactively in the new competent country) and social benefits paid, which may be a difficult and complex process when this applies to a long period.

Further details about the practices and procedures related to this process are available in Annex 1, case study A, on the practical application of the possibility to withdraw a PD A1.

6.5. Other cross-border initiatives

In addition to the more structured cross-border initiatives outlined previously in this chapter, there are other examples of cross-border cooperation between countries that support the identification and tackling of fraud and error. They may target aspects of social security coordination that are broader than fraud and error (e.g. undeclared work or working conditions) but can uncover instances of fraud and error.

The Hungarian authorities have, for example, increased their cooperation with other Member States to tackle undeclared work and other joint operations. This cooperation includes sharing data on suspected fraud cases and conducting joint investigations ⁽²⁹³⁾. The example from Denmark in Box 20 illustrates initiatives that aim to strengthen cross-border collaboration and control mechanisms.

Box 20. Strengthening international collaboration – Denmark

Denmark has implemented key initiatives related to *udlandskontrol* (foreign control) and *styrket udlandskontrol* (enhanced foreign control). These initiatives focus on ensuring that social benefits are correctly distributed, particularly in cases involving cross-border beneficiaries. The aim is to prevent fraud and error by enhancing collaboration with international authorities and implementing stricter controls on claims from individuals living abroad. Strengthened foreign control measures have led to more effective monitoring and compliance checks, helping safeguard public funds. Budgets allocated to tackle cross-border fraud are published in the annual reports of Udbetaling Danmark (the public authority responsible for a number of public services, including public pensions and housing benefits). For instance, DKK 2 million

⁽²⁹²⁾ For instance, it was suggested in the interview in Denmark that it would be useful if the ad hoc group on applicable legislation within the Administrative Commission met more often to discuss the difficult cases (information obtained through consultation with Udbetaling Danmark – International Social Sikring, Denmark, September 2024).

⁽²⁹³⁾ Information obtained through consultation with the Hungarian State Treasury (Magyar Államkincstár), Hungary, June 2024.

(approximately EUR 265 000) is allocated annually to the Joint Data Unit at Udbetaling Danmark ⁽²⁹⁴⁾ for strengthening existing control efforts in cross-border areas.

Source: Authors' summary based on interview information.

Cross-border CJIs are another tool used by countries to enforce EU-level labour mobility and social security coordination rules. These types of inspections entail the participation of national authorities from at least two Member States. Concerted inspections are 'carried out in two or more Member States simultaneously regarding related cases, with each national authority operating in its own territory' and are supported by ELA ⁽²⁹⁵⁾. Joint inspections are 'carried out in a Member State with the participation of the national authorities of one or more other Member States' and are supported by ELA ⁽²⁹⁶⁾. Cross-border inspections are generally conducted to control the correct application of relevant legislation and sometimes identify situations involving social security benefit fraud. These types of inspections also presuppose the exchange of information and data between the relevant participating institutions from different countries.

At the EU level, and in line with its task to facilitate and enhance cooperation between Member States in the enforcement of relevant EU rules on labour mobility and social security coordination, ELA has supported the development and implementation of cross-border inspections through the publication of documents ⁽²⁹⁷⁾ that provide guidance on how to prepare for, implement and follow up on cross-border inspections effectively. ELA has also facilitated the exchange of good practices between countries (e.g. through its Working Group on Inspections ⁽²⁹⁸⁾) and has provided conceptual, logistical and technical support where needed for the organisation of cross-border inspections ⁽²⁹⁹⁾. Between 2021 and 2023, ELA supported 119 inspections involving 12 000 workers in key sectors for cross-border work, including the transport, construction, agriculture, food production and hotel, restaurant and café sectors ⁽³⁰⁰⁾. To facilitate capacity building of national institutions, ELA has also enabled training courses for European enforcement officers on different aspects of relevant EU-level legislation ⁽³⁰¹⁾. Box 21 presents an example of a cross-border inspection focused on combating fraud and social dumping.

Box 21. Example of a cross-border joint inspection in Belgium (with the participation of Bulgarian authorities)

In June 2022, authorities in Belgium carried out a joint inspection (involving authorities from Bulgaria) in the port of Zeebrugge to check the application of the mobility package and the *lex specialis* concerning the

⁽²⁹⁴⁾ Udbetaling Danmarks, *Årsrapport 2023*, 2024, <https://www.atp.dk/dokument/udbetaling-danmarks-aarsrapport-2023>.

⁽²⁹⁵⁾ Regulation (EU) 2019/1149 of the European Parliament and of the Council of 20 June 2019 establishing a European Labour Authority, amending Regulations (EC) No 883/2004, (EU) No 492/2011, and (EU) 2016/589 and repealing Decision (EU) 2016/344, Article 8(2)(a) (OJ L 186, 11.7.2019, p. 21), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R1149>.

⁽²⁹⁶⁾ Ibid.

⁽²⁹⁷⁾ Some examples include ELA, *Guidelines for concerted and Joint Inspections*, 2020, https://www.ela.europa.eu/sites/default/files/2021-02/Item01_Guidelines-for-concerted-and-joint-inspections.pdf; European Platform Tackling Undeclared Work, *Practitioners' Toolkit: Cross-border concerted and joint inspections*, 2020, https://csd.eu/fileadmin/user_upload/publications_library/files/2020_01/Undeclared/Toolkit_cross-border_concerted_2020.pdf; ELA, 'Documents: Guidelines and toolkits', no date, https://www.ela.europa.eu/en/documents?f%5B0%5D=ela_publication_type%3A176&f%5B1%5D=ela_publication_type%3A178&f%5B2%5D=media_activity%3A152; ELA, 'Documents: Training materials', no date, https://www.ela.europa.eu/en/documents?f%5B0%5D=ela_publication_type%3A179&f%5B1%5D=media_activity%3A152.

⁽²⁹⁸⁾ <https://www.ela.europa.eu/en/about/what-we-do#wg>.

⁽²⁹⁹⁾ https://www.ela.europa.eu/sites/default/files/2021-12/ELA_Support_CJI_v2.pdf.

⁽³⁰⁰⁾ <https://www.ela.europa.eu/en/activities/concerted-and-joint-inspections>.

⁽³⁰¹⁾ ELA, 'ELA has trained 800 European enforcement officers in 2024 in road transport social legislation', press release, ELA website, 2024, <https://www.ela.europa.eu/en/news/ela-has-trained-800-european-enforcement-officers-2024-road-transport-social-legislation>.

posting of drivers. During the operation, led by the Belgian labour prosecutor, several irregularities were uncovered with implications for social security fraud, including illegal employment of a cross-border worker, forged invoices and false driver certificates, ID cards and driver cards.

Source: Authors' summary of the information available at <https://www.ela.europa.eu/en/news-event/newsroom/ela-supported-large-scale-inspection-port-zeebrugge-belgium>.

In line with its founding regulation⁽³⁰²⁾, ELA has repeatedly supported cross-border cooperation and exchange of information between Member States, including in the area of tackling cross-border benefit fraud. An example related to cooperation on enforcing applicable legislation (PDs A1) and the recovery of undue social security benefit payments and contributions is summarised in Box 22.

Box 22. Example of good practice in cooperation between Member States on social security coordination

Seminars on cooperation between Spain, France, Italy and Portugal focus on the effective application and enforcement of regulations on the coordination of social security systems. The key areas of discussion during the seminar that took place in May 2024 included enforcement of applicable legislation (PDs A1), recovery of undue social security benefit payments and contributions, and detecting and tackling cross-border fraud in social security benefits.

The following key challenges were identified:

- the tools and procedures currently used to exchange data between Member States are not considered appropriate for addressing social security fraud;
- at the national level, labour inspectorates do not have access to social security data, and the actions of labour inspectorates and social security institutions are not coordinated;
- the process of recovering social security debts involves even more stakeholders than other social security coordination issues, and procedural specificities complicate coordination between Member States.

The following operational recommendations and further steps were discussed:

- the possibility of granting access to national databases to institutions from other Member States to improve information exchange, and granting access of inspection bodies to existing information at the national level and/or exchange via the internal market information and EESSI systems should be considered at the national level;
- the need for a unified understanding of recovery procedures and the exchange of practices in this area;
- the four Member States are to continue working on concluding a multilateral framework agreement, with the possibility of concluding further bilateral agreements;
- a follow-up seminar in 2025 on the conclusion of a framework/multilateral agreement in the field of social security coordination, including a study visit on the PD A1 tool developed by Urssaf (France).

Source: Authors' summary of information gathered from the seminar supported by ELA on cooperation between Spain, France, Italy and Portugal on the effective application and enforcement on the regulations on social security coordination.

⁽³⁰²⁾ Regulation (EU) 2019/1149 of the European Parliament and of the Council of 20 June 2019 establishing a European Labour Authority, amending Regulations (EC) No 883/2004, (EU) No 492/2011 and (EU) 2016/589 and repealing Decision (EU) 2016/344 (OJ L 186, 11.7.2019, p. 21), <https://eur-lex.europa.eu/eli/reg/2019/1149/oj/eng>.

Operational conclusions

Complementing other publications at the EU level, this report enhances the understanding of challenges related to social security coordination, in particular fraud and error. The analysis highlights the progress made in detecting and tackling fraud and error through EU and national initiatives. Overall, despite extensive efforts to identify additional data sources, the limited availability of data on fraud and error in social security coordination at the national level was confirmed. This remains a significant barrier to assessing the real levels of fraud and error in social security coordination and the resulting implications. The research also revealed that institutions themselves, with some exceptions, often do not distinguish procedurally between fraud and error and use similar tools to identify and tackle them.

Fraud and error in the coordination of most social security branches are arguably a relatively less substantial issue – as far as it can be assessed based on available information. However, the absence of data on the incidence of fraud and error across social security branches and countries, the actual scale of the problem is currently not known. At the same time, fraud and error can put pressure on national social security systems, the internal market and the application of the provisions defined in Regulation (EC) Nos 883/2004 and 987/2009. It also represents a barrier to fair labour mobility in the EU and the cross-border and transnational provision of services, and may result in unexpected costs for mobile citizens and public authorities (e.g. the rejection of reimbursement claims).

The seemingly limited number of cases of fraud and error identified may be an indication that Member States have introduced targeted and efficient measures for avoiding and detecting fraud and error in the payment of social security benefits in cross-border or transnational situations. For instance, the use of life certificates and the exchange of data between Member States effectively targets fraud and error in the payment of cross-border or transnational pensions. Alongside EESSI at the EU level, there are many national initiatives that address the topic of efficient information exchange and aim to enable automated data exchanges and develop data matching, data mining and risk assessment tools. Some of these are specifically aimed at detecting fraud and error. In the cross-border and transnational context, there are also a range of long-term digital initiatives at the EU and national levels that are relevant to enhancing data and information exchanges (as discussed in Chapter 5 and Section 6.1). These aim to improve public sector interoperability, streamline cross-border and transnational online procedures, enable the automatic exchange of official documents and data between institutions across Member States, and develop user-centric digital procedures to facilitate more efficient access to documents and data (including the development of a European digital identity through EUDI wallets for EU citizens).

Coordinating actions to improve the electronic exchange of information and the identification and tackling of fraud and error in social security coordination with other existing initiatives (some of which are described in this report) would enable investments made in this area to be proportional to their expected benefits, address multiple challenges coherently and avoid working in silos.

The following operational conclusions are derived from the key challenges identified in this report. They focus on operational areas where increased effectiveness and efficiency could have a positive impact on the identification and tackling of cross-border and transnational fraud and error. These operational conclusions focus on ELA's mandate, but they may be relevant to a broader set of actors.

Operational conclusions on ELA's activities

1. Coordinating and supporting enforcement in social security coordination

- Success in preventing and combating cross-border and transnational fraud and error depends largely on cooperation on enforcement between Member States and their administrations. ELA continues to encourage, support and coordinate enforcement efforts at the cross-border and transnational level. Concerted and joint inspections represent the key mechanism available to Member States. To tackle

social security fraud, ELA should continue encouraging targeted inspections. While preventive inspections have their role and place in tackling social security fraud, facilitating proactive, risk-assessed, targeted inspections is advised.

- The focus on social security fraud can be integrated into broader enforcement efforts addressing other labour mobility issues. Many CJIs supported by ELA concern labour mobility issues related to social security coordination. To make sure that tackling social security fraud is prioritised in enforcement efforts, it could be the focus of ELA-organised enforcement campaigns (so-called weeks of action), particularly in sectors more prone to such fraud.
- The analytical support for CJIs offered by ELA can facilitate targeted inspections. This can lead to synergies between operational analysis and 'on the ground' investigative work. Detection of fraud requires an interplay between analytical and investigative work. CJIs serve as a platform for exchanging the data and information necessary for carrying out inspections, with the involvement of multiple Member States and competent authorities. ELA has already piloted so-called coordination centres during enforcement actions, and efforts of this nature and scale might be especially suitable for tackling social security fraud across borders.
- Risk assessment models can contribute significantly to preventing fraud and error. Some countries use such tools in combination with data mining, data matching and AI. Lessons can be learned from these initiatives to inform similar developments in other countries and at the EU level. In this context, ELA can help disseminate good practices in the use of tools and methods through its technical workshops for experts from enforcement institutions.

2. Facilitating cooperation and exchange of information in the field of social security coordination

- Information and data exchange between countries is essential to prevent and tackle fraud and error in social security coordination. The Electronic Exchange of Social Security Information (EESSI) is currently the key tool enabling this exchange between all participating countries at the European level. Countries are also increasingly developing digital tools at the national level (some of which use the information available in EESSI) that support more effective identification and tackling of fraud and error in social security coordination. It is critical that information about these tools, including their strengths and weaknesses, is widely shared between social security institutions, with ELA's continued support.
- ELA supports the European Commission and the Member States in the implementation and continued development of EESSI in ways that contribute to better use of the system, such as training, mutual learning exchanges and working groups (in PROGRESS programme). The continued training of social security institution staff who are responsible for entering and processing information in EESSI is important to increase the efficient and effective use of the system.
- Collaborative workshops and seminars can also support countries in addressing other challenges in social security coordination. These challenges include the timely exchange of information and data among institutions, the complexity of cross-border and transnational situations, deficiencies in providing the necessary information and raising awareness among stakeholders, and issues arising from the digital transformation of social security systems. Activities supported by ELA include peer learning activities and the dissemination of relevant material to staff in national and EU bodies, citizens, companies and stakeholder groups. The topic of fraud and error in social security coordination can feature in these exchanges.

3. Providing information and raising awareness to prevent fraud and error in social security coordination

- Language barriers are one of the main challenges faced by mobile citizens and companies when looking for relevant information. Multilingual and clear content increases the access to information. In this context, ELA continues to support the translation of public information on national web pages in Member States, including content related to social security coordination.
- **Comprehensive and targeted awareness-raising measures at both national and European levels may increase compliance.** During research, the impact of awareness-raising measures on the knowledge and compliance of mobile citizens and companies has been positively assessed overall, due to providing practical and unified information on social security rights and obligations. ELA is currently preparing its first campaign on social security coordination to take place in 2025 - 2026.
- National authorities, social partners and employer organisations, according to their mandate, should be encouraged to implement sustained awareness-raising measures targeting mobile workers, employers, self-employed persons and other groups of mobile people (e.g. tourists, pensioners). In doing so, it is necessary to ensure the continuous assessment of the key information needs of the different types of groups concerned and situations that arise in cross-border and transnational work and the provision of services and to address these in a targeted manner by using the appropriate channels. Moreover, it remains important that these actors continue to provide tailored advice in person. ELA is currently doing exploratory work on the information needs of mobile workers and their employers.
- **To effectively prevent fraud and error, the provision of clear, comprehensive, and regularly updated information, including guidance and other aspects such as the consequences of error and fraud, is essential.** Due to the nature of error and fraud, differentiated information approaches are needed. ELA offers support to Member States and the European Commission to improve access to information. This refers to activities such as awareness campaigns, website reviews, development of common templates for information provision, identification and sharing of good practices in information provision, information events and mutual learning activities, development of an informative web tool in the form of an AI chatbot and a feasibility study on setting up an ELA help desk.

Operational conclusions on specific topics

1. Electronic exchange of information at the EU level and the use of EESSI

- Strengthening administrative cooperation is essential to at least some extent identify and tackle cross-border and transnational fraud and error. One option to combat quality issues related to the way information and data are shared in EESSI (and especially in national application) is to provide interoperability and automatic feeds of ESSI from national applications. The ultimate goal is to completely integrate EESSI in the processes of national applications. Some Member States already use processes, where a large portion of the necessary forms are automatically filled out by an IT system, or where data exchange on social security information for some benefits is automated. Such examples can provide guidelines to follow in other national contexts, not least to enable the right balance between automation and quality control undertaken by staff in social security institutions.
- EESSI cannot currently be considered a tool for identifying fraud and error in social security coordination. This is an area that could be considered as part of the ongoing development of EESSI, and in line with cost-benefit assessments. At the moment, however, there is no explicit legal basis for exchanges related to fraud and error in the scope of EESSI. This was addressed in the recent legislative amendment of Regulation (EC) Nos 883/2004 and 987/2009; however, co-legislators have not yet reached an agreement on this.

- Closer monitoring of the type, speed and quality of information exchanged in EESSI would contribute significantly to a better understanding of the main challenges associated with its use and the subsequent identification of solutions. One example of where such monitoring could apply is the mismatch between the number of PDs A1 issued and notifications made by Member States in relation to the corresponding business use cases.
- Agreeing and enforcing standards for the quality and speed of information exchanged via EESSI would support more effective exchanges between institutions ⁽³⁰³⁾. Sustained dialogues and agreement between the Member States in this sense are necessary and could be facilitated by the relevant stakeholders, like the European Commission, the Technical Commission for Data Processing and ELA .

2. Application of the possibility to withdraw a portable document A1

- The extent to which institutions closely check posting conditions before issuing a PD A1 may have a strong impact on the number of questions received regarding the validity of a PD A1 (issued according to Article 12 of Regulation (EC) No 883/2004). Consequently, as suggested by the Administrative Commission in Recommendation No A1 of 18 October 2017, it is recommended that, before issuing a PD A1, institutions assess all relevant facts using data from official data sources available at the national level. It would be useful to review the practices of competent institutions in this regard and identify good practices, which can be supported by ELA.

3. Addressing data gaps in social security coordination

- Monitoring and accurately assessing the extent of fraud and error in cross-border and transnational situations requires that data are collected and reported at the national level and organised by type of social security branch. This is currently not the case. Only a limited number of countries and within them a limited number of branches of social security collect data on cross-border/transnational (and purely national) fraud and error cases. There is thus a need to develop data collection capabilities at the country level. This would enable effective exchanges, cross-referencing of data and risk assessment, and the development of monitoring and evaluation frameworks.

⁽³⁰³⁾ Article 76 in Regulation (EC) No 883/2004, whereby ‘The institutions and persons covered by this regulation shall have a duty of mutual information and cooperation to ensure the correct implementation of this regulation’ (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32004R0883>).

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C 183, 25.5.2018, p. 5), [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H0529\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H0529(01)).

Recommendation No H2 of 10 October 2018 concerning the inclusion of authentication features to portable documents issued by the institution of a Member State and showing the position of a person for the purpose of the application of Regulations (EC) No 883/2004 and (EC) No 987/2009 of the European Parliament and of the Council (OJ C 147, 29.4.2019, p. 6), [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H0429\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H0429(01)).

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directives in the areas of covered bonds, cross-border distribution of collective investment undertakings, open data and reuse of public sector information, exercise of copyright and related rights applicable to certain online transmissions and retransmissions of radio and television programmes, temporary exemptions for certain imports and supplies, consumer protection, and promotion of clean and energy-efficient road transport vehicles), <https://www.boe.es/boe/dias/2021/12/11/pdfs/BOE-A-2021-20512.pdf>.

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Annex 1. Case studies

Case study A: practical application of the possibility to withdraw a public document A1

This case study in brief

- The extent to which institutions closely check the posting conditions before issuing a PD A1 may have a strong impact on the number of questions received regarding the validity of a PD A1 issued according to Article 12 of Regulation (EC) No 883/2004. Consequently, before issuing a PD A1, institutions should assess all relevant facts using data from official sources.
- In most countries, often neither the requesting institution nor the requested institution has formal procedures regarding questions about the validity of a PD A1, the correctness of the facts on which the decision to grant a PD A1 was based, and the withdrawal of a PD A1. Furthermore, interviews revealed that countries do not always know whether they use the formal dialogue and conciliation procedure as defined by Decision No A1 or if the enquiries sent/received fall under this decision.
- Most of the questions about the validity of a PD A1, the correctness of the facts on which the decision to grant a PD A1 was based, and the withdrawal of a PD A1 are settled between the requesting institution and the requested institution. The added value of the second stage of the dialogue procedure, conducted between the competent authorities, can be questioned. The last stage in the dialogue and conciliation procedure, when the matter is brought before the Administrative Commission, is also hardly used. The conciliation procedure is not legally binding. Only a limited proportion of queries regarding the withdrawal of a PD A1 result in a judicial appeal procedure. Given the important role that the requesting and requested institutions play in the dialogue process, European and national measures and initiatives are best aimed at facilitating and improving cooperation and exchange of information between them ⁽³⁰⁴⁾.
- The Osiris platform (Belgium) is an example of good practice in the monitoring of the dialogue and conciliation process. The platform contains detailed data on the requests made by Belgium to the competent institutions in other countries by applying the dialogue and conciliation procedure. As a result, data are available on the stage the request is at, the type of request, the nationality of the person concerned, the sector concerned and, most recently, even the legal basis of the enquiry.

Key challenges

- The procedure followed by countries when they have questions about the validity of a PD A1, the correctness of the facts on which the decision to grant a PD A1 was based, and the withdrawal of a PD A1 appears to depend largely on the goodwill of the requested institutions. This is partly due to the lack of sanctions when requested institutions are late in answering or do not answer requests.
- No data are collected by Member States on the monitoring of the dialogue and conciliation process.

⁽³⁰⁴⁾ For instance, it was suggested in the interview in Denmark that it would be useful if the ad hoc group on applicable legislation within the Administrative Commission met more often to discuss the difficult cases (information obtained through consultation with Udbetaling Danmark – International Social Sikring, Denmark, September 2024).

Introduction

This case study investigates under which conditions and using which procedures PDs A1 issued according to Article 12 of Regulation (EC) No 883/2004 (i.e. posted workers) can be revoked, paying particular attention to existing (in)formal contestation and withdrawal procedures. The case study focuses on Belgium and the Netherlands, seeing that these two countries have asked for a high number of PDs A1 to be withdrawn by the competent institutions in the competent country in recent years. However, as far as possible, the case study also refers to practices in several other countries.

A brief legal background (including references to important CJEU case-law) ⁽³⁰⁵⁾ regarding the issuance, enforcement and withdrawal of the PD A1 is given based on a literature review ⁽³⁰⁶⁾. Furthermore, the expert interviews on applicable legislation, organised in 30 countries, aimed to collect relevant information, facts and additional statistics regarding the practical procedures of PD A1 contestation and withdrawal. Practices and experiences of countries are reported in this case study ⁽³⁰⁷⁾.

Evolution of the number of (requested) withdrawals of the public document A1

In the annual survey on PDs A1 carried out by Network Statistics on Free Movement of Workers, Social Security Coordination, and Fraud and Error (FMSSFE), questions are asked about the number of requests for

⁽³⁰⁵⁾ See, for instance, [Case C-202/97, Fitzwilliam](#); [Case C-2/05, Herbosch Kiere](#); [Case C-620/15, A-Rosa Flussschiff](#); [Case C-359/16, Altun](#); [Case C-356/15 Commission v Belgium](#); [Case C-527/16, Alpenrind and Others](#); [Case C-17/19, Bouygues travaux publics](#); [Joined Cases C-370/17 and C-37/18, Vueling Airlines and CRPNPAC](#); [Joined Cases C-410/21 and C-661/21, DRV Intertrans and Others](#); [C-421/23 ONSS](#).

⁽³⁰⁶⁾ See, for instance, Carrascosa Bermejo, D. and Molina Millán, J., 'The binding nature of posting PD A1 issued under EU social security coordination regulations and the possible role of national courts', *ERA Forum*, Vol. 24, No 1, 2023, pp. 69–103, <https://doi.org/10.1007/s12027-023-00749-6>; Eurofound, *Working Conditions – Improving the monitoring of posted workers in the EU*, 2020, <https://www.eurofound.europa.eu/system/files/2020-04/ef19054en.pdf>; Holubec, V., 'Binding effect of the A1 certificate in the case-law of the Court of Justice of the European Union', in: *Liber Amicorum Bernhard Spiegel – Reflections on EU coordination of social security systems: Bridging academia and public administration*, *Belgian Journal of Social Security Special Edition*, 2024, <https://socialsecurity.belgium.be/sites/default/files/content/docs/en/publications/brss/btsz-65-1-01-liber-amicorum-bernhard-spiegel.pdf>; Jorens, Y. and Lhernould, J-P., *Procedures related to the granting of portable document A1: An overview of country practices*, Publications Office of the European Union, Luxembourg, 2014, <https://ec.europa.eu/social/main.jsp?pager.offset=20&catId=1098&langId=nl&moreDocuments=yes>; Morsa, M. and Dessy, B., 'The importance of the principle of loyal and mutual cooperation in the implementation of European regulation coordination social security systems', in: *Liber Amicorum Bernhard Spiegel – Reflections on EU coordination of social security systems: Bridging academia and public administration*, *Belgian Journal of Social Security Special Edition*, 2024, <https://socialsecurity.belgium.be/sites/default/files/content/docs/en/publications/brss/btsz-65-1-01-liber-amicorum-bernhard-spiegel.pdf>; Rennuy, N., 'Posting of workers: Enforcement, compliance and reform', *European Journal of Social Security*, Vol. 22, Issue 2, 2020, pp. 212–234, <https://doi.org/10.1177/1388262720931658>; Rennuy, N., 'Posted workers, judges and smokescreens: Narrowing the gap in judicial control', *European Law Review*, 2022, pp. 463–481, [https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fprints.whiterose.ac.uk%2F189926%2F6%2FRennuy_Po](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fprints.whiterose.ac.uk%2F189926%2F6%2FRennuy_Po%20sted%20Workers%20Revised.docx&wdOrigin=BROWSELINK)
[sted Workers Revised.docx&wdOrigin=BROWSELINK](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fprints.whiterose.ac.uk%2F189926%2F6%2FRennuy_Po%20sted%20Workers%20Revised.docx&wdOrigin=BROWSELINK); Van der Mei, A. P. and van Ooij, E., 'The judicial finetuning of the EU rules determining the applicable social security legislation', *Maastricht Journal of European and Comparative Law*, Vol. 29, No 1, 2022, pp. 132–155, <https://doi.org/10.1177/1023263X211058394>; and Verschueren, H., 'The CJEU's case law on the role of posting certificates: A missed opportunity to combat social dumping', *Maastricht Journal of European and Comparative Law*, Vol. 27, No 4, 2020, pp. 484–502, <https://doi.org/10.1177/1023263X20938664>.

⁽³⁰⁷⁾ In that regard, some relevant indicators are number of requests for withdrawal of a PD A1 submitted and received; number of PDs A1 withdrawn by the competent public authority; main reasons for withdrawal of a PD A1; main reasons for not agreeing to a request to withdraw a PD A1; and dialogue and withdrawal procedure: human resources allocated, duration of the process, steps to be taken and result.

the withdrawal of a PD A1 and the number of PDs A1 withdrawn ⁽³⁰⁸⁾. Figure 14 below presents the data for both of these perspectives. It should be noted that not all countries provide such data. This means that some countries that have requested withdrawals or have withdrawn PDs A1 in recent years are not shown in Figure 14.

Figure 14. Number of PDs A1 requested to be withdrawn as a receiving country 2017–2022 (left) and number of PDs A1 withdrawn as a sending country 2016–2022 (right)



NB: Based on the questions ‘How many received portable documents A1 were requested to be withdrawn between the period from 1 January to 31 December of the reference year?’ as a receiving Member State and ‘How many issued portable documents A1 were withdrawn between the period from 1 January to 31 December of the reference year?’ as a sending Member State.

Source: Reports on A1 Portable Documents 2017–2023, Network Statistics FMSSFE, European Commission, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

From the perspective of the receiving country (left panel of Figure 14), Germany and the Netherlands particularly stand out. In 2021, at least 1 952 PDs A1 were requested to be withdrawn by Germany, involving workers from 27 companies. The requests concerned 21 initiated dialogue and conciliation procedures. The Netherlands shows a large number of requests in 2021 (2 465), while it is considerably lower in other reference years (350 in 2018 and 66 in 2022). France requested 579 PDs A1 to be withdrawn in 2021, and Poland and Czechia requested the withdrawal of 287 and 152 PDs A1 in 2018, respectively. In Belgium, more than 150 requests for withdrawal were sent in 2019 and 2022, while it requested the withdrawal of only 48 PDs A1 in 2021. Finally, in Bulgaria and Iceland, less than 3 PDs A1 were requested to be withdrawn in the years these countries reported data.

From the perspective of the sending country (right panel of Figure 14), Poland, Slovakia and Hungary appear to be the main countries withdrawing PDs A1. Poland withdrew over 2 000 PDs A1 in 2016 and almost 1 200 in 2019. In the other reference years, the number lies between 325 and 621 (no data were available for 2018). From 2018 to 2022, Slovakia withdrew over 500 PDs A1 annually, with a peak of 955 in 2019. The third main

⁽³⁰⁸⁾ European Commission, ‘Facts and figures on intra-EU labour mobility and EU social security coordination: Annual reports on EU social security coordination – Posting of workers (PD A1)’, European Commission website, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

country, Hungary, withdrew over 430 PDs A1 from 2016 to 2018, but only 97 in 2019 and 25 in 2021. While Italy withdrew 439 PDs A1 in 2021, the number was only 61 in 2018. Portugal withdrew 300 PDs A1 in 2016 and only 30 in 2019. Finally, the other reporting countries (Austria, Bulgaria, Czechia, Denmark, Iceland, Lithuania, the Netherlands and Slovenia) withdrew fewer than 80 PDs A1 in the years they reported data.

The issuance procedure for public documents A1 under Article 12 of Regulation (EC) No 883/2004

Even though the case study focuses on the procedures regarding the withdrawal of the PD A1, it is useful to first briefly discuss the issuance procedure for PDs A1, as this enables the identification of the main reasons for a PD A1 withdrawal. This is most often linked to not respecting (or no longer respecting) the conditions that make Article 12 of Regulation (EC) No 883/2004 applicable.

Pursuant to Article 12 of Regulation (EC) No 883/2004⁽³⁰⁹⁾ and Articles 14(1) and (2) of Regulation (EC) No 987/2009⁽³¹⁰⁾, there are several conditions, to be fulfilled cumulatively, for the proper use of posting under the coordination regulations: (1) the employer must normally carry out its activities in the country of establishment; (2) there is a direct relationship between the posting employer and the posted worker; (3) the posted worker is already affiliated to the legislation of the country in which their employer is established; (4) the posting is of a temporary nature (not exceeding 24 months); and (5) the posted worker is not being sent to replace another posted worker. Inspection statistics⁽³¹¹⁾ and case-law of the CJEU⁽³¹²⁾ show that each of these posting conditions is prone to infringement.

The PD A1 plays a key role in the implementation of the provisions on posting⁽³¹³⁾. Countries have an important margin of discretion for designing the granting procedure of this document. However, the principle of ‘sincere cooperation’ (as laid down in Article 4(3) of the Treaty on European Union and specified in Article 76 of Regulation (EC) No 883/2004) requires that institutions conduct a proper assessment of the facts relevant for the determination of the legislation applicable prior to issuing the PD A1⁽³¹⁴⁾. Put differently, the competent institutions are expected to check the above-mentioned posting conditions before issuing a PD A1 according to Article 12 of Regulation (EC) No 883/2004.

⁽³⁰⁹⁾ Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32004R0883>.

⁽³¹⁰⁾ Regulation (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems (OJ L 284, 30.10.2009, p. 1), <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32009R0987>.

⁽³¹¹⁾ See, for instance, the cases reported in De Wispelaere, F., De Smedt, L. and Gillis, D., *Enhancing the collection and reporting of inspection statistics on the enforcement of the posting rules*, Posting.Stat 2.0 project, 2024.

⁽³¹²⁾ As regards prior affiliation, see C-451/17, *Walltopia*; as regards the non-replacement condition, see Case C-527/16, *Alpenrind*; as regards the condition on ‘normally’ carrying out activities in the Member State of establishment, see Case C-784/19, *Team Power*.

⁽³¹³⁾ In order to prove that a worker or a self-employed person remains subject to the social security system of the Member State of origin, a PD A1 can be requested by the posting undertaking or the self-employed person. The current legal framework provides that the employer or the self-employed person must inform the competent authorities about their planned transnational activities whenever possible before these activities take place. In practice, authorities are not always informed about the posting activities: not in advance, not during and not after the posting has taken place. This reality seems to be particularly prevalent in the case of ‘making a business trip’. See also De Wispelaere, F., ‘Posting of workers: Law in books versus law in action’, in, Aranguiz, A., Bednarowicz, B., Vanheule, D. and Quené, M., *Pioneering Social Europe: Liber amicorum Herwig Verschueren*, Die Keure, Bruges, 2023b, pp. 171–182.

⁽³¹⁴⁾ Moreover, Recommendation No A1 of 18 October 2017 of the Administrative Commission has given more guidance on this process by stating that it is recommended that, prior to issuing a PD A1, institutions assess all the relevant facts, whether by means of data contained in official sources or by requesting the applicant to provide the necessary information. See Recommendation No A1 of 18 October 2017 concerning the issuance of the attestation referred to in Article 19(2) of Regulation (EC) No 987/2009 of the European Parliament and of the Council (OJ C 183, 25.5.2018, p. 5), [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H0529\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H0529(01)).

However, previous research ⁽³¹⁵⁾ shows that not all competent institutions make such an assessment of all facts before issuing a PD A1. This is partly because of their limited human resources capacity and high administrative workload, but equally because of the lack of objective data sources to make such an assessment. This, of course, creates a vicious circle: the extent to which institutions closely check the posting conditions before issuing a PD A1 may have a strong impact on the number of questions received regarding the withdrawal of a PD A1 issued according to Article 12 of Regulation (EC) No 883/2004.

The binding nature of the portable document A1

Article 5(1) of Regulation (EC) No 987/2009 provides that the PD A1 should be accepted by the institutions of the other Member State as long as it has not been withdrawn or declared invalid by the Member State in which it was issued. This should also ensure the principle of legal certainty. The case-law of the CJEU confirms the binding nature of the PD A1 and the exclusive competence of the issuing social security institution to assess the validity of the PD A1 as a general rule. Moreover, the PD A1 is binding for the social security institutions in the receiving countries and their national courts and tribunals. Nevertheless, recent case-law of the CJEU identified some limits to the binding nature of the PD A1. In Case C-370/17 *Vueling Airlines SA* ⁽³¹⁶⁾, the CJEU ruled that a court or tribunal of the host country can disregard a PD A1 only when two cumulative conditions are met:

- the dialogue and conciliation procedure was promptly initiated, and the competent institution of the issuing country was put in a position to review the grounds for the issuance of the PD A1 in light of the concrete evidence submitted by the competent institution of the other country, which indicates that those certificates were fraudulently obtained or relied on;
- the competent institution of the issuing country has failed to undertake such a review and has failed to make a decision, within a reasonable time, on that evidence, cancelling or withdrawing the certificates at issue, where appropriate.

These two conditions demonstrate the enormous importance of a well-developed contestation and withdrawal procedure for PDs A1, both for the requesting and for the requested institution. Moreover, the CJEU ruling aims to encourage dialogue and conciliation between national institutions and enhance a procedural economy ⁽³¹⁷⁾.

The portable document A1 contestation and withdrawal procedures as per the coordination regulations

Article 5(2) of Regulation (EC) No 987/2009 stipulates that if there is any doubt about the validity of a PD A1 or the accuracy of the facts on which the decision to grant a PD A1 was based, the institution of the Member State that received the PD A1 shall ask the issuing institution for the necessary clarification and, where appropriate, the withdrawal of the PD A1 ⁽³¹⁸⁾. The issuing institution shall reconsider the grounds for issuing

⁽³¹⁵⁾ See, for instance, Eurofound, *Working Conditions: Improving the monitoring of posted workers in the EU*, 2020, <https://www.eurofound.europa.eu/system/files/2020-04/ef19054en.pdf>.

⁽³¹⁶⁾ C-370/17, *CRNPAC* (<https://curia.europa.eu/juris/liste.jsf?num=C-370/17>).

⁽³¹⁷⁾ See Carrascosa and Millán (2023: 94) based on Joined Cases C-370/17 and C-37/18, paras 67 and 77. Carrascosa Bermejo, D. and Molina Millán, J., 'The binding nature of posting PD A1 issued under EU social security coordination regulations and the possible role of national courts', *ERA Forum*, Vol. 24, No 1, 2023, pp. 69–103, <https://doi.org/10.1007/s12027-023-00749-6>.

⁽³¹⁸⁾ Moreover, Article 76(6) of Regulation (EC) No 883/2004 states that 'In the event of difficulties in the interpretation or application of the regulation which could jeopardise the rights of a person covered by it, the institution of the competent Member State or of the Member State of residence of the person concerned shall contact the institution(s) of the Member State(s) concerned. If a solution cannot be found within a reasonable period, the authorities concerned may call on the Administrative Commission to intervene.'

the PD A1 and, if necessary, withdraw it. Moreover, when no agreement is reached between the institutions concerned, the matter may be brought before the Administrative Commission by the competent authorities no earlier than one month following the date on which the institution that received the document submitted its request (see Articles 5(4) and 6(3) of Regulation (EC) No 987/2009).

A recent judgment of the CJEU in Case C-422/22 *Zakład Ubezpieczeń Społecznych Oddział w Toruniu v TE* clarifies the scope of the dialogue and conciliation procedure in the context of unilateral withdrawal of the PD A1 by the issuing institution, as well as any duties following that withdrawal. The court confirmed that the Polish competent institution was correct in not following the dialogue and conciliation procedure envisaged in Article 5 of Regulation (EC) No 987/2009. Interestingly, the court additionally found that the principles of sincere cooperation and mutual trust imply an obligation on the issuing institution to verify throughout the duration of the posting whether the certificate complies with the rules on determination of applicable legislation, having regard to the actual situation of the worker concerned (see paragraph 36) ⁽³¹⁹⁾.

Decision No A1 of the Administrative Commission of 12 June 2009 ⁽³²⁰⁾ provides more guidance on the steps and stages to be followed in cases where there are doubts about the validity of a PD A1 or the accuracy of the facts on which the decision to grant a PD A1 was based. The dialogue and conciliation procedure comprises three stages (two stages in the dialogue procedure and one in the conciliation procedure), as follows.

- In the first stage, consultations take place between the requesting institution and the requested institution. Here, the requesting institution must provide relevant supporting evidence that gave rise to the question. The requested institution should acknowledge receipt of the question within 10 working days.
- Furthermore, the requested institution should communicate the outcome of the study to the requesting institution within three months of receipt of the request. If no agreement can be reached between the requesting institution and the requested institution, they will notify their competent authorities, which will then try to reach an agreement in the second phase of the dialogue and conciliation procedure.
- Finally, as a third step in the dialogue and conciliation procedure, the competent authorities may bring the matter before the Administrative Commission.

One of the questions that arises is how tied countries are to the above-mentioned stages of the dialogue and conciliation procedure and thus to Decision No A1. First, it should be noted that this decision applies without prejudice to the administrative procedures to be followed under the national law of the country concerned ⁽³²¹⁾. Moreover, the CJEU has ruled on several occasions that the decisions of the Administrative Commission are not binding. This seems to give countries a lot of freedom in terms of what steps to follow and how to implement them ⁽³²²⁾. Although recent jurisprudence of the CJEU does seem to delineate more clearly, and more strictly, the freedom of action of countries regarding the procedure to be followed for a

⁽³¹⁹⁾ https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202400521

⁽³²⁰⁾ Decision No A1 of 12 June 2009 concerning the establishment of a dialogue and conciliation procedure concerning the validity of documents, the determination of the applicable legislation and the provision of benefits under Regulation (EC) No 883/2004 of the European Parliament and of the Council (OJ C 106, 24.4.2010, p. 1), [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010D0424\(01\)&from=de](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010D0424(01)&from=de).

⁽³²¹⁾ Moreover, the dialogue and conciliation procedure must be suspended in the event that the matter has become the subject of a judicial or administrative appeal procedure in the Member State that issued the PD A1.

⁽³²²⁾ One of the questions that this case study seeks to answer, namely ‘What are the practical procedures that Member States take’, is therefore very relevant.

withdrawal of a PD A1 emphasises going through the dialogue and conciliation procedure established by Article 76(6) of Regulation (EC) No 883/2004 ⁽³²³⁾ ⁽³²⁴⁾.

Finally, regarding the collection of statistics on the number of questions on the validity of the PD A1, on the correctness of the facts on which the decision to issue a PD A1 was based, and on the withdrawal of the PD A1, it is relevant to note that Decision No A1 includes a provision on the reporting of such data by countries to the Administrative Commission. Moreover, countries should also report data on the length and outcome of the procedure.

Country practices

This section investigates practices in the selected countries, notably Belgium and the Netherlands. It then refers to some additional interesting practices in other countries.

Belgium

Belgium is one of the few countries in the study that closely monitors the files to which the dialogue and conciliation procedure, as provided for in Decision No A1, is applied; it does this using the Osiris platform ⁽³²⁵⁾. The competent Belgian institutions and authorities have been using the dialogue and conciliation procedure quite extensively since mid 2015. From the launch of Osiris in June 2015 up to 1 July 2024, 2 599 files were processed using the platform. Most of these files were settled in the first phase of the dialogue and conciliation procedure (2 139 files or 82.3 % of all files), a minority in the second phase (453 files or 17.4 %) and almost no files were settled in the third phase by the Administrative Commission (7 files or 0.3 %) ⁽³²⁶⁾. However, there are significant differences between issuing countries. Only 3 % cases concerning Poland end up in the second phase, while for Portugal it is 22 % of cases and for Romania it is as high as 37 % of cases. Furthermore, the total number of PDs A1 withdrawn over the same period at the request of Belgium is higher than the total number of cases handled in Osiris. This shows that not all queries are registered in the Osiris platform ⁽³²⁷⁾. Most queries about the withdrawal of a PD A1 concern identified errors.

Most files processed through Osiris concern PDs A1 that were issued by Poland (833 files or 32 % of total files), followed at a distance by Portugal and Romania ⁽³²⁸⁾. Furthermore, more than 100 files had Bulgaria, Slovenia and Slovakia as the sending country. Since 1 September 2023, when 'Osiris 2.0' became operational, data have been available on the type of request and the nationality and sector concerned in the processed files. This reveals that of all files opened since 1 September 2023 (753 files), the majority concern an enquiry for information (537 files or 71 %). Around a quarter relate to an enquiry with a view to reviewing the applicable legislation and the withdrawal of a PD A1 (190 files or 25 %). Finally, a minority relate to an enquiry

⁽³²³⁾ Moreover, the provisional agreements on the revision of the coordination regulations have also taken steps in this direction. It remains to be seen when a final agreement will be reached on this matter and what its final content will be.

⁽³²⁴⁾ See also the judgment in a recent case, [C-421/23, ONSS](#), which states: '..., the dialogue and conciliation procedure referred to in that provision constitutes a compulsory precondition for a finding, by a court of the latter Member State, seised [*sic*] in the context of criminal proceedings brought against that contractor for having fraudulently made use of the posting of those workers, under cover of false A1 certificates, of such fraud.'

⁽³²⁵⁾ ELA, 'Cross-border social fraud and abuse in social security: The Osiris Platform – Belgium', 2024, https://www.ela.europa.eu/sites/default/files/2024-04/BE_good-practice_osiris-platform.pdf.

⁽³²⁶⁾ Belgian Federal Public Service – Social Security, *Monitoring Osiris 1e Kwartaal – 2024 verslag over het toezicht op dossiers in het kader van de dialoog- en bemiddelingsprocedure A1 (Monitoring Osiris 1st Quarter – 2024 report on the monitoring of files in the context of the dialogue and mediation procedure A1)* 2024.

⁽³²⁷⁾ Information obtained through consultation with National Social Security Office, Belgium, September 2024.

⁽³²⁸⁾ Belgian Federal Public Service – Social Security, *Monitoring Osiris 1e Kwartaal – 2024 verslag over het toezicht op dossiers in het kader van de dialoog- en bemiddelingsprocedure A1 (Monitoring Osiris 1st Quarter – 2024 report on the monitoring of files in the context of the dialogue and mediation procedure A1)* 2024.

with a view to reviewing the applicable legislation without the withdrawal of a PD A1 (6 files or 1 %) and other types of enquiries (20 files or 3 %).

Data on the nationality of the employees involved, available since 1 September 2023, also reveal interesting findings. The Romanian nationality clearly predominates among employees who have a file under the dialogue and conciliation procedure (1 607 employees or 29 % of the total number of employees). The Romanians are followed by the Portuguese (694 employees or 12 %). The Belarussians and Brazilians, on almost the same level (both 8 %), complete the top four nationalities. This is particularly remarkable when comparing it with the total number of files by the country of origin, as here Poland especially stands out, while only 5 % of employees involved are Polish nationals. In an interview with Belgium stakeholders, it was reported that they have also observed a huge increase in the number of TCNs posted from another country ⁽³²⁹⁾. By collecting data on nationality, it will now be possible to check whether this is reflected in the number of files processed through Osiris.

Concerning the sector of activity, the construction sector is responsible for the large majority of files. More specifically, 32 files or 46 % of files opened since 1 September 2023 concern the construction of buildings and 24 files or 35 % concern specialised construction activities. Finally, another new variable in the Osiris platform, which has been available only since the second quarter of 2024, is the legal motive for the enquiry. As these data are available for only one quarter at the moment, they are not yet representative ⁽³³⁰⁾. In the medium and long term, the aim is to provide an overview of the legal motives on which the enquiries to other countries are based.

The Netherlands

The Netherlands is an interesting case study not so much because of its dialogue procedure, but rather because of the data it has on requests to withdraw a PD A1, and in particular the high number of outstanding requests to withdraw a PD A1. The prevention and enforcement team within the SVB was established in September 2018 to step up preventive and enforcement actions in line with the provisions on applicable legislation in the coordination regulations ⁽³³¹⁾ ⁽³³²⁾. At that time, the SVB did not have a suitable administration system to continue its investigation activities and therefore kept a lot of manual records in Microsoft Excel. However, from 2022, the SVB started working with a completely new digital administration system and at that point it stopped manual counts. As a result, since 2022, less information has been available, unfortunately.

In 2019, the institutions in the issuing countries withdrew a total of 445 PDs A1 issued to the Netherlands at the request of the SVB ⁽³³³⁾. However, at the end of that year, the SVB still had 2 153 outstanding requests to withdraw a PD A1. Enforcement of the rules on applicable legislation allowed the tax authorities in the Netherlands to potentially levy EUR 9 681 288 in premiums (estimate). In 2020, 539 PDs A1 were withdrawn by the competent institutions in another country at the request of the SVB. Moreover, in that the year the enforcement unit advised that 1 653 PDs A1 issued by the competent public authorities in another country should be withdrawn. Of these 1 653 cases, the relevant body had not yet taken a decision to withdraw them by the end of 2020. This yielded a potential EUR 9 920 953 in premiums to be collected for and by the Dutch tax authorities. In 2021, the competent public authorities in another country requested the withdrawal of 2 465 PDs A1.

⁽³²⁹⁾ Information obtained through consultation with National Social Security Office, Belgium, September 2024.

⁽³³⁰⁾ It appears that substantial activities of the employer in the sending country is the most common legal motive, followed by the direct relationship between employer and worker, and the prior affiliation of one month.

⁽³³¹⁾ Information obtained through consultation with SVB, the Netherlands, September 2024.

⁽³³²⁾ Currently, the prevention and enforcement team consists of 19.2 full-time equivalents.

⁽³³³⁾ Information obtained through consultation with SVB, the Netherlands, September 2024.

Other good practices

It is interesting to refer to some practices applied by other countries. The clearest example of a measure established to combat fraud in cross-border cases in relation to applicable legislation is the cooperation strategy introduced by France in 2022, which emphasises early engagement with the social security institutions in other countries. The strategy aims to gather the necessary information early in the investigation process and encourage smoother and more positive responses from the competent institutions regarding the withdrawal of a PD A1 ⁽³³⁴⁾. Furthermore, the competent institution in Ireland has used national liaison officers within ELA to seek updates on the progress of conciliation procedures and review requests ⁽³³⁵⁾.

In Poland, the ZUS office in Siedlce focuses on cases where the competent institutions of the receiving countries request the withdrawal of a PD A1 or have doubts about the facts that were considered when the PD A1 was issued. In 2023, this unit conducted 150 investigations. Furthermore, ZUS has introduced a special IT tool that makes it possible to verify the authenticity of a PD A1 ⁽³³⁶⁾ ⁽³³⁷⁾.

In Slovakia, the contestation and withdrawal of a PD A1 follows a formal set of steps ⁽³³⁸⁾, as detailed below.

- Initial contestation. The process often begins when a foreign institution or the Slovak Social Insurance Agency questions the validity or correctness of a PD A1. This usually happens when discrepancies in social security contributions or employment records are identified.
- Verification request. Upon receiving the contestation, the issuing institution (the Social Insurance Agency in Slovakia) initiates a verification process. This may involve checking the employment contract, wage records and other documentation to confirm whether the information provided for the issuance of the PD A1 was accurate.
- Collaboration with foreign institutions. If the issue involves a cross-border dispute, the Social Insurance Agency may need to collaborate with the foreign social security institution through the internal market information system or bilateral agreements. Both institutions will share data to assess whether the PD A1 was issued correctly.
- Decision and withdrawal. If the Social Insurance Agency concludes that the PD A1 was incorrectly issued, it proceeds with the formal withdrawal of the document. This decision is communicated to all relevant parties, including the foreign institution involved in the dispute, the employer and the employee or self-employed person. In cases of fraud or non-compliance, penalties may be imposed on employers or self-employed individuals, which could include fines or sanctions.

In Latvia, if an individual, employer or foreign authority believes that a PD A1 was issued incorrectly, they can submit a contestation request to the competent institution, the State Social Insurance Agency (Valsts sociālās apdrošināšanas aģentūra (VSAA)). This request should outline the reasons for the contestation and provide any relevant supporting documents. If the VSAA is the issuing authority, it will review the contested document and examine whether the issuance was in line with EU social security coordination rules (Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009) and Latvian legislation. If the contestation

⁽³³⁴⁾ Additional data provided by ACOSS, 2023. (Source: Cleiss, complementary questionnaire about the fight against fraud and error sent to the ACOSS, 2024.)

⁽³³⁵⁾ Information obtained through consultation with the Department of Social Protection, Ireland, September 2024.

⁽³³⁶⁾ A1 Certificate authenticity confirmation service (<https://lang.zus.pl/en/about-zus/a1-certificate-authenticity-confirmation-service>).

⁽³³⁷⁾ Szybkie, A. 'Przeciwdziałanie przez ZUS w Polsce błędom i nadużyciom w zakresie właściwego ustawodawstwa i wydawania zaświadczeń A1' ('Counteracting errors and abuses by ZUS in Poland in the field of proper legislation and issuing A1 certificates'), *Zabezpieczenie Społeczne. Teoria, Prawo, Praktyka (Social Security. Theory, Law, Practice)*, No 15, 2022, pp. 23–30, <https://zs.wnpism.uw.edu.pl/index.php/zs/issue/view/15>.

⁽³³⁸⁾ Information obtained through consultation with Social Insurance Agency, Slovakia, August 2024.

involves cross-border elements, the VSAA may consult with the competent authority in the other country concerned to verify the facts. After reviewing the case, the VSAA will issue a decision. If the PD A1 is found to have been issued incorrectly, it will be withdrawn or corrected, and the individual, the employer and the relevant authorities will be informed of the decision. This is followed by adjustments in the social security system to reflect the withdrawal ⁽³³⁹⁾.

In Bulgaria, enquiries received from competent institutions of other countries concerning the authenticity of PDs A1 presented to those institutions are checked against a register kept specifically for this purpose ⁽³⁴⁰⁾. Finally, in Slovenia, according to the Cross-Border Provision of Services Act (*Zakon o čezmejnem izvajanju storitev*; Article 23 et seq.) ⁽³⁴¹⁾, the Health Insurance Institute keeps general information/statistics on PDs A1 (those issued, contested and withdrawn) ⁽³⁴²⁾. In 2023, 176 365 PDs A1 were issued, with 7 831 refusals or withdrawals because of unpaid taxes, illegal employment contracts, failure to meet general posting conditions or procedural errors. There was a 9.9 % drop in refusals or withdrawals in 2023 compared with 2022 (8 691) ⁽³⁴³⁾.

Experiences of other Member States

General assessment regarding the withdrawal of a portable document A1

The interview results indicate that in most countries often neither the requesting institution nor the requested institution have formal procedures regarding questions about the validity of a PD A1, the correctness of the facts on which the decision to grant a PD A1 was based, and the withdrawal of a PD A1. For instance, during the interview in Denmark on applicable law, the following was stated: 'When a case looks weird, the easiest thing is to grab the phone and call the relevant institutions in the other country' ⁽³⁴⁴⁾.

Furthermore, Hungary reported that national law does not provide for details on the practical steps of a withdrawal of a PD A1 ⁽³⁴⁵⁾. The procedure that is followed by countries (whether or not they apply the formal procedure defined by Decision No A1) when they have questions about the validity of a PD A1, the correctness of the facts on which the decision to grant a PD A1 was based, or the withdrawal of a PD A1 appears to depend largely on the goodwill of the requested institutions. Reference was made to cases where a very late or even no response was given to the query raised. This was a concern expressed several times during the expert interviews ⁽³⁴⁶⁾. This is partly due to the lack of sanctions when the requested institutions are late in answering or do not answer the question asked by the requesting institute. Moreover, this may largely be due to the lack of human resources to check and answer the questions in detail. For instance, it was stated by the institutional representatives consulted in Greece that 'the organisation responsible for the PDs A1 is e-EFKA, and currently there is no personnel whose responsibility is only fraud and error in social security coordination in Greece. Rather, these issues are addressed by existing personnel in each organisation

⁽³³⁹⁾ <https://www.vsa.gov.lv/lv/darbs-cita-es-valsti-a1-sertifikats>.

⁽³⁴⁰⁾ Information obtained through consultation with the Bulgarian National Revenue Agency (Национална агенция за приходите), Bulgaria, August 2024.

⁽³⁴¹⁾ *Zakon o čezmejnem izvajanju storitev* (Act on Cross-Border Provision of Services) (ZČmIS-1), <https://pisrs.si/prehledPredpisa?id=ZAKO8529>.

⁽³⁴²⁾ Information obtained through consultation with the Health Insurance Institute of Slovenia, Slovenia, September 2024.

⁽³⁴³⁾ Zavod za zdravstveno zavarovanje Slovenije (Health Insurance Institute of Slovenia), *Letno poročilo ZZS 2023 (ZZS Annual Report 2024)*, [https://api.zzs.si/ZZS/info/egradiva.nsf/0/25ca7505308118d8c1258ad70032b7ce/\\$FILE/Letno%20poro%C4%8Dilo%20ZZS%202023.pdf](https://api.zzs.si/ZZS/info/egradiva.nsf/0/25ca7505308118d8c1258ad70032b7ce/$FILE/Letno%20poro%C4%8Dilo%20ZZS%202023.pdf).

⁽³⁴⁴⁾ Information obtained through consultation with Udbetaling Danmark – International Social Sikring, Denmark, September 2024.

⁽³⁴⁵⁾ Information obtained through consultation with Hungarian State Treasury, Hungary, July 2024.

⁽³⁴⁶⁾ This was for instance the case in the expert interviews in Belgium, Italy, Austria and Finland.

that is involved in these processes’ ⁽³⁴⁷⁾. Moreover, it was remarked by the Netherlands that ‘staff capacity in the other country to handle the various requests for information and investigation is lacking in many cases’ ⁽³⁴⁸⁾. Other problems and challenges reported during the interviews were that the motivation behind the requested institution’s decision on whether or not to withdraw a PD A1 is sometimes not given or few details are provided ⁽³⁴⁹⁾; the employer and employee(s) involved are sometimes not informed of the decision to withdraw a PD A1 ⁽³⁵⁰⁾; the employers concerned may have completed their work abroad long before any withdrawal action is initiated ⁽³⁵¹⁾; and the withdrawal of a PD A1 is very time-consuming ⁽³⁵²⁾.

Assessment of the dialogue and conciliation procedures as defined by Decision No A1

The interviews revealed that countries do not always know whether they use the formal dialogue and conciliation procedure as defined by Decision No A1 or if the enquiries sent/received fall under this decision. For instance, the following remark was made during the interview with the Netherlands ⁽³⁵³⁾:

Unfortunately, it is not always clear whether the letter or email received concerns the dialogue procedure as stipulated in Decision No A1. This is due to the fact that it is often not clear upon receipt, [so] it happens that the question is dealt within ‘regular execution’. Fine in itself, but then we have no knowledge of it. As a result, we also do not keep counts of how many handled dialogue procedures there are, but at least in 2023 and 2024, no new requests for dialogue procedures were received.

Only Belgium seems to be scrupulously following the stages defined in Decision No A1. However, even in Belgium, there still seems to be (quite a) few cases being settled between institutions outside the formal dialogue and conciliation procedure as defined by Decision No A1, especially when it comes to errors ⁽³⁵⁴⁾. In the Belgian report on the use of the dialogue and conciliation procedure provided for in Decision No A1 ⁽³⁵⁵⁾, several difficulties in the implementation of the procedure are reported: lack of cooperation, practices that circumvent European coordination rules, misunderstandings in the interpretation of certain European coordination rules, unclear role of the conciliation board, and practical problems in dispute resolution. For instance, the conciliation procedure is not a genuine conciliation procedure: the aim is not to reconcile the parties to the dispute but only to deliver a non-binding legal opinion. Moreover, the opinions issued to date are non-binding.

Impact of the withdrawal of a portable document A1 on posted workers, employers, self-employed people and the institutions involved

The withdrawal of a PD A1 may significantly impact employees, employers and self-employed people. It is not the country that issued the PD A1 but rather the country in which the posting activities are carried out

⁽³⁴⁷⁾ Information obtained through consultation with the EU Regulations Implementation Department of the Directorate of Special Issues of Insurance and Benefits at the Ministry of Labour and Social Security of Greece, August and September 2024).

⁽³⁴⁸⁾ Information obtained through consultation with SVB, the Netherlands, September 2024.

⁽³⁴⁹⁾ Information obtained through consultation with National Social Security Office, Belgium, September 2024.

⁽³⁵⁰⁾ Ibid.

⁽³⁵¹⁾ Information obtained through consultation with the Department of Social Protection, Control Division and the EU and International Division, Ireland, August 2024.

⁽³⁵²⁾ Information obtained through consultation with SVB, the Netherlands, September 2024.

⁽³⁵³⁾ Information obtained through consultation with SVB, the Netherlands, September 2024.

⁽³⁵⁴⁾ Information obtained through consultation with Federal Public Service – Social Security, Belgium, September 2024.

⁽³⁵⁵⁾ Administrative Commission for the Coordination of Social Security Systems, note from the Belgian delegation of 25 November 2020, ‘Report on the use of the dialogue and conciliation procedure’ provided for in Decision A1 – AC 292/20.

that will be responsible for social security. For employees, it may lead to changes in their social security coverage, potentially affecting their social benefits and contributions. Employers may need to adjust their administrative and financial practices to comply with new social security obligations applicable in the receiving country. In addition, they may have to pay social security contributions retroactively⁽³⁵⁶⁾ ⁽³⁵⁷⁾, provided such penalties are actively enforced. Finally, the employer may also be penalised (mainly by financial sanctions) in some countries⁽³⁵⁸⁾. Hence, all this may lead to uncertainty among the actors involved⁽³⁵⁹⁾.

However, countries' practices sometimes differ when it appears that the posting conditions under which the PD A1 was granted under Article 12 have not been respected⁽³⁶⁰⁾. This gives the impression that a pragmatic solution is sometimes looked for, for the benefit of the worker concerned. For instance, some interviewees indicated that in some cases an agreement between the competent institutions is concluded under Article 16 of Regulation (EC) No 883/2004⁽³⁶¹⁾.

Expert interviews also frequently highlighted the impact on the institutions involved when a PD A1 is withdrawn, mainly in terms of the administrative steps that must be taken because of the additional workload this requires. The institutions concerned must settle the social security contributions (i.e. reimburse them in the original competent country and collect them retroactively in the new competent country) and social benefits paid, which may be a difficult and complex process when this applies to a long period. As remarked by an interviewee in France, there is a need to assess each case individually, which is time-consuming and resource intensive. According to the Central Agency of Social Security Organisations (Agence Centrale des Organismes de Sécurité Sociale (ACOSS)), a key issue regarding the withdrawal of the PD A1 is the lack of clear EU legislation defining how countries should proceed following a withdrawal⁽³⁶²⁾.

⁽³⁵⁶⁾ See, for instance, the example given in the interview in Italy on applicable legislation: 'Social security contributions must then be transferred from the Italian institution (INPS) to the social security institution of the other state. If the number of contributions paid in Italy exceeds what is due under the foreign legislation, the excess will be refunded to the employer. Conversely, if the amount paid in Italy is insufficient to cover the contribution due in the host state, the employer will have to pay the outstanding contributions to the foreign institution.' (Information obtained through consultation with the National Institute of Social Security, Italy, September 2024.)

⁽³⁵⁷⁾ Lithuania mentioned that there is a risk that, after the withdrawal of a PD A1, the company will not insure its workers abroad, possibly by declaring bankruptcy. (Information obtained through consultation with Vilnius Division, the Board of the State Social Insurance Fund under the Ministry of Social Security and Labour, Lithuania, September 2024.)

⁽³⁵⁸⁾ Moreover, in Belgium, besides an exploitation ban, professional ban and business closure, the judge can also impose a prohibition to participate in public tenders for 3–5 years. (Information obtained through consultation with Federal Public Service – Social Security, Belgium, September 2024.)

⁽³⁵⁹⁾ Information obtained through consultation with NAV Control (Norwegian Labour and Welfare Administration), Norway, September 2024.

⁽³⁶⁰⁾ Although it should be noted that the policy on this will depend heavily on the specific case, it may be assumed that the Member State of the requesting institution will be competent for social security.

⁽³⁶¹⁾ Information obtained through consultation with National Social Security Office, Belgium, September 2024. Information obtained through consultation with SVB, the Netherlands, September 2024. Information obtained through consultation with the Social Insurance Agency, Slovakia, August 2024. This is also mentioned by Finland (European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III).

⁽³⁶²⁾ Information obtained through consultation with ACOSS, France, September 2024.

Case study B: detection of fraud and error in social security benefit claims – Bulgaria, Czechia, Germany and Malta

This case study in brief

- In this case study, the high share (or absolute number) of fraud and error cases in cross-border situations in four countries was investigated. In Bulgaria and Czechia, these concerned unemployment benefits, in Germany family benefits, and in Malta pensions. Explanations for the high share of fraud and error cases were identified where possible.
- For each of the four countries, four different dimensions were analysed for the benefit discussed. Similar conclusions were drawn for each country in the analysis and further analysis for all countries is needed to explain the fraud and error statistics thoroughly.
- Regarding methods and tools used for monitoring and enforcement, data could be collected/provided by these four Member States on the number of fraud and error cases in cross-border situations, which is not the case for all Member States for all branches of social security. In all four countries analysed, no specific units were present to monitor and enforce the occurrence of fraud and error in cross-border situations. Limited capabilities were mentioned, as well as the manual verification of files. Instruments used to tackle fraud and error were control and audit activities, data exchange, electronic data exchange agreements, and cooperation with other authorities. Close cooperation with other Member States was often mentioned as a good practice for monitoring and enforcement. Bilateral agreements, close cooperation between social security institutions, data exchange and rigorous verification processes such as life certificates can be considered good practices. Furthermore, ongoing policy refinements and amendments to regulations are performed as well. Finally, several countries are trying to educate citizens on their obligations by raising awareness through information campaigns and training sessions.
- Regarding the (possible) impact on citizens, very limited information could be gathered (e.g. on handling benefit claims, the duration of the process). The reason for this could be that the information is not known or not measured. Some elements that were mentioned were the long process, uncertainty, repayment and being held accountable by law.

Key challenges

- Regarding implementation and enforcement issues, while several countries mentioned implementation and enforcement issues specific to their country or branch of social security, commonalities could be found. One of the main issues mentioned was the overall complexity of cross-border situations. Another key issue mentioned was limited capabilities and resources to enforce the rules and uncover fraud and error. Other issues include delays in data exchange, different interpretations of regulations, the lack of a clear definition of fraud and error, data protection laws hindering electronic data exchange, and a lack of awareness among the population about their rights and obligations.

Introduction

Providing additional insights on topics addressed in the report, this case study aims to explain the high share or absolute numbers of fraud and error cases in several Member States in specific social security fields, based

on the reports on fraud and error for reference years 2021 and 2022 ⁽³⁶³⁾. The available evidence indicates that this is highly specific to the Member State and the social security benefit. For each country, four elements are examined, namely the key types of fraud and error cases, key implementation and enforcement issues, methods and tools used for monitoring and enforcement, and the (possible) impact on citizens.

Bulgaria

In Bulgaria, a high share of fraud and error cases was found in the aggregation of periods required to qualify for unemployment benefits. Bulgaria received 4.4 % of the total number of PDs U1 in the EU in 2021 and 1.8 % in 2022 ⁽³⁶⁴⁾ ⁽³⁶⁵⁾. It is also interesting to note the most significant flows of PDs U1 received by Bulgaria, as it can be assumed that most fraud and error cases occur in these flows. For Bulgaria as a competent country, France and the United Kingdom were the main countries of previous employment/insurance (i.e. countries that issued PDs U1) in 2021 and 2022.

The high increase of fraud and error cases in the total number of PDs U1 received, from 10.9 % in 2021 to 19.4 % in 2022, is not due to a higher number of cases of fraud and error (as it even decreased from 169 to 132), but due to a decrease in the number of PDs U1 received (Figure 15). Whereas Bulgaria received 1 548 PDs U1 in 2021, it received only 682 in 2022. It is interesting to see that while in 2021 all but one case concerned error, in 2022 the ratio was 65 % error cases to 35 % fraud cases. The error cases mentioned are mainly differences in the data provided by the competent institution of other countries and technical errors, whereas the fraud cases concern false PDs U1, provision of false information and fictitious employment in Bulgaria, among other things ⁽³⁶⁶⁾ ⁽³⁶⁷⁾.

⁽³⁶³⁾ The annual fraud and error report shows that for most social security branches, data on the number of fraud and error cases can only be provided by a limited number of Member States. Therefore, caution is required regarding conclusions about the extent of fraud and error in one specific Member State compared with other Member States.

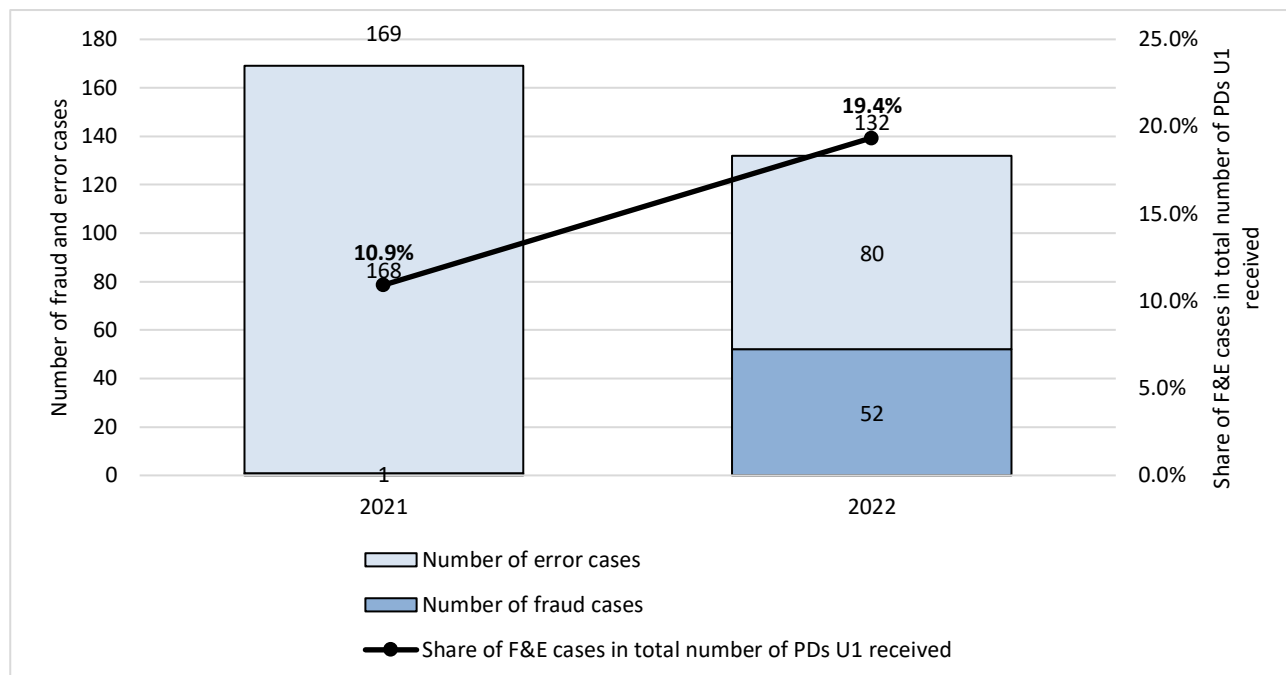
⁽³⁶⁴⁾ De Wispelaere, F., De Smedt, L., Schepers, W. and Pacolet, J., *Aggregation of periods for unemployment benefits Report on U1 Portable Documents for mobile workers – Reference year 2021*, Publications Office of the European Union, Luxembourg, 2022, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

⁽³⁶⁵⁾ De Wispelaere, F., De Smedt, L. and Pacolet, J., *Aggregation of periods for unemployment benefits Report on U1 Portable Documents for mobile workers – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2023, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

⁽³⁶⁶⁾ De Wispelaere, F., De Smedt, L., Schepers, W. and Pacolet, J., *Aggregation of periods for unemployment benefits Report on U1 Portable Documents for mobile workers – Reference year 2021*, Publications Office of the European Union, Luxembourg, 2022, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

⁽³⁶⁷⁾ De Wispelaere, F., De Smedt, L. and Pacolet, J., *Aggregation of periods for unemployment benefits Report on U1 Portable Documents for mobile workers – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2023, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

Figure 15. Fraud and error cases in the aggregation of periods for unemployment benefits, Bulgaria, 2021–2022



Source: Reports on the aggregation of periods for unemployment benefits reference year 2021 and 2022 (De Wispelaere et al., 2022, 2023).

An explanation for the increase of the share from 10.9 % in 2021 to 19.4 % in 2022 was provided in the interviews ⁽³⁶⁸⁾. Three elements were responsible for this increase: (1) the increasing number of Bulgarian citizens benefiting from the right to free movement and work in the EU; (2) the possibility to receive unemployment benefits in accordance with the European coordination regulations; and, above all, (3) the issuance of PDs U1 without complying with the requirements for their processing introduced by Recommendation No H2 of 10 October 2018 of the Administrative Commission ⁽³⁶⁹⁾ as a measure to protect against falsification.

Key types of fraud and error cases linked to unemployment benefits

Fraud and error appear to be most common in the area of short-term benefits, especially in the area of unemployment benefits. The most common forms of fraud include submitting false documents and not declaring important information, such as not informing the relevant institutions when starting a new job. Seeing that the competent institutions are not provided with information about the reason for termination of employment in another country, submitting false documents is an ‘easy’ way to commit fraud.

In the first case mentioned above, when applying for unemployment benefits, sometimes documents are presented with incorrect information. These could be documents that appear to be have been issued by employers in another country, which in reality is not the case. For example, this type of fraud is performed

⁽³⁶⁸⁾ Information obtained through consultation with European Regulations and International Agreements Directorate at the NSSI, Bulgaria, August 2024.

⁽³⁶⁹⁾ Recommendation No H2 of 10 October 2018 concerning the inclusion of authentication features to portable documents issued by the institution of a Member State and showing the position of a person for the purpose of the application of Regulations (EC) No 883/2004 and (EC) No 987/2009 of the European Parliament and of the Council (OJ C 147, 29.4.2019, p. 6), [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H0429\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H0429(01)).

by individuals returning from another country who present a false document for termination of employment with an incorrect reason for termination (e.g. instead of writing ‘by mutual consent’ as is really the case, the document states ‘dismissal’ or ‘redundancy’). Such documents have been recorded containing false details, for example the wrong seal or logo, or a misspelled name. In the second case, individuals go to work in another country while continuing to receive unemployment benefits in Bulgaria. After they start working in the other country, they do not submit information to Bulgarian institutions, which otherwise have no way of obtaining such information. Thus, some individuals receive unemployment benefits while they are actually employed abroad. It can take some time for this type of fraud to be detected by the relevant authorities in Bulgaria (e.g. when the person comes back to Bulgaria) ⁽³⁷⁰⁾.

Another key type of fraud and error concerns people who take benefits in order to go to work in another country, but once they arrive, they do not register with the Labour Office. This is related to Article 64 of Regulation (EC) No 833/2004 ⁽³⁷¹⁾, where it is stated that ‘a wholly unemployed person who satisfies the conditions of the legislation of the competent country for entitlement to benefits, and who goes to another country in order to seek work there, shall retain his entitlement to unemployment benefits in cash’ under particular conditions. The Bulgarian legislation (e.g. Article 42 of the Employment Promotion Act ⁽³⁷²⁾) also supports such mobility by providing financial support for unemployed people who find a job in another country, namely ‘transport costs for presentation to the employer for employment’. Hence, sometimes the benefits are used to cover travelling expenses, rather than as temporary support while looking for a new job ⁽³⁷³⁾.

Finally, a relatively recent phenomenon in Bulgaria is people travelling and working abroad for a very short period of time (predominantly in France, but also in Spain, etc. ⁽³⁷⁴⁾) and who return to Bulgaria briefly only to receive benefits under the rules of the regulation. Hence, their benefit is calculated based on their last place of work, and not, as in Bulgarian legislation, on the average of the last 24 months. As a result, they receive a high level of benefits, and there is a tendency for employees to work only a few days abroad, apparently for the sole purpose of receiving compensation afterwards. Given that three months’ worth of these benefits can be borne/reimbursed by the country in which they worked, such a form of mobility is condemned by other Member States. The desire for such mobility relates to the fact that the average wage in Bulgaria is significantly lower than the average wage in most of the Member States, and usually the people who travel for these benefits are otherwise paid only the minimum wage in Bulgaria. It should be noted that such ‘mobility’ is often neither an error nor fraud, given that it is legal according to Regulation (EC)

⁽³⁷⁰⁾ Information obtained through consultation with European Regulations and International Agreements Directorate at the NSSI, Bulgaria, August 2024.

⁽³⁷¹⁾ Regulation (EC) No 833/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32004R0883>.

⁽³⁷²⁾ Employment Promotion Act (ЗАКОН ЗА НАСЪРЧАВАНЕ НА ЗАЕТОСТТА), 2022, <https://lex.bg/bg/laws/ldoc/-12262909>.

⁽³⁷³⁾ Information obtained through consultation with European Regulations and International Agreements Directorate at the NSSI, Bulgaria, August 2024.

⁽³⁷⁴⁾ In this regard, it is of interest to know that the flow of PDs U1 from France to Bulgaria increased from 11.4 % of all PDs U1 received by Bulgaria in 2021, and to 25.7 % of all PDs U1 received by Bulgaria in 2022 (De Wispelaere, F., De Smedt, L., Schepers, W. and Pacolet, J., *Aggregation of periods for unemployment benefits report on U1 portable documents for mobile workers – Reference year 2021*, Publications Office of the European Union, Luxembourg, 2022, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>; De Wispelaere, F., De Smedt, L. and Pacolet, J., *Aggregation of periods for unemployment benefits Report on U1 Portable Documents for mobile workers – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2023, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>).

No 883/2004. Still, these cases are being investigated, because there is a potential for fraud (e.g. if the person is officially registered as an employee in another country but has never left Bulgaria) ⁽³⁷⁵⁾ ⁽³⁷⁶⁾.

Key implementation and enforcement issues

The key implementation and enforcement issue is the fact that Bulgarian legislation does not explicitly define fraud and error within the context of social security coordination. Instead, Bulgaria relies on general legal concepts to interpret these terms. This reliance on general legal concepts makes it difficult to address specific issues related to social security coordination. In addition, there is no difference in the approach to tackling fraud and error in national cases and in cross-border situations ⁽³⁷⁷⁾. Cross-border situations are more complex and involve more elements, opportunities to circumvent the law, errors and fraud ⁽³⁷⁸⁾.

Finally, despite the efforts of the National Revenue Agency and the National Social Security Institute (NSSI) to inform citizens about their rights and the obligations of mobile citizens, part of the population is still not sufficiently informed. For example, there are cases where people who are not familiar with the regulation go to work abroad for a few months and then return to Bulgaria after being dismissed. They apply for benefits, expecting that they will receive benefits calculated using their average salary over 24 months, following Bulgarian legislation. However, according to the regulation only the last place of work is taken into account. In such cases, service abroad is used only as an eligibility criterion for entitlement to the benefit but is not averaged. To eliminate such confusion, it is suggested that information campaigns be stepped up, with a particular focus on mobile citizens ⁽³⁷⁹⁾.

Overview of tools used for monitoring and enforcement

Fraud and error cases are generally detected by examining specific cases where there are doubts about the authenticity of a document, data declared by the person, etc. Accordingly, by analysing individual cases, identifiers and characteristics of the relevant acts/omissions constituting fraud and/or error are derived and used for future pre-identification of similar cases and for prevention. Measures such as control and audit activities conducted by the NSSI and the National Revenue Agency are crucial. These measures include scheduled and unscheduled audits, which help detect discrepancies and ensure compliance with social security legislation ⁽³⁸⁰⁾.

Cases of fraud and error concerning false information have been identified after verification in Bulgaria and subsequent communication with the contact person for fraud and error in the other country. Usually, such exchanges take place through EESSI, through the network of national contact points for fraud and error. While EESSI helps reduce fraud and error to some extent, there is still room for human error. In some cases, there is direct contact with employers in the other country. Cases like these are being passed to the Public Prosecution Service ⁽³⁸¹⁾.

⁽³⁷⁵⁾ Information obtained through consultation with the European Regulations and International Agreements Directorate at the NSSI, Bulgaria, August 2024.

⁽³⁷⁶⁾ See parliamentary transcript (2 August 2024) (<https://www.parliament.bg/bg/plenaryst/ns/55/ID/10921>). Information obtained through consultation with the European Regulations and International Agreements Directorate at the NSSI, Bulgaria, August 2024. See also Dimitrova, D., 'Промените за "френската" безработица са на финала' ('Changes to "French" unemployment are in the final stages'), SEGA newspaper, 2024, <https://www.segabg.com/hot/category-economy/ek-mozhe-da-blokira-promenite-za-frenskata-bezrabotica>.

⁽³⁷⁷⁾ Information obtained through consultation with the European Regulations and International Agreements Directorate at the NSSI, Bulgaria, August 2024.

⁽³⁷⁸⁾ Ibid.

⁽³⁷⁹⁾ Ibid.

⁽³⁸⁰⁾ Ibid.

⁽³⁸¹⁾ Ibid.

If possible and needed, the assistance of other authorities is sought (e.g. Public Prosecutor's Office, Ministry of the Interior, General Labour Inspectorate). In cases with a cross-border element, an inspection is also carried out with the institution of the other country concerned. Furthermore, electronic data exchange agreements concluded between countries are a reliable mechanism to prevent fraud and error in the application of coordination rules. These agreements can overcome problems of non-provision of information or delays in information provision, which can lead to overpayments of benefits ⁽³⁸²⁾.

To tackle the specific practice of 'French' unemployment, mentioned above, there has been an amendment to the Social Insurance Code stating that, disregarding the regulation, all unemployment benefits should be calculated on the basis of the average salary for the last 24 months ⁽³⁸³⁾. This amendment is being appealed by one of the Bulgarian political parties and feedback has been requested from the European Commission ⁽³⁸⁴⁾.

Finally, an important tool is the prevention of fraud and error. Improving awareness and knowledge of social security coordination regulations among mobile citizens and companies is essential. Additionally, introducing new regulations and laws to address cross-border cases explicitly would be beneficial. One of the main measures in this regard is information dissemination, such as training employers, employees, lawyers, accountants and clerks who handle cases in order to increase awareness. Information is provided through the websites of competent institutions, brochures, articles in the local press and mass media campaigns ⁽³⁸⁵⁾ (see case study C below for further information).

(Possible) impact on citizens

In cases where there are suspicions of fraud or error requiring further checks to be carried out, the impact on citizens may be that the application decision process is extended ⁽³⁸⁶⁾.

Czechia

Czechia was selected because its share of fraud and error cases in aggregation of periods of unemployment benefits was particularly high in 2021, namely 19.4 %, while it decreased to 4.9 % in 2022. Czechia received 0.4 % of PDs U1 in 2021 and 1.8 % in 2022. Unfortunately, Czechia could not provide a breakdown by country of previous employment/insurance (i.e. countries that issued the PDs U1), which means that it is not possible to estimate in which flows most cases of fraud and error may occur ⁽³⁸⁷⁾ ⁽³⁸⁸⁾.

Figure 16 clearly indicates that the number of fraud and error cases identified in 2022 was remarkably lower than in 2021, namely 34 compared with 126. However, it appears that the number of fraud cases remained stable (20 in 2021 and 23 in 2022), while the number of error cases experienced a serious drop in 2022 (from

⁽³⁸²⁾ Ibid.

⁽³⁸³⁾ Act amending and supplementing the Social Security Code, adopted by the 50th National Assembly on 2 August 2024, Decree No 195, <https://www.parliament.bg/bg/laws/ID/165615>.

⁽³⁸⁴⁾ Dimitrova, D., 'Промените за "френската" безработица са на финала' ('Changes to "French" unemployment are in the final stages'), SEGA newspaper, 2024, <https://www.segabg.com/hot/category-economy/ek-mozhe-da-blokira-promenite-za-frenskata-bezrobotica>.

⁽³⁸⁵⁾ Information obtained through consultation with European Regulations and International Agreements Directorate at the NSSI (Национален осигурителен институт), Bulgaria, August 2024.

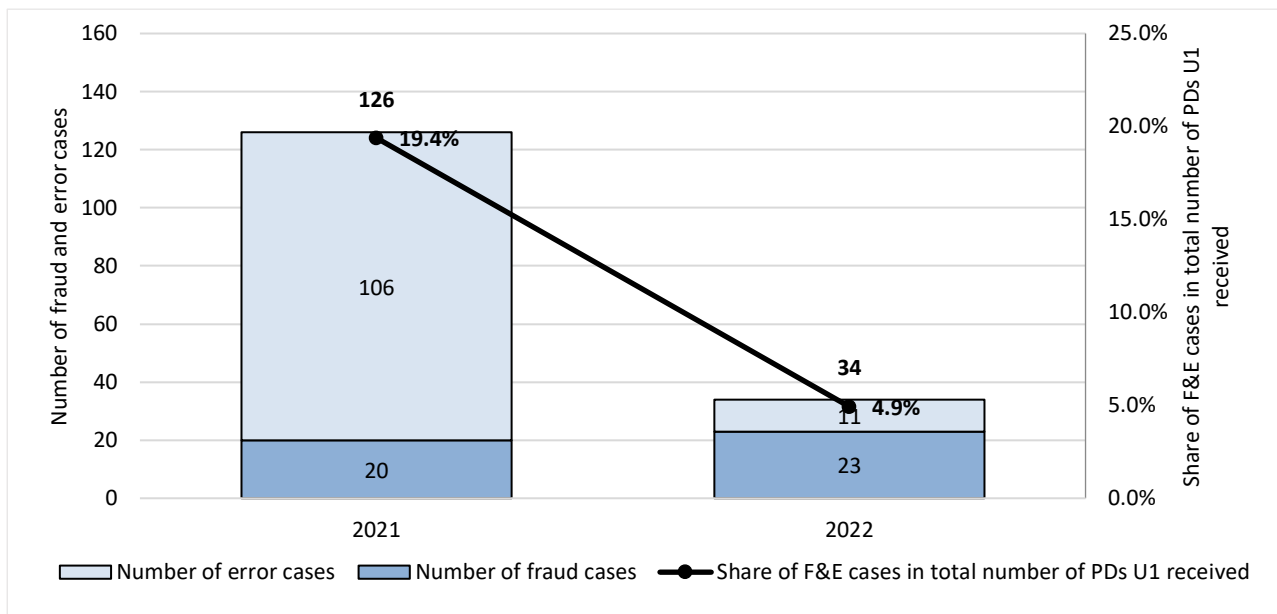
⁽³⁸⁶⁾ Ibid.

⁽³⁸⁷⁾ De Wispelaere, F., De Smedt, L., Schepers, W. and Pacolet, J., *Aggregation of periods for unemployment benefits report on U1 portable documents for mobile workers – Reference year 2021*, Publications Office of the European Union, Luxembourg, 2022, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

⁽³⁸⁸⁾ De Wispelaere, F., De Smedt, L. and Pacolet, J., *Aggregation of periods for unemployment benefits report on U1 portable documents for mobile workers – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2023, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

106 in 2021 to 11 in 2022). The fraud cases primarily concern jobseekers not informing the competent institution about their paid work. The error cases concern both errors on the part of the institution (e.g. typos in forms, wrongly confirmed employment/salary, missing information, confirmed information not corresponding with the information in employment documents) and errors on the part of the jobseeker (e.g. reporting the incorrect date of starting new employment, late information about the start of new gainful activity). The methodology used to uncover these cases of fraud and error has remained similar over the years: statistics are not formally collected, but data are gathered by regional labour offices from their notes and files. Furthermore, the number of human resource staff allocated has been consistent over the years, and the number of audits or investigations performed ⁽³⁸⁹⁾ to uncover fraud and error has even increased ⁽³⁹⁰⁾ ⁽³⁹¹⁾.

Figure 16. Fraud and error cases in the aggregation of periods for unemployment benefits, Czechia, 2021–2022



Source: Reports on the aggregation of periods for unemployment benefits reference year 2021 and 2022 (De Wispelaere et al., 2022, 2023).

Key types of fraud and error cases linked to unemployment benefits

The main type of fraud and error cases linked to unemployment benefits in Czechia in a cross-border context concerns delays in reporting and failure to report changes. Most errors in this area are due to poor communication between institutions or delays in the exchange of information, for instance miscommunication between countries regarding the claimant's status. Another typical case is failure to report employment abroad while continuing to claim unemployment benefits in Czechia. This is usually seen

⁽³⁸⁹⁾ Forty-five human resource staff were allocated in 2021 and 46 in 2022. Seventy-four audits or investigations were performed in 2021 and 106 in 2022.

⁽³⁹⁰⁾ De Wispelaere, F., De Smedt, L., Schepers, W. and Pacolet, J., *Aggregation of periods for unemployment benefits Report on U1 Portable Documents for mobile workers – Reference year 2021*, Publications Office of the European Union, Luxembourg, 2022, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

⁽³⁹¹⁾ De Wispelaere, F., De Smedt, L. and Pacolet, J., *Aggregation of periods for unemployment benefits Report on U1 Portable Documents for mobile workers – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2023, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

as an error when it concerns a delay, unless intentional deception is proven, in which case it would be classified as fraud. Delay in reporting or failure to report changes in residency occurs as well ⁽³⁹²⁾.

Key implementation and enforcement issues

The main implementation and enforcement issue concerning unemployment benefits in a cross-border context concerns delays in data exchange. This is an important reason why unemployment benefits in cross-border cases are more prone to fraud and error. In some cases, it can take several months for foreign institutions to confirm an individual's employment status. This lag can lead to significant overpayments in unemployment benefits, especially when individuals fail to report employment abroad or other changes in their status. In cross-border situations, the absence of real-time data sharing makes it difficult to detect fraud and errors promptly, which can result in unintentional non-compliance or intentional fraud being discovered too late ⁽³⁹³⁾.

This is related to the complexity of cross-border situations in general. Given that coordination between multiple countries and different national regulations is complicated, the risk of non-compliance increases, as cross-border situations are particularly prone to fraud and error. Furthermore, this complicates the enforcement of fraud and error regulations. Differences in national legislation and administrative processes lead to inconsistencies in how benefits are granted and monitored, which increases the risk of fraud and error even further. Connected to this, countries may interpret EU coordination regulations differently, leading to discrepancies in how benefits are granted or withdrawn. This can result in errors that are harder to detect and correct in cross-border situations.

Finally, the lack of specific resources (human or financial) available to detect fraud and error is an important enforcement issue. Manual verification and regular processes and checks are often deployed ⁽³⁹⁴⁾. There is no specific methodology to uncover fraud and error in a cross-border context, as data are gathered by regional labour offices from their notes and files ⁽³⁹⁵⁾ ⁽³⁹⁶⁾.

Overview of tools used for monitoring and enforcement

The Labour Office (Úřad práce ČR) relies on existing general officers and inspectors and internal systems to detect fraud and error during the processing of unemployment claims. Another responsible institution regarding unemployment benefits is the State Labour Inspection Office (Státní úřad inspekce práce), which oversees compliance with labour laws and employment regulations. The State Labour Inspection Office monitors compliance with the Employment Act, focusing on detecting illegal employment, which can often involve fraudulent social security claims. It cooperates with the Czech Social Security Administration (Česká správa sociálního zabezpečení (CSSA)) to detect fraud and error in employment-related social security cases, especially in cross-border scenarios. In the absence of specific laws tailored to fraud and error, institutions like the CSSA and the Labour Office rely heavily on manual checks to detect errors and fraud. This approach is used particularly in cross-border situations where discrepancies in data or reporting delays occur ⁽³⁹⁷⁾.

⁽³⁹²⁾ Information obtained through consultation with Labour Office (Úřad práce ČR), Czechia, August 2024.

⁽³⁹³⁾ Ibid.

⁽³⁹⁴⁾ Ibid.

⁽³⁹⁵⁾ De Wispelaere, F., De Smedt, L., Schepers, W. and Pacolet, J., *Aggregation of periods for unemployment benefits Report on U1 Portable Documents for mobile workers – Reference year 2021*, Publications Office of the European Union, Luxembourg, 2022, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

⁽³⁹⁶⁾ De Wispelaere, F., De Smedt, L. and Pacolet, J., *Aggregation of periods for unemployment benefits Report on U1 Portable Documents for mobile workers – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2023, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

⁽³⁹⁷⁾ Information obtained through consultation with Labour Office (Úřad práce ČR), Czechia, August 2024.

In addition to these internal control systems, direct cooperation with foreign labour / social security institutions is highly important. Bilateral agreements between Czechia and other countries, such as Germany, France and the Netherlands ⁽³⁹⁸⁾, may help facilitate direct data exchange between institutions, especially in complex cross-border situations, but currently only the agreement with Germany is de facto used ⁽³⁹⁹⁾. Nevertheless, delays in information sharing with foreign institutions remain a significant challenge, as mentioned above ⁽⁴⁰⁰⁾.

Finally, awareness campaigns were mentioned as ways to inform citizens and prevent fraud and error from occurring. The Labour Office has initiated public awareness campaigns targeting both employers and mobile workers to inform them about their obligations when crossing borders. These campaigns often include workshops and online seminars, where companies can learn about social security coordination rules and how to prevent errors in benefit claims. The Labour Office is responsible for educating mobile workers and employers about their obligations in the area of unemployment benefits. It uses both in-person consultations and online resources to ensure that companies and workers understand the implications of cross-border employment ⁽⁴⁰¹⁾.

(Possible) impact on citizens

As discussed in the sections above, overpayment can occur in unemployment benefits, especially when individuals fail to report employment abroad or other changes in their status ⁽⁴⁰²⁾. Consequently, when the fraud or error is corrected, citizens may need to pay back the overpayments. Delays in the process can impact citizens as well.

Germany

Germany is the Member State with the highest number of fraud and error cases concerning the export of family benefits, which is why this country was selected for analysis in this case study. Germany reported 52 762 suspected cases in 2021 (of which 8 029 concerned fraud and 44 733 error; only 5 655 of the suspected fraud cases resulted in a criminal conviction, while all other cases were not confirmed), and 50 713 suspected cases in 2022 (of which 8 817 concerned fraud and 41 896 error; only 6 312 of the suspected cases resulted in a criminal conviction, while all other cases were not confirmed) (Figure 17). These cases cannot be compared with the total number of exported family benefits, as this information could not be provided by Germany. However, it is interesting to note that the number of members of families that were paid child benefit (*Kindergeld*) was more than 283 000 in both 2021 and 2022. In almost half of these cases, Poland was the country of residence to which the child benefit was exported (46.8 % in 2021 and 46.9 % in 2022). Furthermore, over 11 % of child benefits were exported to Romania and Czechia in 2021 and 2022. Germany reported that the fraud cases involved tax evasion by providing incorrect or incomplete information on tax-relevant facts or failing to notify changes in tax-relevant facts. The error cases related to negligence by the

⁽³⁹⁸⁾ The bilateral agreements combating fraud and error in Czechia include the following: 'Agreement on the cooperation and exchange of information in the field of collection of the contributions, illegal employment and misuse of benefits between the Czech Republic and France' (11 July 2008); 'Agreement on the cooperation and exchange of information in the field of collection of the contributions, illegal employment and misuse of benefits between the Czech Republic and Germany' (28 August 2009); and 'Memorandum on the exchange of data and cross-border cooperation, combating fraud in international posting of workers and combating illegal employment between the Czech Republic and the Netherlands' (28 November 2007).

⁽³⁹⁹⁾ Information obtained through consultation with the CSSA, Czechia, February 2025.

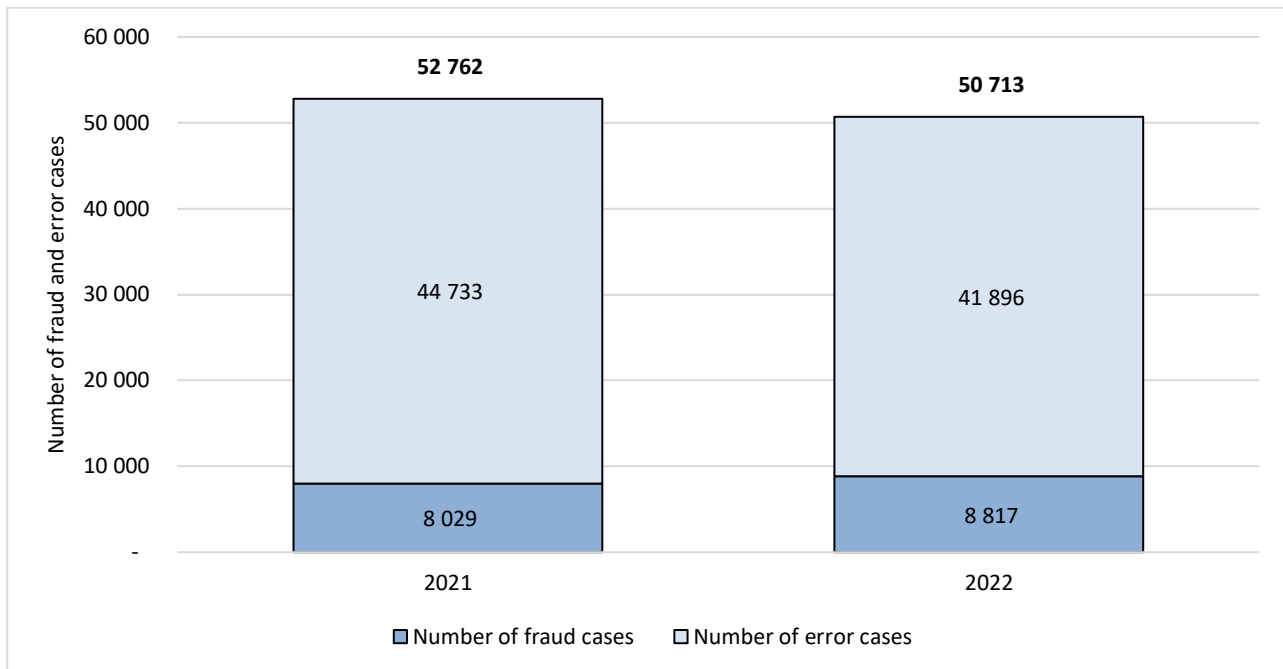
⁽⁴⁰⁰⁾ Information obtained through consultation with the Labour Office (Úřad práce ČR), Czechia, August 2024.

⁽⁴⁰¹⁾ Ibid.

⁽⁴⁰²⁾ Ibid.

competent institution (e.g. mistyping, miscalculation) and by the client (e.g. late submission of documents, notification not given promptly) ⁽⁴⁰³⁾ ⁽⁴⁰⁴⁾.

Figure 17. Fraud and error cases in the export of family benefits, Germany, 2021–2022



Source: Reports on the export of family benefits reference year 2021 and 2022 (De Wispelaere et al., 2022, 2023).

Key types of fraud and error cases linked to family benefits

In general, there is no legal definition of fraud and error, and the German interviewees hoped that the EU would provide such a definition for fraud and error. Nevertheless, intention is generally considered the key component of fraud (intentionally leaving information out, providing misinformation, forging documents, etc.), while error is considered unintentional ⁽⁴⁰⁵⁾. Two examples of typical fraud cases concerning family benefits are provided below ⁽⁴⁰⁶⁾.

- Payment to a person who claims to reside in Germany with a child/children, but does not actually reside in Germany.
- A man with German citizenship acknowledges that he is the father of a child whose mother does not have German citizenship and no legal right to residence (a non-EU citizen). Once the fathership is confirmed by law, the women and child can move to Germany and receive benefits.

⁽⁴⁰³⁾ De Wispelaere, F., De Smedt, L. and Pacolet, J., *Export of family benefits report on the questionnaire on the export of family benefits – Reference year 2021*, Publications Office of the European Union, Luxembourg, 2022, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

⁽⁴⁰⁴⁾ De Wispelaere, F., De Smedt, L. and Pacolet, J., *Export of family benefits report on the questionnaire on the export of family benefits – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2023, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

⁽⁴⁰⁵⁾ Information obtained through consultation with Familienkasse Direktion (Family Benefit Authority), Germany, September 2024.

⁽⁴⁰⁶⁾ Ibid.

The case of child benefit applicants who pretend to reside in Germany is a common type of fraud and error. Furthermore, it was reported that fraud risks are assumed to be higher in border regions, where benefits may be claimed in two countries simultaneously ⁽⁴⁰⁷⁾.

The types of fraud and error that were identified in the quantitative reports ⁽⁴⁰⁸⁾ (i.e. tax evasion and negligence by the competent institution or the client) did not come up in the interviews. Therefore, the analysis in this case study may not provide a reason for the high number of fraud and error cases identified in the quantitative reports.

Key implementation and enforcement issues

The first key issue regarding fraud and error in the case of the export of family benefits is that there is no automated process for matching residency data. In line with this, limited capabilities affect the detection of fraud and error; this includes data limitations within Germany (as there is no register in Germany that identifies all citizens/legal residents) as well as a lack of resources (the number of staff relative to the case load). The second main challenge is the lack of (electronic) data exchange, which is the case in several branches of social security. Moreover, this data exchange is also lacking between countries. This is closely related to the third main challenge, namely data protection laws. Data protection laws can prohibit the exchange of data in some cases, which inhibits fraud and error detection. The fourth main challenge is that even when fraud and error are detected, problems can arise. When the individual(s) concerned in a fraud and error case has already moved from Germany, legal regulations make it difficult to recover overpaid family benefits or undue family benefit payments ⁽⁴⁰⁹⁾.

Overview of tools used for monitoring and enforcement

At the Family Benefit Authority (*Familienkasse*), there are 50 staff who deal with suspected fraud and error cases. However, it is not possible to provide concrete numbers on audits/investigations, as these are not carried out by the central *Familienkasse* unit but by each of the 14 regional *Familienkassen*. The cases of fraud and error mentioned above (52 762 in 2021 and 50 713 in 2022) could be the result of investigative work focusing more on suspected cases with higher loss amounts. A further assessment of these figures was not possible.

Even though there are no specific family benefit inspection units, other public authorities may carry out inspections, such as the special customs unit (FKS) and tax inspectors. Moreover, the *Familienkassen* of the German states (*Länder*) are engaged in mutual learning and information exchange on fraud, typical cases, target groups and joint activities for monitoring and inspecting, with the aim of deterring and preventing fraudulent behaviour ⁽⁴¹⁰⁾.

A German institution that could be used as an example of good practice by the *Familienkasse* is DRV. Taking into account the large number of cases, the availability and use of electronic data is key in detecting and preventing fraud and error. The collection of 'death data' should certainly be seen as a good practice in this regard. The automated exchange of data on pensions limits errors effectively, while the electronic submission of 'proof of life' reduces opportunities for fraud. With the electronic data exchange, errors have decreased

⁽⁴⁰⁷⁾ Ibid.

⁽⁴⁰⁸⁾ De Wispelaere, F., De Smedt, L. and Pacolet, J., *Cross-border old-age, survivors' and invalidity pensions report on portable documents P1 – Reference year 2021*, Publications Office of the European Union, Luxembourg, 2022, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>; and De Wispelaere, F., De Smedt, L. and Pacolet, J., *Cross-border old-age, survivors' and invalidity pensions report on portable documents P1 – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2023, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

⁽⁴⁰⁹⁾ Information obtained through consultation with Familienkasse Direktion (Family Benefit Authority), Germany, September 2024.

⁽⁴¹⁰⁾ Information obtained through consultation with Familienkasse Direktion (Family Benefit Authority), Germany, September 2024.

dramatically and the room for fraud has narrowed. Similar automated data-matching processes would be welcome when it comes to cross-border residency or employment, for instance regarding family benefits ⁽⁴¹¹⁾.

(Possible) impact on citizens

If fraud is detected, the relevant administration can inform the police or ask the foreign liaison office to take further steps. The person who fraudulently collected the benefits can be held accountable by law, and a refund can be requested ⁽⁴¹²⁾.

Malta

In Malta, a rather high share of fraud and error cases regarding the export of pensions was found in 2021, namely 9.6 % ⁽⁴¹³⁾. However, both the nominator and denominator should be treated with caution. It concerned 151 pensions, which were suspended until further investigations, after which it was determined if they were cases of fraud or of error. Hence, it is possible that the actual share of fraud and error cases regarding the export of pensions was lower in Malta in 2021. Furthermore, the figure of 1 581 pensions exported by Malta concerns only the export to pensioners who are in receipt of a pension from two or more countries, and not from one country only. After this high share of cases in 2021, Malta was not aware of any cases of fraud and error regarding the export of pensions in 2022 ⁽⁴¹⁴⁾. In addition, it is interesting to note that in 2021 and 2022 more than 60 % of pensions exported went to pensioners who were residing in the United Kingdom.

The evolution of the fraud and error rate (going from 9.6 % in 2021 to 0 % in 2022) was explained in the interviews. The discrepancy is linked to the issuing of life certificates. Life certificates are official documents that confirm a pensioner is still alive and thus eligible to receive pension payments. These certificates are typically issued every other year as part of routine checks. The reason discrepancies appear in one year and not the next is due to the timing of these life certificate checks. For example, in a year when life certificates are issued, a pensioner who has passed away may be identified, preventing further incorrect payments. However, in years when these certificates are not issued, such cases may go undetected, explaining the absence of reported fraud or errors in 2022 ⁽⁴¹⁵⁾.

Key types of fraud and error cases linked to the export of pensions

Together with sickness benefits and social assistance benefits, old-age benefits in Malta are most prone to irregularities ⁽⁴¹⁶⁾. Moreover, cross-border situations also appear to be more prone to errors in social security

⁽⁴¹¹⁾ Information obtained through consultation with DRV, Germany, August 2024.

⁽⁴¹²⁾ Information obtained through consultation with Familienkasse Direktion (Family Benefit Authority), Germany, September 2024.

⁽⁴¹³⁾ De Wispelaere, F., De Smedt, L. and Pacolet, J., *Cross-border old-age, survivors' and invalidity pensions report on portable documents P1 – Reference year 2021*, Publications Office of the European Union, Luxembourg, 2022, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

⁽⁴¹⁴⁾ De Wispelaere, F., De Smedt, L. and Pacolet, J., *Cross-border old-age, survivors' and invalidity pensions report on portable documents P1 – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2023, <https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>.

⁽⁴¹⁵⁾ Information obtained through consultation with International Relations Unit of the Department of Social Security of Malta, August 2024.

⁽⁴¹⁶⁾ Ministry for Solidarity and Social Justice, the Family and Children's Rights, *Part of the Annual Report 2021*, 2021, <https://socialsecurity.gov.mt/wp-content/uploads/2022/06/DSS-Except-Annual-Report-2021.pdf> (available in Maltese only).

contributions and benefit payments, due to the complexity of coordinating different countries' systems, administrative challenges and differences in legal interpretations ⁽⁴¹⁷⁾.

The most common types of fraud concerning old-age pensions are non-disclosure of deaths, falsification of documents, manipulation of residency status, and undeclared income or employment ⁽⁴¹⁸⁾.

Pensioners who have worked in multiple Member States also experience frequent errors in social security coordination ⁽⁴¹⁹⁾. Calculating and coordinating pension entitlements from different countries is complex, and mistakes can occur. Differences in how each country calculates pension rights and the varying requirements in terms of documentation can lead to administrative errors that affect the timely and accurate payment of pensions in Malta ⁽⁴²⁰⁾. Frequent errors include incorrect benefit calculations, mistakes in applying coordination rules, delayed updates to personal information, misinformation between countries, and failure to recognise periods of insurance or employment ⁽⁴²¹⁾.

Key implementation and enforcement issues

The main implementation and enforcement issues largely seem to come down to the complexity of cross-border situations. For instance, verifying employment status or residency becomes difficult when individuals move between countries, leading to a higher risk of fraud, such as duplicate benefit claims or false residency declarations. This complexity increases the likelihood of both errors and fraud, as the coordination of information across borders is less smooth than in national cases. The complexity of coordinating social security across different legal systems, mobility between countries, varying levels of enforcement and oversight across Member States and varying administrative processes and interpretations of EU regulations can all lead to situations that are more prone to fraud and error. In this regard, language and cultural barriers contribute to mistakes ⁽⁴²²⁾.

Furthermore, the intricate regulations governing EU social security coordination often give rise to misunderstandings and errors, affecting both citizens and institutions. Complicated rules and procedures must be navigated, leading to challenges ⁽⁴²³⁾. Finally, enforcement bodies may encounter resource constraints, limiting their ability to conduct thorough investigations and follow up on potential fraud cases effectively. Despite technological advancements and cooperation between countries, obstacles persist in the timely and accurate exchange of information, impeding efforts to detect and prevent fraud across borders ⁽⁴²⁴⁾.

Overview of tools used for monitoring and enforcement

Life certificates are crucial for maintaining the accuracy and integrity of the pension system and preventing errors related to old-age benefits. The digitalisation of life certificate issuing and receiving procedure enhances efficiency and reduces errors. Non-compliance with this process may indicate various issues, such as the death of the pensioner, a change in marital status affecting the pension rate, or an unreported change of address. For instance, if a pensioner's spouse passes away but the change is not reported, their weekly

⁽⁴¹⁷⁾ Information obtained through consultation with International Relations Unit of the Department of Social Security of Malta, August 2024.

⁽⁴¹⁸⁾ Ibid.

⁽⁴¹⁹⁾ Ibid.

⁽⁴²⁰⁾ Ibid.

⁽⁴²¹⁾ Ibid.

⁽⁴²²⁾ Information obtained through consultation with International Relations Unit of the Department of Social Security of Malta, August 2024.

⁽⁴²³⁾ Ibid.

⁽⁴²⁴⁾ Ibid.

pension rate might be incorrect. Similarly, if a pensioner moves without updating their address, they might not receive the necessary correspondence, leading to errors. Addressing these discrepancies promptly ensures that records are updated, benefits are adjusted appropriately and payments are either continued or suspended until the required information is provided. This routine process plays a vital role in preventing errors and ensuring that pension funds are distributed accurately and fairly ⁽⁴²⁵⁾.

Bilateral and multilateral agreements between countries provide a structured framework for cooperation, facilitating smoother and more effective cross-border social security coordination. These agreements help to address country-specific challenges and ensure that countries can respond to fraud and error promptly and consistently ⁽⁴²⁶⁾. Effective information exchange and cooperation between countries are key to accurate benefit calculations and fraud detection ⁽⁴²⁷⁾. A good practice is the agreement with the United Kingdom ⁽⁴²⁸⁾ to exchange information about pensioners more frequently and electronically. This helps keep records up to date and prevents fraudulent claims by verifying the eligibility of beneficiaries ⁽⁴²⁹⁾.

Even though there is no special task force dedicated to cross-border old-age benefits, the approach to inspections and fraud detection does differ between national and transnational cases. Transnational cases require more complex and coordinated efforts, including enhanced verification processes, use of EU-wide data exchange systems, and specialised training for inspectors. The existing social security administration adapts its strategies and employs focused units and collaborative approaches to manage the additional challenges posed by cross-border situations effectively. The tools mentioned include ⁽⁴³⁰⁾:

- data matching and audits employed to identify discrepancies and potentially fraudulent activities, and help ensure that the information provided by claimants is accurate and consistent;
- specialised training for inspectors on handling the complexities of cross-border cases; this training equips them with the necessary skills to detect and address fraud and error effectively;
- improving verification processes, enhancing cross-border cooperation and leveraging technology to ensure accurate and secure benefit payments; risk assessments using data analytics further help in identifying fraud before payments are made;
- the introduction of tools for the electronic exchange of information between countries; this has greatly improved the ability of social security institutions to prevent and identify fraud and error in the coordination of old-age benefits.

Finally, an important tool used in the prevention of fraud and error is informing mobile pensioners about the rules applicable to the payment of old-age benefits through a variety of channels, primarily managed by the Department of Social Security in coordination with other Member State institutions and EU-wide resources. Information is disseminated through direct communication, online resources, printed materials and the EU's own information portals, and through the support of non-governmental organisations. Educating pensioners on their obligations reduces mistakes, and country-specific measures address unique cross-border risks ⁽⁴³¹⁾.

⁽⁴²⁵⁾ Ibid.

⁽⁴²⁶⁾ Ibid.

⁽⁴²⁷⁾ Ibid.

⁽⁴²⁸⁾ Convention on Social Security between the Government of the Republic of Malta and the Government of the United Kingdom of Great Britain and Northern Ireland (in force as from 1 September 1996), https://socialsecurity.gov.mt/wp-content/uploads/2021/01/mt_uk.pdf.

⁽⁴²⁹⁾ Ministry for Solidarity and Social Justice, the Family and Children's Rights, *Part of the Annual Report 2021*, 2021, <https://socialsecurity.gov.mt/wp-content/uploads/2022/06/DSS-Except-Annual-Report-2021.pdf> (available in Maltese only).

⁽⁴³⁰⁾ Information obtained through consultation with the International Relations Unit of the Department of Social Security of Malta, August 2024.

⁽⁴³¹⁾ Ibid.

Overall, Malta has implemented a comprehensive set of measures aimed at preventing and combating fraud and error in the payment of old-age benefits, particularly in cross-border situations. These measures are integrated into the broader EU framework for social security coordination and involve close cooperation with other Member States, rigorous verification processes such as life certificates, advanced data analytics, ongoing policy refinement and educating pensioners on their obligations. Through these efforts, Malta seeks to ensure that old-age benefits are paid accurately and fairly, while minimising the risks associated with cross-border claims ⁽⁴³²⁾.

(Possible) impact on citizens

Both workers and companies risk being negatively impacted if disputes between countries' institutions or authorities take a long time to resolve in cases of detected fraud and error, especially if no agreement can be reached. This would create uncertainty regarding their right to benefits ⁽⁴³³⁾.

⁽⁴³²⁾ Ibid.

⁽⁴³³⁾ Ibid.

Case study C: role of the awareness of mobile citizens and companies in preventing fraud and error

This case study in brief

- In line with Annex I to the Administrative Commission's Decision No H5⁽⁴³⁴⁾, a range of institutions – from social security institutions to employment offices, health insurance institutions, pension funds and agencies – play an important role in delivering accurate information to citizens. They often work in collaboration with social partner organisations, who can act as multipliers on the ground. These institutions use various channels to reach their audiences.
- To enhance users' understanding of social security coordination in cross-border situations, most social security institutions provide information online through interactive resources. Many have also adopted a proactive approach in engaging mobile citizens through organising targeted awareness-raising events, seminars, training sessions, media campaigns and procedural documents.
- The impact of awareness-raising measures on the awareness and compliance of mobile citizens and companies has been positively assessed overall, despite a lack of concrete monitoring and evaluation arrangements. These initiatives are thought to improve compliance because they provide clear and accessible guidelines to citizens and companies. Awareness-raising measures are thought to reduce the risk of error by providing practical and consistent information on social security rights and obligations.
- Good practices have been identified across several countries regarding information channels that successfully prevent cross-border fraud and error. A key trend among these is the use of targeted and easily accessible information channels. Where the impact of these activities has been measured, significant reductions in the occurrence of fraud and/or error cases have been observed. The case study identifies several good practices.
- Relevant types of information to provide to prevent fraud and error include tailored information on specific topics; information on the consequences of fraud and/or error; comprehensive awareness-raising campaigns; and information integrated with wider policy initiatives. On the other hand, unclear guidance and guidance that has not been sufficiently updated can act as a barrier.

Key challenges

- The impact of awareness-raising measures on the knowledge and compliance of mobile citizens and companies has been positively assessed overall, because of their potential to reduce the risk of error by providing practical and consistent information on social security rights and obligations. However, the research indicates that information provision across benefit areas and countries is generally not consistent, clear, comprehensive or regularly updated.

Introduction

This case study explores the role that increasing the knowledge and awareness of mobile citizens and companies on social security coordination can have on preventing fraud and error in the field. It is structured into four main sections providing an overview of (1) the key providers and channels of information on the rights and obligations of mobile citizens and companies in the field of social security coordination; (2) key measures and initiatives that have been undertaken by countries to increase the knowledge and awareness of mobile citizens and companies, including the possible role that these measures have played in preventing

fraud and error; (3) selected good practices in identifying effective information channels where the impact of information activities was measured and linked to a reduction in cross-border fraud and error cases; and (4) the most relevant types of (missing) information to provide to prevent fraud and error. The case study synthesises the information collected across all 30 countries, highlighting similarities and differences across countries, and identifying concrete measures, initiatives and good practices in specific countries.

High-level overview of key providers and channels of information

This section provides a high-level overview of the key providers and channels of information that help mobile citizens and companies understand their rights and obligations in the context of social security coordination. Across countries, a range of institutions – from social security agencies to employment offices – play an important role in delivering accurate information. These institutions use various channels, including websites, printed materials and direct consultations, to reach their audiences. This section explores the commonalities among key providers and channels, highlighting examples to illustrate how they contribute to informing mobile citizens and businesses.

Key providers of information

The key providers of information include social security institutions, employment and labour offices, health insurance institutions, pension funds and agencies, and private companies. They often work in cooperation with social partner organisations, who can act as multipliers on the ground. Social security authorities tend to be the primary providers of information on rights and obligations of mobile citizens and companies in the field of social security coordination, according to the stakeholders consulted across countries. In most countries, employment and labour offices also help inform companies and workers about cross-border employment, unemployment benefits and obligations. Health insurance institutions play a significant role in some countries in ensuring that mobile workers understand their entitlements, particularly concerning healthcare benefits. Pension agencies also provide specific guidance on retirement rights for mobile workers, particularly for those with work periods in multiple countries. In some cases, private companies can also inform workers and businesses about their rights and obligations on social security. Some examples are provided in Table 12.

Table 12. Key providers of information – selected examples

Social security authorities	<ul style="list-style-type: none"> • The DRV website ⁽⁴³⁵⁾ offers resources in many languages (including PD A1 information), as well as regular workshops to educate staff and direct consultations (in person or by phone) to inform citizens and companies ⁽⁴³⁶⁾. • The NSSI in Bulgaria hosts campaigns and joint consultation days for citizens from other Member States in collaboration with other countries such as Germany, in addition to providing online FAQs ⁽⁴³⁷⁾.
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⁽⁴³⁴⁾ Decision H5 (2010) of the Administrative Commission for the Coordination of Social Security Systems concerning cooperation on combating fraud and error within the framework of Council Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 of the European Parliament and of the Council on the coordination of social security systems, <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:149:0005:0007:EN:PDF>.

⁽⁴³⁵⁾ https://www.deutsche-rentenversicherung.de/DRV/EN/Home/home_node.html.

⁽⁴³⁶⁾ Information obtained through consultations with stakeholders from Germany, August–September 2024.

⁽⁴³⁷⁾ Information obtained through consultation with the NSSI, Bulgaria, September 2024.

Employment and labour offices	<ul style="list-style-type: none"> • In Czechia, the Labour Office is responsible for educating mobile workers and employers about their obligations in the area of unemployment benefits. It uses both in-person consultations and online resources to ensure that companies and workers understand the implications of cross-border employment ⁽⁴³⁸⁾. • In Slovakia, the Labour Inspectorate provides free-of-charge general guidelines and basic information and advice on the most effective ways to comply with the law, including on posting of workers ⁽⁴³⁹⁾.
Health insurance institutions	<ul style="list-style-type: none"> • The Croatian Health Insurance Fund is responsible for managing the country's mandatory health insurance scheme and ensuring access to healthcare services for all insured individuals via online portals ⁽⁴⁴⁰⁾. • The NHIF in Lithuania educates citizens about the proper use of the EHIC and about the sanctions related to its inappropriate use ⁽⁴⁴¹⁾.
Pension funds and agencies	<ul style="list-style-type: none"> • In Liechtenstein, the old age and survivors' insurance (Alters- und Hinterlassenenversicherung (AHV)) pension fund implements actions designed to prevent fraud and error in the accessing and payment of unemployment benefits, healthcare, old-age pensions and family benefits. AHV offers cross-border pension information and guidelines on its website, as well as delivering lectures at universities ⁽⁴⁴²⁾. • Pension recipients in Belgium are informed of their rights and obligations through letters they receive when they retire. In addition, the website of the Federal Pension Service ⁽⁴⁴³⁾ provides information, including guidance on the situation when moving abroad ⁽⁴⁴⁴⁾.
Private companies	<ul style="list-style-type: none"> • In Slovakia, law firms, accounting firms and multinational conglomerates create guides and offer detailed and tailored consultancy services on social security coordination across countries ⁽⁴⁴⁵⁾.

Source: Authors' summary based on interview information and a literature review.

⁽⁴³⁸⁾ Information obtained through consultations with the Labour Office, Czechia, August 2024.

⁽⁴³⁹⁾ Information obtained through consultations with the Labour Inspectorate, Slovakia, August 2024.

⁽⁴⁴⁰⁾ Croatian Employment Service (<https://www.hzz.hr/en/>); Croatian Health Insurance Fund (<https://ezdravstveno.hzzo.hr/PoslovniPortal/>); and Government of Croatia (<https://gov.hr/en/welcome-to-the-e-citizens-portal-of-the-republic-of-croatia/112>).

⁽⁴⁴¹⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III, <https://ec.europa.eu/social/BlobServlet?docId=27421&langId=en>.

⁽⁴⁴²⁾ Information obtained through consultation with Liechtenstein's Old-age and survivors' insurance, disability insurance and family allowance fund (Liechtensteinische Alters- und Hinterlassenenversicherung-Invalidenversicherung-Familienausgleichskasse (AHV-IV-FAK)), Liechtenstein, September 2024.

⁽⁴⁴³⁾ <https://www.sfpd.fgov.be/fr>.

⁽⁴⁴⁴⁾ Information obtained through consultation with Federal Pensions Service, Belgium, October 2024.

⁽⁴⁴⁵⁾ Information obtained through consultation with the Social Insurance Agency, Slovakia, August 2024.

Key channels of information

A variety of key channels of information also play a crucial role in ensuring that mobile citizens and companies are well informed about their social security rights and obligations. Websites and online portals are the most common channel for disseminating information about social security coordination to citizens and companies. Most national social security institutions have dedicated sections for mobile workers and businesses. Brochures and printed materials remain an important resource of information in many countries, as confirmed by the stakeholders consulted, particularly for individuals who prefer offline options or in-person consultations. Direct consultations and information days are also considered effective, and many countries organise in-person events and consultation days to provide guidance to mobile workers. Some countries also use mass media and social media platforms to raise awareness and inform citizens and companies about their rights and obligations in the field of social security coordination. Some examples are provided in Table 13.

Table 13. Key channels of information – selected examples

Websites and online portals	<ul style="list-style-type: none"> Information campaigns for Portugal were developed on the websites of the Institute of Social Security⁽⁴⁴⁶⁾ and ACT⁽⁴⁴⁷⁾ and on the general ePortugal government site⁽⁴⁴⁸⁾. These websites include guides on different topics concerning social security coordination, including information for employers on posting workers to another country, such as practical guides, forms and information on applicable legislation. In the Netherlands, there is a website specifically focused on posted workers⁽⁴⁴⁹⁾, with information on rights and obligations of posted workers and posting undertakings, in addition to the standard SVB website⁽⁴⁵⁰⁾. The ‘Coming to Belgium’⁽⁴⁵¹⁾ website provides information for workers arriving in Belgium, including their entitlements under the Belgian social security system. In addition, the National Social Security Office plays an important role in providing information through websites such as ‘Posting employees to Belgium’⁽⁴⁵²⁾ and ‘Welcome to working in Belgium’⁽⁴⁵³⁾. Social service customers in Latvia are fully informed about the relevant legislation and the potential consequences of fraud via the VSAA platform⁽⁴⁵⁴⁾.
Brochures and printed materials	<ul style="list-style-type: none"> In Belgium, SIIS sends brochures to posted employees and self-employed workers⁽⁴⁵⁵⁾ outlining their rights and obligations⁽⁴⁵⁶⁾.

⁽⁴⁴⁶⁾ <https://en.seg-social.pt/iss-the-institute>.

⁽⁴⁴⁷⁾ <https://www2.gov.pt/en/servicos/pedir-informacoes-a-autoridade-para-as-condicoes-do-trabalho-act->.

⁽⁴⁴⁸⁾ <https://www.gov.pt/>.

⁽⁴⁴⁹⁾ <https://www.postedworkers.nl/>.

⁽⁴⁵⁰⁾ <https://www.postedworkers.nl/>; <https://www.svb.nl/en/>.

⁽⁴⁵¹⁾ https://www.comingtobelgium.be/en/coming_to_belgium.

⁽⁴⁵²⁾ <https://settlinginbelgium.be/en/do-business/posting-employees-to-belgium>.

⁽⁴⁵³⁾ https://www.international.socialsecurity.be/working_in_belgium/en/home.html.

⁽⁴⁵⁴⁾ <https://www.vsaa.gov.lv/lv/darbs-cita-es-valsti-a1-sertifikats>; <https://www.vsaa.gov.lv/lv/darbs-eiropas-savieniba>.

⁽⁴⁵⁵⁾ https://www.siod.belgie.be/sites/default/files/2021-12/Brochure_vreemde_werknemers/20211108_Brochure_Vreemde_Werknemer_SIRS_SIOD_FR_DEF_EN.pdf.

⁽⁴⁵⁶⁾ Information obtained through consultations with SIIS, Belgium, September 2024.

	<ul style="list-style-type: none"> • In Slovakia, brochures and other printed materials are available at branches of the Social Insurance Agency. These materials cover different topics, including applicable legislation, posting rules and electronic applications ⁽⁴⁵⁷⁾.
Direct consultation and information days	<ul style="list-style-type: none"> • Bulgaria organises consultation and information days for mobile citizens. These often include joint consultation days (e.g. with Germany) in other countries ⁽⁴⁵⁸⁾. • The Department of Social Protection in Ireland conducts media campaigns and offers phone and email support for mobile workers ⁽⁴⁵⁹⁾. • The VSSA in Latvia systematically organises seminars and information campaigns for targeted groups and informs workers and employers about the consequences of submitting false information ⁽⁴⁶⁰⁾.
Mass media and social media	<ul style="list-style-type: none"> • In Luxembourg, press releases and press coverage have proven to be effective in raising awareness, according to the interviewees. For example, a press release was issued to address the issue of fake medical certificates in the country, warning the public that certificates obtained from websites generating fake work incapacity certificates will not be accepted ⁽⁴⁶¹⁾. • In Romania, Facebook pages, particularly those managed by the National Agency for Employment (Agenția Națională pentru Ocuparea Forței de Muncă) in collaboration with EURES, serve as channels for disseminating information ⁽⁴⁶²⁾.

Source: Authors' summary based on interview information and a literature review.

Examples of measures to increase the knowledge and awareness of mobile citizens and companies

As highlighted above, the provision of relevant information online is the most widespread measure taken by countries to increase the knowledge and awareness of mobile citizens and companies about social security coordination rules. Most social security institutions provide (interactive) resources to enhance users' understanding of social security coordination in cross-border situations. These may include specific web pages and FAQs, short videos, information leaflets and self-assessment tools. Some examples are presented in Table 14.

Table 14. Information available online – selected examples

Web pages and FAQs	<ul style="list-style-type: none"> • In Italy, the National Institute for Social Security (L'Istituto Nazionale della Previdenza Sociale (INPS)) has a web page dedicated to clarifying rules around habitual cross-border teleworking ⁽⁴⁶³⁾.
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⁽⁴⁵⁷⁾ Information obtained through consultation with the Social Insurance Agency, Slovakia, August 2024.

⁽⁴⁵⁸⁾ Information obtained through consultation with the NSSI, Bulgaria, September 2024.

⁽⁴⁵⁹⁾ Information obtained through consultation with the Department of Social Protection, Ireland, September 2024.

⁽⁴⁶⁰⁾ Information obtained through consultation with the Ministry of Welfare and the VSAA, Latvia, September 2024.

⁽⁴⁶¹⁾ Information obtained through consultation with the National Health Fund, Luxembourg, September 2024.

⁽⁴⁶²⁾ Information obtained through consultation with National Agency for Employment, Romania, September 2024.

⁽⁴⁶³⁾ <https://www.inps.it/it/inps-comunica/notizie/dettaglio-news-page.news.2024.03.ue-accordo-quadro-nel-caso-di-telelavoro-transfrontaliero-abituale.html>.

	<ul style="list-style-type: none"> • The Labour and Mines Inspectorate of Luxembourg provides an FAQ covering different posting situations ⁽⁴⁶⁴⁾.
Videos	<ul style="list-style-type: none"> • In Lithuania, the NHIF and THIF periodically update information on the use of the EHIC through short videos ⁽⁴⁶⁵⁾. • In Portugal, the Informatics Institute of the Social Security Institute published two videos communicating the ease of obtaining a PD A1 using its determination of applicable legislation tool ⁽⁴⁶⁶⁾.
Leaflets	<ul style="list-style-type: none"> • In Germany, the DVKA provides a series of online leaflets with information on how to use the EHIC in several different countries ⁽⁴⁶⁷⁾. • In Romania, the National Health Insurance House's website offers an 'Insurer's Guide', presented in the form of an interactive visualisation tool, which contains information on the reimbursement of medical expenses in other countries ⁽⁴⁶⁸⁾.
Self-assessment tools	<ul style="list-style-type: none"> • In Malta, the Department for Social Security offers a self-assessment tool to help employers and self-employed individuals determine their obligation to pay social security contributions when working across EU borders ⁽⁴⁶⁹⁾. • The French Centre for European and International Social Security Coordination (Centre des Liaisons Européennes et Internationales de Sécurité Sociale (CLEISS) website features an interactive questionnaire for employers ⁽⁴⁷⁰⁾. This tool helps employers understand their obligations when posting a worker or receiving a posted worker.

Source: Authors' summary based on interview information and a literature review.

In addition to providing information online, as outlined above, many social security institutions have adopted a proactive approach to engaging mobile citizens. This includes organising targeted events such as in-person and online workshops, seminars and training sessions. These events are aimed at mobile citizens, employers or staff working in social security, and occasionally involve collaborations with other institutions and/or countries. Some examples are presented in Table 15.

Table 15. Targeted awareness-raising events – selected examples

Staff training	<ul style="list-style-type: none"> • To prevent errors, the NHIF in Hungary held two technical workshops in 2021. These workshops provided information on the latest IT developments and
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⁽⁴⁶⁴⁾ <https://itm.public.lu/fr/questions-reponses/droit-travail/detachement-salaries.html>.

⁽⁴⁶⁵⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III. Videos are available on YouTube (https://www.youtube.com/channel/UCnNku0_hRGtol7QD4R9pUeQ).

⁽⁴⁶⁶⁾ <https://www.youtube.com/watch?v=C4MiLztKCZ0&t=38s>; <https://www.youtube.com/watch?v=lz5FzQD-reQ>.

⁽⁴⁶⁷⁾ <https://www.dvka.de/de/versicherte/touristen/>.

⁽⁴⁶⁸⁾ <https://cnas.ro/ghidul-asiguratului/#>.

⁽⁴⁶⁹⁾ <https://workingineu-iru.gov.mt/form>.

⁽⁴⁷⁰⁾ <https://www.cleiss.fr/employeurs/index.php>.

	<p>helped county government office clerks use the new IT system in line with the applicable legislation ⁽⁴⁷¹⁾.</p> <ul style="list-style-type: none"> • In Germany, staff in the Federal Employment Agency (Bundesagentur für Arbeit), DRV and DVKA are regularly trained on cross-border rules and new developments ⁽⁴⁷²⁾. Further training, exchanges and events also take place with the FKS and under the umbrella of ELA ⁽⁴⁷³⁾. • Cyprus's Social Insurance Services have invested in the training of lawyers and accountants as well as clerks handling fraud and error cases. They have also invested in the training of new staff on issues pertaining to the prevention of fraud and error ⁽⁴⁷⁴⁾. • In France, CLEISS organises working groups with representatives from human resources ⁽⁴⁷⁵⁾. • The Slovak Social Insurance Agency runs awareness campaigns and training sessions for both employers and employees. These sessions are designed to explain the rules and procedures for social security coordination, as well as to provide practical advice on compliance ⁽⁴⁷⁶⁾.
Employers and employees	<ul style="list-style-type: none"> • In Poland, ZUS conducts workshops for employers and employees on how to use the wizard PD A1 application on the Electronic Services Platform ⁽⁴⁷⁷⁾.
Healthcare providers and patients	<ul style="list-style-type: none"> • The DVKA offers seminars for health insurance funds on health insurance issues related to cross-border situations in social security coordination ⁽⁴⁷⁸⁾. • In Lithuania, NHIF representatives participate in various public events (e.g. career days aimed at introducing services provided by the NHIF to schoolchildren and students) during which they distribute booklets and disseminate information to the public about the EHIC and cross-border healthcare ⁽⁴⁷⁹⁾. • The National Health Fund in Poland organises workshops for healthcare providers on servicing and verifying the entitlements of patients insured in

⁽⁴⁷¹⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

⁽⁴⁷²⁾ Information obtained through consultation with Zentrale der Bundesagentur für Arbeit (Federal Employment Agency), Deutsche Verbindungsstelle Krankenversicherung – Ausland (German Liaison Agency for Health Insurance Abroad) and DRV, Germany, August and September 2024.

⁽⁴⁷³⁾ Information obtained through consultation with the Ministry of Finance, Germany, February 2025.

⁽⁴⁷⁴⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

⁽⁴⁷⁵⁾ Information obtained through consultation with Cleiss, France, September 2024.

⁽⁴⁷⁶⁾ Information obtained through consultation with the Social Insurance Agency, Slovakia, August 2024.

⁽⁴⁷⁷⁾ Szybkie, A., 'Przeciwdziałanie przez ZUS w Polsce błędom i nadużyciom w zakresie właściwego ustawodawstwa i wydawania zaświadczeń A1' ('Counteracting errors and abuses by ZUS in Poland in the field of proper legislation and issuing A1 certificates'), *Zabezpieczenie Społeczne. Teoria, Prawo, Praktyka (Social Security. Theory, Law, Practice)*, No 15, 2022, pp. 23–30.

⁽⁴⁷⁸⁾ Information obtained through consultation with Deutsche Verbindungsstelle Krankenversicherung – Ausland, Germany, September 2024.

⁽⁴⁷⁹⁾ Information obtained through consultation with NHIF, Lithuania, September 2024.

	other EU/EFTA countries. These workshops aim to streamline knowledge on handling EU patients ⁽⁴⁸⁰⁾ .
Cross-institutional collaboration	<ul style="list-style-type: none"> • In Norway, the NAV collaborates with the police, tax administration and Directorate of Immigration at the Service Centre for Foreign Workers (Servicesenter for utenlandske arbeidstakere). In 2023, the NAV joined the information team at the centre. This centre provides guidance and support and distributes leaflets about welfare system rights. In 2023, the centre received approximately 80 000 requests ⁽⁴⁸¹⁾. • UWV and the EURES National Coordination Office in the Netherlands organise an annual emigration fair. During this event, UWV and EURES representatives answer questions from attendees about working abroad. Specifically, three to four employees are available to address enquiries about unemployment benefits, including the export of these benefits ⁽⁴⁸²⁾.

Source: Authors' summary based on interview information and a literature review.

As highlighted above, many countries' social security institutions also rely on media campaigns to raise awareness about social security coordination rules. These include campaigns on social media. Some examples are presented in Table 16.

Table 16. Media campaigns – selected examples

Traditional media	<ul style="list-style-type: none"> • The director of AHV in Liechtenstein frequently participates in interviews with local newspapers and on the radio and television to disseminate important information ⁽⁴⁸³⁾. • Disseminating information through traditional media is effective, and word of mouth can also be powerful in specific contexts. As a Luxembourg stakeholder said: 'A press release or press coverage is quite effective. Word of mouth works in some networks. When a case is sanctioned, it creates a ripple effect. If it's a small network involved in fraud, sanctions or requests for additional documents inform all actors within that network' ⁽⁴⁸⁴⁾.
Social media	<ul style="list-style-type: none"> • The NHIF and THIF in Lithuania regularly provide updated information on applying for the EHIC and the right to receive necessary healthcare while staying in another country on their Instagram and Facebook channels ⁽⁴⁸⁵⁾.

Source: Authors' summary based on interview information and a literature review.

Alternatively, some countries have opted to disseminate information through procedural documents (e.g. application forms, direct letters or targeted newsletters). This approach ensures that individuals are

⁽⁴⁸⁰⁾ Information obtained through consultation with National Health Fund, Poland, September 2024.

⁽⁴⁸¹⁾ NAV, *Felles Årsrapport – Arbeidslivskriminalitet 2023 (Joint Annual Report – Work-related crime 2023)*, 2024, <https://www.politiet.no/globalassets/tall-og-fakta/arbeidslivskriminalitet/felles-arsrapport-a-krimsamarbeidet-2023.pdf>.

⁽⁴⁸²⁾ Information obtained through consultation with UWV, the Netherlands, September 2024.

⁽⁴⁸³⁾ Information obtained through consultation with Liechtensteinische AHV-IV-FAK, Liechtenstein, September 2024.

⁽⁴⁸⁴⁾ Information obtained through consultation with Caisse Nationale de Santé, Luxembourg, September 2024.

⁽⁴⁸⁵⁾ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Jorens, Y., *Fraud and error in the field of EU social security coordination – Reference year 2022*, Publications Office of the European Union, Luxembourg, 2024, unpublished Annex III.

consistently reminded of their rights and obligations during each interaction with the administration. Some examples are presented in Table 17.

Table 17. Knowledge dissemination when dealing with social security institutions – selected examples

When applying for benefits	<ul style="list-style-type: none"> • When issuing a PD A1, the Social Insurance Administration (Tryggingastofnun) in Iceland emphasises that any incorrect or non-compliant information may result in the certificate's invalidation ⁽⁴⁸⁶⁾. • In the Netherlands, when exporting unemployment benefits, clients are reminded of their rights and obligations in the export award letter from UWV. They are also reminded of the need to register with the foreign benefits organisation in good time ⁽⁴⁸⁷⁾. • In Romania, individuals exporting unemployment benefits are briefed on their obligations before departure. Those arriving from another country to Romania receive information upon registration and are monitored during their stay, such as through monthly appointments at the employment agency or participation in training courses ⁽⁴⁸⁸⁾.
Direct letters and newsletters	<ul style="list-style-type: none"> • The DVKA regularly informs all health insurance funds about new developments, legal changes and important issues via circular letters (<i>Rundschreiben</i>) ⁽⁴⁸⁹⁾. • In Liechtenstein, AHV publishes a quarterly newsletter for local companies, ensuring that they are kept informed of relevant updates and regulations ⁽⁴⁹⁰⁾. • In 2024, the NHIF of Lithuania distributed special circulars to healthcare providers explaining the concept of necessary healthcare and the procedure for the payment of cross-border healthcare ⁽⁴⁹¹⁾.

Source: Authors' summary based on interview information and a literature review.

Possible role of measures in increasing the awareness and compliance of mobile citizens and companies

The impact of awareness-raising measures on the awareness and compliance of mobile citizens and companies has been positively assessed overall, despite a lack of concrete monitoring and evaluation arrangements. These initiatives are thought to improve compliance because they provide clear and accessible guidelines to citizens and companies. Awareness-raising measures are thought to reduce the risk of error by providing practical and consistent information on social security rights and obligations. EU-wide projects, such as ELA's campaigns targeting cross-border activities (e.g. [#Rights4AllSeasons](#), [#Road2FairTransport](#),

⁽⁴⁸⁶⁾ Information obtained through consultation with the Social Insurance Administration, Iceland, August 2024.

⁽⁴⁸⁷⁾ Information obtained through consultation with the UWV, the Netherlands, September 2024.

⁽⁴⁸⁸⁾ Information obtained through consultation with the National Agency for Employment, Romania, September 2024.

⁽⁴⁸⁹⁾ Information obtained through consultation with the Deutsche Verbindungsstelle Krankenversicherung – Ausland, Germany, September 2024.

⁽⁴⁹⁰⁾ Information obtained through consultation with the Liechtensteinische AHV-IV-FAK, Liechtenstein, September 2024.

⁽⁴⁹¹⁾ Information obtained through consultation with the NHIF, Lithuania, September 2024.

#EU4FairConstruction), have proven effective in informing citizens about social security coordination issues. Their impact has been reported in ELA's annual activity reports ⁽⁴⁹²⁾.

Measuring the level of citizen awareness following awareness-raising initiatives is challenging, as is establishing a direct link between these efforts and a reduction in fraud and/or error cases. Nevertheless, the reach of some campaigns has been evaluated in some countries (Box 23). Several countries also took steps to evaluate their citizens' knowledge of their social security rights and obligations.

Box 23. Measuring the reach of awareness-raising initiatives

The NHIF in Lithuania carried out a survey published in September 2023 to gauge community trust in the state healthcare system. While most of the population is aware of NHIF compensations, there remains a significant need for more information on planned health services. For instance, over half of the respondents agreed with the statement, 'Anyone insured with compulsory health insurance can get an EU health card for free.' However, other facts about the EHIC are not well understood ⁽⁴⁹³⁾.

In Norway, an evaluation of the 'Know your rights!' campaign has been undertaken, which indicates promising results in terms of reaching a broad user group and contributing to the detection of irregularities in working relations. The website accompanying the campaign had 170 000 visits in 2023 ⁽⁴⁹⁴⁾.

The Finnish NCP for cross-border healthcare has promoted patients' rights through social media campaigns that focused on topics such as healthcare in the United Kingdom and accessing healthcare while travelling. These campaigns resulted in a measurable increase in visits to the Finnish NCP's website ⁽⁴⁹⁵⁾.

In Luxembourg, people have the option to report cases of fraud via a contact form on the Children Future Fund's website. An interviewee said: 'We have received some reports, indicating a level of prevention and the good faith of individuals, but it's not possible to truly evaluate the overall success' ⁽⁴⁹⁶⁾.

Source: Authors' summary based on interview information and a literature review.

Selected practices on identifying effective information channels

Good practices have been identified across several countries regarding information channels that successfully prevent cross-border fraud and error. A key trend among these is the use of targeted and easily accessible information channels. Where the impact of these activities has been measured, significant reductions in the occurrence of fraud and/or error cases have been observed. These good practices include the use of digital portals and e-services that provide direct access to information on social security coordination rights and obligations (Box 24).

Box 24. Good practice 1 – improve information dissemination through online platforms

In Croatia, the Pension Insurance Institute (Hrvatski Zavod za Mirovinsko Osiguranje) offers on its official website detailed information about its pension entitlements and obligations, and all e-forms and

⁽⁴⁹²⁾ For example, the #EU4FairConstruction campaign reached 27 million people in 2023 via social media and logged over 8 million views of campaign videos. The 2023 social media campaign started later than the one in 2022 and continued into Q1 2024 due to the seasonal nature of the construction sector.

⁽⁴⁹³⁾ Information obtained through consultation the NHIF, Lithuania, September 2024.

⁽⁴⁹⁴⁾ NAV, *Felles Årsrapport – Arbeidslivskriminalitet 2023 (Joint Annual Report – Work-related crime 2023)*, 2024, <https://www.politiet.no/globalassets/tall-og-fakta/arbeidslivskriminalitet/felles-arsrapport-a-krimsamarkedet-2023.pdf>.

⁽⁴⁹⁵⁾ De Wispelaere, F., De Smedt, L. and Pacolet, J., *Cross-border healthcare in the EU under social security coordination – Reference year 2022, 2023b*, <https://hiva.kuleuven.be/en/news/newsitems/Reports-on-social-security-coordination-and-intra-EU-labour-mobility-20171212>.

⁽⁴⁹⁶⁾ Information obtained through consultation with Caisse pour l'avenir des enfants, Luxembourg, September 2024.

applications are available on this website. Users can also find and submit applications to exercise their rights through the e-citizens portal ⁽⁴⁹⁷⁾.

The streamlined nature of this platform has led to fewer errors in social security processing and a reduction in fraud cases, as users have easier access to up-to-date and accurate information. Similarly, the EU social security coordination portal offers comprehensive and up-to-date information about social security rights and obligations across the EU. It has been effective in providing consistent and reliable information, reducing confusion and errors ⁽⁴⁹⁸⁾.

An Austrian legal firm has developed software that translates complex posting regulations into simplified actions for businesses, helping them ensure compliance. The system is constantly updated, allowing new rules or changes to be implemented on time to avoid non-compliance. This tool, praised by clients of the firm, is being adopted by a network of 15 legal firms across Europe ⁽⁴⁹⁹⁾.

Source: Authors' summary based on interview information and a literature review.

Another good practice is the use of targeted communication for clients, which allows relevant information to be tailored to different audiences' needs effectively (Box 25). This approach recognises that different groups may require specific types of information and communication styles to fully understand their rights and obligations.

Box 25. Good practice 2 – maximise the reach and relevance of communication

In Finland, Kela adapts its information dissemination to the needs of specific client groups by attending International Houses ⁽⁵⁰⁰⁾ in Helsinki, Tampere and Turku, and tailoring content based on the relevant audience. This ensures that the right information is delivered to the right audience, enhancing both the understanding and the compliance of these groups ⁽⁵⁰¹⁾.

Similarly, Germany's DRV provides information in multiple languages, ensuring accessibility for foreign mobile workers. The institution also hosts 'international advisory days,' where foreign and domestic stakeholders can get advice on cross-border pension rights. These tailored sessions allow workers and companies to get a better grasp of their obligations and rights, reducing the likelihood of misunderstandings and errors ⁽⁵⁰²⁾.

Source: Authors' summary based on interview information and a literature review.

In some countries, providing one-to-one support, notably through the establishment of local information desks, has proven to be a highly effective practice in enhancing understanding of and compliance with social security obligations. These desks serve as dedicated support points where citizens and companies can access real-time guidance tailored to their specific needs. By enabling face-to-face interactions, this approach increases comprehension of complex regulations and ultimately helps reduce the risk of fraud and/or error. Some social security institutions also hold such events abroad or involve their foreign counterparts (Box 26).

⁽⁴⁹⁷⁾ <https://www.mirovinsko.hr/hr/e-usluge/16>; <https://gov.hr/hr/mirovine/268>.

⁽⁴⁹⁸⁾ Information based on the Croatian expert's own observations from the research conducted.

⁽⁴⁹⁹⁾ Danaj, S. Toplak, K. and Jevšnik, M., *Access to Information on the Posting of Workers – Construction companies' practices and challenges*, 2024, <https://url.de.m.mimecastprotect.com/s/J3zqC28yBnTkW6y7c1h6F5OF6f?domain=omp.zrc-sazu.si>.

⁽⁵⁰⁰⁾ <https://ihhelsinki.fi/>.

⁽⁵⁰¹⁾ Information obtained through consultation with Kela, Finland, September 2024.

⁽⁵⁰²⁾ Information obtained through consultation with DRV, Germany, August 2024.

Box 26. Good practice 3 – offer unmediated assistance (including abroad)

In Italy, the INPS participates in local events and sets up desks where citizens can obtain real-time guidance on their social security rights and obligations ⁽⁵⁰³⁾. This direct interaction helps (mobile) workers navigate the complexities of their rights and responsibilities.

In the Netherlands, a ‘work coach’ is assigned to individuals when unemployment benefits commence, providing dedicated support on entitlements, including the export of unemployment benefits. This one-to-one assistance supports beneficiaries in understanding their options and obligations. During the export of unemployment benefits, the client is assigned a benefits expert who handles the file. If the client has any questions, they can leave a callback request via the customer contact centre ⁽⁵⁰⁴⁾.

To enhance understanding and compliance, AHV in Liechtenstein encourages in-person consultations to address any remaining questions. It offers consultation appointments outside regular office hours, accommodating the diverse needs of stakeholders ⁽⁵⁰⁵⁾.

In May 2023, the National Agency for Employment in Romania organised an information seminar in London in collaboration with officials responsible for labour and social affairs at the Romanian embassy in the United Kingdom aimed at Romanian citizens. This event provided guidance on job opportunities in Romania, the process of accessing unemployment benefits, and other initiatives offered by Romanian ministries for individuals interested in returning to the country, highlighting the agency’s commitment to engaging with citizens abroad ⁽⁵⁰⁶⁾. As regards family benefits, although there are no targeted information campaigns, a stakeholder from the National Agency for Payments and Social Inspection explained: ‘Information is available at our offices during the application process and is also accessible on our website, which includes a section for migrant workers. While there are no dedicated information campaigns at our headquarters, we do provide personalised information if contacted by individuals ⁽⁵⁰⁷⁾.’

The Bureau for German Affairs and the Bureau for Belgian Affairs in the Netherlands actively engage with frontier workers by participating in fairs and meetings in Germany and Belgium. These efforts are part of broader information campaigns by ELA and the Dutch Ministry of Social Affairs and Employment, emphasising the importance of direct engagement in disseminating vital information ⁽⁵⁰⁸⁾.

Source: Authors’ summary based on interview information and a literature review.

Leveraging innovative approaches, such as conducting research and engaging in collaborative projects with other institutions at the European level, is also regarded as a good practice (Box 27).

Box 27. Good practice 4 – implement innovative approaches

In Slovakia, the Social Insurance Agency collaborated with a behavioural research institute to enhance its communication strategies. The institute analysed notification texts and provided recommendations for improvement. Research revealed that the format and delivery method significantly impacted effectiveness. Even minor changes in presentation led to better engagement and adherence to guidelines. Consequently, the Social Insurance Agency refined its notification formats and strategies, resulting in improved reception of and action on the information ⁽⁵⁰⁹⁾.

⁽⁵⁰³⁾ Information obtained through consultation with the National Institute of Social Security, Italy, September 2024.

⁽⁵⁰⁴⁾ Information obtained through consultation with the UWV, the Netherlands, September 2024.

⁽⁵⁰⁵⁾ Information obtained through consultation with the Liechtensteinische AHV-IV-FAK, Liechtenstein, September 2024.

⁽⁵⁰⁶⁾ Information obtained through consultation with the National Agency for Employment, Romania, September 2024.

⁽⁵⁰⁷⁾ Ibid.

⁽⁵⁰⁸⁾ Information obtained through consultation with the Social Insurance Bank, the Netherlands, September 2024.

⁽⁵⁰⁹⁾ Information obtained through consultation with the Social Insurance Agency, Slovakia, August 2024.

In Poland, ZUS actively engages in research projects and European initiatives aimed at improving social services for migrants and addressing cross-border errors and abuses. It collaborates with academic institutions and is involved in the ESSPASS project, utilising blockchain technology to enhance the verification of PDs A1. Furthermore, ZUS experts contribute to various European forums and initiatives, such as the European Social Insurance Platform, focusing on preventing the falsification of PDs A1, teleworking solutions and error reduction through the H5NCP network⁵¹⁰ and various ELA initiatives.

Source: Authors' summary based on interview information and a literature review.

Overall, simplifying access to information and implementing highly targeted and innovative awareness-raising measures have been recognised as effective practices, although their precise impact has yet to be quantified.

The most relevant types of (missing) information to provide to prevent fraud and error

To effectively prevent fraud and error within social security coordination, the provision of clear, comprehensive and regularly updated information is essential. The most relevant types of missing information identified through the country research include clear and updated guidance on social security coordination processes; tailored information on specific topics of social security coordination (e.g. telework and platform work); detailed information on the consequences of fraud and error, including criminal and administrative penalties for such offences; and comprehensive large-scale awareness-raising campaigns, including information campaigns that integrate wider policy initiatives, for example broader anti-fraud strategies.

To address these gaps and ensure that clear and comprehensive information is provided to help prevent fraud and error within social security coordination, several recommendations were highlighted through the country research, as follows.

- The provision of detailed information on the consequences of fraud and error on official websites of each country, including a detailed description of the criminal and administrative penalties for such offences. Providing information on the legal and financial consequences of fraud could serve as a deterrent, preventing fraud and error.
- The provision of clear and up-to-date guidance. Regularly updated information on social security coordination processes is crucial for citizens and companies. For example, research in Croatia highlighted the importance of explicit instructions and tools that provide real-time access to personal social security information and benefit status. Such tools help users stay informed about their rights and obligations, reducing errors caused by outdated or unclear information.
- The provision of tailored information on specific topics. Certain areas of social security coordination, such as telework and platform work, require specialised guidance to reduce misunderstanding and non-compliance. Research undertaken in this study shows the importance of clear explanations in these emerging areas of work, as they present new challenges for workers and employers navigating social security coordination rules (⁵¹¹). For example, web pages dedicated to explaining the multilateral framework agreement for habitual cross-border teleworking (such as in Italy) offer citizens a clear and accessible overview of the rules governing specific situations. Initiatives like this stand out as a

(⁵¹⁰) The network of National Contact Points (NCPs) constituted under Decision H5 of the Administrative Commission for Social Security Systems.

(⁵¹¹) Information obtained through consultation with, among others, the National Institute of Social Security, Italy, September 2024, and Kela, Finland, September 2024.

promising practice to promote transparency and understanding of complex issues in social security coordination.

- The provision of comprehensive awareness-raising campaigns at both the national and European levels. ELA is currently preparing its first campaign on social security coordination, to take place in 2025–2026. The aim of this campaign is to raise the awareness of citizens and employers about social security rights and the obligations of those engaged in (labour) mobility within the EU and Iceland, Liechtenstein, Norway and Switzerland. This will be a general campaign that will cover the main principles and mechanisms of social security coordination and retaining the rights or benefits of EU movers. Research undertaken in several countries, including Greece and Cyprus, has highlighted the need for large-scale, structured information campaigns. These campaigns should follow a clear and user-friendly approach and focus on the need to introduce citizens to the theoretical framework of social security coordination, the dynamics of fraud and error, and the roles of the institutions involved ⁽⁵¹²⁾. Such large-scale, unified campaigns, as suggested by stakeholders in Ireland, could be beneficial at the European level, offering centralised information across all Member States. While significant progress has been made in this regard, notably through the Your Europe portal, it remains essential to continue enhancing the availability of centralised, European-level information in all 24 official languages ⁽⁵¹³⁾.
- Integrating information campaigns with wider policy initiatives. In Spain, authorities recommend integrating information campaigns with broader anti-fraud strategies to enhance their effectiveness ⁽⁵¹⁴⁾. Campaigns that simply inform citizens and companies about compliance requirements without follow-up actions may not be enough. Embedding awareness-raising initiatives into wider policy efforts could ensure that social security coordination rules are not only communicated but also actively enforced and monitored.

⁽⁵¹²⁾ Information obtained through consultation with the Department of Social Protection, Child Benefit Section, Ireland, September 2024.

⁽⁵¹³⁾ Information obtained through consultation with the Department of Social Protection, Child Benefit Section, Ireland, September 2024.

⁽⁵¹⁴⁾ Information obtained through consultation with the State Public Employment Service, Spain, August 2024.