ESIP Position

Proposal for a Regulation on digitalising the coordination of social security systems, laying down a framework for the European Social Security Pass (ESSPASS)

European Social Insurance Platform (ESIP)

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About the European Social Insurance Platform (ESIP)

The European Social Insurance Platform (ESIP) represents 46 national statutory social insurance organisations in 19 EU Member States and Switzerland. ESIP supports its members in the implementation of the EU social security coordination framework and aims to ensure that people in cross-border situations can effectively exercise their social security rights. ESIP members are responsible for the issuance and verification of social security documents covered by ESSPASS and the exchange of information through EESSI. Therefore, they will be directly responsible for the implementation of the initiative. ESIP members support this position insofar as the subject matter falls within their respective fields of competence and aim to contribute their operational expertise constructively.

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ESIP welcomes the European Commission's initiative to further advance the digitalisation of the coordination of social security systems. In particular, ESSPASS has the potential to simplify cross-border administrative procedures for individuals and businesses, to enhance the security of social security documents and to help prevent fraud. ESIP considers that, in this context, digitalisation should be pursued as a means to improve EU social security coordination and supports this initiative where it brings demonstrable added value.

1. **Personal and material scope –** Article 2

The personal scope of the Regulation should be consistent with the EU social security coordination framework and Regulation (EU) No 1231/2010. There is no clear justification to exclude legally residing third-country nationals in cross-border situations from the scope of the Regulation. The exclusion would create an additional distinction in the implementation of the coordination framework, making existing procedures more complex for institutions, reducing the scope for automation and increasing implementation costs. Therefore, this group should be clearly included in the scope of the Regulation and Regulation (EU) No 1231/2010 should be amended accordingly.

Special non-contributory cash benefits should also be clearly included in the material scope of the Regulation.

2. **Clarity and coherence –** Article 3

The definitions and terminology used in the Regulation should be consistent with Regulations (EC) No 883/2004 and No 987/2009 and, where relevant, with other applicable Union digital frameworks. **Where equivalent concepts already exist in Union legislation, their correspondence with the ESSPASS terminology should be clearly defined to avoid ambiguity and ensure legal certainty. The purpose of using intentional different terminology should be clarified.**

3. **Adequate and predictable EU financial support** – New provision

The implementation of the new legal framework will require significant investment from social security institutions. Given the Union-wide nature of the initiative and its contribution to EU competitiveness, its implementation should be accompanied by adequate, predictable and timely EU financial support for implementing institutions.

To ensure consistent and timely implementation across Member States, EU financing should not depend exclusively on the prioritisation of the initiative within national funding programmes or partnership plans.

The impact analysis should cover both the EU and national components. Financial support should take into account the full costs of implementation, including adaptations to national systems and interfaces, issuance and verification solutions, connections to the EUDI Wallet framework, and related maintenance and operational costs. The potentially significant costs arising from the large number of healthcare providers and other decentralised verifiers should also be properly reflected in the analysis.

The Regulation should ensure that, before the relevant obligations become applicable, the Commission provides clear information on the EU financial support available, including eligibility criteria, funding or co-financing arrangements, application procedures and relevant timelines. This information should be made available sufficiently in advance to allow implementing institutions to access financial support in good time, and to plan, budget for and procure the necessary adaptations accordingly.

Chapter I: ESSPASS

4. **Application timeline of ESSPASS** – Article 5(1)

The adaptation of national systems cannot be planned and implemented before the relevant technical and functional specifications for incorporating each portable document into the ESSPASS framework are known. **The application of Chapter I to PD A1, EHIC and other portable documents should, therefore, be linked to the entry into force of the relevant implementing acts, rather than to the entry into force of the Regulation.**

Social security institutions need sufficient time to secure budgetary resources, procure external support where necessary, allocate specialised staff, adapt internal procedures and carry out adequate testing before new systems become operational. For this reason, **ESIP considers that an implementation period of <u>at least 24 months and up to 36 months</u>, following the availability of the relevant technical specifications should be foreseen for PD A1. For the EHIC and other social security documents explicitly included in the scope, ESIP supports an implementation period of <u>at least 36 months</u>.**

5. **Extension mechanism for the application timeline of ESSPASS** – New provision

The implementation of ESSPASS should not be considered in isolation, as it will overlap with other major changes to the social security coordination framework. Social security institutions are currently preparing for the implementation of the revised Regulations (EC) No 883/2004 and No 987/2009 and a further revision of these Regulations has been announced for 2027. These developments already require the allocation of substantial technical, financial

and human resources, and may affect the capacity of institutions to implement ESSPASS within the proposed timeline. This should be reflected in a realistic implementation roadmap.

ESIP therefore calls for the Regulation to include a mechanism allowing the ESSPASS application deadlines to be extended, particularly due to overlapping legislative reforms, or where important technical specifications, infrastructure or Union-level components are significantly delayed. A relevant precedent in this regard is Article 95 of Regulation (EC) No 987/2009, which allowed the Administrative Commission to extend transitional periods where the delivery of the technical infrastructure necessary for EESSI was significantly delayed.

6. Determination of the social security documents to which ESSPASS will apply – Article 5(2)(3)

ESIP supports a progressive and needs-based evolution of ESSPASS. Beyond the PD A1 and the EHIC, the framework should apply only to social security documents included in a positive list adopted by the Commission with the direct involvement of social security institutions, and after an in-depth impact assessment for each portable document. This approach provides greater legal certainty and allows institutions to plan the necessary technical, organisational and financial adjustments on the basis of a clearly defined scope.

The assessment referred to in Article 5(3) should consider **the cross-border relevance of the document concerned and the practical need for third-party verification** in addition to its operational relevance and fraud-prevention potential. The assessment should also consider **the technical, organisational and administrative feasibility for implementing institutions**, including the readiness and maturity of the national systems concerned. It should also consider whether the relevant information is already exchanged effectively through the EESSI system, including EESSI's envisaged adjustments.

The cost-benefit analysis should reflect the different national organisational arrangements. In particular, the assessment should take into account differences in the number and organisational structure of issuing institutions, authentic sources and verifiers across Member States. The analysis should cover one-off investment costs and recurrent operational and maintenance costs, as well as expected savings and efficiency gains.

7. Clear implementation roadmap – Article 7(10)

The precise scope of ESSPASS interoperability is not clearly defined in the Regulation. For implementing institutions, this information is necessary to determine which national systems need to be adapted, in what sequence, and what technical, organisational and financial resources will be required. **ESIP therefore calls for the Commission to make available an**

implementation roadmap, based on the framework described below, sufficiently early in the preparation of the relevant implementing acts. The roadmap should be developed in close cooperation with social security institutions responsible for implementation.

ESIP recognises that the ESSPASS architecture builds upon established European frameworks, in particular the eIDAS framework, the European Digital Identity Wallet and electronic attestations of attributes, together with the EU social security coordination framework. The implementation roadmap should, therefore, focus on the ESSPASS-specific adaptations, components, interfaces, operational responsibilities and dependencies that are not already defined by these frameworks. It should clearly distinguish between existing European infrastructure, reusable components and additional social security-specific requirements.

Interoperability with EESSI and other Union initiatives should be defined on the basis of clearly identified business needs, avoiding unnecessary duplication of existing systems and infrastructures. The roadmap should also clarify the respective roles of ESSPASS, EESSI, IMI, the EUDI Wallet and other relevant EU initiatives, including the European Business Wallet, the European Health Data Space and the Once-Only Technical System.

8. **Deadlines for issuing social security documents** – Article 8

ESIP supports the objective of ensuring the timely issuance of social security documents. However, **any maximum issuing deadlines should reflect the complexity of the underlying procedures and the information necessary to determine the applicable legislation or entitlement under the coordination Regulations.**

Any agreement in this regard should take account of situations where additional information or supporting documents are required, another institution must be consulted, further verification or investigation is necessary, there are grounds to suspect fraud or error, or objective technical constraints prevent timely issuance.

Before deadlines are established or amended in any form, their practical feasibility and the criteria for determining when a request is considered complete should be assessed with the involvement of the institutions responsible for the relevant procedures.

ESIP supports a maximum period of two working days for the electronic issuance of the EHIC. The deadline should start only once entitlement has been established in accordance with Regulation (EC) No 883/2004 and the necessary information is available. The deadline should be suspended, or an appropriate exception should apply, where additional verification is required or objective technical constraints prevent compliance.

9. **European Health Insurance Card** – Article 9

The obligation to ensure that healthcare providers can electronically transmit EHIC and reimbursement data should be clearly delimited. It should apply to healthcare providers involved in the provision of benefits in kind under Article 19 of Regulation (EC) No 883/2004 and Article 25 of Regulation (EC) No 987/2009. The obligation should not automatically require additional categories of providers to connect to new infrastructure.

Furthermore, electronic verification of the EHIC must respect the legal effects and reimbursement protections established under the social security coordination framework, including Decision No S1. A change in entitlement status or subsequent revocation must not automatically remove reimbursement protections for healthcare provided during the EHIC's legally stated validity period. The verification framework should distinguish document authenticity, integrity and validity from current entitlement status and should ensure appropriate treatment of situations where electronic verification services are unavailable.

Particular attention should also be paid to the transitional period, during which several valid forms of proof of entitlement may coexist. Healthcare providers need sufficient time, clear guidance and appropriate technical arrangements to recognise and process these different formats. Transitional arrangements should be kept as simple as possible and coordinated with the existing rules governing the EHIC, including Decisions No S1 and No S2. The coexistence of multiple EHIC formats should not increase complexity or create additional opportunities for fraud.

To allow for a smooth transition, ESIP also considers that the proposed five-year timeframe for the gradual replacement of EHICs already in circulation should start from the date on which the issuance of ESSPASS-compliant EHICs becomes mandatory.

Finally, the provisions on the processing of personal data should cover all processing operations necessary for the EHIC reimbursement procedure. Institutions of the place of stay and liaison bodies should be expressly covered where they process data for the settlement and reimbursement of healthcare costs in accordance with Regulation (EC) No 987/2009.

10. **PD A1** – Articles 6, 7 and 10

Transmission of the PD A1 to workers in cross-border situations and subsequent communications – Recital 14

ESIP supports the objective of improving workers' awareness of their social security position. To ensure the effective implementation of this objective, however, further clarification in the Regulation is necessary regarding how workers' direct access to the PD A1 is intended to be ensured, particularly in cases where the worker does not use an EUDI Wallet.

ESIP considers that an equivalent, secure non-digital alternative for citizens who do not use digital tools should continue to be guaranteed.

In this context, the respective responsibilities of the competent institution and the employer should be further clarified. Likewise, more clarity is needed regarding the communication of subsequent changes and the revocation of social security documents referred to in Article 7(5) of the proposal.

The impact on existing national communication channels should be minimal. Any new transmission obligation should be assessed in terms of its operational and technical implications and should remain consistent with the social security coordination Regulations and national legislation.

Secure holding and presentation of PD A1 credential

For wallet-based PD A1 attestations, the implementation framework should ensure secure credential possession and presentation in accordance with the EUDI Wallet framework, including appropriate mechanisms to prevent unauthorised copying and transfer. The framework must distinguish proof of credential possession from proof of identity and legal representation. Where employers or authorised representatives act on behalf of workers, the relevant representation arrangements must be supported without undermining the worker's rights or control over their personal data. For enhanced documents, identification of the presenter should continue to rely on appropriate traditional identification procedures where required.

Minimum common set of information requirements for PD A1 request

ESIP supports the establishment of a **minimum** set of common information requirements for requesting the PD A1. This minimum set should reflect the information necessary to determine the applicable legislation across the different situations in which a PD A1 may be issued under the coordination Regulations, while respecting differences in national legal and administrative procedures.

Efforts to reduce administrative burden should not compromise the correct determination of the applicable legislation or the effective prevention of fraud and error.

The Regulation should explicitly provide that the common requirements do not affect the ability of competent institutions to request additional information where necessary to determine the applicable legislation in an individual case.

The minimum common set of information requirements should be developed after a thorough analysis of the revised coordination Regulations. In this regard, the relationship between this provision and the new Article 88b of Regulation (EC) No 883/2004, which empowers the Commission to adopt implementing acts specifying the elements to be verified before issuing, withdrawing or rectifying a PD A1, should be clarified.

Interoperability between national portals used to request the PD A1 and the e-Declaration for posted workers

ESIP supports exploring interoperability between the two procedures where there is evidence that this can reduce administrative burden. **The establishment of a common technical framework should remain a possibility rather than an obligation** and should be subject to a prior comprehensive assessment of its legal, technical and operational feasibility, and a cost-benefit analysis of its expected added value for users and institutions. Competent social security institutions should be closely involved in this assessment.

It should be emphasised that the PD A1 and the posting declaration serve different purposes, are governed by different legal frameworks and involve different authorities in different Member States. Any interoperability between the two procedures must preserve the autonomy of the institutions responsible for the respective decisions and must not jeopardise the smooth functioning of established PD A1 procedures. **Data reuse should be limited to data elements legally required in both procedures and should not affect their respective legal requirements, information needs or decision-making responsibilities.**

Chapter II: Exchanges between institutions

11. Maximum time periods for exchanges of data via EESSI – Article 11

ESIP supports the objective of faster and more efficient cross-border cooperation. However, **the proposed targets appear overly ambitious given current operational realities and case volumes, including in institutions where a significant degree of automation is already in place.**

Before any maximum time periods are agreed, their feasibility should be assessed on the basis of the practical experience of the social security institutions responsible for the relevant business processes. Their eventual application should be phased, taking into account the complexity of the different sectors, as well as the operational readiness of the institutions concerned.

Any agreement in this regard should take into account the work carried out by the Administrative Commission's sectoral ad hoc groups. Due consideration should also be given

to situations where further information or verification is required, where the response depends on information or consultation involving another institution, or where objective technical constraints prevent a response within the prescribed period.

12. Future development of EESSI – Article 11(5)

From ESIP's perspective, the scope and limits of the Commission's implementing powers regarding the functional and technical specifications of EESSI should be further defined in the Regulation. While the Regulation should not prescribe every functional, organisational and technical detail, the basic act should clearly establish the essential rights, obligations, responsibilities and governance principles.

ESSPASS should not, however, introduce parallel institutional exchange mechanisms where existing EESSI processes can fulfil the relevant business requirements. At the same time, the verification of social security documents by third parties must be distinguished from exchanges between competent institutions through EESSI.

ESIP supports the continued development of EESSI where there is a demonstrated operational need and a clear legal basis. New business use cases, common data models and other significant technical developments should be subject to appropriate consultation and assessment, with the close involvement of the social security institutions responsible for implementing and operating EESSI. Future developments should build on the existing technical and operational foundations of the system and preserve the expertise developed within the relevant EESSI expert groups of the Administrative Commission.

The Administrative Commission should retain its role in the interpretation and practical application of Regulations (EC) No 883/2004 and No 987/2009. Where new business use cases, common data models or technical specifications have implications for the interpretation of the coordination Regulations, the Administrative Commission should be involved in their development and validation.

13. Exchanges of information outside EESSI – Article 12

ESIP recognises that exchanges of information outside EESSI are useful in specific cases for cost-efficiency reasons, or where the purpose of the exchange cannot reasonably or effectively be achieved through EESSI (e.g. in the case of bulk data exchanges). However, ESIP considers that the EESSI framework should remain, by default, the main channel for electronic exchanges between competent social security institutions.

Before a different channel is established, the specific operational need of the envisaged exchange and the capabilities and limitations of EESSI should be analysed and included in a

proper impact assessment. Their use should be necessary and proportionate to specified purposes and subject to an assessment of the legal, technical and operational implications for social security institutions.

Existing national or bilateral arrangements that are effective, secure and serve a legitimate operational need must still be possible under any new framework.

Chapter III: Governance and data processing

14. Digitalisation Group – Article 13

The new governance framework should ensure the direct involvement of the social security institutions responsible for implementing and operating ESSPASS and EESSI. The Digitalisation Group should combine policy, technical and operational knowledge, while preserving the expertise developed within the Technical Commission and the existing ad hoc expert groups. The Regulation should ensure regular and structured cooperation between the Digitalisation Group and the Administrative Commission.

The transition to the new governance structure should be carefully assessed. The existing governance arrangements should remain in place at least until the implementation of the revised coordination Regulations is sufficiently advanced to ensure a smooth transition without disrupting ongoing work processes or losing relevant expertise.

15. Monitoring and reporting – Article 14

ESIP considers that reporting on compliance with the deadlines for issuing social security documents and the maximum time periods for EESSI exchanges should take place annually rather than quarterly. More frequent reporting would significantly increase the operational workload of institutions without necessarily improving the quality of monitoring.

Reporting should rely primarily on automated data collection and transmission, using information already available through EESSI and other existing systems. Additional data collection or reporting obligations should be limited to information that cannot already be obtained reliably through existing sources.

The reporting requirements, including their format, structure and content, should be defined clearly and sufficiently in advance to allow institutions to make any necessary technical adaptations. **An appropriate transitional period should therefore be included in the Regulation.**

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