



EC COM(2010) 794 – PROPOSAL TO AMEND REG 883/2004

SUMMARY

02 December 2011, 3131st Council Meeting (Ref 17943/1/11 REV 1) – PRESS RELEASE

Coordination of social security systems

The Council agreed, by qualified majority, on a general approach on amendments to the coordination of social security systems regulations 883/2004 and 987/2009 (17421/11+ADD1), thus paving the way to seek an agreement at first reading with the European Parliament.

Council of the European Union Report (17421/11), 25 November 2011:

- Based on the report submitted by the European Commission on 20 December 2010 to update Regulations (EC) No 883/2004 ('the basic Regulation') and EC No 987/2009 ('the implementing Regulation') to "*reflect changes in Member States' national security legislations and to keep track with developments in social reality that affect the coordination of social security systems*".

Addendum: Draft Regulation amending Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 (Text with relevance for EEA and Switzerland):

Annex X and XI to Regulation (EC) No 883/2004 are amended as follows:

1. Annex X is amended as follows:

(a) In section "NETHERLANDS" point (a) is replaced by the following:

"(a) Work and Employment Support for Disabled Young Persons Act of 24 April 1997 (Wet Wajong)";

(b) In section "UNITED KINGDOM";

(i) Point (c) is deleted;

(ii) The following point (e) is added:

"(e) Employment and Support Allowance Income-related (Welfare Reform Act 2007 and Welfare Reform Act (Northern Ireland) 2007)."

Commission Proposal COM (2010) 794, 20 December 2010

Rationale for the amendments to Annex X of Regulation (EC) No 883/2004

Re. The United Kingdom

The prime objective of the ESA (IR) is to guarantee a minimum subsistence income having regard to the economic and social situation in the UK. Income-related ESA is available where a person's contribution record or financial situation is such that no, or inadequate, contributory Employment and Support Allowance is payable.

ESA (IR) was considered by the Administrative Commission to be a special non-contributory cash benefit in the sense of Article 70 of Regulation (EC) No 883/2004 that could be listed in Annex X to Regulation (EC) No 883/2004.

Also in the "UNITED KINGDOM" section, the Income Support will be deleted from the Annex. The creation of the new means-tested benefits (Jobseeker's Allowance, Employment and Support Allowance and State Pension Credit) for specific risk categories has as effect that the Income support has become a limited subsistence benefit, payable to people with no, or a very low, income. As social assistance is excluded from the scope of Regulation (EC) No 883/2004, the Income Support is to be delisted.

Re. The Netherlands:

Like the former Act, the income support provided by the new Act is offered to young disabled persons who, as a result of their disability, have a limited capacity to work and whose income falls below the statutory minimum wage. The young disabled persons who fulfil certain conditions can receive income support, to supplement their income up to the level of the statutory minimum wage, if the income that they receive out of work is below 75% of the statutory minimum wage. The income protection can also be afforded to young handicapped persons who are studying and need financial support as well as to the young people who cannot work at all, i.e. those who are completely and permanently unable to work.

This new entry by the Netherlands was examined by the Administrative Commission and the income support was considered to be a special non-contributory cash benefit within the meaning of Article 70 of Regulation (EC) No 883/2004.