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P-002220/2022

Answer given by Mr Gentiloni
on behalf of the European Commission
(11.8.2022)

1. The Commission is aware of the potential tax and social security repercussions in cases of cross-border teleworking. During the COVID-19 pandemic, the Administrative Commission¹ for the coordination of social security systems issued some guideline which, in particular, allowed the “freeze” of the applicable legislation rules until the end of June 2022. At the meeting of the Administrative Commission in June 2022, the social security authorities have agreed on a new guidance setting out the appropriate interpretation of the EU social security provisions relevant to telework². The national institutions will have until 31 December 2022 to assess the workers’ situations pursuant to that interpretation and, during that period, there might not be any change in the legislation applicable to cross-border workers.

The Commission is further working with Member States and stakeholders³ to find long term solutions for the issue.

2. The Organisation for Economic Co-operation and Development (OECD) plays a crucial role in the taxation of cross-border teleworkers since solutions are usually based on provisions provided by the OECD-Model Taxation Convention. However, the framework applicable to cross-border teleworkers within the EU and between OECD Member countries are not congruent and may justify actions different from those at the level of the OECD. That is why the Commission is in contact at technical level with the OECD in view of a possible coordination.

¹ The Administrative Commission for the coordination of social security systems comprises a representative of the government from each EU country and a representative of the Commission. It is set up in accordance with Articles 71 and 72 of Regulation 883/2004 on the coordination of social security systems.

² Administrative Commission for the Coordination of Social Security Systems: Guidance Note on telework (AC 125/22REV2) from 14 May 2022, revised on 7 and 14 June 2022, <https://ec.europa.eu/social/BlobServlet?docId=25818&langId=en>

³ See for example the Commission working paper for the meeting of the Platform for Tax Good Governance of 7 October 2021, https://ec.europa.eu/taxation_customs/platform-tax-good-governance_en