

Europe: Business Travel Requires a Social Security Certificate

 [shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/global-europe-social-security-certificate.aspx](https://www.shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/global-europe-social-security-certificate.aspx)

By Dagmar Lessnau and Jan-Ove Becker June 4, 2019

German and other European employers must ensure that employees who are traveling to another European Economic Area (EEA) state or Switzerland for business-related reasons carry a social security certificate called an A1 certificate.

Effective Jan. 1, employers must apply for these certificates electronically. Authorities have started auditing companies for compliance. This article highlights A1 certificate requirements for German employees working abroad in the EEA or Switzerland, although the same requirements apply to other European employers.

What Is an A1 Certificate?

In principle, all employees are subject to the social security regulations of the country in which they work. However, a German employee working in another EEA state or Switzerland temporarily remains subject to the German social security regulations if he or she is working abroad for—in general—no longer than 24 months.

To prove to foreign authorities that the employee remains subject to German social security regulations while working abroad in another EEA state or Switzerland, the employer must apply for an A1 certificate. On that certificate, the competent authority must certify that the worker is still subject to German regulations instead of the social security regulations of the state in which the employee is working. This procedure helps to avoid mistakes in social security handling.

The obligation to apply for an A1 certificate has existed for years. But authorities did not widely audit companies for compliance and limited any checks to traditionally low-wage sectors, such as construction. Recently, authorities across Europe started to enforce the A1 certificate requirement and extended their audits to other sectors.

Employers must apply for an A1 certificate electronically through, for example, a payroll program or websites provided by authorities. Which authority issues the certificate depends on the health insurance and pension scheme that each employee has taken out. In most cases, it will be the health insurance program.

Paper applications will be allowed for a transition period until June 30, but only in exceptional cases. Employees who work abroad regularly (at least one day each month or at least five days each calendar quarter) may still apply for a permanent paper certificate.

Are A1 Certificates Required for Short Business Trips?

Employers must apply for a certificate even for short business trips of only a few hours, and they must apply separately for each trip. Only employees who regularly work in multiple states may request a permanent certificate in paper form, rather than electronic. All employees must carry their certificates with them during business trips abroad and have them ready to present should authorities ask to see them.

What Are the Risks for Noncompliance?

In the past, many employers have not applied for A1 certificates, particularly for short-term business trips. However, the authorities in a number of EEA states have increased inspections over the past weeks and months, especially for trips to France. If an employee travels without a certificate, authorities can impose fines of up to 10,000 euros (approximately US\$11,167). In practice, however, fines are usually not imposed if the employer can prove that it applied for a certificate before or on the same day the worker's business trip started.

Compliance Steps

All employers in Germany and other European countries should take steps to comply with the A1 electronic application procedure and ensure that their payroll program includes the electronic application function.

Employers should identify which employees should hold a permanent A1 certificate, as opposed to those who should hold a normal A1 certificate. The permanent A1 certificates are appropriate for those employees working abroad regularly; that way they avoid having to apply for a certificate on every single business trip. The normal A1 certificates are appropriate for employees temporarily posted to another EEA state or Switzerland.

Because it is not very practical to apply for an A1 certificate before each employee's business trip abroad, especially for those on short notice, the risk of noncompliance may seem high. But authorities may produce an A1 certificate retroactively without a time limit. Penalties for failing to carry a certificate for a short business trip would appear to be unreasonable, given that a proper A1 certificate can be presented retroactively.

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