

#### The Posting of Workers directives and the latest developments

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#### Figures 2022

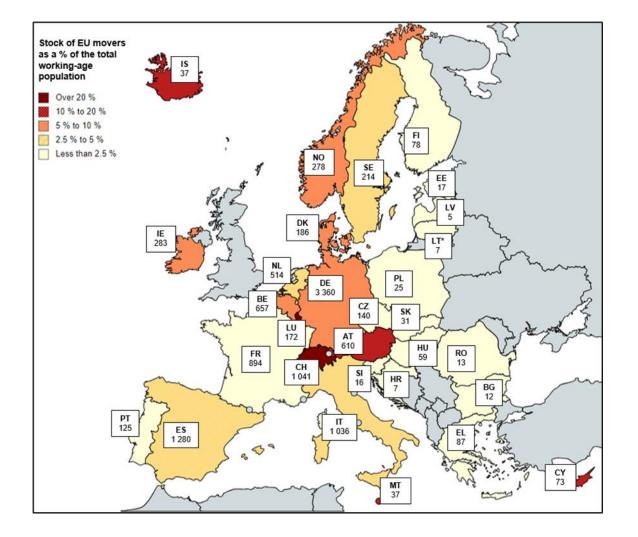
- ~ 14 million movers (all ages)
- ~ 10 million working age movers
- 3.8 % of EU working age population
- Stagnation of working age movers

~ 17 million TCN (working age)

- 4.6 million postings (+27%)
- 1.8 million cross-border workers (+8%)
- 859 000 movers (+7%)
- 676 000 returnees (+3%)



#### **Key Destinations**



### Facts

- LU: 73% non-locals
- *RO: origin of 2 million movers*
- *IT:* ~80% of movers in Italy are RO citizens

## Thinking about mobility

- 58% think labour mobility is good for the labour market and good for European integration – in 2009 only 50% thought it was good for the labour market
- Citizens in Austria (34%) and Greece (45%) are least convinced that labour mobility is good for the labour market
- Citizens in Portugal (81%), Lithuania (79%) and Ireland (76%) are most convinced of its positive effects, in Spain 72%
- Denmark (65%), Finland (72%) and Sweden (66%) see mobility quite positive.





#### EU Legal framework





### Directive 96/71/EC - scope

- Applies to undertakings established in a Member State that in the framework of the transnational provision of services post workers through:
  - a contract of services between two parties
  - intra-corporate transfer
  - temporary agencies
- Cross border element: applies to workers that "for a limited period" carry their work in another MS
- Employment contract throughout the period of posting (i.e not self-employed)
- Not applicable to undertakings established in 3rd countries (with the exception of non-favourable treatment) and to self-employed



#### Provision of service

- No definition in the Posting Directive

- Art 57 TFEU, Art 4 of the Services Directive (2006/123/EC) and ECJ case law\* clarify that "a service is an economic activity normally provided for a remuneration" (not necessarily paid by the people that profit from it and without necessarily aiming for profit)"

\*C-352/85 Bond van Adverteerders and Others [1988] ECR 2085, paragraph 16 and C-157/99 Smits and Peerbooms [2001] ECR I-5473, paragraphs 50 and 52



## Notion of "undertaking"

- no definition in the Posting Directive

- Case Law, where the ECJ consistently has considered that: "The concept of an undertaking covers any entity engaged in an economic activity, irrespective of its legal status and the way in which it is financed"

(see, inter alia, Case C-41/90 Höfner and Elser [1991] ECR I-1979, paragraph 21, and Case C-280/06 ETI and Others [2007] ECR I-10893, paragraph 38)

- "It is clear from established case-law that any activity consisting in offering goods and services on a given market is an economic activity" (see, inter alia, Case C-218/00 Cisal [2002] ECR I-691, paragraph 23)



# Enforcement Directive on Posting of Workers 2014/67

Improved access to information Improved administrative cooperation Common framework of administrative and control measures



## Before posting 1

- Administrative measures according to host MS:
  - Posting declaration to the national competent authority (at the latest at the commencement of the service provision) including:
    - the identity of the service provider
    - the anticipated number of clearly identifiable posted workers
    - the person of liaison and the contact person;
    - the anticipated duration, envisaged beginning and end date of the posting;
    - the address(es) of the workplace; and
- and the nature of the services justifying the posting.



## Before posting 2

• An obligation to designate a person to liaise with the competent authorities in the host Member State;

 An obligation to designate a contact person who can act as a representative through whom the relevant social partners may seek to engage the service provider to enter into collective bargaining within the host Member State.

 Host Member States are entitled to put in place other administrative requirements provided they are justified and proportionate



#### **Posting declarations**

- All 27 Member States used this possibility to implement a prior declaration tool for service providers.
- Most Member States have implemented an online/electronic declaration tool (with the exception of RO, HR, IE, CY)
- In 13 Member States some activities/sectors exempted from declaration obligation (for example)
- Belgium: workers attending meetings; specialised technicians for urgent maintenance or repair work on machines or equipment (not more than 5 daqys a month)



### Posting declarations (continued)

- Denmark: participatin in seminars and conferences, business trips; posting withing a group for up to eight days (not for construction work); supply of a technical facility or a technical installation (less than 8 days)
- Germany: declarations have to be made only in certain sectors and notifications according to the Minimum wage act are not required for employees whose pay exceeds a gross € 4,319 a month, or whose sustained regular monthly pay exceeds a gross € 2,879 provided that the employer can submit evidence of such payment for the past full twelve months
- Austria: cross-border work activities involving few hours for a brief period (business meetings) posting and hiring out of workers whithin one company group, earning beyond a defined pay limit, delivery of goods and follow-up <sub>15</sub>work, exception for assembly

## Single official national posting websites

- Visit single national official posting websites which can be accessed from the pages of Your Europe:
- https://europa.eu/youreurope/business/human-resources/postedworkers/posting-staff-abroad/index\_en.htm
- Choose: National contact points and websites Country



## During and after a posting

- Keep/make available copies of employment documents
- Deliver documents after the posting
- Provide a translation of the documents
- Host Member States are entitled to put in place other administrative requirements provided they are justified and proportionate



# Terms and conditions of employment of the host MS applicable to posted workers:

- provided by law or by universally applicable collective agreements or otherwise applicable in accordance with Article 3(8).
- Maximum conditions, MS are not allowed to apply any other conditon to postings until 12/18 months
- But, always more favourable condition of employment will be applied



## Terms and conditions of employment

- (a) maximum work periods and minimum rest periods;
- (b) minimum paid annual holidays;
- (c) remuneration, including overtime rates; this point does not apply to supplementary occupational retirement pension schemes;
- (d) the conditions of hiring-out of workers, in particular the supply of workers by temporary employment undertakings;
- (e) health, safety and hygiene at work;
- (f) protective measures with regard to the terms and conditions of employment of pregnant women or women who have recently given birth, of children and of young people;
- (g) equality of treatment between men and women and other provisions on non-discrimination.
- (h) the conditions of workers' accommodation where provided by the employer to workers away from their regular place of work

Commission

(i) allowances or reimbursement of expenditure to cover travel, board and lodging expenses for workers away from home for professional reasons.

#### Remuneration

> Remuneration is determined by the host MS national law and/or practice

- Remuneration covers overtime rates, holiday pay and all other constituent elements of remuneration rendered mandatory by national law.
- Comparison of the gross amount of remuneration, not individual elements
- For checks and controls different elements of pay should be identified
- Exception for international road transport sector minimum rates of pay



Allowances or reimbursement of expenditure to cover travel, board and lodging expenses for workers away from home for professional reasons

- Applied to posted workers:
  - In case they also exist for national workers
  - Include only allowances or expenditure within or from the MS where one is posted
    - To and from the place of work
    - Temporarily sent to another place of work
- Reimbursement of expenditures incurred on the account of initial posting from MS A to MS B according to the host MS rules are not included here



#### Posting for short term vs long term

- Directives apply to all postings, irrespective of their duration.
- Some provisions are not applicable to short term postings (8 days, assembly of goods)
- Host Member States can decide not to apply some provisions to short term (1 month) postings or in cases work done is not significant



## Long-term posting

- When the duration of posting <u>exceeds</u> 12 months (extensible to 18 months with motivated notification)
- Posted workers should be granted all the applicable terms and conditions of employment of the host Member State
- Except rules on conclusion and termination of the employment contract, including non-competition clauses and supplementary pensions schemes
- In case of replacement, the cumulated duration shall be counted



# Enforcement Directive (EU) 2014/67: latest developments

- In July 2021 the Commission initiated infringement proceedings against 24 Member States
- The Commission challenged issues related to workers' protection, administrative requirements and control measures, subcontracting liability and proportionality of sanctions



#### Posting of workers - eDeclaration

- Basis: Directive 2014/67/EU, Article 9(1)(a)
- COM Communication "Updating the 2020 New Industrial Strategy", 5.5.2021
  - The Commission will work with Member States to:
  - devise a common form for the declaration of the posting of workers,
  - in an electronic format,
  - on a voluntary basis.
- Working group of interested Member States (26)



#### The European Labour Authority

- Focus on the construction sector: specific attention to posting (2023)
- ELA will work towards being a fully operational agency by 2024, by further improving and delivering on its core tasks including:
- Implementation of the Posting 360 Program and Posting Forum, which covers the following areas:
  - Implementation of the Directives on posting of workers
  - Effective administrative requirements and control measures
  - Cooperation in the field of social security coordination
  - Digitalisation tools and opportunities
  - Posted Third Country Nationals
  - Data collection and streamlining of data



#### EUROPEAN LABOUR AUTHORITY



#### Useful documents

- Directive 96/71/EC: <a href="https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A31996L0071">https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A31996L0071</a>
- Directive 2018/957/EU: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018L0957">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018L0957</a>
- Consolidated text: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:01996L0071-20200730">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:01996L0071-20200730</a>
- Directive 2014/67/EU: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014L0067">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014L0067</a>
- Implementation report of the Enforcement Directive: <u>https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2019:426:FIN</u>
- Practical guide on posting: <u>http://ec.europa.eu/social/BlobServlet?docId=21472</u>
- Report on the transposition of Directive 2018/957: <u>https://ec.europa.eu/social/BlobServlet?docId=22913&langId=en</u>



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