

Brussels, 12 November 1997

## European Commission proposes extending social security regulation to third country nationals

*The European Commission has adopted a proposal for a Council of Ministers' regulation aimed at extending to third country nationals the provisions of Council Regulation 1408/71 on the application of social security schemes to employed people and their families moving within the European Union (EU). The great majority of the 13 million third country nationals legally residing and working in the EU have to date been excluded from the co-ordination mechanisms introduced by Regulation 1408/71<sup>1</sup>, aimed at safeguarding the social security rights of workers moving within the EU and to avoid any loss or duplication of social protection coverage. Based on the principles of non discrimination and equality of treatment, the proposed regulation, once adopted, will also achieve an important legal and administrative simplification, because the social security co-ordination between Member States for third country nationals is currently regulated by numerous bilateral and multilateral agreements, generating considerable legal confusion and heavy administrative costs.*

Padraig Flynn, European Commissioner with responsibility for Employment and Social Affairs, explained that, "the extension of Regulation 1408/71 to third country nationals is part of the Commission's long-standing policy to improve the legal status of third country nationals residing in the EU. It is no longer justifiable that a worker who contributes to and is covered by national social security arrangements should be completely excluded from the protection offered by the EU co-ordination system simply because he or she is not a EU national."

In this respect, the proposed regulation represents a further step towards the proper functioning of the Single Market (of which the free movement of people is a cornerstone) and, at the same time, an important contribution to the fight against racism and xenophobia, particularly significant in the framework of the European Year against Racism.

Third country nationals do not currently enjoy the right to free movement under EU law, and the proposal does not imply the granting of such a right. However, this extension will considerably strengthen the social protection of third country nationals when they obtain the right to work and reside in another Member State within the European Union, in particular by enabling them to preserve rights to which they are already entitled.

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<sup>1</sup> Based on Articles 51 and 235 of the EC Treaty, Regulation 1408/71 is designed to ensure, firstly, that people moving within the Community do not lose their social security rights (e.g. loss of coverage for health care; loss of contributions' records) and, secondly, that they do not become doubly liable for contributions.

## **Background**

Regulation (EEC) No 1408/71 of the Council of 14 June 1971 on the application of social security schemes to employed people and their families moving within the EU applies to employed EU citizens who are or have been subject to the legislation of one or more EU Member States. However, the regulation also safeguards the rights of their family members as well as their survivors, regardless of their nationality. Finally, after the entry into force of the European Economic Area (EEA) agreement, the same provisions apply to EEA Member State citizens. Basically, the protection afforded by Regulation 1408/71 extends to all workers - or former workers, such as pensioners - affiliated to a national social security system who move within the Community and find themselves facing difficulties in the matter of social security because of their move.

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