


Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	1996/0004(COD) Procedure lapsed or withdrawn
Social security: unemployed persons	
Subject 4.10.10 Social protection, social security	

Key players	
European Parliament	Former committee for opinion JURI Legal Affairs, Citizens' Rights 19/03/1996 PSE HLAVAC Elisabeth
Council of the European Union	

Key events			
09/01/1996	Additional information		Summary
10/01/1996	Legislative proposal published	COM(1995)0734	Summary
16/02/1996	Committee referral announced in Parliament, 1st reading		
22/01/1997	Vote in committee, 1st reading		Summary
22/01/1997	Committee report tabled for plenary, 1st reading	A4-0018/1997	
18/02/1997	Debate in Parliament		Summary
18/02/1997	Decision by Parliament, 1st reading	T4-0035/1997	Summary
18/04/1997	Modified legislative proposal published	COM(1997)0158	Summary
01/09/1999	Vote in committee, 1st reading		
01/09/1999	Committee report tabled for plenary confirming Parliament's position	A5-0006/1999	
16/09/1999	Decision by Parliament, 1st reading	T5-0012/1999	Summary
11/12/2001	End of procedure in Parliament		
11/12/2001	Additional information		Summary

Technical information

Procedure reference	1996/0004(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (after Amsterdam) EC 042; EC Treaty (after Amsterdam) EC 308
Stage reached in procedure	Procedure lapsed or withdrawn

Documentation gateway

Legislative proposal	COM(1995)0734 OJ C 068 06.03.1996, p. 0011	10/01/1996	EC	Summary
Economic and Social Committee: opinion, report	CES0883/1996 OJ C 295 07.10.1996, p. 0041	10/07/1996	ESC	Summary
Committee report tabled for plenary, 1st reading/single reading	A4-0018/1997 OJ C 055 24.02.1997, p. 0004	22/01/1997	EP	
Text adopted by Parliament, 1st reading/single reading	T4-0035/1997 OJ C 085 17.03.1997, p. 0019-0025	18/02/1997	EP	Summary
Modified legislative proposal	COM(1997)0158 OJ C 161 28.05.1997, p. 0005	18/04/1997	EC	Summary
Reconsultation	SEC(1999)0581	28/04/1999	EC	
Committee final report tabled for plenary, 1st reading/single reading	A5-0006/1999 OJ C 054 25.02.2000, p. 0010	01/09/1999	EP	
Text adopted by Parliament confirming position adopted at 1st reading	T5-0012/1999 OJ C 054 25.02.2000, p. 0055-0075	16/09/1999	EP	Summary

Additional information

European Commission	EUR-Lex
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Social security: unemployed persons

PREVIOUS COMMUNITY LEGISLATION: Regulation 1408/71/EEC its implementing Regulation 574/72/EEC down rules coordinating the different national social security schemes. This coordination system is designed to remove the adverse effects on social security coverage when employed and self-employed persons move within the Community. The system does not seek to harmonize the legislations on social protection in force in the Member States. Eight social security branches are covered by Regulation 1408/71/EEC and are listed in Article 4. Early retirement benefits fall outside the scope of the Regulation. As a result, if persons receiving early retirement benefits transfer their residence to another Member State they may have to forfeit their benefit. A right of exportation will exist only if the rules of the individual Member State provide the recipient of the early retirement benefit with such a right. If such a right does not exist under national law, the person receiving an early retirement benefit cannot move to another Member State, while maintaining his right to the benefit in question. PREVIOUS POSITION OF EP: In 1980 the Commission proposed (OJ C 189/80, p. 22) amendments similar to the present proposal. According to the 1980 proposal, which was never adopted by the Council, pre-retirement pensioners should be included under the scope of Regulation 1408/71/EEC. The EP generally approved the Commission's proposal in its Resolution of 19 December 1980 (OJ C 346/80, p. 103). The EP later repeated its view, that the right to export pensions should include persons who have taken early retirement and who change their country of residence, in EP Resolution of 13 September 1990, (Part III, point f), (OJ C 260/90, p. 167), EP Resolution of 8 July 1992, (OJ C 241/92, p. 51) which refers to the Resolution of 13 September 1990, and in EP Resolution of 13 June 1995, (OJ C 166/95, p. 24). SITUATION IN THE MEMBER STATES: Since the end of the 1970s, a number of early retirement schemes have been used in the Member States as a tool in the fight against unemployment.

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- OBJECTIVE: to amend Regulations (EEC) Nos 1408/71 and 574/72 on social security schemes for employed and self-employed persons and members of their families moving within the Community with a view to ensuring that such persons will retain their entitlement to unemployment benefits beyond the prescribed three-month period when they are in a Member State other than the country where they last

worked. The new provisions are designed to enable unemployed persons to seek work in another Member State without forfeiting their rights. - SUBSTANCE: the proposal for a Regulation in question permits unemployed persons, subject to certain conditions, to retain their entitlement to unemployment benefits when they seek work in a Member State other than the country in which they were last employed. This change will serve to: . improve the prospects for unemployed persons to find a job in another Member State, . meet the needs of unemployed persons who have to move to a new place of residence when their spouse changes jobs or wish to return to a Member State with which they have formed or retained special bonds. However, to limit abuses, the Regulation lays down specific provisions on administrative checks on unemployed persons and the amount and duration of benefits. - It is proposed that checks will be carried out by the institution of the Member State in which an unemployed person is seeking work, in accordance with the law of that State and in cooperation with the institutions responsible for payment of the benefits concerned; - It is likewise proposed that benefits will be paid by the State in which an unemployed person is seeking a job, on behalf of the State where he or she last worked. However, entitlement to unemployment benefits will not extend beyond the initial three months unless the total period in which the benefits are paid and the amount of benefit fall below the corresponding limits stipulated in the legislation of the Member State where the unemployed person is seeking a job or the State responsible for payment. It follows that persons will be entitled only to the lower amount specified in the legislation of the two Member States concerned, which will be payable for the shorter period. It is proposed that frontier workers should be given the option of applying to the employment services either in the State where they have worked or in the State on whose territory they live. They will accordingly be entitled to the unemployment benefits provided for in the legislation of the State in which they have reported to the employment services. An exception (ten-year transitional period) is to be granted to Luxembourg in order to allow for the specific nature of that country's labour market and its numerous frontier workers. ?

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Whilst the Committee feels that the proposals are a substantial improvement on the existing arrangements for paying out benefits, it also feels that unemployment benefit should be viewed in the context of a dynamic policy for job creation. Moreover, the proposal's strict limits on extension seriously hinder job-seeking. The calculations for extending entitlement and the arrangements for benefit payment are exaggeratedly complex. The Committee feels that these procedures will be costly and cumbersome. As regards the technical procedure for benefit refunds, there are already several bilateral agreements on reciprocity or renunciation which make it easier to process claims; these could be used as an alternative approach. Concerning the case of unemployed frontier workers, the proposals could lead to abuse from several claims being made simultaneously. The Committee does not endorse the exemption granted to Luxembourg. ?

Social security: unemployed persons

The committee (chairman: Stephen HUGHES (PSE, UK)) adopted the report by Mrs Ria OOMEN-RUIJTEN (PPE, NL) supporting the Commission's proposal to allow persons from one Member State seeking work to remain longer than three months in another Member State in order to look for a job without losing unemployment benefits. The committee felt that persons seeking work should also be allowed to undergo training in other Member States. Parliament agreed with the European Commission that the amount paid in benefits and the length of time for which they are paid should be limited to the minimum applicable in the two Member States in order to avoid job-seeking "tourism". ?

Social security: unemployed persons

The rapporteur confirmed her support for the Commission's proposal aimed at allowing the unemployed to search for a job in another Member State without losing their entitlement to unemployment benefits. Commissioner Flynn welcomed the positive attitude of Parliament which shared the Commission's opinion that unemployed persons should be able to spend more than three months in another Member State. He particularly endorsed the three amendments proposed by the rapporteur which provided for: extension of the scope to students, deletion of the exception for Belgium (in accordance with the Court of Justice's very narrow interpretation in the Spataro judgment of the previous June) and reduction to five years of the ten-year transitional period for Luxembourg. ?

Social security: unemployed persons

In adopting the report by Mrs Ria OOMEN-RUIJTEN (EPP, NL) Parliament approved this proposal for a regulation with the following amendments: - a wholly unemployed person who goes to another Member State in order to seek employment or undergo training must be able to retain his entitlement to benefits under the conditions laid down in Article 69 a and 69b of the regulation, - introduction of a derogation for Belgium: the unemployed person who returns to this country after having invoked the possibilities offered by this regulation shall not requalify for benefits until he has been employed in that country for at least three months, - restriction of the derogation granted to Luxembourg to five instead of ten years. ?

Social security: unemployed persons

In its amended proposal the Commission has taken over all of the amendments adopted by Parliament. The amendments in question seek to: - guarantee that unemployment benefits will continue to be paid to unemployed persons undergoing training in another Member State, provided that they would qualify for the same benefits if they completed the same form of training in their country of origin; - stipulate that if Luxembourg is the State responsible for a frontier worker's unemployment benefits, the transitional period for reimbursement of benefits by one institution concerned to another will be reduced to five years (instead of ten); - remove the exception made for Belgium in the light of the very restrictive interpretation on which the Court of Justice based its ruling handed down in the Spataro case on 13 June 1996 (Case C-170/95). ?

Social security: unemployed persons

The Directorates General or responsible departments have asked for this proposal to be withdrawn. The reasons are indicated as follows: A) for objective reasons (change of de facto situation, objectives already achieved by other means, etc) B) because the Commission has now adopted another approach : - the proposal is replaced implicitly, - a new proposal is in preparation, - no planned replacement.?