


Procedure file

Basic information		
INI - Own-initiative procedure	1997/2302(INI)	Procedure completed
Frontier workers: problems and solutions		
Subject 4.15.04 Workforce, occupational mobility, job conversion, working conditions		

Key players	
European Parliament	

Key events			
19/12/1997	Committee referral announced in Parliament		
28/04/1998	Vote in committee		Summary
27/04/1998	Committee report tabled for plenary	A4-0168/1998	
27/05/1998	Debate in Parliament		
28/05/1998	Decision by Parliament	T4-0322/1998	Summary
28/05/1998	End of procedure in Parliament		
22/06/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2302(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/4/09616

Documentation gateway					
Committee report tabled for plenary, single reading		A4-0168/1998 OJ C 167 01.06.1998, p. 0004	28/04/1998	EP	
Text adopted by Parliament, single reading		T4-0322/1998 OJ C 195 22.06.1998, p. 0014-0049	28/05/1998	EP	Summary

Frontier workers: problems and solutions

The Committee looked for solutions to the problems of 380.000 European frontier workers by adopting an own-initiative report by Anne VAN LANCKER (PES, B). According to the rapporteur, the biggest problems arise from discrepancies between Member States as regards legislation on social security and taxes. The Committee emphasized that frontier workers should pay their personal taxes and social security contributions in one and the same country. The Committee called for a European convention on the avoidance of double taxation within the Union. It urged the Commission to seek a fair Community solution to problems caused by interaction between tax and social security systems as they apply to migrant workers and frontier workers. The Committee gave its support to the idea of the introduction of a European impact assessment, a "Europe test". It means that Member States, when they amend their rules on social security or taxation, should test the proposals in advance for their impact on the situation of migrant and frontier workers. Community legislation, including European social agreements, should be tested for their cross-border effects as well. If a Member State implements changes to social or tax legislation that are disadvantageous to frontier workers, it should compensate their loss of income. The Committee stressed that national administrations should improve their cooperation in order to solve and prevent specific problems affecting frontier workers. It could be useful to establish national platforms bringing together labour market organizations and social and tax authorities to provide advice and services to frontier workers and to propose solutions to problems which emerge. ?

Frontier workers: problems and solutions

Adopting the report by Mrs Anne VAN LANCKER (PSE, B) on the situation of frontier workers in the European Union, the European Parliament urged the Council to approve the proposals to amend Regulation (EEC) No 1408/71 on early retirement and the extension of medical care and unemployment benefits as a matter of urgency and in line with the opinions of the European Parliament. While welcoming the Commission's proposals to extend the scope of application of this regulation to nationals from third countries and its intention to reform and simplify that regulation, it called on the Commission to make additional proposals on the transfer of social security rights in the context of rules governing career breaks, supplementary pensions and non-statutory social security schemes. It also called on the Commission to draft a memorandum on tax on non-residents and to submit a proposal for a directive on the equal treatment of non-residents in terms of taxation and called on the Member States, pending the adoption of such a directive, to bring their own tax legislation into line with the case law of the Court of Justice. The Commission was also urged to formulate a uniform definition of a frontier worker which applied both to taxation and to social security, thus abolishing the regional criterion. The European parliament called in particular for an evaluation of the effect of double taxation agreements between Member States and recommended a European convention on the avoidance of double taxation on income and capital within the European Union. It urged the Commission in this connection to seek a fair solution to problems caused by interaction between tax systems and social security systems as they applied to migrant workers and to frontier workers. It also called on the Commission to undertake research into the advantages and disadvantages of the country-of-residence principle, the country-of-employment principle, combinations of these and the option of choosing one or the other. A legislative proposal should be submitted on the basis of the research. It also called on the Commission to draft a directive on the introduction of a "Europe test", whereby Member States would be required to test in advance new legislation on social protection, medical expenses, taxation and employment law for their effects on migrant workers and frontier workers. European legislation - including European social agreements - would also need to be examined for their cross-border effects. In addition, provision needed to be made for financial compensation when a Member State makes amendments to social or tax legislation which put frontier workers at a disadvantage. The European Parliament also noted the need for greater cooperation between national administrations in order to solve and prevent specific problems affecting frontier workers. It therefore proposed the establishment of national platforms bringing together the two sides of industry and social security and tax administrations that can provide advisory and service facilities to frontier workers. Cross-border EURES (European Employment Service) partnerships should also be stepped up by improving services to migrant workers and frontier workers (creation of EUREST services: EUROpean Employment & Social Security & Taxes-Services). It called on the Commission in this context to provide new funding for the EURES network and for cross-border initiatives. It also called for new forms of cross-border cooperation such as Interreg or the Euregio care offices. Finally, Parliament called on the Commission to publish annual studies on the situation of frontier workers, including summaries of the legal situation, case law and problems in the different Member States. ?