



EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
D(2015)

Opinion

**Title: DG EMPL - Impact assessment on the revision of Regulation (EC) 883/2004 on the coordination of social security systems and its implementing Regulation (EC) 987/2009
(draft version of 15 October 2015)***

(A) Context

The EU provisions on social security coordination laid down in Regulations (EC) No 883/2004 and (EC) No 987/2009 aim to promote labour mobility by ensuring that the social security rights of persons moving across borders within the EU are protected. After the first period of application of these Regulations, the Commission is considering revising them in order to address areas where challenges have emerged. This impact assessment assesses how to facilitate the granting of mobile EU citizens' rights regarding social security while ensuring legal clarity, a fair and equitable distribution of financial burden among the Member States involved, as well as greater administrative simplicity and enforceability of the rules.

(B) Overall opinion: NEGATIVE

The IA report covers many relevant aspects and is generally underpinned by sound evidence. It is overall well written and explains complex issues in straightforward language. The Board nevertheless gives a negative opinion given the lack of an assessment of the overall impact of the package of preferred options. The Board also considers that the structure of the report needs to be improved and the length reduced so as to provide an accessible information base for policy-makers.

The report should also clarify the following key aspects:

- 1) In the absence of an ex-post evaluation, how has the scope of the initiative been selected? On what basis were the four areas for review chosen?**
- 2) What are the main problems and objectives of the initiative? What is supported by evidence and what stems from (erroneous) public perception? On this basis, how do the various options link and compare? What are possible trade-offs?**
- 3) What is the overall impact of the combination of the preferred options and of the technical provisions? What is the simplification potential?**

Once revised, the IA must be resubmitted to the Board which will issue a new opinion on the revised draft.

* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted

(C) Main recommendations for improvements

(1) Scope of the initiative: The report should more clearly explain how the scope of the current revision has been decided and on what basis the four areas (i.e. long-term care benefits, unemployment benefits, export of family benefits and the access for economically inactive citizens and jobseekers to certain social benefits) and some of their provisions, were selected for review, as opposed to others (e.g. pensions, sickness benefits). In that context, it should explain the underlying evidence and why a retrospective evaluation of the current framework was not carried out.

(2) Intervention logic: The report should clarify the main problems and objectives of the initiative, for instance whether it mainly concerns technical changes to the current framework or a further encouragement of labour mobility or both. In this context, it should be clarified which problems are based on facts and which are based on (erroneous) public perceptions. On this basis, the report should, in a coherent way, explain how the problems, the objectives and the options are linked (i.e. the intervention logic). For instance, it should clarify the problem that is intended to be addressed by the option on access by economically inactive mobile citizens and jobseekers to certain benefits, applying by analogy the limitations provided under the Free Movement Directive to other tax-financed benefits. The report should also explain to what extent the implementation of the pan-European Electronic Exchange for Social Security Information (EESSI) would solve some of the issues presented.

(3) Assessment and comparison of impacts: After having set out a baseline scenario at a defined time-horizon (e.g. 2020), the likely impacts of the options should be assessed against this baseline (possibly by providing ranges). The report should, where possible, outline likely impacts (costs and benefits) on the budgets of individual (or different groups of) Member States. Moreover, it should assess the overall impact of the combination of the preferred options and of the technical provisions. The report should explain how the main figures underlying the likely impacts of the different options were calculated. Based on an improved assessment of impacts, it should perform a comparative analysis that should (i) discuss how the different scenarios perform in meeting the objectives and (ii) include an analysis of possible trade-offs between different objectives. The report should explain to what extent the proposed measures would achieve the overall objectives, including "a 'fair' burden sharing among Member States" (concept to be clarified). Finally, it should clarify how the foreseen measures will ensure a better enforceability of the rules and what is the real simplification potential.

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated into the final version of the impact assessment report.

(D) Procedure and presentation

In order to provide a basis for discussion for decision-makers, the report should be restructured and shortened. The current structure makes the analysis difficult to follow. Given the specificities of this case, the report could possibly be restructured as follows: maintain strengthened introductory and concluding sections that clearly set out common elements of the package and foreseen synergies between the different elements, while presenting the detailed analysis of the four areas in more clearly distinct chapters. The main report should focus on the most relevant information for decision-making, transferring more technical details to the annexes. A problem tree could be added in order to clearly show the linkages between the problems, objectives and the options. The

content of the options should be more clearly presented (for instance by ensuring a consistent use of terminology throughout the report) and an overview table presenting and summarizing all options should be included in the concluding section. Finally, the quantitative estimates should be double-checked to avoid inconsistencies and errors.

(E) RSB scrutiny process	
Reference number	2015/EMPL/004
External expertise used	No
Date of RSB meeting	11 November 2015