

## A1-certificate for foreign assignments and business trips abroad

Amendments as of 01.01.2019

### For companies and freelancer

No business trip or any other foreign employment within the EU, EEA or Switzerland without an A1-certificate

Since enacting the regulation (EG) 883/2004 on May 1, 2010, employers are required to inform the responsible insurance institution about every single foreign assignment and to consider social-security-related specifics. This means that any professional cross-border activity within the European Union (EU)/European Economic Area (EEA) and to Switzerland requires an individual application for an assignment certificate (A1-certificate) according to the legal framework.

### Protection against the obligation to pay double contribution obligations

When assigning employees abroad, the A1-certificate is an official document proving that the employee belongs to only one social security system and determines that only one legislation is applicable (generally the one of the home country). The A1-certificate intends to avoid the obligation to pay double contributions or short-term and possibly repeated changes between the social security systems of different countries as well as time-consuming (de)registration processes.

The insurance coverage remains generally effective, if a German employer sends an employee from Germany to another country to perform work there on behalf of the employer. However, insurance coverage is normally not granted for employees working abroad for a foreign company or who are engaged by a legally independent subsidiary. In these cases, the insurance coverage complies with the legislation of the foreign country.

### Validity of the A1-certificate for foreign assignments of up to a maximum of 24 months

The validity of the A1-certificate comprises a period of up to two years. The duration of the assignment can be limited through the assignment agreement or in advance due to the nature of the employment. **Therefore, an assignment does not only exist in cases where the employee is deployed abroad for one or two years. Even for one-day business trips, short meetings or conferences abroad, an A1-certificate needs to be carried.**

For assignments of more than 24 months, a certificate of exemption (special agreement) is required. This special agreement is available on the homepage of the DVKA (Deutsche Verbindungsstelle Krankenversicherung Ausland, <https://www.dvka.de/>), an institution, which is taking care of (health) insurances abroad.

### The A1-certificate is provided for only one concrete sending country

If employees usually perform their work in several member states and reside in Germany, the National Association of Statutory Health Insurance Funds (GKV-Spitzenverband, DVKA) determines the responsible EU-State, in which social security contributions have to be paid.

Corresponding applications can be found on the homepage of DVKA ([https://www.dvka.de/de/arbeitgeber\\_arbeitnehmer/antraege\\_finden/gewoehnliche\\_erwerbstaetigkeit\\_mitgliedstaaten/gewoehnliche\\_erwerbstaetigkeit\\_mitgliedstaaten.html](https://www.dvka.de/de/arbeitgeber_arbeitnehmer/antraege_finden/gewoehnliche_erwerbstaetigkeit_mitgliedstaaten/gewoehnliche_erwerbstaetigkeit_mitgliedstaaten.html)).

## Electronical application and certification process as of January 1, 2019

As of January 1, 2019, the **electronic application and certification process A1 is binding** for the employer and participating organization(s). The applications for A1-certificates as well as certificates of exemption must be electronically submitted to the responsible institution (health insurance, pension insurance or DVKA, please see below) via data transmission from a system-tested program (e. g. payroll accounting system or a payroll program) or, alternatively, by a fill-in assistance such as **sv.net** (<https://standard.gkvnet-ag.de/svnet/>).

Only in justified individual cases, a paper-based application is still permissible until June 30, 2019 within the framework of a transitional regulation.

In general, employees and employers have to confirm the information about the foreign assignment or the cross-border-activity. Tax consultants, management consultancies and other professional groups can also be authorized for this procedure, however, in this case, a copy of the power of attorney has to be provided.

## Issuance of the forms

The forms are issued – depending on the insurance situation – by different authorities:

- If the assigned worker is statutory health insured, the request for the issuance of the A1-certificate has to be transmitted to the responsible health insurance company.
- If the assigned worker is privately insured, the request has to be transmitted to DRV Bund or German Pension Fund Knappschaft Bahn-See (German compulsory pension insurance institution).
- If no statutory health insurance exists and an exemption from compulsory pension insurance due to the membership in a professional pension insurance is given, the request has to be sent to Arbeitsgemeinschaft Berufsständischer Versorgungseinrichtungen e.V. (ABV - professional pension schemes of the liberal professions).

The responsible authority processes the A1-application electronically and reviews if the A1-certificate can be issued. If the requirements for the continued validity of the German legislation are met, the electronical submission of the A1-certificate to the employer usually takes three working days.

## Obligation to carry the A1-Certificate abroad

**The employer has to print the A1-certificate in color immediately upon receipt and has to hand it over to the employee.** This printout is the original certificate and has to be carried by the employee abroad. A copy should be kept in the personnel file of the seconded employee. Generally, it is recommended to forward a third copy to the company of the host country.

If the A1-certificate is not available before starting to work abroad, it is recommended to carry the confirmation of receipt of the request or the copy of the questionnaire at first. Generally, the request should be filed in a timely matter before the foreign assignment starts to ensure it is available at the beginning of the trip abroad and can be carried by the employee to avoid sanctions.

### **Risks of non-compliance**

If an A1 certificate is not carried, the employment abroad may be regarded as an uninsured activity and thus as illegal employment. Despite existing social security agreements, in case of a missing A1-certificate, employees may be subject to the legal provisions applicable abroad, so that additional social security contributions or double payments of social security contributions may have to be paid.

Further risks are:

- Problems entering the workplace, building site and similar places in the host country,
- Fines imposed for the employer and/or the employee as well as
- Disputes between the home and host country insurance companies in case of a damaging event (e. g. accident at work).

Do you have questions or need assistance? We will be happy to assist you.

Please contact us by clicking [here](#) or call us at +49 69 971231-0.

Yours sincerely  
BPG Team in Frankfurt/Main  
Auditing company  
Tax consulting company