



Deutsche Sozialversicherung
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Pension Insurance for Digital Workers: a comparative perspective

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1. Functionalities and business environments of electronic platforms

- The traditional labour relationship: two-sided – employer and employee. Integration of the employee in the local facilities of the employer.
- **Platform work:** triangular relationship between service provider, service recipient („User“), and platform. No more local facilities..

Structures and organisation of work via platforms:

- **Execution of work:** locally fixed (Uber, Foodora), or purely online/digital (clickwork)
- **Quality of the recipient:** private P2P), or businesss(P2B)



2. The Project of the European Social Insurance Platform (ESIP)

Two steps:

- Until 2017: restricted to
 - work executed online
 - pension insurance
 - Question: access – yes or no
- 2017/2018: threefold extension of the scope:
 - Not only digital (case 1), but also locally performed work: Transportation of persons (case 2) and goods (case 3)
 - All branches of Social Insurance (Health/Sickness, Accident)
 - Much more detailed questions



3. The platform-worker in Europe – employed or self-employed?

Most likely: self-employed. Exceptions:

- **Hungary** – virtual platform workers and providers of delivery services are held to be employed, but not Uber-drivers.
- In **Switzerland** it is the opposite: Uber-drivers are held to be employed (legally contested)
- **France**: Uber-drivers are held to be employed under social law
- **Italy**: Often „Independent workers“ (locally fixed work)

Contracting parties often have some dispositive power to fix the status

- **Poland**: The service provider decides by himself if he registers as a self-employed or chooses the path over a regular employment contract.



4. Platform worker in Europe – covered by mandatory pension insurance?

Also as self-employed: At first sight mandatory participants in statutory pension insurance in almost all countries



5. On the way to a „third status“ – beyond worker and self-employed? „Opt in“ and „opt out“

Italy: Third status: the independent (continual and coordinated) worker

Croatia: Third status beyond employment and self-employed: the “Atypical” or “Gig-worker” (unofficial term). Legally defined as “persons who earn additional or other income”, for instance occasional or temporary work, incl. authors or other people working on a honorary basis. Consequence: reduced contribution rate. More specifically, workers under case 1) and 2) are likely to fall in this category, but not workers under case 3).

Finland: If not 4 month continuous work in the previous year, effectively neither employed nor self-employed. Consequence: no mandatory pension insurance. Difficult to control.

Estonia: No mandatory insurance if the self-employed only „casually“ is earning money. He decides by himself if this is the case.

Estonia: Possibility for self-employed people to run their business in the legal form of a company. In this case: no mandatory pension insurance. Only tax on dividends.

Poland: In between the group of self-employed: „Beginners“ (up to two years – with consequences for contribution rate)



6. Minimum thresholds

| | |
|-------------|---|
| Italy | 1310,- for self employed if occational work |
| France | 738,- if micro-entrepreneur |
| Finland | 710,- (employees: 58,- Euro) |
| Luxembourg | 641,- |
| Poland | 500,- |
| France | 488,- (in the normal case) |
| Slovakia | 456,- |
| Germany | 450,- (if social security for self-employed artists) |
| Estonia | 430,- |
| Austria | 425,- |
| Belgium | 425,- if work is executed over „registered“ platforms |
| Italy | 416,- for „independend workers“ |
| Poland | 250,- for self employed beginners (up to 6 month) |
| Hungary | 123,50 |
| Croatia | none |
| Italy | none for emplyees |
| Belgium | basically none |
| Netherlands | none (resident based system) |
| Poland | basically none |
| Sweden | none |



7. Calculation basis and size of contributions

Calculation basis: normally = income minus professional deductions (comparable to the case of income tax)

Examples for deviating **contribution rates:**

- **Sweden** – Self-employed are paying only half contribution rate for statutory pensions
- **Croatia:** „Atypical“ workers only pay 10% contributions (instead of 20%), without losing accrual
- **Poland:** If the service provider chooses the status as a self-employed, he can opt for a „mini-contribution“ (about 200,- Euro for all branches – plus 9% health insurance). For „beginners“ (up to two years), reduced to 100,-. A solution that almost all affected persons are choosing. Interesting for platform workers. But with consequences for pension accrual.
- **Italy:** Employees and dependent workers: 33%; self-employed: 21%-24%.

Special rules for self-employed **Platform Workers:**

France – AirBNB only: If the provider opts for the application of the rules for employees, he only will pay his contributions on the basis 40% of turnover.



8.1 Collection of contributions „at source“

France: Certain platform-workers can charge the platform to retain and pay social contributions on their behalf

Similar: **Switzerland**

Italy: Platform responsible in case of third status
(independent co-co worker)



8.2 Supervision of contribution payments

Belgium and **Estonia** empower platforms to pass information on of platform workers' income to tax authorities. In **Belgium** (but not in Estonia) the tax authorities are passing these data to social security authorities.

In both countries, this procedure relies on voluntary cooperation by all parties.

In **Slowakia**, tax authorities are passing automatically individual income data of self-employed people to social security institutions, when a certain threshold is exceeded (456,-).

France has introduced in October 2018 the obligation for all electronic platforms to transfer complete data on financial transactions, used banking accounts, all identification details, including those of the service provider, to tax authorities. The tax authorities will pass the information to the Central Agency of Social Security Bodies (ACOSS)



9. Conclusion – urgent need for action?

- Policy-mix sufficient: In most cases the consequent application of rules for social security for the self-employed also on independent platform workers would help. If needed, cautious adding of some special rules for platform work.
- Most urgent problem: supervision of contribution payments in cross-border situations (Platform-company has its seat outside the relevant country, in many cases even outside Europe).



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Thank You!