

Mobility: Social Security

February 2024

European Union

Italy signs Framework Agreement on social security for cross border telework

Executive summary

With effect from January 1, 2024, Italy entered into the European Multilateral Framework Agreement (MFA). The MFA determines which country's social security legislation is applicable for employees who habitually telework cross border.

Key developments

The MFA applies to persons who reside and telework in a signatory State other than the signatory State where the Registered Office or place of business of the undertaking or employer is situated:

Cross border telework

- ▶ Upon request, a person who carries out habitual cross-border telework between their country of residence and country where the employer is located can be subject to the social security legislation of the State in which the employer is located provided the cross-border telework in the State of residence is at least 25% but less than 50% of overall working time.
- ▶ This deviates from the 'normal' multi-state worker rules where individuals are subject to the social security legislation of the country where they habitually reside where at least 25% of their overall working time is in that country.

Refer to EY's Alert published in June 2023 on the MFA [here](#) -

[European Union's framework agreement on social security for cross border telework comes into force as of 1 July | EY - Global](#)

Benefits

- ▶ Enables employees who reside in one signatory State and work in another to work from home (or anywhere from the residence country provided they remain digitally connected to their employer's environment) to remain in the social security system of the country in which the employer is located.
- ▶ Prevents the need for employers to register in the residence country to fulfil social security obligations in that country.

Application process

- ▶ Italian employers can, where appropriate, obtain A1 certificates from the Italian authorities (INPS) pursuant to article 16 of EU Regulation no. 883/2004 in respect of eligible employees' resident in another signatory State to confirm exemption from social security contribution obligations in the latter State.



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- ▶ Similarly, Italian resident employees working for an employer located in another signatory State may, where appropriate, request an A1 certificate from the authority in the latter State to confirm exemption from Italian social security obligations.
- ▶ The A1 certificate requested under the MFA may be issued for a maximum of 3 years at a time, with extensions possible upon request.
- ▶ The Belgian authority's social security website maintains a list of signatory States. An updated list of the countries that have signed the MFA is here - <https://socialsecurity.belgium.be/en/internationally-active/cross-border-telework-eu-eea-and-switzerland>.

Impact on employers

The MFA enables eligible employees between Italy and other signatory States to now telework up to 49.9% of overall working time in their country of residence without creating a social security obligation for the employer in that State.

Key steps

Italian employers with employees teleworking in other signatory States and employers located in other signatory States employing teleworkers resident in Italy should identify and review whether the MFA applies to such employees, obtain A1 certification where appropriate, and ensure social security contribution obligations are met in the correct jurisdiction.

Please reach out to one of our International Social Security specialists or your local EY advisor for more details.

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EYG no. 001286-24Gbl

2101-3682263
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