WAHL

LAW FIRM

Cross-Border Work within the EU: Reform of the Coordination of Social Security and What It Means for Croatia and the German-Speaking Region

9 June 2026 I WAHL Legal Alerts I Employment

The provisional agreement reached on 22 April 2026 between the Council of the EU and the European Parliament on the amendment of Regulation (EC) No 883/2004 and Implementing Regulation No 987/2009 brings about a far-reaching reform of the coordination of social security systems within the EU. Facilitations for business trips go hand in hand with stricter substantive and formal requirements for postings pursuant to Art. 12 Regulation 883/2004 in conjunction with Art. 14 Regulation 987/2009 as amended ("a.a.") – and undertakings as well as employees who cross the borders between Croatia, Germany, Austria, Switzerland and Liechtenstein on a daily basis must understand both.

The following information is based on the final compromise text (Council document 8387/26 ADD 1) and may still change in detail during the formal adoption procedure (where the abbreviation 'a.a.' is used in this article, it refers to this compromise text).

I. The Existing Framework and What Is Changing

1. How It Worked Until Now

The fundamental principle of European coordination of social security has always been clear: only the law of one single Member State applies to an employee who crosses a border within the EU. This principle, enshrined in Article 11(1) of Regulation (EC) No 883/2004, means in practice that an employee who is insured in his or her State of origin and is temporarily active in another Member State is not obliged to pay contributions simultaneously in two States.

This is precisely the purpose of the A1 certificate – a document by which the competent institution of the State of origin confirms that the employee continues to be covered by its social security system during his or her activity abroad. In the administrative practice of most Member States, the A1 certificate is de facto required from the first day of any cross-border assignment, regardless of the duration of the activity, even though the text of Regulation 883/2004 does not clearly regulate this question for short business trips. In practice, this means a considerable administrative obligation for thousands of undertakings every year: every business trip of an employee to a conference, a seminar or a business meeting abroad generally requires a prior notification and the obtaining of the certificate.

In addition to the A1 certificate, every posting of workers is subject to specific substantive requirements pursuant to Article 12 of Regulation (EC) No 883/2004: the employer must carry out a substantial activity in the State of origin, the posting may not last longer than 24 months, and the posted worker must not be sent with the intention of replacing another person. Article 14(1) of Implementing Regulation (EC) No 987/2009 prescribes that the law of the State of origin must already apply to the worker immediately prior to the commencement of the posting. The practice developed by the Administrative Commission to date assumed a prior insurance period of one month. For workers habitually active in two or more States, the corresponding certificate could be issued for longer periods – the specific duration depending on the national practice of the competent authorities and not on a time limit directly established in the Regulation.

2. What Is Changing

The provisional agreement on the reform brings two asymmetric changes: liberalisation on the one hand and tightening on the other.

a. Exemption from the A1 requirement for certain business trips

The reform introduces a narrowly defined exemption from the obligation to apply in advance for an A1 certificate for certain business trips. A ‘business trip’ is defined as any time-limited activity that serves the business interests of the employer or – in the case of self-employed persons – of the entrepreneur and is not directed at the provision of services or the delivery of goods to a customer abroad. The provisional agreement expressly mentions: business meetings, conferences, seminars, training sessions as well as cultural and scientific events. The reform provides for two categories of exemption: (i) classic business trips (meetings, conferences, etc.) – here the prior A1 application is waived; and (ii) other activities of a maximum of three consecutive days within a 30-day period – with the same exemption, however with a complete exclusion of the construction sector.

Two limitations are decisive in this regard. The construction sector is entirely excluded from the exemption for short activities. The term ‘construction sector’ corresponds to Annex 6 of Regulation 987/2009 a.a. and covers in particular construction, conversion, renovation, maintenance and demolition, including the assembly of prefabricated elements. The A1 certificate remains mandatory regardless of the duration or nature of the assignment; only pure business trips (e.g. a management meeting without operative work on the construction site)

may be exempted. Furthermore, the abolition of the A1 requirement does not mean the abolition of the documentation obligation: undertakings must be able to demonstrate, upon request of the competent authority, that the conditions of Art. 15(1b) Regulation 987/2009 a.a. are met (e.g. purpose of the stay, duration, no construction sector). Internal travel documentation (invitation, agenda, travel expense report, etc.) should therefore be maintained systematically. For all other cross-border activities, the A1 certificate must continue to be obtained prior to commencing work abroad.

b. Stricter conditions for the posting of workers

On the other side, there are three essential changes that make the requirements for formal posting more demanding.

First, a worker who is specifically hired for the purpose of posting must be insured in the employer's State of origin for at least three months immediately before the commencement of the posting. The one-month prior insurance period previously anchored in Art. 14(1) Regulation 987/2009 in conjunction with the practice is thus extended to three months and at the same time expressly codified as a constituent element for postings under Art. 12 Regulation 883/2004. This change consequently affects in particular newly hired workers who are to be posted abroad immediately.

Second, pursuant to Art. 14(1a) Regulation 987/2009 a.a., after the cumulative exhaustion of the 24-month quota, an interruption of at least two months must elapse before a new posting of the same person to the same State again falls under Art. 12 and may remain in the social security system of the posting State.

Third, for persons who habitually work in two or more Member States, the determination of the applicable legislation under Art. 13 Regulation 883/2004 will in future be regularly limited to 24 months; upon expiry of this period, the legal situation must be reassessed on a mandatory basis (Art. 14(10) Regulation 987/2009 a.a.).

The only change within this part of the reform that moves in the direction of facilitation concerns the replacement of workers: Art. 12(2a) Regulation 883/2004 a.a. permits replacements, provided that the total time of all posted persons on the same project does not exceed 24 months and the remaining requirements of Art. 12 are fulfilled. A targeted exchange solely to circumvent the 24-month limit remains impermissible.

3. Temporal Framework

The new regulation has not yet entered into force. The provisional political agreement of April 2026 must still be formally voted on in the Council of the EU and in the plenary session of the European Parliament and published in the Official Journal of the EU. According to the available information on the content of the agreement, the provisions on posting are to apply two years after the adoption of the Regulation. Until then, the existing rules apply in full. The Regulation applies directly in the EU Member States; for the EEA (including Liechtenstein), a separate decision of the Joint EEA Committee is required, and for Switzerland, an adaptation of the Agreement on the Free Movement of Persons.

II. Posting of Workers from Croatia to Germany, Austria, Switzerland and Liechtenstein

1. Current Situation — Before the Entry into Force of the Reform

When a Croatian employer posts a worker to Germany, Austria, Switzerland or Liechtenstein, the A1 certificate is issued by the Croatian Pension Insurance Institute (Hrvatski zavod za mirovinsko osiguranje) as the competent institution of the State of origin. The posted worker remains in the Croatian social security system – subject to the condition that the posting is of a temporary nature and that the cumulative period of 24 months pursuant to Article 12 of Regulation (EC) No 883/2004 is not exceeded.

Switzerland and Liechtenstein are not EU Member States, but both apply the EU coordination rules on the basis of international agreements; amendments to Regulation 883/2004 therefore do not take effect automatically, but only after a corresponding adaptation of the agreements. Liechtenstein, as a member of the European Economic Area, is directly bound by Regulation 883/2004, while Switzerland applies the same Regulation on the basis of the Agreement on the Free Movement of Persons between the EU and Switzerland.

Under current administrative practice, the authorities of these States generally require a prior A1 certificate for every work-related stay of a Croatian employee in the above-mentioned States — including one-day visits such as meetings, fairs or conferences. Undertakings that do not observe this expose themselves to the risk of sanctions: in the event of inspections, the absence of an A1 certificate may lead to the retroactive application of the law of the State of employment and thus to risks of supplementary claims and fines; Regulation 987/2009 a.a. strengthens mutual administrative assistance between the institutions for this purpose (recovery rules in Chapter III, Title IV).

2. Particularities of Liechtenstein

Liechtenstein is the smallest member of the EEA and has a special status in several respects that Croatian undertakings must bear in mind. The free movement of workers vis-à-vis Liechtenstein is not fully equivalent to that vis-à-vis other EEA States: the number of work and residence permits is limited annually by quotas, and workers who do not reside in Liechtenstein may work as frontier workers, which has particular implications for the coordination of social security.

For posting to Liechtenstein, the AHV-IV-FAK institutions – the Liechtenstein social security authority (AHV/IV/FAK) – are competent with regard to the A1 certificate and the applicable social security law. The A1 certificate from Croatia is presented to this authority upon inspection. For special constellations of cross-border telework (home office), the Office for Health may conclude exception agreements under Art. 16 Regulation 883/2004. In practice, these relate, among other things, to constellations in which the share of work in the State of residence is between 25 and 50 per cent.

3. What Changes for Croatian Undertakings

When the reform enters into force, Croatian undertakings will be able to send employees to business meetings, conferences or seminars in the above-mentioned States without a prior A1 certificate – subject to the condition that the

activities do not comprise the provision of services or the delivery of goods to a customer. For short visits of up to three days within 30 days, the exemption will be applied even more broadly.

Since Liechtenstein, as an EEA member, directly applies Regulation 883/2004, the planned amendments should in principle be applied to postings to Liechtenstein in the same manner as to postings to EU Member States – however, this will only be confirmed after the Joint EEA Committee has formally incorporated the amended Regulation into the EEA Agreement. For Switzerland, the application will depend on whether and when the bilateral agreement with the EU is updated – which at the present time remains an open question.

For formal postings, the conditions become stricter in the same way as for other destination countries: newly hired workers cannot be posted immediately if they were hired specifically for the purpose of posting – three months of prior insurance in Croatia must elapse. After utilisation of the 24-month posting period, a two-month waiting period becomes mandatory, which may require a restructuring of projects or a rotation of workers.

III. Posting of Workers from Germany, Austria, Switzerland and Liechtenstein to Croatia

1. Legal Framework for Entry into the Croatian Labour Market

When employers from Germany, Austria, Switzerland or Liechtenstein post workers to Croatia, the Act on the Posting of Workers to the Republic of Croatia and the Cross-Border Enforcement of Decisions on Fines (Zakon o upućivanju radnika u Republiku Hrvatsku i prekograničnoj provedbi odluka o novčanim kaznama; "HR PWA") applies. A foreign employer having its registered office in an EU Member State, an EEA State or the Swiss Confederation is obliged to submit, by electronic means, a posting declaration to the State administration body responsible for inspection tasks in the field of labour and occupational safety and health before the commencement of the posting (Article 19 HR PWA). In practice, this body is today the State Inspectorate (Državni inspektorat) – which assumed these competences in the course of the reorganisation of supervisory authorities since 2021. The Coordination Regulation 883/2004 exclusively governs social security law; notification obligations under the Posting of Workers Directive and national posting law (such as the HR PWA) remain unaffected thereby.

For workers posted from the above-mentioned States, an A1 certificate issued by the competent institution in the State of origin is required – either on the basis of EU law, the EEA Agreement or the bilateral agreements with Switzerland. Pursuant to Article 21(3) HR PWA, this certificate must be available at the workplace or at another clearly determined and accessible location in the Republic of Croatia, together with a copy of the employment contract, the pay slip, the working time records and the occupational health and safety documentation.

2. Particularities for Workers from Liechtenstein

In contrast to workers from Germany, Austria or Switzerland, the posting of workers from Liechtenstein is a relatively rare phenomenon – however, it is not negligible in sectors such as

financial services, precision industry or consulting services, in which Liechtenstein undertakings have a strong international presence. For these workers, the same rules apply as for other EEA workers: the A1 certificate of the Liechtenstein AHV-IV-FAK institutions is presented upon entry into the Croatian labour market, and the minimum working conditions under Croatian law must be guaranteed for the entire duration of the posting in accordance with Article 6 HR PWA.

3. What Changes for Undertakings Posting Workers to Croatia

The reform brings the same changes as for all other postings within the EU and the EEA. For business trips to Croatia – visits to partners, fairs or business conferences – an A1 certificate from the State of origin will no longer be required, under the conditions and exemptions already described. For Switzerland, the question of the timing and manner of the adoption of the new rules into the bilateral agreement likewise remains open.

For formal postings in connection with projects or long-term assignments in Croatia, the conditions become stricter: a worker whom a foreign employer hires specifically for the purpose of posting must have been insured in the State of origin for the three preceding months; projects exceeding 24 cumulative months require a two-month interruption or a change of the applicable legislation; and the replacement of workers on ongoing projects becomes more flexible, subject to the condition that the overall period is not exceeded.

The construction sector deserves particular attention. The exemption for short activities expressly does not apply to operative activities in this sector: every worker on a construction site in the Republic of Croatia who performs construction or assembly work must hold a valid A1 certificate from the State of origin, regardless of the duration of the assignment. Pursuant to Article 21(3) HR PWA, a copy of the employment contract, the pay slip, the working time records and the occupational health and safety documentation must be available physically or electronically on the construction site. The only possible exception remains for purely administrative or coordination-related business trips (e.g. a visit by a superior to the construction site without operative work), for which the general business trip exemption may also be applied in the construction sector.

4. Practical Recommendation

Until the entry into force of the new rules, the existing regulatory framework applies in full. For undertakings from Germany, Austria, Switzerland and Liechtenstein that carry out business activities in Croatia, this means: every stay of an employee in Croatia generally requires a prior A1 certificate and a timely electronic notification to the State Inspectorate; the documentation must be available at the workplace in accordance with Article 21 HR PWA; and the minimum working conditions under Croatian law – including remuneration and occupational safety and health conditions pursuant to Article 6 HR PWA – must be guaranteed for the entire duration of the posting.

The reform will, when it enters into force, facilitate short business trips and contacts, while at the same time tightening the conditions for structured, long-term postings. Undertakings that prepare already now – by documenting the nature of business activities, tracking cumulative

periods and maintaining records of the prior insurance of workers – will be in a significantly better position when the new rules actually enter into force. Undertakings should not use the new exemptions to label what is in reality service-related work assignments as a ‘business trip’; the reform expressly emphasises that abuse is to be combated through intensified inspections and data matching.

All information relating to the content of the planned amendments is based on the provisional political agreement of April 2026. The final legal text has not yet been published in the Official Journal of the EU, and the details may still change during the formal adoption phase. For legally binding advice, it is recommended to follow the publication in the Official Journal of the EU.

Contact:

Dr. Matthias Wahl
Partner
01/5629-767
m.wahl@wahl.hr

This publication has been prepared by the law firm WAHL & partneri d.o.o. as a notice on legal developments intended for clients, associates and partners. The information contained in this publication does not constitute legal advice and may not be interpreted as such. Should you have any questions or uncertainties regarding the content of this publication, please contact the lawyer with whom you regularly consult.