

Ms Marianne Thyssen
Commissioner for Employment and Social affairs

Mr. Biser Pektov,
President of the EPSCO-council

Ministers of the EPSCO-council

June 19, 2018

Indexation of child benefits for children living in other EU Member States

Dear President Petkov,
Dear Commissioner Thyssen,
Dear Colleagues,

We are writing this letter in view of the upcoming EPSCO meeting on 21st of June 2018 to draw your attention to the subject of the coordination of family benefits in the revision of regulation 883/2004.

We would like to reiterate our explicit support to the principle of free movement in the EU. In order to maintain public support for the principle of free movement the rules must be perceived as fair. We do not consider it fair that family benefits are paid out in full in a country where the value of those benefits is worth twice or even three times as much as in the country which pays them. The aim of family benefits according to regulation 883/2004 is to cover the cost of raising a child – and in our view this purpose would be better served by having regard to the effective cost of living in the Member State where the benefit is paid.

Additionally, in many Member States the amount of family benefits paid depends on the income of the parents. This means that those parents who earn more and who pay higher taxes receive lower family benefits or do not receive any family benefits at all, while those who pay lower taxes are eligible to receive family benefits in full. The consequence of having income thresholds for family benefits in some Member States is that those Member States which do not have income thresholds in their legislation end up paying the full amount of family benefits to citizens from other Member States, rather than only a differential supplement.

We therefore firmly believe that it is fully in line with the principle of free movement to adjust family benefits in line with the cost of living in the Member State of residence of the children.

The anomalies outlined above are inconsistent with the rules of the regulation and should be solved at the European level in order to create a coherent European coordination framework and ensure the credibility of the EU. It is clear that this "double unfairness" was definitely not intended by the European legislator when the coordination rules for family benefits were originally formulated.

For these reasons, we consider it as absolutely necessary to continue our discussions on this topic and we would urge you to take it up at the upcoming EPSCO meeting on 21st of June 2018.

Sincerely,



Troels Lund Poulsen
Beskæftigelsesminister / Minister for Employment,
Denmark



Dr. Juliane Bogner-Strauß
Bundesministerin für Frauen, Familien und Jugend / Federal Minister for Women, Families
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Regina Doherty
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