

A1 Payrolling

PR & Marketing Policy Lugera – The People Republic 2015 & 2016

March 2015, Prague

Accomplishments:

Acceptance and a common shared policy of A1 Payrolling in:

1. The Netherlands
2. UK
3. Germany
4. France
and in
5. Slovakia
6. Romania
7. Czech Republic
8. Poland
and in
9. Bruxelles, EU Parliament

A1 Payrolling is ‘employing an employee in one EU country and having this person work at a company in another EU country’ while paying social contributions in the country of employment and paying wage tax in the country of work. *Defenition by Lugera – The People Republic*

Targetgroups

Ministers of Social Affairs and Employment, Ministers of Finance, Prime Ministers, Secretaries of State, Ambassadors in all mentioned countries, the relevant EU representatives, the leaders of the major political parties and the relevant divisions of these parties, the major labor unions, the directors of the Tax Authorities, staffing agencies active in cross border staffing and A1 payrolling, multinationals operating within the EU.

Why A1 Payrolling?

A1 Payrolling is based on EU Directives (see ‘Practical Guide The Legislation that applies to workers in the EU’) and is a direct result of the three foundations of the European Union:

1. Safety and security
2. Free movement of goods and services
3. **Free movement of people**

A1 Payrolling for the Employee

A1 Payrolling for temporary staff and regular employees is a very attractive way of employment from East Europe to West Europe because:

1. The worker earns more money than in the country of work,
2. He or she remains socially insured in its home country,
3. The worker earns more money than being directly employed in the country of work,
4. The worker gains valuable working experience in other countries and increases his or her value when returning to its home country for work,

A1 Payrolling for temporary staff and regular employees is a very attractive way of employment from West Europe to East Europe because:

1. The worker benefits from tax releases/discounted tax rates,
2. He or she remains socially insured in its home country,
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4. The worker gains valuable working experience in other countries and increases his or her value when returning to its home country for work

A1 Payrolling for the Country of Work

Nearly all Western countries have a problem with the high inflow of workers from the CEE (Central & Eastern Europe). It is a painful problem and populist politicians use this to either discredit the EU and/or to increase and use the negative feelings against foreign workers/labor migrants in order to gain votes and power. The problem is painful because it reveals the negative working attitude of the unemployed population which prefers to stay unemployed and benefits from the social security programs in stead of taking the jobs the labor migrants are prepared to take.

The problems consist of the following:

1. High unemployment rates are a big burden on the economical growth and the financial budget of the country,
2. Labor migrants abuse/benefit/make improper use from the social security systems in the country of work when directly employed in that country – the social security systems are in deficit,
3. Populist politicians assume that labor migrants displace local workers,
4. These politicians try to make their audience believe that labor migrants have a downward effect on salaries and that there is an undesired competition/false competition on working conditions.

A1 Payrolling is a solution to all these problems

1. The labor migrant is only searched for when companies are not able to attract local staff. In 99% of all cases local companies prefer to employ local workers because of language and cultural aspects and local people are more efficient and cheaper in terms of management and secondary labor conditions. The labor migrant can easily be replaced by a local worker the moment local workers are available,
2. The worker is socially insured in its country of employment and will never be able to improper use and/or abuse the local social security system of the country of work. This means that all the funds of the social security system are fully for the benefit of the local unemployed population. No or smaller spending cuts will be necessary. If all the estimated 400.000 foreign workers in The Netherlands would be on A1 payrolling the Dutch treasury will save at least € 600.000.000 per year,

3. The EU member state of work receives the full wage tax and as such enjoys only income on the labor migrant and has no cost in terms of delivered social security benefits.
4. The labor migrant can only work through A1 Payrolling for an initial period of 24 months and after this period the person should return home. The person is not to stay in the country of work. The assignment is there for temporary which is usually preferred by the country of work.

A1 Payrolling for the Country of Employment

A1 Payrolling for the country of employment also has its substantial advantages:

1. The many labor migrants leaving the country reduce substantially the number of unemployed people in that country and as such reducing substantially the spending on unemployment benefits,
2. The labor migrants tend to hardly use the social security system in their home country while working abroad. The income of paid social premiums is higher than the expenses on delivered social benefits,
3. The labor migrants transfer the biggest parts of their earnings back home which results in a big surplus on the national trading balance of the country of employment,
4. When the labor migrants return they return with new skills and will have an increased added value to the local labour market.

How A1 Payrolling should be executed/conditions for a proper A1 Payrolling

Many governments experience gross abuse from local temporary staffing agencies employing directly in the country of work labor migrants due to the fact that labor migrants have difficulties to know their rights and obligations and to challenge abuse by their local employers. As a result of this local governments tend to mistrust immediately also cross border staffing agencies or A1 Payrolling Agencies. In order to manage a proper A1 payrolling Lugera suggests the following (and is already implementing all what is relevant):

1. The labor migrant should receive minimally the applicable gross Legal Minimum Wage (LMW) or the relevant wage in any Collective Labor Agreement (CLA),
2. The payslip in the country of work should meet all local requirements,
3. No cash payments allowed to the labor migrant,
4. The A1 Payrolling agency arranges an additional accident insurance for the labor migrant covering the entire period of work abroad,
5. The A1 Payrolling agency provides free housing and free international transportation to the labor migrant,
6. Every A1 Payrolling agency should be certified (in The Netherlands this exists: NEN 4400-2 and can easily be implemented for other countries) and should be registered in the Chamber of Commerce of the working country as a foreign agency,
7. Only agencies (and other employers) with their core activities in the country of employment can qualify for A1 payrolling,
8. A1 payrolling agencies should pay wage taxes in the country of work from day 1,
9. The social security offices and the tax authorities of the various countries should actively exchange information and be immediately notified the moment A1 documents are issued in order to check and monitor the incoming payments of social premiums in the country of employment and the incoming payments of wage tax in the company of work.

Further, in the mentioned Practical Guide as well as in the various EU directives, an excellent foundation is put down for a proper A1 Payrolling.

What Lugera in particular would like to address and to accomplish

Lugera has noticed that politicians focusing on xenophobia, racism and nationalism tend to misinform, negatively rouse the public sentiment and manipulate the audience, the policy makers in their local governments as well as in the European Union in Bruxelles. The majority of their arguments are based on false assumptions (but at first sight quite logical) and on general feelings of fear and distrust against foreigners, always an easy source for more votes and power.

Because the majority of arguments are not based on facts, and are contradicted by the facts it is easy to refute the arguments and to gain a deep and truthfull understanding. An excellent understanding should lead to an excellent and transparant approach of A1 Payrolling or Cross Border Staffing of EU workers.

What Lugera will address in 2015:

1. To reach a deep understanding at all mentioned target groups of the vast positive potential of A1 payrolling,
2. To address the EU policy makers and all relevant ministers (and other targets) within the EU with the misleading contents of the Dutch Code Orange from the ministry of Employment and Social Affairs of The Netherlands and to make the entire audience understand the real facts and uncover the real problems,
3. To provide all relevant ministers, EU policy makers with all necessary information about cross border staffing in order to be well informed the moment The Netherlands will be chairing the European Union in 2016 in order to prevent any misleading and manipulation in terms of misinformation,
4. To reach full adoption within the EU of a transparant and easy to control A1 Payrolling procedure,
5. To reach consensus of an EU adopted daily allowance amount of € 85 which is only subject to tax and not to social contributions,
6. The obligation of A1 payrolling agencies to be NEN 4400-2 certified (or any other A1 certification),
7. The obligation of A1 payrolling agencies to provide free housing and free international transportation to their workers/employees,
8. The obligation of A1 payrolling agencies to always follow the minimum conditions as put down in the relevant LMW or CLA's,
9. The obligation of A1 payrolling agencies to always arrange additional accident insurance for their employees working abroad,
10. A1 payrolling not only functioning for West European employees going to East European countries but also equally for Central and East European employees going to work in West European countries.
11. To establish an EU obligatory A1 Staffing Agency certification.

Lugera needs support as we might not be able to do this alone

Please help us to get a fair and transparent functioning labor market in which everybody within the EU is able to benefit in an equal way. Let us quench policy makers with impure motives and hidden agenda's only focusing on protecting their own interests.

We are seeking support from members of political parties who are in favour of what we try to achieve, we are seeking support of governmental leaders and leaders & opinion makers in the countries we operate. We are seeking support of all the permanent and temporary staffing agencies with a passion for their candidates and for a free Europe. We are seeking the support of all governmental and non-governmental bodies against discrimination and racism.

Lugera will use the following tools

Website & social media

In order to reach a big and international audience we will create an A1 Payrolling platform to be found on www.A1Payrolling.com/EU/NL and this platform will be multilingual with English being the dominant language. Further we will be active on social media: Facebook, LinkedIn, Twitter and YouTube.

Organising Seminars

We will seek the cooperation of international chambers of commerce and other direct interest organisations to organise seminars about the topic.

Direct mailing campaigns, newsletters and newsflashes

We will enter all the contact persons of all the relevant institutions, companies, organisations and governmental bodies in a centralised database (TalentBase®) and we will regularly up-date the entire audience with new essential input and interesting developments.

Total Transparency Policy

All correspondence (relevant outgoing and incoming), all actions, but also planned actions, will be displayed on the website and will be shared with the press and in any of our other means of communication.