

Ms Marianne Thyssen  
Commissioner for Employment, Social Affairs  
Skills and Labour Mobility  
European Commission  
Rue de la Loi/Wetstraat 200  
1049 Brussels  
BELGIUM

July 27, 2017

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

Dear Commissioner Thyssen,

We are writing to you about the Commission's proposal to amend the Regulations on the coordination of social security systems (EC) No. 883/2004 and (EC) No. 987/2009.

Prior to the discussion of the Commission's proposal on family benefits under the Estonian Presidency, we wish to re-emphasise our belief that it is necessary to include in the Commission's proposed amendments the option for Member States to index those child benefits that are paid for children living in another Member State, to reflect the cost of living in the child's Member State of residence.

We explicitly support the principle of freedom of movement in the EU. However, we believe that it is necessary to adjust rights arising as a consequence of this principle to reflect changing circumstances and to ensure that this will continue to enjoy acceptance amongst our EU citizens.

Given the significant differences between the costs of living in the Member States, we think that imbalances may result from a situation in which child benefits are provided under the

legislation of a Member State with high living costs, but are paid for a child living in another Member State, where living costs are considerably lower.

We have noted the opinion of the Commission that payment of the same taxes should result in the same benefits. We would like to point out that in a residence-based and tax-financed regime, redistribution takes place from contributors to those most in need. A part of this redistribution is to contribute to the household of parents bringing up children. It is perfectly in line with this principle of redistribution to give benefits according to need.

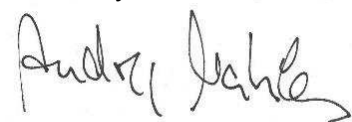
Indexation should be an option for Member States, and with no reciprocity required.

Since this would be an optional approach for Member States, we do not share your concerns that indexation could result in an increased administrative burden. Member States would choose to opt in and therefore choose whether any additional administrative burden would be justifiable in their case. We would also hope that it would be possible for Member States to learn from the procedures used by the EU Commission itself in its own internal arrangements.

We are also convinced that the approach we are seeking would not interfere with the freedom of parents to decide where their children live in accordance with what they think is best for their families. After all, indexation of child benefits would also provide children with sufficient benefits to meet their needs in the countries they live in.

We therefore ask you to add this proposal, the option to index child benefits, to the current set of proposals brought forward by the European Commission to amend the coordination regulations.

Sincerely,



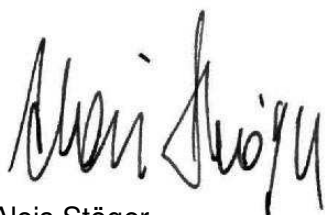
Andrea Nahles  
Bundesministerin für Arbeit und Soziales /  
Federal Minister of Labour and Social Affairs, GERMANY



Regina Doherty  
Aire Coimirce Sóisialaí / Minister for Social Protection, IRELAND



Troels Lund Poulsen  
Beskæftigelsesminister / Minister for Employment,  
DENMARK



Alois Stöger  
Bundesminister für Arbeit, Soziales und Konsumentenschutz /  
Federal Minister of Labour, Social Affairs and Consumer Protection, AUSTRIA