

# Unemployment insurance in the EEA and the Faroe Islands

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## What does the EEA agreement mean?

The member states of the European Union have entered into an agreement on the coordination of social security schemes with a number of other European countries. Known as the EEA agreement, it came into force on 1 May 2010. As a result of the EEA agreement, unemployment insurance is governed by a number of common rules explained in this leaflet.

## EEA countries and areas

These common rules on unemployment insurance apply in the following countries, known as the EEA countries: Austria, Belgium, Bulgaria, Croatia, Cyprus (Greek part), the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland and the United Kingdom.

The following areas are also covered by the EEA agreement:

the Azores, the Balearic Islands (Mallorca, Ibiza), Ceuta, the Canary Islands, Gibraltar, Guadeloupe, the Hebrides, the Isle of Wight, Madeira, Martinique, Melilla, the Orkney Islands, Réunion, the Shetland Islands, Saint Martin (French part) and the Western Isles.

A similar agreement has been concluded between the Danish Ministry of Employment and the Faroese Government on the coordination of unemployment insurance. In this leaflet, the Faroe Islands are referred to as an EEA country where the rules for the Faroe Islands do not differ from the EEA rules.

## What does the agreement allow you to do?

Among other things, the rules on unemployment insurance mean that you may be paid Danish unemployment benefits for up to three months while seeking employment in another EEA country. Similarly, you may transfer your periods of employment and unemployment insurance between EEA countries in order to qualify for unemployment benefits, etc.

## When must you contact us?

You should contact us when you decide to travel to another country to work or seek employment. We can offer you a personal interview to advise you on what you need to do.

Read this leaflet carefully before leaving. Please ask if you are unsure about anything.

## Working in an EEA country

If you find paid employment or set up your own business in another EEA country, you must generally take out unemployment insurance there. This often happens automatically if you are an employee, and you can check your payslip to see if the unemployment benefit contribution has been paid in the country in question.

If you are self-employed, it is your own responsibility to contact the authorities of the other EEA country in order to take out unemployment insurance. Unemployment insurance may not always be available to self-employed persons in EEA countries.

If you cannot obtain unemployment insurance cover in the other EEA country (if unemployment insurance is not available to self-employed persons, for example), you may continue your membership with us. You must provide us with documentation for your inability to obtain unemployment insurance cover in the other EEA country.

## Cancellation owing to insurance in another EEA country

You may only be covered by unemployment insurance in one place at a time. This means that you must cancel your membership if you are covered by the unemployment insurance in another EEA country.

We recommend that you do not send us written cancellation of your membership until you are absolutely positive that you are covered by unemployment insurance in the other country.

In your cancellation, you must give the date from which you are covered by insurance in the other EEA country. When we receive this information, your membership will be cancelled with effect from this date. If you have overpaid your membership fees, we will of course reimburse your 'Nemkonto' account.

## Do you wish to remain eligible for early retirement benefits if you return to Denmark?

To be eligible for early retirement benefits, you generally have to belong to a Danish unemployment insurance fund and pay early retirement contributions from your 30th birthday onwards. If you leave our unemployment insurance fund, you also leave our early retirement scheme.

It is possible to pay early retirement contributions in arrears for the periods when you lived abroad if you return to Denmark at a later date. Various rules have to be complied with for this to happen. You can read more about the rules on the back payment of early retirement contributions at [krifa.dk/fs/efterloen](http://krifa.dk/fs/efterloen).

Please contact us for concrete guidance if you want to return to Denmark and be eligible for early retirement benefits. You can also find out more in the leaflet entitled 'Eligibility for early retirement benefits following employment or insurance abroad' (P920b), which you will also find at [krifa.dk](http://krifa.dk).

## Transferring periods of unemployment insurance to another EEA country

You can benefit from any past periods of employment or unemployment insurance in Denmark. This means that you do not have to start from scratch again to qualify for unemployment benefits when you move to another EEA

country and become eligible for unemployment insurance there. This is because your past periods of employment and unemployment insurance in Denmark, if any, will count in determining the period after which you will be entitled to unemployment benefits in the other EEA country.

If you have been self-employed in Denmark, you may transfer any qualification accrued during periods of self-employed work after 1 May 2010 if it is possible to be insured as a self-employed person in the other EEA country.

If you are a citizen of a country that is not covered by the definition of EEA countries and areas, the qualification you have accrued may only be transferred to the Nordic countries.

#### **How to apply for proof of periods of unemployment insurance**

Your periods of employment and unemployment insurance in Denmark must be confirmed in a document called a PD U1.

You can apply to us for the document by completing an 'Application for a PD U1' (EØS4). Generally speaking, you will need this document only if you apply for benefits in the other EEA country.

Similarly, any periods of employment and unemployment insurance from another EEA country will count if you move back to Denmark and join the unemployment insurance fund. In this case, the PD U1 must be issued by the foreign authorities.

#### **Registration after living in the EEA – if you have been a member of a Danish unemployment insurance fund within the last five years**

If you have been a member of a Danish unemployment insurance fund within the last five years, you will be able to transfer your periods of employment and unemployment insurance from the other EEA country. It is, however, a condition that you register as a member of the Danish unemployment insurance fund within eight weeks of ceasing to be covered by unemployment insurance in the other EEA country.

#### **Registration after living in the EEA – if you have not been a member of a Danish unemployment insurance fund within the last five years**

If you have not been a member of a Danish unemployment insurance fund within the last five years, you must find employment in Denmark in order to transfer any periods of unemployment insurance that you have had in another EEA country.

You must start work and register with the unemployment insurance fund within eight weeks of ceasing to be covered by unemployment insurance in the other EEA country in order to transfer your periods of unemployment insurance from that country to Denmark.

If you are covered by full-time insurance, you must be employed for at least 296 hours within 12 weeks/3 months in order to transfer your periods of unemployment insurance from the other EEA country. If you are covered by part-time insurance, you must be employed for at least 148 hours within 12 weeks/3 months in order to transfer your periods of unemployment insurance.

If you are an independent employer, then the surplus profit from your company can be used to earn the 296 work hours that are required, in order to transfer your period of insurance from another EØS-country. We can first calculate the 296 hours of work, after your annual tax statement has been finalized. The annual tax statement is finalized, at the earliest, on the 1st of July in the following year.

#### **Special rules when registering from the Faroe Islands**

If you register with the unemployment insurance fund after a period of unemployment insurance in the Faroe Islands, there is no work requirement, regardless of whether you used to be a member of a Danish unemployment insurance fund or not.

Please note that if you move to Denmark as a jobseeker after a period of unemployment insurance in the Faroe Islands, you need to bring a PD U2 from ALS in the Faroe Islands. The PD U2 will entitle you to Faroese unemployment benefits for up to three months while you are seeking employment in Denmark. Contact ALS for assistance with this before your departure.

#### **How to register after living in the EEA**

You must register with the unemployment insurance fund at krifa.dk within eight weeks after ceasing to be covered by unemployment insurance in the other EEA country. The earliest you can become a member is the date on which we receive your registration application.

Please note that holidays, a benefits quarantine or illness, for example, may lead to your insurance cover in the other country ceasing.

If you are unemployed when you register, you must also register as unemployed with the Job Centre. The earliest you can receive unemployment benefits is the date on which you registered as unemployed with the Job Centre.

Periods of employment and earnings falling within a period of unemployment insurance that have been confirmed on a PD U1 document may always be transferred to Denmark, even after expiry of the eight-week time-limit.

As a general rule, no Danish unemployment benefits will be paid to you until we have received your PD U1. You should therefore contact the relevant authority in the other EEA country before returning to Denmark and ask them to issue the document. The issuing process will be faster if you take your payslips and an employment contract.

If you are unable to obtain a PD U1 before leaving for Denmark, you should contact us straight away. Then we will help you obtain the document.

It is important that you comply with the eight-week time limit for registration, whether you have received the document or not.

### **Receiving Danish unemployment benefits when seeking employment in another EEA country.**

You can apply for Danish unemployment benefits for up to three months when seeking employment in an EEA country.

Various conditions have to be met in order to be entitled to Danish unemployment benefits in another EEA country or the Faroe Islands. You can read more about this in the leaflet entitled 'Seeking employment in the EEA and the Faroe Islands with Danish unemployment benefits' (P142b), which you will find at [krifa.dk](http://krifa.dk).

However, we encourage you to contact us in plenty of time before your departure if you want to receive Danish unemployment benefits while seeking employment in another EEA country. Then we can provide precise guidance on the rules and application deadlines, and there will be time to issue the original documents you will need to take with you to the other country.

Unfortunately, the documents cannot be issued if you leave before we receive your application.

### **Cross-border worker in an EEA country**

You are a cross-border worker if you are an employee or carry out self-employed work in one EEA country while residing in another, provided you return to your place of residence at least once a week.

As a cross-border worker, you must take out unemployment insurance in the EEA country where you work.

If you become temporarily unemployed, if you are working part-time or if you job-share, you will be entitled to unemployment benefits in the EEA country where you work according to the rules of that country.

If you become entirely unemployed, meaning that your employment or your self-employed work comes to an end, you will be subject to the rules on eligibility for unemployment benefits in your country of residence.

### **Posted to work in an EEA country**

If you are an employee and are posted by a Danish enterprise to work in another EEA country, you may still be covered under Danish social security legislation.

To document that you are covered by Danish legislation while posted to work in another EEA country, you or your employer must request 'Udbetaling Danmark' to issue an 'Afgørelse om social sikring' (social security

ruling). You can find the form and guidance on the rules at [borger.dk](http://borger.dk).

If 'Udbetaling Danmark' approves your application, you will be entitled to retain your membership of your Danish unemployment insurance fund. You may also register as a member of a Danish unemployment insurance fund during your posting, provided you do so within one year after the start of your posting.

If 'Udbetaling Danmark' does not approve your application, you must take out insurance in the country where you work instead.

### **Seek advice before you leave, and before you return**

There are many things to remember, and it is essential for you to be familiar with the rules before you leave. For that reason, it is always a good idea to contact us before you decide to work or seek employment in another EEA country.

You may also contact the Job Centre, which can refer you to your nearest EURES adviser. The EURES adviser can provide information on working and living conditions in the EEA country you have decided to go to.

You should also talk to the health insurance office ('sygesikringskontoret') of the Danish social and healthcare services about health insurance during stays abroad.

When you return to Denmark, it is essential that you immediately contact us so that we can advise you and help you obtain the necessary documents from the other EEA country.

Find out more about the rules at

- [krifa.dk/udland](http://krifa.dk/udland)
- [borger.dk](http://borger.dk).
- [ec.europa.eu/eures](http://ec.europa.eu/eures)

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