DLA Application – Posting of workers
Portugal

GENERAL INFORMATION	
Name of the organisation	Instituto da Segurança Social (Social Security Institute)
Type of organisation	Other: Social security organisation
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Member State	Portugal
GOOD PRACTICE - GENERAL INFORMATION	
Title of the good practice	Determination of Legislation Applicable (DLA) application for the posting of workers
Topic of the good practice	Preventing social security fraud
Geographical focus	Cross-country (please specify) EU, EEA, Switzerland and United Kingdom
Duration	April 2018 - ongoing
Summary of the good practice	The Portuguese Social Security Institute has developed the Determination of Legislation Applicable (DLA) application to simplify and reduce the length of the procedure to issue the portable document A1 (PDA1) to posted workers in EU countries, EEA countries, Switzerland and the United Kingdom. The DLA application benefits the social security institutions, employers and self-employed by making the process simpler, faster and more cost-effective, but also inspecting authorities by ensuring a better application of the legislation and prevent errors and frauds with a set of authentication features including a PDA1 validation tool.

OBJECTIVES AND ACTIVITIES	
Background/context	▶ EU Regulation 883/2004[1] on the coordination of social security systems protects social security rights of persons based in the EU when moving abroad within the EU, EEA countries and Switzerland. The Regulation facilitates the freedom of movement by ensuring to social security system beneficiaries that their benefits will be paid, they will be covered for healthcare and receive family benefits even if they move to another Member State for work or other purposes. This Regulation applies notably to the posting of workers, situation when an employee is sent by their employer, or a self-employed, to carry out services in another country on a temporary basis. In such instances, the employer or self-employed has to request a PDA1, a formal document serving as evidence of their payment of social contributions in another EU Member State.
	▶ The number of requests for issuing PDA1s has increased considerably in the last years, especially in the road transport sector, following the 2016 so-called 'Macron law' in France, which requires any truck drivers passing in the country to hold the PDA1 at all times. Additionally, following the end of the COVID-19 pandemic, the European Commission issued the guidance note on telework 137/2023[2] to encourage teleworking while ensuring that teleworkers continue to be affiliated to the social security system of the country in which their employer is based. As this guidance note requires issuing a PDA1 for posted workers who telework, it also contributed to the increase of number of demands.
	▶ Portugal is one of the countries posting the highest number of workers in the EU. The important increase in request for PDA1 since 2016 with the Macron law and the guidance note on telework has been a challenge, as only one institution, the Institute of Social Security

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[1] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A02004R0883-20140101
[2] https://ec.europa.eu/social/main.jsp?catId=868&langId=en
https://ec.europa.eu/social/BlobServlet?docId=26977&langId=en

	(ISS, I.P.), which operates with a limited workforce, is in charge of issuing PDA1s. Between 2018 and 2022, the number of requests for PDA1s ranged from 60 832 to 81 368, with a small drop in 2020-21 linked to the COVID-19 pandemic. In 2017, the ISS, I.P. together with the IT Institute of the Ministry of Labour, Solidarity and Social Security, decided to invest and develop an application for the request and issuing of PDA1s, called the DLA, to reduce the workload of the ISS, I.P., the administrative burden and costs and to increase the capacity of issuance of PDA1s.
Objectives	**General objective:** ▶ To digitalise and simplify social security procedures to reduce the workload of the administration. **Specific objectives:** ▶ To centralise the process of issuing PDA1 in a single automatised system. The centralisation should simplify and shorten the process to issue PDA1 and therefore reduce costs both for the administration and employers and the self-employed; ▶ To standardise the process between the different regional institutes using it; ▶ To prevent errors by a systematic correct application of the legislation and help to combat fraud regarding the falsification of PDA1s.
Main activities	The DLA application is available to employer, self-employed and administration staff on the Social Security website[3] and the central social security service application: ▶ Employers and self-employed request the PDA1 and upload the necessary documents. They can do all procedures online including consulting the status of their request or previous requests, uploading additional

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[3] https://en.seg-social.pt/homepage

	documents or evidence, cancelling their request or asking to extend the posting.
	▶ Clerks of the ISS, I.P. receive the requests for the PDA1 through the application. The information provided is crossed with the data in the Social Security database and, in some parts, is automatically validated if the worker meets the requirements. This reduces the workload of the clerks who can focus on analysing the request and approving or rejecting it. They can validate documents and request additional ones, consult the status of a request, transfer, reopen or cancel requests, issue documents and extend postings. Once the request is valid, the PDA1 is sent via email to the employer or self-employed.
	▶ Inspecting authorities from other countries can also benefit from the system to detect fraud. They can go on the ISS, I.P.'s website and use a validation tool, introduced recently on 15 June 2023. The validation tool allows to verify the authenticity of PDA1s thanks to a validation code issued by the ISS, I.P. for each document.
Did you previously provide information about this particular good practice under the European Platform tackling undeclared work? (if yes, is it possible to provide the year and the title of good practice or a link of the good practice in ELA Virtual library)	No
Funding/organisational resources	The development of the DLA application was financed through EU funds from a national programme to which ISS, I.P. applied in 2017. The application is now maintained by national funds.
PARTICIPATION	
Stakeholders involved	▶ Social Security Institute (ISS.I.P.)

	▶ IT Institute of the Ministry of Labour, Solidarity and Social Security
Target groups	▶ Employers and self-employed
	▶ Member States' institutions/inspection authorities
Final beneficiaries	▶ Posted workers
GOOD PRACTICE CRITERIA	
Achievements/ Results and outcomes (Alignment of good practice with the priorities of the Call (if not applicable, alignment with the field of EU labour mobility)	The DLA application presents benefits for the social security institution, employers and self-employed and inspecting authorities from other countries: ▶ Simplification and speeding up of the process for requesting and processing of the posting of workers; ▶ Reduction of administrative costs (paper and emails), with online communication and of travel (physical meetings); ▶ Standardisation of the posting process in all the competent regional services of the institute; ▶ Reduction in the issuing time of PDA1, through the automation of all the necessary checking mechanisms: Today, ISS, I.P. staff can manage up to 20 requests per day, pending all documents are provided and there is no specific issue, compared to 5 before the development of the DLA application. A large part of PDA1s can be issued in one day or less now that the application automatised the verification of the documents. Before, ISS, I.P. staff had to manually analyse all documents and it implied substantial back and forth between the ISS and the employer or self-employed; ➢ Improvement in the quality of information and faster communication between the requester and social security services; ➢ Thorough overview of the process from the request to the issuing of the PDA1;

	➢ Reduction of errors, as the digital tool applies the legislation uniformly compared to humans who can do errors;
	➢ Prevention of fraud: Falsification of PDA1 is a big concern and the DLA application has helped to prevent fraud thanks to speeding up the requesting/issuing of the PDA1, the validation tool for PDA1s and data storage of all the requests for the issuance of PDA1s. This allowed for improved and streamlined cooperation with institutions in other Member States. Portugal works especially in close cooperation with Belgian fraud authorities as most Portuguese workers are posted in Belgium. In 2022, 1 307 PDA1s were identified as falses or annulated, which is doubled compared to 2021 with 710.
	➢ The DLA application has also allowed Portugal to join other EU projects aiming to fully digitalise PDA1 and other portable documents.
Recognition (has this good practice been recognised on regional, national or EU level)	Portugal is involved in several EU projects and events: ➢ Portugal is part of the DC4EU consortium (Digital Credentials for Europe) which seeks to uniformise and digitalise several portable documents at EU level by 2025 including PDA1 and the European Health Insurance Card (EHIC). ➢ Portugal also participated in the conference on Digitalisation in social security coordination (ESSPASS) and 'Labour Cards' organised by the European Commission on 1 March 2023. ➢ Portugal was invited to present the DLA application and its positive impacts for the issuance of PDA1 during the Master of Digital 2023 event organised by Digital Europe on 8-9 March 2023.
Cost effectiveness (the degree to which the practice was successful in reaching objectives and producing clear and measurable outcomes at the lowest possible cost)	The development of the application allowed to reduce administrative (paper and emails) and human resources costs since the procedure is dematerialised.

Transferability (how the experience from this practice could be transferred to other contexts i.e. what would another Member State/group/sector need to have or put in place for this measure to be successful in their country/group/sector)	As part of the DC4EU consortium, Portugal was invited to participate in a pilot with other Member States. ISS, I.P. hopes that IT Institute of the Ministry of Labour, Solidarity and Social Security, who developed the DLA application, will join the DC4EU consortium so that both be involved to provide insight on the functioning of the tool. There is a culture of developing small applications in Portugal for administrative procedures in the sector of social security to simplify work, facilitate the process and improve the communication with citizens. This context is highly favourable to innovative tools such as the DLA application and could be spread in other countries by showing its benefits.
Sustainability (how the practice is sustainable from a social, financial or environmental perspective)	The DLA application helped to drastically reduce the use of paper by switching all procedures online.
Innovativeness (innovative features of the good practice)	The DLA application supported the modernisation of the administration by providing a user-friendly tool for social security workers, employers and self-employed as well as fraud authorities.
Digitalisation (Design, development and/or utilisation of digital tools, policies or plans for digitalisation, business processes and data digitalisation, data sharing digital initiatives, the use of digitalisation to facilitate the access to data in real time and detection of fraud and error, etc.)	The DLA application centralises all administrative procedures linked to the posting of workers and teleworking of posted workers online, including the ID validation code feature to prevent fraud. Workers in social security institutions followed trainings to improve their digital skills which was very successful and served as a springboard for their easy readiness to new applications.