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GMS Flash Alert

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European Union – 24-Month Social Security Cap on EU-UK Postings Could be Extended

On 15 October 2026, the European Commission proposed an EU position on changing the social security rules for people working between the EU and the UK under the EU-UK Trade and Cooperation Agreement.[1]

Today, employees posted between the EU and the UK can stay in their home country's social security system for no more than 24 months, with no exceptions. If the UK agrees to the proposal, an EU country and the UK could allow case-by-case exceptions but **only in four pre-defined situations** – such as up to 12 extra months – and where this benefits the employee.

This alert explains what would change, when exceptions could apply, and what it means for employers and employees.

WHY THIS MATTERS

Today, when an EU-UK posting runs beyond **24 months**, the employee must move to the host country's social security system – even if the assignment only runs a few months over. The employer then must register and pay contributions in the host country, and the employee's social security record is split between two countries.

The proposal would give employers and employees a way to avoid that switch when an assignment needs to run longer than planned. Exceptions would be agreed case by case between the EU country and the UK, would need to benefit the employee, and would only be possible in the four listed situations.

This is still a proposal. The rules only change once the Council adopts the EU position and the EU and the UK agree to the change in the Specialised Committee on Social Security Coordination. Until then, the **24-month limit applies without exception**, and employers should plan postings – and any extensions – on that basis.

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Highlights of the Proposal: When Exceptions Could Apply

The proposal adds a new rule (**Article SSCI.17a**) to the EU-UK social security protocol. It would allow an EU country and the UK to agree, for a **specific individual**, that the normal rules on which country's social security applies do not apply.

This is only possible in **four situations**:

1. **Postings that need to run longer than 24 months** – the employee could stay in the home country's system for **up to 12 extra months** where unforeseen exceptional circumstances arise after the posting starts, where switching systems would harm the employee's pension rights, or where the employee is a manager or specialist transferred within a corporate group.

2. **Health reasons** – where switching systems would harm the employee or a family member on health grounds.

3. **Unfair outcomes** – where applying the normal rules to the person's situation would lead to an anomalous, unfair, or unjust result.

4. **Correcting mistakes** – where social security coverage was decided incorrectly and correcting it retroactively would harm the person.

Exceptions are **not automatic**. Each one must be agreed case by case between the EU country and the UK, and must be in the interest of the person concerned.

The proposal does not change the core EU-UK social security rules – including the 24-month limit itself. It only adds a way to make exceptions in individual cases.

KPMG INSIGHTS

This proposal would close a gap that has existed since Brexit. Within the EU, countries can already agree to exceptions to the normal social security rules in individual cases. Between the EU and the UK, the **24-month limit** has applied without exception – even where an assignment only ran a few months over for reasons outside the employer's control.

The proposal **does not set out how to apply** for an exception, nor any **deadlines** for requesting any of the four exceptions. It is likely that the procedure used within the EU would be followed, where the request is made to the authority of the country whose legislation the employer and the employee want to apply. Because both sides must agree on each case, employers should expect requests to take time and to require a clear explanation of why the exception is needed and how it benefits the employee.

Until the change is adopted, the **24-month limit continues to apply**. The proposal does not provide for retroactive application – the new rule would take effect from the date set in the Specialised Committee's decision. Employers should therefore not rely on a future exception for postings reaching 24 months before the date is set, and should identify EU-UK postings approaching 24 months and plan for a change of the social security system where needed.

Please reach out to your usual KPMG contact for support in reviewing EU-UK postings and preparing for the new exception process.

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ENDNOTE:

1 European Commission: Proposal for a Council Decision on the position to be adopted on behalf of the European Union within the Specialised Committee on Social Security Coordination established by the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part, as regards the adoption of a decision to amend Annex SSC-7 to the Protocol on Social Security Coordination, 15 October 2026.

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