



Proposal on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity

The proposal

Astrid Lulling MEP (EPP, Luxembourg), a member of the European Parliament's Women's Rights and Gender Equality Committee is concerned that a large number of self employed people and assisting spouses (usually women) are being denied their rights in terms of access to a state pension, maternity leave etc. These people are therefore, she believes, in a vulnerable position.

As an assisted spouse you may work very hard to support your husband's/wife's business but you get "nothing" in return. The assisted spouse does not receive a salary; no national insurance contributions are made on their behalf etc. If the marriage/relationship then breaks down the assisted spouse is left with nothing; the same situation applies for some self employed people. As well as giving women a more equal status, it is hoped that such moves will encourage more women into entrepreneurship.

Luigi Cocilovo MEP (ALDE, Italy) is leading on this for the Employment and Social Affairs Committee and Lidia Joanna Geringer De Oedenberg MEP (PSE, Poland) is leading on this for the Legal Affairs Committee.

This is a European Parliament initiative and is now with the Council. It is expected that the Council will reach a political agreement on the common position on the 30th November 2009.

It is important to note that no Member State, no trade union and no women's organisations called for this proposal.

What will this mean in practice?

Assisted spouses and the self employed will have to be offered the opportunity to have state provided benefits. If an assisted spouse or self employed person were to demand these rights then the business they worked for or the business they assisted would then have to make national insurance contributions to cover such benefits.

What do other countries do?

This is already compulsory in a number of Member States. In Luxembourg the small business owner does not have to make any extra contributions through the tax system, instead the business owners benefits are divided as they couple see fit. The business owner will pay national insurance for their own pension, now under this system they pay no more tax but that pension is officially divided between him and his wife, the couple decide on the division.

In Belgium there is an opt out clause for those businesses that do not wish to take part.



Federation of Small Businesses

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FSB concerns

In meetings with the Commission it has been made clear to the FSB that they have no desire to see this proposal becoming a compulsory requirement for small businesses; however the position of Astrid Lulling MEP is rather different. Making this compulsory would have a detrimental impact of small businesses in the UK, it would also be very hard to enforce/administer in practice and raises a number of questions:

- How long would someone have to work for their spouse before this came into effect?
- How many hours work would they have to do each week to benefit from these changes?
- What happens to people who have a paid part time job but also assist in their spouses business?

FSB position

The FSB recognises the plight of a large number of spouses who work for their spouses business and receive no reward. While many spouses do this willingly, seeking no reward, the FSB recognises that some may wish to take advantage of the opportunity to have national insurance paid on their behalf so they can take advantage of maternity/paternity leave, receive a state pension etc.

With this in mind the FSB would like to see Europe following the example of Belgium and leaving this is an option for those businesses that wished to take advantage of the opportunities provided by this proposal.

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