Social Security

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How International Agreements Can Help You

If you are one of the growing number of Americans who spend part of their career working outside the U.S., you may wonder what effect this will have on your Social Security taxes and benefits. Fortunately, the United States has concluded Social Security agreements with a number of other countries that help you avoid double taxation while working abroad and also help protect your future benefit rights.

The table below lists the countries with which the United States has Social Security agreements and shows the effective date of each.

Agreement Countries

Country	Effective Date
Australia	Oct. 1, 2002
Austria	Nov. 1, 1991
Belgium	July 1, 1984
Canada	Aug. 1, 1984
Chile	Dec. 1, 2001
Finland	Nov. 1, 1992
France	July 1, 1988
Germany	Dec. 1, 1979
Greece	Sept. 1, 1994
Ireland	Sept. 1, 1993
Italy	Nov. 1, 1978
Korea (South)	April 1, 2001
Luxembourg	Nov. 1, 1993
The Netherlands	Nov. 1, 1990
Norway	July 1, 1984
Portugal	Aug. 1, 1989
Spain	April 1, 1988
Sweden	Jan. 1, 1987
Switzerland	Nov. 1, 1980
United Kingdom	Jan. 1, 1985

Dual Coverage And Taxes

If you work overseas for an American company or, in some cases, an affiliate company of an American company, you and your employer may have to pay Social Security taxes on the same earnings to both the United States and the foreign country. But, if you work in one of the agreement countries shown in this factsheet, your Social Security coverage will be assigned to either the U.S. or the foreign country, so you and your employer don't have to pay taxes to both.

The rules that eliminate dual Social Security coverage and taxation for employed persons are similar in all U.S. agreements. Each agreement establishes a basic rule that assigns your coverage to the country where the work is performed. Under this basic "territoriality" rule, if you are employed abroad in an agreement country, you will pay Social Security taxes only to that country and you will be exempt from paying U.S. Social Security taxes. In the same way, foreign nationals who work in the United States will pay U.S. Social Security taxes but will not pay to their home country.

Each agreement (other than the one with Italy) includes an exception to the above noted territoriality rule. The exception applies to workers who are assigned temporarily from one country to another. Under this "temporary assignment" exception, if you are sent by your employer in the U.S. to work in an agreement country for no more than five years, you pay only U.S. Social Security tax and you are exempt from foreign tax. The agreement with Italy includes a different rule that eliminates dual Social Security taxation based on the worker's citizenship.

Each agreement also includes rules that eliminate dual Social Security taxes for self-employed persons who work abroad and for international transport workers.

Certificates Of Coverage

U.S. citizens and residents who will be exempt from foreign Social Security taxes while working abroad must obtain a "certificate of coverage" from the Social Security Administration to present as proof of their exemption in the other country. Similarly, foreign nationals who work in the United States must obtain a certificate from the Social Security authorities in their home country to establish their exemption from U.S. Social Security taxes. Your local Social Security office can provide you with a booklet that explains how to apply for a certificate under each of the agreements. The booklet also explains the provisions of the agreement in greater detail. This information is also available at the Internet address shown at the end of this factsheet.

Payment Of Benefits

U.S. Social Security agreements also help people who have worked in both the United States and an agreement country, but who have not worked long enough in one country or the other to qualify for Social Security retirement, disability or survivor benefits. Under an agreement, each country can count your work credits in the other country if this will help you qualify for benefits.

For example, if you have earned some Social Security credits in the United States, but not enough to qualify for a benefit, we can count your credits in an agreement country to make up the difference. If you meet the minimum eligibility requirements based on combined credits from both countries, you will receive a partial U.S. benefit that is proportional to the number of credits you earned in the United States. The other country also can use your U.S. credits to help you meet the eligibility requirements for foreign Social Security benefits.

Although each country may count your work credits in the other country, your credits are not actually transferred from one country to the other. They remain on your record in the country where they were earned. It is therefore possible for a person to qualify for a separate benefit payment from each country.

For More Information

To apply for U.S. or foreign benefits under an agreement, contact any U.S. Social Security office. If you do not wish to apply for benefits, but need more information about these agreements, you should write to:

Social Security Administration
Office of International Programs
P.O. Box 17741
Baltimore, MD 21235-7741

If you have access to the Internet, you can find information on agreements at *www.ssa.gov/international.*

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