

How International Agreements Can Help You



If you are among the growing number of Americans who spend part of their careers working outside the United States, you may wonder what effect this will have on your Social Security taxes and benefits. The United States has made agreements with many other countries to help you avoid double taxation while working abroad and also help you qualify for future Social Security benefits.

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

Countries with Social Security Agreements	
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
Japan	Oct. 1, 2005
Luxembourg	Nov. 1, 1993
The Netherlands	Nov. 1, 1990
Norway	July 1, 1984
Portugal	Aug. 1, 1989
South Korea	April 1, 2001
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, a foreign company that is affiliated with 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 fact sheet, your Social Security coverage will be assigned to either the United States or the foreign country, so you and your employer do not have to pay taxes to both.

If you have been sent by your employer in the United States to work in an agreement country for five years or less, you pay only U.S. Social Security tax and you are exempt from foreign tax. On the other hand, if you were hired in one of the listed agreement countries or sent to that country for more than five years, you generally will pay Social Security taxes only to that country and will be exempt from paying U.S. Social Security taxes.*

In the same way, workers who are employed in the United States pay only U.S. Social Security taxes unless they were sent to the United States by their employer in an agreement country for five years or less.

Each agreement also includes rules that eliminate dual Social Security taxes for self-employed people who work abroad and for crews of ships and aircraft.

Certificates of coverage

If you are a U.S. citizen or resident who will be exempt from foreign Social Security taxes while working abroad, you must obtain a "certificate of coverage" from the Social Security Administration to present as proof of your exemption in the other

*The agreement with Italy has a rule that eliminates dual Social Security taxation based on the worker's citizenship rather than the five-year rule.

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country. Similarly, if you are a foreign national who works in the United States, you must obtain a certificate from the Social Security authorities in your home country to establish your 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 fact sheet.

Payment of benefits

U.S. Social Security agreements also can help you if you have worked in both the United States and a country with an agreement, but have not worked long enough in either country to qualify for Social Security retirement, disability or survivors 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 earned at least six Social Security credits in the United States, but not enough to qualify for a benefit, we can count your credits in a country with an agreement 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. Therefore, it is 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, write to:

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

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