

Best Partner for Happiness in the Age of 100-year Longevity

Index

Definition of a Social Security Agreement (SSA) P 1

Types of SSAs P 1

Merits of SSA P 2

The International Social Security Agreements Work Process P 4

Center for International Affairs, National Pension Service P 12

 How to find information regarding the National Pension scheme

- Website <http://www.nps.or.kr>
- Blog <http://blog.naver.com/intlnps1355>
- Facebook <http://www.facebook.com/proNPS>
- Twitter http://twitter.com/NPS_2010

Definition of a Social Security Agreement (SSA)

A Social Security Agreement is concluded to coordinate the social security program of one country with a comparable program of another country. Its aim is to ensure that foreign nationals and each country's nationals residing overseas are treated equally with those citizens in their home countries in the application of social security programs. Once an SSA takes effect, the provisions of the agreement carry the same weight as the domestic laws of a contracting state.

Examples of Unequal Application of Social Security Programs

- Workers who have divided their careers between one country and a foreign country sometimes fail to qualify for benefits or lump-sum payments because they have not worked long enough to meet minimum requirements (normally 10 to 20 years on average for the Old-Age Pension)
- Even when some workers become eligible for benefits, they may find their benefits reduced or unpaid while living abroad.

Types of SSAs

Social Security Agreements can be classified into two main types: exemption from dual coverage (contributions-only), and totalization of coverage period.

The exemption agreement eliminates dual Social Security coverage when a worker (or a self-employed) from one country works in another country and is required to pay Social Security coverage to both countries. Totalization agreements are more comprehensive, as they not only eliminate dual Social Security coverage, but also help fill gaps in benefit protection for workers who have divided their careers between Korea and another country based on totalized coverage periods from both countries.

Countries that have SSA with Korea		[As of 31.07.2017]	[Table 1]
Type	Name (29 Countries)		
Dual Coverage Exemption	China, Iran, Italy, Japan, Mongolia, the Netherlands, Switzerland, the UK, Uzbekistan, Chile (10 Countries)		
Totalization	Australia, Austria, Belgium, Brazil, Bulgaria, Canada(Quebec), Czech, Denmark, France, Germany, Hungary, India, Ireland, Poland, Romania, Spain, Slovakia, Sweden, the U.S., Turkey, Finland (21 Countries)		

Merits of SSA

1) Elimination of Dual Coverage

- Detached employees or self-employed persons working abroad for a short period of time would have make social security payments in both the home and host countries. However, as a result of a Social Security Agreement, the worker or the self-employed is exempted from coverage under the system of the host country, and needs to pay contributions only to the program in the home country
- Detached employees may generally be exempted from coverage under the laws of the contracting state for 3 to 5 years. This limit can be extended for another 1 to 3 years with the consent of the agencies representing both countries.

(Example 1)

Mr. Kim was transferred to work in a branch office in Germany for 5 years by his employer, OOElectronics. (He received a monthly salary of ₩ 5 million.)

▶ (Before the SSA) The amount of pension contributions		Paid	₩ 17,870,000 per year
– Korean National Pension (Contribution ceiling of ₩53,880,000 per year, contribution rate of 9%):		Paid	₩ 4,690,000 per year
– German Pension and Employment Insurance (Contribution of ₩ 60 million, contribution rate of 21.7%):		Paid	₩ 13,020,000 per year

▶ (After the SSA) The amount of pension contributions		Paid	₩ 4,850,000 per year
– The amount of German pension contributions exempted due to the Korea-Germany SSA		Exempted	₩ 13,020,000 per year
(dated since March 1 2013):		Exempted	₩ 65,100,000 for 5 years



2 Totalization of Coverage Periods

(Example 2)

Ms. Lee paid social security tax to the U.S. Social Security system for 9 years (amounting to about ₩ 100 million) and then came back to Korea and contributed to the Korean National Pension for 5 years

► Before the SSA

- (the U.S.) not eligible for US pension benefits, even though she had some coverage
- (Korea) only eligible to receive lump-sum refund, without Old-age Pension benefit.

► After the SSA, she became eligible to receive Old-age Pension from each country. (About ₩ 1,040,000 per month)

- (the U.S.) The totalized period in both countries amounts to 14 years, meeting the minimum eligibility requirements of the U.S. which is 10 years. She is entitled to receive about ₩ 840,000 based on the proportion of 9 out of 14 years.
- (Korea) The combined period in the two countries amounts to 14 years, meeting the minimum eligibility requirements of the Korean pension, which is 10 years. She is entitled to receive about ₩ 200,000, based on the proportion of 5 out of 14 years.

3 Equal Treatment

- Nationals of one contracting state who reside and work in the other country shall be treated equally to the citizens of that country in the application of its Social Security system (with respect to the eligibility for and payment of benefits, as well as the overseas remittance of benefits).

(Example 3)

Mrs. Choi moved back to Korea after residing in Austria for 10 years with a permanent residence.

► Before the SSA

- she was not able to apply for her Australian old-age pension benefits while residing in Korea.

► After the SSA

- she was able to claim her Australian pension benefits and became to receive AUD \$ 1,500 per month.

The International Social Security Agreements Work Process

The Center for International Affairs (CIA) of the National Pension Service (NPS) does work related to Social Security agreements to ensure that workers are exempted from coverage and eligible people can claim benefits from other signatory countries.

1 Guide for Exemption Application

[Flowchart 1]

■ When an insured person of the National Pension scheme applies for exemption from payment of a contracting state's pension



■ When an insured person of other countries' pension scheme applies for exemption from payment of Korea's National Pension



1-1. Required Documents for the Certificate of Coverage from Agreement Countries

■ Supporting Documents Needed for the Issuing the Certificate of Coverage for Exemption from Agreement Countries

[Table 2]

Country	Common Documents	Supplementary Documents
Denmark, Germany, Romania, Mongolia, the US, Belgium, Bulgaria, Brazil, Sweden, Ireland, the UK, Uzbekistan, Italy, India, Japan, Czech, Chile, Canada(Quebec), Australia	-Application form -Letter of Detachment	
the Netherlands	Same as above	A copy of the Household Register Certificate (in the case of families)
Spain	Same as above	Certificate of Overseas Medical Expense Insurance (e.g., injury, illness, disease, or travel insurance)
Slovakia	Same as above	(Public) A Certificate of Workers' Compensation Insurance ▶ An issued document that certifies that a detached worker is covered by the Industrial Accident Compensation Insurance (from the Korea Workers' Compensation & Welfare Service) (Private) An issued document that certifies that a detached worker is covered by Workers' Compensation & Employers' Liability Insurance (from a private insurance company)
Austria, Turkey, Poland	Same as above	-A Certificate of Overseas Medical expense Insurance (e.g., injury, illness, disease, or travel insurance) - (Public) A Certificate of Workers' Compensation Insurance ▶ An issued document that certifies that a detached worker is covered by the Industrial Accident Compensation Insurance (from the Korea Workers' Compensation & Welfare Service) (Private) An issued document that certifies that a detached worker is covered by Workers' Compensation & Employers' Liability Insurance (from a private insurance company)

Country	Common Documents	Supplementary Documents
Switzerland, China, Finland	Same as above	An issued document that certifies that a detached worker is covered by the Employment Insurance from an office of Employment Insurance.
France	Same as above	In the case of coverage under the Public Worker's Compensation Insurance, an issued document that certifies that a detached worker is covered by the Industrial Accident Compensation Insurance from the Korea Workers' Compensation & Welfare Service.
Hungary	Same as above	- An Official Document - The contract of employment (when employed in Hungary)

※ Any delay in submitting your Certificate of Coverage may mean that it may **be difficult to get refund** of the paid contributions in the other contracting state. In addition, if a person does not pay contributions without submitting the Certificate, he/she may have to **retroactively pay pension contributions, arrears, or penalty**. We recommend you issue a Certificate a month in advance of detachment.

■ Required Documents for a Certificate of Coverage from the Korean National Pension

[Table 3]

Countries	Required Documents	How to submit
31 Contracting States	1. The Original copy of Certificate of Coverage under the SSA of contracting state 2. An Official Document for exemption* 3. A photocopy of the Alien Registration Card	Send a registered letter or Visit the CIA.**

* How to write an official document:

Please provide the information requested below:

- Reason for application
- Name, identification number and address of workplace
- Name, and Alien Registration Number of the concerned worker
- Date of application, contact information of the person in charge
- Official seal

** To submit : The Center for International Affairs, the National Pension Service
22nd Fl., Namsan Square Bldg. 173 Toegyero, Jung-gu,
Seoul 04554 Korea

2 Application Procedure for Benefits

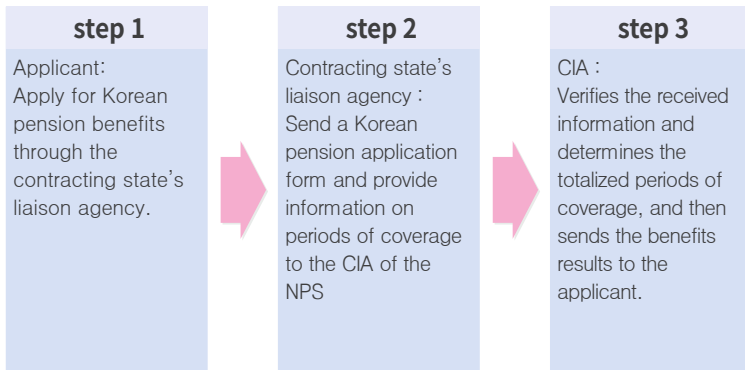
Guide for Benefit Application

[Flowchart 2]

■ When applying for pension benefits of a contracting state through the NPS (in Korea)



■ When applying for pension benefits of Korea through a pension institution of a contracting state (outside Korea)



2-1. Eligibility for Benefits by Country

■ Requirements for Claiming a Foreign Pension

To get Old-age Pension benefits from a contracting state,

- ① One must pay minimum contribution periods (see Table 4) in a contracting state (see Table 4);
- ② The totalized periods of coverage of the Korean National Pension and a contracting state should meet the minimum required periods of a country's Old-Age Pension, and
- ③ One must reach the pensionable age of the relevant country.

2-2. Qualifying Conditions for Old-age Pension in Signatory Countries

[As of 2017.07.31.]

Number	Country	Qualifying Age for Old-age (Early Old-age) pension	Qualifying conditions	Minimum contribution periods for contracting countries
1	Denmark	-State Pension: 65 years -ATP : 65 years old	- State Pension: Resided longer than 3 years (At least 12 months of work) - ATP: Contributed at least once	1 year
2	Germany	65 years and 6 months	5 years	
3	Romania	M: 65 years, F: 60 years and 3 months	15 years	
4	USA	66(62) years	10 years	1 year and 6 months
5	Belgium	65(60) years	Contributed more than once	
6	Bulgaria	66 years	15 years	
7	Brazil	M: 65 years, F: 60 years	15 years	
8	Sweden	-Income pension : 61 years -Guarantee Pension: 65 years	- Income pension: Contributed more than once - Guarantee Pension: Resided longer than 3 years	
9	Spain	65 years and 4 months (61 years and 4 months)	15 years (At least 2 years after reaching the age of 50.)	1 year
10	Slovakia	62 years	15 years	1 year

Number	Country	Qualifying Age for Old-age (Early Old-age) pension	Qualifying conditions	Minimum contribution periods for contracting countries
11	Ireland	66 years	520 weeks	1 year
12	Austria	65(62) years	15 years (35~37.5 years)	1 year
13	India	58 years	10 years	
14	Czech	M: 63 years and 2 months F: 62 years and 4 months	33 years	
15	Canada	65(60) years	-CPP: More than once -OAS: 20 years if you claim while residing abroad (10 years if you claim while residing in Canada)	1 year
	Quebec	65(60) years	-CPP: More than once	1 year
16	Turkey	M: 60 years, F: 58 years	Contributed more than 7,200 days	1 year
17	Poland	- New scheme M: 66 years and 4 months F: 61 years and 2 months - Old scheme M: 65 years, F: 60 years	-New scheme – no minimum requirements -Old scheme – Male: 25 years, Female: 20 years	1 year
18	France	65 years 9 months (60 years and 9 months)	More than once	
19	Finland	68 years (63 years)	More than once	
20	Hungary	63 years 5 months	15/20 years	1 year
21	Australia	65 years 6 months	10 years permanent residence (at least 5 continuous years)	1 year (at least 6 continuous months)

※ The above qualifying conditions can be changed by amendments of the related laws and regulations of contracting states.



2-3. List of Overseas Contracting Agencies

[As of 2017.07.31. / Order of Implementation]

[Table 5]

Number	Name	Implementation	Type	Agency of the other Party and its web-site
1	Iran	1978. 6. 10.	Exempting contributions	Social Security Organization (www.tamin.ir)
2	Canada	1999. 5. 1.	Exempting contributions + Totalization	Canada Revenue Agency (www.cra-arc.gc.ca) Employment and Social Development Canada (www.esdc.gc.ca)
	Quebec	2017. 9. 1.	Exempting contributions + Totalization	Retraite Québec (www.retraitequebec.gouv.qc.ca)
3	the UK	2000. 8. 1.	Exempting contributions	HM Revenue and Customs (www.hmrc.gov.uk)
4	USA	2001. 4. 1.	Exempting contributions + Totalization	Social Security Administration (www.ssa.gov)
5	Germany	2003. 1. 1.	Exempting contributions + Totalization	Deutsche Rentenversicherung Bund (DRV Bund) (www.deutsche-rentenversicherung.de)
6	the Netherlands	2003. 10. 1.	Exempting contributions	Sociale Verzekeringsbank Hoofdkantoor Amstelveen (www.svb.nl)
7	Japan	2005. 4. 1.	Exempting contributions	Japan Pension Service (www.nenkin.go.jp)
8	Italy	2005. 4. 1.	Exempting contributions	Istituto Nazionale Previdenza Sociale (www.inps.it)
9	Uzbekistan	2006. 5. 1.	Exempting contributions	Off-budget Pension Fund (www.pfru.uz) Ministry of Finance(www.mf.uz)
10	Mongolia	2007. 3. 1.	Exempting contributions	Social Insurance General Office (www.ndaatgal.mn)
11	Hungary	2007. 3. 1.	Exempting contributions + Totalization	Országos Nyugdíjbiztosítási Főigazgatóság (www.onyf.hu)
12	France	2007. 6. 1.	Exempting contributions + Totalization	CLEISS (www.cleiss.fr)
13	Australia	2008. 10. 1.	Exempting contributions + Totalization	Centerlink (www.humanservices.gov.au)
14	Czech Republic	2008. 11. 1.	Exempting contributions + Totalization	Czech social security administration (www.cssz.cz)

Number	Name	Implementation	Type	Agency of the other Party and its web-site
15	Ireland	2009. 1. 1.	Exempting contributions + Totalization	Department of Social Protection (www.welfare.ie)
16	Belgium	2009. 7. 1.	Exempting contributions + Totalization	National Pension Office (ONP) (www.rvponp.fgov.be) National Institute for the Social Security of the Self-employed (www.rsvz-inasti.fgov.be) National Institute for Health and Disability Insurance(INAMI) (www.riziv.fgov.be)
17	Poland	2010. 3. 1.	Exempting contributions + Totalization	Zakład Ubezpieczeń Społecznych (ZUS) (www.zus.pl) Kasa Rolniczego Ubezpieczenia Społecznego (KRUS) (www.krus.gov.pl)
18	Slovakia	2010. 3. 1.	Exempting contributions + Totalization	Social Insurance Agency (www.socpoist.sk)
19	Bulgaria	2010. 3. 1.	Exempting contributions + Totalization	National Social Security Institute (www.nssi.bg)
20	Romania	2010. 7. 1	Exempting contributions + Totalization	Casa Nationala de Pensii Publice (www.cnpp.ro)
21	Austria	2010. 10. 1.	Exempting contributions + Totalization	Pension Insurance Institution (PVA) (www.pensionsversicherung.at)
22	Denmark	2011. 9. 1.	Exempting contributions + Totalization	Udbetaling Danmark (www.atp.dk)
23	India	2011. 11. 1.	Exempting contributions + Totalization	Employees' Provident Fund Organisation (EPFO) (www.epfindia.com)
24	China	2013. 1. 16.	Exempting contributions	Ministry of Human Resources and Social Security (www.mohrss.gov.cn)
25	Spain	2013. 4. 1.	Exempting contributions + Totalization	National Social Security Institute (www.seg-social.es) General Treasury of the Social Security (www.seg-social.es)
26	Turkey	2015. 6. 1.	Exempting contributions + Totalization	Sosyal Guvenlik Kurumu (SGK) (www.sgk.gov.tr)

Number	Name	Implementation	Type	Agency of the other Party and its web-site
27	Sweden	2015. 6. 1.	Exempting contributions + Totalization	Swedish Pension Agency (www.pensionsmyndigheten.se) Swedish Social Insurance Agency (www.forsakringskassan.se)
28	Switzerland	2015. 6. 1.	Exempting contributions	Compensation Fund (www.zas.admin.ch)
29	Brazil	2015.11. 1.	Exempting contributions + Totalization	Instituto Nacional do Seguro Social (www.inss.gov.br)
30	Chile	2017. 2. 1.	Exempting contributions	Superintendencia de Pensiones (www.inps.it)
31	Finland	2017. 2. 1.	Exempting contributions + Totalization	The Finnish Centre for Pension (www.etk.fi / www.tyoelake.fi)

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