

Totalization Agreements and Impact on Social Security Taxes

The United States has entered into agreements, called [Totalization Agreements](#), with several nations for the purpose of avoiding double taxation of income with respect to social security taxes. These agreements must be taken into account when determining whether any alien is subject to the United States Social Security/Medicare tax, or whether any U.S. citizen or resident alien is subject to the social security taxes of a foreign country. These agreements generally make sure that you pay social security taxes to only one country. Presently, [twenty one nations](#) have entered into Totalization Agreements with the United States.

In all the Totalization Agreements, the general rule is that you are subject only to the laws of your home country's tax system if you are sent to work in a foreign country for 5 years or less. If you are self-employed and reside in the United States or in one of the agreement nations, you generally will be covered and taxed only by the country where you reside. For a complete description of all the rules, refer to Part II, "Summary of agreement rules" of the applicable totalization agreement.

The Social Security Administration publishes brochures which concisely describe the terms of each totalization agreement. These brochures are available from many local Social Security offices, or may be ordered by dialing toll-free 1-800-772-1213. In addition, the complete texts of these brochures and of the international [totalization agreements themselves](#) are available on the [Social Security Administration's Website](#).

If you live outside the United States and wish to contact the Social Security Administration (SSA), refer to "I live outside the U.S. How do I contact the Social Security" on the SSA web page "[Answers to your Questions](#)".

Note that a certificate of coverage issued by one country serves as proof of exemption from Social Security or self employment taxes on the same earnings in the other country. Part III of each totalization agreement discusses certificates of coverage for employees and for self-employed people. Copies of certificates of coverage issued by the United States will be provided for both the employee and the employer.

For more information on this topic, see chapter 2 of [Publication 54](#), Tax Guide for U.S. Citizens and Resident Aliens Abroad, and chapter 8 of [Publication 519](#), U.S. Tax Guide for Aliens.