



# Agreement Between The United States And Finland

## Contents

Introduction	1
Coverage and Social Security taxes	2
Certificate of coverage	4
Monthly benefits	5
A Finnish EPS pension may affect your U.S. benefit	8
What you need to know about Medicare	9
Claims for benefits	9
Authority to collect information for a certificate of coverage (see page 4-5)	10
Contacting Social Security	10

## Introduction

An agreement effective November 1, 1992, between the United States and Finland improves Social Security protection for people who work or have worked in both countries. It helps many people who, without the agreement, would not be eligible for monthly retirement, disability or survivors benefits under the Social Security system of one or both countries. It also helps people who would otherwise have to pay Social Security taxes to both countries on the same earnings.

The agreement covers Social Security taxes (including the U.S. Medicare portion) and Social Security retirement, disability and survivors

insurance benefits. It does not cover benefits under the U.S. Medicare program or the Supplemental Security Income program.

This booklet covers highlights of the agreement and explains how it may help you **while you work** and **when you apply for benefits**.

### **The agreement may help you, your family and your employer**

- **While you work**—If your work is covered by both the U.S. and Finnish Social Security systems, you (and your employer, if you are employed) would normally have to pay Social Security taxes to both countries for the same work. However, the agreement eliminates this double coverage so you pay taxes to only one system (see pages 2-5).

- **When you apply for benefits**—You may have some Social Security credits in both the United States and Finland, but not have enough to be eligible for benefits in one country or the other. The agreement makes it easier to qualify for benefits by letting you add together your Social Security credits in both countries. For more details, see the section on “**Monthly benefits**” beginning on page 5.

## Coverage and Social Security taxes

Before the agreement, employees, employers and self-employed people could, under certain circumstances, be required to pay Social Security taxes to both the United States and Finland for the same work.

Under the agreement, if you work as an employee in the United States, you normally will be covered by the United States, and you and your employer will pay Social Security taxes only to the United States. If you work as an employee in Finland, you normally will be covered by Finland, and you and your employer pay Social Security taxes only to Finland.

On the other hand, if your employer sends you from one country to work for that employer or an affiliate in the other country for five years or less, you will continue to be covered by your home country and you will be exempt from coverage in the other country. For example, if a U.S. company sends an employee to work for that

employer or an affiliate in Finland for no more than five years, the employer and the employee will continue to pay only U.S. Social Security taxes and will not have to pay in Finland.

If you are self-employed and reside in the United States or Finland, you generally will be covered and taxed only by the country where you reside.

**NOTE:** *In addition to retirement, disability and survivors benefits, Finnish Social Security taxes cover several other programs, including sickness and maternity insurance and child allowance benefits. As a result, workers exempted from Finnish Social Security coverage by the agreement pay no Social Security taxes for these programs and generally cannot receive benefits from them. If the agreement exempts you from Finnish coverage, you and your employer may wish to arrange for alternative benefit protection.*

## Summary of agreement rules

The following table shows whether your work is covered under the U.S. or Finnish Social Security system. If you are covered under U.S. Social Security, you and your employer (if you are an employee) must pay U.S. Social Security taxes. If you are covered under the Finnish system, you and your employer (if you are an employee) must pay Finnish Social Security taxes. The next section explains how to get a form from the country where you are covered that will prove you are exempt in the other country.

<b>Your work status</b>	<b>Coverage and taxes</b>
<b><i>You are working in Finland:</i></b>	
<i>For a U.S. employer who:</i>	
• Sent you to work in Finland for five years or less	U.S.
• Sent you to work in Finland for more than five years	Finland
• Hired you in Finland	Finland
<i>For a non-U.S. employer</i>	Finland
<i>For the U.S. government and you are a:</i>	
• U.S. national	U.S. (either Social Security or federal retirement program)
• Finnish national	Finland
<b><i>You are working in the U.S.:</i></b>	
<i>For an employer in Finland who:</i>	
• Sent you to work in the U.S. for five years or less	Finland
• Sent you to work in the U.S. for more than five years	U.S.
• Hired you in the U.S.	U.S.
<i>For a non-Finnish employer</i>	U.S.
<i>For the Finnish government and you are a:</i>	
• Finnish national	Finland
• U.S. citizen	U.S.
<b><i>You are self-employed and you:</i></b>	
• Reside in the U.S.	U.S.
• Reside in Finland	Finland
<b><i>If this table does not seem to describe your situation and you are:</i></b>	
• Working in the U.S.	Write to the U.S. address on page 11 for further information.
• Working in Finland	Write to the Finnish address on page 11 for further information.

**NOTE:** As the table indicates, a U.S. worker employed in Finland can be covered by U.S. Social Security only if he or she works for a U.S. employer. A **U.S. employer** includes a corporation organized under the laws of the United States or any state, a partnership if at least two-thirds of the partners are U.S. residents, a person who is a resident of the U.S. or a trust if all the trustees are U.S. residents. The term also includes a foreign affiliate of a U.S. employer if the U.S. employer has entered into an agreement with the Internal Revenue Service (IRS) under section 3121(l) of the Internal Revenue Code to pay Social Security taxes for U.S. citizens and residents employed by the affiliate.

## Certificate of coverage

A certificate of coverage issued by one country serves as proof of exemption from Social Security taxes on the same earnings in the other country.

### Certificates for employees

To establish an exemption from compulsory coverage and taxes under the Finnish system, your employer must request a certificate of coverage (form USA/SF 1) from the U.S. at this address:

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

If preferred, the request may be sent by FAX to **(410) 966-1861**. Please note this FAX number should only be used to request certificates of coverage.

No special form is required to request a certificate but the request must be in writing and provide the following information:

- Full name of worker;
- Date and place of birth;
- Citizenship;
- Country of worker's permanent residence;
- U.S. Social Security number;
- Date of hire;
- Country of hire;
- Name and address of the employer in the U.S. and Finland; and
- Date of transfer and anticipated date of return.

In addition, your employer must indicate if you remain an employee of the U.S. company while working in Finland or if you become an employee of the U.S. company's affiliate in Finland. If you become an employee of an affiliate, your employer must indicate if the U.S. company has an agreement with the IRS under section 3121(l) of the Internal Revenue Code to

pay U.S. Social Security taxes for U.S. citizens and residents employed by the affiliate and, if yes, the effective date of the agreement.

Your employer can also request a certificate of U.S. coverage for you over the Internet using a special online request form available at [www.socialsecurity.gov/coc](http://www.socialsecurity.gov/coc). Only an employer can use the online form to request a certificate of coverage. A self-employed person must submit a request by mail or fax.

To establish your exemption from coverage under the U.S. Social Security system, your employer in Finland must request a certificate of coverage (form SF/USA 1) from Finland at this address:

The Central Pension Security Institute  
Legal Department  
FIN-00065 ELAKETURVAKESKUS  
FINLAND

The same information required for a certificate of coverage from the United States is needed to get a certificate from Finland except that you must show your Finnish social insurance number rather than your U.S. Social Security number.

### Certificates for self-employed people

If you are self-employed and would normally have to pay Social Security taxes to both the U.S. and Finnish systems, you can establish your exemption from one of the taxes.

- If you reside in the United States, write to the Social Security Administration at the address on page 4; or
- If you reside in Finland, write to the Central Pension Security Institute at the address on page 4.

Be sure to provide the following information in your letter:

- Full name;
- Date and place of birth;
- Citizenship;
- Country of permanent residence;
- U.S. and/or Finnish Social Security number;

- Nature of self-employment activity;
- Dates the activity was or will be performed; and
- Name and address of your trade or business in both countries.

### Effective date of coverage exemption

The certificate of coverage you receive from one country will show the effective date of your exemption from paying Social Security taxes in the other country. Generally, this will be the date you began working in the other country.

Certificates of coverage issued by Finland should be retained by the employer in the United States in case of an audit by the IRS. No copies should be sent to IRS unless specifically requested by IRS. However, a self-employed person must attach a **photocopy** of the certificate to his or her income tax return each year as proof of the U.S. exemption.

Copies of certificates of coverage issued by the United States will be provided for both the employee and the employer. It will be their responsibility to present the certificate to the Finnish authorities when requested to do so. To avoid any difficulties, your employer (or you, if you are self-employed) should request a certificate as early as possible, preferably before your work in the other country begins.

If you or your employer request a certificate of coverage, you should read the Privacy Act and Paperwork Reduction Act statements at the end of this booklet.

## Monthly benefits

The following table shows the various types of Social Security benefits payable under the U.S. and Finnish Social Security systems and briefly describes the eligibility requirements that normally apply for each type of benefit. If you do not meet the normal requirements for these benefits, the agreement may help you to qualify (see pages 8-9).

We should point out that Finland pays benefits through two separate programs. The National Pension Scheme (NPS) pays flat-rate benefits to people who meet certain residence requirements. The Employment Pension Scheme (EPS) pays benefits based on a worker's earnings and total years of coverage.

This table is only a general guide. You can get more specific information about U.S. benefits at any U.S. Social Security office or by using the contact information on page 11.

You can get more detailed information about the Finnish system by writing to the appropriate Finnish pension scheme or by visiting its website. Postal and website addresses are shown on page 11.

Under U.S. Social Security, you may earn up to four credits each year depending on the amount of your covered earnings. The amount needed to earn a work credit goes up slightly each year. For more information, ask for *How You Earn Credits* (Publication No. 05-10072). Under the Finnish system, credits are measured in months. To simplify the information in the table, requirements are shown in years of credits.

<b>Retirement or old-age benefits</b>	
<b>United States</b>	<b>Finland</b>
<p><b>Worker</b>—Full benefit at full retirement age.* Reduced benefit as early as age 62. Required work credits range from one and one-half to 10 years (10 years if age 62 in 1991 or later).</p>	<p><b>Worker</b>—</p> <p><b>NPS:</b> Full pension at age 65 with 40 years of residence in Finland or reduced pension as early as age 60. A Finnish national must currently reside in Finland and have resided in Finland for at least three years after age 16. If not a Finnish national, must currently reside in Finland and must have resided in Finland for five continuous years immediately before entitlement.</p> <p><b>EPS:</b> Full pension at age 65 or reduced pension as early as age 60. At least one month of covered work is required.</p>

<b>Disability benefits</b>	
<b>United States</b>	<b>Finland</b>
<p><b>Worker</b>—Under full retirement age* can get benefit if unable to do any substantial gainful work for at least a year. One and one-half to 10 years credit needed, depending on age at date of onset. Some recent work credits also needed unless worker is blind.</p>	<p><b>Worker</b>—</p> <p><b>NPS:</b> At age 16-64 can get pension if impairment prevents regular occupation or similar work. A Finnish national must currently reside in Finland and have resided in Finland for at least three years after age 16. If not a Finnish national, must currently reside in Finland and must have resided in Finland for five continuous years immediately before disability began.</p> <p><b>EPS:</b> At age 15-64 with at least 40 percent loss of work capability and impairment expected to last at least one year. At least one month of covered work is required.</p>

<b>Family benefits to dependents of retired or disabled people</b>	
<b>United States</b>	<b>Finland</b>
<p><b>Spouse</b>—Full benefit at full retirement age* or at any age if caring for the worker's entitled child under age 16 (or disabled before age 22). Reduced benefit as early as age 62 if not caring for a child.</p>	<p><b>Spouse</b>—No provision.</p>
<p><b>Divorced spouse</b>—Full benefit at full retirement age.* Reduced benefit as early as age 62. Must be unmarried and have been married to worker for at least 10 years.</p>	<p><b>Divorced spouse</b>—No provision.</p>
<p><b>Children</b>—If unmarried, up to age 18 (age 19 if in an elementary or secondary school full time) or any age if disabled before age 22.</p>	<p><b>Children</b>—No provision.</p>

\*The full retirement age is 66 for people born in 1943-1954 and will gradually increase to 67 for people born in 1960 or later.



<b>Survivors benefits</b>	
<b>United States</b>	<b>Finland</b>
<p><b>Widow(er)</b>—Full benefit at full retirement age* or at any age if caring for deceased's entitled child under age 16 (or disabled before age 22). Reduced benefit as early as age 60 (or age 50 if disabled) if not caring for a child. Benefits may be continued if remarriage occurs after age 60 (or age 50 if disabled).</p>	<p><b>Widow(er)</b>—</p> <p><b>NPS:</b> Deceased must have resided in Finland at the time of his or her death. If Finnish national, widow(er) must currently reside in Finland or have moved to Finland during the year following the deceased's death and must have resided in Finland for at least three years. If not a Finnish national, widow(er) must currently reside in Finland and must have resided in Finland for five continuous years immediately before the death of the deceased. In addition:</p> <p>Widow(er) must be under age 65 and married to deceased before deceased was age 65 and:</p> <ul style="list-style-type: none"> <li>• They had a child in common, or</li> <li>• Widow(er) is at least age 50 and at time of marriage was under age 50 and the marriage lasted at least five years.</li> </ul> <p>Childless widow (not widower) may also be eligible if married:</p> <ul style="list-style-type: none"> <li>• Before July 1, 1990, and before worker was age 65 and marriage lasted at least three years, or</li> <li>• After June 30, 1990, and she was under age 50 at time of marriage and deceased was under age 65, and marriage lasted at least five years.</li> </ul> <p><b>EPS:</b> Widow(er) benefit payable if married before the deceased was age 65 and either:</p> <ul style="list-style-type: none"> <li>• They had a child in common, or</li> <li>• Widow(er) was at least age 50 or disabled at time of worker's death and the marriage occurred before the widow(er) was age 50 and lasted at least five years.</li> </ul> <p>Childless widow (not widower) may also be eligible if married:</p> <ul style="list-style-type: none"> <li>• Before July 1, 1990, and the marriage lasted at least three years, or</li> <li>• After June 30, 1990, and she was under age 50 at the time and the marriage lasted at least five years.</li> </ul>
<p><b>Divorced widow(er)</b>—Same as widow(er) if marriage lasted at least 10 years.</p>	<p><b>Divorced widow(er)</b>—</p> <p><b>NPS:</b> No provision.</p> <p><b>EPS:</b> Same as widow(er) if entitled to alimony payments from the deceased.</p>
<p><b>Children</b>—Same as for children of retired or disabled worker.</p>	<p><b>Children</b>—</p> <p><b>NPS:</b> Under age 18, or age 21 if a student, and must reside in Finland at the date of the deceased's death or must have moved to Finland during the year following the deceased's death. There are no citizenship or qualifying period requirements.</p> <p><b>EPS:</b> Under age 18.</p>
<p><b>Lump-sum death benefit</b>—A one-time payment not to exceed \$255 payable on the death of an insured worker.</p>	<p><b>Lump-sum death benefit</b>—</p> <p><b>NPS:</b> No provision.</p> <p><b>EPS:</b> No provision.</p>

\*The full retirement age is 66 for people born in 1943-1954 and will gradually increase to 67 for people born in 1960 or later.

## How benefits can be paid

If you have Social Security credits in both the United States and Finland, you may be eligible for benefits from one or both countries. If you meet all the basic requirements under one country's system, you will get a regular benefit from that country. If you do not meet the basic requirements, the agreement may help you qualify for a benefit as explained below.

- **Benefits from the U.S.**—If you do not have enough work credits under the U.S. system to qualify for regular benefits, you may be able to qualify for a partial benefit from the United States based on both U.S. and Finnish credits. However, to be eligible to have your Finnish credits counted, you must have earned at least six credits (generally one and one-half years of work) under the U.S. system. If you already have enough credits under the U.S. system to qualify for a benefit, the United States cannot count your Finnish credits.
- **Benefits from Finland**—Finland provides retirement, disability and survivors benefits through two separate programs.
  1. The National Pension Scheme (NPS) pays flat-rate benefits to Finnish nationals who live in Finland. People who are not Finnish nationals may also qualify for NPS benefits, but only if they reside in Finland for five continuous years immediately before entitlement.

The agreement makes it possible for U.S. and Finnish nationals who live in the United States, as well as U.S. nationals in Finland, to qualify for NPS retirement and survivors benefits if they have resided in Finland for five continuous years **anytime** after age 16. The five years of residence does not have to occur immediately before entitlement.
  2. The Employment Pension Scheme (EPS) pays benefits based on the worker's earnings level and total years of work. A person can qualify for an EPS benefit with as little as one month of EPS coverage. Therefore, work credits under

the U.S. system will not be counted when determining eligibility for EPS benefits.

## How credits get counted

You do not have to do anything to have your credits in one country counted by the other country. If we need to count your credits under the Finnish system to help you qualify for a U.S. benefit, we will get a copy of your Finnish record directly from Finland when you apply for benefits. If Finnish officials need to count your U.S. credits to help you qualify for a Finnish benefit, they will get a copy of your U.S. record directly from the Social Security Administration when you apply for the Finnish benefit.

Although each country may count your 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 you earned them and can also be used to qualify for benefits there.

## Computation of U.S. benefit under the agreement

When a U.S. benefit becomes payable as a result of counting both U.S. and Finnish Social Security credits, an initial benefit is determined based on your U.S. earnings as if your entire career had been completed under the U.S. system. This initial benefit is then reduced to reflect the fact that Finnish credits helped to make the benefit payable. The amount of the reduction will depend on the number of U.S. credits: the more U.S. credits, the smaller the reduction; and the fewer U.S. credits, the larger the reduction.

## A Finnish EPS pension may affect your U.S. benefit

If you qualify for Social Security benefits from the United States and a Finnish Employment Pension Scheme (EPS) and you did not need the agreement to qualify for the U.S. benefit, the amount of your U.S. benefit may be reduced. This is a result of a provision in U.S. law that can affect the way your benefit is figured if you also receive a pension based on work that was not covered by U.S. Social Security.



Receipt of a Finnish National Pension Scheme (NPS) pension, which is based on residence in Finland, will not affect the way your U.S. benefit is figured. For more information, ask for *Windfall Elimination Provision* (Publication No. 05-10045). If you are outside the United States, you may write to us at the address on the inside cover.

## What you need to know about Medicare

Medicare is the U.S. national health insurance program for people age 65 or older or who are disabled. Medicare has four parts:

- Hospital insurance (Part A) helps pay for inpatient hospital care and certain follow-up services.
- Medical insurance (Part B) helps pay for doctors' services, outpatient hospital care and other medical services.
- Medicare Advantage plans (Part C) are available in many areas. People with Medicare Parts A and B can choose to receive all of their health care services through a provider organization under Part C.
- Prescription drug coverage (Part D) helps pay for medications doctors prescribe for medical treatment.

You are eligible for free hospital insurance at age 65 if you have worked long enough under U.S. Social Security to qualify for a retirement benefit. People born in 1929 or later need 40 credits (about 10 years of covered work) to qualify for retirement benefits.

Although the agreement between the United States and Finland allows the Social Security Administration to count your Finnish EPS credits to help you qualify for U.S. retirement, disability or survivors benefits, the agreement does not cover Medicare benefits. As a result, we cannot count your credits in Finland to establish entitlement to free Medicare hospital insurance.

For more information about Medicare, ask for *Medicare* (Publication No. 05-10043) or visit Medicare's website at [www.medicare.gov](http://www.medicare.gov).

## Claims for benefits

If you live in the United States and wish to apply for U.S. or Finnish benefits:

- Visit or write any U.S. Social Security office; or
- Phone our toll-free number, **1-800-772-1213**, 7 a.m. to 7 p.m., Monday-Friday. People who are deaf or hard of hearing may call our TTY number, **1-800-325-0778**.

You can apply for Finnish benefits at any U.S. Social Security office by completing an application form SSA-2490.

If you live in Finland and wish to apply for U.S. or Finnish benefits, contact:

- The Federal Benefits Unit at the U.S. Embassy in Oslo, Norway, (phone **47-2-2448-550**) to file for U.S. benefits; or
- Any Finnish Social Security office to file for Finnish benefits.

You can apply with one country and ask to have your application considered as a claim for benefits from the other country. Information from your application will then be sent to the other country. Each country will process the claim under its own laws—counting credits from the other country when appropriate—and notify you of its decision.

If you have not applied for benefits before, you may need to provide certain information and documents when you apply. These include the worker's U.S. and Finnish Social Security numbers, proof of age for all claimants, evidence of the worker's U.S. earnings in the past 24 months and information about the worker's coverage under the Finnish system. You may wish to call the Social Security office before you go there to see if any other information is needed.

## Payment of benefits

Each country pays its own benefit. U.S. payments are made by the U.S. Department of Treasury each month and cover benefits for the preceding month. Payments under the

Finnish system are generally made every three months and cover the prior two months plus the current month.

### **Absence from U.S. territory**

Normally, people who are not U.S. citizens may receive U.S. Social Security benefits while outside the U.S. only if they meet certain requirements. Under the agreement, however, you may receive benefits as long as you reside in Finland regardless of your nationality. If you are not a U.S. or Finnish citizen and live in another country, you may not be able to receive benefits. The restrictions on U.S. benefits are explained in the publication, *Your Payments While You Are Outside The United States* (Publication No. 05-10137).

### **Appeals**

If you disagree with the decision made on your claim for benefits under the agreement, contact any U.S. or Finnish Social Security office. The people there can tell you what you need to do to appeal the decision.

The Finnish Social Security authorities will review your appeal if it affects your rights under the Finnish system, while U.S. Social Security authorities will review your appeal if it affects your rights under the U.S. system. Since each country's decisions are made independently of the other, a decision by one country on a particular issue may not always conform with the decision made by the other country on the same issue.

### **Authority to collect information for a certificate of coverage (see page 4-5)**

### **Privacy Act**

The *Privacy Act* requires us to notify you that we are authorized to collect this information by section 233 of the *Social Security Act*. While it is not mandatory for you to furnish the information to the Social Security Administration, a certificate of coverage cannot be issued unless a request has been received. The information is needed to enable Social Security to determine

if work should be covered only under the U.S. Social Security system in accordance with an international agreement. Without the certificate, work may be subject to taxation under both the U.S. and the foreign Social Security systems.

### **Paperwork Reduction Act Notice**

This information collection meets the clearance requirements of 44 U.S.C. section 3507, as amended by section 2 of the *Paperwork Reduction Act of 1995*. You are not required to answer these questions unless we display a valid Office of Management and Budget control number. We estimate that it will take you about 30 minutes to read the instructions, gather the necessary facts, and write down the information to request a certificate of coverage.

### **Contacting Social Security**

#### **Visit our website**

The most convenient way to conduct Social Security business from anywhere at any time, is to visit [www.socialsecurity.gov](http://www.socialsecurity.gov). There, you can:

- Apply for retirement, disability, and Medicare benefits;
- Find copies of our publications;
- Get answers to frequently asked questions; and
- So much more!

#### **Call us**

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. If you're in the United States, call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience a higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you.

## For more information

To **file a claim** for U.S. or Finnish benefits under the agreement, follow the instructions on page 9.

### If you live outside the United States, write to:

Social Security Administration  
OIO—Totalization  
P.O. Box 17049  
Baltimore, MD 21235-7049  
USA

For more information about Finland's Social Security programs, visit any Social Security office in Finland. If you do not live in Finland, write to the following addresses.

For more information about the National Pension Scheme (NPS), write to:

Social Insurance Institution  
P.O. Box 82  
SF-00601 Helsinki  
FINLAND

Internet: ***193.209.217.5/in/internet/english.nsf***

For more information about the Employment Pension Scheme (EPS), write to:

The Central Pension Security Institute  
Legal Department  
FIN-00065 ELAKETURVAKESKUS  
FINLAND

Internet: ***www.etk.fi***

If you **do not wish to file a claim for benefits** but would like more information about the agreement, write to:

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

For additional information visit our website:  
***www.socialsecurity.gov/international***



Securing today  
and tomorrow