



Agreement Between The United States And Sweden

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Introduction

An agreement effective January 1, 1987, between the United States and Sweden 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.

For the United States, 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.

For Sweden, the agreement applies to retirement, disability and survivors benefits under Sweden’s basic and supplementary pension programs and to the taxes that must be paid under those programs. The agreement does not affect benefits or tax liability under other Swedish programs such as health insurance, unemployment insurance, work accident, occupational illness insurance or family allowance benefits.

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 the Swedish 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 page 3).
- **When you apply for benefits** — You may have some Social Security credits in both the United States and Sweden 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

Under the U.S. Social Security program, employees and their employers, as well as self-employed people, are required to pay Social Security taxes. Under the Swedish system, employers (but not employees) and self-employed people must pay Social Security taxes. Before the agreement, employers and self-employed people could, under certain circumstances, be required to pay Social Security taxes to both the United States and Sweden 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 Sweden, you normally will be covered by Sweden, and your employer pays Social Security taxes only to Sweden.

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 Sweden 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 Sweden.

NOTE: *Employers of workers sent from the United States to work in Sweden for five years or less will be exempt from paying Social Security taxes to the Swedish retirement, disability and survivors benefit programs, but they will not be exempt from paying taxes to other Swedish benefit programs such as sickness and work injury insurance.*

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

Summary of agreement rules

The following table shows whether your work is covered under the U.S. or Swedish 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 Swedish system, you or your employer (if you are an employee) must pay Swedish 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.

Your work status	Coverage and taxes
<i>You are working in Sweden:</i>	
<i>For a U.S. employer who:</i>	
• Sent you to work in Sweden for five years or less	U.S.
• Sent you to work in Sweden for more than five years	Sweden
• Hired you in Sweden	Sweden
<i>For a non-U.S. employer</i>	Sweden
<i>For the U.S. government and you are a:</i>	
• U.S. national	U.S. (either Social Security or federal retirement program)
• Swedish national	Sweden
<i>You are working in the U.S.:</i>	
<i>For a Swedish employer who:</i>	
• Sent you to work in the U.S. for five years or less	Sweden
• 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-Swedish employer</i>	U.S.
<i>For the Swedish government and you are a:</i>	
• Swedish national	Sweden
• U.S. national	U.S.
<i>You are self-employed and you:</i>	
• Reside in the U.S.	U.S.
• Reside in Sweden	Sweden
<i>If this table does not seem to describe your situation and you are:</i>	
• Working in the U.S.	Write to the U.S. address on page 9 for further information.
• Working in Sweden	Write to the Swedish address on page 9 for further information.

NOTE: As the table indicates, a U.S. worker employed in Sweden 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 Swedish system, your employer must request a certificate of coverage (form US/SW 101) 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:

- 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 Sweden; 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 Sweden or if you become an employee of the U.S. company's affiliate in Sweden. 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(I) 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. 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 Sweden must request a certificate of coverage (form SW/US 101) from the Swedish Regional Social Insurance Office for the region in which the Swedish employer is located.

The same information required for a certificate of coverage from the United States is needed to get a certificate from Sweden except that you must show your Swedish Social Security 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 Swedish 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 10; or
- If you reside in Sweden, write to the Swedish Regional Social Insurance Office for the region in which you reside.

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 Swedish Social Security number;
- Name and relationship of family members accompanying you;
- Address in Sweden, if known;

- 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 Sweden 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 Swedish 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 Swedish 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 7-8).

Sweden has a new pension system that covers people born in 1938 or later. People born in 1937 or earlier will continue to receive their benefits only under the old system. People born between 1938 and 1953 will receive part of their benefits under the old system and part under the new system. People born in 1954 or later will receive their benefits only under the new system.

Since the new system applies only partially to people retiring today, the following table only explains the eligibility requirements for Swedish benefits under the old system. Under the old system, Sweden pays benefits through a two-tier program: the first tier pays a basic pension based on residence; and the second tier pays an earnings-related supplementary pension (ATP).

Under U.S. Social Security, you may earn up to a maximum of four credits each year depending on the amount of your covered earnings. The amount of earnings needed to equal one work credit changes slightly each year. Under the Swedish system, credits are measured in years. To simplify the information in the table, U.S. requirements are shown in years of credits.

You can get more specific information about U.S. benefits at any U.S. Social Security office or by calling our toll-free number at **1-800-772-1213** or by visiting Social Security's website at **www.socialsecurity.gov**.

To get more information about earning credits, ask for *How You Earn Credits* (SSA Publication No. 05-10072).

You can get more detailed information about the old and new Swedish systems by writing to the Swedish address on page 1 or by visiting the Swedish National Social Insurance Board's website, **www.rfv.se**.

Retirement or old-age benefits	
United States	Sweden**
Worker — Full benefits 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).	Worker — Basic: Full pension at age 65, or reduced pension as early as age 60. Payable to Swedish residents with three years residence in Sweden or three years of ATP coverage. Payable outside Sweden to Swedish nationals with at least three years of ATP coverage. ATP: Full pension at age 65; reduced pension as early as age 60. At least three years of work required. Reduced payments with fewer than 30 years of work. No nationality or residence requirements.

Disability benefits	
United States	Sweden**
Worker — 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.	Worker — Basic: Must be age 16 to age 65 and at least 25 percent disabled. Payable to Swedish residents with three years residence in Sweden or three years of ATP coverage. Payable outside Sweden to nationals with at least three years of ATP coverage. ATP: Same as basic pension except three years work required. Reduced payments with fewer than 30 years of work.

Family benefits to dependents of retired or disabled people	
United States	Sweden**
Spouse — 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.	Spouse — No provision. However, a means-tested wife's supplement to the basic pension may be payable for a wife who is at least age 60. Certain residence requirements may apply.
Divorced spouse — 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.	Divorced spouse — No provision.
Children — 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.	Children — No provision.

*Full retirement age for people born in 1942 is age 65 and 6 months. The full retirement age increases gradually until it reaches age 67 for people born in 1962 or later.

**Sweden has a new pension system. People born in 1938 or later receive at least part of their benefits under this new system. People born in 1937 or earlier receive benefits only under the old system. The table shows the eligibility requirements for benefits only under the old system.

Survivors benefits	
United States	Sweden**
Widow — Full benefit at full retirement age* or at any age if caring for the 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 child. Benefits may be continued if remarriage occurs after age 60 (or age 50 if disabled).	Widow (worker died prior to 1/1/90 or widow born in 1944 or earlier) — Basic: Pension at any age if child under age 16 in care or at least age 36 and married at least five years. ATP: Pension at any age if worker was receiving ATP retirement or disability pension, or had at least three years of ATP coverage. Marriage must have lasted five years and taken place before worker reached age 60, unless there is a surviving child of the marriage.
Widower — Same as widow.	Widower — No provision.
Divorced widow — Same as widow if marriage lasted at least 10 years.	Divorced widow — Same as widow if worker died prior to 1/1/90. No provision if worker died 1/1/90 or later.
Divorced widower — Same as divorced widow.	Divorced widower — No provision.
Children — Same as for children of retired or disabled worker.	Children — Basic: Under age 18, or age 20 if student. Certain residence requirements may apply. ATP: Under age 18, age 20 if student. Deceased must have had at least three years ATP coverage. No nationality or residence requirements.
Lump-sum death benefit — A one-time payment not to exceed \$255 payable on the death of an insured worker.	Lump-sum death benefit — No provision.

*Full retirement age for people born in 1942 is age 65 and 6 months. The full retirement age increases gradually until it reaches age 67 for people born in 1962 or later.

**Sweden has a new pension system. People born in 1938 or later receive at least part of their benefits under this new system. People born in 1937 or earlier receive benefits only under the old system. The table shows the eligibility requirements for benefits only under the old system.

How benefits can be paid

If you have Social Security credits in both the United States and Sweden, 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

Swedish credits. However, to be eligible to have your Swedish 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 Swedish credits.

- **Benefits from Sweden** — Sweden provides survivors and disability benefits through two separate programs.
 1. A "basic" pension program pays flat-rate benefits to Swedish residents with at least three years residence or three years

ATP coverage. The pension normally is payable outside Sweden only to Swedish nationals with at least three years of ATP coverage. However, under the agreement, U.S. nationals residing outside Sweden can receive the basic pension on the same basis as Swedish nationals. In addition, U.S. credits can be counted to help meet the three-year ATP coverage requirement.

2. A “supplementary” pension program for workers, known by the initials “ATP,” pays benefits based on how long you worked and the amount you earned. To be eligible for an ATP pension, you must generally have at least three years of ATP credits. If you do not meet this requirement, but have at least one year of ATP credits, U.S. credits may be counted to help you qualify.

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 Swedish system to help you qualify for a U.S. benefit, we will get a copy of your Swedish record directly from Sweden when you apply for benefits. If Swedish officials need to count your U.S. credits to help you qualify for a Swedish benefit, they will get a copy of your U.S. record directly from the Social Security Administration when you apply for the Swedish 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 Swedish 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 Swedish 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 Swedish “ATP” pension may affect your U.S. benefit

If you qualify for Social Security benefits from the United States based only on U.S. credits and an “ATP” pension from Sweden based only on Swedish ATP credits, 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 Swedish “basic” pension, which is based on residence in Sweden, will not affect the way your U.S. benefit is figured. For more information, call our toll-free number, **1-800-772-1213**, or visit our website, www.socialsecurity.gov, and get a copy of *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.

Although the agreement between the United States and Sweden allows the Social Security Administration to count your Swedish ATP 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 Sweden to establish entitlement to free Medicare hospital insurance.

For more information about Medicare, call our toll-free number, **1-800-772-1213**, or visit our website, www.socialsecurity.gov, to see our publication, *Medicare* (Publication No. 05-10043), or visit Medicare's website at www.medicare.gov.

Claims for benefits

If you live in the United States and wish to apply for U.S. or Swedish 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. any business day. People who are deaf or hard of hearing may call our toll-free TTY number, **1-800-325-0778**.

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

If you live in Sweden and wish to apply for U.S. or Swedish 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 Swedish Social Security office to file for Swedish 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 Swedish 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 Swedish 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 Swedish system are made by the National Insurance Board, generally between the 12th and 17th of each month, and cover benefits for that 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, if you are a U.S. or Swedish citizen, a refugee, a stateless person or a person who is eligible for dependents or survivors benefits based on the Social Security record of one of these people, you may receive benefits as long as you reside in Sweden. If you are not a U.S. or Swedish 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 Swedish Social Security office. The people there can tell you what you need to do to appeal the decision.

The Swedish Social Security authorities will review your appeal if it affects your rights under the Swedish 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 pages 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**. 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 Swedish benefits under the agreement, follow the instructions on page 8.

To find out more about U.S. Social Security benefits or for information about a claim for benefits, contact any U.S. Social Security office or call our toll-free number at **1-800-772-1213**. We can answer specific questions from 7 a.m. to 7 p.m., Monday through Friday. **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 Sweden's Social Security programs, visit any Social Security office in Sweden. If you do not live in Sweden, write to:

National Social Insurance Board
Lagbyran
S-10351 Stockholm
SWEDEN

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

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