SOCIAL SECURITY AGREEMENT
Social Security Agreement

☐ Aim of Social Security Agreement
Settlement of issues related to pensions and other matters due to intensified international movements of people

☐ Before the agreement

[Issue of double burden]
- The Japanese employee is required to pay both Employees’ Pension Insurance contribution and U.S. pension insurance contribution.

[Issue of “how to qualify for pension benefits”]
- If a Japanese employee is sent for a short period (5 years or less) he/she will be covered by only the Japanese pension system. The employee will not be obligated to be covered by the U.S. pension system (as a general rule the employee is obligated to be covered by the pension system in a country where he/she ordinary works).

Sent to work in the U.S.
- Employees’ Pension Insurance contribution is collected
- U.S. pension insurance contribution is collected

☑ Japan concluded a social security agreement with the following 15 countries: Germany, U.K., South Korea, U.S., Belgium, France, Canada, Australia, the Netherlands, Czech Republic, Spain, Ireland, Brazil, Switzerland, and Hungary.

☐ After the agreement

[Double burden is resolved]
- If a Japanese employee is sent for a short period (5 years or less) he/she will be covered by only the Japanese pension system. The employee will not be obligated to be covered by the U.S. pension system (as a general rule the employee is obligated to be covered by the pension system in a country where he/she ordinary works).

[Qualifying period for pension benefits are totalized]
- Will be eligible for U.S. pension benefits in an amount that corresponds to six years he/she worked in the U.S.

(U.S. pension: 6 years)
(Periods of coverage in Japan)
(Totalized period 40 years)

(U.S. pension: 10 years)
(Qualifying period for U.S. pension benefits)
(Periods of coverage in the U.S.)

(U.S. pension: 6 years)
(Periods of coverage in the U.S.)

(U.S. pension: 10 years)
(Qualifying period for U.S. pension benefits)
(Periods of coverage in the U.S.)

(U.S. pension: 6 years)
(Periods of coverage in the U.S.)

(U.S. pension: 10 years)
(Qualifying period for U.S. pension benefits)
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(U.S. pension: 10 years)
(Qualifying period for U.S. pension benefits)
(Periods of coverage in the U.S.)