



Agreement Between the United States and Portugal

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Introduction

An agreement between the United States and Portugal became effective August 1, 1989, to improve 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 benefits.

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

For **Portugal**, the agreement covers the laws governing benefits paid on account of old-age, disability, and death under the different schemes governing social insurance in Portugal.

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 Portuguese social security systems, you and your employer previously would have paid social security taxes to both countries for the same work.

However, the agreement eliminates this double coverage so you pay taxes to only one country. The section titled “Eliminating dual coverage for employment” explains these rules. If you are self-employed, see the section titled “Eliminating dual coverage for self-employment.”

- **When you apply for benefits** — You may have some social security credits in both the U.S. and Portugal, 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 combine your social security credits from both countries. For more details, see the section on “Monthly benefits.”

Coverage and Social Security taxes

Eliminating dual coverage for employment

Before the agreement, both the United States and Portugal, under certain circumstances, could require employee and employer, to pay social security taxes on the same earnings.

Under the agreement, if you work as an employee in the United States, you and your employer will normally pay only Social Security taxes to the United States. If you work as an employee in Portugal, you and your employer will normally pay social security taxes only to Portugal.

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 and your employer will pay social security taxes only to the country from which your employer sent you, and you won't pay social security taxes in the other country. For example, if a U.S. company sends an employee to work for that company or an affiliate in Portugal for no more than five years, the employer and the employee will continue to pay only U.S. Social Security taxes. They won't pay social security taxes in Portugal.

Eliminating dual coverage for self-employment

Under U.S. law, U.S. Social Security covers self-employed workers if they are U.S. citizens or U.S. resident aliens, even if they live and work outside the United States. The agreement says that a person who is self-employed and resides in the United States or Portugal generally will be covered and taxed by only the country where he or she resides.

NOTE: *In addition to retirement, survivors, and disability benefits, Portuguese social security taxes cover several other programs including sickness (temporary disability), maternity, occupational injury and disease, unemployment, and family allowances. As a result, workers exempted from Portuguese 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 Portuguese coverage, you and your employer may wish to arrange for alternative benefit protection.*

Summary of agreement rules

The following table shows whether the U.S. or Portuguese social security system covers your work as an employee. If U.S. Social Security covers your work, you and your employer must pay U.S. Social Security taxes. If the Portuguese system covers your work, you and your employer must pay the required Portuguese taxes. The next section explains how to get a form from one country to prove you are exempt from paying taxes to the other country.

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Your work status	Coverage and taxes
<i>You are working in Portugal:</i>	
<i>For a U.S. employer who:</i>	
Sent you to work in Portugal for five years or less	United States
Sent you to work in Portugal for more than five years	Portugal
Hired you in Portugal	Portugal
<i>For a non-U.S. private employer</i>	Portugal
<i>For the U.S. government and you are a:</i>	
U.S. national	United States (either Social Security or federal retirement program)
Portuguese national	Portugal
<i>You are working in the U.S.:</i>	
<i>For an employer in Portugal who:</i>	
Sent you to work in the U.S. for five years or less	Portugal
Sent you to work in the U.S. for more than five years	United States
Hired you in the U.S.	United States
<i>For a non-Portuguese private employer</i>	United States
<i>For the Portuguese government and you are a:</i>	
Portuguese national	Portugal
U.S. citizen	United States
<i>You are self-employed and you:</i>	
Reside in the United States	United States
Reside in Portugal	Portugal
<i>If this table does not seem to describe your situation and you are:</i>	
Working in the United States	Write to the U.S. address (Office of Research Agreements, International Agreements, and Policy Branch) shown in the section titled, "For more information."
Working in Portugal	Write to the Portuguese address shown in the section titled, "For more information."

NOTE: As the table indicates, a U.S. worker assigned temporarily to Portugal 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 for employment

A certificate of coverage issued by one country serves as proof of exemption from social security coverage and contributions on the same earnings to the other country.

U.S. Certificates

To establish an exemption from compulsory coverage and taxes under the Portuguese system, your employer must request a U.S. certificate of coverage (form USA/P1) from the U.S. at this address:

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

Your employer and self-employed individuals may request a certificate of U.S. coverage over the internet using a special online request form available at [opts.ssa.gov](https://www.opts.ssa.gov). 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 Portugal
- 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 Portugal or if you become an

employee of the U.S. company's affiliate in Portugal. 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 so, the effective date of the agreement.

When we issue a certificate of U.S. coverage, we mail two copies (one for the employer and one for the employee) to the requestor. It is the employer's responsibility to present one to the Portuguese authorities when they ask for it.

Portuguese certificates

To establish your exemption from paying U.S. Social Security taxes during temporary assignments in the United States, your employer in Portugal must request a certificate of coverage (form P/USA 1) from the regional center of the Social Security system in Portugal where you are registered.

To get a Portuguese certificate of coverage, include the same information listed in the previous section that you would include for a U.S. certificate of coverage. It is important that you provide your Portuguese Social Security number in your request. The employer in the United States should retain a copy of the Portuguese certificate of coverage, in case of an audit by the IRS. Do not send a copy to the IRS. The IRS will request a copy if it needs one.

Certificate of coverage for self-employed persons

If you are self-employed and would normally have to pay social security taxes to both the United States and the Portuguese social security systems, you can apply for an exemption under the agreement from paying taxes in one of the two countries.

- If you reside in the United States, the U.S. system will cover your self-employment activity (see table beginning on page 3). You can request a certificate of U.S. coverage by writing to us at the address listed above or by sending a fax

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to **410-966-1861**. You can also request a certificate of U.S. coverage over the internet using a special online request form available at opts.ssa.gov.

- If you reside in Portugal, write to the regional center of the Social Security system in Portugal where you are registered and to which you normally pay your social security taxes.

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 Portuguese Social Security number
- Nature of self-employment activity
- Dates the activity was or will be performed
- Name and address of your trade or business in both countries

Attach a photocopy of the certificate to your U.S. income tax return each year as proof of the exemption.

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 beginning date of your temporary assignment in the other country or the beginning date of your self-employment activity there. To avoid any difficulties, your employer (or you, if you are self-employed) should request a certificate of coverage as early as possible, preferably before your work in the other country begins.

If you or your employer requests a certificate of coverage, you should read the Privacy Act and Paperwork Reduction Act notices 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 Portuguese social security systems and briefly describes the eligibility requirements that normally apply for each type of benefit. If you do not meet the requirements for these benefits, the agreement may help you to qualify.

This table is only a general guide. Get additional information about U.S. benefits by visiting Social Security's website at www.socialsecurity.gov. You can also visit any U.S. Social Security office or call our toll-free number at **1-800-772-1213**. If you are deaf or hard of hearing, you may call our TTY number, **1-800-325-0778**.

You can get more detailed information about the Portuguese system by writing to *Departamento de Relacoes Internacionais e Convencoes de Seguranca Social* or by visiting the Portuguese social security system's website at www.seg-social.pt.

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 increases slightly each year. For more information, visit our website, www.socialsecurity.gov and read our publication *How You Earn Credits* (Publication No. 05-10072). You can also call our toll-free number **1-800-772-1213**.

The Portuguese social security system measures periods of coverage in months. For simplicity, the following table shows the amount of credits a person needs to qualify for a Portuguese benefit in terms of years.

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Retirement or old-age benefits	
<i>United States</i>	<i>Portugal</i>
Worker — 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).	Worker — Benefits payable at age 66 and 4 months. Fifteen years of coverage needed to qualify. Possible earlier retirement age under special occupational systems.

Disability benefits	
<i>United States</i>	<i>Portugal</i>
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 of credits needed, depending on age at date of onset. Some recent work credits also needed unless worker is blind.	Worker — Under retirement age can get benefit if permanently unable to earn more than one-third of prior earnings due to non-work related injury or illness. Must have at least five years of credits. No recent credits required.

Family benefits to dependents of retired or disabled people	
<i>United States</i>	<i>Portugal</i>
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 spouse's supplement may be payable to an old-age or disabled worker with a dependent spouse.
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.

Survivors benefits	
<i>United States</i>	<i>Portugal</i>
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 — Benefit payable at any age. However, if under age 35, benefit is payable only for five years unless disabled or caring for dependent child.
Widower — Same as widow.	Widower — Must have been age 65 or totally and permanently disabled at time of wife's death.
Divorced widow — Same as widow if marriage lasted at least 10 years.	Divorced widow — Same as widow if entitled to court ordered alimony at time of worker's death.
Divorced widower — Same as widower if marriage lasted at least 10 years.	Divorced widower — No provision.

Survivors benefits

Children — Same as for children of retired or disabled worker.

Children — Up to age 18 (age 24 if full-time student) or any age if disabled. Benefit doubled if both parents deceased.

Lump-sum death benefit — A one-time payment not to exceed \$255 payable on the death of an insured worker.

Lump-sum death benefit — A flat-rate funeral grant is payable if worker was receiving a benefit or was covered at a time of death. In addition, a survivor's grant is payable to surviving spouse and other dependent survivors.

**The full retirement age for survivors is age 66 for people born in 1945-1956 and gradually increases to age 67 for people born in 1962 or later.*

How each country pays benefits

If you have social security credits in both the United States and Portugal, 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, here is how the agreement may help you qualify for a benefit:

- **Benefits from the United States** — If you do not have enough U.S. work credits to qualify for regular benefits, you may be able to qualify for a partial benefit from the United States with both U.S. and Portuguese credits. However, for us to count your Portuguese credits, 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 Portuguese credits.
- **Benefits from Portugal** — If you do not have enough work credits under the Portuguese system to qualify for benefits, Portugal can count your credits under the U.S. Social Security system to help you qualify for Portuguese benefits. To be eligible to have your U.S. and Portuguese credits counted, you must have at least 12 months of coverage credited under the Portuguese system.

How each country counts credits

You do not have to do anything for one country to count your credits in the other country. If we need to count your credits under the Portuguese system to help you qualify for a U.S. benefit, we will get a copy of your Portuguese record directly from Portugal when you apply for the U.S. benefit. If Portuguese officials need to count your U.S. credits to help you qualify for a Portuguese benefit, they will get a copy of your U.S. record directly from us when you apply for the Portuguese benefit.

Although each country may count your credits in the other country, your credits do not actually transfer from one country to the other. They remain on your record in the country where you earned them and can be used to qualify for benefits there.

Computation of U.S. benefit under the agreement

When a U.S. benefit is payable because of credits you earned in the United States and Portugal, we determine a theoretical benefit based on your U.S. earnings as if you completed your entire career under the U.S. Social Security system. Then, we reduce the theoretical benefit based on the number of Portuguese credits we used to make the benefit payable. The amount of the reduction will depend on the number of U.S. credits you have. The more U.S. credits you earn, the smaller the reduction.

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A Portuguese benefit may affect your U.S. benefit

If you qualify for social security benefits from both the United States and Portugal based on your own work and you did not need the agreement to qualify for either benefit, U.S. law may require us to reduce the amount of your U.S. benefit. For more information, visit our website, www.socialsecurity.gov and read our publication, *Windfall Elimination Provision* (Publication No. 05-10045). If you have additional questions, call our toll-free number, **1-800-772-1213**. If you are outside the United States, you may write to us at the address shown in the section titled, “For more information.”

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:

- Part A: Hospital insurance, which helps pay for inpatient hospital care and certain follow-up services;
- Part B: Medical insurance, which helps pay for doctors’ services;
- Part C: Medicare Advantage plans, available in many areas. People with Medicare Parts A and B can receive all of their health care services through a provider organization under Part C; and
- Part D: Prescription drug coverage, which 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 Portugal allows the Social Security Administration to count your Portuguese 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 Portugal to establish entitlement to free Medicare hospital insurance.

For more information about Medicare, read our publication, *Medicare* (Publication No. 05-10043) or visit Medicare’s website at www.medicare.gov. If you still have questions, call our toll-free number, **1-800-772-1213**.

Claims for benefits

If you live in the United States and wish to apply for U.S. or Portuguese 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 Portuguese benefits at any U.S. Social Security office by completing an application form SSA-2490-BK (*Application for Benefits Under a U.S. International Social Security Agreement*).

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

- The Federal Benefits Unit, U.S. Embassy in Lisbon (phone **21-770-2403**) to ask about U.S. benefits; or
- Any Portuguese social security office to ask about Portuguese benefits.

If you have not applied for benefits before, you may need to provide certain information and documents when you apply. This may include.

- The worker’s U.S. Social Security number;
- Portuguese Social Security number;
- 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 Portuguese system.

You may wish to call the social security office before you go there to see if you need to provide any other information.

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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 Portuguese system are made early each month for the preceding month.

Absence from U.S. territory

Generally, 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. However, under the agreement, you can receive benefits as long as you reside in Portugal regardless of your nationality. If you are not a U.S. or Portuguese citizen and live in another country, you may not be able to receive benefits. The publication, *Your Payments While You Are Outside The United States* (Publication No. 05-10137), explains the restrictions on U.S. benefits payments.

Appeals

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

The Portuguese social security authorities will review your appeal if it affects your rights under the Portuguese system, while U.S. Social Security authorities will review your appeal if it affects your rights under the U.S. system. Since each country makes its own decisions independently of the other, a decision by one country on an issue may differ from the decision made by the other country on the same issue.

Authority to collect information for a certificate of coverage

Privacy Act

Section 233 of the Social Security Act, as amended, allows us to collect this information. Furnishing us this information is voluntary. However, failing to provide all or part of the

information may prevent us from making an accurate and timely decision on your request for a certificate of coverage.

We will use the information you provide to determine if you are subject to United States social security coverage and taxation. We may also share your information for the following purposes, called routine uses:

- To the Social Security Administration of a foreign country, to carry out the purpose of an international Social Security agreement entered into between the United States and the other country, pursuant to section 233 of the Social Security Act; and
- To any source that has, or is expected to have to have, information that the Social Security Administration needs in order to establish or verify a person's coverage under a Social Security agreement authorized by section 233 of the Social Security Act.

In addition, we may share this information in accordance with the Privacy Act and other Federal laws. For example, where authorized, we may use and disclose this information in computer matching programs, in which our records are compared with other records to establish or verify a person's eligibility for Federal benefit programs and for repayment of incorrect or delinquent debts under these programs.

A list of additional routine uses is available in our Privacy Act System of Records Notice (SORN) 60-0059, entitled Earnings Recording and Self-Employment Income System, as published in the Federal Register (FR) on January 11, 2006, at 71 FR 1819. Additional information, and a full listing of all of our SORNs, is available on our website at www.ssa.gov/privacy.

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 don't need to answer these questions unless we display a valid Office of Management and Budget control

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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 Portuguese benefits under the agreement, follow the instructions in the section titled "Claims for benefits."

If you live outside the United States, write to:

Social Security Administration
OEIO
P.O. Box 17769
Baltimore, MD 21235-77769
USA

For more information about Portugal's social security programs, write to:

Departamento de Relacoes Internacionais e
Convencoes de Seguranca Social
Rua da Junqueira, 112
1302 Lisboa Codex
PORTUGAL

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 Data Exchange, Policy Publications,
and International Negotiations
Attn: International
4700 Annex Bldg.
6401 Security Blvd.
Baltimore, MD 21235-7741
USA

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



Securing today
and tomorrow

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