

Social Security: Do I Still Need to Make Contributions if I Work Overseas?



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American citizens who live overseas and start missing the good old USA can always count on one thing to keep them in touch with their homeland: the taxes they owe to Uncle Sam — [including Social Security taxes](#).

See: [Can My Foreign Spouse Collect Social Security Benefits?](#)
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If you're a U.S. citizen or Green Card holder, there's a chance you will need to pay into Social Security whether or not you live in the United States. According to the Social Security Administration, if you work for a U.S. company, you and your employer are both responsible for making sure you pay the necessary Social Security tax contributions.

This might mean you'll be hit with double taxation — the taxes you have to pay to the U.S., and the taxes you have to pay to your host country.

Many foreign countries also require individuals to pay into their own social insurance systems to cover benefits received while living there. However, there are a significant number of countries that have entered into Social Security agreements with the U.S., also known as totalization agreements. These agreements are based on territory rule, which determines where an individual's employment is sourced. They also take into consideration factors such as where the person was hired and their intended length of stay in the foreign country.

According to the Social Security Administration, the countries with Social Security agreements are Italy, Germany, Switzerland, Belgium, Norway, Canada, the U.K., Sweden, Spain, France, Portugal, the Netherlands, Austria, Finland, Ireland, Luxembourg, Greece, South Korea, Chile, Australia, Japan, Denmark, Czech Republic, Poland, Slovak Republic, Hungary, Brazil, Uruguay, Slovenia and Iceland.

In order to be required to make contributions you also must perform services for an employer that fall into one of [these categories](#):

- The U.S. Government or any of its instrumentalities
- An individual who is a resident of the United States
- A partnership of which at least two-thirds of the partners are U.S. residents
- A trust of which all the trustees are U.S. residents
- A corporation organized under the laws of the United States, any U.S. state, or the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, or the Commonwealth of the Northern Mariana Islands.

Between these work qualifications and the totalization agreements that are in place, the average American working overseas does not end up making double contributions.

According to Jonathan Lachowitz, a certified financial planner who works in Switzerland and the U.S., “most American employers have overseas entities, so employees end up being locally hired. Some employees on a typical “expat” package will end up paying U.S. social security but not local social security due to a totalization agreement, which is generally the countries that have the most Americans overseas.”

See: [17 Tips To Live Comfortably Off Just a Social Security Check](#)

Find: [The First Thing You Should Do With Your Social Security Check](#)

If you’re a U.S. citizen, you’re eligible for benefits if you paid into Social Security. If you’re not a U.S. citizen, your payments will be eliminated after you’ve been away from the U.S. for six calendar months.

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