

Social security Agreement between India and Belgium

The Government of India has entered into an agreement on Social Security with the Government of Belgium.

This agreement aims at achieving equality on the principles of reciprocity and is intended to benefit the employees and employers of both India as well as Belgium.

The salient features of the agreement are:

- The employees of the home country deputed by their employers, on short-term assignment for a pre-determined period of up to 60 months, to the host country need not remit social security contribution in that country.
- Export of pension due under the legislations of one country to the other country, where the member might choose to live, is possible.
- Totalisation of the contribution periods earned while in service in both the countries for the purpose of deciding eligibility to benefits is possible under certain circumstances.
- The employers are saved from making double social security contributions for the same set of employees, thereby enhancing the competitiveness of their products and services.

The Government of India has now announced that the date of effect of this agreement shall be 1st Sept. 2009.

Employees' Provident Fund Organisation (EPFO) has been identified as the Liaison agency to implement the provisions of the agreement in India and has been authorised to issue "Certificate of Coverage" to the eligible employees deputed to Belgium, effective from 1st Sept. 2009.

Therefore, all the employers who have already deputed/ intend to depute their employees to Belgium for a pre-determined short-term assignment for the period of up to 60 months are requested to avail the benefits under the agreement. They may also contact their jurisdictional Regional Provident Fund Commissioners or the International Workers Unit in the Head office at New Delhi for further details and clarifications, if any.

FAQs on your rights under the agreement

1) What do you mean by a Social security Agreement?

A social security agreement is a bi-lateral instrument to protect the interests of the workers in the host country.

- It being a reciprocal arrangement generally provides for avoidance of no coverage or double coverage and equality of treatment with the host country workers.
- It also helps many people, by way of totalization of insurance periods, to be eligible for monthly retirement, disability or survivors' benefits under the Social Security system of one or both the countries.
- It helps a member/beneficiary to receive/continue to receive the due benefits even after relocating to her/his home country or a third country.

2) How it is that double coverage is avoided after an agreement?

When you are employed either in India or Belgium and sent on a posting to the other contracting Country, you and your employer would normally have to pay Social Security Contributions/taxes to both countries for the same work. With the agreement in place this double coverage is eliminated and you are required to pay Contributions/taxes to only one country, provided your posting in the other country is for no more than 60 months.

3) How does it help employees who work or have worked in both countries to augment their eligibility for monthly retirement, disability or survivors benefits?

- When you have Social Security insurance periods in both India and Belgium, you may be eligible for benefits from one or both countries.
- Should you have enough insurance periods under one country's system, you will get a regular benefit from that country.

- If you do not have enough insurance periods, the agreement may help you augment your eligibility for a benefit by letting you add together your Social Security insurance periods in both countries, only for the purpose of deciding your eligibility.
- However, each country will pay a benefit based solely on your periods of insurance under its pension system.
- Although each country may count your insurance periods in the other country, they are not actually transferred from one country to the other.
- Since your insurance periods remain on your record in the country where you earned them, they can also be used to qualify for benefits there.

4) What is a detachment certificate?

A detachment certificate is otherwise a “Certificate of coverage” issued by one country (indicating the details of coverage/membership under its social security system) that serves as proof of exemption from Social Security contributions/taxes on the same earnings in the other country.

5) How to obtain a Certificate of coverage?

To seek an exemption from coverage under the Belgian system, the employee must be working in an establishment covered or coverable under Employees’ Provident Fund Organisation (EPFO), the Indian Liaison agency. Both the employer as well as the employee must jointly request a certificate of coverage, in the prescribed format (refer Annexure – I), from the jurisdictional Regional Provident Fund Commissioner of EPFO.

6) I am holding a Certificate of coverage. When does the date of exemption from the other country’s social security system start?

The certificate of coverage carries a provision for indicating the effective date of your exemption (based on the information provided in your joint application) from paying Social Security contributions/taxes in the other country. Normally, this date

shall be on or after the date you started working in the other country but cannot be a date earlier than the date of effect of the Agreement.

7) Who are all eligible for applying for a certificate of coverage?

There are 2 categories of employees eligible for applying for a Certificate of coverage.

- a. Those already deputed on a pre-determined short-term assignment and working in Belgium should apply for a Certificate of coverage for the period from 1st Sept. 2009 to the date of completion of the deputation.
- b. Those to be deputed on or after 1st Sept. 2009 should apply for a certificate of coverage for the entire period of deputation in Belgium.

8) I have already been deputed to work in Belgium. I am entitled to obtain a certificate of coverage with effect from 1st Sept. 2009. What will happen to the contributions being made by me up to 31st Aug.2009?

While the Certificate of coverage will entail you exemption from payment of social security contributions in Belgium with effect from 1st Sept. 2009, your contributions being made up to 31st Aug.2009 may be eligible for determining the entitlement to any benefit through totalization.

9) How to ascertain whether an employee is coverable under the Indian or Belgian Social Security system?

a. An Indian national working in Belgium

Nature of employment	Coverage under
1. Sent on short-term posting by an Indian employer for a period of less than 5 years	Indian system

2. Sent on Long-term posting by an Indian employer for a period of more than 5 years	Belgian system
3. On local employment by an Indian employer directly in Belgium	Belgian system
4. On local employment by a Non-Indian employer directly in Belgium	Belgian system

b. A Belgian national working in India

Nature of employment	Coverage under
1. Sent on short-term posting by a Belgian employer for a period of less than 5 years	Belgian system
2. Sent on Long-term posting by a Belgian employer for a period of more than 5 years	Indian system
3. On local employment by a Belgian employer directly in India	Indian system
4. On local employment by a Non- Belgian employer directly in India	Indian system

10) What benefits are due to an employee covered under the Indian system administered by EPFO?

S.No.	Benefit	Nature	To whom payable
1.	Provident fund benefit (EPF)	A lump sum cash benefit that gets accrued in a member's account by way of the contributions remitted and the interest earned thereon.	<ol style="list-style-type: none"> 1. Member: on leaving employment on superannuation or disability. or 2. Survivors, if the member is not alive.
2.	Pension benefit (EPS)	A Monthly cash benefit paid into the credit of the beneficiary's bank account.	<ol style="list-style-type: none"> 1. Member: on leaving employment on superannuation or disability. or 2. Widow/widower and the eligible children: if the member is not alive. or 3. Nominee/Parents: if the member dies without leaving any family.
3.	Insurance benefit (EDLI)	A lump sum cash benefit	<ol style="list-style-type: none"> 1. To the survivors on death of the member. 2. The death should have occurred during employment.

11) Whom does the agreement help?

The agreement helps the employee, her/his family and the employer.

12) How does the agreement help the employee?

The agreement helps at 3 stages.

1. during the period while the employee is working;
2. at the time of claiming the benefits and
3. at the time of receiving the benefits.

While working

- If both the Indian and Belgian Social Security systems cover an employee's work, the employer along with the employee would normally have to pay Social Security contributions to both countries for the same work. The agreement eliminates this double coverage so that contributions are paid to only one system.
- Under the agreement, an eligible Belgium national employed in India will be covered by India, and that employee and the employer will pay Social Security contributions only to India. If an Indian national is employed in Belgium, she/he will be covered by Belgium, and that employee and the employer shall pay Social Security contributions only to Belgium.
- On the other hand, if an employer sends an employee from one country to work for that employer in the other country for five years or less, that employee will continue to be covered by her/his home country and that she/he will be exempt from coverage in the host country. For example, if an Indian employer sends an employee to work for that employer in Belgium for no more than five years, the employer and the employee will continue to pay only Indian Social Security contributions and will not have to pay in Belgium.

When claiming the benefits

- An employee may have contributed to the Social Security systems in both India and Belgium but not have enough insurance periods to be eligible for benefits in one country or the other. The agreement makes it easier to qualify for benefits by allowing totalization of such Social Security contributory periods in both countries.
- If an employee has Social Security insurance periods in both India and Belgium, she/he may be eligible for benefits from one or both countries. If she/he meets all the basic requirements under one country's system, she/he will get a regular benefit from that country. If she/he does not meet the basic requirements, the agreement may help her/him qualify for a benefit by allowing totalization of insurance periods in both the countries.
- If she/he does not qualify for regular benefits, she/he may be able to qualify for a partial benefit from India, against the contributions made to India, based on totalization of both Indian and Belgian insurance periods.
- Similarly, she/he may be entitled for a partial Belgian benefit against the contributions made to Belgium, based on totalization of both Belgian and Indian insurance periods.

At the time of receiving the benefits

- The benefits under Indian social security system is not be payable outside India. An employee from Belgium was at a loss being not able to get the due benefits on her/his relocation outside India. Now, the agreement provides for making payment of benefits to the member irrespective of whether she/he lives in India or Belgium or a third country.

13)Can you tell me an example how the employees are benefited under the Agreement?

A member who worked in India and contributed to EPS, 1995 for 7 years is now living in Belgium after contributing under the Belgian system for 20 years. He is more than 58 years old.

Entitlement

- **Without the Agreement:**

The member has less than the 10 years of pensionable service required to qualify for member's pension under EPS, 1995 and hence is not entitled to receive any pension benefit.

- **With the Agreement**

- Eligibility to Pension under EPS 1995 can be claimed by totalizing the insurance periods spent under the Indian system (7years) with the Belgian system (20years).
- Since the total insurance period will work out to 27years (7+20), which is more than the required minimum eligible service of 10 years, the member becomes eligible to get pension under EPS, 1995.
- However, this totalized period shall be considered for deciding the eligibility only and hence, the actual pension will be sanctioned taking into account the period spent under the EPS, 1995 (7 years) as the pensionable service.
- Such a pension is payable to the member's bank account either in Belgium or in India.

14) When does the agreement take effect from?

The agreement takes effect from 1st Sept.2009.

बेल्जियम राज्य एवं भारत गणराज्य के मध्य सामाजिक सुरक्षा पर करारनामा

**AGREEMENT ON SOCIAL SECURITY
BETWEEN THE REPUBLIC OF INDIA AND THE KINGDOM OF BELGIUM
Application for obtaining a Certificate of Coverage**

1. कर्मचारी - **Employee**

1.1. नाम - Name

.....

1.2. प्रथम नाम – First Name

.....

1.3. जन्म तिथि (दिन / मास / वर्ष)– Date of Birth– (dd/mm/yyyy)

.....

1.4. Passport details:

a) Number and Place of issue

b) Date of issue(dd/mm/yyyy)

c) Valid upto (dd/mm/yyyy)

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1.5. सामाजिक सुरक्षा संख्या - EPF Registration number

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1.6. स्थायी निवास – Permanent address

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2. नियोक्ता - **Employer**

2.1. स्थापना का नाम - Name of establishment

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2.2. पता - -Address

.....

.....

2.3. पहचान संख्या / बिजनेस -नं. ङ Establishment code number

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3. भारत में कार्य का स्थान – **Place of work in Belgium**

3.1. स्थापना का नाम - Name(s) of firm/establishment or ship

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3.2. पता - Address

.....

.....

3.3 से - from

(दिन / मास / वर्ष) –(dd/mm/yyyy)

.....

तक - to

(दिन / मास / वर्ष) - (dd/mm/yyyy)

.....

4. **Joint undertaking by the employer and employee**

We hereby undertake that:

- A) The employer shall continue to contribute in respect of this employee as an International worker in India during the period of posting in Belgium.
- B) The employer shall inform EPFO any change in the employment status of the posted employee during the currency of this certificate.
- C) The employee shall inform EPFO, through the employer, about any loss/theft of this certificate.
- D) We are jointly and severally responsible for the mis-use of any kind, of the certificate of coverage, if any.
- E) We are aware that the employee has to produce this certificate of coverage in original as and when demanded by the Belgian employer/authority, in order to get the exemption status during the posting period in Belgium.

Dated signature of Employee

Dated signature of Employer