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**India – Social Security
Agreement Signed with
Finland**

by KPMG, India (a KPMG
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Recently, India signed a social security agreement ('SSA') with the Republic of Finland.¹ SSAs like this one with Finland generally help foster cross-border business activity engaged in by multinational employers and their globally mobile employees by preventing double social security contributions and the loss of social security benefits.²

Key Benefits of Agreement

The SSA provides for the following benefits, on a reciprocal basis, to Indian nationals working in Finland.

Exemption from Social Security Contribution in Host Country

Indian employees posted to Finland for short-term contracts of up to five years will not be required to pay social security contributions in Finland if they continue to make social security contributions in India and obtain a Certificate of Coverage ("COC") to that effect. The above exemption will also be available, under certain conditions, when the Indian company sends its employees to Finland from a third country.

Benefits Entitlement

Indian employees will be entitled to access/draw upon social security benefits accrued in the host country (as well as the home country) if they return to India after the completion of their service in Finland, provided all conditions for eligibility have been met.

Self-employed Indians in Finland will also be eligible for their accrued social security benefits in the host country (as well as the home country) upon their return to India, provided all conditions for eligibility have been met.

Totalization of Contribution Periods

The period of contribution in India will be added to the period of contribution in Finland for determining the employee's eligibility for – and the amount of – social security benefits.

KPMG Note

The signing of the India-Finland SSA is a welcome step as it can lead to cost savings in respect of international assignment programs and can help assure the social protection of Indian and Finnish cross-border employees. In addition, it is expected that the SSA will help encourage economic activity between the two countries.

Footnotes:

1 See an announcement (in English) on the Web site for the embassy of Finland in New Delhi at:
<http://www.finland.org.in/Public/default.aspx?contentid=251265&nodeid=34935&culture=en-US> . Also see an announcement (in English) from Finland's Ministry of Social Affairs and Health at: <http://www.finland.org.in/public/download.aspx?ID=97180&GUID={2F1418A0-AF74-4462-8EA3-7F4D28FB7848}> .

See the announcement from the Ministry for Overseas Indian Affairs featured on the Web site of the Press Information Bureau, Government of India Web site at;
<http://pib.nic.in/newsite/erelease.aspx?relid=84837> .

2 Finland is the 12th country to sign an SSA with India. India has already signed SSAs with Belgium, Germany, Switzerland, France, Luxembourg, the Netherlands, Hungary, Denmark, the Czech Republic, the Republic of Korea, and Norway.

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