

GMS Flash Alert

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United States – Certificate of Coverage Online Application Procedures Updated

The United States Social Security Administration (SSA) recently updated its online Certificate of Coverage (CoC) application.

WHY THIS MATTERS

The enhanced application addresses a number of limitations of the old online application, and should make the CoC request and extension process easier for international assignment program coordinators applying on behalf of assignees.

Background

A Certificate of Coverage is issued by the home country social security authorities as evidence that a worker on temporary assignment to the host country meets the requirements of a Social Security Totalization Agreement shared by the two countries, thus allowing the employee an exemption from host country social security tax for the period of his assignment. The employer of a person sent on assignment from the United States would apply for a CoC to exempt the employee from host country social security tax, and would allow the employee to continue to be subject to FICA¹.

Updated Application

No official announcement of the new online application was made by the SSA, but the updated version includes some significant enhancements, including:

- a new module that accommodates applications for self-employed persons;

- a new module that accommodates applications for performers;
- the ability to request a duplicate CoC, and to correct errors in a previously-submitted application;
- the ability to flag an application as being for an amended CoC, which would be used in requested extensions;
- addition of a module for Hungary, so that applications can now be submitted online for all 26 countries that share a Social Security Totalization Agreement with the United States.²

The new application can be found on the SSA's website for the Office of International Programs.³

The SSA will also continue to accept applications by mail and fax.

KPMG NOTE

Although the former version of the online form could be used by self-employed persons, the new form is customized for those applications, eliminating confusion that in the past could cause applications to be delayed.

Similarly, the new module to apply for amended CoCs reduces the likelihood that an extension request might be denied due to insufficient information being provided by the applicant. The comments section should still be used to emphasize that the application is a request for an extension, and should provide the control number of the original CoC.

FOOTNOTES:

1 Federal Insurance Contributions Act, or FICA, refers to U.S. Social Security and Medicare taxation.

2 Those countries are Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, South Korea, Spain, Sweden, Switzerland, and the United Kingdom. Additional agreements have been signed with Brazil, Iceland, Slovenia, and Uruguay, but have not yet entered into force.

3 See: https://www.ssa.gov/international/CoC_link.html .

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