



# GMS Flash Alert

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## United States – New Social Security Agreement Signed with Spain

On April 8, 2023, Spain and the United States signed a new Social Security Agreement (SSA) – a “totalization agreement.”<sup>1</sup> Once the SSA goes into effect, it will replace the current totalization agreement signed on September 30, 1986.<sup>2</sup>

### WHY THIS MATTERS

Totalization agreements promote mobility of workers between two countries by eliminating double social security taxation of the same earnings and filling gaps in benefit protection for workers who have divided their careers between two countries. A totalization agreement serves to ensure that workers pay into one social security system at a time and that they will benefit from the contributions made, regardless of where they have worked during their career.

### KPMG INSIGHTS

The Spain-United States SSA will enter into force after it has been approved by both countries. Under U.S. law, totalization agreements are not considered treaties, so do not require ratification by the U.S. Senate. Instead, the U.S. president will transmit the text of the SSA to the U.S. House of Representatives. If the House takes no action to block it, the SSA will be considered approved by the United States. On average, U.S. totalization agreements have entered into force within a little less than two years from signing.<sup>3</sup>

The text of the SSA has not yet been made public.

For applicable social security rules and the liability (and future benefits) of mobile employees between the United States and Spain under the current totalization agreement, please consult with your professional tax adviser or a member of your KPMG LLP (U.S.) engagement team.

## FOOTNOTES:

1 Secretaría de Estado de la Seguridad Social y Pensiones, "España y Estados Unidos garantizan una mayor protección para los trabajadores con el nuevo Convenio de Seguridad Social" publicado en *La Revista de la Seguridad Social* (08/04/2024) at: <https://revista.seg-social.es/-/espa%C3%B1a-estados-unidos-mayor-proteccion-trabajadores-nuevo-convenio-seguridad-social> .

Ministerio de Inclusion, Seguridad Social, y Migraciones, "España y Estados Unidos garantizan una mayor protección para los trabajadores con el nuevo Convenio de Seguridad Social" (08/04/2024) at: <https://www.inclusion.gob.es/w/espana-y-estados-unidos-garantizan-una-mayor-proteccion-para-los-trabajadores-con-el-nuevo-convenio-de-seguridad-social> .

2 See [U.S.-Spanish Social Security Agreement](#), September 30, 1986 (entered into force April 1, 1988).

3 See this U.S. Social Security Administration website "[Status of Totalization Agreements](#)."

\* \* \* \*

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