

Social Security

International Programs

Totalization Agreement with Italy

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[SSA](#) Publication [No.](#) 05-10171, January 2006, [ICN](#) 480187 [**OMB Approval Number: 0960-0554** Expires 12/31/2016]

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Introduction

An agreement effective November 1, 1978, between the United States and Italy improves Social Security protection for people who work or have worked in both countries. It helps many people who, without the agreement, would not be eligible for monthly retirement, disability or survivors benefits under the Social Security system of one or both countries. It also helps people who would otherwise have to pay Social Security taxes to both countries on the same earnings.

For the United States, the agreement covers Social Security taxes (including the U.S. Medicare portion) and Social Security retirement, disability and survivors insurance benefits. It doesn't cover benefits under the U.S. Medicare program or the Supplemental Security Income (SSI) program. For Italy, it also includes family allowances.

This document covers highlights of the agreement and explains how it may help you **while you work** and **when you apply for benefits**.

The Agreement May Help You, Your Family And Your Employer

- **While you work**—If your work is covered by both the U.S. and Italian Social Security systems, you (and your employer, if you are employed) would normally have to pay Social Security taxes to both countries for the same work. However, the agreement eliminates this double coverage so you pay taxes to only one system (see the section on "Coverage And Social Security Taxes").
- **When you apply for benefits**—You may have some Social Security credits in both the U.S. and Italy but not have enough to be eligible for benefits in one country or the other. The agreement makes it easier to qualify for benefits by letting you add together your Social Security credits in both countries. For more details, see the section on "Monthly Benefits".

Coverage And Social Security Taxes

Before the agreement, employees, employers and self-employed persons could, under certain circumstances, be required to pay Social Security taxes to both the United States and Italy for the same work.

Under the agreement, a U.S. national who would otherwise be covered by both countries, is only covered by the United States. An Italian national or dual U.S./Italian national who would otherwise be covered by both countries generally may choose the country to which Social Security taxes will be paid (see the following table).

Summary Of Agreement Rules

The following table shows whether your work is covered under the U.S. or Italian Social Security system. If you are covered under U.S. Social Security, you and your employer (if you are an employee) must pay U.S. Social Security taxes. If you are covered under the Italian system, you and your employer (if you are an employee) must pay Italian Social Security taxes. "Certificate Of Coverage" section explains how to get a form from the country where you are covered that will prove you are exempt in the other country.

Your work status	Coverage and taxes
<i>You are a U.S. National working in Italy:</i>	
• For a U.S. employer	U.S.
• For an Italian (or other non-U.S.) employer	Italy
• As a self-employed person	U.S.
<i>You are a U.S. national working in the U.S.:</i>	
• For an Italian employer	U.S.
• As a self-employed person	U.S.
<i>You are an Italian national working in the U.S.:</i>	
• For an Italian employer (or Italian-controlled business)	You may elect either U.S. or Italian coverage (see "Election Of Coverage" section)
• For a U.S. (or other non-Italian) employer	U.S.
• As a self-employed person and you are a resident of the United States	U.S.
<i>You are an Italian national working in Italy:</i>	
• For Italian employer	Italy

• For a U.S. employer or as a self-employed person and you are a resident of the United States	You may elect either U.S. or Italian coverage (see "Election Of Coverage" section)
You are a dual U.S./Italian national working in Italy:	
In employment or self-employment covered under both systems	You may elect either U.S. or Italian coverage (see "Election Of Coverage" section)
You are a dual U.S./Italian national working in the U.S.:	
• In employment covered under both systems	You may elect either U.S. or Italian coverage (see "Election Of Coverage" section)
• As a self-employed person	U.S.
You are a third country national regardless of the employer:	
• Working in the U.S.	U.S.
• Working in Italy	Italy

Note

As the table indicates, a U.S. national employed in Italy can be covered by U.S. Social Security only if he or she works for a U.S. employer. A **U.S. employer** includes a corporation organized under the laws of the United States or any state, a partnership if at least two-thirds of the partners are U.S. residents, an individual who is a resident of the U.S. or a trust if all the trustees are U.S. residents. The term also includes a foreign affiliate of a U.S. employer if the U.S. employer has entered into an agreement with the Internal Revenue Service under section 3121(l) of the Internal Revenue Code to pay Social Security taxes for U.S. citizens and residents employed by the affiliate.

Election Of Coverage

Under the terms of the agreement, a national of the United States or Italy who would otherwise be covered by both countries, will generally remain covered only by the country of which he or she is a national and is exempt in the other. However, Italian nationals and dual nationals (nationals of both the U.S. and Italy) who are working in employment or self-employment covered by both systems must elect to be exempt from coverage and taxation under one system and to pay Social Security taxes to the other. This election **must** be made within three months from the date the work begins. If you are an Italian national, you may subsequently change your election of coverage. However, you may change your election only:

- During the second year after the year you begin your work; or, if later,
- When you acquire or lose permanent U.S. residence status.

If you are a dual U.S./Italian national working in employment or self-employment covered by the United States and Italy, your election for that particular job is final and may not be changed. However, you may change your election if you begin a new job that is covered by both countries.

To make an election, you or your employer should write to the Social Security system of the country where you want to continue your coverage and request a certificate of coverage from that country. You should send the request to the appropriate address shown in the following section of this document.

Certificate Of Coverage

A certificate of coverage issued by one country serves as proof of exemption from Social Security taxes on the same earnings in the other country.

Certificates For Employees

To establish an exemption from compulsory coverage and taxes under the Italian system, your employer must request a certificate of coverage (form USA/IT 4) from the U.S. at this address:

Social Security Administration
Office of International Programs
P.O. Box 17741
Baltimore, Maryland 21235-7741
U.S.A.

The request may be sent by FAX, if preferred, to **(410) 966-1861**. Please note this FAX number should only be used for requesting certificates of coverage.

No special form is required to request a certificate, but, the request must be in writing and provide the following information:

- Full name of worker;
- Date and place of birth;
- Citizenship;
- Country of worker's permanent residence;
- U.S. Social Security number;
- Name and address of the employer in the U.S. and Italy; and
- Date the employment began.

In addition, your employer must indicate if you remain an employee of the U.S. company while working in Italy or if you become an employee of the U.S. company's affiliate in Italy. If you become an employee of an affiliate, your employer must indicate if the U.S. company has an agreement with the Internal Revenue Service under section 3121(l) of the Internal Revenue Code to pay U.S. Social Security taxes for U.S. citizens and residents employed by the affiliate and, if yes, the effective date of the agreement.

Your employer can also request a certificate of U.S. coverage for you over the Internet using a special online request form available at opts.ssa.gov.

To establish your exemption from coverage under the U.S. Social Security system, your employer in Italy must request a certificate of coverage (form IT/USA 4) from Italy by writing to the provincial office of the Istituto Nazionale della Previdenza Sociale in the province where the Italian employer is located.

The same information required for a certificate of coverage from the United States is needed to get a certificate from Italy except that you must show your Italian Social Security number rather than your U.S. Social Security number.

Certificates For Self-Employed Persons

If you are self-employed and would normally have to pay Social Security taxes to both the U.S. and Italian systems, you can establish your exemption from one of the taxes:

- If you are a U.S. national or you are a U.S. resident, you can apply for a U.S. certificate of coverage online at [opts.ssa.gov](https://www.oas.samhsa.gov) or write to the address in "Certificates For Employees" section; or
- If you are an Italian national or dual U.S./Italian national and wish to elect Italian coverage, the provincial office of the Istituto Nazionale della Previdenza Sociale in the province where you work.

Be sure to provide the following information in your letter:

- Full name;
- Date and place of birth;
- Citizenship;
- Country of permanent residence;
- U.S. and/or Italian Social Security number;
- Nature of self-employment activity;
- Dates the activity was or will be performed; and
- Name and address of your trade or business in both countries.

Effective Date Of Coverage Exemption

The certificate of coverage you receive from one country will show the effective date of your exemption from paying Social Security taxes in the other country. Generally, this will be the date you began working in the other country.

Certificates of coverage issued by Italy should be retained by the employer in the United States in case of an audit by the Internal Revenue Service (IRS). No copies should be sent to IRS unless specifically requested by IRS. However, a self-employed individual must attach a **photocopy** of the certificate to his or her income tax return each year as proof of the U.S. exemption.

Copies of certificates of coverage issued by the United States will be provided for both the employee and the employer. It will be their responsibility to present the certificate to the Italian authorities when requested to do so. To avoid any difficulties, your employer (or you, if you are self-employed) should request a certificate as early as possible, preferably before your work in the other country begins.

If you or your employer request a certificate of coverage, you should read the Privacy Act and Paperwork Reduction Act statements below.

Authority to collect information for a certificate of coverage

Privacy Act

The *Privacy Act* requires us to notify you that we are authorized to collect this information by section 233 of the *Social Security Act*. While it is not mandatory for you to furnish the information to the Social Security Administration (SSA), a certificate of coverage cannot be issued unless a request has been received. The information is needed to enable SSA to determine if work should be covered only under the U.S. Social Security system in accordance with an international agreement. Without the certificate, work may be subject to taxation under both the U.S. and the foreign Social Security systems.

Paperwork Reduction Act Notice

This information collection meets the clearance requirements of 44 U.S.C. section 3507, as amended by section 2 of the *Paperwork Reduction Act of 1995*. You are not required to answer these questions unless we display a valid Office of Management and Budget (OMB) control number. We estimate that it will take you about 30 minutes to read the instructions, gather the necessary facts, and write down the information to request a certificate of coverage.

Monthly Benefits

The following table shows the various types of Social Security benefits payable under the U.S. and Italian Social Security systems and briefly describes the eligibility requirements that normally apply for each type of benefit. If you don't meet the normal requirements for these benefits, the agreement may help you to qualify (see "How Benefits Can Be Paid" section).

This table is only a general guide. You can get more specific information about U.S. benefits here on our web site or at any U.S. Social Security office. You can get more detailed information about the Italian system by writing to the Italian address in "For More Information" section or by visiting the Italian Social Security system web site at www.inps.it.

Under U.S. Social Security, you may earn up to four credits each year depending on the amount of your covered earnings. The amount needed to earn a work credit goes up slightly each year. For more information, see *How You Earn Credits* (SSA Publication No. 05-10072).

Under the Italian system, credits are measured in weeks. To simplify the information in the table, requirements are shown in years of credits.

Monthly Benefits And Eligibility Requirements

RETIREMENT OR OLD-AGE BENEFITS	
UNITED STATES	ITALY
<p>Worker-Full benefit at full retirement age, or reduced benefit as early as age 62. Required work credits range from one and one-half to 10 years (10 years if 62 in 1991 or later).</p>	<p>Worker-Benefit payable at age 65 for men and age 60 for women with 20 years of credit or at any age with 35 years of credit.</p>
DISABILITY BENEFITS	
UNITED STATES	ITALY
<p>Worker-Under full retirement age can get benefit if unable to do any substantial gainful work for at least a year. One and one-half to 10 years credit needed, depending on age at date of onset. Some recent work credits also needed unless worker is blind.</p>	<p>Worker- Full disability benefit if under pensionable age and permanently and totally disabled. Total of five years of coverage with three years in the last five years. Partial disability benefit if two-thirds reduction in working capacity.</p>
FAMILY BENEFITS TO DEPENDENTS OF RETIRED OR DISABLED PERSONS	
UNITED STATES	ITALY
<p>Spouse-Full benefit at full retirement age or at any age if caring for the worker's entitled child under age 16 (or disabled before age 22). Reduced benefit as early as age 62 if not caring for a child.</p>	<p>Spouse-No provision. However, a supplement is payable to the worker for a dependent wife or disabled husband regardless of age.</p>
<p>Divorced Spouse-Full benefit at full retirement age. Reduced benefit as early as age 62. Must be unmarried and have been married to worker for at least 10 years.</p>	<p>Divorced Spouse-No provision.</p>

Children -If unmarried, up to age 18 (age 19 if in an elementary or secondary school full time) or any age if disabled before age 22.	Children -No provision. However, a supplement is payable to the worker for a dependent child who is under age 18, age 18-21 and attending middle or vocational school, under age 26 and attending a university or disabled regardless of age.
SURVIVORS BENEFITS	
UNITED STATES	ITALY*
Widow -Full benefit at full retirement age or at any age if caring for the deceased's entitled child under age 16 (or disabled before age 22). Reduced benefit as early as age 60 (or age 50 if disabled) if not caring for child. Benefits may be continued if remarriage occurs after age 60 (or age 50 if disabled).	Widow -Any age if dependent on the worker. Worker must have been entitled to benefits or have five years of credit.
Widower -Same as for widow.	Widower -Must be disabled. Other requirements same as widow.
Divorced widow or widower -Same as widow or widower if marriage lasted at least 10 years.	Divorced widow or widower - No provision.
Children -Same as for children of retired or disabled worker.	Children -Up to age 18 (or age 22 if attending middle or vocational school; or age 26 if attending university) or any age if disabled before age 18 or the death of the worker.
Dependent Parent -Age 62 or older (even if others eligible).	Dependent Parent -Age 65 and no surviving spouse or child.
Dependent Brother or Sister -No provision.	Dependent Brother or Sister -Any age if disabled, unmarried and there is no surviving spouse, child or parent.
Lump-Sum Death Benefit -A one-time payment not to exceed \$255 payable on the death of an insured worker.	Lump-Sum Death Benefit -No provision.

*In Italy, family members must be dependent on the worker and are presumed to be if they are living in the same household.

How Benefits Can Be Paid

If you have Social Security credits in both the United States and Italy, you may be eligible for benefits from one or both countries. If you meet all the basic requirements under one country's system, you will get a regular benefit from that country. If you don't meet the basic requirements, the agreement may help you qualify for a benefit as explained below.

- **Benefits from the U.S.**—If you don't have enough work credits under the U.S. system to qualify for regular benefits, you may be able to qualify for a partial benefit from the United States based on both U.S. and Italian credits. Only Italian credits earned after 1936 may be counted. However, to be eligible to have your Italian credits counted, you must have earned at least six credits (generally one and one-half years of work) under the U.S. system. If you already have enough credits under the U.S. system to qualify for a benefit, the United States cannot count your Italian credits.

- **Benefits from Italy**—Social Security credits from both countries can also be counted, when necessary, to meet the eligibility requirements for Italian benefits. To be eligible to have your U.S. and Italian credits counted, you must have at least one year of coverage since 1920 under any of the programs administered by the following four Italian Social Security Agencies:
 1. Istituto Nazionale della Previdenza Sociale;
 2. Ente Nazionale di Previdenza e Assistenza per i Lavoratori dello Spettacolo;
 3. Istituto Nazionale di Previdenza per i Dirigenti di Aziende Industriali; or
 4. Istituto Nazionale di Previdenza per i Giornalisti Italiani.

How Credits Get Counted

You don't have to do anything to have your credits in one country counted by the other country. If we need to count your credits under the Italian system to help you qualify for a U.S. benefit, we will get a copy of your Italian record directly from Italy when you apply for benefits. If Italy needs to count your U.S. credits to help you qualify for an Italian benefit, they will get a copy of your U.S. record directly from the Social Security Administration when you apply for the Italian benefit.

Although each country may count your credits in the other country, your credits are not actually transferred from one country to the other. They remain on your record in the country where you earned them and can also be used to qualify for benefits there.

Computation Of U.S. Benefit Under The Agreement

When a U.S. benefit becomes payable as a result of counting both U.S. and Italian Social Security credits, an initial benefit is determined based on your U.S. earnings as if your entire career had been completed under the U.S. system. This initial benefit is then reduced to reflect the fact that Italian credits helped to make the benefit payable. The amount of the reduction will depend on the number of U.S. credits: the more U.S. credits, the smaller the reduction; and the fewer U.S. credits, the larger the reduction.

An Italian Pension May Affect Your U.S. Benefit

If you qualify for Social Security benefits from both the United States and Italy and you didn't need the agreement to qualify for either benefit, the amount of your U.S. benefit may be reduced. This is a result of a provision in U.S. law which can affect the way your benefit is figured if you also receive a pension based on work that was not covered by U.S. Social Security. For more information, get the publication, *Windfall Elimination Provision* (Publication No. 05-10045). If you are outside the United States, you may write to us at the address in "For More Information" section.

What You Need To Know About Medicare

Medicare is the U.S. national health insurance system for people age 65 or older or who are disabled. Medicare has two parts: hospital insurance (also called "Part A" Medicare) and medical insurance (called "Part B" Medicare). You are eligible for free hospital insurance at age 65 if you have worked long enough under U.S. Social Security to qualify for a retirement benefit. People born in 1929 or later need 40 credits (about 10 years of covered work) to qualify for retirement benefits.

Although the agreement between the United States and Italy allows the Social Security Administration to count your Italian credits to help you qualify for U.S. retirement, disability or survivor benefits, the agreement doesn't cover Medicare benefits. As a result, we cannot count your credits in Italy to establish entitlement to free Medicare hospital insurance.

For more information about Medicare, visit Medicare's website at www.medicare.gov.

Claims For Benefits

If you live in the United States and wish to apply for U.S. or Italian benefits:

- visit or write any U.S. Social Security office; or

You can apply for Italian benefits at any U.S. Social Security office by completing an application form SSA-2490.

If you live in Italy and wish to apply for U.S. or Italian benefits, contact

- the U.S. Embassy in Rome (phone **6-4674-2326**) or the U.S. Consulate in Naples (phone **81-5838-235**) to file for U.S. benefits; or
- the nearest office of the Istituto Nazionale della Previdenza Sociale to file for Italian benefits.

You can apply with one country and ask to have your application considered as a claim for benefits from the other country. Information from your application will then be sent to the other country. Each country will process the claim under its own laws—counting credits from the other country when appropriate—and notify you of its decision.

If you haven't applied for benefits before, you may need to provide certain information and documents when you apply. These include the worker's U.S. and Italian Social Security numbers, proof of age for all claimants, evidence of the worker's U.S. earnings in the past 24 months, and information about the worker's coverage under the Italian system. You may wish to call the Social Security office before you go there to see if any other information is needed.

Payment Of Benefits

Each country pays its own benefit. U.S. payments are made by the U.S. Department of Treasury each month and cover benefits for the preceding month. Italian benefits are paid through the Banca Commerciale Italiana in New York for beneficiaries living in the United States. If you live outside Italy, payments are made every four months for the two previous months and the two succeeding ones.

Absence From U.S. Territory

Normally, persons who are not U.S. citizens may receive U.S. Social Security benefits while outside the U.S. only if they meet certain requirements. Under the agreement, however, you may receive benefits as long as you reside in Italy regardless of your nationality. If you are not a U.S. citizen and live in another country, you may not be able to receive benefits. The restrictions on U.S. benefits are explained in the publication, *Social Security—Your Payments While You Are Outside The United States* (Publication No. 05-10137).

Appeals

If you disagree with the decision made on your claim for benefits under the agreement, contact any U.S. Social Security or Italian Social Security office. The people there can tell you what you need to do to appeal the decision.

The Italian Social Security authorities will review your appeal if it affects your rights under the Italian system, while U.S. Social Security authorities will review your appeal if it affects your rights under the U.S. system. Since each country's decisions are made independently of the other, a decision by one country on a particular issue may not always conform with the decision made by the other country on the same issue.

For More Information

To **file a claim** for U.S. or Italian benefits under the agreement, follow the instructions in Claims For Benefits section.

To find out more about U.S. Social Security benefits or for information about a claim for benefits, contact any U.S. Social Security office. **If you live outside the United States, write to:**

Social Security Administration
OEIO—Totalization
P.O. Box 17769

Baltimore, Maryland 21235-7769
U.S.A.

For more information about Italy's Social Security programs, visit any Social Security office in Italy. If you don't live in Italy, write to:

Ministero del Lavoro e
delle Politiche Sociali
Direzione General per le
politiche previdenziali
Div. II
via Flavia 6
00187
Roma
ITALY

If you **don't wish to file a claim for benefits**, but would like more information about the agreement, write to:

Social Security Administration
Office of International Programs
P.O. Box 17741
Baltimore, Maryland 21235-7741
U.S.A.

For additional information visit our website: www.socialsecurity.gov/international.