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Azadi Ka
Amrit Mahotsav

Social Security for International Workers through Social Security Agreements



ईपीएफओ EPFO
श्रम और रोजगार मंत्रालय, भारत सरकार
MINISTRY OF LABOUR AND EMPLOYMENT
GOVERNMENT OF INDIA



SOCIAL SECURITY FOR INTERNATIONAL WORKERS THROUGH SOCIAL SECURITY AGREEMENTS

Advent of Globalisation and Economic liberalization, coupled with changing demographic profile of the world has made International migration of labour inevitable. India, with a large pool of young and technically qualified manpower has emerged as a global reservoir of human capital. This has encouraged mobility of skilled workforce from India to other countries.

Indian professionals working in various countries were required to make the mandatory social security contributions in the countries of their posting. However despite making monetary contributions, such migrant Indian expatriates were deprived of social security benefits in the host country.

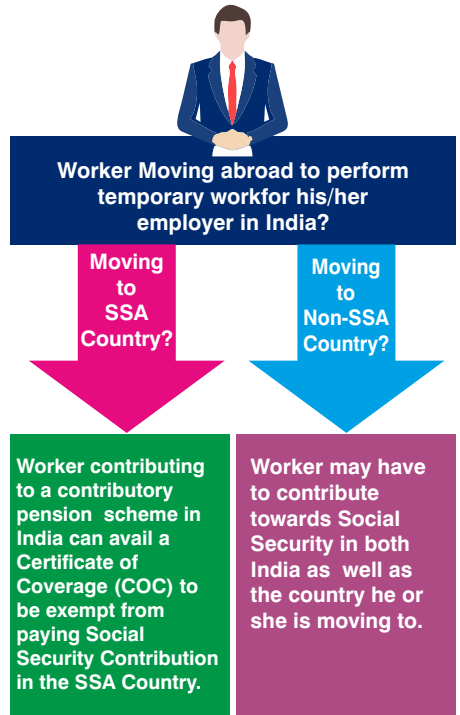
The contributions made by such migrant professionals during their stay in the host country were lost as the benefits are not payable before expiry of a minimum qualifying period and return of contribution paid in that country is not available in case of return to the home country.

SOCIAL SECURITY AGREEMENT (SSA)

With a view to protect the rights of migrant workers, Government of India decided to enter into bilateral Social Security Agreements (SSAs). A Social Security Agreement (SSA) coordinates the social security schemes of two contracting states in order to ensure continuity of social security coverage and facilitate extension of benefits to migrant workers, on reciprocal basis.

A SSA generally covers four important provisions namely, '**Detachment**', '**Totalisation**', '**Portability**' and '**Equality of treatment**'.

(i) Detachment – Indian employees working in countries with which India has Social Security Agreements are exempted from contributing to their Social Security System, provided they are complying with the Indian Social Security System. This exemption is available for a specified period stipulated in the agreement.



(ii) Totalisation – The period of service rendered in SSA country is counted for determining eligibility for pension. The actual pensionary benefits, however, are payable only for the period of contributory service in India on pro-rata basis.



(iii) Portability – Pension benefits are payable without reduction, direct to the beneficiaries choosing to reside in the home country or in any other country.



(iv) Equality of Treatment- Indian Nationals are to be treated equal to Nationals of the host country with regard to applicability of legislations covered under the SSA.

EPFO has been designated as the Competent Institution/Liaison Agency to operate the provisions of the SSAs and for issuing Certificates of Coverage (COC) to the employees of establishments covered under the EPF Act as well as the employees of other social security providers like the Seamen's Provident Fund, Banks etc., when they are posted abroad in a country having SSA with India

SPECIAL PROVISIONS IN RESPECT OF INTERNATIONAL WORKER

To implement the provisions of bilateral SSAs, enabling provisions for International Worker (IW) were introduced by inserting Para 83 in the EPF Scheme and Para 43A in Employees' Pension Scheme and given effect from 1st October, 2008.

The special provisions provide for identification, exclusion, membership and benefits in respect of an International Worker.

DEFINITION OF INTERNATIONAL WORKER (IW):

An International Worker (IW) may be an Indian worker or a foreign national as defined under paragraph 2(ja) of the Scheme, 1952

- i) An Indian employee having worked or going to work in a foreign country with which India has entered into a social security agreement and being eligible to avail the benefits under social security programme of that country, by virtue of the eligibility gained or going to gain, under the said agreement;
- ii) An employee other than an Indian employee, holding other than an Indian Passport, working for an establishment in India to which the EPF & MP Act, 1952 applies;

COVERAGE:

Every International Worker (as defined in para 83 of the EPF Scheme, 1952), other than an 'excluded employee is required to be a member of the Employees' Provident Fund from the date of joining of the EPF covered establishment. Excluded employee in case of International Workers are of two categories:

- National of a SSA country duly issued with a COC by his/her home country
- Singapore nationals who are contributing to the Social Security system of their home country (in accordance with India Singapore CECA 2005}

The following 20 Social Security Agreements have been signed by India till date. Various benefits available under the SSAs are mentioned in the table below:

SSAs signed by India and benefits enshrined therein

S No	Country	Date of Effect	Detachment	Totalisation	Portability
1	Belgium	01-09-2009	5 years	√	√
2	Germany	01-10-2009	4 years	√	√
3	Switzerland	29-01-2011	6 years	×	√
4	Denmark	01-05-2011	5 years (for Indians) 3 years (for Danish)	√	√
5	Luxembourg	01-06-2011	5 years	√	√
6	France	01-07-2011	5 years	√	√
7	South Korea	01-11-2011	5 years	√	√
8	Netherlands	01-12-2011	5 years	×	√
9	Hungary	01-04-2013	5 years	√	√
10	Finland	01-08-2014	5 Years	√	√
11	Sweden	01-08-2014	2 Years	√	√
12	Czech Republic	01-09-2014	5 Years	√	√
13	Norway	01-01-2015	5 Years	√	√
14	Austria	01-07-2015	5 Years	√	√
15	Canada	01-08-2015	5 Years	√	√
16	Australia	01-01-2016	5 Years	√	√
17	Japan	01-10-2016	5 Years	√	√
18	Quebec	01-04-2017	5 Years	√	√
19	Portugal	08-05-2017	5 Years	√	√
20	Brazil	Yet to enter into force	3 Years	√	√

COMPLIANCE:

For the purpose of compliance, the first step is the identification of all IWs. The IWs include Indians as well as foreigners.

Foreigner IWs: All foreign nationals working in the EPF covered establishments in India are IWs. Although those foreign nationals who come from an SSA country and are carrying a duly issued COC shall be treated as excluded IW and not required to contribute to the EPFO till the current period of the COC.

Indian IWs: Indian IWs fall within two categories:

- **Indians going to work in SSA country without COC:** For this category of IWs the contribution is to be made on full salary without any wage ceiling. Such Indians might be having a double liability of Social Security Contribution both in India and in the SSA country
- **Indians going to work in SSA country with COC:** For this category, on the strength of the COC such Indians are not required to contribute to the SSA country, but they are required to contribute to the EPFO on full salary

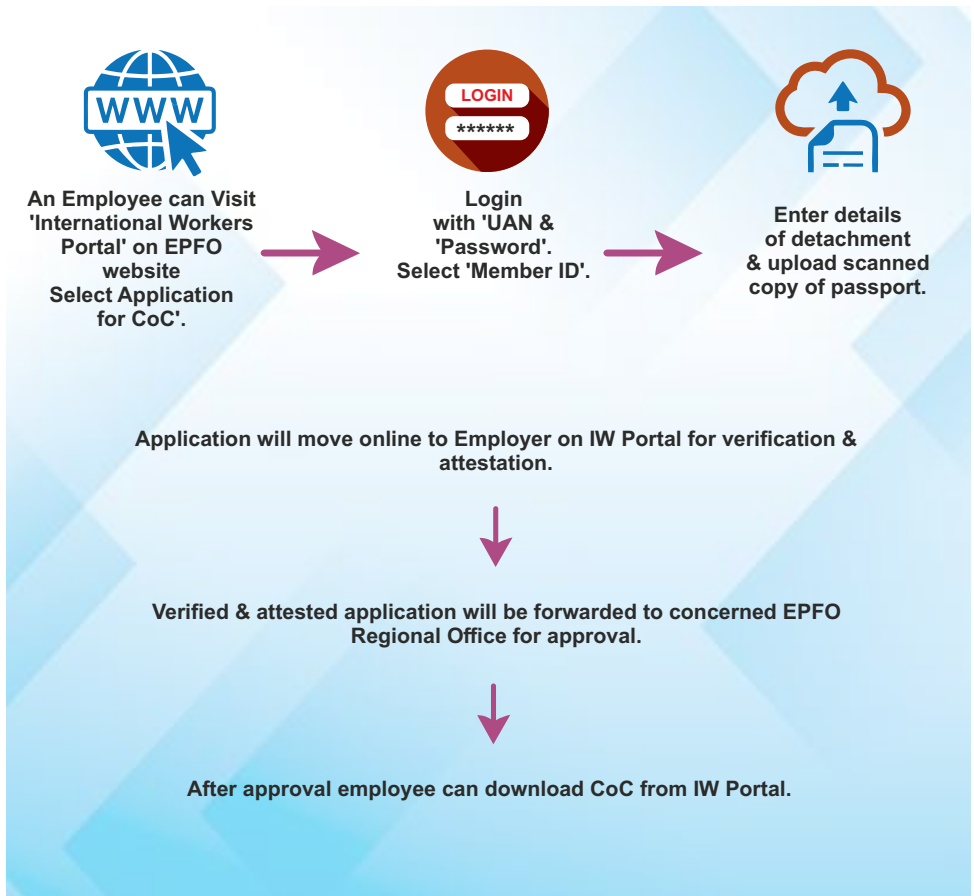
CONTRIBUTION:

The contribution in respect of all IWs is payable on full salary, irrespective of the wage ceiling. The definition of Basic Wages in the Act and the EPF Scheme applies to the IWs also, the only difference being that the wage ceiling does not apply to the IWs.

CERTIFICATE OF COVERAGE (COC):

- A "Certificate of Coverage" {COC} is issued in respect of an employee, who is posted for a short-term assignment by his/her Indian employer to a country with whom India has an SSA.
- For availing a COC, the worker is required to submit an application online on the IW portal which can be accessed by visiting - <https://epfoportals.epfindia.gov.in/iwu/>.

- The application filed by the applicant moves to the login of his/her employer on the IW Portal for their verification through e-sign.
- Upon verification of the employer, the application is received in the login of the concerned Regional Office.
- The Concerned Regional Office either approves or reject the COC application based on the information provided by the applicant and his/her employer. Upon approval the COC is issued to the applicant which he/she can download by logging into their account on the IW Portal.



SSA	Total Number of COCs Issued (As on 27.07.2022)	Total Number of Active COCs (As on 27.07.2022)
India-Belgium SSA	32318	2383
India-Germany SSA	74427	3706
India-Switzerland SSA	23534	1258
India-Denmark SSA	9043	814
India-Luxembourg SSA	1298	194
India-France SSA	12123	529
India-South Korea SSA	2268	81
India-Netherlands SSA	42137	2780
India-Hungary SSA	2635	236
India-Finland SSA	6190	412
India-Sweden SSA	23121	1283
India-Czech SSA	1199	107
India-Norway SSA	7813	603
India-Austria SSA	1273	100
India-Canada SSA	32051	8553
India-Australia SSA	50458	4197
India-Japan SSA	12001	1594
India-Portugal SSA	165	35
India-Quebec SSA	268	143
Total	334322	29008

BENEFITS TO IWs UNDER THE SCHEMES ADMINISTERED BY EPFO:

Benefits under the EPF Scheme

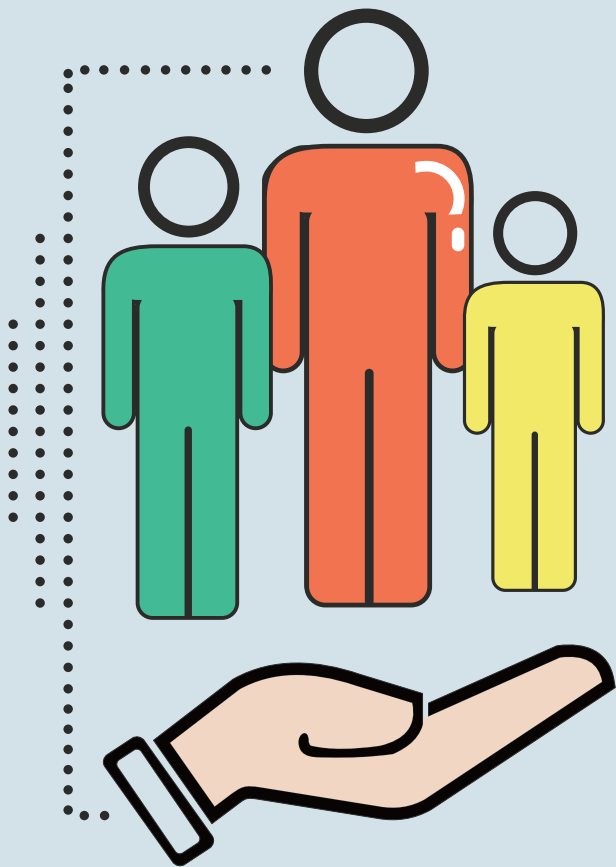
1. An IW can avail advances from his EPF Account for various reasons as mentioned under the EPF Scheme.
2. An IW may withdraw, in accordance with para 83, the full amount standing to his credit in the fund in the following circumstances only:
 - 1) On retirement after attaining the age of 58 years
 - 2) Permanent and total incapacity for work, Mental infirmity (includes TB, leprosy and cancer)
 - 3) For members covered under the SSA, on ceasing to be in employment in the EPF covered establishment.

Benefits under the Employees' Pension Scheme, 1995

1. An IW having service more than 10 years is eligible for pension under EPS.
2. In case of unfortunate event of the death of the IW, the survivors' including the dependent parents, widow/widower, children as the case may be, are eligible for pension.
3. An IW having service more than 10 years can avail reduced/early pension after attaining the age of 50 years.
4. An IW from country having SSA with India is eligible for withdrawal benefit in case his service after totalisation is less than 10 years.

Benefits under the EDLI Scheme

In case of death in service of the IW, A nominee or legal heir of an active member of EPFO gets a lump sum payment of up to Rs. 7 Lakhs in case of death of the member during the service period.





EMPLOYEES' PROVIDENT FUND ORGANISATION

Ministry of Labour & Employment
Government of India
www.epfindia.gov.in