



Social Security Agreement between Australia and the United States of America (USA) - Frequently Asked Questions

Note: the following information is provided as a guide only. People should contact [Centrelink International Services](#) on 131 673 for specific information relating to their circumstances.

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When did the Agreement start?

The Agreement commenced on 1 October 2002.

What does the Agreement do?

Under the Agreement Australia and the USA share responsibility for paying pensions to people who would otherwise not be entitled because they do not have enough residence in Australia or enough 'quarters' of coverage in the USA. It will also help people who could not otherwise claim a pension because they are living abroad.

What payments are covered by the Agreement?

The social security benefits covered by the Agreement are as follows:

Australia

- Age Pension
- Disability Support Pension for the severely disabled
- pensions payable to widowed persons (Parenting Payment (single) and Bereavement Allowance)
- Carer Payment (to partners of people that receive Age Pension or Disability Support Pension)

USA

- retirement benefits
- disability benefits
- survivor benefits

What are the main features of the Agreement?

Australian legislation requires a person to have a minimum of 10 years Australian residence before they can claim Age Pension or Disability Support Pension (this rule changes if the person becomes disabled after they take up permanent residence in Australia). It also requires you to be an Australian resident and in Australia to claim a pension.

NB: Parenting Payment (single) and Bereavement Allowance have different residence requirements to Age Pension and Disability Support Pension.

[Services Australia](#) has information on residence requirements for payments covered by the Agreement.

US legislation requires a person to have a minimum number of credits or 'quarters of coverage' to qualify for retirement, disability and survivor payments. For example, 40 quarters of coverage are required to qualify for retirement benefits.

Under the Agreement, for the purposes of meeting minimum qualifying periods only, periods of employment or self-employment in Australia are treated by the US as contributions to the US system. In the same way, 'quarters of coverage' in the US are treated by Australia as periods of residence in Australia.

These periods are added together to meet the minimum periods required for the pensions offered by each country under the Agreement. Note however, these deemed periods do not affect the amount of pension.

A person who resides in the USA will be able to claim a pension from Australia without having to return to Australia for the purpose. Without the Agreement, the person must be residing in Australia in order to claim an Australian pension.

To use the Agreement to claim an Australian pension while residing in the USA, a person must have actually resided in Australia during their working life for a minimum of 12 months.

To use the Agreement to claim a US pension a person must actually have a minimum of 6 quarters of coverage.

How will seconded workers benefit under the Agreement?

The Coverage Provisions mean that contributions do not have to be made into both country's systems for an employee seconded to work temporarily in the other country. The Australian Taxation Office (ATO) is responsible for the administration of the coverage provisions. Contact the [ATO](#) if you require more information on this aspect of the Agreement.

Where and how are claims for social security benefits made?

In Australia

People living in Australia will be able to lodge claims for Australian pensions with any Centrelink Customer Service Centre.

Claiming a US Pension while residing in Australia

The process for people claiming US pensions is different to that for Australian pensions. Centrelink will assist people residing in Australia who wish to claim a US pension. They will collect personal details (including the person's US social security number) and pass these on to the Veteran Affairs Office in Manila, which will then send the necessary claim forms. Centrelink will not have claim forms for US pensions.

In the USA

People living in the US will be able to lodge claims for Australian and US pensions with their local [Social Security Administration](#) office.

When does payment start?

In Australia's case, payment starts from the date the claim is lodged or, if a claim is lodged early, the date the person qualifies for payment.

How are pensions and benefits paid?

If you get a pension from Australia, Services Australia will pay it directly into your bank account every 2 weeks.

If, however, you are living overseas, your pension will be paid directly into your bank account every 4 weeks. Payments are made to customers in the USA in US Dollars.

US pensions and benefits are paid monthly in arrears through the Social Security Administration.

Some people might get pensions from both countries so they will get two separate payments – one from Australia and one from the US.

Who handles claims and questions?

Claims and questions relating to the Agreement are to be handled by:

- for Australia: by [Centrelink International Services](#) (telephone 131673);
- Australian pensioners residing in the US will be able to contact Centrelink International Services on 1866 3433 086 toll free;
- for the US: by the [Social Security Administration](#);
- US pensioners living in Australia will be able to call the Veterans Affairs Regional Office in Manila on 0011 632 526 5936.

What documents do I need to make a claim?

Australian Benefits

When you claim an Australian pension you will need to complete a claim form and provide documents to prove your identity and periods of residence in Australia.

Proof of Identity

Some of the acceptable documents to prove your identity are:

- birth certificate or extract;
- current Australian passport;
- certificate of Australian citizenship.

Proof of Australian Residence

Helpful documents that can assist you do this include:

- Australian or overseas passport that shows your date of arrival in Australia;
- Entry visa;

- Australian citizenship papers;
- Employment and/or tax records, including group certificates issued by Australian employers.

NOTE: This is only a few of the documents that can be used to prove your identity and your Australian residence. [Centrelink](#) is able to provide more information on other acceptable documents to prove your identity and Australian residence.

If you are claiming an Australian pension while you are living in the USA, you will still have to provide proof of identity and proof of previous Australian residence.

US Benefits

The US authorities will advise what documentation you will need to provide. In some circumstances you will need to provide proof of employment in Australia.

What are the important things to know about the Australian social security system?

All claimants for Australian Agreement pensions need to meet the other qualifications (e.g. age limits, income or assets test) required for that pension under Australia's social security laws. Australian pensions are means tested: i.e. an assets test is applied and then an income test, and whichever test produces the lower rate is used for assessment. The pension rate is not affected by the income and assets test **at the same time**. The [Services Australia](#) website has information about the current income and assets test limits.

How much pension will I get paid under this Agreement?

Australian pension for a person not living in Australia

The rate of Australian pension payable outside of Australia is affected by two things: the length of residence in Australia during working life, and the amount of income or assets in excess of specified limits.

Australian pensions paid overseas are paid at a proportional rate reflecting the length of residence in Australia. For claims made since 1 July 2014, a person with 35 years residence during working life (between age 16 and Age Pension age) can be paid a full pension (subject to the means test). With less than 35 years, the rate is worked out on a proportional basis, so that someone with 20 years working life residence would receive 20/35ths (or 57%) of an Australian pension rate.

The income and assets tests also apply, so that a person with 35 years of working life residence in Australia could still receive only a part pension if their income or assets exceeded the threshold limits. The [Services Australia](#) website has more information about the current income and assets test.

When a pension is paid overseas the Agreement provides that a concession may apply on the proportion of any contributory US pension received which is counted as income for the income test. This also applies to pensions granted without the assistance of the Agreement.

Also, when any Australian pension is paid to a person in the US, any benefit payable under the US Supplemental Security Income program is not counted as income for Australian pension purposes.

Australian pension for a person living in Australia

When a pension is granted in Australia under the Agreement (because of lack of residence), the person receives the normal means tested pension less the amount of any US pension they also receive. The US pension is 'topped up' to the rate of Australian pension they would get if there was no US pension.

However, sometimes this 'top up' rate could be less than the person would get if they were living overseas and receiving a proportional Australian pension. When this is the case, the higher 'outside Australia' rate is paid, even though the person is in Australia.

Examples

Following are examples of how the Agreement assists people living in the USA.

Example 1

A person who lived for 20 years in Australia during working life (between age 16 and Age Pension age) is now living in the USA and is already receiving a US retirement pension. This person left Australia before reaching Age Pension age and therefore cannot get an Australian pension.

Entitlement

- **Without an Agreement**

Although this person has more than the 10 years required for Australian Age Pension, they will not qualify for payment because the person is not an Australian resident and in Australia at the time they claim.

- **With an Agreement**

Australian pension can be claimed and paid while the person is in the US. The Australian pension rate will be proportionalised, that is, the person will receive 20/35ths of the means-tested rate.

Example 2

A 65 year old man in the US has the minimum 40 quarters of coverage required to qualify for US retirement pension, but has lived in Australia for only 9 months.

Entitlement

- **Without an Agreement**

This person is entitled to US pension only. No Australian pension can be paid because of lack of Australian residence and also because he is not living in Australia.

- **With an Agreement**

No change. This person will still receive a US pension but will not be entitled to Australian pension because the minimum period of Australian working life residence required for the grant of Australian pension under the Agreement to a person living outside Australia is 1 year.

Example 3

A woman aged 65 has lived and worked in Australia for 8 years during her working life (between age 16 and Age Pension age). She has 32 quarters of coverage (about 8 years) in the USA. She is now living in the USA.

Entitlement

- **Without an Agreement**

She will not qualify for Australian pension because she is not living in Australia and if she did, she would not have the minimum 10 years of residence required to claim an Age Pension. Also, she would not qualify for a US retirement pension, based on her coverage period, because she doesn't have the minimum 40 quarters of coverage.

- **With an Agreement**

She will be able to claim and qualify for an Australian Age Pension in the US because her 8 years residence plus the quarters of coverage she has in the US add up to more than 10 years. Her rate of payment would be 8/35ths of the full rate, subject to the means test. She will also qualify for a US pension because she already has the minimum of 6 quarters of coverage required to claim under the Agreement, and can use the 8 years she has lived and worked in Australia to make up the necessary 40 quarters of coverage required for US retirement pension.

How do I find out more?

For more information on claim procedures and payments:

- Contact [Centrelink International Services](#).
- Visit your local Centrelink Customer Service Centre.
- Services Australia Publications - [Australia's International Social Security Agreements Factsheets](#)

For policy information, contact the [Department of Social Services](#) (complaints@dss.gov.au).

For more information on how the Agreement will assist seconded workers, contact the Australian Taxation Office.

Last updated: 30 August 2023 - 1:24pm